

**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:

Natco Canada Ltd. (as represented by AltusGroup), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***Board Chair, J. Zezulka
Board Member 1, S. Rourke
Board Member 2, A. Wong***

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:

ROLL NUMBER: 120021407

LOCATION ADDRESS: 9423 – Shepard Road SE

HEARING NUMBER: 63076

ASSESSMENT: 12,980,000.00

This complaint was heard on 14day of July, 2011 at the office of the Assessment Review Board located at Floor Number Four, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom One

Appeared on behalf of the Complainant:

- *D. Mewha*
- *J. Weber*

Appeared on behalf of the Respondent:

- *C. Lee*
- *I. Baigent*

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

At the outset of the hearing, the Respondent recommended an amended assessed value of \$12,500,000 be accepted by the Board.

Property Description:

The property is a 105,291 s.f. single tenant warehouse, constructed in three stages, in 1975, 1977, and 1981, situated on 16.39 acres, located in Foothills Industrial Park. The premises are used for pipe manufacturing. The site coverage is 14.75 per cent. The City has 8.34 acres classified as extra land.

The City has classified the property as a special purpose property, and has employed the cost approach to prepare the assessment. The land rate applied by the City is \$350,000.00 per acre.

The recommended assessment calculates to \$118.72 per s.f.

Issues/Appeal Objectives

1. ...the Cost Approach to Value is the best method of assessment valuation for the subject property given its characteristics.
2. Show evidence that, for assessment purposes, the subject is best suited to be valued on the cost approach to value.
3. Show evidence that the direct sale comparison approach supports a reduction to the current 2011 assessment.
4. Show evidence that the equity comparables selected by Altus supports a reduction to the 2011 property assessment.

Complainant's Requested Value: \$8,860,000.00, or \$84.15 per s.f of building.

Evidence

The evidence presented to the Board is best summarized as follows;

Complainant

Building	Size	Classification	Depreciated Cost
(A)	28,978 s.f.	Storage Warehouse	\$1,910,499
(B)	58,833 s.f.	Storage Warehouse	\$1,305,810
(C)	13,100 s.f.	Office building	\$1,111,051
(D)	4,200 s.f.	Storage warehouse	\$109,147

Respondent

Building	Size	Classification	Depreciated Cost
(A)	28,978 s.f.	Industrial, Heavy Mftg.	\$1,941,723
(B)	58,833 s.f.	Industrial, Heavy Mftg.	\$4,212,290
(C)	13,280 s.f.	Office building	\$1,196,844
(D)	4,200 s.f.	Storage warehouse	\$103,340

The major area of cost difference between the two parties is the classification and cost estimate of the 58,833 s.f. building (B). The Complainant classifies building (B) as "storage warehouse", while the respondent classifies it as "heavy manufacturing."

The Complainant submitted six properties that were purported to be comparable to the subject. These reflected assessments of \$60 to \$119 per s.f. However, land areas of the comparable properties were all significantly smaller than the subject's land component. In addition, clear wall heights of all but one were demonstrated to be substantially lower than the subject's.

The Complainant also submitted six sales comparables that reflected selling prices ranging from \$92 to \$127 per s.f. Of those, a manufacturing premises at 4949 – 76 Avenue SE. was found to be the most comparable to the subject. Although the Respondent argued that this transaction was actually a package of a group of properties, the Board accepts this transaction as a single, contiguous property with multiple addresses and multiple legal descriptions. The property is comprised of three buildings with a total of 106,865 s.f. on 9.22 acres of land. It was advertised, and appears ,to be a freestanding manufacturing facility.

Board's Decision

This Board agrees with the Respondent's classification of the subject premises as a heavy manufacturing facility. The Board also finds that the most comparable property available for the subject is the property at 4949 – 76 Avenue SE. That comparable sold for \$95.66 per s.f of building, including the land component, in May, 2010. The land areas between the comparable and the subject vary by 7.22 acres. Extracting the land at the City's rate of \$350,000 per acre produces a relative indicator for the comparable of \$49.00 per s.f. for the building only. Adding back the subject's land component produces a total property estimate of \$10,894,759, or \$103.47 per s.f.

The revised assessment is truncated to \$10,890,000.00.

DATED AT THE CITY OF CALGARY THIS 29 DAY OF July 2011.



Jerry Zezulka
Presiding Officer

APPENDIX "A"

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

NO.	ITEM
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| 1. | C1 Evidence submission of the Complainant |
| 2. | C2 Rebuttal Submission of the Complainant |
| 3. | R1 Respondent Disclosure; Assessment Brief |

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.*