

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaint against the property assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

between:

Petwin Fairview Corp. (as represented by Linnell Taylor & Associates), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

K. D. Kelly, PRESIDING OFFICER

K. Coolidge, MEMBER

P. Pask, MEMBER

This is a complaint to the Calgary Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2012 Assessment Roll as follows:

ROLL NUMBER:	112142807
LOCATION ADDRESS:	7855 Flint RD SE
HEARING NUMBER:	65370
ASSESSMENT:	\$3,690,000

This complaint was heard on 26th day of June, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- *Mr. D. Sheridan - Linnell Taylor & Associates*

Appeared on behalf of the Respondent:

- *Mr. G. Bell - Assessor – City of Calgary*

REGARDING BREVITY:

[1] The Composite Assessment Review Board (CARB) reviewed all the evidence submitted by both parties. The extensive nature of the submissions dictated that in some instances certain evidence was found to be more relevant than others. The CARB will restrict its comments to the items it found to be most relevant.

Board's Decision in Respect of Procedural or Jurisdictional Matters:

[2] None.

Property Description:

[3] The subject is a multi-tenant (IWM) industrial warehouse property in the Fairview industrial area of southeast Calgary. It is improved with a 37,898 square foot (SF) 1971 era multi-bay warehouse building used by a variety of five small businesses. The 2 acre property has an aggregate of 26% office/retail finish; 40.19% site coverage; and is assessed at \$97.52 per SF of assessable area, for an indicated value of \$3,690,000.

[4] **Issue:**

1. The assessment is incorrect due to an incorrect assessable building area.

[5] **Complainant's Requested Value:** \$3,350,000 at \$97.37 per SF.

Board's Decision in Respect of Each Matter or Issue:

Issue #1

[6] The Complainant argued that the owners have advised him that the assessable area of the building is 34,440 SF and not 37,898 SF. The Complainant referenced an e-mail from a Mr. D. Snider, building manager, addressed to D. Sheridan dated April 25, 2012 outlining the perceived discrepancies as follows:

• 7805 –	Frame Source	5,517 (SF)
• 7815/25 -	JMR Millwork	11,633
• 7835 -	Sunco Drywall	6,130
• 7845 -	Wireless Advisors	3,372
• 7855 -	Granite Direct	<u>8,148</u>
	Total	34,440

[7] Mr Snider's e-mail also stated that "There is no common area or other factor for grossing up."

[8] The Complainant argued therefore that the assessment should be corrected as follows:

"Actual Area: $\$97.37 \times 34,440 \text{ SF} = \$3,353,423$ " and rounded to \$3,350,000.

[9] The Complainant provided no other plans, diagrams, or architectural drawings of the subject in support of his position. He clarified that the building manager had used "leased areas" to arrive at his amended leasable area calculations. The Complainant also provided no market or equity evidence to refute the assessed value ascribed to the subject by the City using Mass Appraisal.

[10] The Respondent clarified that the City inspected and measured the property in July of 2009. At that point the City calculated the total (aggregate) main floor office area of all five demised spaces to be 6,928 SF and the aggregate warehouse space to be 28,162 SF for a total main floor area of 35,090 SF. The Respondent provided measured diagrams of the spaces in question, said to have been completed in 2009.

[11] The Respondent also provided measured diagrams of the Mezzanine area in the subject as defined in July 2009. The Mezzanine office area was calculated to be 2,808 SF, and the Mezzanine Storage space 3,240 SF for a total Mezzanine area of 6,048 SF. In aggregate, the two defined assessable areas totalled 41,138 SF.

[12] The Respondent noted however that the respective office and Mezzanine areas may have changed over time since 2009 and the City is now assessing a total of only 37,898 SF. He also noted that it is unclear as to precisely how the property manager is measuring the assessable areas which is prompting this inquiry. He noted that the author of the e-mail in question is not in attendance to respond to questions or clarify this matter. He also noted that the Complainant has provided no maps, diagrams or architectural drawings to support his position that the assessable area is incorrect.

[13] The Respondent opined that it was unclear whether or not the building manager had included all mezzanine areas – which are assessable, in his building area calculations. He noted that perhaps it was time for both the City and owners to arrange for a joint site inspection to bring all current measurements up to date.

[14] The Respondent argued that the Complainant has provided no market evidence to refute the City's assessment of the subject, whereas he had provided six comparable market sales and three equity comparables, and this evidence supports the assessment.

Board's Findings - Issue #1

[15] The Board finds that it has insufficient documentary evidence from the Complainant to make any adjustment to the assessable area of the subject. It is unclear to all parties to this hearing precisely how the building manager obtained his calculations for the subject's assessable area. That is, did he rely simply on the gross area(s) contained in each lease, and were/are mezzanine areas included in those figures?

[16] The Board finds that the only building plans before it, while dated, were submitted by the Respondent and these were obtained as a result of a site visit by the City in 2009. This evidence supports the assessment.

[17] The Board finds that the e-mail "letter" prepared by the building manager is insufficient evidence for the Board to make any adjustment to the assessment. Moreover, the building manager was not in attendance at this hearing to speak to the "letter" or this issue.

[18] The Board finds that the Complainant provided no market or equity evidence in support of his request for a reduced assessment. The Respondent however provided six market sales and three equity comparables which supported the assessment.

[19] The Board finds that it concurs with the parties, who have agreed to conduct a joint site visit to identify and measure more precisely, the assessable areas.

Board's Decision:

[20] The assessment is confirmed at \$3,690,000.

DATED AT THE CITY OF CALGARY THIS 18th DAY OF July 2012.


K. D. Kelly
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C-1	Complainant Disclosure
2. C-2	Complainant Disclosure – Rebuttal
3. R-1	Respondent Disclosure

An appeal may be made to the Court of Queen's Bench on a question of law or jurisdiction with respect to a decision of an assessment review board.

Any of the following may appeal the decision of an assessment review board:

- (a) the complainant;*
- (b) an assessed person, other than the complainant, who is affected by the decision;*
- (c) the municipality, if the decision being appealed relates to property that is within the boundaries of that municipality;*
- (d) the assessor for a municipality referred to in clause (c).*

An application for leave to appeal must be filed with the Court of Queen's Bench within 30 days after the persons notified of the hearing receive the decision, and notice of the application for leave to appeal must be given to

- (a) the assessment review board, and*
- (b) any other persons as the judge directs.*