

Appendix A

```

EXAMINE VARIABLES=TotalNetArea
/PLT BOXPLOT HISTOGRAM HPPLOT
/COMPARE GROUPS
/STATISTICS DESCRIPTIVES
/CIINTERVAL 95
/MISSING LISTWISE
/NOTOTAL

```

Explore

[DataSet7] T:\01 Clients\11 Cities & Municipalities\Pegina\2017 - 2028\2017\01 BOR\Submission Folder\Industrial Appeals\Rebuttal\Industrial 10K-35sales.sav

Case Processing Summary

	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Total Net Area	35	100.0%	0	0.0%	35	100.0%

Descriptives

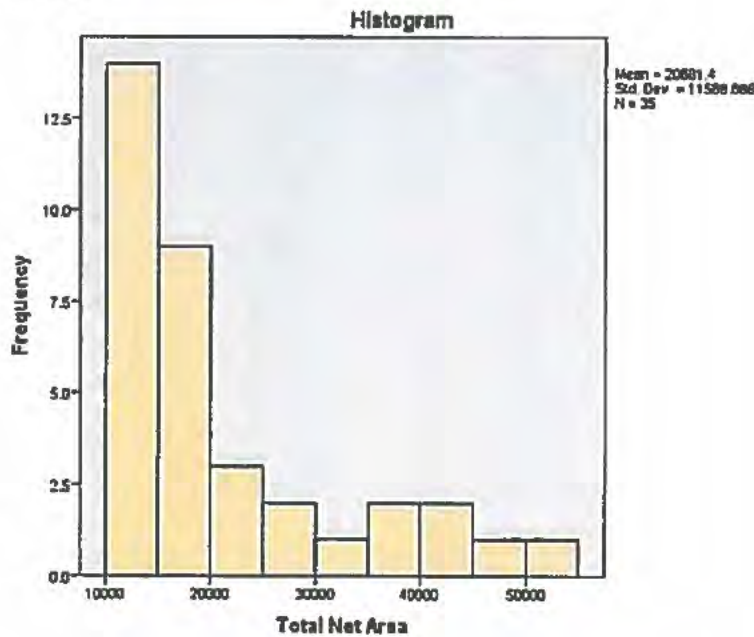
		Statistic	Std. Error
Total Net Area	Mean	20681.40	1969.873
	95% Confidence Interval for Mean		
		Lower Bound	16000.43
		Upper Bound	24962.37
	95% Trimmed Mean	18008.75	
	Median	18030.00	
	Variance	134302278.308	
	Std. Deviation	11588.888	
	Minimum	10057	
	Maximum	50462	
Range	40405		
Interquartile Range	13000		
Skewness	1.213	.388	
Kurtosis	.557	.778	

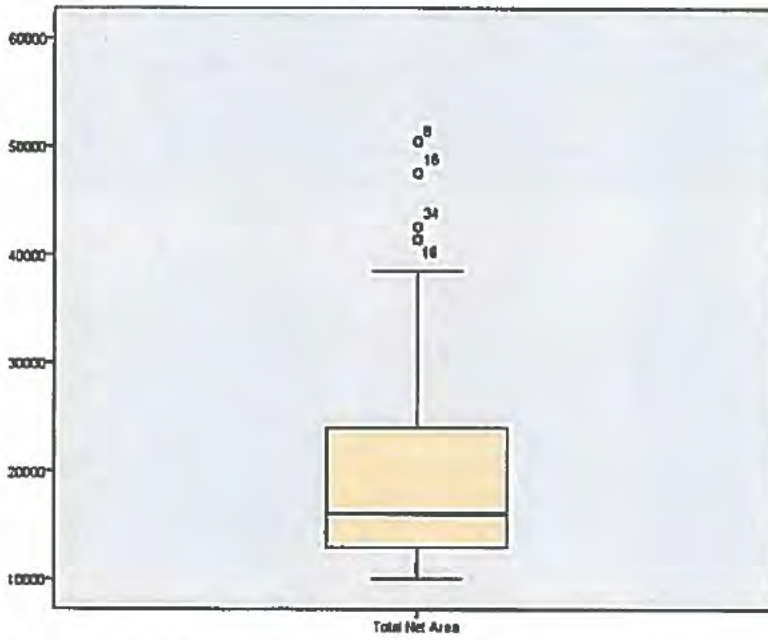
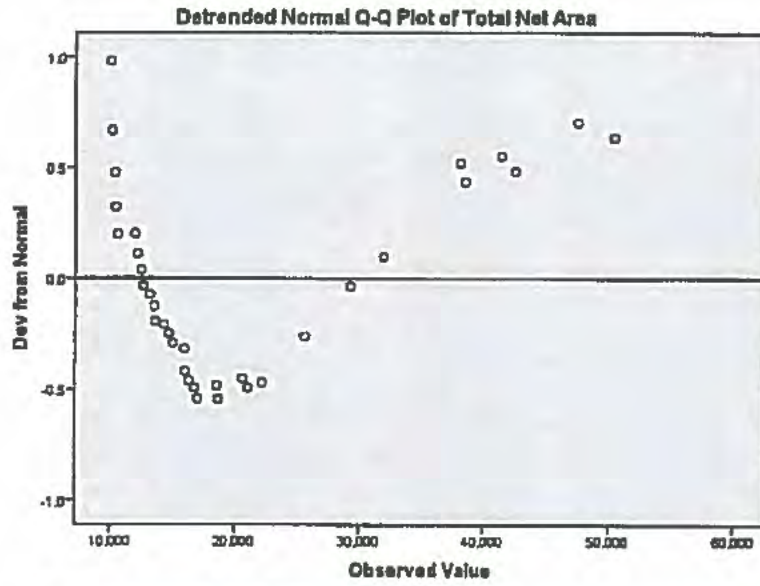
Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Total Net Area	.222	35	.000	.808	35	.000

a. Lilliefors Significance Correction

Total Net Area





DESCRIPTIVES VARIABLE=TotalNetArea
 /STATISTICS=MEAN STDDEV MIN MAX.

Descriptives

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Total Net Area	35	10057	50463	20881.43	11588.888
Valid N (listwise)	35				

From: Kristina Gentile
To: [Mavis Torres](#); [Konecni, Annette SMB](#)
Subject: RE: BOR Records - 2017-28122 (Appendix B) - 5 Day Submission
Date: Monday, January 15, 2018 11:08:18 AM

Good Morning Annette,

I have searched through the documents we received from Altus for their 5 day submission for lead appeal 28122 and there doesn't appear to be an appendix B anywhere. I also checked with Assessment to see if they received anything and they also didn't receive an appendix B in the 5 day submission from Altus either.

Thank you,
Kristina

From: Mavis Torres
Sent: January-12-18 4:03 PM
To: Konecni, Annette SMB <akonecni@smb.gov.sk.ca>; Kristina Gentile <KGENTILE@regina.ca>
Subject: BOR Records - 2017-28122 (Appendix B) - 5 Day Submission

Hi Annette – As per our conversation this afternoon, I have searched our files for the missing 'Appendix B' – I cannot find it in our files either. I'm not sure if this information was actually provided to the Board.

I will have to work with Kristina on this (she is back in the office on Monday), she might be able to find it, or confirm it was missing.

Thanks.

Mavis Torres
Council Officer
Office of the City Clerk

P: 306.777.7943
F: 306.777.6809
E: mtorres@regina.ca
Regina.ca



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Appendix C

**CITY OF REGINA
BOARD OF REVISION**

Between:

**Various Property Owners
Multi-Family Group B**

APPELLANT

- and -

**THE ASSESSOR OF
THE CITY OF REGINA**

RESPONDENT

WRITTEN SUBMISSION ON BEHALF OF THE CITY OF REGINA

**OFFICE OF THE CITY ASSESSOR
2476 Victoria Avenue
Regina, Saskatchewan
S4P 3C8**

[93] As demonstrated above, the “t stat” continually decrease as the suite count decreased showing that the lower the suite count the less reliable the data is. As well, the variables were continually excluded from the model as not being significant.

[94] Since receiving the Appellant’s submission, the Assessor followed through with more testing relating to suite count. The first was to run a Mann Whitney test (this is a test that determines if two groups of properties are statistically significantly different) which assumes the two variables being tested are not statistically significantly different. The test was on the EFGIM (EFFGIM) comparing sales of properties with 4 suites to sales of properties with more than 4 suites.

Hypothesis Test Summary

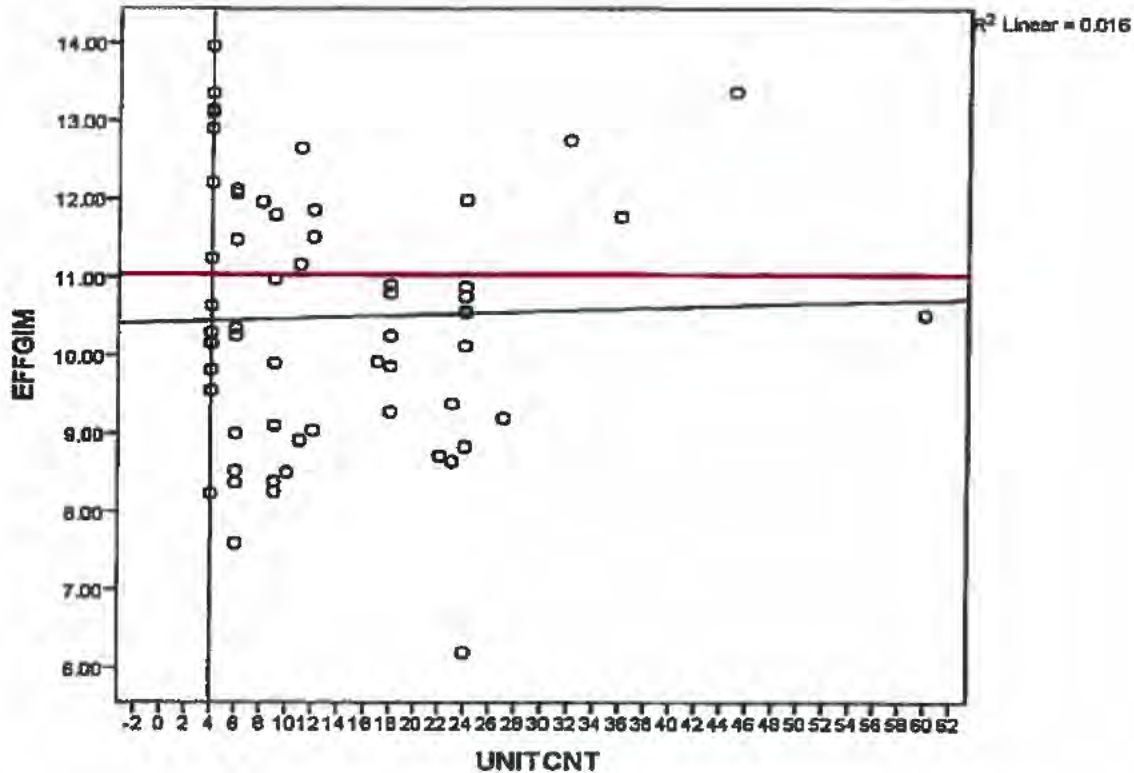
	Null Hypothesis	Test	Sig.	Decision
1	The distribution of EFFGIM is the same across categories of Unit_LE4.	Independent-Samples Mann-Whitney U Test	.083	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The medians of EFFGIM are the same across categories of Unit_LE4.	Independent-Samples Median Test	.761	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.



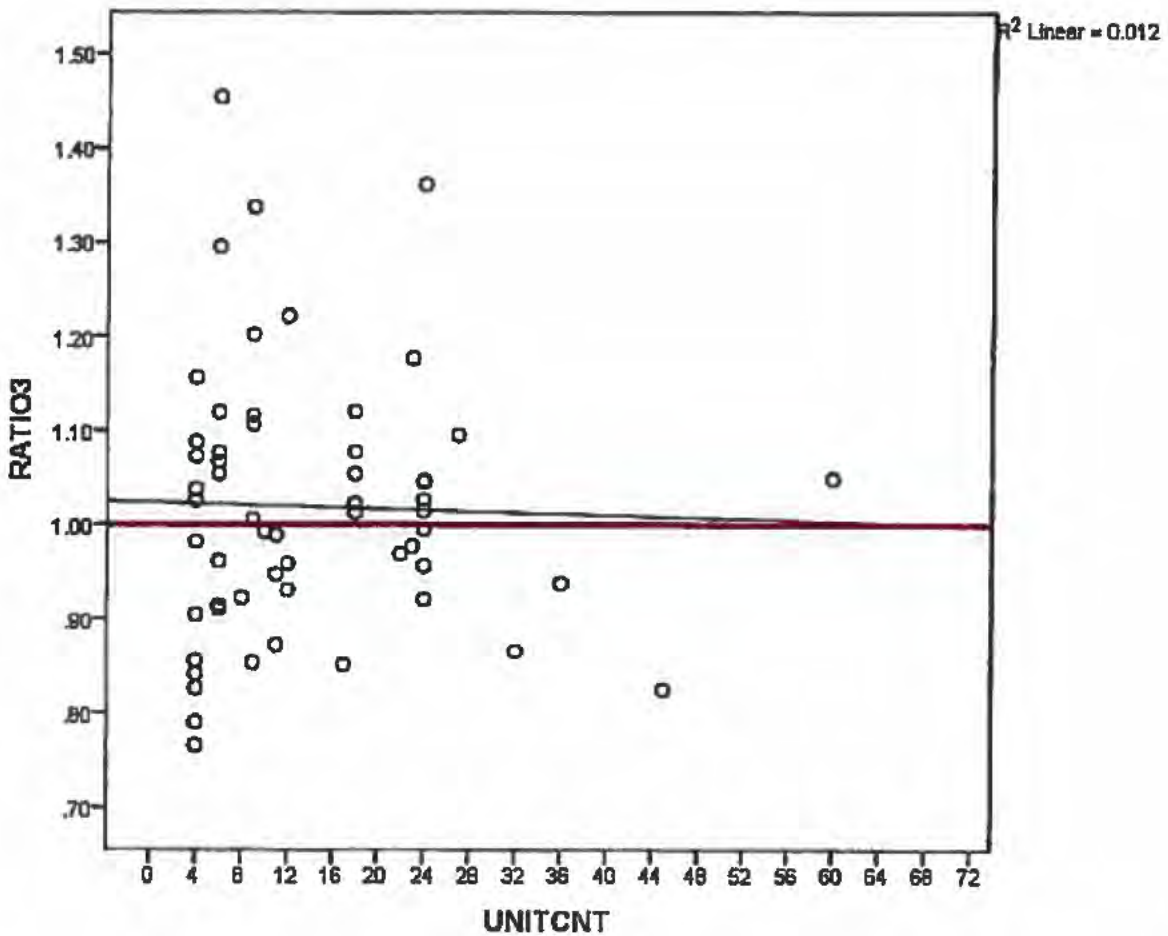
[95] The above demonstrates that the EGIM's between the two groups are not different and as such, no stratification based on that variable is warranted. If anything, based on the scatter plot, this would suggest the opposite of what the Appellant is suggesting. The scatter plot shows a lower EGIM for the 4 suite apartments and high EGIM for the larger properties.

