



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:

Harvest Hills Crossing Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***R. Fegan, PRESIDING OFFICER
M. Grace , BOARD MEMBER
J. Pratt, BOARD 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 2013 Assessment Roll as follows:

ROLL NUMBER:	201045846
LOCATION ADDRESS:	9650 Harvest Hills Bv. NE.
FILE NUMBER:	71995
ASSESSMENT:	37,440,000

This complaint was heard on 17th day of June, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- J. Mayer (Linnell Taylor Assessment Strategies)

Appeared on behalf of the Respondent:

- S. Turner (City of Calgary)
- I. Pau (City of Calgary)

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

- [1] No procedural or jurisdictional issues were raised.

Property Description:

- [2] The subject property is a neighbourhood shopping centre, with approximately 136,745 square feet. Space categories within the subject property include, supermarket, auto repair, restaurant PAD sites, and CRU spaces of various sizes.

Issues:

- [3] A CRU unit within the subject property is incorrectly categorized as a PAD site.
- [4] The supermarket component of the subject property should be assessed using a rental rate of \$15.00 rather than the \$18.00 applied by the assessor.

Complainant's Requested Value: \$35,160,000.

Board's Decision:

- [5] The complaint is allowed in part and the assessment is set at \$35,780,000.

Position of the Parties:

Complainant's Position:

- [7] The complainant argued that unit # 1305 should be assessed at the CRU rate rather than the pad site rate because it is one of two units that occupies one structure.

- [8] The complainant argued that the rental rate applied to the supermarket space should be \$15.00 not \$18.00. The complainant provided two lease comparables and the one assessed rate comparable that supported the \$15.00 rate request. To demonstrate that these supermarkets were in fact similar to the subject, the complainant provided an analysis showing census statistics, household income statistics and traffic count statistics for the subject neighbourhood and each comparable neighbourhood. The comparables relied upon by the complainant were all taken from Neighbourhood/Community shopping centres.

[9] The complainant argued that if the subject was a Class A supermarket it would in all likelihood have attracted a large National Chain tenant such as Safeway or Sobeys rather than its' current tenant.

Respondent's Position:

[10] The respondent stated that a pad site did not have to be limited to strictly one tenant, and that it was not unusual for a pad site to have more than one tenant.

[11] The respondent's supermarket rental analysis, consisted of four leases, three signed in 2009 and one signed in 2011 for supermarkets deemed to be Class A. The respondent also provided a rental analysis for three supermarkets deemed to be Class B. The Class A analysis supported the \$18.00 rate and the Class B analysis supported the \$15.00.

Board's Reasons for Decision:

[12] The Board finds that unit # 1305 occupies space on a PAD site with one other tenant and is more akin to PAD space than to typical CRU space.

[13] The Board reviewed the rental analysis of both parties. The complainant provided recent leasing for two supermarkets deemed to be similar to the subject, indicating lease rates of \$14.50 and \$15.00. In addition to the recent leasing the complainant also disclosed a supermarket (Monterey Square Co-op) that he deemed to be similar to the subject which is currently assessed using a rental rate of \$15.00.

The respondent explained that the main drivers for the supermarket classification system were age and location. The Board noted that the range between the year built of the Class A supermarket inventory was very similar to the range between the year built of the Class B supermarket inventory. Class A ranged from 1958 to 2012 while Class B ranged from 1961 to 2006. The respondent suggested that the reason for the older buildings being in the "A" class was likely due to renovations but did not identify which properties had been renovated and which had not. The supermarkets in the "A" class were located in all quadrants of the City and were located in Regional Shopping Centres, Power Centres, Community Centres, as well as standalone locations.

The Board finds that the \$18.00 rental rate applied to the supermarket space within the subject property is not warranted and the \$15.00 rate requested by the complainant is supported by leasing of similar property as well as the assessed rental rate applied to similar supermarket space.

The Board found that the City's stratification of supermarkets did not adequately reflect the characteristics of the subject property.

DATED AT THE CITY OF CALGARY THIS 17th DAY OF July 2013.


Roy Fegan
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.*