

# Board of Revision

## Memo

November 17, 2017

To: Secretary, Saskatchewan Municipal Board Assessment Appeals Committee

Re: Record of the Regina Board of Revision

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As requested, I am forwarding the record of the Regina Board of Revision for the following appeals:

Address	SMBAAC Appeal #	Board of Revision Appeal #
610 HENDERSON DRIVE	2017-0068	2017-28122(LEAD)
115 MCDONALD STREET	2017-0069	2017-28074
1155 PARK STREET	2017-0070	2017-28076
12202 EWING AVENUE	2017-0071	2017-28077
130 HODSMAN ROAD	2017-0072	2017-28078
1400 1 <sup>ST</sup> AVENUE	2017-0073	2017-28081
1450 PARK STREET	2017-0074	2017-28083
155 N LEONARD STREET	2017-0075	2017-28084
1575 ELLIOT STREET	2017-0076	2017-28085
1600 E ROSS AVENUE	2017-0077	2017-28086
1700 PARK STREET	2017-0078	2017-28087
921 BROAD STREET	2017-0078	2017-28129
1735 FRANCIS STREET	2017-0079	2017-28089
1964 PARK STREET	2017-0080	2017-28092
2101 FLEMING ROAD	2017-0081	2017-28094
2133 1 <sup>ST</sup> AVENUE	2017-0082	2017-28097
2201 1 <sup>ST</sup> AVENUE	2017-0083	2017-28098
221 N WINNIPEG STREET	2017-0084	2017-28099
250 HENDERSON DRIVE	2017-0085	2017-28101
310 HENDERSON DRIVE	2017-0086	2017-28102
316 E 1 <sup>ST</sup> AVENUE	2017-0087	2017-28103
4000 E VICTORIA AVENUE	2017-0088	2017-28107
402 MCDONALD STREET	2017-0089	2017-28108
455 PARK STREET	2017-0090	2017-28111
515 1 <sup>ST</sup> AVENUE	2017-0091	2017-28114
555 HENDERSON DRIVE	2017-0092	2017-28116
580 PARK STREET	2017-0093	2017-28119
603 PARK STREET	2017-0094	2017-28121
615 N WINNIPEG STREET	2017-0095	2017-28123
651 HENDERSON DRIVE	2017-0096	2017-28124
680 MCLEOD STREET	2017-0097	2017-28125
745 PARK STREET	2017-0098	2017-28126

855 PARK STREET	2017-0099	2017-28127
2216 EMMETT HALL ROAD	2017-0100	2017-28100
2107 E TURVEY ROAD	2017-0100	2017-28095
375 N LONGMAN CRESENT	2017-0082	2017-28106
580 HENDERSON DRIVE	2017-0082	2017-28118
1405 E PITTIGREW AVENUE	2017-0085	2017-28082
100 MCDONALD STREET	2017-0101	2017-28071
1111 MACKAY STREET	2017-0102	2017-28073
1301 FLEURY STREET	2017-0103	2017-28079
135 HENDERSON DRIVE	2017-0104	2017-28080
1715 ELLIOT STREET	2017-0105	2017-28088
1802 E STOCK ROAD	2017-0106	2017-28090
363 MAXWELL CRESCENT	2017-0106	2017-28105
1903 E TURVEY ROAD	2017-0107	2017-28091
202 SOLOMON DRIVE	2017-0108	2017-28093
2120 1 <sup>ST</sup> AVENUE	2017-0109	2017-28096
330 E 4 <sup>TH</sup> AVENUE	2017-0110	2017-28104
415 N LONGMAN CRESCENT	2017-0111	2017-28109
4150 E VICTORIA AVENUE	2017-0112	2017-28110
4600 E VICTORIA AVENUE	2017-0113	2017-28112
4750 E VICTORIA AVENUE	2017-0114	2017-28113
570 MCDONALD STREET	2017-0015	2017-28117

Enclosed you will find:

- The Records of the Board of Revision
- 20 Day Submission – Altus Group Ltd
- 10 Day Submission – City of Regina
- 5 Day Submission – Altus Group Ltd
- Transcript

**Please Note:** There was no evidence submitted at the hearing.

If you require any further information, please contact me at 306-519-1263.



Kristina Gentile, Board Assistant  
Board of Revision

Attachment(s)

c: City Assessor



Room 480 • 2151 Scarth Street • Regina, SK S4P 2H8  
Phone: 306-787-6221 Fax: 306-787-1610

November 14, 2017

Assessment Appeals Committee

Mr. Jim Nicol  
Secretary, Board of Revision  
City of Regina  
Box 1790  
REGINA SK S4P 3C8

Dear Mr. Nicol :

**Re: Appeals: AAC 2017-0068 (Lead) to 2017-0115**  
**Appellants: Various (See Schedule A)**  
**Respondent: City of Regina**

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The Assessment Appeals Committee has received appeals from decisions of the City of Regina Board of Revision (BOR). Please provide me with a copy of your records for each of the above-noted appeals as listed on the attached Schedule A.

The record can be sent either electronically or by hard copy and must be submitted **before November 29, 2017**.

1. Electronically:

- a) By email to [info@smb.gov.sk.ca](mailto:info@smb.gov.sk.ca).
- b) By USB mailed to address indicated below in 2.

