

**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:**

***Bankers Hall GP Inc. (as represented by Altus Group), COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***T. Hudson, PRESIDING OFFICER***

***D. Morice , MEMBER***

***D. Cochrane, 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 2011 Assessment Roll as follows:

**ROLL NUMBER: 068227107**

**LOCATION ADDRESS: 404 9 AV SW**

**HEARING NUMBER: 64379**

**ASSESSMENT: \$28,240,000**

This complaint was heard on 5th day of July, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *G. Kerslake*
- *S. Sweeney-Cooper*

Appeared on behalf of the Respondent:

- *D. Lidgren*

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

The Respondent pointed out that Exhibit C2, the Complainant's written rebuttal document, did not include a Summary of Testimonial Evidence as required by the Matters Relating to Assessment Complaints Regulation (MRAC) Section 8 (2)(c). The Complainant advised that they were not notified that the Respondent was concerned about this "oversight" in advance of the hearing. The Respondent requested that the Board either refuse to consider the rebuttal evidence of the Complainant, or order an adjournment, so the Respondent could prepare a proper response. Exhibit C2 is a very brief document, and the Board was not convinced that the absence of a summary would prejudice the position of the Respondent in any substantive way. **The Board therefore decided that Exhibit C2 would be admitted, and that the hearing should proceed. The Board also advised the parties that the concerns of the Respondent with respect to the rebuttal evidence would be managed during the course of the hearing if and when they arose.** The hearing proceeded to conclusion without further objection from the Respondent.

**Property Description:**

The subject property is a 22,605 square foot parcel of land located in the downtown commercial core. It is improved with a nine level, 523 stall, "open air" parkade. The property functions at least in part, as a parking facility for the adjacent Bankers Hall office building, and is commonly known as "Bankers West". The current assessment based on the capitalized income approach to value is \$28,240,000.

**Issues:**

The Complainant identified the need to increase the estimate of operating expenses, expressed as a percentage of the gross revenues of the parkade as the main issue. The Complainant further suggested that the current estimate of operating expenses results in an overall assessment value for the subject that is not equitable with similar competing properties.

**Complainant's Requested Value:** \$22,930,000(rounded).

**Board's Finding in Respect of Each Matter or Issue:****ISSUE #1 What Percentage of Gross Revenue Reflects a Reasonable Estimate of Operating Expenses for the Subject Parkade?**

**The Board finds that a 25% reduction in gross revenues reflects a reasonable estimate of operating expenses for the subject property.**

The current assessment includes a 25% reduction in gross revenues as the estimate for operating expenses, which is the standard deduction for downtown parkades. The Complainant suggested that this percentage does not include either Business or Property Taxes, which in their view are non-recoverable expenses. In support, the Complainant analyzed 2009 and 2010 operating expenses of three downtown parkade properties including the subject. Also included in the analysis was data from the financial highlights of the 2009 Calgary Parking Authority Annual report. The analysis is included on page 20 of Exhibit C1. In summary, the analysis indicates that a 40% reduction in gross revenues should be used in order to include Business and Property Taxes in the operating expenses of downtown parkades.

The Respondent countered that the Complainant did not submit any evidence in support of the financial information used in their analysis. In addition there was no evidence to support a conclusion that the Business and Property Taxes are actually non-recoverable expenses.

**ISSUE #2: Is the Overall Assessment Equitable with Similar Competing Properties?**

**The Board finds that the overall assessment of the subject property is equitable with similar competing properties.**

Given that that the standard operating cost deduction of 25% of gross revenues was confirmed, and all of the other valuation factors used to prepare the current assessment were not in dispute, the current assessment is equitable. The Respondent submitted equity and sales comparable information on pages 45 and 46 of Exhibit R1, which supports this conclusion.

**Board's Decision:** The assessment is confirmed at \$28,240,000.

DATED AT THE CITY OF CALGARY THIS 2 DAY OF August 2011.



**T. B. Hudson**  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal
3. R1	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.*