[96] A further analysis was completed on the Assessment to Sales Ratio (ASR) after the Assessor's current model was applied (An ASR is comparing the proposed assessment to the adjusted sale price. The target level is 1.00). The objective of this analysis was to see if the ASR of one group of properties is statistically significantly different than the ASR of another group of properties. Again, this analysis was completed comparing sales of 4 suite apartments to sales of apartments with more than 4 suites.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of RATIO3 is the same across categories of Unit_LE4.	Independent-Samples Mann-Whitney U Test	.189	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.



Appendix D

2017

ASSESSMENT METHODOLOGY

INDUSTRIAL WAREHOUSES

A summary of the methods used by the City of Edmonton in determining the value of industrial warehouse properties in Edmonton for assessment purposes.

edmonton.ca/assessment

Edmonton

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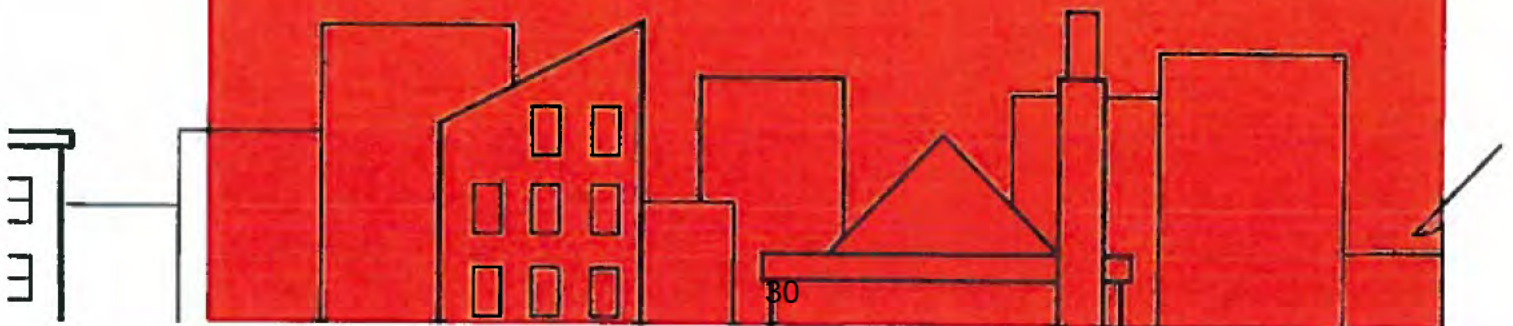


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Scope

This guide is an aid in explaining how properties are valued for assessment purposes. It sets out the valuation method and procedure to derive market values. The information presented in this guide is aimed at deriving values for a group of properties with similar property characteristics. In some circumstances, not every property's valuation parameters will be covered.

The guide is intended as a tool; it is not intended to replace the assessor's judgment in the valuation process.



This icon signifies when legislation is quoted.

Introduction

The Alberta assessment and taxation system is based on the laws outlined in the *Municipal Government Act, RSA 2000, cM-26 (MGA)*, and all associated regulations, including, for example *Matters Relating to Assessment and Taxation Regulation, Alta Reg 220/04 (MRAT)*.

The MGA requires the assessment of property be prepared using mass appraisal. Properties are valued based on a valuation date of July 1, 2016 and the property's condition of December 31, 2016. Many of these terms are defined in the legislation.



s.284(1)(r) "property" means
 (i) a parcel of land
 (ii) an improvement, or
 (iii) a parcel of land and the improvements to it

MGA .284(1)(r)

s.1(n) "regulated property" means
 (i) land in respect of which the valuation standard is agricultural use value,
 (ii) a railway,
 (iii) linear property, or
 (iv) machinery and equipment

MRAT s.1(1)(n)

s.6(1) the valuation standard for the land and improvements is market value unless subsection (2) ... applies

MRAT s.6(1)

s.1(1)(n) "market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer

MGA s.1(1)(n)

s.2 An assessment of property based on market value
 (a) must be prepared using mass appraisal,
 (b) must be an estimate of the value of the fee simple estate in the property, and
 (c) must reflect typical market conditions for properties similar to that property

MRAT s.2

s.289(2) Each assessment must reflect
 (a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed

MGA s.289(2)(a)

s.3 Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1 of the assessment year

MRAT s.3

s.1(k) "mass appraisal" means the process of preparing assessments for a group of properties using standard methods and common data and allowing for statistical testing

MRAT s.1(k)

While there are many forms of ownership, the legislation requires the City of Edmonton to assess the fee simple estate. The fee simple estate is unencumbered by any other interest or estate, and subject only to the limitations of government.

fee simple – In land ownership, complete interest in a property subject only to governmental powers

Glossary for Property Appraisal and Assessment, p. 56

In summary, a property assessment is:

- an estimate of the property’s market value on July 1, 2016
- prepared using mass appraisal
- an estimate of the value of the fee simple estate in the property
- a reflection of the property’s condition on December 31, 2016
- prepared assuming typical market conditions on the open market by a willing seller to a willing buyer

Mass Appraisal

Mass appraisal is the legislated methodology used by the City of Edmonton for valuing individual properties, and involves the following process:

- properties are stratified into groups of comparable property
- common property characteristics are identified for the properties in each group
- a uniform valuation model is created for each property group

property characteristic: A feature that helps to identify, tell apart, or describe recognizably, a distinguishing mark or trait

www.thefreedictionary.com



1.1(c) “valuation model” means the representation of the relationship between property characteristics and their value in the real estate marketplace using a mass appraisal process

MRAT s.27.1(c)

The following two quotations indicate how the International Association of Assessing Officers distinguishes between mass appraisal and single-property appraisal:

... "single-property appraisal is the valuation of a particular property as of a given date; mass appraisal is the valuation of many properties as of a given date, using standard procedures and statistical testing."

... "Also, mass appraisal requires standardized procedures across many properties. Thus, valuation models developed for mass appraisal purposes must represent supply and demand patterns for groups of properties rather than a single property."

Property Appraisal and Assessment Administration, pg.88-89.

For both mass appraisal and single-property appraisal, the process consists of the following stages:

	Mass Appraisal	Single Appraisal
Definition and Purpose	Mass appraisal is used to determine the assessment base for property taxation in accordance with legislative requirements	The client specifies the nature of the value to be estimated, including rights to be valued, effective date of valuation, and any limiting conditions
Data Collection	Mass appraisal requires a continuing program to maintain a current database of property characteristics and market information.	The extent of data collection is specific to each assignment and depends on the nature of the client's requirements
Market Analysis	Mass appraisal is predicated on highest and best use	Market analysis includes the analysis of highest and best use
Valuation Model	Valuation procedures are predicated on groups of comparable properties	Subject property is the focus of the valuation. The analysis of comparable properties is generally six or less
Validation	The testing of acceptable analysis and objective criteria	The reliability of the value estimate is more subjective. Acceptability can be judged by the depth of research and analysis of comparable sales

Valuation Models

A valuation model creates an equation of variables, factors and coefficients that explains the relationship between estimated market value and property characteristics.



s.27.1(a) "coefficient" means a number that represents the quantified relationship of each variable to the assessed value of a property when derived through a mass appraisal process

(b) "factor" means a property characteristic that contributes to a value of a property;

(d) "variable" means a quantitative or qualitative representation of a property characteristic used in a valuation model

MRAT, s.27.1 (a), (b) and (d)

s.27.3(1) ...information that is required to be provided... does not include coefficients

MRAT, s.27.3(1)

Valuation Model

- variables are created from property characteristics
- analysis of how variables affect market value
- factors and coefficients are determined
- the resulting valuation models are applied to property characteristics

Depending on the property type multiple regression analysis or other mass appraisal techniques are used to determine variables, factors and coefficients.

"Multiple Regression Analysis (MRA): a statistical technique used to analyze data to predict market value (dependent variable) from known values of property characteristics (independent variables)"

Property Appraisal and Assessment Administration, p. 653

An assessed value is calculated by applying the appropriate valuation model to individual properties within a group.


Approaches to Value

The most common approaches to determine market value are the direct comparison, income, and cost. Each emphasizes a particular kind of market evidence.

Direct Comparison Approach	Typical market value (or some other characteristic) is determined by referencing comparable sales and other market data and making appropriate adjustments. It is often used when sufficient sales or market data is available.
Income Approach	This approach considers the typical actions of renters, buyers and sellers when purchasing income-producing properties. This approach estimates the typical market value of a property by determining the present value of the projected income stream. Often used to value rental or leased property
Cost Approach	Typical market value is calculated by adding the depreciated replacement cost of the improvements to the estimated value of land. It is often used for properties under construction or when there is limited market data available

Property Groups

The use of a property determines the property groupings and the valuation model applied.



use: is the purpose or activity a property is designed, arranged, developed or intended for, or is occupied or maintained as
Zoning Bylaw No. 12800, 2014, s. 6.1(108)

Industrial

There are a number of reasons why a given property is included in the industrial inventory. Zoning and highest and best use are key indicators in a property's classification. As well, based on the principles of urban economics, properties of similar use typically cluster together, and even when competing firms in the same sector cluster there may be advantages because the cluster attracts more suppliers and customers than a single firm could achieve alone.

Sub-Group

Some property groups have sub-groups based on property characteristics. This guide is for the Industrial Warehouse sub-group.

Industrial Warehouse

Industrial warehouses are defined as buildings used for storage, light manufacturing, and

product distribution. They can be constructed of different materials such as wood, concrete, or metal, and can be single or multiple tenant. Special Purpose properties are not included in the industrial inventory, as they are custom built improvements for particular uses that rarely trade.

Direct Comparison Approach

For this property group, the assessment is determined using the direct comparison approach. It is the most appropriate method of valuation for Industrial Warehouse properties in the City of Edmonton as it mirrors the actions of buyers and sellers in the market place. There is sufficient sale data to derive reliable market estimates.

The majority of Industrial Warehouse properties are owner occupied with only a portion of the inventory traded based on the property's ability to generate income.

Support for the Direct Comparison approach comes from several reputable sources, for example:

This approach is usually the preferred approach for estimating values for residential and other property types with adequate sales. (IAAO, 2013, sec. 4.3).

The Direct Comparison approach provides the most credible indication of value for owner-occupied commercial and industrial properties, i.e., properties that are not purchased primarily for their income-producing characteristics. These types of properties are amenable to direct comparison because similar properties are commonly bought and sold in the same market. (Appraisal Institute of Canada [AIC], 2010, p. 13.4).

Sales

The City of Edmonton validates all land title transactions (sales). The validation process includes site inspections, interviews with parties involved, a review of land title documents, corporate searches, third party information, and sale validation questionnaires.

The City of Edmonton used 321 sales occurring from January 1, 2011 to June 30, 2016 for 2017 valuation. Time adjustments are applied to sale prices to account for any market fluctuations based on the time trend occurring between the sale date and the legislated valuation date. Through the review of sales, the collective actions of buyers and sellers in the market place are analyzed to determine the contributory value of specific property characteristics that drive market value. Once these values have been determined through the mass appraisal process, they are applied to the inventory to derive the most probable selling price. Value estimates were calculated using multiple regression analysis, which replicates the forces of supply and demand in the market place.

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See the appendix for a time adjustment chart.

Sale price reflects the condition of a property on the sale date and may not be equal to the assessment.

Zoning

The rules and regulations for land development within Edmonton are contained in the Zoning Bylaw, No. 12800.



s.6.1(111) zone: is a specific group of listed use classes and development regulations which regulate the use and development of land within specific geographic areas of the City

Zoning Bylaw No. 12800, 2014, s. 6.1(111)

An industrial zone summary is in the appendix.

The actual zoning may affect the property's classification; however, not all property conforms to the zoning use set out in the Zoning Bylaw. In these cases, an effective zoning is applied to reflect the current use of the property. The effective zoning may differ from the actual zoning when the current use differs from the Zoning Bylaw (e.g., a legal nonconforming use).



643(1) If a development permit has been issued on or before the day on which a land use bylaw or a land use amendment bylaw comes into force in a municipality and the bylaw would make the development in respect of which the permit was issued a nonconforming use or nonconforming building, the development permit continues in effect in spite of the coming into force of the bylaw

MGA, s. 643(111)

Variables

Below is the list of variables that affect the assessment value for 2017 [in the sequence of importance].

1 Main Floor Area	5 Condition
2 Industrial Group Location	6 Main Floor Finished Area
3 Site Coverage	7 Upper Floor Finished Area
4 Effective Age	

Main Floor Area is based on the exterior measurements of the building. Economies of scale dictate that larger buildings trade for a lower unit of comparison than smaller buildings.

Industrial Group Location: Industrial Warehouse Study Areas are geographic areas defined using location boundaries and property characteristics. See enclosed maps entitled Industrial Study Areas. In sequence of desirability, the study areas are as follows:

- Industrial Group 12 - Major Roadways South
- Industrial Group 18 - Core South
- Industrial Group 2 - Major Roads Northwest
- Industrial Group 20 - Partially Serviced
- Industrial Group 17 - Core Northwest
- Industrial Group 39 - Northeast
- Industrial Group 49 - Yellowhead Corridor East
- Industrial Group 28 - Queen Mary Park
- Industrial Group 22 - Un-serviced

Site Coverage (total main floor area of the account + lot size): the relationship between main floor area of buildings not valued using the cost approach and entire size of the parcel. It is expressed as a percentage.

Typical site coverage is approximately 30%. Lower site coverage indicates that the given property has more land which increases the property's market desirability. Reasons for the increased desirability include potential future expansion of the improvements or subdivision of the parcel and improved storage capacity. By contrast, high site coverage properties have relatively less land which results in limited development potential and adversely affects functionality and access.

It is not uncommon for industrial accounts valued on the Direct Comparison approach to have an additional building on the property valued on the Cost approach. A building that the city has deemed a cost building is lower quality than the main building and would have a lower assessment per square foot than the main building. These are referred to as "Cost Buildings" and are valued using the Marshall & Swift Manual, which applies the depreciated replacement cost new.

Cost buildings can be temporary structures such as arch rib fabric buildings, re-locatable office trailers, unheated sheds and storage buildings. These structures can also lack heating, electricity or flooring.

Area of the Cost Buildings is excluded from the site coverage calculation.

Effective Age (also known as Effective Year Built): is represented by the overall utility and condition of the assessed property. Maintenance of a property can influence the effective age of the building. If a building has an addition or receives superior maintenance than other properties in the market place, then the effective age will be less than the actual or chronological age.

An absence of maintenance could render a property to have an effective age greater than the actual or chronological age. A property where the owner maintains a reasonable maintenance schedule will have the same effective and chronological age.

The effective age can be different due to appraiser judgement that will consider all factors affecting the age of a property. Effective age can change year over year or stay the same depending on major renewals or deterioration.

Condition includes poor, fair, average or good conditions that are outlined as follows:

Poor

- deterioration to a point where major repairs and/or replacements are required.
- typically Poor Condition indicates structural or foundation issues.

Fair

- discernable deterioration;
- deferred maintenance requiring rehabilitation and/or replacement resulting in reduced functional utility.

Average

- normal deterioration for the effective age of the improvements;
- minor repairs or rehabilitation of some components required.

Good

- slight evidence of deterioration in minor components;
- well maintained; attractive, desirable, and high utility.

Main Floor Finished Area is typically based on the exterior measurements and generally consists of finished flooring, ceiling, forced air HVAC systems, and windows. This finished space is valued at a premium in relation to warehouse space.

Upper Finished Area is typically based on the exterior measurements of an upper floor and generally consists of finished flooring, ceiling, forced air HVAC systems, and windows. It is important to note that the contributory value of the upper finished area is less than that of the main floor area.

Adjustments

Adjustments may be applied to properties with atypical influences on a site specific basis to recognize their effect on value. Adjustments include but are not limited to:

Rear building – when a multi-tenant property is configured in such a way that there is one or more buildings located behind the building facing the street resulting in reduced access to the rear building.

Lot shape – An adjustment may be made if the shape of a property hinders the use of the property.

Access – The ability to enter a property from an existing road or highway and to maneuver within the property.

Contamination – significant contamination is treated on a site specific basis, as per the City’s Contamination Policy.

Easement – is a non-possessory right to use and/or enter onto the real property of another without possessing it. It is “best typified in the right of way which one landowner, A, may enjoy over the land of another, B”.

Reconciling Value Indications

There are two types of techniques for reconciliation: quantitative and qualitative.

Quantitative Adjustments

A quantitative adjustment can be measured or quantified by a mathematical expression.

Several techniques are available to quantify adjustments to the sale prices of comparable properties: data analysis techniques (including paired data analysis, grouped data analysis, and secondary data analysis, statistical analysis, graphic analysis (AIC, 2005, p. 18.8).

In the direct comparison approach, the best comparables are those sales that require the least absolute adjustment. (AIC, 1995, p. 245).

Due to the legislative requirement to use mass appraisal, the City has used statistical analysis to determine annual assessments. This means that specific adjustments for different factors affecting value are not quantifiable. In the absence of quantitative adjustments, an alternative technique is qualitative analysis.

Qualitative Analysis

Qualitative analysis is easily applied by ranking comparables from best to worst and placing the subject within that ranking to determine an upper and lower limit.

When a sale property is considered to offer important market evidence but finding the means to make quantitative adjustments is lacking, the appraiser may turn to other major direct comparison techniques, qualitative analysis. (AIC, 2005, p. 19.10).

Qualitative analysis recognizes the difficulty in expressing adjustments with mathematical precision. (AIC, 2005, p. 19.12).

reliable results can usually be obtained by bracketing the subject between comparables that are superior and inferior to it. (AIC, 2005, p. 19.13).

If one or two comparable properties require fewer total adjustments than the other comparables, an appraiser may attribute greater accuracy and give more weight to the value indications obtained from these comparables, particularly if the magnitude of the adjustments is approximately the same. (AIC, 2005, p. 18.15).

General Practices

The most common unit of comparison for industrial properties is value per square foot of building area.

Averages: As no two industrial properties are identical, averages can become misleading; however, where differences are minor averages can be useful. Numerous sales must be considered and appropriately weighted to arrive at a reasonable estimate of value. According to mass appraisal theory,

Appraisers should rely on several sold properties as comparable sales. Three to five comparables are usually adequate, but a larger number improves confidence in the final estimate, increases the awareness of patterns of value, and stabilizes assessments over time. (UBC, 2009, p. 7.2).

Onus: Proving the incorrectness of an assessment is the responsibility of the individual alleging it. This individual must provide sufficiently compelling evidence on which a change to the assessment can be based.

Post Facto Sales: A sale which occurs after the valuation date of July 1, 2016 may be considered for market trending only. Accordingly, the City of Edmonton does not use post facto sales for modeling.

Provincial Quality Standards

For Industrial Warehouse properties the City of Edmonton used the direct comparison approach to calculate the 2017 assessments. The assessment models, the process utilized, and the results are submitted annually to the Assessment Services Branch of the Department of Municipal Affairs for audit purposes. This audit is used to determine the accuracy of our predictions relative to the market place, and is a direct reflection on the accuracy of our models. The results indicated that our assessments meet Provincial Quality Standards as set out in *MRAT*.

Properties are assessed using an Industrial Warehouse model that adjusts for characteristics which impact market value, in order to arrive at a typical market value for properties in this class. Each year a new model is created using any new sales from the current year and sales used in the previous model. Each year the decision is made whether or not to include the oldest sales, based on the number of sales available, indicated time adjustments and valuation judgment.

The resulting assessments were tested both internally and at the Provincial level. The 2017 Industrial Warehouse model met Provincial Quality Standards as set out in *MRAT*.

Sales data files should reflect the physical characteristics of the property when sold. For ratio studies, if significant physical changes have occurred to the property between the date of sale and the appraisal date, the sale should not be included. The sale may still be valid for mass appraisal modeling by matching the sale price to characteristics that existed on the date of sale. (IAAO, 2010, section 5.10).

A valid Assessment to Sale Ratio (ASR) includes the entire industrial inventory, not simply a handful of sample sales. Section 10 of MRAT requires that non-residential properties be valued by Mass Appraisal and have an overall median ASR of .95 to 1.05, and the City has met this legal requirement. Individual sales which fall outside of the median ASR range for the entire population are not incorrect if the value falls within an acceptable range indicated by a Coefficient of Dispersion (COD) of 0.20 or less. It is important to note once again that the 2017 Industrial Warehouse model has met these standards.

Part of a ratio study requires the matching of the assessment and the sale price, or other indicator of market value, for a property. Both the assessment and the sale price must reflect the same property in the same physical condition. If a property has changed in some physical way between the time of the assessment and the time of sale, the sale should be excluded from the ratio study unless appropriate adjustments can be made where the property assessed corresponds to the property sold. (Government of Alberta, 2010, p. 52).

An audit, as considered under the legislation, looks at all the sales in each stratum of property and not at small subgroups of sales within that stratum. Small subsets of the market data are insufficient to make meaningful statements about ASR analysis. The board in *Gateway Real Estate Equities Inc, AEC Property Tax Solutions v. The City of Edmonton*, 2014 ECARB 00559 stated:

The board finds that applying some ASR values from one end of the spectrum to a property at a different point in the spectrum would cause fresh, undesirable inequities. The Board is satisfied that the entire strata of properties must be processed together to produce statistically reliable results and a small sub-set of values cannot be relied upon to provide a correct indication of the subject property's market value.

References

- City of Edmonton. (2014). *Zoning Bylaw No. 12800*. Retrieved from City of Edmonton: http://webdocs.edmonton.ca/InfraPlan/zoningbylaw/bylaw_12800.htm
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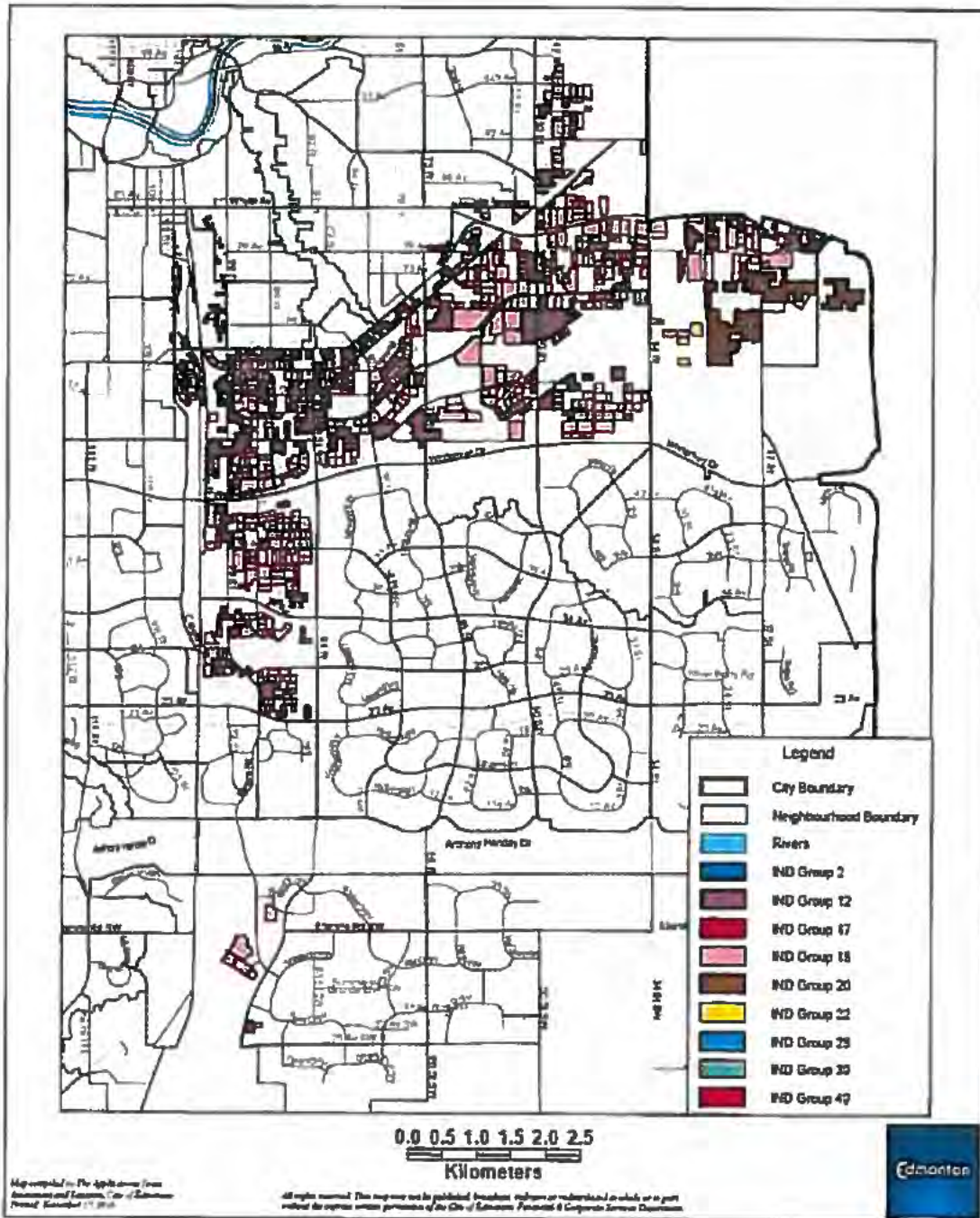
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Province of Alberta. (2015). *Municipal Government Act*. Edmonton, AB: Queen's Printer.

