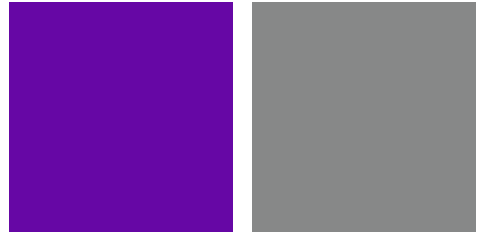


PROPERTY TAX CASE STUDY RAILROADED



TrentonWorks' Challenge

The Tsar of Russia received his first railcar from TrentonWorks Ltd. in 1872. The 838,000 ft.² facility, squatting on 114 acres in Trenton, Nova Scotia, continued producing rail stock until 2007. Economic conditions, exacerbated by a strong Canadian dollar, then forced parent company Greenbrier to shutter the plant. Provincial legislation however, mandated that the property tax assessment be based on conditions pertaining *two years prior to the current taxation year*. TrentonWorks turned to Turner Drake for help.

Turner Drake's Approach

Our two person team arrived on site as workers were completing their last railcar order. We spent two 14 hour days inspecting and measuring the 33 buildings; some nearly brand new, others inhabited only by pigeons, raccoons and mice ... carefully tended by a family of cats. Service Nova Scotia yielded up a copy of their assessment records and we went to work auditing them against the results of our site visit. We found that the assessment calculations recorded the perimeter of the main building as 5,653 ft. (it was actually 1,286 ft.), assigned values to buildings awaiting demolition, and double counted peripatetic trailers. The legislation mandated that the assessed value reflect the property's market value two years earlier, as an operating facility. We located the sale of another railcar manufacturing plant in London, Ontario, at the base date.

Winning Results

Turner Drake toured the property with the provincial assessor, persuaded him to delete the derelict buildings and ghost trailers, and negotiated a reduction in the assessment from \$10 million to \$8.5 million, thus yielding first year tax savings of \$100,000 to TrentonWorks Ltd.