

**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:

***Steinbock Development Corporation Ltd (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: 067048504

LOCATION ADDRESS: 724 6 AV SW

HEARING NUMBER: 64312

ASSESSMENT: \$27,910,000

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:

There were no procedural or jurisdictional matters raised by the parties.

Property Description:

The subject property is a 26,024 square foot (sf) parcel of land located in the downtown commercial core. It is improved with a seven level, 516 stall "open air" parkade. The parkade also includes a small Budget Rent-A-car office on the main level. The current assessment based on the capitalized income approach to value is \$27,910,000.

Issues:

The Complainant identified the need to increase the estimate of operating expenses, expressed as a percentage of the gross revenue 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: \$ 26,690,000(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 of 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 actual revenues and expenses of three (3) 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 23 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 the standard operating cost deduction of 25% of gross revenues was confirmed, and that all 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 52 and 53, of Exhibit R1, which support this conclusion.

Board's Decision: The assessment is confirmed at \$27,910,000

DATED AT THE CITY OF CALGARY THIS 3rd DAY OF AUGUST 2011.



T. B. Hudson
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal
2. 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.*