Appendix

Map

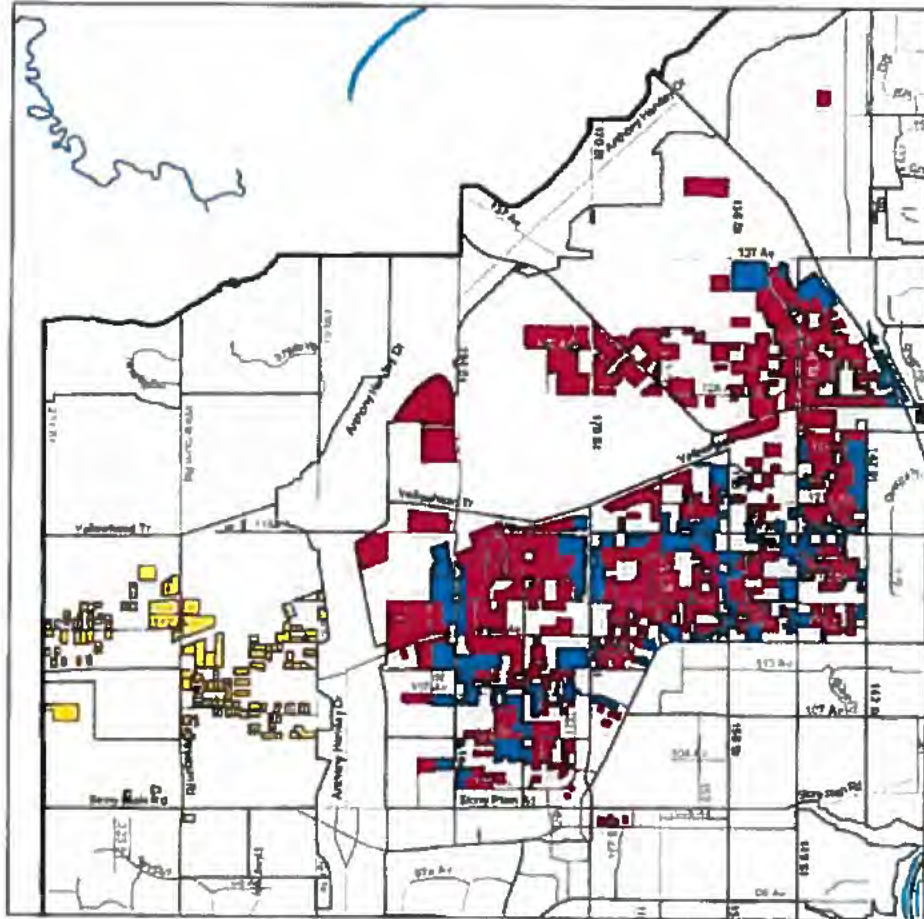
2017 Industrial Warehouse Study Area Groupings - South



2017 Industrial Warehouse Study Area Groupings - Northwest



- Legend**
- City Boundary
 - Neighbourhood Boundary
 - Rivers
 - IWD Group 2
 - IWD Group 12
 - IWD Group 17
 - IWD Group 18
 - IWD Group 20
 - IWD Group 22
 - IWD Group 28
 - IWD Group 29
 - IWD Group 49



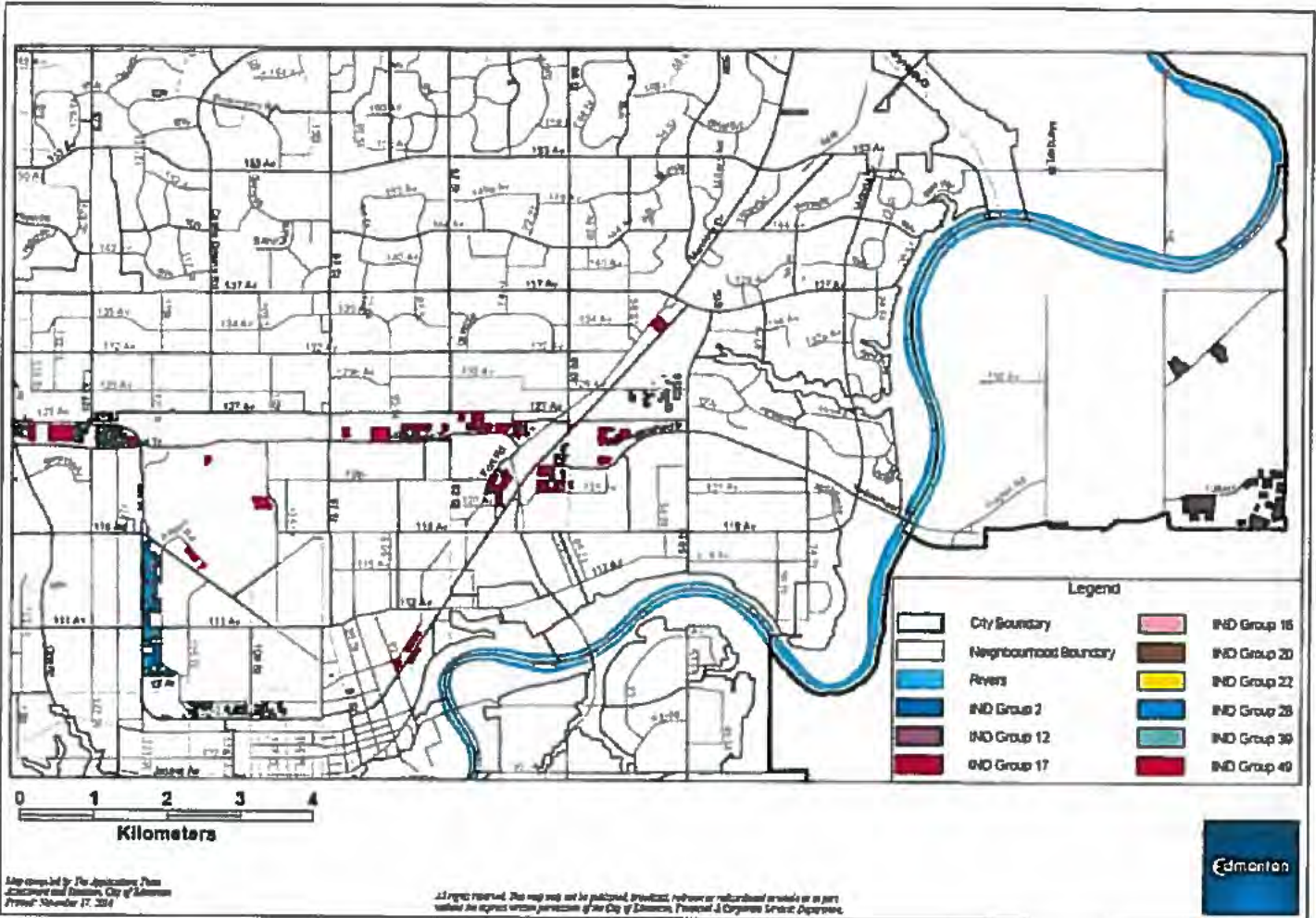
0.0 0.5 1.0 1.5 2.0
Kilometers

Map compiled by the Applicant from
GIS Data and Sources, City of Edmonton
Project Number 17-261

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without the express written permission of the City of Edmonton, Planning & Corporate Services Department.



2017 Industrial Warehouse Study Area Groupings - Northeast



Time Adjustment Chart

2017 TIME ADJUSTMENTS FOR INDUSTRIAL IMPROVED MODEL

YEA R	MONT H	ADJUSTMEN T	YEA R	MONT H	ADJUSTMEN T
2011	Jan	1.3075	2013	Oct	1.0018
2011	Feb	1.2925	2013	Nov	.9974
2011	Mar	1.2777	2013	Dec	.9931
2011	Apr	1.2631	2014	Jan	.9887
2011	May	1.2486	2014	Feb	.9844
2011	Jun	1.2343	2014	Mar	.9801
2011	Jul	1.2202	2014	Apr	.9758
2011	Aug	1.2061	2014	May	.9715
2011	Sep	1.1923	2014	Jun	.9673
2011	Oct	1.1786	2014	Jul	.9630
2011	Nov	1.1651	2014	Aug	.9588
2011	Dec	1.1517	2014	Sep	.9546
2012	Jan	1.1385	2014	Oct	.9504
2012	Feb	1.1255	2014	Nov	.9463
2012	Mar	1.1126	2014	Dec	.9421
2012	Apr	1.0998	2015	Jan	.9380
2012	May	1.0872	2015	Feb	.9339
2012	Jun	1.0747	2015	Mar	.9298
2012	Jul	1.0700	2015	Apr	.9257
2012	Aug	1.0653	2015	May	.9308
2012	Sep	1.0607	2015	Jun	.9360
2012	Oct	1.0560	2015	Jul	.9412
2012	Nov	1.0514	2015	Aug	.9464
2012	Dec	1.0468	2015	Sep	.9516
2013	Jan	1.0422	2015	Oct	.9569
2013	Feb	1.0376	2015	Nov	.9621
2013	Mar	1.0331	2015	Dec	.9675
2013	Apr	1.0286	2016	Jan	.9728
2013	May	1.0241	2016	Feb	.9782
2013	Jun	1.0196	2016	Mar	.9836
2013	Jul	1.0151	2016	Apr	.9890
2013	Aug	1.0107	2016	May	.9945
2013	Sep	1.0062	2016	Jun	1.0000

Appendix E

28(1)

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28(1)

From: Mavis Torres
Sent: Wednesday, May 10, 2017 5:04 PM
To: 'Archie Fieldgate'
Cc: Deana Puff; Ryan Simpson
Subject: RE:

Noted – I will process your request.

Mavis

From: Archie Fieldgate [mailto:archie.fieldgate@altusgroup.com]
Sent: Wednesday, May 10, 2017 2:42 PM
To: Mavis Torres <MTORRES@regina.ca>
Cc: Deana Puff <deana.puff@altusgroup.com>; Ryan Simpson <ryan.simpson@altusgroup.com>
Subject:

Hi Mavis:

Pursuant to Section 208 of the Cities Act, Altus would request that the Hearings of May 15/16/17 be recorded.

Regards,

Archie

Archie Fieldgate
Senior Consultant, Property Tax, Altus Group Limited

D: 306.359.0672 T: 306.359.0671 ext 1990 M: 306.539.2368 F: 306.359.0674
311 Albert Street, Regina, Saskatchewan, S4R 2N6 Canada

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Kristina Gentile

From: Mavis Torres
Sent: November-21-17 1:09 PM
To: Kristina Gentile
Subject: FW: Date Confirmation

From: Bookings [<mailto:bookings@royalreporting.com>]
Sent: Wednesday, May 3, 2017 11:19 AM
To: Mavis Torres <MTORRES@regina.ca>
Subject: RE: Date Confirmation

Great! Thank you. I will update with that information.

Erin McNamara

Administrative Assistant
Royal Reporting Services Ltd.
300 – 2010 11th Ave
Regina, SK S4P 0J3
306-352-3234

From: Mavis Torres [<mailto:MTORRES@regina.ca>]
Sent: Wednesday, May 03, 2017 11:15 AM
To: Bookings <bookings@royalreporting.com>
Subject: RE: Date Confirmation

My apologies – working with too many different dates. The bookings are for **May 8, 15, 16, 17, 18, 23 & 24, 2017.**

Mavis Torres
Council Officer
Office of the City Clerk

P: 306.777.7943
F: 306.777.6809
E: mtorres@regina.ca
Regina.ca



From: Bookings [<mailto:bookings@royalreporting.com>]
Sent: Wednesday, May 03, 2017 11:09 AM
To: Mavis Torres <MTORRES@regina.ca>
Subject: Date Confirmation

Good Morning,

I am just wanting to confirm the dates for the Board of Revision Hearings. I have here June 8, 15, 16, 17, 18, 23 and 24, 2017 as well as the same stated for May. Please let me know the dates for these hearings.

Thank you,

Erin McNamara

Administrative Assistant
Royal Reporting Services Ltd.
300 – 2010 11th Ave
Regina, SK S4P 0J3
306-352-3234

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BOARD OF REVISION

REQUEST FOR COURT REPORTER

DATE REQUESTED: May 10, 2017 DATE REQUIRED: May 15 & 16, 2017

REQUESTED BY: E-Mail BOARD ASSISTANT: Mavis Torres


This will confirm that Archie Fieldgate, Agent, Altus Group Limited, has requested a court reporter be present for the hearing of the following appeals:

2017-28122	610 HENDERSON DRIVE REGINA SK S4N 5X3
2017-28125	680 MCLEAOD STREET REGINA SK S4N 4Y1
2017-28089	1735 FRANCIS STREET REGINA SK S4N 7N2
2017-28084	155 N LEONARD STREET REGINA SK S4N 5X5
2017-28108	402 MCDONALD STREET REGINA SK S4N 6E1
2017-28121	603 PARK STREET REGINA SK S4N 5N1
2017-28124	651 HENDERSON DRIVE REGINA SK S4N 6A8
2017-28102	310 HENDERSON DRIVE REGINA SK S4N 5W7
2017-28086	1600 E ROSS AVENUE REGINA SK S4N 7A3
2017-28119	580 PARK STREET REGINA SK S4N 5A9
2017-28123	615 N WINNIPEG STREET REGINA SK ***
2017-28127	855 PARK STREET REGINA SK S4N 5H4
2017-28111	455 PARK STREET REGINA SK S4N 5B2
2017-28087	1700 PARK STREET REGINA SK S4N 6B2
2017-28129	921 BROAD STREET REGINA SK S4R 8G9
2017-28126	745 PARK STREET REGINA SK S4N 4Y4
2017-28085	1575 ELLIOT STREET REGINA SK S4N 3G7
2017-28098	2201 1ST AVENUE REGINA SK S4R 8G4
2017-28077	12202 EWING AVENUE REGINA SK
2017-28103	316 E 1ST AVENUE REGINA SK S4N 5H2
2017-28092	1964 PARK STREET REGINA SK S4P 3G4
2017-28083	1450 PARK STREET REGINA SK S4N 2G2
2017-28078	130 HODSMAN ROAD REGINA SK S4N 5X4
2017-28081	1400 1ST AVENUE REGINA SK S4R 8G5
2017-28097	2133 1ST AVENUE REGINA SK S4R 8G4
2017-28114	515 1ST AVENUE REGINA SK ***
2017-28116	555 HENDERSON DRIVE REGINA SK S4N 5X1
2017-28107	4000 E VICTORIA AVENUE REGINA SK ***
2017-28101	250 HENDERSON DRIVE REGINA SK S4N 5P7
2017-28100	2216 E EMMETT HALL ROAD REGINA SK S4N 3M3
2017-28112	4600 E VICTORIA AVENUE REGINA SK ***
2017-28117	570 MCDONALD STREET REGINA SK S4N 4X2
2017-28110	4150 E VICTORIA AVENUE REGINA SK ***
2017-28090	1802 E STOCK ROAD REGINA SK S4N 2G7
2017-28105	363 MAXWELL CRESCENT REGINA SK S4N 5X9
2017-28095	2107 E TURVEY ROAD REGINA SK S4N 3W1
2017-28071	100 MCDONALD STREET REGINA SK
2017-28079	1301 FLEURY STREET REGINA SK S4N 7N5
2017-28106	375 N LOGMAN CRESCENT REGINA S4N 6G3
2017-28118	580 HENDERSON DRIVE REGINA SK S4N 5X2
2017-28113	4750 E VICTORIA AVENUE REGINA SK ***
2017-28088	1715 ELLIOTT STREET REGINA SK ***

2017-28104	330 4TH AVENUE REGINA SK S4N 4Z6
2017-28080	135 HENDERSON DRIVE REGINA SK S4N 5W4
2017-28109	415 N LONGMAN CRESCENT REGINA SK S4N 6G3
2017-28082	1405 E PETTIGREW AVENUE REGINA SK S4N 5W1
2017-28091	1903 E TURVEY ROAD REGINA SK S4N 3A4
2017-28096	2120 1ST AVENUE REGINA SK S4R 8G6

ORDER FOR RECORDING OF HEARING

In accordance with Section 208 of *The Cities Act*, I hereby order that this hearing, or portion of hearing, be recorded by Royal Reporting Services of Regina, Saskatchewan, with or without a transcript copy of the recording. Any costs associated with the recording, any transcript of the recording, or copies of the recording or transcript will be charged against the party requesting the recording or the transcript. This includes the costs of producing a copy of the transcript for transmittal to the Saskatchewan Municipal Board Assessment Appeals Committee, in the event of a further appeal.