2. Hard copy to:

Assessment Appeals Committee  
Saskatchewan Municipal Board  
Room 480, 2151 Scarth Street  
REGINA SK S4P 2H8

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Mr. Jim Nicol  
November 14, 2017  
Page 2

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The record should consist of the following and be submitted in this order:

- ✓ • **Notice of appeal to the BOR** - list materials if required (this includes any accompanying documents, photos, maps, separate sheets listing grounds, descriptions, etc. provided by the appellant with their notice)
- ✓ • **Materials filed with the BOR before the hearing**
- ✓ • **Any exhibits entered at the BOR hearing** - list materials if required (this includes any materials pre-filed during the pre-filing period and/or submitted at the hearing. Examples are SAMA reports, appellant documents, photographs, maps, notes, samples (i.e., soil, shingles), legal briefs, appraisal reports, flip chart pages, etc. Please clearly indicate who filed the documents and note any documents that were not accepted by the BOR.)
- N/A ✓ • **The minutes of the BOR, including a copy of any order made** (if prepared)
- ✓ • **A copy of the written decision of the BOR**
- ✓ • **The transcript, if any, of the proceedings before the BOR**

The following information is of benefit to the Committee, but does not form part of the record:

- A copy of the notice of registered mail receipt indicating the date the decision was mailed to the appellant or a written confirmation of the date mailed. If an A/R card was used, provide the date it was signed for.
- Other (any materials, notes, information the BOR considered in making their decision).

We also require the following be set out in your covering letter:

1. Original Assessed Value (prior to BOR decision)
2. Board's Assessed Value (change resulting from BOR decision)
3. Taxable Assessed Value (from BOR decision)

If you have any questions, please contact me at (306) 787-2644 or [kpennete@smb.gov.sk.ca](mailto:kpennete@smb.gov.sk.ca).

Yours truly,



Kris Pennete  
Director

# REGINA BOARD OF REVISION

## ORDER

Appeal: #2017 – 28100 (Lead Appeal)  
(Year) (Appeal #)

Property Address: 2216 E Emmett Hall Road

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 “M” 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 15, 2017



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Joanne Moser,  
Panel Chairperson



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Walter Antonio,  
Member



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Linda Paidel,  
Member

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

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

Q Puff (Deana Puff)  
Received by: NAME (Printed)

Deana Puff  
SIGNATURE

Please scan and send via e-mail to:

Clerks@regina.ca

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

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<b>Appeal #</b>	<b>Appeal Address</b>	<b>Appeal #</b>	<b>Appeal Address</b>
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 ELLIOTT 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 <sup>ST</sup> AVENUE	2017-28125	680 MCLEAOD STREET
2017-28097	2133 1 <sup>ST</sup> 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

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**REGINA BOARD OF REVISION**

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**APPEAL #2017-28100**  
**Account ID: 10169644**

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**

FEDERATED CO-OPERATIVES LIMITED  
PO BOX 1050 STN MAIN  
SASKATOON SK S7K 3M9

**respecting the assessment of:**

2216 E EMMETT HALL ROAD REGINA SK S4N 3M3

**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 Limited  
Ryan Simpson, Altus Group Limited

**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 & 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, 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 SAMA’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.

Scott Miller was sworn in as an expert for the City in assessment and assessment statistics.

Appendix M in the Appellant 20-day submission was declared confidential.

The Appellant and the Assessor agreed that Appeal 2017-28100 for 2216 E Emmett Hall Road be heard first, and that all evidence and argument related to the grounds from this appeal be carried forward as appropriate:

<b>Appeal #</b>	<b>Appeal Address</b>	<b>Appeal #</b>	<b>Appeal Address</b>
2017-28071	100 MCDONALD STREET	2017-28101	250 HENDERSON DRIVE
2017-28073	1111 MACKAY STREET	2017-28102	310 HENDERSON DRIVE
2017-28074	115 MCDONALD STREET	2017-28103	316 E 1ST AVENUE
2017-28076	1155 PARK STREET	2017-28104	330 4TH AVENUE
2017-28077	12202 EWING AVENUE	2017-28105	363 MAXWELL CRESCENT
2017-28078	130 HODSMAN ROAD	2017-28106	375 N LOGMAN CRESCENT
2017-28079	1301 FLEURY STREET	2017-28107	4000 E VICTORIA AVENUE
2017-28080	135 HENDERSON DRIVE	2017-28108	402 MCDONALD STREET
2017-28081	1400 1ST AVENUE REGINA	2017-28109	415 N LONGMAN CRESCENT
2017-28082	1405 E PETTIGREW AVENUE	2017-28110	4150 E VICTORIA AVENUE
2017-28083	1450 PARK STREET	2017-28111	455 PARK STREET
2017-28084	155 N LEONARD STREET	2017-28112	4600 E VICTORIA AVENUE
2017-28085	1575 ELLIOT STREET	2017-28113	4750 E VICTORIA AVENUE
2017-28086	1600 E ROSS AVENUE	2017-28114	515 1ST AVENUE
2017-28087	1700 PARK STREET	2017-28116	555 HENDERSON DRIVE
2017-28088	1715 ELLIOTT STREET	2017-28117	570 MCDONALD STREET
2017-28089	1735 FRANCIS STREET	2017-28118	580 HENDERSON DRIVE
2017-28090	1802 E STOCK ROAD	2017-28119	580 PARK STREET
2017-28091	1903 E TURVEY ROAD	2017-28121	603 PARK STREET
2017-28092	1964 PARK STREET	2017-28122	610 HENDERSON DRIVE
2017-28093	202 SOLOMON DRIVE	2017-28123	615 N WINNIPEG STREET
2017-28094	2101 FLEMING ROAD	2017-28124	651 HENDERSON DRIVE
2017-28095	2107 E TURVEY ROAD	2017-28125	680 MCLEAOD STREET
2017-28096	2120 1 <sup>ST</sup> AVENUE	2017-28126	745 PARK STREET
2017-28097	2133 1 <sup>ST</sup> AVENUE	2017-28127	855 PARK STREET
2017-28098	2201 1ST AVENUE	2017-28129	921 BROAD STREET
2017-28099	221 N WINNIPEG STREET		

