



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:

Precision Drilling Corporation (as represented by JT Consulting), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***Board Chair; J.Zezulka
Board Member; E. Reuther
Board Member; P. Mckenna***

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 2013 Assessment Roll as follows:

| | |
|--------------------------|-----------------------------|
| ROLL NUMBER: | 120021902 |
| LOCATION ADDRESS: | 9699 Shepard Road SE |
| FILE NUMBER: | 71759 |
| ASSESSMENT: | \$4,030,000 |

This complaint was heard on 19th day of September, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *N. Laird*

Appeared on behalf of the Respondent:

- *E. Wu*

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

- (1) There were no procedural or jurisdictional matters raised by either party.

Property Description:

- (2) The property consists of an industrial storage warehouse, situated in the Shepard Industrial Park of SE Calgary. An error on page 3 of the Respondent's disclosure placed the total building area at 59,783 s.f., although the assessment appears to have been based on a floor area of 53,257 s.f. Both parties agree on the 53,257 s.f. area. The building was built in 1978. The land area is 8.69 acres.

Issues / Appeal Objectives

- (3) Currently, the property is assessed using the cost approach. The depreciated improvement value is estimated by the assessor at \$995,663, and the land value is estimated at \$3,041,500. The Complainant does not dispute the valuation method. Nor does the Complainant dispute the value of the improvements. The Complainant's single issue is that the land value, which is currently assessed at \$350,000 per acre, is too high, quoting the following for the reasons (C1, pages 1 & 2).

- a) The site is a long rectangular parcel approximately 340 feet deep, by 101 feet wide.
- b) It is crisscrossed with numerous easements and utility rights of way, some of which sever the parcel in two.
- c) The site has only one access, with only 49.7 feet frontage on Shepard Road.
- d) The subject has a Deferred Services Agreement caveated on the title which states in section 3.01 that "the City does not currently provide usual urban services to the lands", and in 3.02, "that fire protection available to the lands and the development may be limited due to the lack of usual urban services."

- (4) For the reasons mentioned, the Complainant is requesting a reduction of 25 per cent to the assessed land value.

Complainant's Requested Value:

(5) \$3,270,000

Board's Decision:

(6) The assessment is confirmed.

Legislative Authority, Requirements and Considerations:

(7) This Board derives its authority from section 460.1(2) of the Municipal Government Act (MGA), being Chapter M-26 of the revised statutes of Alberta.

(8) Section 2 of Alberta Regulation 220/2004, being the Matters Relating to Assessment and Taxation Regulation (MRAC), states as follows;

"An assessment of property based on market value

(a) must be prepared using mass appraisal

(b) must be an estimate of the value of the fee simple estate in the property, and

(c) must reflect typical market conditions for properties similar to that property"

(9) Section 467(3) of the Municipal Government Act states;

"An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

(c) the assessments of similar property or businesses in the same municipality."

(10) For purposes of this Complaint, there are no extraneous requirements or factors that require consideration.

Position/Evidence

(11) The Complainant presented the City's 2013 Non-Residential Commercial Land Influence Adjustments chart for the Board's consideration (C1, page 30). The Complainant pointed to three negative influences, being Land Use Restriction, Limited Access, and Shape Factor. Each of these influences carries a negative 25 per cent adjustment. All of these combined could theoretically reduce the land value by 75 per cent.

(12) The Complainant also claims inequity, pointing to two nearby parcels, at 9423 Shepard Road SE, and 3001 Shepard Place SE, (C1, page 3) that are assessed at the same land rate as the subject. The Complainant states; *"In both cases, they are vastly superior as they do not exhibit any of the negative characteristics of the subject property."*

(13) A third property brought forward by the Complainant is 8825 Shepard Road SE, which has four points of access from Shepard Road, while the subject has only one.

(14) The Respondent pointed out that the assessment on the subject has decreased from \$6,016,500 in 2012, to \$4,030,000 in 2013, because the land use classification was corrected to IH for 2013, which reflects limited servicing.

(15) The Respondent presented a series of photographs illustrating the Respondent's argument that the access to the subject is essentially no different than the access for any of the three comparables presented by the Complainant.

(16) The Respondent also presented aerial photographs of properties with limited access. These illustrate that limited access, in the context of the Land Influence Adjustments, is much more severe than simply having one access point, such as the subject.

(17) Finally, the Respondent presented a servicing map showing the servicing lines that are the subject of the easements and utility rights of way referenced by the Complainant. These show that the water and storm sewer lines are on the subject property, along the south boundary. Neither of these have a significant adverse affect on the site's developability.

(18) A water line also dissects the site in a north-south direction. The Respondent argued that this line, however, cuts the site into two almost equal parts, both of which are large enough to accommodate a significant sized development.

Board's Reasons for Decision:

(19) Based on the evidence presented, this Board finds that the subject property does not exhibit any of the shortfalls that are encompassed in the land influence adjustments presented by the Complainant.

(20) The assessment is confirmed.

DATED AT THE CITY OF CALGARY THIS 17th DAY OF October 2013.



Jerry Zezulka
Presiding Officer

APPENDIX "A"

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

| NO. | ITEM |
|------------|-------------|
|------------|-------------|

| | |
|----|--------------------------|
| 1. | C1Complainant Disclosure |
|----|--------------------------|

| | |
|----|-------------------------|
| 2. | R1Respondent 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 MGB Administrative Use Only

| | | | | |
|-------------------------------|-------------|--------------------------|--------------------|--------------|
| Decision No. CARB 71759P/2013 | | | Roll No. 120021902 | |
| <u>Subject</u> | <u>Type</u> | <u>Issue</u> | <u>Detail</u> | <u>Issue</u> |
| CARB | Industrial | Market Value, land value | N/A | Adjustments |