



## **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:**

***Northland Properties Corporation (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: 023162209**

**LOCATION ADDRESS: 5015 4ST NE**

**FILE NUMBER: 74720**

**ASSESSMENT: \$2,040,000**

This complaint was heard on 22 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 developed with a 4,882 square foot (SF) restaurant with a Subproperty use code of CM201 Retail-Freestanding located in the community of Greenview. The subject was constructed in 1996 and is classified as "A-" quality. It is assessed using the Income Approach to value with a rental rate of \$31.00 per SF, a vacancy rate of 8.25% and a cap rate of 6.50%.

**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 "A-" quality and should be a "B".
- b) The assessed retail rate is too high and should be reduced from \$31.00 per SF to \$25.00 per SF.

**Complainant's Requested Value: \$1,630,000**

**Board's Decision:**

[4] The Board confirmed the assessment.

**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.

**Issue: Should the quality rating of the subject be reduced from "A" to "B" quality and the assessed rental rate adjusted accordingly from \$31.00 per SF to \$25.00 per SF?**

### **Position of the Parties**

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

[7] The Complainant stated that the subject is a Denny's restaurant constructed in 1996 and located on 4 ST NE in the community of Greenview and provided a location map and photos of the subject [C1, pp. 14,15].

[8] The Complainant argued that other Denny's restaurants in better locations such as Valleyfield and the Trans Canada Highway in Motel Village were classified as "B" quality [C1, pp. 19-30].

[9] The Complainant provided a list of the properties included in The City of Calgary's (The City's) 2014 Citywide Restaurant Dining Lease Analysis: B Quality, along with photographs and Assessment Summary reports for each property and argued that the subject was similar in quality to the restaurants included in that analysis e.g., the Boston Pizza at Westbrook Mall (1200 37 ST SW), The Keg in Stadium Shopping Centre (1923 Uxbridge DR NW) etc. [C1, pp. 32-53]

[10] The Complainant provided a list of the properties included in The City's 2014 Citywide Restaurant Lease Analysis: A Quality, along with photographs and Assessment Summary reports for each property and argued that the subject was older than most of the "A" quality restaurants included in the analysis and was a standalone property in the NE without the benefit of a shopping centre location [C2, pp. 3-59].

#### **Respondent's position:**

[11] The Respondent stated that while the original date of construction for the subject was 1996, a 604 SF addition to the building had been completed in 2004, along with significant exterior renovations. The Respondent provided information on the permit for the renovations and pre and post renovation photographs [R1, pp.18 and 19] and stated that renovations are one of the factors that are considered in quality ratings.

[12] The Complainant stated that in its opinion, the subject was well located on a busy section of 4 ST NE and provided photographs of the surrounding area to support its argument [R1, pp. 14-17].

[13] The Respondent also provided photographs of a Denny's restaurant at 7215 Macleod TR SW classified as "A" quality and stated that the subject was comparable while acknowledging that Macleod TR was a better location than 4 ST NE.

[14] In response to the Complainant's assertion that restaurants located in shopping centres attract a higher rent, the Respondent referred to its 2014 restaurant study, noting that four of the restaurants are located in the NE, are freestanding properties and three of these have the highest lease rates in the analysis [R2, p. 3].

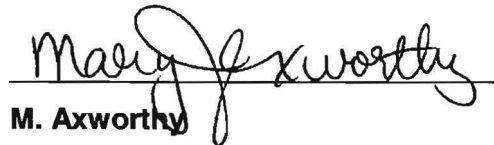
**Board's Reasons for Decision:**

[15] The Board finds that the subject is correctly classified as an "A-" quality Retail-Freestanding restaurant.

[16] The Respondent provided evidence that the subject had been substantially renovated and added to in 2004 and was well located on a busy section of 4 ST NE.

[17] The Board confirms the assessment at \$2,040,000.

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>				
<b>Appeal Type</b>	<b>Property Type</b>	<b>Property Sub-Type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB				