

MINUTES

CITY OF SASKATOON

BOARD OF REVISION

Date: June 17, 2016
Location: Council Chambers
Session: 9:00 a.m.

PRESENT: Adrian Deschamps, Panel Chair
Marvin Dutton, Board Member
Colin Butler, Board Member
Joyce Fast, Board of Revision Panel Clerk

The parties involved were advised that the proceedings were being recorded for the purposes of the Board and the Secretary. The Chair introduced the Board members and the Secretary and briefly outlined the procedures that would be followed during the course of the hearing. Those present were also informed that all witnesses, including Appellants and the Assessor, would be sworn under oath, or affirm that their statements are true, before their testimony would begin.

It should be noted that the decision for Appeal 87-2016 is a common Record of Decision for the following appeals: 88-2016, 90-2016, 91-2016, 92-2016, 93-2016, 94-2016, 95-2016, 96-2016, 97-2016, 98-2016, 99-2016, 100-2016, 101-2016, 102-2016, 103-2016, 104-2016, 105-2016, 106-2016, 108-2016, 109-2016, 110-2016, 111-2016 and 131-2016. These minutes are therefore applicable to the above-noted appeals.

1. **Appeal No.** 87-2016
Civic Address: 3602 Millar Avenue
Legal Description: Parcel(s) 163775436, 163775559, 164081268, 164081460
Roll No. 415202500

Appearing for the Appellant

Mr. Jesse Faith, Altus Group Limited
Mr. Ryan Simpson, Altus Group Limited

Appearing for the Respondent

Mr. Travis Horne, Assessment Manager, Assessment & Taxation (Advocate)
Mr. Bryce Trew, Senior Assessment Appraiser, Assessment & Taxation
Ms. Laurie Pilkey, Assessment Appraiser, Assessment & Taxation

Grounds and Issues

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

1. The assessor erred in the calculation of the capitalization (CAP) rate used to determine assessment for the property.

Supporting facts:

- a) The subject property receives an 8.04% cap rate which was calculated from warehouse sales with square footage greater than 34,150 square feet.
- b) The sales of 1415 Ontario Avenue and 1701 16th Street West are not typical and should not be used in the determination of the validity of the assessment.
- c) The sales of 1415 Ontario Avenue and 1701 16th Street West are atypical and should be removed from the sales sample used to determine the CAP rate.
- d) The sale of 1701 16th Street West included non-realty value that has not been accounted for in the adjusted sale price relied on by the assessor.
- e) The sales currently used to determine the 8.04% CAP rate indicate that a further stratification by size is warranted. The sales should be split into neighbourhoods as 34,100-53,732 square feet and 53,732 and greater square feet. The resulting CAP rate for the greater than 53,732 sales indicates a median CAP rate of 12.18%.
- f) The large sales are identified as 25 33rd Street East, 1502 Quebec Avenue and 701 45th Street East.

Exhibits

- Exhibit A.1: Notice of Appeal from Altus Group Limited, received February 5, 2016
- Exhibit A.2: Common Document submitted by Altus Group Limited titled "To the Board of Revision of the City of Saskatoon on Appeal between Acklands-Grainger Inc., et al and the City of Saskatoon", received May 27, 2016.
- Exhibit A.3: Common Document submitted by Altus Group Limited, a replacement page 14 for Exhibit A.2, received June 7, 2016.
- Exhibit A.4: Common Rebuttal Document submitted by Altus Group Limited, received June 10, 2016
- Exhibit: Appellant's expert witness CV and Summary presentation, received
(not numbered) June 9, 2016

- Exhibit R.1: Common Document submitted by the City Assessor titled "Warehouse & Automotive Response 2016 Assessment, received June 7, 2016.
- Exhibit R.2: Confidential Common Document submitted by City Assessor titled "Confidential 2016 Assessment", June 7, 2016.
- Exhibit R.3: Common Document submitted by the City Assessor titled "Property Assessment 2015 General Law and Legislation Brief, received June 7, 2016.
- Exhibit R.4: Common Document submitted by the City Assessor titled "Property Assessment 2016 Notice of Appeal Law and Legislation Brief", received June 7, 2016.
- Exhibit R.5: Common Document submitted by the City Assessor titled "Property Assessment, 2016 Expert Witness Law and Legislation Brief", received June 7, 2016.
- Exhibit: Respondent's expert witness CV and Summary Presentation, received (not numbered) June 7, 2016

Supplementary Notations

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.

At the request of the Respondent, and pursuant to Section 202 of *The Cities Act*, a Confidentiality Order with respect to Exhibit R.2 inclusively was read into the record. This order was applicable to Appeals 88-2016, 90-2016, 91-2016, 92-2016, 93-2016, 94-2016, 95-2016, 96-2016, 97-2016, 98-2016, 99-2016, 100-2016, 101-2016, 102-2016, 103-2016, 104-2016, 105-2016, 106-2016, 108-2016, 109-2016, 110-2016, 111-2016 and 131-2016.

