

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaint against the Property/Business assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460(4).

between:

Altus Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

L. Wood, PRESIDING OFFICER

C. McEwen, MEMBER

A. Wong, MEMBER

This is a complaint to the Calgary Assessment Review Board in respect of Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER: 120021407

LOCATION ADDRESS: 9423 SHEPARD ROAD SE

HEARING NUMBER: 58970

ASSESSMENT: \$14,770,000

This complaint was heard on 29th day of July, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *Mr. D. Mewha*

Appeared on behalf of the Respondent:

- *Mr. J. Lepine*

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

There were no procedural or jurisdictional matters raised at this hearing.

Property Description:

The subject property is comprised of three buildings identified as single tenant warehouses on a 16.39 acre site located in Shepard Industrial. The first building has a rentable building area of 84,535 sq ft built in 1975; the second has 13,100 sq ft with 100% finish built in 1981 and the third building has 4,200 sq ft built in 1977. The site coverage ratio for the three buildings is 14.26. The land is zoned I-H, heavy industrial.

Issues: (as indicated on the complaint form)

1. Due to the characteristics & physical condition of the subject property, the cost approach would provide a more reliable estimate of market value for assessment purposes. The indicated value PSF would be \$85.
2. The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$80 PSF.

Complainant's Requested Value: \$9,220,000

Board's Decision in Respect of Each Matter or Issue:

The Board notes that an appendix to the complaint form contains several statements as to why the subject property's assessment is incorrect; however, the Board will only address those issues that were raised at the hearing.

Due to the characteristics & physical condition of the subject property, the cost approach would provide a more reliable estimate of market value for assessment purposes. The indicated value PSF would be \$85.

The Complainant submitted that the property is being used for heavy manufacturing of pipes and tanks. He provided photographs of the subject property including one that shows a rail line that runs through one of the buildings and large industrial pipes/tanks on either side of it (Exhibit C1 pages 12- 19). The Respondent indicated that this is a typical industrial warehouse used to store steel tubing and therefore the property was assessed based on the direct sales comparison approach.

The Complainant submitted the Assessment Summary reports for adjacent properties that are being used for the manufacturing of metal (rolling/fabricating/welding) and are assessed based on the cost approach (Exhibit C1 pages 31- 53).

The Board finds that this is a special use property, and not a typical warehouse, based on the heavy manufacturing of steel and the rail line that runs through the building. The Board also finds an inequity exists when the subject property is not assessed similarly to the adjacent heavy manufacturing properties which are assessed based on the cost approach.

The Complainant provided cost data by Marshall & Swift for the three buildings on site for a total building cost of \$4,047,996 and a land rate of \$315,854 based on two neighbouring properties: 3001 Shepard PL SE (\$361,106/acre) and 3145 Shepard PL SE (\$270,602) (Exhibit C1 pages 22-28).

The Board finds the cost data of the three buildings of \$4,047,996 is reasonable and notes it was uncontested by the Respondent. However, the Board did not accept the average of the two land rates of the adjacent properties. The Board finds the best land comparable is 3001 Shepard PL SE which shares a similar traffic influence as the subject property.

Based on the cost approach, the Board determines the value for the subject property as follows: \$4,047,966 (buildings) + \$5,918,527 (land) (\$361,106 per acre x 16.39 acres) = \$9,966,493.

The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$80 PSF.

The Board has addressed the equity issue in its comments stated above.

Board's Decision:

The decision of the Board is to reduce the 2010 assessment for the subject property from \$14,770,000 to \$9,966,000 (truncated).

DATED AT THE CITY OF CALGARY THIS 25 DAY OF AUGUST 2010.


Lana J. Wood
Presiding Officer

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.*