

**CALGARY  
COMPOSITE 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:**

***Trimac Transportation Services Inc. (as represented by Altus Group Ltd.),  
COMPLAINANT***

**and**

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

**before:**

***M. Chillbeck, PRESIDING OFFICER  
P. Charuk, MEMBER  
K. Farn, 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 2011 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>091030403 091031005</b>
<b>LOCATION ADDRESS:</b>	<b>4040 Ogden RD SE 4056 Ogden RD SE</b>
<b>HEARING NUMBER:</b>	<b>64030 64035</b>
<b>ASSESSMENT:</b>	<b>\$2,580,000 \$3,150,000</b>

These complaints were heard on 6th day of July, 2011 at the office of the Assessment Review Board located in Boardroom 2 on Floor Number 4 at 1212 – 31 Avenue NE, Calgary, Alberta,.

Appeared on behalf of the Complainant:

- *R. Worthington*

Appeared on behalf of the Respondent:

- *T. Luchak*

Observers:

- *G. Bell, Assessor*
- *L. Yakimchuk, MGB Member*

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

No procedural or jurisdictional matters were raised.

**Property Description:**

The subjects are industrial properties with building type IWS (Industrial Warehouse-Single tenant) and a Land Use Designation of IR (Industrial Redevelopment) located in the community of Alyth/Bonnybrook in SE Calgary. Both subjects have extra land and they adjoin each other.

Subject at 4040 Ogden Rd was constructed in 1956. It has a rentable building area of 19,454 sq ft with 8% office finish located on a parcel of 2.21 acres and site coverage at 20.19%. The extra land is 0.72 acres and assessed as excess land because it is considered not sub-dividable.

Subject at 4056 Ogden Rd was constructed in 1956. It has a rentable building area of 20,427 sq ft with no office finish located on a parcel of 3.72 acres and site coverage at 12.59%. The extra land is 2.16 acres and assessed as additional land because it is considered sub-dividable.

**Issues:**

- 1) The subject at 4040 Ogden Rd is not assessed equitably to 4056 Ogden Rd.
- 2) The extra land of the subject at 4056 Ogden Rd is assessed incorrectly and that results in an assessment in excess of market value.

<b><u>Complainant's Requested Value:</u></b>	4040 Ogden Rd	\$2,340,000
	4056 Ogden Rd	\$2,790,000

**Board's Findings in Respect of Each Issue:****1) RE: 4040 Ogden Rd SE**

The Complainant advised the Board that both subjects were inspected "inside and Out" for this hearing. Apart from the parcel size differences, the buildings are identical in building type, year of construction and similar in rentable area, office ratio and site coverage. Both properties have the same land use designation of IR and a similar site coverage.

The Respondent acknowledged that extra industrial land is assessed when the site coverage is less than 30% and is categorized as excess land or additional land. If the extra land is considered to be sub-dividable, it is assessed as additional land and a separate adjustment is calculated. If considered excess land, the value is included in the valuation rate that is applied against the building area.

The subject at 4040 Ogden Rd is assessed at \$132 per sq ft of building area, using the sales comparison method. This rate includes the value of the extra land as excess land. The building and land at 4156 Ogden Rd are assessed at \$112 per sq ft of building area, using the sales comparison method, plus an extra land adjustment as additional land of \$853,421.

The Complainant agrees with categorizing the land at subject 4040 Ogden Rd as excess land but disputes the categorization of additional land at subject 4156 Ogden Rd; it should be excess land and assessed at 60% of the additional land rate to recognize that the extra land is neither subdivided nor able to be subdivided.

The Complainant advised that the Respondent's AES (Assessment Explanation Supplement) for 4040 Ogden Rd does not show a land adjustment for the excess land and therefore it is not clear what the value is for the building and land with 30% site coverage and what the value is for the excess land. The building and land with 30% site coverage at subject 4156 Ogden Rd is assessed at \$112 per sq ft of building area plus an adjustment for 2.16 acres of additional land at \$853,421 or \$395,000 per acre.