The Assessor brought forward the Appellants' request to amend the Notice of Appeal that was included in the Appellants' 20-day submission under Tab E.

Under section 209(1) of the Cities Act, the Appellant was allowed to apply to amend the Notice of Appeal.

### **ISSUES**

The Board identified the issues to be:

Issue A: Did the Assessor err by adjusting the base capitalization rate for each property based on site coverage?

Issue B: Did the Assessor omit relevant market variables, legal requirements, surplus land utility and other attributing market factors when calculating site coverage?

Issue C: Was equity achieved?

Issue D: Was the Market Valuation Standard achieved?

### **FACTS**

The property that was the lead appeal in this series of appeals is civically described as 2216 E Emmett Hall Road and is owned by Federated Co-operatives Limited. The primary use of the property is Industrial. The assessed value of \$1,641,400 for 2017 was arrived at by using the Income Approach to Value.

The primary building on the property is a 5,100 square foot manufacturing complex located in the Ross Industrial neighbourhood. It is zoned IB or industrial light manufacturing. This allows for 75% site coverage.

The property has a main floor area (or foot print) of 38,764 square feet and a lot size of 87,015 square feet, resulting in site coverage of 4.4%. Thus, it received an adjustment for both the total main floor area and for primary site coverage when the capitalization rate was calculated.

**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 when stratifying grouping of properties.

The committee in *Saskatoon (City) v. Arbor Memorial Inc. and Prairie Funeral Services Ltd.* (SMB 2014-0171; 2015-0049 and 0050) stated:

Grouping properties is the job of the Assessor and he is allowed reasonable discretion in performing the task. [38]

The Court of Appeal for Saskatchewan in *Laing Property Corporation v. Regina (City)* [1994 CanLII 4690 SKCA stated:

...Law and fact aside, the application of the body of appraisal principles and practice found in the Manual entails, in turn, the exercise by the assessor of skill and judgment, even a measure of discretion. What is called for in the exercise of that skill and judgment is the structured formulation of consistent opinions as to fair and equitable value for the purposes of property taxation in the municipality. This is what the Manual suggests, saying that while the systematic application of the principles, rules, and formulas found in the manual is necessary to achieve the ends of tax equalization, its use "cannot replace the personal judgment of the valuator in his work. He is the backbone of local tax administration."

Neither the Manual nor the Act dictate that any particular factor is determinative in valuation, nor do they permit an appellate body to overturn an assessor's discretion merely because the appellate body considers other factors more relevant [24]. The choice amongst the possible groupings [of comparable properties] is clearly left to the discretion of the Assessor [32].

In *Bison Properties Ltd. v. Regina (City)*, 2008 SKCA 158, the Court stated:

The Assessor is entitled to rely on his knowledge of the market and experience as an aid to forming the basis for the exercise of his discretion [16].

In *Sasco Developments Ltd. v. Moose Jaw (City)*, 2012 SKCA 24, (Heritage Inn, Moose Jaw) it was made clear that mass appraisal is grounded in data common to a group of properties, whereas single property appraisal is grounded in data specific to a particular property.

The Board considers the following manuals to be relevant:

International Property and Assessment Administration Handbook  
Saskatchewan Assessment Management Agency Cost Guide  
Saskatchewan Assessment Handbook

## **ANALYSIS AND CONCLUSIONS**

During cross-examination, it was determined that the Appellant, Ryan Simpson, 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.

In the Notice of Appeal the Appellant stated that the Assessor made several errors regarding the assessment.

ISSUE A: Did the Assessor err by adjusting the base capitalization rate (cap rate) for each property based on site coverage?

The Appellant stated that Mass Appraisal was offended because the Assessor calculated a capitalization rate for each property. Data specific to the property cannot be used to determine the capitalization rate applied to that property.

However, the Assessor calculated a capitalization rate for each property in order to determine a base capitalization rate of 6.862 to be applied to all properties. The economic capitalization rate analysis was based on 132 sales between January 2011 to December 2014. The base capitalization rate was further adjusted for specific site coverage.

Site coverage is calculated by dividing the main floor area of the building by the lot size. The Assessor pointed out that declining cap rates for sales of properties with less than 30% site coverage is an indication of the desirability of properties with low site coverage. Properties with site coverage less than 30% receive an adjustment to the base cap rate of 6.862. All properties with the same site coverage receive the same adjustment. The Assessor stated that removing the site coverage adjustment drops the base cap rate to 6.526 which would cause the assessment of all properties with a site coverage over 30% to increase.

The City of Regina employed a new methodology using a special site specific coverage adjustment to the base cap rate to reflect excess land on the site. The Appellant alleges that the use of a site coverage adjustment offends mass appraisal principles.

