

MINUTES

CITY OF SASKATOON

BOARD OF REVISION

Date: March 16, 2016
Location: Council Chamber, City Hall
Session: 9:00 a.m.

PRESENT: Dave Gabruch, Panel Chair
Randy Pangborn, Board Member
Dennis Will, Board Member
Debby Sackmann, Board of Revision Panel Clerk

The Appellants 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.

1. **Appeal No.** 205-2015
Civic Address: 317 Aerogreen Crescent
Legal Description: 166179459
Roll No. 444920500

Appearing for the Appellant

Mr. Galen Richardson, McKercher LLP
Mr. Fred Hrehirchuk, Aerogreen Hospitality Group Ltd.

Ms. Cheryl Feader (Court Reporter), Royal Reporting Services

Appearing for the Respondent

Mr. Travis Horne (Advocate), Assessment Manager, Assessment & Taxation
Mr. Kevin Tooley, Senior Assessment Appraiser, Assessment & Taxation

Grounds and Issues

The assessment valuation is in excess and should be lower to reflect market value. I make this appeal on the following grounds (nature of alleged error):

Spoke with: Kevin Tooley on December 7, 2015.

Improper Stratification: The services offered by our hotel are not comparable to the already existing categories. The type of long term stay we offer does not exist in other hotels in the city. Our hotel has been placed in the Select Services based on physical characteristics. Although we offer the same amenities as other hotels in the Select Service Hotel group our ADR rates do not match this group. Our average daily rate (ADR) and Occupancy and Revenue per available room are not comparable to hotels in the Select Service stratification and was not considered when we were placed in Select Services.

Proper Classification: Considering our ADR, and Rev/Par fit closer with the Full Service category and until such time that a stratification category exists that better captures the type of hotel and services we offer, we believe that we should be placed in the Full Services stratification.

In support of these grounds, I hereby state the following material facts to be true and accurate.

Our hotel targets the long stay niche market (approximately 60% of our total occupancy) which rates can be discounted as much as 25%-35% of the rack rates offer by the of the other hotels that are in the Select Service group. Our projections and history with this hotel brand and market have shown that we achieve a total ADR 10-15% less than are competitors depending on market mix of transient versus long-term stays. This being said our ADR would be more in line with the Full Service Group (\$108 ADR) or Limited Service Group (\$102 ADR) as there is no group for our specialized niche market. The \$117 ADR discount 10-15% to reflect the difference in rate achieved in the long stay market would be \$105-\$99.

I request the following: That we be placed in the Full Service Category.

Exhibits

- Exhibit A.1: Notice of Appeal from McKercher LLP to the Board of Revision, received December 21, 2015.
- Exhibit A.2: Document submitted by McKercher LLP titled "**Written Submissions on Behalf of the Appellant, Mainstay Suites**", received February 25, 2016.
- Exhibit A.3: Document submitted by McKercher LLP titled "**Written Submissions and Attached Material on Behalf of the Appellant, Mainstay Suites**", received February 26, 2016.
- Exhibit A.4: **REBUTTAL** - Document submitted by Galen Richardson, McKercher LLP, titled "**Tax Agent Response**", received April 11, 2016.
- Exhibit A.5: **REBUTTAL** - Emails dated December 17 and 18, 2015 between Kevin Tooley, Corporate Revenue Department, and Galen Richardson, McKercher LLP, received March 11, 2016.

Exhibit R.1: 2015 Assessment submitted by the City Assessor titled “**Hotel and Motel Response**”, received March 7, 2016.

Exhibit R.2: Property Assessment submitted by the City Assessor titled “**2015 General Law and Legislation Brief**”, received March 7, 2016.

Supplementary Notations

At the request of the Appellants, and pursuant to Section 208 of *The Cities Act*, the Chair ordered that the hearing be recorded by Royal Reporting Services. The duty was performed by Ms. Cheryl Feader, Royal Reporting Services.

The Panel Chair reviewed the role of the Advocate for those present.

Both the Appellants and Respondent affirmed that the evidence given during the hearing would be the truth.

Mr. Horne served as Advocate for the Assessment & Taxation Division.

The Respondent advised the Board that Exhibit A.3 was not received by the Assessment & Taxation Division within the legislated time frame for receiving appeal documents. The document was received one day late, passed the legislated 20 day submission deadline. The Panel Chair advised the Advocate that the Board would take this information into consideration, but note that the Respondent had a chance to review the material. The Board will make note of the late submission in the Record of Decision.

The Appellants put forward the objection that in the Assessor’s 5-day submission they used screen shots of the Hotel’s website. The snap shots do not accurately show the prices of the rooms as the prices change.

The Respondent asked that the Appellants clarify in Exhibit A.1, Notice of Appeal what specific is the nature of the error. The Appellants responded that the subject property was inappropriately stratified, the property should have been placed in the full-service hotel category.

The Advocate requested a summary judgement from the Board. The Board recessed at 10:46 a.m. to consider the matter and reconvened at 11:00 a.m. with the decision to carry out the appeal as originally intended.

All Exhibits were formalized and entered into the record.

The hearing concluded at 12:10 p.m.

Conclusion

For the reasons given in the Record of Decision dated April 25, 2016, the appeal was dismissed and the filing fee retained.

As Secretary to the above Board of Revision Panel, I certify that these are accurate minutes of the hearing held on March 16, 2016.

Debby Sackmann, Panel Clerk
Board of Revision