Because the building at 4040 Ogden Rd is almost identical to the building at 4156 Ogden Rd, the Complainant argued that 4040 Ogden Rd should be assessed at \$112 per sq ft of building area, the same as 4156 Ogden Rd, plus an adjustment for excess land. The Complainant accepts the Respondent's additional land rate of \$395,000 per acre and argued that this rate should be reduced by 40% when valuing excess land, based on previous methodology. The Respondent supported their argument that the assessment for subject is fair and equitable with one comparable from the community of North Manchester and asserted that the assessment model determines a correct valuation for property that has excess land.

The Board finds that the building at 4040 Ogden Rd is similar to 4156 Ogden Rd and should be assessed at the same rate per sq ft; therefore the building and land with 30% site coverage should be assessed at \$112 per sq ft of building area. This results in an equitable valuation of this component between the two properties.

Both parties agree that 4040 Ogden Rd has excess land. The Board finds this excess land should be valued at 60% of the additional land rate of \$395,000 per acre. The Respondent did not provide the Complainant or the Board with a value attributable for the excess land in their determination of assessment for the property. Their assessment model includes a value for

excess land and the Respondent is not able to provide this information to the Board. The best evidence before the Board is the method used to value the excess land for the adjoining property at 4156 Ogden Rd.

Therefore the Board's decision is to value the building and land with 30% site coverage at \$112 per sq ft of building area plus the excess land at 60% of the additional land rate of \$395,000.

**2) RE: 4056 Ogden Rd SE**

The Complainant argued that the extra land at 4156 Ogden Rd should be valued as excess land, not as additional land because the subject parcel cannot be subdivided in its present physical condition, the property is used by a trucking business, no subdivision application has been made as of December 31, 2010 and the assessor should not speculate on the probability of subdivision.

The Respondent claims that 4156 Ogden Rd can be subdivided because a requirement of Land Use IR is for small parcels of less than one acre in size and by looking at the area map for the subject believes that it can be subdivided, therefore it is appropriate to value the extra land as additional land. The Respondent's policy is to value additional land such as the subject at \$395,000 per acre.

The Board finds that there is no compelling evidence to convince the Board that the excess land of 4156 Ogden Rd can be sub-divided. As of December 31, 2010 of the assessment year, the property is fully used by a trucking business and no application has been made for sub-division. The Board does not accept the Respondent's assertion that it can be sub-divided simply by looking at a plan of the subject and that a requirement of Land Use IR is for parcels less than one acre. The Board notes that the extra land would include an area to provide for building setbacks and if subdivided may reduce the utility of the existing building.

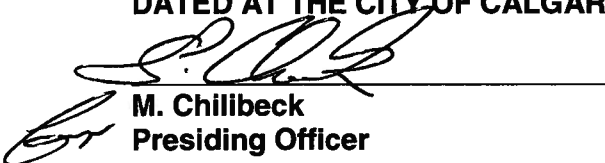
Therefore the Board's decision is to value the extra land as excess land.

**Board's Decision:**

Regarding 4040 Ogden Rd, the Board's decision is to value the building and land with 30% site coverage at \$112 per sq ft of building area plus the excess land at 60% of the additional land rate of \$395,000. The assessment is changed to \$2,340,000.

Regarding 4056 Ogden Rd, the Board's decision is to value the extra land as excess land. The assessment is changed to \$2,790,000.

**DATED AT THE CITY OF CALGARY THIS 29 DAY OF JULY 2011.**



**M. Chillbeck**  
**Presiding Officer**

**APPENDIX "A"****DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure re 4056 Ogden Rd
2. C2	Complainant Disclosure re 4040 Ogden Rd
3. R3	Respondent Disclosure re 4056 Ogden Rd
4. R4	Respondent Disclosure re 4040 Ogden Rd

*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**

Decision No.1301-2011-P		Roll No. 091030403, 091031005		
<b><u>Subject</u></b>	<b><u>Type</u></b>	<b><u>Issue</u></b>	<b><u>Detail</u></b>	<b><u>Issue</u></b>
CARB	Warehouse	Single Tenant	Sales Approach	Land Value