 Joanne Moser, Panel Chair
 Board of Revision

CONFIRMATION THAT COURT REPORTER HAS BEEN BOOKED

This will confirm that the Court Reporter has been booked.



 Mavis Torres
 (Signature of Assistant)

Confirmation sheet from Royal Reporting attached (YES / NO)

EXHIBIT R - 2 28122

EXHIBIT R



Almy, Gloudemans, Jacobs & Denne

Property Taxation and Assessment Consultants

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About Us



Richard R. Almy has served as Executive Director and Director of Research and Technical Services of the International Association of Assessing Officers (IAAO). Prior to joining IAAO, Mr. Almy was an appraiser with the Detroit Board of Assessors, where he gained experience in land valuation, developing and maintaining cost schedules, ratio studies, and in-house revaluation projects. Mr. Almy is a coauthor of several IAAO publications, including *Assessment Practices: Self-Evaluation Guide* (1991 and 2003) and *Fundamentals of Tax Policy* (2008). He was a senior technical editor of *Property Appraisal and Assessment Administration* (with Robert Gloudemans, 1990). He was project director and a coauthor of *Improving Real Property Assessment: A Reference Manual* (with Robert Gloudemans and Robert Denne, 1978). In addition to contributing to a number of IAAO's assessment standards, Mr. Almy has served as a member of the Appraisal Foundation's mass appraisal task force, which drafted standard 6 (on mass appraisal) of the Uniform Standards of Professional Appraisal Practice. He has directed or participated in over 100 consulting projects and teaching assignments in twenty-three countries in North America, Europe, Africa, and Asia. Mr. Almy specializes in finding practical ways to improve property tax systems.

[Send email to Richard Almy](#)



Robert J. Gloudemans is a former Senior Research Associate for IAAO and Supervisor of Computer Assisted Appraisal and Equalization for the Arizona Department of Revenue. Mr. Gloudemans and Richard Almy are co-authors of the IAAO textbook, *Fundamentals of Mass Appraisal* (2011). He is the author of *Mass Appraisal of Real Property* (IAAO, 1999), a principal author and a senior technical editor of *Property Appraisal and Assessment Administration* (1990), and author or co-author of numerous other mass appraisal textbooks, articles, workbooks, and IAAO Standards. Mr. Gloudemans has taught IAAO and other courses and workshops on assessment administration, mass appraisal, and ratio studies in over thirty-five states and provinces and internationally. He has directed or participated in assessment consulting projects for over 100 government agencies, including major revaluation projects in Alberta, Arizona, Colorado, the District of Columbia, Florida, Iceland, Manitoba, Montana, Northern Ireland, Ontario, Tennessee, Saskatchewan, and Washington. Mr. Gloudemans specializes in mass appraisal model building, ratio studies, computer assisted appraisal, and related staff mentoring and training.

[Send email to Robert Gloudemans](#)



Robert C. Denne has served as an independent consultant in assessment administration, and he held several positions with IAAO, including Deputy Executive Director and Director of Research and Technical Services. Mr. Denne contributed to such books as *Assessment Administration*, *Assessment Practices Self Evaluation Guide*, *Improving Real Property Assessment*, *Property Appraisal and Assessment Administration*, and several IAAO assessment standards. He directed and participated in consulting projects for IAAO, including numerous projects in the U.S. and Canada and one in Argentina. His subsequent consulting work includes work on a variety of ratio study issues with the States of Arkansas, Louisiana, Nebraska, Oklahoma, Rhode Island, Vermont, and West Virginia as well as the Province of Alberta. Mr. Denne has also done analyses of assessment equity for clients in Georgia, Indiana, New York, Pennsylvania and Virginia. He has performed analyses of property-tax related information-technology systems for the states of Idaho and Wyoming, the municipality of Anchorage, Solano County, California, and the republics of Bosnia and Herzegovina, Kosovo, and Montenegro. Work abroad has included three years in the Russian Federation and briefer recurring stints in Kosovo and Montenegro on property tax reform projects; each has involved development of information technology in addition to valuation aspects. He has served numerous times as a consultant to other, larger consulting firms. Mr. Denne's areas of expertise include information systems, computer-assisted mass appraisal, and ratio studies.

c.v.

[Send email to Robert Denne](#)

Gerry Krismer

From: Scott Miller
Sent: Sunday, May 14, 2017 6:08 PM
To: Gerry Krismer; Thomas Ewert
Subject: FW: FW: Industrial Chebyshev Theorem

18(1)(b)

18(1)(b)

On 5/13/2017 8:36 AM, Scott Miller wrote:

18(1)(b)

Best Regards,

Scott

Page 998 of 1961

From: Thomas Ewert

Sent: Thursday, May 11, 2017 9:35 AM

To: Scott Miller <SMILLER@regina.ca>

Subject: Industrial Chebyshev Theorem

Hi Scott,

18(1)(b)

18(1)(b)

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REGINA BOARD OF REVISION

ORDER

Appeal: #2017 – 28122 (Lead Appeal)
(Year) (Appeal #)

Property Address: 610 Henderson Drive, et al.

Appellant: Altus Group Limited – on behalf of numerous appellants

Assessor: Gerry Krismer – Assistant City Assessor

The following order is hereby issued by the Regina Board of Revision concerning the above-noted appeal.

Pursuant to Section 209(1) of *The Cities Act*, the Board hereby orders that Appendix “G” to the Appellant’s 20 Day Submission are declared to be confidential.

The Board of Revision is authorized to issue orders related to an appeal hearing in accordance with the following sections of *The Cities Act*:

- Subsection 202(1) - declaration of information to be confidential
- Subsection 205(3) - summons a person to appear before the Board, to give evidence; and to produce any documents
- Subsection 207(3) - adjournment of a hearing
- Subsection 209(1) - to amend the grounds in a notice of appeal

Date: May 16, 2017



Joanne Moser,
Panel Chairperson



Walter Antonio,
Member



Linda Paidel,
Member

c: Appellant/Agent, Assessor, Members (3)

2017-0068 (Lead) to 2017-00115 Various c/o Altus Group Limited v City of Regina

In order to reduce the amount of duplication of material, the **Hearing Transcript** for the Group B appeals **has been carried forward from the Record Book for the Group A appeals**. Please refer to Record Book Volume 2 of 2 for Group A appeals to view the Hearing Transcript.

10 pages were removed following this page as non-responsive to the request

REGINA BOARD OF REVISION

APPEAL #2017-28122
Account ID: 10018730

In the matter of an appeal under Sections 197 and 198 of *The Cities Act*, S.S. 2002, c. C.-11.1, to the City of Regina, Board of Revision by:

APPELLANT

ABCComp Holdings Ltd
1755 DUGALD ROAD WINNIPEG MB R2J 0H3

respecting the assessment of:

610 HENDERSON DRIVE REGINA SK S4N 5X3

RESPONDENT

City of Regina

for the year 2017;

BEFORE

Joanne Moser, Panel Chair
Walter Antonio, Member
Linda Paidel, Member

**Appeared for
the Appellant:**

Archie Fieldgate, Altus Group Ltd.
Ryan Simpson, Altus Group Ltd.

**Appeared for
the Respondent:**

Gerry Krismer, City Assessor
Scott Miller, Manager, Assessment Research

This appeal was heard at City Hall, 2476 Victoria Avenue, Regina, Saskatchewan on May 15 and 16, 2017.

INTRODUCTION

This is an appeal of the assessment of a commercial property in the City of Regina. In this decision, we refer to Mr. Ryan Simpson and Mr. Archie Fieldgate, Altus Group Limited, as the “Appellants”, to Mr. Gerry Krismer and Mr. Scott Miller as the “Assessors” or the “Respondents”, to the Board of Revision Panel as the “Board,” to *The Cities Act* as the “Act”, to the Saskatchewan Assessment Manual as the “Manual”, to the Market Value Assessment in Saskatchewan Handbook as the “Handbook”, and to the Saskatchewan Assessment Management Agency's Cost Guide, as the "Guide".

PRELIMINARY MATTERS

There was no objection to the jurisdiction or composition of the Board.

A court reporter was present, transcribing the evidence for this appeal.

The Appellant and the Board agreed to recognize Scott Miller as an expert witness. The Assessor stated his intention to introduce a second expert witnesses during the hearing. The Appellant stated that he will also have an expert witness.

The Assessor took exception to what he contended were new grounds contained in the Appellant's 5-day submission. The 5-day submission states: “The Assessor took exception to what he contended were new grounds contained in the Appellant's 5-day submission. The 5-day submission states: Increasing the size adjustment threshold above 50,000 square feet will increase the maximum capitalization rate and therefore address the problem of an ASR above 1.00 by reducing the assessment value. The Board panel chair agreed with the Assessor that this is an issue that did not appear in the Notice of Appeal and ruled that evidence for this issue will not be heard.

The Appellant requested that Appendix B in the 5-day submission be treated as confidential. The Assessor and Board agreed.

The Appellant and the Board agreed that Scott Miller is qualified as an expert witness in tax assessment research and model development and statistical testing.

The Appellant and the Assessor agreed that Appeal 2017-28122 would be heard first, and that all evidence and argument from this appeal would be carried forward to:

Appeal#	Appeal Address	Appeal#	Appeal Address
2017-28125	680 MCLEOD STREET	2017-28126	745 PARK STREET
2017-28289	1735 FRANCIS STREET	2017-28085	1575 ELLIOT STREET
2017-28084	155 N LEONARD STREET	2017-28098	2201 1 ST AVENUE
2017-28108	402 MCDONALD STREET	2017-28077	12202 EWING AVENUE
2017-28121	603 PARK STREET	2017-28103	316 E 1 ST AVENUE
2017-28124	651 HENDERSON DRIVE	2017-28092	1964 PARK STREET
2017-28102	310 HENDERSON DRIVE	2017-28083	1450 PARK STREET
2017-28086	166 E ROSS AVENUE	2017-28078	130 HODSMAN ROAD
2017-28119	580 PARK STREET	2017-28081	1400 1 ST AVENUE
2017-28123	615 N WINNIPEG STREET	2017-28097	2133 1 ST AVENUE
2017-28127	855 PARK STREET	2017-28114	515 1 ST AVENUE
2017-28111	455 PARK STREET	2017-28116	555 HENDERSON DRIVE
2017-28087	1700 PARK STREET	2017-28107	4000 E VICTORIA AVENUE
2017-28129	921 BROAD STREET	2017-28101	250 HENDERSON DRIVE

ISSUES

The Board identified the issues to be:

- A) Did the Assessor err by applying a size adjustment to the base capitalization rate for warehouses?
- B) Has Equity been achieved?
- C) Has the Market Valuation Standard been achieved?

FACTS

The property that is subject to the lead appeal in this series of appeals is owned by Abcomp Holdings Ltd., which is the assessed owner of the property in the Ross Industrial area of the city at 610 Henderson Drive.

The property is considered a non-regulated property pursuant to subsection 163.4 of the Act.

The total assessed value of the property is \$6,163,100 for 2017. The primary use of the property is Industrial and the assessed value was arrived at using the Income Approach to Value.

The application of the Income Approach to Value for the group of properties (which includes the subject property) resulted in the development of the Industrial Model. Therefore, the Industrial Model was applied to the subject property.

The primary building on the property is valued pursuant to the Market Valuation Standard. It is an industrial manufacturing facility that was constructed in 1977.

The zoning of the subject property is 1B medium industrial which allows for 75 per cent site coverage.

The subject property has a main floor area of 53,000 square feet and a lot size of 329,474 square feet that results in site coverage of 16.1%. Because the subject property has a total of 74,000 square feet, it received an adjustment for size. The applied capitalization rate is 7.78740.

The base date is January 1, 2015.

RULES (Legislation, Regulations, Manuals, Handbooks and Guides)

Assessment in Saskatchewan is governed by legislation enacted by the provincial government. The Assessor in Regina, being in a city, is bound by the Act. The Assessor must follow the provisions of the Act, and the Regulations enacted pursuant to it. Legislation as well as the Manual provides rules, formulas and other technical requirements for the Assessor to follow. The Assessor can only use methods prescribed by legislation.

Assessment is a technique applied on a large-scale called mass appraisal. The Saskatchewan Court of Appeal describes the technique as follows:

The method of valuation remains mass appraisal, the process of valuing a group of properties using standard methods and allowing for statistical testing. Individual appraisals and actual market value of the property being assessed have no place in the process. (*The Cadillac Fairview Corporation Limited et al. v. The City of Saskatoon et al.*, 2000 SKCA 84, June 29, 2000, at paragraph 34.)

There is the over-riding principle of equity. The Act requires that all property be assessed as of the applicable base date. Equity is achieved by following the procedure outlined by the Court of Appeal for Saskatchewan, in precedent case law The Act, in subsection 165(3), provides that the “dominant and controlling factor in the assessment of property is equity”. To achieve equity, the Assessor must apply the directed method of assessment uniformly and fairly throughout the assessment roll. The Assessor does have a degree of discretion, where appropriate, and the Courts have instructed the Board to pay deference to that discretion, when appropriate. The Saskatchewan Court of Appeal explains this issue in *Estevan Coal Corporation v. Rural Municipality of Estevan No. 5 et al.*, 2000 SKCA 82, June 29, 2000, at paragraphs 19 through 23.

