

**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:

Enersul Inc (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

L. Patrick, PRESIDING OFFICER

I. Fraser, MEMBER

D. Cochrane, 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:	201582152
LOCATION ADDRESS:	7210 Blackfoot TR SE
FILE NUMBER:	68478
ASSESSMENT:	\$7,090,000

This complaint was heard on the 23rd day of October, 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:

- R Worthington

Appeared on behalf of the Respondent:

- G. Bell

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

- [1] There were no jurisdictional or procedural matters raised during the hearing.

Property Description:

[2] The subject is a multi-building site in Fairview Industrial region. There are 2 buildings on the site of 4.20 acres being a warehouse office extension/multi bay of 33,350 square feet and a warehouse office extension of 33,930 square feet. In the multi-bay building the footprint is 14,148 square feet and the assessable building area is 33,350, more than double because the second floor projects outside the main floor foot print. In the single tenant building the footprint and assessable building area are the same as it is a single story building. The 2 story building has 65% office finish and 26.28% site coverage. The single story building has 17% office finish and 26.28 site coverage. The 2 story building assessable building area of 33,350 square feet is assessed at a rate of \$107.60 per square foot for an assessment of \$3,588,343.65 and the single story building assessable building area is assessed at a rate of \$103.22 per square foot for an assessment of \$3,502,129.03. The total of the 2 buildings assessments is \$7,090,473.

Issues:

- [3] Is the assessment methodology used by the Respondent on the subject consistent with the methodology used on comparable properties resulting in a correct assessment?

Complainant's Requested Value: \$6,600,000

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

- [4] Complainant's Position. The Complainant contends that the mezzanine or second

floor has been assessed at the same rate as the main floor. It is further contended that the main floor rate of assessment normally captures land in that rate and thus a second floor assessment would thus be at a lesser rate since the land had already been captured. The Complainant submits that to assess the second floor at the same rate results in the land being included twice. The Complainant further submits that if the second floor area was added to the main floor component that the correct site coverage would result and thus negate the need to do an additional land adjustment. The site coverage in the assessment is 26.285 based on the footprint of the two buildings of 48,078 square feet of the site size of 182,952 square feet. Based upon the typical site coverage of 30% the Complainant notes there is a resulting additional land input of 22,692 square feet or 0.52 of an acre. The Complainant submitted a City of Calgary 2012 Industrial Land Values chart at page 49 of C1 noting that for the South East the value quoted is \$525,000 an acre resulting in an additional land value of \$164,095. The Complainant further submits that if the second floor is added to the assessed building area to bring the total to 67,280 square feet then the site coverage becomes 36.77%. When the typical site coverage of 30% is applied then the additional land becomes a negative adjustment and when the published rate is applied the correction is negative \$298,763. When the additional and the correction amounts are totalled the assessment adjustment amounts to \$462,858 which produces the requested reduced assessment of \$6,600,000. There were no sales or equity comparables submitted to the Board.


[5] Respondent's Position. The Respondent contends that the assessment methodology used by the assessor for the subject is the same as used in all such buildings unless it were truly a mezzanine used for storage which attracts a reduced rate. The Respondent referred to the evidence at page 27 in R1 as a comparable where the assessable area in one building exceeded the footprint of the building which resulted in the additional area being assessed at the same rate as the main floor area. Although this site is a multi-building site the Respondent noted the issue was not the rates applied to different buildings but rather the rates applied to the multi level building. The Respondent submitted sales comparables noting they do not distinguish multi-building sales or multi-level building sales.

Board's Decision:

[6] The assessment is confirmed

Reasons: The Board noted that the challenge to the methodology made by the Complainant was not supported by any market or equity evidence and was predicated on assumption that the method used by the assessor was producing an inequity in the assessment of the subject. Without evidence to indicate that a different methodology was used in other comparable properties there is no basis to change the assessment. The evidence of the Respondent did include an example of an assessment done on the same basis as the subject which supports the assessment methodology used with the subject and that it is fair and equitable. The Complainant's Rebuttal dealt primarily with the sales comparables of the Respondent and their respective ASRs which were not in issue.

DATED AT THE CITY OF CALGARY THIS 14 DAY OF November 2012.


L. Patrick

Presiding Officer

APPENDIX "A"

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R2	Respondent Disclosure
3. C2	Complainant's Rebuttal

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.*