Subsection 163 (f.3) of the Act defines mass appraisal as:

Means 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.

The Board finds that this does not constitute single appraisal because aggregate data was used to determine a base capitalization rate of 6.862 with further adjustments for specific site coverage. Adjustments for site coverage are not uncommon as other jurisdictions use site coverage adjustments.

The Appellant cited *Sasco Developments Ltd, supra*, where it was made clear that mass appraisal is grounded in data common to a group of properties, whereas single property appraisal is grounded in data specific a particular property.

The Assessor indicated that it is up to the Board to determine if the Assessor used mass appraisal techniques.

The Appellant stated that the subject property is a commercial property not industrial. The Assessor countered that this was relevant.

The Income Approach to Value is arrived at by capitalizing the value of the building in the City's model. The value is determined by capitalizing the income earned within a building but not including other income such as that realized from the lease of the land or another structure on the property.

**ISSUE B:** Did the Assessor fail to include relevant market variables, legal requirements, surplus land utility and other attributing market factors when calculating site coverage?

The City's new methodology recognizes extra or excess land on a site by developing a site specific capitalization rate. A site coverage adjustment is applied to the Modeled Base Cap Rate 6.862.

The Assessor considered only the building foot print but excluded canopies, fuel tanks (above and below ground), business signage, garbage bins, etc. These items are not considered in the site specific coverage formula.

The Appellant indicated that the SPSS Report had a value for canopies and tanks, which means they are recognized for valuation purposes but not recognized in the site coverage calculation.

In accordance with the City of Regina Zoning by-law, the site coverage is determined by calculating the land to building ratio by dividing the main floor area of the building by the total lot size. The main floor area of the building does not include underground tanks, above ground tanks, business signage, bins, etc. The Assessor referred to an example where the land to building ratio was 6,250 square feet divided by 20,000 square feet of building for 31% site coverage.

The Appellant stated that surplus land is not worth as much but the Assessor disagreed. Surplus land can be sold, leased or used for expansion and, therefore, must be valued separately. The Appellant during questioning by the Assessor, agreed.

The Appellant questioned whether the City applied rent rate for land leased for storage.

Excess land may or may not add to the value of the parcel. The Assessor questioned the Appellant about any evidence to support the statement that excess land does not add value.

Zoning bylaws do not require loading or storage areas.(page 12)

The Appellant questioned as to what can be done with extra space because of zoning requirements. The Assessor advised that the IB zoning allows outdoor space but it is not required.



The Appellant put forward an additional issue about four properties that were annexed from the Rural Municipality of Sherwood and considered as similar to Ross Industrial properties. The properties are: appeals: 28107, 28112, 28110 and 28113. The Appellant claimed that these properties do not have sewer service, however, the Assessor disagrees. The Assessor stated that not including these properties as industrial results in a higher assessment. Since there was no amendment to the appeals before the Board, this is a non-issue.

ISSUE D: Was Equity achieved?

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 Assessor did not err and therefore equity was achieved.

ISSUE E: Was the Market Valuation Standard achieved?

The Act states that the market valuation standard means the standard achieved when the assessed value of the property:

- i. is prepared using mass appraisal
- ii. is an estimate of the market value of the estate in fee simple in the property;
- iii. reflects typical market conditions for similar properties; and  
meets quality assurance standards established by order of the agency.

The Act in Section 163(3)(f) 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 Board finds that the Assessor has not erred and Equity and Market Valuation Standard was achieved.

**DECISION**

The Board after reviewing the written documentation and hearing the oral presentations of both the Assessor and Appellant finds that Assessor has not erred on all issues raised and, therefore, the Appeal is dismissed.

The appeal filing fee shall be retained.

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

CITY OF REGINA, BOARD OF REVISION



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Joanne Moser, Panel Chair



I CONCUR:

---

Walter Antonio, Member



I CONCUR:

---

Linda Paidel, Member

Example #1

500m<sup>2</sup> bldg  
Industrial zone  
Warehouse use

①

EXHIBIT R - 1  
28100

1. parking stalls:

$$500\text{m}^2 / 50\text{m}^2 = 10 \text{ req'd stalls}$$

2. minimum parking area:

$$10 \text{ stalls} \times (2.5\text{m} \times 6\text{m}) = \boxed{150\text{m}^2 \pm}$$

3. minimum area driveway: (parking stalls)

$$10 \text{ spaces} / 2 = 5 \times (7.5\text{m wide} \times 2.5\text{m tall}) \\ = \boxed{94\text{m}^2 \pm}$$

4. loading (2 spaces req'd, using 90°)

$$3\text{m wide} \times 40.23\text{m long} \times 2 \text{ spaces} = \boxed{241\text{m}^2 \pm}$$

