

**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:**

***1505680 Alberta LTD, COMPLAINANT (represented by Colliers International Realty Advisors Inc.)***

**and**

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

**before:**

***F.W. Wesseling, PRESIDING OFFICER  
B. Jerchel, MEMBER  
P. Pask, 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:

**ROLL NUMBER: 091019208**

**LOCATION ADDRESS: 1560 Hastings Cr SE**

**HEARING NUMBER: 61207**

**ASSESSMENT: \$2,410,000**

This complaint was heard on 1st day of September, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- D. Porteous - Colliers International Realty Advisors

Appeared on behalf of the Respondent:

- J. Greer - City of Calgary

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

No specific jurisdictional or procedural matters were raised during the course of the hearing, and the CARB proceeded to hear the merits of the complaint

**Property Description:** Subject property is located in Highfield Industrial area. The site consists of 1.6 acres. A single tenant warehouse on the site has 13,670 square feet with a 17% finish. The building was constructed in 1971. The site is extensively utilized for storage of construction materials.

The site is classified "I-G Industrial General District" in the City of Calgary Land Use Bylaw.

**Issues:** The Complainant raised the following matter in Section 4 of the Assessment Complaint form: Assessment amount

Presentation of the Complainant and Respondent were limited to:

- Assessment overstated in relation to recent sale of the property.
- Hydrocarbon contamination of subject property.

**Complainant's Requested Value:** \$1,250,000

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

**Complainant's position:** The Complainant is requesting that the property assessment be reduced to \$1,250,000 which is the sale price for which the subject property sold in the tax base year. The RealNet report, transfer document and land title were presented to provide the Board with background on the sale of the property in December of 2009. The sale was an arm's length transaction. It was further reported that the property is contaminated with deep subsurface hydrocarbons. An Environmental Site Assessment letter prepared by Environmental Diagnostics Inc. was presented which outlined the extent of the issue and the work required in the future to remediate the property. Depending on the remediation technique utilized the cost associated with cleaning up the subject property ranges from \$500,000 to \$750,000. The contamination issue has affected the land value. The decision with regard to CARB 0882/2011-

P was pointed to for the Board's consideration as a recent ruling on a similar complaint dealing with a recent sale of the subject property.

**Respondent's Position:** The City acknowledges the contamination issues as they relate to the subject property. The respondent produced a detailed report entitled "*Contamination Assessment and Delineation. Industrial Property 1560 Hastings Crescent SE*" as prepared by Environmental Diagnostics Inc. prepared in June of 2010. As the owner has not determined at this time when and what type of remediation will be implemented the City is prepared to provide a 15% adjustment to the assessment to \$2,068,000 to acknowledge the contamination of the property and its impact on value. The City provided eight industrial sales comparables, dating from August 20, 2007 to January 20, 2010 which showed a median time adjusted value of \$192.00 per square foot. It was acknowledged that none of the comparable properties experienced contamination issues. The Respondent acknowledged that the sale of the subject property was a brokered arm's length transaction.

**Board's Decision:** Upon reviewing the verbal and written evidence provided by the parties, the Board considers that the evidence provided by the Complainant to be more compelling and relevant.

**Reasons:** The Board is of the judgement that that the sale of the subject property, while perhaps an outlier insofar as the City's modelling program is concerned, and impacted by the known contamination, does not mean that it is not a valid comparable worthy of consideration. Both the Complainant and Respondent acknowledge that the sale of the property was an open market, arm's length transaction that represents the best evidence as to the market value of the property. The Respondent also acknowledges the impact of the contamination on the value of the land and is prepared to provide an adjustment to the assessed value. Cost of contamination remediation is acknowledged by both parties. Having regard to Section 467 (3) of the Municipal Government Act, the Board found alteration to the assessment was warranted.

The Board reduces the assessment at \$1,250,000.

DATED AT THE CITY OF CALGARY THIS 12 DAY OF September 2011.



F.W. Wesseling  
Presiding Officer

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

Complainant: C1 Evidence Submission of the Complainant to the 2011 ARB

Respondent: R1 Assessment Brief prepared by City of Calgary Assessment

*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 MGB Administrative Use Only*

<i>Decision No.</i>		<i>Roll No.</i>		
<u><i>Subject</i></u>	<u><i>Type</i></u>	<u><i>Issue</i></u>	<u><i>Detail</i></u>	<u><i>Issue</i></u>
CARB	Warehouse (single-tenant)	Land value	Sale of property	Petro chemical contamination