

**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:

Classic Industries Limited, COMPLAINANT (as represented by Cushman Wakefield of Canada Inc.)

and

The City of Calgary, RESPONDENT

before:

***J. Dawson, PRESIDING OFFICER
D. Steele, 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:	033025206
LOCATION ADDRESS:	4826 – 11 ST NE
HEARING NUMBER:	61154
ASSESSMENT:	\$3,490,000

Appeared on behalf of the Complainant:

- *J. Goresht Agent, Cushman Wakefield of Canada Inc.*

- **K. Cody** *Assessor, The City of Calgary*

No objections on procedure or jurisdiction were raised.

The provincial member and one other member of a composite assessment review Board referred to in section 453(1)(c)(i) constitutes a quorum of the composite assessment review Board.

All parties were asked if they had any objection to the makeup of the panel and no objection was received therefore hearing continued as scheduled.

The subject property is an Industrial-General (I-G) land use property with Industrial Warehouse Single Tenant (IW S) building type located in the McCall Industrial area. The subject site has an area of 2.23 acres providing site coverage of 40.76% with one building on site occupying a footprint and an assessable building area of 39,600 square feet built in 1972 with an office finish of 8%. The current assessment is \$3,490,000 or \$88 per square foot.

The Complainant identified three issues on the complaint form:

1. the description of property or business is incorrect
2. assessment amount is incorrect
3. assessment class is incorrect

4. condition of property not reflected
5. equity with neighbouring properties

Complainant's Requested Value: \$2,896,000 (complaint form)
\$3,168,000 (disclosure and hearing)

Summary of Complainant Evidence:

The Complainant provided one document which was accepted into evidence as Document C1. This document was unorganized with no headings or page numbers making it very difficult for the panel to follow along. The Presiding Officer went to great lengths to ensure all parties knew which page Complainant was referring to during his presentation. The Board urges the Complainant to provide better organized materials in future hearings with headings and page numbers. During his presentation the Complainant reviewed the Disclosure of Evidence, Assessment Summary Report, 2011 Assessment Explanation Supplement (AES), 2011 Property Assessment Neighbourhood Maps, Google photographs, numerous interior and exterior photographs, and floor plan. In addition the Complainant provided 2011 Property Assessment Neighbourhood Maps, Assessment Summary Reports, 2011 Assessment Explanation Supplements (AES), and Google photographs for Complainant comparables located at 3420 – 12 St NE and 3440 – 12 St NE. The Complainant then summarized and requested a 9% reduction to their assessment or \$80 per square foot with a truncated value of \$3,168,000.

Summary of Respondent Evidence:

Respondent provided an organized document which was accepted into evidence as Document R1. The Respondent reviewed information regarding legislative authority for property assessment (pages 3 and 4), principals of fairness and equity in mass appraisal (pages 5 and 6), property valuation methodology (page 7), the burden of proof or onus of the parties principals (page 9), and summary of testimonial evidence (page 10). Respondent further reviewed subject map (page 11), photos (pages 12 and 13) and the subject's 2011 Assessment Explanation Supplement (AES) (page 14). The Respondent continued with equity comparables (pages 15 and 16), sales comparable of subject from February 2009 (page 17), Alberta Data Search (ADS) information (page 18), and RealNet information (pages 19 through 21). The Respondent then provided a conclusion to support their requested assessment at \$3,490,000 or \$88 per square foot.

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

1. the description of property or business is incorrect:
The Board reviewed carefully all the information provided on the property including the floor plan and photographs provided by the Complainant. The evidence heard from both Respondent and Complainant was that the building at one time was a multiple tenant structure comprised of twelve different bays. However, it was converted at some point to be used as single tenant bakery. There was disagreement on whether or not the building was still occupied by the bakery at the time of purchase by the Complainant in February 2009. The evidence shows that the property was vacant at the time of purchase and the building has remained vacant since that date with no renovations occurring which would enable it to return to a use as a multiple tenant structure. The Board finds the correct description of the property is as assessed being an Industrial Warehouse Single Tenant (IW S) building type.
2. assessment amount is incorrect:

The Board reviewed carefully all the information provided on the property including the two comparables provided by the Complainant and the eleven comparables provided by the Respondent. The Board finds that the assessment per square foot changes significantly dependent on many variables including the size of the structure; the two comparables provided by the Complainant are 45% and 48% larger than the subject. In addition the Complainant comparables are Industrial Warehouse Multiple Tenant building types, and have significantly more office finish. The Board determined that the Complainant's comparables are not comparable at all and therefore the '*burden of proof*' has not been met therefore the complaint is not successful due to lack of evidence.

3. assessment class is incorrect:

The Complainant removed this objection during the hearing as the property was assessed correctly as Non-Residential 100%.

4. condition of property not reflected:

The Board determined through evidence from the Respondent in Document R1 (page 21) that the property was vacant at the time of purchase by the Complainant and the Complainant testified that the condition has not been altered or improved since purchase therefore the Board finds that the condition of the property was properly considered by the Respondent at the time of the assessment.

5. equity with neighbouring properties:

The Board determined that the Complainant's comparables are not comparable at all and therefore the '*burden of proof*' has not been met.

Board's Decision:

After considering all the evidence and argument before the Board, the complaint is denied, and the assessment is confirmed at \$3,490,000. The Board finds this assessment to be fair and equitable.

DATED AT THE CITY OF CALGARY THIS 17 DAY OF August 2011.


J. Dawson
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
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.*