



## **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:**

***Kane's Motor Cycle Shop Ltd. (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: 201335072**

**LOCATION ADDRESS: 914 11 ST SE**

**FILE NUMBER: 76033**

**ASSESSMENT: \$6,100,000**

This complaint was heard on 23 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:

- *K. Fong, Agent*

Appeared on behalf of the Respondent:

- *R. Sidikou, Assessor*
- *B. Thompson, 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 located in the community of Inglewood and developed with a 44,674 square foot (SF) building comprising 17,288 SF of Big Box retail (14,001-40,000); 13,171 SF of retail upper, and 14,275 SF of storage. It has a Subproperty use code of CM0201, Retail-Freestanding. The subject was constructed in 2000 and is classified as "B" quality. It is assessed using the Income Approach to value with a cap rate of 6.50% and a mix of rental and vacancy rates.

**Issues:**

[3] While a number of issues were identified on the Complaint Form, the only issue argued at the hearing was that the assessed rental rate for "Retail Upper" should be reduced from \$12.00 to \$10.00 per SF.

**Complainant's Requested Value: \$5,730,000**

**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 assessed rental rate for "Retail Upper" be reduced from \$12.00 to \$10.00 per SF?**

### **Position of the Parties**

#### **Complainant's position**

[7] The Complainant stated that the assessed rental rate for the upper retail portion of the building should be reduced from \$12.00 to \$10.00.

[8] In support of its argument the Complainant stated that the upper retail portion of the building was essentially mezzanine space that could only be accessed through the main floor retail area and for this reason, it could not be leased out separately. The Complainant also stated that the property had a high site coverage and was deficient in parking.

[9] The Complainant argued that the subject should be assessed at the same rate (\$10.00 per SF) as three other comparables with upper level retail: ZR Exotic Auto, Barbeques Galore and Bowtown Music [C1, pp. 22-30].

[10] The Complainant stated that the Respondent had not done a study of Upper Level retail rates.

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

[11] The Respondent stated that in response to questioning, the Complainant stated that they were not contesting the "B" quality rating of the subject, only the Upper Level Retail assessed rental rate.

[12] The Respondent stated that the three comparables used by the Complainant were "C" quality buildings and that the Upper Level Rental rate applied to the subject accorded with its "B" quality rating [R1, pp. 33-36].

[13] The Respondent provided photographs illustrating that the upper level retail space was of high quality finish [R1, pp. 16-32].

[14] The Respondent provided three "B" quality comparables with "Upper Level Retail" assessed at \$12.00 per SF, demonstrating that the subject had been equitably assessed.

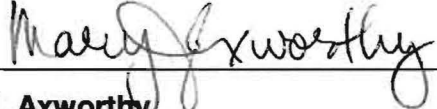
#### **Board's Reasons for Decision:**

[15] The Board finds that the Upper Level Retail space in the subject is equitably assessed as "B" quality at \$12.00 per SF.

[16] The equity comparables with upper level retail space provided by the Complainant were buildings with a "C" quality rating and with much smaller upper level retail areas than the subject.

[17] The Board confirms the assessment at \$6,100,000.

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

  
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M. Axworthy

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 Administrative Use Only**

| Municipal Government Board use only: Decision Identifier Codes |               |                   |       |           |
|--|---------------|-------------------|-------|-----------|
| Appeal Type  | Property Type | Property Sub-Type | Issue | Sub-Issue |
| CARB   |               |                   |       |           |