



## **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:**

***Imperial Bank of Canada (as represented by Altus Group Limited), COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***M.Axworthy, PRESIDING OFFICER***

***H. Ang, BOARD MEMBER***

***A. Wong, 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 2014 Assessment Roll as follows:

**ROLL NUMBER: 046105706**

**LOCATION ADDRESS: 2318 Centre ST NE**

**FILE NUMBER: 74623**

**ASSESSMENT: \$1,610,000**

This complaint was heard on 21 day of July, 2014 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- *M. Cameron, Agent*

Appeared on behalf of the Respondent:

- *R. Sidikou, Assessor*
- *S. Turner, Assessor*

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

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

**Property Description:**

- [2] The subject property is a 3,445 square foot (SF) bank with an assessable land area of 12,758 SF, located in the community of Tuxedo Park. The subject was constructed in 1951 and has a Subproperty use code of CM201 Retail-Freestanding. It is assessed using the Income Approach to value and is owner occupied.

**Issues:**

- [3] While a number of issues were identified on the Complaint Form, the following issues were argued at the hearing.
- a) The property is incorrectly classified as "B" quality.
  - b) The assessed retail rate is too high and should be no more than \$27.00 per SF.

**Complainant's Requested Value: \$1,230,000**

**Board's Decision:**

- [4] The Board reduced the assessment to \$1,230,000.

**Legislative Authority, Requirements and Considerations:**

- [5] Under the Act Section 460.1(2) and subject to Section 460(11), a composite assessment review board has jurisdiction to hear complaints about any matter referred to in section 460(5)

that is shown on an assessment notice for property, other than property described in subsection 460.1 (1)(a).

[6] The Board reviewed the evidence provided and will limit its comments to the relevant facts pertaining to this case and materials which led to the decision.

### **Position of the Parties**

#### **Complainant's Position:**

[7] The Complainant stated that the subject is an older, freestanding bank with a Year-of-Construction (YOC) of 1951. It is a small building (3,445 SF) of concrete block construction with lower quality finishes, without a drive-through common to many newer banks.

[8] The Complainant argued that it was in a poor location on Centre ST NE, north of 16 AV and as it was freestanding and did not have the advantage of a tenant mix or foot traffic as it was not part of a strip centre or other shopping centre.

[9] In support of its argument, the Complainant provided location maps and photos of the subject [C1, p.p. 16-20] along with a photographs of other "B" quality banks included in the City of Calgary 2014 Citywide Bank Lease Analysis: B Quality [C1, p. 26 and pp. 27-43] and stated that the banks included in the analysis were of a higher quality in terms of location and finishing materials and were much newer than the subject. The Complainant noted that the "B" quality banks in The City study had a median YOC of 1991, with the oldest bank in the "B" category having a YOC of 1962.

[10] The Complainant also made reference to The City's 2014 City Wide Bank Lease Analysis: C Quality [C1, p. 44] with a median YOC of 1974, and provided photos of "C" quality banks [C1, pp. 45-86], stating that in its opinion, the subject is more comparable to banks classified as "C" quality by The City including a "C" quality bank located north of the subject at 4811 Centre ST NW [C1, p. 87-91].

#### **Respondent's Position:**

[11] The Respondent stated that the Complainant indicated that it supported the rates applied in The City's 2014 bank analysis. The Respondent noted that the Complainant had not done its own bank study but wanted to move some banks into different quality ratings without a clear rationale for doing so.

[12] The Respondent stated that there was no evidence to support the Complainant's contention that freestanding banks command lower rates in the market place as in some cases, freestanding bank rental rates were higher than those located in strip or neighbourhood centres. Neither was there evidence to support the Complainant's contention that the subject's location on Centre ST NE was poor.

[13] The City provided a copy of a 2009 building permit for \$797,000 in renovations to the subject, although the scope of the renovations were not specified nor interior photos provided to indicate what renovations had occurred.

[14] The Respondent stated that YOC alone was not a determining factor in the quality rating of banks. Location was the most important criterion, followed by YOC and if any renovations had occurred.

[15] The Respondent made reference to a bank at 1303 Centre ST NW, constructed in 1967, and stratified as "B" quality, as the best equity comparable to the subject [R1, p. 32, 33].

**Board's Reasons for Decision:**

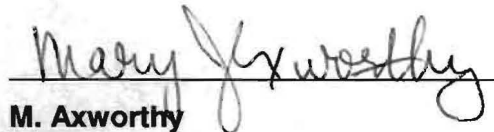
[16] The Board finds that the subject is more correctly classified as "C" quality. It is an older bank, constructed in 1951, and the photographs of the subject indicate that it is of basic construction and finishes as compared to other banks with a "B" quality rating.

[17] The Board finds that it is more similar in location to the bank further north at 4811 Centre ST NW with a quality rating of "C" than the bank at 1303 Centre ST NW with a quality rating of "B" as argued by the Respondent.

[18] While the Respondent provided evidence that renovations had occurred to the subject in 2009, there was no indication or photographs of the types of renovations that had occurred.

[19] The rental rate for the subject is reduced to \$27 per SF and the assessment reduced accordingly to \$1,230,000.

DATED AT THE CITY OF CALGARY THIS 13 DAY OF August 2014.



**M. Axworthy**

**Presiding Officer**

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal
3. 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 Administrative Use Only**

<b>Municipal Government Board use only: Decision Identifier Codes</b>				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Retail	Stand alone	Bank quality rating	