5. landscaping min. 5% (using min. area from above)

$$\begin{matrix} 150\text{m}^2 & + & 94\text{m}^2 & + & 241\text{m}^2 & + & 150\text{m}^2 & = & 1985\text{m}^2 \pm \\ \text{parking} & & \text{driveway} & & \text{loading} & & \text{bldg} & & \end{matrix}$$





$$1985\text{m}^2 \times 5\% = \boxed{100\text{m}^2 \pm}$$

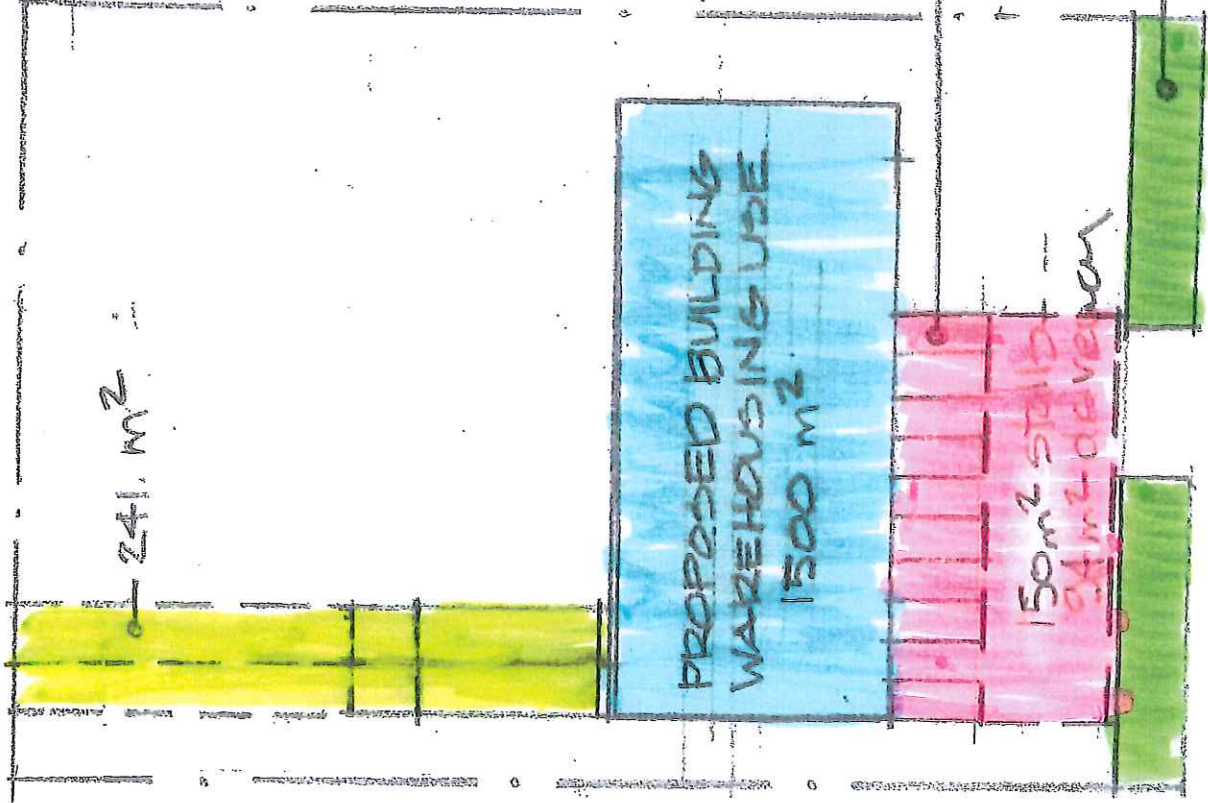
6. total area:

$$1985\text{m}^2 + 100\text{m}^2 \text{ landscaping} = \boxed{2085\text{m}^2 \pm}$$

min area req'd for site.

$$\frac{1500\text{m}^2}{2085\text{m}^2} = .72 \pm$$

-  BUILDING
-  LOADING AREA
-  PAVED PARKING
-  LANDSCAPE AREA



INDUSTRIAL ZONE - WAREHOUSE ONLY (Example #1)

Example #2  
1500 m<sup>2</sup> bldg  
Industrial Zone  
Retail Use.

(2)

1. parking stalls: accessible stalls

$$1500 \text{ m}^2 / 20 \text{ m}^2 = 75 \text{ stalls} \quad 2\% \text{ of } 75 = 1.5 = 2$$

2. minimum parking area:

$$\begin{aligned} 73 \text{ stalls} \times (2.5 \text{ m} \times 4 \text{ m}) &= 1035 \text{ m}^2 \\ 2 \text{ stalls} \times (3.9 \text{ m} \times 5.5 \text{ m}) &= 43 \text{ m}^2 \\ \hline &= \boxed{1138 \text{ m}^2 \pm} \end{aligned}$$

3. minimum area driveway: (parking stalls)

$$\begin{aligned} (73 \text{ stalls} / 2) \times (7.5 \text{ m wide} \times 2.5 \text{ m stall}) &= 684 \text{ m}^2 \pm \\ (2 \text{ stalls}) \times (7.5 \text{ m wide} \times 3.9 \text{ m stall}) &= 59 \text{ m}^2 \\ \hline &= \boxed{743 \text{ m}^2 \pm} \end{aligned}$$

