

**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:**

***Cardinal Coach Lines Limited (as represented by Altus Group Limited ), COMPLAINANT***

**and**

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

**before:**

***Board Chair, J. Zezulka  
Board Member, J. Rankin  
Board Member, S. Rourke***

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 2012 Assessment Roll as follows:

**ROLL NUMBER: 033002908**

**LOCATION ADDRESS: 4507 Pacific Road NE**

**HEARING NUMBER: 68247**

**ASSESSMENT: \$1,820,000.00**

This complaint was heard on the 16th day of July, 2012, at the office of the Assessment Review Board located at Floor Number Four, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom Four.

Appeared on behalf of the Complainant:

- C. Van Staden

Appeared on behalf of the Respondent:

- J. Young
- M. Hartmann

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

(1) At the outset of the hearing, the Respondent objected to the Complainant's exhibit C-3, on the grounds that the Complainant did not comply with section 8(2)(c)) of the Matters Relating to Assessments Complaints Regulation, which states, among other things;

*"If a complaint is to be heard by a composite assessment review board, the following rules apply with respect to the disclosure of evidence:*

*(c)the complainant must, at least 7 days before the hearing date, disclose to the respondent and the composite assessment review board the documentary evidence, a summary of the testimonial evidence, including a signed witness report for each witness, and any written argument that the complainant intends to present at the hearing in rebuttal to the disclosure made under clause (b) in sufficient detail to allow the respondent to respond to or rebut the evidence at the hearing".*

By the Complainant's admission, the Complainant did not comply with the requirements of 8(2)(c). As such, the Complainant's exhibit C-3 was excluded from the evidence submission.

**Property Description:**

(2) The subject is a single tenant warehouse in the Greenview Industrial area of NE Calgary. The improvement was built in 1980, and has an assessable area of 10,000 s.f. The building is a Butler building used for the repair of school buses. There is no interior finishing. The site area is 1.05 acres, of which 0.28477 acres are classified by the City as extra land. This portion of Greenview has no street lights, gravelled streets, overhead power lines, no curbs, gutters or sidewalks, and no storm drainage.

(3) The subject is currently being assessed by the sales comparison approach to value. The assessment is based on \$182.23 per s.f. of building including the extra land. Industrial land in this area is assessed at \$800,000 per acre.

- (4) The Complainant outlined two basic issues;
- (a) There should be a deduction in the assessment to account for the fact that the site is not serviced to the same extent as more conventional industrial areas.
  - (b)The current assessment does not properly reflect market value.

**Complainant's Requested Value:**

- (5) \$753,000

**Evidence / Argument**

(6) Both the Complainant and the Respondent presented the same comparables, and both parties arrived at the same time adjusted median selling price of \$161 per s.f. The departure occurred in the adjustment process. The Complainant adopted their "most comparable" property, and adjusted downward for the partial servicing, to arrive at a per s.f. indicator of \$101 per s.f. The Respondent, on the other hand, adopted the median time adjusted selling price of \$161 per s.f. (rounded), and added the value of 0.42 acres at \$800,000, to arrive at a final value of \$1,943,981 (which is substantially higher than the current assessment).

(7) The Complainant also submitted cost calculations that produced a depreciated improvement cost of \$123,100 after GST, and land value of \$630,000, for a total estimate of \$753,000. The cost calculations, however, contain an overly aggressive depreciation estimate that produces a lower estimate.

**Board's Decision**

(8) The calculations contained in the Respondent's sales comparison approach produce a result that does not correspond to the current assessment. In addition, the Board notes that the amount of extra land used by the Respondent in the extra land calculation is higher than the amount of extra land that actually exists.

(9) Because of the large variation between the sales comparison results, and the Complainant's cost calculations, the Board places little weight on the Complainant's cost results.

(10) The Board accepts the median selling price presented by both parties as the most compelling evidence of value. At \$161 per s.f the assessment would calculate to \$1,610,000.

(11) Alternatively, the Board agrees with the Complainant with respect of the servicing issue. The subject is not as desirable as the more modern subdivisions with paved roads, street lights, curbs and gutters, and proper drainage, and should not be assessed at the same value.

For assessment purposes, the City applies a 25 per cent reduction for partial servicing. Applying the same reduction to the subject's land assessment produces a reduction in land value of \$210,000. That calculation produces a revised assessment of \$1,610,000.

(14) The assessment is reduced to \$1,610,000.00.

**DATED AT THE CITY OF CALGARY THIS 29 DAY OF August, 2012.**



**Jerry Zezulka**  
**Presiding Officer**

**DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

Decision No. 1136/2012 - P			Roll No. 033002908	
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Industrial	Market value	N/A	Servicing, land value