

**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:

***Telsec Property Corporation
Dallas Development Corporation Inc.
(as represented by Altus Group Limited), COMPLAINANT***

and

The City of Calgary, RESPONDENT

before:

***J. Dawson, PRESIDING OFFICER
M. Grace, MEMBER
J. Pratt, 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: 130150105

LOCATION ADDRESS: 9950 Macleod Trail SE

LEGAL DESCRIPTION: Plan 731278; Block 1; Lot 1

HEARING NUMBER: 68298

ASSESSMENT: \$ 18,690,000

- [1] This complaint was heard on the 17 day of October, 2012 at the office of the Assessment Review Board [ARB] located at Floor Number 3, 1212 31 Avenue NE, Calgary, Alberta, Boardroom 8.
- [2] Appeared on behalf of the Complainant:
- B. Neeson Agent, Altus Group Limited
 - K. Fong Agent, Altus Group Limited
- [3] Appeared on behalf of the Respondent:
- R. Farkas Assessor, City of Calgary

SECTION A: Preliminary, Procedural or Jurisdictional Issues:

- [4] No preliminary, procedural, or jurisdictional matters were identified.

SECTION B: Issues of Merit

Property Description:

- [5] The subject – 9950 Macleod Trail SE, is comprised of three retail buildings located between Bonaventure Drive and Macleod Trail just north of 99 Avenue SE in the community of Willow Park.
- [6] The Respondent prepared the assessment on the income approach showing 67,994 square feet of assessable space graded as 'B' and 'A-' quality. The site has an area of 194,187 square feet.

Matters and Issues:

- [7] The Complainant identified two matters on the complaint form:
- Matter #3 - an assessment amount*
 - Matter #4 - an assessment class*
- [8] Following the hearing, the Board met and discerned that this is the relevant question which needed to be answered within this decision:
1. *Is the property a Neighbourhood Centre or a Strip Centre?*

Complainant's Requested Value:

On complaint form:	\$16,100,000
Within disclosure:	\$15,820,000
Confirmed at hearing:	\$15,820,000

Board's Decision in Respect of Each Matter or Issue:***Matter #3 - an assessment amount*****Question 1 *Is the property a Neighbourhood Centre or a Strip Centre?******Complainant's position***

- [9] The Complainant claims the property has been assessed as a Neighbourhood-Community Shopping Centre and assigned the key factors and variables associated with such properties; while arguing the property is better stratified as Strip Centre. (C1 p. 3)
- [10] The Complainant referred the Board to the International Council of Shopping Centres [ICSC] Shopping Centre Definitions to define Strip Centre, Neighbourhood Centre, and Community Centre. In short the ICSC characterises neighbourhood and community centres as being anchored by a supermarket or drugstore and meeting the shopping needs of local residents. A strip centre by contrast is typically a 'U' or 'L' shaped building with parking in front of each store – like the subject. The Complainant then compared the text from the ICSC to the text within the Respondents definitions to show the near identical wording. (C1 pp. 107-113)
- [11] The Complainant reviewed the property details including, photos, maps, and site diagram. (C1 pp. 91-100)
- [12] The Complainant provided market rental rate comparables to show the correct rental rates for the subject. (C1 pp. 104-106)
- [13] The Complainant concluded with the requested assessment of \$15,820,000. (C1 p. 103)

Respondent's position

- [14] The Respondent argues the subject is a Neighbourhood/Community Centre and defends the capitalisation and rental rates as assessed. (R2 p. 2)
- [15] The Respondent reviewed the property details including, photos, maps, and Non-Residential Properties- Income Approach Valuation. (R2 pp. 4-15)
- [16] The Respondent provided lease comparables for the 6,001 to 14,000 square foot commercial retail unit [CRU] space to show the correct rental rates to apply to the subject. No analysis of the rates was provided. (C2 p. 23-65)

Board's findings

- [17] The Board found the evidence of the Complainant complete and more compelling. The subject property should be stratified as a strip centre.
- [18] The leasing data from strip centres, supplied by the Complainant, are similar to the subject while those presented by the Respondent are not. The Board accepts the evidence and calculation presented by the Complainant.

Matter #4 - an assessment class

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

Board's Decision:

- [20] After considering all the evidence and argument before the Board it is determined that the subject's assessment is changed to the requested value of \$15,820,000 which reflects market value and is fair and equitable.

DATED AT THE CITY OF CALGARY THIS 21 DAY OF December 2012.


J. Dawson

Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:****NO.****ITEM**

1	C1	Complainant Disclosure – 168 pages
2	R1	Respondent Disclosure – 217 pages (unnumbered)
3		Complainant Additional Disclosure – 231 pages (not referred to or marked)
4		Complainant Additional Disclosure – 299 pages (not referred to or marked)
5		Complainant Rebuttal Disclosure – 375 pages (not referred to or marked)
6		Complainant Rebuttal Additional Disclosure – 158 pages (3 tabs numbered 1-64, 1-46, and 1-58)

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	Retail	Neighbourhood Mall	Income Approach	Rental Rate
		Strip Plaza		Capitalisation Rate