4. loading: (2 spaces req'd; using 90°)

$$\boxed{241 \text{ m}^2 \pm}$$

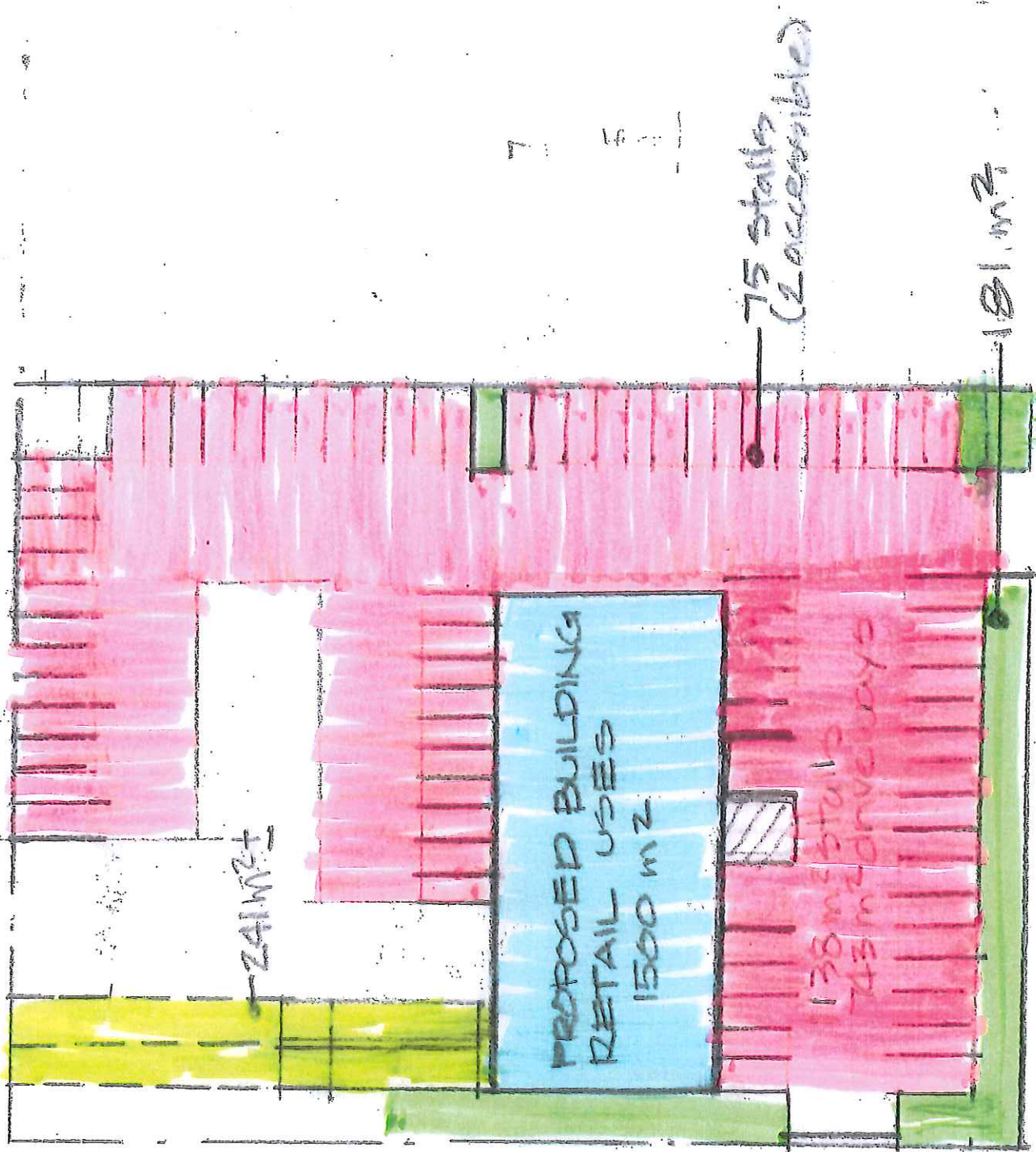
5. landscaping: min 5% (using min area from above)

$$\begin{aligned} \underbrace{1138 \text{ m}^2}_{\text{parking}} + \underbrace{743 \text{ m}^2}_{\text{driveway}} + \underbrace{241 \text{ m}^2}_{\text{loading}} + \underbrace{500 \text{ m}^2}_{\text{bldg.}} &= \boxed{3622 \text{ m}^2 \pm} \\ 3622 \text{ m}^2 \times 5\% &= \boxed{181 \text{ m}^2 \pm} \end{aligned}$$

6. total

$$3622 \text{ m}^2 + 181 \text{ m}^2 \text{ landscaping} = \boxed{3803 \text{ m}^2 \pm}$$

$$\frac{1500 \text{ m}^2}{3803 \text{ m}^2} = .39 \pm$$



ZAINET

PROPOSED BUILDING  
RETAIL USES  
1500 m<sup>2</sup>

138 m<sup>2</sup> stalls  
743 m<sup>2</sup> driveways

75 stalls  
(2 accessible)

181 m<sup>2</sup>

STREET

INDUSTRIAL ZONE - RETAIL USE (EXAMPLE #2)

3

4046 m<sup>2</sup> (1 Acre) of Industrial Zone  
subdy 30% site coverage 1 stall per 150 m<sup>2</sup>

1. building size:  $4046 \text{ m}^2 \times .3 = 1213.8 = \boxed{1214 \text{ m}^2}$

2. parking stalls:

$1213.8 \text{ m}^2 / 150 \text{ m}^2 = \boxed{8 \text{ req'd stalls}}$

3. minimum area driveway: (parking stalls)

$8 \text{ spaces} / 2 = 4 \times (7.5 \text{ m wide} \times 2.5 \text{ m stall}) = \boxed{75 \text{ m}^2}$

4. loading: 2 delivery spaces req'd. (90°)

