

March 25, 2022

Mr. Mike Voth
 Director of Corporate Revenue
 City of Saskatoon
 222 3rd Avenue North
 Saskatoon, SK S7K 0J5

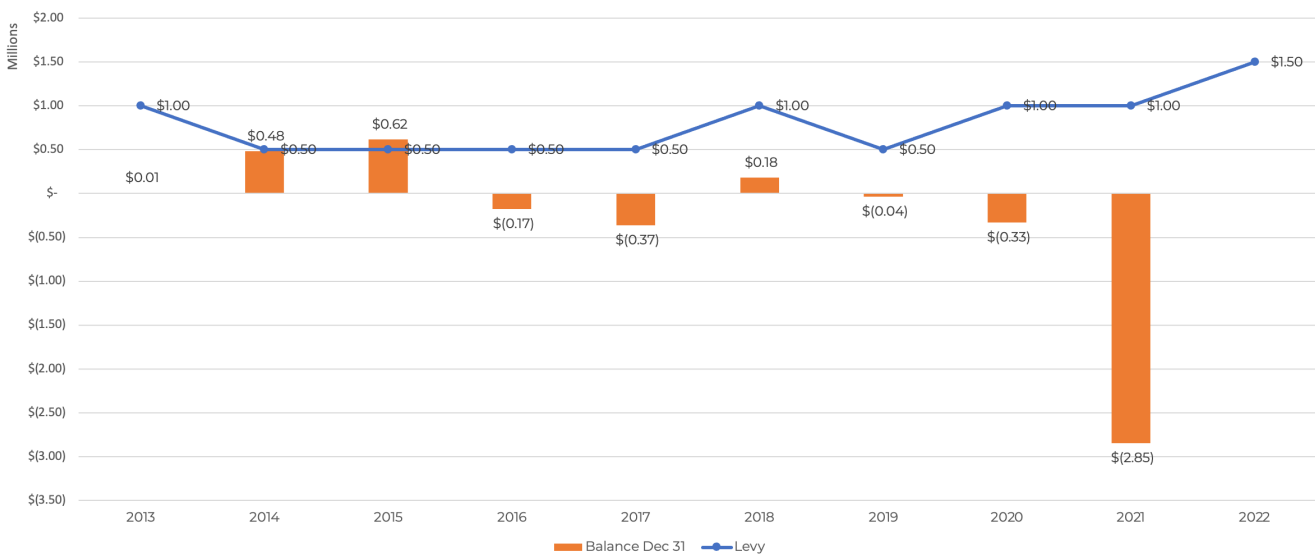
Re: Commercial Contingency for 2022

Dear Mr. Voth,

In keeping with past practice, we have reviewed City Administration’s proposed commercial contingency appeal levy amount for 2022. Thank you for consulting us again this year.

We understand the rationale behind the proposed levy of \$1.5M to smooth out the costs of commercial appeal losses over the last year. We have noted that the amount is significant and represents the largest levy proposed to date. Over the last ten years, significant increases to the levy have not been required, even through periods of property tax reassessment. The 2021 reassessment year is an exception, reflecting the extraordinary costs of appealing the assessment by commercial property owners.

Commercial Contingency Levels



We appreciate Administration’s efforts to address questions from commercial property owners before they engage the formal process to appeal their assessments. We can assume that this has helped to reduce the number of appeals presented for reconsideration and the subsequent amount required to cost-recover appeal losses. We urge you to continue to find savings within operations to offset the need for future levy increases, embrace opportunities to address the concerns of property owners before they engage the appeals process, and work with us to decrease the overall number of appeals into the future.

We believe that the current commercial property taxation model needs to be modernized to address its significant structural weaknesses. For instance, limited data sets and sales cause severe fluctuations in assessed property values and contribute to additional appeals. The timeframe between the delivery of notices and appeals is challenging for many property owners to analyze the data and consult with advisors. The process itself fails to provide upfront, alternate avenues for owners to present grievances before engaging the costly and time-consuming appeals process.

We are hopeful that the International Property Tax Institute report commissioned by SUMA will address the need for change in its recommendations.

We are also hopeful that the City of Saskatoon will support our effort to modernize Saskatchewan's property tax model, bringing it into line with other jurisdictions and helping to make our city and province among the most desirable places in Canada to live, work and build a business.

Thank you, once again, for consulting the business community on this year's proposed commercial contingency levy increase.

Kind regards,



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