

MINUTES

CITY OF SASKATOON

BOARD OF REVISION

Date: October 28, 2014
Location: Council Chambers
Session: 8:55 a.m.

PRESENT: Mr. Dave Gabruch, Board Chair
Mr. Randy Pangborn, Board Member
Ms. June Bold, Board Member
Ms. Debby Sackmann, Board of Revision Panel Clerk

The Appellant was 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 and giving testimony, affirmed that their statements were true, before their testimony began.

1. **Appeal No. 168-2014**
Civic Address: 820 51st Street East
Legal Description: Parcel 136265586
Roll No. 435130600

Appearing for the Appellant

Mr. Garry Coleman, Altus Group Limited

Appearing for the Respondent

Mr. Travis Horne, Manager, Market Monitoring and Appeals Coordination

Grounds and Issues

The grounds and Issue(s) are quoted from A.1:

“Ground 1: The market value is too high due to an inflated cap rate.

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.

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- 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-reality 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 - 68,717 square feet and 68,717 and greater square feet. The resulting CAP rate for the greater than 68,717 sales indicates a median CAP rate of 12.18%.

25 33rd St E
1502 Quebec Ave
70145th St E

Ground 2: The NOI is too high.

- a) The assessor has assessed the 105,866 square feet of warehouse with a rental rate of \$8.72. This is based on the base rate of \$6.92 + arterial thru street adjustment of \$0.86 + age adjustment 1986-2007 of 0.94. This warehouse was built in 1970 and the \$0.94 is unwarranted.
- b) The assessor has also applied the \$0.94 adjustment to the office portion in error. The office was "built" in 1983 and thus should not be adjusted."

Exhibits

A.1: Notice of Appeal from Altus Group Limited, received August 27, 2014

R.1: Property Value Card – Commercial Overview, submitted by the City Assessor, received October 20, 2014

Supplementary Notations

There were no affirmations of witnesses, any evidence or testimony given by neither the Appellant nor the Respondent. The evidence, testimony, and all the Exhibits for Appeal 168-2014 are completely carried forward from Appeal 59-2014.

It was agreed upon by both the Appellant and Respondent at the on-set of Appeal 168-2014 that the Board of Revision panel would render the same decision they did in Appeal 59-2014 no issues were raised by anyone present.

Conclusion

The following is the Board's decision for Appeal 168-2014.

The Panel asked for an Undertaking from the Assessor to recalculate the Assessed Value of the subject property considering the following two points:

- 1) Removal of the \$.94 rental rate to the subject to account for age, as noted in points 53 and 54, above, if not already done so.
- 2) Use of a cap rate of 8.22%, as noted in points 45, 46 and 47, above, as a result of removing the sale of 1701 16th Street from the sales array in the development of the cap rate.

The Assessor responded with a revised calculation of \$15,000,500.

For Appeal 168-2014, the assessment of the subject property will be adjusted as follows:

	Current Assessed Value	Current Taxable Assessment	Revised Assessed Value	Revised Taxable Assessment	Change in Assessed Value	Change in Taxable Assessment
Commercial	\$17,577,112	\$17,577,112	\$15,000,500	\$15,000,500	-\$2,576,612	-\$2,576,612

All other aspects of the appeal are denied. The filing fee is refunded.

The reason above was given in the Record of Decision dated November 13th, 2014.

The hearing concluded at 9:02 a.m.

As Secretary to the above Board of Revision Panel, I certify that these are accurate minutes of the hearings held on October 28, 2014.

Debby Sackmann, Panel Clerk
Board of Revision