The Board of Revision’s role is to review the assessment for error. If, on the evidence, the Appellant cannot demonstrate an error in the assessment, the appeal must be dismissed. However, if the Appellant demonstrates an error, then the Board has the power of correction. When the Assessor has assessed a property and achieved equity as prescribed by legislation, the Board is limited by the Act in altering the assessment by virtue of subsection 210(3), which prevents the Board from altering the assessment if equity has been achieved with similar properties in the city. The Board is also restricted from varying an assessment using single property appraisal techniques.

The Board considers the following legal precedents to be relevant:

Sasco Developments Ltd. v. Moose Jaw (City), 2012 SKCA 24,
Agrevo Canada Inc. v. Regina (City), 2008 SKCA 129 (CANLII)
Various c/o Altus Group Limited v. Regina (City) (SMB 2011-0022 et al)

The Board considers the following manuals to be relevant:

Saskatchewan Assessment Manual
Saskatchewan Assessment Appraisers' Association Code of Ethics
Market Value Assessment in Saskatchewan Handbook
The 2015 Cost Guide
International Association of Assessing Officers Fundamentals of Mass Appraisal
Marshall Valuation service and Residential Cost Handbook
Canadian Uniform Standards of Professional Appraisal Practice
Uniform Standards of Professional Appraisal Practice

ANALYSIS AND CONCLUSIONS

In the Notice of Appeal the Appellant stated that the Assessor made several errors regarding the assessment of 610 Henderson Drive. Specifically, an incorrect assessment methodology was applied by the Assessor when capitalization rates for warehouses were adjusted based on the size of the building.

The Appellant stated that the subject property was over-assessed because the base cap rate was adjusted downward within the Assessor's calculations. This increased the assessment.

The Appellant attempted to show that the Assessor's size adjustment is not in keeping with the principle of mass appraisal. On page 11 of their 20-day submission, the Appellant stated that by deriving a size specific cap rate, the Assessor has moved away from Mass Appraisal. Thus, the City of Regina had failed to satisfy mass appraisal principles.

The City of Regina applies the Market Valuation Standard to value non-regulated property. According to clause 163(1) of the Act, the Standard is “achieved when the assessed value of the property:

- is prepared using mass appraisals;
- is an estimate of the 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.”

There are three standard appraisal methods included in the definition of Mass Appraisal. The property was appraised using the Income Approach to Value. This Approach is used to estimate market value-based assessments by analyzing the future benefits of income from a property and converting this income into an estimate of present value.

In the case of the property, the Assessor collected pertinent data to determine market rents and market capitalization rates or Gross Income Multipliers (GIM) to estimate the assessed value of a property.

The Assessor requested the rent rolls and income and expense statements for all commercial, industrial and multi-family properties for the years 2013, 2014 and 2015. The final rent model was developed from 2015 rent rolls and is consistent with the base date of January 1, 2015.

To develop the rent model, the Assessor collected and analyzed by Multiple Regression Analysis (MRA) a total of 882 net and effective rents. The model predicts rents based on lease area size, building and space classification, location, and effective building age.

The Assessor reviewed all transfers of titles for commercial properties from Information Services Corporation. Once the sales are determined to be arms-length, the Assessor compares the income and the sales prices to determine a capitalization rate. The economic capitalization rate analysis involved 132 sales. These sales are listed on pages 28, 29, 30 and 31 of the Assessor's 10-day submission.

The Assessor capitalized the net income into an estimate of value by dividing the potential net income by the capitalization rate.

The City of Regina has, since 2005, employed the Multiple Regression Analysis (MRA) to test all assessment models including the Income Model that was used for appraisal of the subject property. Multiple Regression Analysis is recognized by the International Association of Assessing Officers.

In the case of the rental income, MRA is applied to determine what features add or detract from a property's ability to generate income. When using sales analysis, MRA is used to determine a capitalization rate and test other features such as size, rental area size, location, age, building quality and site coverage.

The Assessor established a rent model by analyzing the reported net and effective net rents of 882 industrial properties. He then determined the common features (such as lease area size, building and site classification, location and effective age of the building) that were impacting capitalization rates. The result indicated a base capitalization rate of 6.862 and demonstrated a downward capitalization rate as building size increases.

The capitalization rate is adjusted for building type and size. The Assessor noted in his written materials that the Appellant does not question the adjustment for size as being site-specific because, in the case of the subject property, were size adjustments removed, the capitalization rate would decrease and the assessed value would increase.

The Appellant stated that the Assessor made an error in his calculations by misapplying a capitalization rate adjustment for building size that resulted in a maximized or capped size of 50,000 square feet. He contended that in the Assessor's scenario properties of over 50,000 square feet received no additional capitalization adjustment but remained at a constant of the base capitalization rate (6.862) plus 1.76. The Appellant suggested that adjustments should continue to increase beyond 50,000 square feet and, therefore, result in a lower assessment.

The Appellant suggested that the extension of the Assessor's graph to include warehouses that were larger than 50,000 square feet would provide an upward curve in the graph and a new cap cut-off or break point of 70,000 square feet that would improve the accuracy. He also deleted two large sales of 87,760 square feet and 126,800 square feet from his analysis because they had already received a rental size adjustment.

To determine a new break point, the Appellant introduced The Empirical Rule, also known as the 68-95-99.7 rule, and the Chebyshev's Theorem. By not including the aforementioned larger properties, starting the analysis at more than 10,000 square feet, and applying the Chebyshev's Theorem, the Appellant produced graphs that show continued upward trends in capitalization rates beyond the Assessor's break point of 50,000 square feet. The Appellant's graph indicated a new break point of 71,258 square feet for cap rate size adjustments. He also stated that a default significance of +/- 5 per cent and a 95 per cent confidence level had been realized.

The Appellant introduced Andrei Volodin, Professor, Department of Mathematics and Statistics, University of Regina, and asked the Board and the Assessor to accept him as an expert witness in mathematics and statistics. He was qualified as such.

During cross-examination Professor Volodin admitted that he does not have any direct knowledge or expertise in the practice of assessment or assessment law.

The Assessor stated in his written material that his methodology established an adjustment of 0.044 to the capitalization rate for every 1,000 square feet of building size above 10,000 square feet. The adjustment is capped at 6.862 that is equal to 50,000 square feet. His statistical work does not support the continuation of an adjustment after 50,000 square but states that a building greater than 50,000 will still receive an adjustment of plus 1.76.

An Assessment to Sales Ratios (ASR) test by the Assessor for all sold properties indicates an ASR of 1. This supports the accuracy of the assessment model used by the Assessor.

During the hearing, the Assessor introduced Robert Gloudemans as an expert witness. Mr. Gloudemans is a former Senior Research Associate for the International Association of Assessing Officers who specializes in mass appraisal model building and ratio studies. Mr. Gloudemans was affirmed and testified by speaker phone. Mr. Gloudemans testified that it would not be appropriate to apply the Chebyshev Theorem to assessment methodology.

The Assessor argued against the Appellant's suggestion to remove the two largest sales from the analysis and that only sales using the base rent should be used in the cap rate adjustment by size. He reminded the Board that an Assessor is required to use all sales to determine a capitalization rate. He cannot make decisions to delete certain size properties in his analysis. He quoted a Saskatchewan Municipal Board (SMB) decision *Various c/o Altus Group v Regina (City) (SMB 2011-2022 et al)*.

Issue A) Did the Assessor err by applying a size adjustment to the base capitalization rate for warehouses?

The Appellant states that by applying site specific cap rates the Assessor has moved away from mass appraisal.

The Assessor arrived at the economic cap rate by dividing the predicted base date net operating income (generated by the net rent model) by the adjusted sale prices for all qualified industrial sales.

This capitalization rate analysis involved 132 sales.

After applying Multiple Regression Analysis for building type, effective age, site coverage and total building size, the Assessor arrived at a base cap rate of 6.862. After reviewing notes from the hearing and all written materials by the Assessor and the Appellant, the Board finds that the Appellant has not proven that the Assessor erred with regard to the capitalization rate adjustments for size and, therefore, Issue A must fail.

The Board agrees with the capitalization rate adjustment of 0.044 applied per 1,000 square feet of the subject property.

Issue B) Has Equity been achieved?

Subsection 165(5) of the Act states that: equity in non-regulated property assessment 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 a base date.

A number of Court and Saskatchewan Municipal Board decisions recognize that the Assessor, because of his knowledge of the market and experience, has discretion in determining the grouping of properties.

Statistical testing was completed and the grouping of properties for assessment purposes showed that like properties were treated in a similar manner.

The Board finds that the Appellant has not proven that the Assessor erred in his application of accepted principles of assessment. All warehouse properties were treated consistently and fairly and equity was achieved.

Issue C) Has the Market Valuation Standard been achieved?

According to clause 163(1) of the Act, the Standard is “achieved when the assessed value of the 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.

The Act in Section 163(3) states: mass appraisal means the process of preparing assessment for a group of properties as of the base date using standard appraisal methods, employing common data and allowing for statistical testing.

The Assessor used standard appraisal methods in developing models and used data gathered from property owners. The Assessor used multiple regression to test the models to ensure the grouping of properties was appropriate.

The Assessor has achieved the Market Valuation Standard as detailed in clause 163(1) of the Act. Therefore, this issue must fail.

In conclusion, the Board finds that the Appellant has not provided evidence of an error by the Assessor in fact, in law or in the application of standard appraisal practice.

DECISION

The Board dismisses this appeal with respect to the all issues.

The filing fee will be retained.

DATED AT REGINA, SASKATCHEWAN THIS 28 DAY OF August, 2017.

CITY OF REGINA, BOARD OF REVISION



Joanne Moser, Panel Chair



I CONCUR:

Walter Antonio, Member



I CONCUR:

Linda Paidel, Member

September 7, 2017

FS Altus Group Limited
C/O Archie Fieldgate
311 Albert Street
Regina, SK S4R 2N6

Re: Record of Decision – List of Appeals

Appeal #	Appeal Address	Appeal #	Appeal Address
2017-28073	1111 MACKAY STREET	2017-28101	250 HENDERSON DRIVE
2017-28074	115 MCDONALD STREET	2017-28102	310 HENDERSON DRIVE
2017-28076	1155 PARK STREET	2017-28103	316 E 1ST AVENUE
2017-28077	12202 EWING AVENUE	2017-28104	330 4TH AVENUE
2017-28078	130 HODSMAN ROAD	2017-28105	363 MAXWELL CRESCENT
2017-28079	1301 FLEURY STREET	2017-28106	375 N LOGMAN CRESCENT
2017-28080	135 HENDERSON DRIVE	2017-28107	4000 E VICTORIA AVENUE
2017-28081	1400 1ST AVENUE REGINA	2017-28108	402 MCDONALD STREET
2017-28082	1405 E PETTIGREW AVENUE	2017-28109	415 N LONGMAN CRESCENT
2017-28083	1450 PARK STREET	2017-28110	4150 E VICTORIA AVENUE
2017-28084	155 N LEONARD STREET	2017-28111	455 PARK STREET
2017-28085	1575 ELLIOT STREET	2017-28112	4600 E VICTORIA AVENUE
2017-28086	1600 E ROSS AVENUE	2017-28113	4750 E VICTORIA AVENUE
2017-28087	1700 PARK STREET	2017-28114	515 1ST AVENUE
2017-28088	1715 ELLIOTT STREET	2017-28116	555 HENDERSON DRIVE
2017-28089	1735 FRANCIS STREET	2017-28117	570 MCDONALD STREET
2017-28090	1802 E STOCK ROAD	2017-28118	580 HENDERSON DRIVE
2017-28091	1903 E TURVEY ROAD	2017-28119	580 PARK STREET
2017-28092	1964 PARK STREET	2017-28121	603 PARK STREET
2017-28093	202 SOLOMON DRIVE	2017-28122	610 HENDERSON DRIVE
2017-28094	2101 FLEMING ROAD	2017-28123	615 N WINNIPEG STREET
2017-28095	2107 E TURVEY ROAD	2017-28124	651 HENDERSON DRIVE
2017-28096	2120 1 ST AVENUE	2017-28125	680 MCLEAOD STREET
2017-28097	2133 1 ST AVENUE	2017-28126	745 PARK STREET
2017-28098	2201 1ST AVENUE	2017-28127	855 PARK STREET
2017-28099	221 N WINNIPEG STREET	2017-28129	921 BROAD STREET

Attached is the Record of Decision of the Board of Revision with respect to the above-noted appeal.

If you disagree with the decision of the Board of Revision, you have the right to appeal to the Saskatchewan Municipal Board Assessment Appeals Committee. In order to file such an appeal, you must complete the attached form and submit it within 30 days of being served with the written notice of the decision.

If you have any questions regarding this matter, please contact the Office of the City Clerk at 306-777-7262, Monday to Friday, between 8 a.m. and 4:45 p.m.

