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## RECORD OF DECISION

### CITY OF SASKATOON, BOARD OF REVISION

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<b>APPEAL NO.:</b>	075-2019 (lead)	<b>ROLL NO.:</b>	385010400
	080-2019		495602940
	122-2019		475011340

**RESPONDENT:** City of Saskatoon

In the matter of an appeal to the City of Saskatoon, Board of Revision by:

**APPELLANT:** Altus Group Limited on behalf of various owners

**Respecting the assessment of:**

Appeal No.	Property Owner	Legal Description - Parcels	Civic Address
075-2019	The Saskatoon Co-operative Association Limited	203004537	1327 North Service Road
080-2019	Federated Co-operatives Limited	120315541, 135682353	325 Jessop Avenue
122-2019	101203299 Saskatchewan Ltd.	119011306, 119011520	1201 Quebec Avenue

**for the year 2019**

**BEFORE** Mr. Adrian Deschamps, Chair, Board of Revision  
Ms. June Board, Member, Board of Revision  
Mr. Cameron Choquette, Member, Board of Revision

**Appeared for  
the Appellant** Mr. Jesse Faith, Altus Group Limited

**Appeared for  
the Respondent** Mr. Travis Horne, Revaluation and Assessment Appeal  
Coordinator, Assessment & Valuation

The appeal was heard in Council Chambers, City Hall, in the City of Saskatoon on July 26, 2019.

This is an appeal of the assessment of a **commercial** property in the City of Saskatoon. In this decision, we refer to the Board of Revision Panel as “the Board” or “the Panel”, to *The Cities Act* as *The Act*, and to the Saskatchewan Assessment Management Agency Assessment Manual as “the Manual” and the Saskatchewan Assessment Management Agency Market Value Handbook as “the Handbook”.

### **PRELIMINARY ISSUES:**

- [1] The parties were advised that the proceedings were being recorded for the purposes of the Board and the Panel Clerk. The Chair introduced the Board members and the Panel Clerk and briefly outlined the procedures that would be followed during the course of the hearing.
- [2] At the request of the Respondent, and pursuant to Section 208 of *The Cities Act*, the Chair ordered that the hearing be recorded by Royal Reporting Services.
- [3] The Tax Agent advised the Panel that he would not speak to Grounds 1 & 2 of Appeal 122-2019.
- [4] The parties to the appeal agreed that Appeal No. 75-2019 would be heard first and that all evidence and argument from that appeal would be carried forward into the following appeals:  
  
80-2019, 122-2019.
- [5] They further agreed that as per Exhibit B.1:

*“The MAF issue is “stand up sit down”. This issue is before the A.A.C. and the evidence and argument in 2019 is the same as previous years.”*

### **GROUNDINGS AND ISSUES:**

The grounds and issues for this appeal as identified in the Notice of Appeal (Exhibit A.1) are as follows:

1. The assessor erred in not applying a MAF to the RNCLD lump sum adjustment.

### **EXHIBITS:**

\*\* Denotes Exhibits **not** submitted within the prescribed time as provided in Section 200(1) of The Cities Act

- A.1 Notice of Appeal from Altus Group to the Board of Revision, received February 4, 2019.
- A.2 Document A.2 was not submitted for this file.
- A.3 Document A.3 was not submitted for this file.

- A.4 **COMMON DOCUMENT** – Appellant’s submission to the Board of Revision (Saskatoon Cooperative Association Et Al), received April 30, 2019.  
(**FOR USE WITH:** 41, 46, 75, 122, 145, 140, 172, 161, 149, 158, 87, 154).
- A.5 Document A.5 was not submitted for this file.
- A.6 Document A.6 was not submitted for this file.
- A.7 Document A.7 was not submitted for this file.
- B.1 **COMMON DOCUMENT** – Email from Assessment & Valuation to Altus Group dated May 3, 2019.  
(**FOR USE WITH:** 41, 46, 57, 75, 80, 87, 122, 135, 136, 145, 149, 140, 172, 161, 158, 154, 178)
- R.1 **COMMON DOCUMENT** – submitted by the City Assessor titled “Warehouse & Automotive Response 2019 Assessment”, received May 13, 2019.  
(**FOR USE WITH:** 36, 41, 44, 46, 47, 48, 56, 57, 65, 72, 75, 87, 88, 90, 91, 92, 115, 118, 129, 132, 134, 135, 136, 137, 138, 139, 140, 145, 147, 149, 154, 155, 156, 158, 160, 161, 163, 164, 165, 168, 169, 172, 174, 175, 178, 180, 181, 184, 185)
- R.2 **COMMON DOCUMENT** –submitted by the City Assessor titled “2019 General Law and Legislation Brief”, received May 13, 2019.  
(**FOR USE WITH:** 36, 41, 44, 46, 47, 48, 56, 57, 65, 72, 75, 87, 88, 90, 91, 92, 115, 118, 129, 132, 134, 135, 136, 137, 138, 139, 140, 145, 147, 149, 154, 155, 156, 158, 160, 161, 163, 164, 165, 168, 169, 172, 174, 175, 178, 180, 181, 184, 185)
- R.3 **COMMON DOCUMENT** –submitted by the City Assessor titled “2019 Expert Witness Law and Legislation Brief”, received May 13, 2019.  
(**FOR USE WITH:** 36, 41, 44, 46, 47, 48, 56, 57, 65, 72, 75, 87, 88, 90, 91, 92, 115, 118, 129, 132, 134, 135, 136, 137, 138, 139, 140, 145, 147, 149, 154, 155, 156, 158, 160, 161, 163, 164, 165, 168, 169, 172, 174, 175, 178, 180, 181, 184, 185)
- R.4 **COMMON DOCUMENT** –submitted by the City Assessor titled “2019 Notice of Appeal Law and Legislation brief”, received May 13, 2019.  
(**FOR USE WITH:** 36, 41, 44, 46, 47, 48, 56, 57, 65, 72, 75, 87, 88, 90, 91, 92, 115, 118, 129, 132, 134, 135, 136, 137, 138, 139, 140, 145, 147, 149, 154, 155, 156, 158, 160, 161, 163, 164, 165, 168, 169, 172, 174, 175, 178, 180, 181, 184, 185)
- R.5 **COMMON DOCUMENT** –submitted by the City Assessor titled “2019 Response Evidence Law and Legislation Brief”, received May 13, 2019.  
(**FOR USE WITH:** 36, 41, 44, 46, 47, 48, 56, 57, 65, 72, 75, 87, 88, 90, 91, 92, 115, 118, 129, 132, 134, 135, 136, 137, 138, 139, 140, 145, 147, 149, 154, 155, 156, 158, 160, 161, 163, 164, 165, 168, 169, 172, 174, 175, 178, 180, 181, 184, 185)