$3 \text{ m wide} \times 12.81 \text{ m long} \times 2 \text{ spaces} = \boxed{77 \text{ m}^2}$

5. minimum parking area:

$8 \text{ stalls} \times (2.5 \text{ m} \times 6 \text{ m}) = \boxed{120 \text{ m}^2}$

6. landscaping: min 5% (using minimum area from above)

$120 \text{ m}^2 + 75 \text{ m}^2 + 77 \text{ m}^2 + 1214 \text{ m}^2 = 1486 \text{ m}^2 \pm$

$1486 \text{ m}^2 \times 5\% = \boxed{74 \text{ m}^2 \pm}$

7. total area:

$1486 \text{ m}^2 \pm + 74 \text{ m}^2 = 1560 \text{ m}^2$   
landscaping

$1560 \text{ m}^2 / 4046 \text{ m}^2 = .3855$   
of site used min.

4046m<sup>2</sup> (1 Acre) lot Industrial zone (4)  
 building 30% site coverage 1 stall/20 m<sup>2</sup>

1. building size:  $4046\text{m}^2 \times 3 = 1213.8 = \boxed{1214\text{m}^2}$

2. parking stalls:  
 $1213.8 / 20\text{m}^2 = 60.69 = \boxed{61\text{ req'd stalls}}$

3. Minimum area driveway: (parking stalls @ spaces = 30.5 x (7.5m wide x 2.5m stall))  
 $\frac{2}{1} = \boxed{571\text{m}^2}$

4. loading: 2 delivery spaces req'd (1/30°)  
 3m wide x 12.8m long x 2 spaces =  $\boxed{77\text{m}^2}$

5. Minimum parking stall area:  
 61 stalls x (2.5m x 6m) =  $\boxed{915\text{m}^2}$

6. landscaping: min 5% (using minimum area from above)

$915\text{m}^2 + 571\text{m}^2 + 77\text{m}^2 + 1214\text{m}^2 = 2777\text{m}^2 \times 5\%$   
 $= 138.85 = \boxed{139\text{m}^2}$

7. parking (lot) area:

$571\text{m}^2 + 77\text{m}^2 + 915 = 1563\text{m}^2$   
 if 1850m<sup>2</sup> interior landscaping  
 $1850\text{m}^2 \times 10\% = 185\text{m}^2$  extra landscaping  
 parking lot area

8. total = (A) no interior landscape (B) min interior landscape

$2777\text{m}^2 + 139\text{m}^2 = 2916\text{m}^2$   $1850 + 1214 = 3064 \times 5\% = 153$   
 $2916\text{m}^2 / 4046\text{m}^2 = .72$  parking lot bldg  
 of site used min  $153 + 3064 + 185 = 3402$   
 $3402 / 4046 = .84$  of site used



## 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

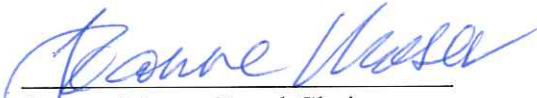
This will confirm that Archie Fieldgate, Agent, Altus Group Limited, has requested a court reporter be present for the hearing of the following appeals:

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)

**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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*This message, and the documents attached hereto, are intended only for the addressee and may contain privileged or confidential information. Any unauthorized disclosure is strictly prohibited. If you have received this message in error, please notify us immediately so that we may correct our internal records. Please then delete the original message. Thank you.*

## Kristina Gentile

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**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](mailto: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 11<sup>th</sup> 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](mailto: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](mailto:mtorres@regina.ca)  
[Regina.ca](http://Regina.ca)



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**From:** Bookings [<mailto:bookings@royalreporting.com>]  
**Sent:** Wednesday, May 03, 2017 11:09 AM  
**To:** Mavis Torres <[MTORRES@regina.ca](mailto: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 11<sup>th</sup> Ave  
Regina, SK S4P 0J3  
306-352-3234

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# Notice of Appeal to the Regina Board of Revision

(DEADLINE FOR APPEALS IS March 6, 2017)

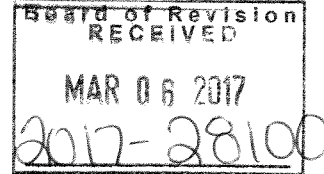
To the Secretary of the Board of Revision of the City of Regina, Saskatchewan:

## 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: 2216 E Emmett Hall Road Account Number: 10169644

Assessed Parcel: Lot: 3, Blk: 40, Plan: 101987590

## Section 2:

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

See Attached Schedule "A"

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## 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"

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**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: Federated Co-operatives Limited E-mail Address: j.lavalley@fcl.ca  
Mailing Address: PO Box 1050, 401-22nd Street E City/Town: Saskatoon, SK Postal Code: S7K 3M9  
Home Phone #: N/A Business Phone #: 306-649-5248 Cell #: N/A Fax #:

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

Owner

**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:**

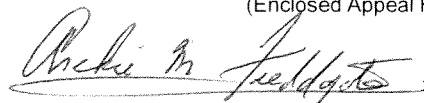
**Mailing Address: 311 Albert Street City/Town: Regina, SK Postal Code: S4R 2N6**

Dated this 6th day of March, 2017

Current Assessed Value under Appeal: \$1,641,400 \$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

**Civic Address: 2216 E Emmett Hall Road**

**Account Number: 10169644**

### **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 by not accounting for necessary industrial exterior storage area and removing it from the extra land capitalization rate adjustment as well as erred in the development of the lump sum land value.
- 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 downward 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. Zoning**

- The subject property requires large outdoor area for outdoor storage in the operation and function of the property.
- The subject is zoned medium Industrial and the model states:

*“allows for manufacturing, processing, assembly, distribution, service and repair activities that require outdoor storage.”*



- Bylaw 9250 acknowledges the purpose and requirements for IB zoned properties.
- Industrial zone land leases demonstrate significantly lower rates than vacant land.

