

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaints against the property assessments as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

between:

Canada Malting Co. Limited, COMPLAINANT (as represented by AEC International Inc.)

and

The City of Calgary, RESPONDENT

before:

J. Dawson, PRESIDING OFFICER

H. Ang, MEMBER

A. Zindler, MEMBER

These are complaints to the Calgary Assessment Review Board in respect of property assessments prepared by the Assessor of The City of Calgary and entered in the 2011 Assessment Roll as follows:

ROLL NUMBER:	LOCATION ADDRESS:	HEARING NUMBER:	ASSESSMENT:
077050409	3310 15 Street SE	64024	\$ 2,210,000
200838472	3311 Bonnybrook Road SE	64028	\$ 10,080,000
077047702	3316 Bonnybrook Road SE	64022	\$ 2,370,000
201436177	3320 Ogden Road SE	64034	\$ 628,500

These complaints were heard on the 30th day of September, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- C. Hall Agent, AEC International Inc.

Appeared on behalf of the Respondent:

- R.T. Luchak Assessor, City of Calgary
- I. Baigent Assessor, City of Calgary

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

No objections of procedure or jurisdiction were raised.

Property Description:

The subject properties are four parcels comprising the operations of Canada Malting Co. Limited in the south-east quadrant of the city known as Bonnybrook with predominantly an Industrial-Heavy (I-H) land use designation. The specifics of each parcel are as follows:

Roll Number	Address	Land Area Acres	Land Value	Building Cost	Net Assessment
077050409	3310 15 Street SE	6.20	\$ 2,170,637	\$ 42,144	\$ 2,212,781
200838472	3311 Bonnybrook Road SE	16.49	\$ 6,252,750	\$ 3,828,117	\$10,080,867
077047702	3316 Bonnybrook Road SE	3.07	\$ 1,074,637	\$ 1,297,394	\$ 2,372,031
201436177	3320 Ogden Road SE	1.43	\$ 628,500	N/A	\$ 628,500

Issues:

The Complainant identified three matters on the complaint forms to discuss:

1. assessment amount
2. assessment class
3. type of improvement

The Board found that through review of section 5 of the complaint form the reasons for the complaint centred on these two core issues:

1. What is the correct land value for each parcel considering zoning, shape and location?
2. What is the correct allocation of machinery and equipment for each parcel?

The matter on assessment class, more specifically machinery and equipment allocation, is before the Board based on legislation in the Act section 297(1) wherein machinery and equipment is a class unto itself and separate from non-residential which is the zoning for the subject parcels.

Complainant's Requested Value:

Requested values as presented during hearing:

Roll Number	Address	Assessed Land Value	Requested Land Value	Assessed Building Cost	Requested Building Cost
077050409	3310 15 Street SE	\$ 2,170,637	\$ 2,170,637	\$ 42,144	\$ 42,144
200838472	3311 Bonnybrook Road SE	\$ 6,252,750	\$ 5,902,750	\$ 3,828,117	\$ 1,030,000
077047702	3316 Bonnybrook Road SE	\$ 1,074,637	\$ 805,978	\$ 1,297,394	\$ 342,148
201436177	3320 Ogden Road SE	\$ 628,500	\$ 500,500	N/A	N/A

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

1. What is the correct land values for each parcel considering zoning, shape and location?

The Board determined that the correct land values will be based on the 2011 industrial land rates for vacant land for the south-east, industrial general rate at \$525,000 per acre.

In making our decision the Board carefully looked at the evidence supplied by the Complainant and the Respondent and determined that the evidence was clear from Respondent's page 17 of R4 wherein the Respondent provided direct evidence of their policy on valuing land using the Cost Approach.

Whereas no evidence was provided to support the land cost as assessed and with the land values provided in the Respondent's own evidence equal to the evidence supplied by the Complainant, the Board set the land values as shown:

Roll Number	Address	Assessed Land Value	Board Determined Land Value
077050409	3310 15 Street SE	\$ 2,170,637	\$ 2,170,637
200838472	3311 Bonnybrook Road SE	\$ 6,252,750	\$ 5,902,750
077047702	3316 Bonnybrook Road SE	\$ 1,074,637	\$ 805,978
201436177	3320 Ogden Road SE	\$ 628,500	\$ 500,500

2. What is the correct allocation of machinery and equipment for each parcel?

The Board examined the evidence presented carefully by both parties and determined that the machinery and equipment has been incorrectly allocated in the assessment of two parcels. The Board determined the machinery and equipment values as presented verbally by the Complainant represented the best evidence and revised the building cost appropriately.

