

**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:

***Superior Investments 2004 Ltd.
(as represented by Altus Group Limited), COMPLAINANT***

and

The City of Calgary, RESPONDENT

before:

***J. Dawson, PRESIDING OFFICER
S. Rourke, MEMBER
A. Zindler, MEMBER***

This is a complaint to the Calgary Composite Assessment Review Board [*CARB*] 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:	101004109
LOCATION ADDRESS:	6420 1A Street SW
LEGAL DESCRIPTION:	Plan 9212031; Block C; Lot 3A
HEARING NUMBER:	68526
ASSESSMENT:	\$ 4,120,000

- [1] This complaint was heard on the 4 day of October, 2012 at the office of the Assessment Review Board [ARB] located at Floor Number 4, 1212 31 Avenue NE, Calgary, Alberta, Boardroom 1.
- [2] Appeared on behalf of the Complainant:
- R. Worthington Agent, Altus Group Limited
- [3] Appeared on behalf of the Respondent:
- J. Greer Assessor, City of Calgary

SECTION A: Preliminary, Procedural or Jurisdictional Issues:

Preliminary Issue 1 - Evidence

- [4] The Complainant and the Respondent requested to bring forward all evidence, comments, questions, and answers articulated during previous hearings, and heard before this Board to this hearing: CARB 1952/2012-P, CARB 1953/2012-P, CARB 1955/2012-P, CARB 1960/2012-P, and CARB 1961/2012-P.
- [5] **The Board determined, from the following listed decisions: CARB 1952/2012-P, CARB 1953/2012-P, CARB 1955/2012-P, CARB 1960/2012-P, and CARB 1961/2012-P, that all evidence, comments, questions, and answers, is to be brought forward and incorporated just as if it were presented during this hearing.**
- [6] No additional procedural or jurisdictional matters were raised.

SECTION B: Issues of Merit

Property Description:

- [7] The subject – 6420 1A Street SW, is located two blocks east of Macleod Trail and adjacent to Glenmore Trail SE in an area known as Manchester Industrial with a non-residential sub-market zone [NRZ] of SM1. The property contains five buildings with a land parcel of 4.21 acres or 183,335 square feet.
- [8] The Respondent prepared the assessment showing site coverage of 33.87% with total footprint of 62,099 square feet from the three permanent buildings and two outbuildings.
- [9] Building values were derived as follows; 1) a single-storey, single-tenant industrial warehouse building built in 1975 with 20,304 square feet assessed at \$104.74 per square foot and is graded as a 'C' quality with 16% office finish; 2) a single-storey, multiple-tenant industrial warehouse building built in 1969 with 18,495 square feet assessed at \$110.41 per square foot and is graded as a 'C-' quality with 26% office finish; 3) a single-storey, multiple-tenant industrial warehouse building built in 1966 with 23,300 square feet assessed at \$99.64 per square foot and is graded as a 'C-' quality with 29% office finish; 4) a structure built in 1960 of 2,820 square feet that is deemed to be an outbuilding is assessed at \$10.00 per square foot and is graded as

a 'C-' quality; and 5) a structure built in 1960 of 2,100 square feet that is deemed to be an outbuilding is assessed at \$10.00 per square foot and is graded as a 'C-' quality.

- [10] Two separate assessments are associated with this property; the first is valued at \$2,090,000 and representing 18,558 square feet of the 20,304 square feet of the first building; the second valued at \$326,500 representing 3,335 square feet of the 23,300 square feet of the third building. These spaces are exempt from taxation therefore only the remaining net square footage is under complaint.

