

**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:

Panterra (5256) Properties Inc. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

B. Horrocks, PRESIDING OFFICER

A. Huskinson, MEMBER

D. Morice, 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 2012 Assessment Roll as follows:

ROLL NUMBER:	201578499
LOCATION ADDRESS:	6010 4 ST SE
HEARING NUMBER:	66612
ASSESSMENT:	\$904,000

This complaint was heard on the 14th day of August, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4

Appeared on behalf of the Complainant:

- Mr. J. Smiley (Altus Group Limited)

Appeared on behalf of the Respondent:

- Mr. J. Young (City of Calgary)

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

[1] There were no concerns with the Board as constituted.

[2] There were no preliminary matters. The merit hearing proceeded.

Property Description:

[3] The subject property is a 1.722 acre parcel of unimproved industrial land located in the Manchester Industrial area in SE Calgary. The subject is zoned I-G and is assessed at the base rate of \$525,000/acre.

Issues:

[4] The Assessment Review Board Complaint Form contained 7 Grounds for the complaint. At the outset of the hearing, the Complainant advised there were two outstanding issues, namely: "Land has environmental issues and warrants a -30% adjustment" and "The land adjustment applied to the subject property is incorrect and inequitable because of topography, rights-of-way influences, inability to sub-divide, encumbrances, shape, access, excess/additional land and/or other influences," but more specifically the property only has partial services.

Complainant's Requested Value: \$406,575 (Complaint Form)
\$ 406,500 (Hearing)

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

Issue: Is the subject property only partially serviced?

[5] The Complainant's submission is labelled C-1.

[6] The Complainant submitted the site was subdivided from the parcel that abuts against it on the North property line and only water service is available and as a result the subject should receive a -25% adjustment. The Respondent conceded the current assessment is incorrect and the subject property should receive the requested 25% adjustment for partial servicing.

Issue: Does the subject property have environmental issues that warrant a -30% adjustment?

[7] The Complainant, at page 22, provided the Phase One & Two Environmental Site Assessment for 515 – 58 AV SE, Calgary, AB (2009 update) prepared by Base Property Consultants Ltd. dated October 25, 2009, noting on page 26 that "EBA noted elevated organic content in the fill material and have recommended a methane Risk Management Plan and a methane management system for any new construction on the property, a recommendation that we agree with."

[8] The Complainant, at page 27, provided a letter report from Tiamat Environmental Consultants Ltd. dated December 3, 2009 noting the following:

- (1) at page 28, "Measurement of combustible soil vapours during drilling was reported to range between 150 and 4,260 ppm."
- (2) at page 30, "The current industry practise is to provide some protective measure(s) when potential soil gas concentrations at the exterior of a building are 5,000 ppm or higher. The measured soil gas concentration at the site does warrant a level of protection for a future building."
- (3) at page 31, "Subsurface methane gas is present beneath the majority of the proposed lot for subdivision. This methane gas is likely sourced from buried organic-rich sediments located in a water saturated state.....Generally, remediation work would typically involve an excavation of the organic-rich sediments and replacing with an inorganic engineered fill material compatible with the native soil at the site."

In response to questions, the Complainant did not know what the current condition of the site is, or the estimated cost for any remediation work.

[9] The Respondent's Disclosure is labelled R-1.

[10] The Respondent, at page 8, acknowledged the current assessment was incorrect and provided a requested Assessment Explanation Supplement that contained a -25% adjustment for partial services, resulting in a 2012 Market Value on Roll of \$678,188.

[11] The Respondent submitted that there are no environmental cleanup orders issued for the site from Alberta Environment. Further, there are no estimates provided to identify the costs for any remediation. The Respondent concluded that a 30% reduction is considered typical and that there is a need to know the estimated cost of any remediation in order to apply an adjustment.

[12] The Board finds there is no environmental cleanup order from any regulatory authority in evidence and further there is no cost estimate for the remediation, if actually required.

Board's Decision:

[13] The 2012 assessment is reduced to \$678,000.

Reasons:

[14] The subject property is only partially serviced and should receive a -25% adjustment.

DATED AT THE CITY OF CALGARY THIS 30 DAY OF August 2012.


B. Horrocks
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure

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

Subject	Property type	Property Sub-type	Issue	Sub-issue
CARB	other	Vacant Land	Sales Approach	Base Rate Adjustment