

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaints against the property assessments as provided by the *Municipal Government Act*, Chapter M-26, Section 460(4).

**between:**

***Altus Group, COMPLAINANT***

**and**

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

**before:**

***T. Hudson, PRESIDING OFFICER***

***D. Julien, MEMBER***

***C. McEwen, MEMBER***

These are complaints to the Calgary Assessment Review Board in respect of the property assessments prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

<b>ROLL NUMBERS:</b>	<b>091031005</b>	<b>&amp; 091030403</b>
<b>LOCATION ADDRESSES:</b>	<b>4056 Ogden Rd SE</b>	<b>&amp; 4040 Ogden Rd SE</b>
<b>FILE NUMBERS:</b>	<b>59415</b>	<b>&amp; 59412</b>
<b>ASSESSMENTS:</b>	<b>\$ 4,000,000</b>	<b>&amp; \$ 3,210,000</b>

These complaints were heard concurrently on the 22<sup>nd</sup> day of June, 2010 at the office of the Assessment Review Board located at 4<sup>th</sup> floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- *Randall Worthington*                      *Altus Group*

Appeared on behalf of the Respondent:

- *Don Kozak*                                      *Assessor, City of Calgary*

### **PROPERTY DESCRIPTION:**

The subject properties are located in the Bonnybrook area of the Calgary Central Industrial Region. They are part of a complex which includes three (3) separate parcels known as the TriMac Distribution Centre. The property at 4056 Ogden Road SE is a 3.72 acre parcel with site coverage of 13%. The improvement built in 1956 has a net rentable area of 20,427 sq ft with 22% office finish. The current assessment is \$4,000,000 which includes an excess land adjustment of \$1,467,000.<sup>00</sup> rounded. The requested assessment is \$2,920,000 based on a reduction in the excess land adjustment to \$388,000 rounded. The assessment of the improvement at \$2,533,000 or \$124 psf rounded, is not in dispute.

The property at 4040 Ogden Rd SE is a 2.21 acre parcel with site coverage at 20%. The improvement has a net rentable area of 19,454 sq ft with 8% office finish built in 1956. The current assessment is \$ 3,210,000 or \$165 per sq ft. There is no adjustment for excess land. The requested assessment is \$2,540,000 or \$124 psf rounded.

### **ISSUES:**

The central issues in dispute are:

- a) The market value of the excess land adjustment for the subject property at 4056 Ogden Rd SE.
- b) The market value of the improvement on the subject property at 4040 Ogden Rd SE

### **BOARD FINDINGS ON THE ISSUES:**

- a) The market value of the excess land adjustment for the subject property at 4056 Ogden Rd SE.**

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

The Complainant argued that the excess land adjustment is based on rates which exceed market value for vacant industrial land in the Central Industrial Region. Sales evidence submitted in support of this contention suggested a rate of \$617,000 per acre should be used versus the Respondent's assessment of \$1,050,000 per acre for the first acre and \$300,000 per acre for next up to ten (10) acres. The Complainant also argued that the resulting assessment based on previous practice should be further reduced by a forty (40) percent; because in their view, the subject property cannot be subdivided.

Respondent's Position:

The Respondent explained that the practice of the City of Calgary with respect to excess industrial land considered subdividable is as follows:

1. When developing the rate per square foot for the industrial property with subdividable land, the site coverage is centred at 30%, and the excess land is calculated using the appropriate base land rate. The base land rate for industrial properties zoned I-R (re-development) is \$650,000 per acre regardless of location in the City.
2. The subject property at 4056 Ogden Rd has a total site area of 3.72 acres of which 2.26 acres is considered excess land and subdividable; and therefore an adjustment of 2.26 acres @ \$650,000 per acre has been added to the assessment of the improvement to arrive at the current total assessment.

Excess Land 2.26 acre @ \$650,000	= \$1,469,000 (rounded)
Improvement 20,427 sq ft @ \$124,000 psf	= <u>\$2,533,000</u>
Total	= \$4,000,000

**BOARD FINDINGS ON THE EXCESS LAND ADJUSTMENT**

There is no compelling evidence to show that the current assessment of the excess land on the subject property does not reflect market value. The photographic evidence seems to show that the excess land on the subject property could be subdivided, even though is unlikely given the current use of the property. The sales evidence of both parties shows that the base rate of \$650,000 per acre is not an unreasonable estimate of market value for I-R zoned lands such as the subject property. The fact that this rate (ie, \$650,000 per acre) is used consistently throughout the City shows equity is also maintained.

**b) The market value of the improvement on the subject property at 4040 Ogden Rd SE**Complainant's Position:

The Complainant argued that this subject property should be assessed at the same rate as the improvement on the property at 4056 Ogden Road SE being \$124 per sq ft versus the current \$165 per sq ft. The total assessment on the property at 4056 Ogden Road SE of \$195 per sq ft, includes a significant excess land adjustment of \$71 per sq ft. There is no excess land adjustment associated with the assessment at 4040 Ogden Road SE so therefore the assessment should be reduced to \$124 psf, inclusive of land or \$2,412,000.<sup>00</sup>

Respondent's Position:

The assessment is fair and equitable based on similar properties in the same market area.

**BOARD FINDINGS WITH RESPECT TO 4040 OGDEN RD SE**

The assessment on the subject should be reduced to reflect equity with the assessment of the improvement on the property at 4056 Ogden Rd SE. Inclusive of land value the Board finds the assessment should be based on \$124 psf versus the current assessment of \$165 psf.

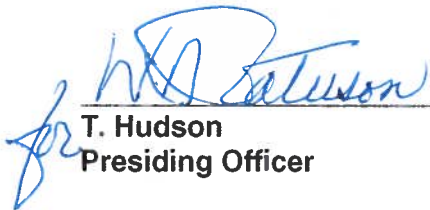
**BOARD DECISION:**

The assessment of the subject property at 4056 Ogden Rd SE is confirmed at \$4,000,000 which includes the improvement at \$124 psf, plus an excess land component of \$71 psf for a total of \$195 psf. The assessment of the subject property at 4040 Ogden Rd SE is reduced to \$2,412,000 rounded or \$124 psf.

**REASONS:**

The subject property at 4056 Ogden Rd SE has a substantial excess land component of 2.26 acres. The Respondent has adopted a consistent policy with respect to I-R zoned properties across the City of Calgary, assessing excess land at \$650,000.00 per acre, a rate which is reasonably supported by the sales evidence of both parties. The assessment of the improvement at 4056 Ogden Rd SE was not in dispute at \$124 psf. The improvement on the property at 4040 Ogden Rd SE is virtually identical so the assessment should be based on the same rate of \$124 psf to maintain equity.

DATED AT THE CITY OF CALGARY THIS 23<sup>rd</sup> DAY OF JULY 2010.

  
T. Hudson  
Presiding Officer

TH/mc

Cc: Owner

*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.*