R.6 **COMMON DOCUMENT** –submitted by the City Assessor titled “Salient Facts & Field Sheets”, received May 13, 2019.

**(FOR USE WITH:** 41, 44, 46, 47, 48, 56, 57, 65, 72, 75, 80, 87, 88, 90, 91, 92, 96, 97, 98, 99, 100, 101, 115, 118, 122, 129, 132, 134, 135, 136, 137, 138, 139, 140, 144, 145, 147, 149, 154, 155, 156, 158, 160, 161, 164, 165, 168, 169, 172, 174, 175, 178, 180, 184, 185)

### **FACTS:**

[6] The following particulars supplied by the Assessment & Valuation Division are of public record and are deemed material to the issues under appeal.

Appeal No.	Roll No.	Legal Description (Parcels)	Zoning	Current Assmt	Current Taxable Assmt	% of Assmt
075-2019	385010400	203004537	DAG1	2,998,700	2,998,700	1.00
080-2019	495602940	120315541, 135682353	IH	3,720,300	3,720,300	1.00
122-2019	475011340	119011306, 119011520	IL1	15,497,700	15,497,700	1.00

### **EVIDENCE AND ARGUMENTS:**

[7] As noted above, the parties agreed that as per Exhibit B.1:

*“The MAF issue is “stand up sit down”. This issue is before the A.A.C. and the evidence and argument in 2019 is the same as previous years.”*

### **RULES, STATUTES, PRECEDENTS:**

In the general course of its deliberations, the Board was guided by the principles expressed in Sections 164 and 165 of *The Cities Act*, the Market Value Assessment in Saskatchewan Handbook for non-regulated properties, and the Saskatchewan Assessment Agency Manual for regulated properties.

The relevant sections of *The Cities Act* are as follows:

- Section 165(2) provides that property is to be valued as of the “base date”, which has been established by the Saskatchewan Assessment Management Agency (SAMA) as being January 1, 2015. In determining property value, all facts, conditions and circumstances that are required to be taken into account are to be applied as if they had existed on that base date.
- Section 165(3) directs that equity is the dominant and controlling factor in the assessment of property. Section 165(4) directs that equity in regulated property assessments is achieved by applying the regulated property assessment valuation

standard uniformly and fairly. Section 165(5) states that equity in non-regulated property assessments is achieved by applying the market valuation standard so that the assessments bear a fair and just proportion to the market value of similar properties as of the applicable base date. If, as a general matter, the same methodology has been employed in the valuation of the property in question as has been employed in the valuation of other such properties in the municipality, then there is no basis, in general, for varying the valuation on appeal.

- It must be noted this is a “mass assessment” system, not an individualized appraisal system.

### **ANALYSIS AND CONCLUSIONS:**

A province-wide reassessment occurred in 2017 with all properties valued as of January 1, 2015. Under *The Cities Act*, residential properties, multi-unit residential, and commercial properties are “non-regulated property”. A regulated property assessment valuation standard is used for properties such as agricultural land, oil and gas well production equipment, linear property and heavy industrial property.

