

**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-26.1, Section 460(4).

**between:**

***Altus Group Limited, COMPLAINANT***

**and**

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

**before:**

***Paul G. Petry, PRESIDING OFFICER***

***Doug Pollard, MEMBER***

***Borodin Jerchel, 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: 201393071**

**LOCATION ADDRESS: 5215L – 36 Street S.E.**

**HEARING NUMBER: 59800**

**ASSESSMENT: \$1,990,000**

This complaint was heard on the 5th day of November, 2010 at the office of the Assessment Review Board located at floor number four, 1212 – 31 Avenue NE, Calgary, Alberta, boardroom 3.

Appearing on behalf of the Complainant:

- **Altus Group Limited – No one appeared**

Appearing on behalf of the Respondent:

- **The City of Calgary – D. Kozak**

### **No Attendance by Complainant**

The Altus Group did not appear for attendance at the hearing of this matter. Section 463 of the Municipal Government Act (Act) requires that the Composite Assessment Review Board (CARB) proceed with the hearing provided the parties have been notified. In this case the disclosure of the Complainant includes a copy of the hearing notice which clearly shows the time and date of the hearing and therefore it was obvious that the Complainant had notice of the hearing so the CARB proceeded with the hearing on November 5, 2010.

### **Property Description and Background**

The subject property is 3.53 acres of land with a 45,970 square foot warehouse improvement constructed in 1974. The property is owned by Canadian National Railway Company; however it is not part of the railway right of way and therefore is not subject to a regulated assessment. The 3.53 acre parcel forms part of a much larger parcel of 80.46 acres. The subject parcel has been fenced off from the larger parcel and leased to Vitran Express Canada Inc. The assessment is based on the same land value assigned to the first ten acres of the larger parcel at \$375,000 per acre. An additional value of \$805,050 is included in the assessment for the improvement which was derived using the cost approach. The Land value was discounted by 10% because of access impediments. The Complainant is seeking a 25% discount for access issues and an additional 25% discount because of the irregular shape of the parcel.

### **Issues:**

1. What is the most appropriate assessment approach for the subject property?
2. What discounts should be allowed for parcel shape and access?

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

1. The industrial approach could be used however the railway model appears to be the best approach in this case.

2. Using the railway model the correct discount is 10% for access only.

### **Overview of the Positions of the Parties**

#### **Complainant**

The Complainant was not in attendance; therefore the CARB has reviewed the evidence of the Complainant and has done its best to determine the Complainant's case without the benefit of explanation and argument. The Complainant states that the Respondent has acknowledged that the subject suffers from two negative influences, one being access and the other being irregular shape. In the industrial model the negative attributes are recognized by a 25% reduction for each negative influence. The Complainant has accepted the land value of \$375,000 per acre used by the Assessor and the value of the improvement in the amount of \$805,050. The Complainant has then applied a -25% adjustment to the land value because of access issues and a further -25% adjustment to the land value because of irregular shape. When these adjustments are made and the value for the improvement is added the recommended value for the subject's 2010 assessment is \$1,466,875.

#### **Respondent**

The Respondent indicated that the subject assessment has been developed using the same approach that has been used for other non-regulated railway lands in the City of Calgary. In this case the base land value is \$375,000 per acre which has been discounted by 10% because of poor access. The Complainant has requested that a 25% reduction be made for poor access as is done for other industrial land; however if the subject were to be classed as industrial land the land value would be substantially higher. The land formula for industrial land in this case would be \$1,050,000 for the first acre and \$300,000 per acre for the remainder of the land. As to the question of shape the Assessor presented a map showing that the subject property is rectangular in shape and does not appear to require any adjustment for irregular shape.

The Respondent takes the position that the subject has been assessed fairly and equitably considering the assessments of other non-regulated railway property and therefore requests that the CARB confirm the assessment.

#### **Findings and Reasons:**

The map presented by the Respondent shows the subject property to be basically rectangular in shape, however all borders of the property were not clear. The Complainant's evidence did not provide further clarity on this matter. Based upon the evidence before the Board, the subject property appears not to require any adjustment for shape. This said the only remaining issue is what adjustment should be made for the access issue. The Complainant has applied the typical 25% adjustment for this negative attribute based on the adjustment used for industrial zoned properties but has not used the land rate used for industrial properties. The CARB has determined that if the subject property were to be assessed using both the land rate and the negative adjustment criteria applied to other industrial properties the assessment would be approximately \$2,160,000. This value

exceeds the current assessment. The CARB is of the opinion that it is incorrect to mix features of one model with that of another. The railway model which has been applied to the subject and to other railway properties as well, results in a lower assessment than would otherwise be the case if the typical industrial approach were used. Further the subject is not zoned as industrial.

### Decision

Based on a careful review of all the evidence and argument advanced in this case and in light of the findings and reasons above the CARB confirms the assessment of the subject property at \$1,990,000.

It is so ordered.

No costs to either party.

DATED AT THE CITY OF CALGARY THIS 23 DAY OF November 2010.



Paul G. Petry  
Presiding Officer

**An appeal may be made to the Court of Queen's Bench in accordance with the Municipal Government Act as follows:**

*470(1) 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.*

*470(2) 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).*

*470(3) 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*