

Flood impacts on 2014 property and business assessments

Frequently Asked Questions

1. How many 2014 residential property assessment accounts were impacted by the flood?

Out of approximately 450,314 residential property accounts, to-date 1,939 properties have been identified as experiencing a market value reduction due to the flood.

2. How were the properties that experienced a market value reduction due to the flood identified?

The Assessment business unit used aerial imaging to identify residential properties that had a high likelihood of sustaining physical damage from overland flooding. Following this, information requests were mailed to the owners of 3,290 properties in September 2013 to obtain details about any changes in the property's physical condition due to the flood. Information requests were also mailed to condominium boards/managers in affected areas.

To identify the extent of damage, Assessment employees visited streets in each community that experienced overland flooding. The exterior of each property was viewed and specific properties were identified for further inspection.

From this information gathering and analysis, 1,939 properties were identified as requiring a market value adjustment due to the flood.

3. How were 2014 property assessment values for flood affected properties prepared?

In addition to the information collected from inspections and property owners, assessors analyzed market activity and reviewed the condition of affected properties as of Dec. 31, 2013. Since the flood occurred only 10 days before the July 1, 2013 legislated valuation date, an insufficient amount of market activity occurred to examine the effects of the flood on market value as of July 1.

The resulting strategy was to establish a base ("no flood") assessment value using market information from July 1, 2011 to June 20, 2013 and then use market information subsequent to the flood such as sales and listings. This was done to obtain sufficient data to measure the effects of the flood on market value. From this, the Assessment business unit concluded that portions of some communities experienced a loss in market value due to the flood.

Assessments for the 1,939 properties identified as having experienced a market value reduction received adjustments accordingly depending on the extent of damage sustained and the physical condition of each property as of Dec. 31, 2013. These

market value adjustments are reflected in the 2014 assessed values of affected properties.

4. Which communities contain properties that received a market adjustment due to the flood?

Based on market analysis, to-date, adjustments have been made to 1,939 flood affected properties in the following communities:

Beltline, Bowness, Bridgeland, Cliff Bungalow, Discovery Ridge, Elbow Park, Erlton, Elboya, Hillhurst, Inglewood, Mission, Rideau Park, Roxboro, and Sunnyside.

5. How did The City communicate with property owners whose properties were impacted by the flood?

In September 2013, the Assessment business unit mailed requests for information to property owners identified as having a high likelihood of sustaining property damage due to the flood. As part of this mailing, property owners were invited to contact Assessment from Oct. 7 to Nov. 7, 2013 to set up an information exchange appointment with their area assessor should the customer wish to discuss additional details about their property and/or their 2014 assessment in advance of the values being established. Information was also posted online at calgary.ca regarding flood impacts to assessment values.

All customers have the opportunity to find out more details about their assessment and discuss it further with their assessor during the 60 day Customer Review Period from Jan. 3 – March 4, 2014.

6. How can customers find out if their property received a market value adjustment due to the flood?

If a property received a market value adjustment due to the flood, their property's Assessment Detail/Summary Report will include an influence called "2013 flood." This report is available online through Assessment Search Secure Login at calgary.ca/assessmentsearch.

Customers can also contact Assessment's customer service line at 403-268-2888 to get their questions answered or set up an appointment with their area assessor.

7. What is the total market value reduction due to the flood?

The total market value reduction to residential assessed values as a result of the flood is approximately \$405 million.

8. Will the flood impact future years' assessments?

The property assessment process is annual. The Assessment business unit will monitor flood affected properties for both physical remediation and market value changes so that flood affected property assessments in future years continue to be fair and equitable with the market and other property in Calgary.

9. How will The City address inquiries from customers who had flood damage that wasn't captured from our engagement / research?

The City mails 2014 Assessment Notices on January 3, 2014. Following the Notice mailing, all property owners have a 60-day Customer Review Period that runs from Jan. 3 – March 4, 2014. This is the opportunity for property owners to review and, if necessary, inquire about their 2014 assessment. We will accept any information during our Customer Review Period about flood affected properties in the same way we would for any other property.

At calgary.ca/assessmentsearch, property owners can access details about their property and tools to check, review and compare their assessment for fairness and equity. Assessment's Customer Service phone line at 403-268-2888 is also available should property owners wish to discuss their assessment in more details or advise of any information about their property that needs to be changed or updated.

If a change to an assessment is necessary due to new information provided, an amended assessment notice will be issued to the property owner. It's important to note that changes to a customer's 2014 property assessment will only be considered if an inquiry is received during the 2014 Customer Review Period.

10. How were businesses impacted by the flood assessed for 2014?

Business tax assessment is an occupancy tax based on the net annual rental value of a premises. It is not subject to the same physical condition date as property assessment. Unlike property, which does not typically cease to exist, businesses are dynamic and can start anew or cease to exist at any point in the year. For this reason the business assessment roll is a "live roll" in that it changes from month to month based on the individual circumstances of each assessed business.

It's the responsibility of business owners to promptly advise The City of Calgary when changes occur to their premises including moves or closures. If a business is no longer operational or closed for more than 30 days due to the flood, the business owner is advised to contact

Development Building and Approvals at 403-268-5311 and request an adjustment to their business licence/assessment for that period of time.

Adjustments to a business' 2013 taxes for the period of business closure will be considered as per the established course of actions. Any effect of the flood on 2014

business assessment is being measured through a review of business premise lease activity.