

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

***First Capital (McKenzie Towne) Corporation
(as represented by Altus Group Limited), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before

***L. Yakimchuk, PRESIDING OFFICER
G. Milne, BOARD MEMBER
A. Zindler, 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: 730063104

LOCATION ADDRESS: 40 McKenzie Towne Gate SE

FILE NUMBER: 76639

ASSESSMENT: \$20,180,000

This complaint was heard on August 7, 2014 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- *A. Izard, Altus Group*

Appeared on behalf of the Respondent:

- *R. Farkas, City of Calgary Assessor*

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

- [1] There were no procedural or jurisdictional matters.
- [2] Neither party objected to any members of the Composite Assessment Review Board panel (the Board).

Property Description:

- [3] The subject property, 40 McKenzie Towne Gate SE, is assessed as a community shopping centre with 52,620 square feet (sf) of retail improvements on 4.13 acres. It has been assessed using the income approach.

Issues:

- [4] Should the rent rates for this property be decreased from \$32.00/sf to \$27.00/sf for Commercial Rental Unit (CRU) 0-1000sf, and from \$32.00/sf to \$26.00/sf for CRU 1001-2500sf?

Complainant's Requested Value: \$17,640,000

Board's Decision:

- [5] The Board confirmed the assessment at \$20,180,000.

Legislative Authority, Requirements and Considerations:

The Composite Assessment Review Board (CARB) derives its authority from the Act RSA 2000 Section 460.1:

- (2) 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 (1)(a).

For the purposes of this hearing, the CARB will consider the Act section 293(1)

In preparing an assessment, the assessor must, in a fair and equitable manner,

- (a) apply the valuation and other standards set out in the regulations, and
- (b) follow the procedures set out in the regulations.

Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in the Act Section 293(1)(b). The CARB decision will be guided by MRAT Section 2, which states that

An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property.

and MRAT Section 4(1), which states that

The valuation standard for a parcel of land is

- (a) market value, or

if the parcel is used for farming operations, agricultural use value

Position of the Parties

Complainant's Position:

[6] Altus Group, on behalf of the Complainant, presented a 2014 CRU Rental Rate Analysis which included 14 leases of 0-1000sf CRUs from the subject and two other shopping centres (C1 p27). The median rent rate for these properties was \$26.50/sf and the Complainant asked that the Board reduce the rate for this CRU size from \$32.00/sf to \$27.00/sf.

[7] A second analysis of 13 CRU 1001-2500sf leases from the subject and three other shopping centres showed a median rent rate of \$26.00/sf (C1 p28). The Complainant asked that the rate for these CRUs be decreased from \$32.00/sf to \$26.00/sf.

Respondent's Position:

[8] The Respondent, City of Calgary, explained that the City analyses excluded enclosed shopping centres. Enclosed shopping centres are assessed individually, site specifically. The Respondent provided two analyses, which showed a median rent rate of \$35.00/sf for CRU 0-1000sf (assessment \$32.00/sf) and \$32.00/sf for CRU 1001-2500sf (assessment \$32.00/sf) (R1 p22,23).


[9] The Respondent argued that enclosed shopping centres have been assessed separately so it would be inequitable to include them in the analyses for all neighbourhood and community shopping centres.

Board's Reasons for Decision:

[10] The Board considered the Complainant's analyses, which included leases from several neighbourhood and community shopping centres, including Lake Bonavista, which is an enclosed shopping centre. The Board decided that, given enclosed shopping centres have been assessed separately from other shopping centres in 2014, it would be inequitable to include them in studies for unenclosed shopping centres.

[11] The Board confirmed the typical rates supported by the City of Calgary analyses. The assessment is confirmed at \$32.00/sf for CRU 0-2500sf, for a value of \$20,180,000.

DATED AT THE CITY OF CALGARY THIS 25th DAY OF August 2014.



L. Yakimchuk

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.*

For office use only:

A	B	C	D	E
CARB	Retail	Shopping Centre	Income approach	