Matters and Issues:

- [11] The Complainant identified two matters on the complaint form:

Matter #3 - an assessment amount
Matter #4 - an assessment class

- [12] Following the hearing, the Board met and discerned that these are the relevant questions which needed to be answered within this decision:

1. *How should sites with multiple buildings be assessed?*
2. *Is the subject assessment equitable with comparable properties?*

Complainant's Requested Value:

- \$3,650,000 on complaint form
- \$3,890,000 in disclosure document and confirmed at the hearing as the request

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

Matter #3 - an assessment amount

Question 1 *How should sites with multiple buildings be assessed?*

Complainant's position

- [13] The Complainant's first argument centered on the manner of comparability with other buildings. The Complainant provided excerpts of previous *CARB* decisions that found that multi-building sites, such as the subject, should be compared to single building sites with similar total square footage to achieve an equitable result.

Respondent's position

- [14] The Respondent indicated that subsequent to the Board decisions regarding multi-building sites, the Respondent created a coefficient, independent of the "model", to correct the inequity described and this issue is no longer valid. The value of this coefficient was not disclosed to the

Board.

Board's findings

- [15] The Board finds the most accurate method of comparability for the subject is with individual buildings of similar size. The Board recognizes the inherent risk with this methodology; however, on the balance of probabilities, comparing like buildings with like buildings will provide the best result because of the variance in area, age, and finish.
- [16] The Board finds that the Respondent has recognized the need to adjust the subject for the economies of scale because it contains multiple buildings. However, the coefficient utilized by the Respondent cannot be analysed for correctness because the analysis and the resultant adjustment value remains undisclosed.
- [17] **The Board found no evidence from the Complainant to suggest the methodology employed by the Respondent is incorrect.**

Question 2 Is the subject assessment equitable with comparable properties?

Complainant's position

- [18] The Complainant raised the issue of equity and provided five comparables showing a median of \$99 per square foot for assessment purposes. (C1 p. 6) One comparable was removed because the Complainant realized the land use designation was not similar. The median rate remained at \$99 per square foot.
- [19] The Complainant established in previous hearings that have been referenced that site area was the single greatest key factor to establish the correct value of adjustments. The chart provided by the Assessment Business Unit of the City of Calgary demonstrated seven key factors with variations. No values are provided to establish the coefficients. (C1 p. 44)

Respondent's position

- [20] The Respondent provided two sales comparability charts arriving at \$122.50 and \$131.17 for the medians compared to \$97.58 for the subject. (R1 pp. 14-15)
- [21] The Respondent provided three equity comparability charts. Chart one for the 18,495 square foot building which arrived at a value of \$130.16 per square foot for the median versus \$110.41 per square foot for the subject. Chart two for the 20,304 square foot building which arrived at a value of \$129.72 per square foot for the median versus \$104.74 per square foot for the subject. And chart three for the 23,300 square foot building which arrived at a value of \$117.40 per square foot for the median versus \$99.64 per square foot for the subject. (R1 pp. 18-20)
- [22] The Respondent re-presented the Complainant's equity chart arriving at a similar result. (R1 p. 40)
- [23] The Respondent refused to provide the Board information on how to properly calculate the assessment in order to compare the key factors with comparables. The coefficients are not

required to be provided as per Matters Relating to Assessment and Taxation [MRAT], section 27.3(2).

[24]

Board's findings

[25]

The Board found insufficient evidence to change the assessment. The level of comparability varied between type of buildings, area, age, and finish making any meaningful analysis impossible without coefficients. The Complainant failed to prove the assessment was incorrect.

Matter #4 - an assessment class

[26]


The Board did not hear any evidence requesting a change in an assessment class from its current non-residential designation.

Board's Decision:

[27]

After considering all the evidence and argument before the Board it is determined that the subject's assessment is correct at a value of \$4,120,000 which reflects market value and is fair and equitable.

DATED AT THE CITY OF CALGARY THIS 26th DAY OF November 2012.


J. Dawson
Presiding Officer

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

NO.	ITEM
1.	C1 Complainant Disclosure – 78 pages
2.	R1 Respondent Disclosure – 61 pages
3.	C2 Rebuttal Disclosure – 25 pages
4.	C3 Additional Rebuttal Disclosure – 5 pages

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.*

Municipal Government Board use only: Decision Identifier Codes				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Warehouse	Multi Tenant	Cost/Sales Approach	Equity