Yours truly,



Jim Nicol, Secretary
Board of Revision

Attachment

cc: City Assessor

This is to confirm that I received the Record of Decision of the Regina Board of Revision for the following appeals:

	Appeal	Appeal Address
2017	28071	100 N MCDONALD STREET REGINA SK S4N 5V9
2017	28073	1111 MACKAY STREET REGINA SK S4N 4X9
2017	28074	115 MCDONALD STREET REGINA SK S4N 7M2
2017	28076	1155 PARK STREET REGINA SK S4N 4Y8
2017	28077	12202 EWING AVENUE REGINA SK
2017	28078	130 HODSMAN ROAD REGINA SK S4N 5X4
2017	28079	1301 FLEURY STREET REGINA SK S4N 7N5
2017	28080	135 HENDERSON DRIVE REGINA SK S4N 5W4
2017	28081	1400 1ST AVENUE REGINA SK S4R 8G5
2017	28082	1405 E PETTIGREW AVENUE REGINA SK S4N 5W1
2017	28083	1450 PARK STREET REGINA SK S4N 2G2
2017	28084	155 N LEONARD STREET REGINA SK S4N 5X5
2017	28085	1575 ELLIOT STREET REGINA SK S4N 3G7
2017	28086	1600 E ROSS AVENUE REGINA SK S4N 7A3
2017	28087	1700 PARK STREET REGINA SK S4N 6B2
2017	28088	1715 ELLIOTT STREET REGINA SK ***
2017	28089	1735 FRANCIS STREET REGINA SK S4N 7N2
2017	28090	1802 E STOCK ROAD REGINA SK S4N 2G7
2017	28091	1903 E TURVEY ROAD REGINA SK S4N 3A4
2017	28092	1964 PARK STREET REGINA SK S4P 3G4
2017	28093	202 SOLOMON DRIVE REGINA SK S4N 5A8
2017	28094	2101 FLEMING ROAD REGINA SK S4M 0A12
2017	28095	2107 E TURVEY ROAD REGINA SK S4N 3W1
2017	28096	2120 1ST AVENUE REGINA SK S4R 8G6
2017	28097	2133 1ST AVENUE REGINA SK S4R 8G4
2017	28098	2201 1ST AVENUE REGINA SK S4R 8G4
2017	28099	221 N WINNIPEG STREET REGINA SK S4R 8T6
2017	28100	2216 E EMMETT HALL ROAD REGINA SK S4N 3M3
2017	28101	250 HENDERSON DRIVE REGINA SK S4N 5P7
2017	28102	310 HENDERSON DRIVE REGINA SK S4N 5W7
2017	28103	316 E 1ST AVENUE REGINA SK S4N 5H2
2017	28104	330 4TH AVENUE REGINA SK S4N 4Z6
2017	28105	363 MAXWELL CRESCENT REGINA SK S4N 5X9
2017	28106	375 N LOGMAN CRESCENT REGINA S4N 6G3
2017	28107	4000 E VICTORIA AVENUE REGINA SK ***
2017	28108	402 MCDONALD STREET REGINA SK S4N 6E1
2017	28109	415 N LONGMAN CRESCENT REGINA SK S4N 6G3
2017	28110	4150 E VICTORIA AVENUE REGINA SK ***
2017	28111	455 PARK STREET REGINA SK S4N 5B2
2017	28112	4600 E VICTORIA AVENUE REGINA SK ***
2017	28113	4750 E VICTORIA AVENUE REGINA SK ***
2017	28114	515 1ST AVENUE REGINA SK ***

2017	28116	555 HENDERSON DRIVE REGINA SK S4N 5X1
2017	28117	570 MCDONALD STREET REGINA SK S4N 4X2
2017	28118	580 HENDERSON DRIVE REGINA SK S4N 5X2
2017	28119	580 PARK STREET REGINA SK S4N 5A9
2017	28121	603 PARK STREET REGINA SK S4N 5N1
2017	28122	610 HENDERSON DRIVE REGINA SK S4N 5X3
2017	28123	615 N WINNIPEG STREET REGINA SK ***
2017	28124	651 HENDERSON DRIVE REGINA SK S4N 6A8
2017	28125	680 MCLEAOD STREET REGINA SK S4N 4Y1
2017	28126	745 PARK STREET REGINA SK S4N 4Y4
2017	28127	855 PARK STREET REGINA SK S4N 5H4
2017	28129	921 BROAD STREET REGINA SK S4R 8G9

Sep 8, 2017
DATE

G. Puff (Deena Puff)
Received by: NAME (Printed)

[Signature]
SIGNATURE

Please scan and send via e-mail to:

Clerks@regina.ca

Assessment Appeals Committee

NOTICE OF APPEAL FORM 1

APPEAL FROM A BOARD OF REVISION DECISION

For clarification, refer to the *Assessment Appeals Committee Notice of Appeal Form 1 Sample*.

Application Date: October 5, 2017	
Section 1: Applicant Contact Information (Appellant)	
Interest in property (owner, tenant, property manager, assessor, etc.): Owner	
Company name (if applicable): Acklands-Grainger Inc. c/o Acklands-Grainger Inc.	
<input type="checkbox"/> Mr. <input type="checkbox"/> Miss <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.	Applicant last name Bonnell
Given name(s) Louise	
Street 123 Commerce Valley Drive E, Suite 700	
Apartment, suite or unit number	
City/Town Thornhill	Province ON
Postal code L3T 7W8	
Primary telephone 905-709-5520	Business telephone
Mobile phone	
Fax 905-731-0481	
Email Address bonnell@agi.ca	
Section 2: Representative Contact Information	
<input checked="" type="checkbox"/> I have a representative <input type="checkbox"/> I plan to get a representative <input type="checkbox"/> I will represent myself	
Company name Altus Group Limited	
Title	
<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Miss <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.	Last name Simpson
Given name(s) Ryan	
Street 311 Albert Street	
Apartment, suite or unit number	
City/Town Regina	Province SK
Postal code S4R 2N6	
Primary telephone 306-337-2176	Business telephone
Mobile phone	
Fax 306-359-0674	
Email Address Ryan.simpson@altusgroup.com	
Section 3: Respondent Contact Information	
Name of Municipality or Other Party City of Regina	
Contact Person:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Miss <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.
Last name Krismer	
Given name(s) Gerry	
Street 2476 Victoria Avenue	
Apartment, suite or unit number	
City/Town Regina	Province SK
Postal code S4P 3C8	
Primary telephone 306-777-7935	Business telephone
Mobile phone	
Fax 306-777-6822	
Email Address gkrismer@regina.ca	

Section 4: Application Details

Indicate the type of appeal:

Your property is within a:

City Town, Village, Resort Village, Rural Municipality Northern Municipality Other

and you're appealing:

the Board of Revision's decision **OR** the Board of Revision's refusal to hear your appeal

Taxing Authority: City of Regina

Legal Land Description: Lot: 14 to 16 Blk: 9 Plan: 65R29319	Civic Address: 680 McLeod Street
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Assessment or Alternate Number: 10018652	Assessment Year: 2017
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Board of Revision Appeal No.: 28125	Assessment value under appeal: \$4,767,400
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This appeal involves:	<input checked="" type="checkbox"/> Property valuation (land or improvement valuation or both)
	<input type="checkbox"/> Property classification (land or improvement classification or both)
	<input type="checkbox"/> Exemption
	<input type="checkbox"/> Preparation or content of the assessment roll
	<input type="checkbox"/> Preparation or content of the notice of assessment
	<input type="checkbox"/> Fixed Assessment Agreement

Have you included a copy of your Notice of Assessment? Yes No

If no, why?	Not on file.
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Have you included a copy of the Board of Revision's decision or refusal? Yes No

If no, why?	(Empty)
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If you are not appealing more than one property, continue to Section 5.

If you are appealing more than one property:

- How many properties are you appealing? Number: 54
- Which is the lead property? Lead: BOR # 2017-28122 & 2017-28100

Provide property details below or attach a separate document if necessary.

Assessment (Alternate) Number or Roll Number	Legal Land Description or Civic Address	Municipality	Assessment Year	Assessment Value Under Appeal
See Attached	See Attached	See Attached	See Attached	See Attached

Section 5: Dispute Resolution Details

Have the parties discussed the issue(s) in dispute?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, provide the date and outcome of that discussion, including the details of any facts or issues agreed to by the parties.	Nothing has been agreed upon
If no, provide an explanation why a discussion was not held.	

Section 6: Issues, Facts and Proposed Solutions

In point form, based on the Board of Revision decision and record, identify the specific issues in dispute. Outline the relevant facts and law. Tell us your proposed solution.

Issue and Supporting Facts 1:

See Attached Schedule A

Solution 1:

See Attached Schedule A

Issue and Supporting Facts 2:

See Attached Schedule A

Solution 2:

See Attached Schedule A

Issue and Supporting Facts 3:

See Attached Schedule A

Solution 3:

See Attached Schedule A

Section 7: Additional Comments

Section 8: Confidentiality Orders (CO)

Please identify any documents that require a CO or provide a copy of the CO issued by the Board of Revision.

Section 9: Request to Record Hearing

Recordings are for the sole use of the SMB. Hearings are recorded for direct or complex appeals. If you require a transcript of the hearing, you may request your hearing be recorded.

Do you want your hearing recorded: Yes No

If yes, provide reasons for your request.

Section 10: Distribution	
Has a copy of this application and attachments been sent to the other party? <i>Any additional correspondence sent to the AAC must also be shared with the other party.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Have you included your appeal fee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Ryan Simpson _____ 10/05/17 Completed By (Please Print) Date (mm/dd/yy) A representative may only complete this form if authorized by the owner.</p>	

Please email your completed form and supporting documents to:

<ul style="list-style-type: none"> • info@smb.gov.sk.ca 	<ul style="list-style-type: none"> • (306) 787-1610 	<ul style="list-style-type: none"> • AAC - Saskatchewan Municipal Board Room 480 - 2151 Scarth Street REGINA SK S4P 2H8
Email 1	Fax 2	Mail 3

If you have not received an acknowledgement from the Saskatchewan Municipal Board within one week of submission, contact us.

For Additional Information:



Visit
• smb.gov.sk.ca



Call
• (306) 787-6221

Schedule A

Grounds of Appeal to the Saskatchewan Municipal Board

Regarding a total of 54 Appeals to the Board of Revision as indicated on the attached 2017 SMB industrial appeal list. Involving two Lead Cases: Namely; BOR #2017- 28122 610 Henderson Drive & BOR #2017 -28100 2216 East Emmett Road.

The Board of Revision erred in the subject appeal in the following manner:

1. Failing to provide written reasons as to how it came to its conclusions in dismissing the appeal. Natural justice dictates that an Appellant has the right to know why an appeal has failed. Further, subsection 210 5 (a) of the *Cities Act* speaks to Board of Revision decisions being sent to each party together with written reasons for the decision.
2. Under what the Board references as being the Board's Analysis and Conclusions there are also Facts thrown into the mix which creates more confusion as to exactly why the Appellant's appeal failed.
3. In the particular Lead Case #2017-28122, in the last paragraph on page 6 of the Board's decision, it states that the Appellant's witness, Andrei Volodin was qualified by the Board as an expert in mathematics and statistics. Yet in the very next paragraph, top of page 7, it states that the witness admitted that he does not have any direct knowledge or expertise in the practice of assessment or assessment law. Without proper reasoning being set out by the Board, the Appellant has no idea if the Board relied on this latter point to ignore the witness when he spoke about the Chebyshev's Theorem for an example. If so, that would have been an error by the Board as Mr. Volodin was never qualified as a person with expertise in assessment practice and assessment law in the first place.
4. Put another way, the Board erred by ignoring the rules and principles associated with the applicability of the Chebyshev Theorem whereby the number of K deviations of the mean will result in a cut off for size greater than 50,000 square feet in the determination of capitalization rate adjustments.

5. In Lead Case # 2017-28100, in the very first paragraph, under Analysis and Conclusions, the Board states that the Appellant, Ryan Simpson (who was really the Agent for the Appellant) is not licensed to practice assessment in Saskatchewan nor is he a member of several recognized assessment related organizations that were listed by the Assessor. The fact this was the first comment to be made by the Board under Analysis and Conclusions, it begs the question if this was the mind set of the Board with respect to all 54 appeals and explains for the lack of written reasons. If that is the case, this is clearly another error made by the Board and is not supported by Legislation. Is the Board putting forth the proposition that an Appellant/Tax Agent in Saskatchewan has to carry a license to practice assessment in Saskatchewan in order to appear before a Board of Revision to conduct an assessment appeal?
6. In the first paragraph on page 8 of the Lead Case 2017-28100, the Board addresses a separate issue that pertained to four properties that were recently annexed into the City. The applicable appeal numbers were 28107; 28112; 28110; and, 28113. Again the error here by the Board is not properly stated reasoning. The Board stated that the properties do not have sewer service but that the Assessor disagrees. The facts before the Board was that these properties rely on Septic Tank Pump Out Service which is certainly not being serviced by the City's Sewage system.
7. The bottom line is that the Board of Revision failed to provide its thought process through properly stated written reasons when addressing the evidence and argument that was presented by Altus Group for all 54 Appeals.

Assessment Appeals Committee

NOTICE OF APPEAL FORM 1

APPEAL FROM A BOARD OF REVISION DECISION

For clarification, refer to the *Assessment Appeals Committee Notice of Appeal Form 1 Sample*.

Application Date:	October 5, 2017
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Section 1: Applicant Contact Information (Appellant)

Interest in property (owner, tenant, property manager, assessor, etc.): Tenant			
Company name (if applicable): 3346286 Manitoba Limited c/o Staples Canada Inc.			
<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Miss	<input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.	Applicant last name Colarusso	Given name(s) Tom
Street 500 Staples Avenue		Apartment, suite or unit number	
City/Town Framingham		Province MA	Postal code 1701
Primary telephone 508-253-8853	Business telephone	Mobile phone	Fax
Email Address tom.colarusso@staples.com			

Section 2: Representative Contact Information

<input checked="" type="checkbox"/> I have a representative			<input type="checkbox"/> I plan to get a representative			<input type="checkbox"/> I will represent myself		
Company name Altus Group Limited				Title				
<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Miss	<input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.	Last name Simpson	Given name(s) Ryan					
Street 311 Albert Street		Apartment, suite or unit number						
City/Town Regina		Province SK	Postal code S4R 2N6					
Primary telephone 306-337-2176	Business telephone	Mobile phone	Fax 306-359-0674					
Email Address Ryan.simpson@altusgroup.com								

Section 3: Respondent Contact Information

Name of Municipality or Other Party City of Regina					
Contact Person:	<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Miss	<input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.	Last name Krimer	Given name(s) Gerry	
Street 2476 Victoria Avenue			Apartment, suite or unit number		
City/Town Regina			Province SK	Postal code S4P 3C8	
Primary telephone 306-777-7935	Business telephone	Mobile phone	Fax 306-777-6822		
Email Address gkrimer@regina.ca					

Section 4: Application Details*Indicate the type of appeal:***Your property is within a:**
 City
 Town, Village, Resort Village, Rural Municipality
 Northern Municipality
 Other
and you're appealing:
 the Board of Revision's decision **OR**
 the Board of Revision's refusal to hear your appeal

Taxing Authority: City of Regina

Legal Land Description:

Lot: Blk: C; C; T Plan: FA4603; 101221142; 84R22521

Civic Address:

221 N Winnipeg Street

Assessment or Alternate Number:

10018625

Assessment Year: 2017

Board of Revision Appeal No.: 28099

Assessment value under appeal: \$10,919,900

This appeal involves:

 Property valuation (land or improvement valuation or both) Property classification (land or improvement classification or both) Exemption Preparation or content of the assessment roll Preparation or content of the notice of assessment Fixed Assessment Agreement

Have you included a copy of your Notice of Assessment?

