

**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:

***Pepsi Bottling Group (Canada) Company (as represented by
Ducharme, McMillen and Associates Canada Ltd.), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***L. Wood, PRESIDING OFFICER
M. Peters, MEMBER
E. Reuther, 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:	201123619
LOCATION ADDRESS:	4815 78 AV SE
HEARING NUMBER:	62474
ASSESSMENT:	\$15,630,000

This complaint was heard on 24 day of August, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- *Mr. M. Pierson* *Agent, Ducharme, McMillen & Associates Canada Ltd.*
- *Mr. C. Abbott* *Agent, Ducharme, McMillen & Associates Canada Ltd.*

Appeared on behalf of the Respondent:

- *Mr. T. Luchak* *Assessor, City of Calgary*

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

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

Property Description:

The subject property is known as the Pepsi Beverages Warehouse and Distribution facility located in Foothills Industrial. It is a large, single tenant warehouse that has an assessable building area of 198,009 sq. ft.; a land parcel of 11.19 acres; site coverage ratio of 40.61%; finish of 8%; and it was constructed in 1989. The land designation is I-G, Industrial General.

The subject property was valued based on the Direct Sales Comparison Approach and was assessed at a rate of \$78.00 psf.

Issues:

1. The assessed value of the subject property is not equitable with other similar or comparable properties.

Complainant's Requested Values: \$12,780,000 or \$13,283,000

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

1. The assessed value of the subject property is not equitable with other similar or comparable properties.

The Complainant submitted four equity comparables of large industrial warehouse properties, located in the Foothills Industrial area, in support of an assessed rate of \$62.00 psf (Exhibit C1 page 12). The properties have a building area of 144,280- 264,290 sq. ft.; land area of 6.37- 12.77 acres; site coverage of 37.9%- 50.5%; built in 1972- 1981; and were assessed at \$59.52- \$68.58 psf. From these comparables, the Complainant calculated a median of \$60.87 psf and a mean of \$62.46 psf. Based on the mean of \$62.00 psf, the Complainant derived an assessed value for the subject property of \$12,276,558.

The Complainant provided an alternative request of \$13,283,000 based on an analysis in which he extrapolated the value of the land and the improvement using the same 4 equity comparables (Exhibit C1 page 13). He applied a land rate of \$550,000/acre in his analysis. He

derived an improvement value of \$32.94 - \$37.47 psf (whereas the improvement value for the subject property was \$47.85 psf). Based on the mean/median rate of \$36.00 psf for the subject property and a land rate of \$550,000/acre, he derived an assessment for the subject property of \$13,283,000. The Complainant suggested the subject property fell within the midpoint at \$12,780,000; however, in summation, he indicated that \$13,283,000 may be more appropriate.

The Respondent submitted 7 equity comparables of large single tenant and multi - tenant industrial warehouses located in the SE quadrant (Exhibit R1 page 10). The rentable building area was between 116,011- 628,068 sq. ft.; a parcel size of 7.61- 29.97 acres; a site coverage ratio of 31%- 53%; finish of 3%- 35%; built in 1972- 2000; and assessed at \$76.00- \$96.00 psf.

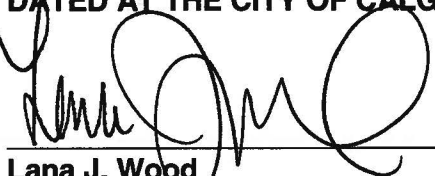
The Respondent included sales comparables of large industrial warehouses in his submission but chose not to discuss them at the hearing (Exhibit R1 page 11).

The Board was not persuaded by the equity analysis as presented by the Complainant. The Board finds the Complainant's equity comparables required too large of an adjustment in age, site coverage and building size to be similar to the subject property. As such, the Complainant failed to convince the Board that a reduction in the subject property's assessment was warranted.

Board's Decision:

The decision of the Board is to confirm the 2011 assessment for the subject property at \$15,630,000.

DATED AT THE CITY OF CALGARY THIS 7 DAY OF OCTOBER 2011.



Lana J. Wood
Presiding Officer

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

EXHIBIT NO.	ITEM
1. C1	Complainant's Submission
2. R1	Respondent's Submission

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.*