The Appellant and Respondent affirmed that any evidence given during the course of the hearing would be the truth.

Mr. Travis Horne advised he would be acting as the Advocate for the Respondent.

At the request of the Appellant, and pursuant to Section 202 of *The Cities Act*, a Confidentiality Order with respect to Exhibit A.5 inclusively was read into the record. This order was applicable to Appeal 131-2016.

The Agent for the Appellant applied to have the following ground withdrawn from appeal 91-2016:

- Ground 2 (a): The 1.83 adjustment for tenant leasable area >32,500 sq. ft. was only applied to a portion of the total leasable area.

The Agent for the Appellant acknowledged and accepted a recommendation from the Assessor applicable to Appeal 131-2016 and said that the matter of leasable area was resolved.

The Respondent requested that prior to opening the appeal the Panel adjudicate its merits. It was the Respondent's position that the Appellant had contravened the direction given in Section 200 of *The Cities Act*. The Appellant's 20-day submission had proposed a threshold for the stratification of medium and large warehouses; the 5-day rebuttal submission then put forward two different points of delineation that were statistically determined using the Empirical Rule and Chebyshev's Theorem. Since the Appellant's 20-day submission made no mention of the use of Chebyshev's Theorem to develop a threshold, it would be prejudicial to the Respondent if the Panel were to allow that information in the Respondent's 5-day rebuttal to be entered into the record. Acknowledging that an adjournment would be inappropriate, the Respondent requested that the statistical analysis relating to Chebyshev's Theorem be expunged from the record.

After a brief recess to consider the Respondent's request the Panel concluded that both the Empirical Rule and Chebyshev's Theorem were both foundational and basic to statistical analysis and as such, the Respondent was not disadvantaged by references to these concepts. The Respondent's request that the statistical analysis relating to Chebyshev's Theorem be expunged from the record was denied.

The parties to the appeal requested that relevant testimony from this appeal be carried forward into the record of Appeals 88-2016, 90-2016, 91-2016, 92-2016, 93-2016, 94-2016, 95-2016, 96-2016, 97-2016, 98-2016, 99-2016, 100-2016, 101-2016, 102-2016, 103-2016, 104-2016, 105-2016, 106-2016, 108-2016, 109-2016, 110-2016, 111-2016 and 131-2016 so that the decision of the Board would reflect the commonality of grounds and issues.

Conclusion

For the reasons given in the Record of Decision of Appeal 87-2016 dated July 21, 2016, and in accordance with Section 210(1) (b) of *The Cities Act*, the Panel ruled that the assessed values be as follows for Appeals 87, 88, 90-106, 108-111 and 131-2016:

<i>Appeal No.</i>	<i>Roll Number</i>	<i>Current Assessed Value</i>	<i>Proposed Assessed Value</i>	<i>Change in Assessed Value</i>
87-2016	415202500	13,019,100	12,734,000	285,100
88-2016	514711190	5,304,400	5,188,300	116,100
90-2016	405105805	7,449,788	7,286,600	163,188

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91-2016	545028240	4,058,517	3,969,700	88,817
92-2016	445029440	9,934,186	9,718,200	215,986
93-2016	435008000	6,902,681	6,751,500	151,181
94-2016	545027480	3,860,397	3,775,800	84,597
95-2016	435007100	7,121,591	6,968,200	153,391
96-2016	455100550	31,533,309	30,842,700	690,609
97-2016	425106950	14,891,832	14,569,400	322,435
98-2016	455105350	5,542,445	5,421,100	121,345
99-2016	475011340	9,730,500	9,520,000	210,500
100-2016	435200230	8,385,200	8,201,500	183,700
101-2016	435130600	16,440,200	15,915,900	524,300
102-2016	414918000	10,079,411	9,858,600	220,811
103-2016	495123650	3,228,500	3,157,800	70,700
104-2016	405304050	6,095,800	5,962,300	133,500
105-2016	444922400	4,443,326	4,346,000	97,326
106-2016	395050050	6,236,562	6,105,000	131,562
108-2016	415121400	14,485,600	14,168,400	317,200
109-2016	415122200	10,040,500	9,820,600	219,900
110-2016	435122780	5,427,000	5,308,200	118,800
111-2016	415104500	6,012,900	5,881,300	131,600
131-2016	415103600	6,285,200	5,515,500	769,600

The hearings concluded at 3:13 p.m.

As Secretary to the above Board of Revision Panel, I certify that these are accurate minutes of the hearings held on June 17, 2016.

Joyce Fast, Panel Clerk
Board of Revision