- Section 163 (f.1) states: *“market valuation standard” means the standard achieved when the assessed value of property is prepared using mass appraisal is an estimate of the market value of the estate in fee simple in the property reflects typical market conditions for similar properties; and meets quality assurance standards established by order of the agency;*
- 163 (f.2) states: *“market value” means the amount that a property should be expected to realize if the estate in fee simple in the property is sold in a competitive and open market by a willing seller to a willing buyer; each acting prudently and knowledgeably, and assuming that the amount is not affected by undue stimuli;*
- 163 (f.3) states: *“mass appraisal” means the process of preparing assessments for a group of properties as of the base date using standard appraisal methods, employing common data and allowing for statistical testing.*
- Section 164.1 (2) of *The Cities Act* states; *“Non-regulated property assessments shall be determined according to the market valuation standard”*
- Section 165 (3) states: *“The dominant and controlling factor in the assessment of property is equity”*

[8] With regard to Appeal 122-2019, the Tax Agent, as a preliminary issue, had advised the Panel that he would not speak to Grounds 1 & 2. Further, the Agent’s written submission contained no reference to, or support for, those grounds. Consequently, the Panel will give no further consideration to Grounds 1 & 2 of that appeal.

[9] The Appellant had submitted that a 0.47 Market Adjustment Factor (MAF) be applied to the lump sum values being calculated for the properties under appeal. The written submission at paragraph (24), Exhibit A.4 stated that the Cost Guide

provided guidance for determining a MAF when there were no or limited sales available.

[10] Section 3.10 of SAMA's Cost Guide states:

*The comparable neighbourhood method is used where improved sales are limited and there are sufficient improved property sales in a comparable neighbourhood to establish a reliable market adjustment factor.*

[11] Paragraph (28) then states that, as described by the Assessor, a structure such as the subject rarely leases and seldom will sell. The sales used to develop the original MAF of 0.76 are rarely leased and do not lend themselves to the income approach. This description is still applicable to the 0.47 MAF that was the result of an appeal in 2017. These sales would be the most comparable in the market and by way of the comparable neighbourhood method and the direct comparison formula would result in a MAF of 0.47 applied to these structures.

[12] The Assessor had submitted (Exhibit R.1: pp.176-177) that the Tax Agent had not provided any evidence to indicate that items such as canopies, underground tanks, etc. would trade based on income potential. The unique characteristics inherent in special purpose properties resulted in a limited market where they were seldom leased and rarely sold except for nominal amounts at the end of their economic life. This served to limit the approaches to value that could be applied when valuing special purpose properties using mass appraisal techniques.

The Cost Approach was most appropriate where there was insufficient data to apply either the Sales Comparison or Income Approach – underground tanks or canopies for example.

[13] This issue was before the Board in BOR Appeal No. 137-2018. In that appeal the Board concluded that there was no error on the part of the Assessor when he applied a lump sum adjustment to the assessment in order to value the canopy and underground tanks; and further, that there was no error on his part when he determined that the application of a MAF to that adjustment would not be appropriate.

[14] In this appeal the property features in question are utility / material storage buildings and steel hopper bottom bins. Like canopies and underground tanks, they would not likely trade based on income potential. For that reason, the Board's decision in 137-2018 is applicable here.

### **DECISION:**

In accordance with Section 210(1) (a) of *The Cities Act* the Board confirms the assessment. The appeal is dismissed.

The filing fee is retained.

DATED AT SASKATOON, SASKATCHEWAN, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2019.

**CITY OF SASKATOON BOARD OF REVISION**

\_\_\_\_\_ **for the Panel**  
Mr. Adrian Deschamps, Chair

I concur:

\_\_\_\_\_  
Ms. June Bold, Member

\_\_\_\_\_  
Mr. Cameron Choquette, Member

TAKE NOTICE, that in accordance with Section 216 of *The Cities Act*, any party to an appeal before a Board of Revision has a right of appeal to the appeal board, respecting a decision of a board of revision; and against the omission, neglect or refusal of a board of revision to hear or decide an appeal.

A notice of appeal form can be downloaded from **[www.publications.gov.sk.ca](http://www.publications.gov.sk.ca)** (select Saskatchewan Municipal Board from the Ministry list, and select Notice of Appeal to the Assessment Appeals Committee). The notice of appeal must be filed within 30 days after being served with this Record of Decision, to:

Secretary, Assessment Appeals Committee  
Saskatchewan Municipal Board  
4<sup>th</sup> Floor, Room 480  
2151 Scarth Street  
Regina, SK S4P 2H8  
(Telephone: 306-787-6221; FAX: 306-787-1610; [info@smb.gov.sk.ca](mailto:info@smb.gov.sk.ca))

In the case of the omission or neglect of the Board of Revision to hear or decide an appeal, the notice of appeal to the appeal board may be filed at any time within the calendar year for which the assessment was prepared.

An appeal fee is required by the Assessment Appeals Committee and **must be filed within the same 30-day appeal period or the appeal is deemed to be dismissed**. Assessment Appeals Committee fees are based on a scale related to the assessment of the property under appeal:

\$50 for each \$100,000 in assessed value, or portion thereof, to a maximum of \$600.

For additional information, please contact the Assessment Appeals Committee, Saskatchewan Municipal Board, at the address and/or telephone number indicated above.

(Note: Where an appellant failed to appear at the hearing, either personally or by agent, the decision of the Board of Revision is final and no further appeal may be taken)