 Yes No

If no, why?

Not on File.

Have you included a copy of the Board of Revision's decision or refusal?

 Yes No

If no, why?

If you are not appealing more than one property, continue to Section 5.

If you are appealing more than one property:

- How many properties are you appealing? Number: 54
- Which is the lead property? Lead: BOR # 2017-28122 & 2017-28100

Provide property details below or attach a separate document if necessary.

Assessment (Alternate) Number or Roll Number	Legal Land Description or Civic Address	Municipality	Assessment Year	Assessment Value Under Appeal
See Attached	See Attached	See Attached	See Attached	See Attached

Section 5: Dispute Resolution Details

Have the parties discussed the issue(s) in dispute? Yes No

If yes, provide the date and outcome of that discussion, including the details of any facts or issues agreed to by the parties. Nothing has been agreed upon

If no, provide an explanation why a discussion was not held.

Section 6: Issues, Facts and Proposed Solutions

In point form, based on the Board of Revision decision and record, identify the specific issues in dispute. Outline the relevant facts and law. Tell us your proposed solution.

Issue and Supporting Facts 1:

See Attached Schedule A

Solution 1:

See Attached Schedule A

Issue and Supporting Facts 2:

See Attached Schedule A

Solution 2:

See Attached Schedule A

Issue and Supporting Facts 3:

See Attached Schedule A

Solution 3:

See Attached Schedule A

Section 7: Additional Comments

Section 8: Confidentiality Orders (CO)

Please identify any documents that require a CO or provide a copy of the CO issued by the Board of Revision.

Section 9: Request to Record Hearing

Recordings are for the sole use of the SMB. Hearings are recorded for direct or complex appeals. If you require a transcript of the hearing, you may request your hearing be recorded.

Do you want your hearing recorded: Yes No

If yes, provide reasons for your request.

Section 10: Distribution

Has a copy of this application and attachments been sent to the other party?

Yes

No

Any additional correspondence sent to the AAC must also be shared with the other party.

Have you included your appeal fee?

Yes

No

Ryan Simpson

Completed By (Please Print)

A representative may only complete this form if authorized by the owner.

10/05/17

Date (mm/dd/yy)

Please email your completed form and supporting documents to:

• info@smb.gov.sk.ca

• (306) 787-1610

• AAC - Saskatchewan
Municipal Board
Room 480 - 2151
Scarth Street
REGINA SK S4P 2H8

Email

1

Fax

2

Mail

3

If you have not received an acknowledgement from the Saskatchewan Municipal Board within one week of submission, contact us.



Visit

• smb.gov.sk.ca

For Additional Information:



Call

• (306) 787-6221

Schedule A

Grounds of Appeal to the Saskatchewan Municipal Board

Regarding a total of 54 Appeals to the Board of Revision as indicated on the attached 2017 SMB industrial appeal list. Involving two Lead Cases: Namely; BOR #2017- 28122 610 Henderson Drive & BOR #2017 -28100 2216 East Emmett Road.

The Board of Revision erred in the subject appeal in the following manner:

1. Failing to provide written reasons as to how it came to its conclusions in dismissing the appeal. Natural justice dictates that an Appellant has the right to know why an appeal has failed. Further, subsection 210 5 (a) of the *Cities Act* speaks to Board of Revision decisions being sent to each party together with written reasons for the decision.
2. Under what the Board references as being the Board's Analysis and Conclusions there are also Facts thrown into the mix which creates more confusion as to exactly why the Appellant's appeal failed.
3. In the particular Lead Case #2017-28122, in the last paragraph on page 6 of the Board's decision, it states that the Appellant's witness, Andrei Volodin was qualified by the Board as an expert in mathematics and statistics. Yet in the very next paragraph, top of page 7, it states that the witness admitted that he does not have any direct knowledge or expertise in the practice of assessment or assessment law. Without proper reasoning being set out by the Board, the Appellant has no idea if the Board relied on this latter point to ignore the witness when he spoke about the Chebyshev's Theorem for an example. If so, that would have been an error by the Board as Mr. Volodin was never qualified as a person with expertise in assessment practice and assessment law in the first place.
4. Put another way, the Board erred by ignoring the rules and principles associated with the applicability of the Chebyshev Theorem whereby the number of K deviations of the mean will result in a cut off for size greater than 50,000 square feet in the determination of capitalization rate adjustments.

5. In Lead Case # 2017-28100, in the very first paragraph, under Analysis and Conclusions, the Board states that the Appellant, Ryan Simpson (who was really the Agent for the Appellant) is not licensed to practice assessment in Saskatchewan nor is he a member of several recognized assessment related organizations that were listed by the Assessor. The fact this was the first comment to be made by the Board under Analysis and Conclusions, it begs the question if this was the mind set of the Board with respect to all 54 appeals and explains for the lack of written reasons. If that is the case, this is clearly another error made by the Board and is not supported by Legislation. Is the Board putting forth the proposition that an Appellant/Tax Agent in Saskatchewan has to carry a license to practice assessment in Saskatchewan in order to appear before a Board of Revision to conduct an assessment appeal?
6. In the first paragraph on page 8 of the Lead Case 2017-28100, the Board addresses a separate issue that pertained to four properties that were recently annexed into the City. The applicable appeal numbers were 28107; 28112; 28110; and, 28113. Again the error here by the Board is not properly stated reasoning. The Board stated that the properties do not have sewer service but that the Assessor disagrees. The facts before the Board was that these properties rely on Septic Tank Pump Out Service which is certainly not being serviced by the City's Sewage system.
7. The bottom line is that the Board of Revision failed to provide its thought process through properly stated written reasons when addressing the evidence and argument that was presented by Altus Group for all 54 Appeals.

196 pages removed as non-responsive to the request
Non Responsive

Notice of Appeal to the Regina Board of Revision

(DEADLINE FOR APPEALS IS March 6, 2017)

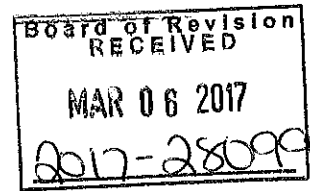
To the Secretary of the Board of Revision of the City of Regina, Saskatchewan:

Section 1:

I request the: Simplified appeal process Regular appeal process (see reverse)

I appeal against the: (check beside those which apply)

- Property valuation
- Property classification
- Exemption
- Preparation or content of the Assessment Roll
- Preparation or content of the Notice of Assessment



Of the following property address: 221 N Winnipeg Street Account Number: 10018625

Assessed Parcel: Lot: , Blk: C; C; T, Plan: FA4603; 101221142; 84R22521

Section 2:

I make this appeal on the following grounds (nature of alleged error): **(Attach extra sheets if necessary.)**

See Attached Schedule "A"

Section 3:

In support of these grounds, I hereby state the following material facts to be true and accurate: **(Attach extra sheets if necessary.)**

See Attached Schedule "A"

Section 4:

I request that the following change(s) be made to the assessment roll (if known): **(Attach extra sheets if necessary)**
See Attached Schedule "A"

I have discussed my appeal with See Attached (Assessor's name), of the City Assessor's Office, on this date See Attached (month/day/year) and the following is a summary of that discussion: (Include the outcome of the discussion and any details of the facts or issues agreed to by the parties.)
See Attached

OR I have not discussed my appeal with the City Assessor's Office for the following reasons: **(Provide reasons why no discussion was held. Attach extra sheets if necessary.)**

Section 5:

Appellant's Information:

Appellant's Name: 3346286 Manitoba Limited c/o Staples Canada Inc.
E-mail Address: tom.colarusso@staples.com

Mailing Address: 500 Staples Avenue City/Town: Framingham, MA Postal Code: 1701

Home Phone #: N/A Business Phone #: 508-253-8853 Cell #: N/A Fax #:

If the Appellant is not the owner, what interest does the Appellant have in the property?

Tenant

Agent's Information (if applicable):

Agent's Name: Altus Group Limited E-mail Address: archie.fieldgate@altusgroup.com

Mailing Address: 311 Albert Street City/Town: Regina, SK Postal Code: S4R 2N6

Home Phone #: N/A Business Phone #: (306) 359-0672 Cell #: (306) 539-2368 Fax #: (306) 359-0674

Please list address for service for all appeal correspondence:

Mailing Address: 311 Albert Street City/Town: Regina, SK Postal Code: S4R 2N6

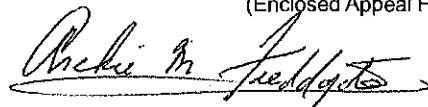
Dated this 6th day of March, 2017

Current Assessed Value under Appeal: \$10,919,900 \$750

(Enclosed Appeal Fee)

Archie Fieldgate

(Appellant's/Agent's name - please print)



(Appellant's/Agent's signature)

***What is the difference between the regular and simplified appeal process?**

For regular appeals, any written material and photographs you provide in support of your appeal must be submitted to BOTH the Secretary of the Board of Revision and the City Assessor at least 20 days before the date of your hearing.

If you qualify for a simplified appeal process and request it on the Notice of Appeal, you can provide any written material and photographs in support of your appeal to the Board of Revision and City Assessor at your hearing. However, to avoid delays at your hearing, you are encouraged to provide your material to BOTH the Secretary of the Board of Revision and the City Assessor at least 20 days before the date of your hearing. You are eligible for the simplified appeal process if your appeal is for:

- a single family residential property or residential condominium; or
- any property that has a current assessed value assessment of 250,000 or less.

The written material you provide for either process should identify why you feel there is an error in your assessment.

Schedule A

SECTION 2:

The Assessment is too high and in excess of the market value based on the following grounds:

- A. The subject assessment appears to have been developed in error through a misapplication of the capitalization rate adjustment for building size. Moreover, the CAP rate size threshold established by the Assessor is maximized or capped at 50,000 square feet appears notwithstanding 65,000 square feet appears to be more appropriate.
- B. The subject property is considered by the Assessor to be a non-regulated property pursuant to subsection 163(f.4) of the Cities Act (the Act). As such, the Appellant is alleging that the subject property has been over assessed as a result of the subject's base Cap Rate being adjusted in error within the Assessor's *assessed value* calculation. Subsequently, site coverage has been calculated while failing to account for areas and features that directly limit the availability of extra or excess land.
- C. Equity has not been achieved pursuant to subsection 165 (5) of the Act. This legislation speaks to the application of the market valuation standard which in turn speaks to the use of Mass Appraisal. As such, the Appellant is alleging that with the Assessor using site specific Cap Rates, he has moved away from the concept of Mass Appraisal.
- D. The Market Valuation Standard has not been achieved for the subject property. The appellant is alleging here again that with the Assessor using site specific Cap Rates, he has moved away from the concept of Mass Appraisal.

SECTION 3:

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

A. Size Adjustment

- The Industrial model applies an adjustment for size in the sales capitalization rate analysis and in the rent analysis.
- The CAP rate size threshold is maximized or capped at 50,000 square feet.
- The current maximum capitalization rate adjustment for size is 1.76. An adjustment of 0.044 per every 1,000 square feet above 10,000 square feet.
- The rent model applies a size adjustment of -\$2.53 per square foot greater than or equal to 65,000 square feet.
- The sales with site coverage larger than 30% and net building areas greater than or equal to 65,000 square feet less the -\$2.53 psf adjustment have cap rates that continue to trend upwards.

- There are no industrial sales between 50,462 square feet and 87,760 square feet with site coverages greater than 30%.

B. Issue of Site Coverage

- The City of Regina has employed a new methodology whereby a special *site specific coverage adjustment* is being applied to the Assessor's Modeled Base Cap Rate with the intention of reflecting extra and excess land that is on a site.
- In determining the percentage of site coverage, being a major factor within the *site specific coverage formula*, the Assessor only considers the foot print of the buildings that are located on site. Such areas of a site that are covered with canopy's, fuel tanks (above or below ground), business signage, garbage bins, docking zones, storage area, etc. are not being considered within the *site specific coverage formula*.
- Nor, what has not been considered within the *site specific coverage formula* is the fact that there are City Bylaws that require a property owner to provide a certain level of parking areas for both tenants and customers. This also means that a certain area of the land would also be required for the movement of automobiles.

C. Equity

- Subsection 165 (5) of the Act 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.*

D. Market Value Standard

- Subsection 163 (f.1) of the Act states: *market valuation standard means the standard achieved when the assessed value of property is prepared using mass appraisal.*
- Subsection 163 (f3) defines the term mass appraisal as: *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.*
- In the Saskatchewan Court of Appeal case, Sasco Developments Ltd. vs. The City of Moose Jaw, 2012 SKCA 24, the Court on pg. 5, made it clear of its understanding of mass appraisal vs site specific values when it stated on pg. 5, *the techniques associated with mass appraisal are grounded in data common to a group of properties, whereas the techniques associated with single property appraisal are grounded in the main in data specific to a particular property.*

Results of Pre-filing Discussion with the Assessor's Office @ City Hall – 9: 30 AM March 3rd, 2017.

Assessor's Present: Gerry Krismer & Aaron Homes - Binns.

Altus Agent's Present: Archie Fieldgate and Ryan Simpson.

Issue: Site Coverage/ Moving Cap Rate

Discussion: Altus is questioning the validity of the moving Cap Rate that is triggered by a site coverage formula.

The City holds the position that what they are doing is correct and claims to have plenty of data to support the Methodology.

Result of Discussion: This issue would need to proceed through the Appeal process.

Altus: Archie Fieldgate

34 pages removed as non-responsive to the request

Non Responsive