Roll Number	Address	Assessed Building Cost	Board Determined Building Cost
077050409	3310 15 Street SE	\$ 42,144	\$ 42,144
200838472	3311 Bonnybrook Road SE	\$ 3,828,117	\$ 1,030,000
077047702	3316 Bonnybrook Road SE	\$ 1,297,394	\$ 342,148
201436177	3320 Ogden Road SE	N/A	N/A

The Board found the evidence of the Complainant to be credible in their determination of the value of machinery and equipment and accepted the values as presented. The Act and attendant regulation attached in Appendix "B" provide clear guidelines as to what is assessed as building and what is assessed as machinery and equipment. The Board urges the Respondent to thoroughly inspect the premises and provide detailed evidence to support their assessment in future hearings of this nature.

Board's Decision:

After considering all the evidence and argument before the board, the following decisions were made:

Roll Number	Address	Board Determined Land Value	Board Determined Building Cost	New Truncated Assessment	Board Decision
077050409	3310 15 Street SE	\$ 2,170,637	\$ 42,144	\$ 2,210,000	CONFIRMED
200838472	3311 Bonnybrook Road SE	\$ 5,902,750	\$ 1,030,000	\$ 6,930,000	REDUCED
077047702	3316 Bonnybrook Road SE	\$ 805,978	\$ 342,148	\$ 1,148,000	REDUCED
201436177	3320 Ogden Road SE	\$ 500,500	N/A	\$ 500,000	REDUCED

DATED AT THE CITY OF CALGARY THIS 28 DAY OF October 2011.


J. Dawson
 Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Rebuttal Document
3. R1	Respondent Disclosure – 3310–15 Street SE
4. R2	Respondent Disclosure – 3311 Bonnybrook Road SE
5. R3	Respondent Disclosure – 3316 Bonnybrook Road SE
6. R4	Respondent Disclosure – 3320 Ogden Road SE

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.*

Municipal Government Board use only: Decision Identifier Codes				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Other Property Type	Specialty Property	Cost Approach	Land Value
		Machinery and Equipment		Improvement Calculations

APPENDIX "B"**LEGISLATION AND
RESOURCE MATERIALS:****The Municipal Government Act**

Chapter M-26, Section 460, Revised Statutes of Alberta 2000

Assigning assessment classes to property

297(1) *When preparing an assessment of property, the assessor must assign one or more of the following assessment classes to the property:*

- (a) class 1 - residential;*
- (b) class 2 - non-residential;*
- (c) class 3 - farm land;*
- (d) class 4 - machinery and equipment.*

Non-assessable property

298(1) *No assessment is to be prepared for the following property:*

- (z) machinery and equipment, except to the extent prescribed in the regulations;*

Matters Related to Assessment and Taxation Regulation

Alberta Regulation 220/2004 with amendments up to and including Alberta Regulation 330/2009

Definitions

1 *In this Regulation,*

- (j) "machinery and equipment" means materials, devices, fittings, installations, appliances, apparatus and tanks other than tanks used exclusively for storage, including supporting foundations and footings and any other thing prescribed by the Minister that forms an integral part of an operational unit intended for or used in*
 - (i) manufacturing,*
 - (ii) processing,*
- (n) "regulated property" means*
 - (iv) machinery and equipment.*

Valuation standard for machinery and equipment

- 9(1)** *The valuation standard for machinery and equipment is that calculated in accordance with the procedures referred to in subsection (2).*
- 9(2)** *In preparing an assessment for machinery and equipment, the assessor must follow the procedures set out in the Alberta Machinery and Equipment Assessment Minister's Guidelines.*
- 9(3)** *For the purposes of section 298(1)(z) of the Act, an assessment must be prepared for machinery and equipment that is not part of linear property as described in section 284(1)(k) of the Act, and the assessment must reflect 77% of its value.*