

**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:

92357 Holdings Ltd.
(as represented by Assessment Advisory Group Inc.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

M. Vercillo, PRESIDING OFFICER
J. Lam, MEMBER
D. Pollard, MEMBER

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

ROLL NUMBER: 067082404

LOCATION ADDRESS: 820 10 ST SW

FILE NUMBER: 67335

ASSESSMENT: \$1,450,000

This complaint was heard on 27th day of August, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- *T. Youn*
- *D. Bowman*

Appeared on behalf of the Respondent:

- *E. Currie*

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

[1] The Calgary Composite Assessment Review Board (CARB) derives its authority to make this decision under Part 11 of the Act. No specific jurisdictional or procedural issues were raised during the course of the hearing, and the CARB proceeded to hear the merits of the complaint, as outlined below.

Property Description:

[2] The subject is a retail property located in the "Downtown West End" community of southwest (SW) Calgary. According to the information provided, the property contains one building that was constructed in 1946 and is 15,899 square feet (SF) in size including the main floor and basement space. The building is situated on a 9,225 SF site that has a land use designation of Direct Control District (DC).

[3] The subject is assessed using the Income Approach to Value. The building is considered a "C" class quality building and accordingly is assessed by applying a market rental rate of \$14.00 per SF on the 7,862 SF main floor space and a market rental rate of \$8.00 per SF on the basement space to calculate potential gross income (PGI). The main floor space includes allowances for an 8.00% vacancy rate, operating costs of \$10.00 and a 2.00% non-recoverable rate. The basement space uses the same allowances except for operating costs, which uses a \$14.00 rate. The resulting calculation for net operating income (NOI) is capitalized for assessment purposes using a 7.50% capitalization rate (cap rate). It should be noted that the building includes an exempt tenant occupying 2,862 SF with an assessed value of \$438,500, which is not being contested at this hearing.

Issues:

[4] The Complainant addressed the following issue at this hearing:

- 1) The assessment is not indicative of market value because it does not consider the impact of the nearby C-Train construction.

Complainant's Requested Value:

[5] \$1,200,000 on the complaint form. A 10% reduction to \$1,305,000 at this hearing.

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

ISSUE 1: **The assessment is not indicative of market value because it does not consider the impact of the nearby C-Train construction.**

The Complainant provided a 22 page document entitled "Disclosure of Evidence" that was entered as "Exhibit C1". The Complainant, along with Exhibit C1, provided the following evidence or argument with respect to this issue:

[6] A map of the nearby C-Train construction project along 7th AV SW and intersecting 10 ST SW.

[7] An advisory document from the City of Calgary Transportation Department advising that a new LRT station called Kerby station is to be built at 11 ST SW and completed in March, 2013. The current 10 ST SW station will be removed in the fall of 2012.

[8] A letter dated July 16, 2012 from Jamali Holdings Ltd. indicating that the nearby LRT construction has caused some difficulties in the business operations of the subject's tenants.

The Respondent provided a 23 page document entitled "Assessment Brief" that was entered as "Exhibit R1". The Respondent, along with Exhibit R1, provided the following evidence or argument with respect to this issue:

[9] That the subject is not located on the C Train construction site and that road closures are temporary in nature. Further any parking difficulties that may result from the construction are easily mitigated because a parking facility is available next door to the subject.

[10] That the Complainant has not provided any quantitative analysis to support his request.

The CARB finds the following with respect to this issue:

[11] That the Complainant did not provide any quantitative analysis to explain how the nearby C Train construction affected the market value of the subject.

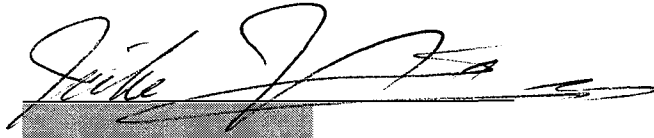
Board's Decision:

[12] The complaint is denied and the assessment is confirmed at \$1,450,000

The CARB provides the following reason for the decision:

[13] The Complainant failed to provide evidence to substantiate or support his request.

DATED AT THE CITY OF CALGARY THIS 20 DAY OF SEPTEMBER, 2012.



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.*

(For MGB Office Only)

Column 1	Column 2	Column 3	Column 4	Column 5
CARB	Retail	Stand Alone	Income Approach	