## **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, 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

**NOTICE OF ASSESSMENT  
2017 DUPLICATE**

Property Information	
<b>Account Number</b>	10169644
<b>Property Address</b>	2216 E EMMETT HALL ROAD
<b>Assessed Parcel</b>	Plan: 101987590 Block: 40 Lot: 3
<b>Property Type</b>	IMPROVED PARCEL

000001  
FEDERATED CO-OPERATIVES LIMITED  
ATTENTION: REAL ESTATE MANAGER  
PO BOX 1050 STN MAIN  
SASKATOON SK S7K 3M9

Mail Date: Jan. 5, 2017  
Appeal Deadline: Mar. 6, 2017

**Assessment Information**

Assessed Person(s) FEDERATED CO-OPERATIVES LIMITED

School Support	Public 71 %	Separate 29 %
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Current Assessed Value	1,641,400	
<b>Subclass (Provincial Percent)</b>	<b>Taxable Assessment</b>	<b>Exemptions</b>
Commercial (100%)	1,641,400	Taxable(100%) From Jan-Dec

**Total Taxable Assessment:** 1,641,400

If you would like more information about your property characteristics, or to learn more about your Assessment Notice, please visit [Regina.ca](http://Regina.ca) or call 306-777-7000.

This notice was mailed on **January 5, 2017**. If you wish to appeal your assessment, your appeal should be made on the enclosed form. Your appeal must be filed with the Secretary of the Board of Revision, no later than **March 6, 2017**.

***This is not a tax bill.*** This statement shows the assessment on this property upon which taxes are to be levied. An official tax bill will be forwarded to you or your agent in due course.

E.&O.E.

Assessment, Tax and Real Estate Department  
Queen Elizabeth II Court | 2476 Victoria Avenue  
PO Box 1790 | REGINA SK S4P 3C8  
P: 306-777-7000 | F: 306-777-6822  
[Regina.ca](http://Regina.ca)

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**REGINA BOARD OF REVISION**

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**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**

ABCOMP 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:

<b>Appeal#</b>	<b>Appeal Address</b>	<b>Appeal#</b>	<b>Appeal Address</b>
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 <sup>ST</sup> AVENUE
2017-28108	402 MCDONALD STREET	2017-28077	12202 EWING AVENUE
2017-28121	603 PARK STREET	2017-28103	316 E 1 <sup>ST</sup> 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 <sup>ST</sup> AVENUE
2017-28123	615 N WINNIPEG STREET	2017-28097	2133 1 <sup>ST</sup> AVENUE
2017-28127	855 PARK STREET	2017-28114	515 1 <sup>ST</sup> 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 warehouses 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



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Joanne Moser, Panel Chair



I CONCUR:

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Walter Antonio, Member



I CONCUR:

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Linda Paidel, Member

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.

[Send email to Robert Denne](#)

c.v.

## Gerry Krismer

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**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

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**From:** Thomas Ewert  
**Sent:** Thursday, May 11, 2017 9:35 AM  
**To:** Scott Miller <[SMILLER@regina.ca](mailto:SMILLER@regina.ca)>  
**Subject:** Industrial Chebyshev Theorem

Hi Scott,

18(1)(b)

18(1)(b)

DISCLAIMER: The information transmitted is intended only for the addressee and may contain confidential, proprietary and/or privileged material. Any unauthorized review, distribution or other use of or the taking of any action in reliance upon this information is prohibited. If you received this in error, please contact the sender and delete or destroy this message and any copies.



Removed 10 pages as non-responsive records

Non Responsive

# 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



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Joanne Moser,  
Panel Chairperson



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Walter Antonio,  
Member



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Linda Paidel,  
Member

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

# Notice of Appeal to the Regina Board of Revision

(DEADLINE FOR APPEALS IS March 6, 2017)

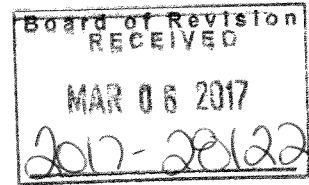
To the Secretary of the Board of Revision of the City of Regina, Saskatchewan:

## 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: 610 Henderson Drive Account Number: 10018730

Assessed Parcel: Lot: 5, Blk: 15, Plan: 78R30133

## Section 2:

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

See Attached Schedule "A"

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## 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"

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**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: Abcomp Holdings Ltd. c/o All Fab Building Components Inc.

E-mail Address: kfriesen@all-fab.com

Mailing Address: 1755 Dugald Road City/Town: Winnipeg, MB Postal Code: R2J 0H3

Home Phone #: N/A Business Phone #: 204-654-5592 Cell #: N/A Fax #: 204-663-4553

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

Owner

**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: \$6,163,100 \$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

**NOTICE OF ASSESSMENT  
2017 DUPLICATE**

000001

ABCAMP HOLDINGS LTD  
1755 DUGALD ROAD  
WINNIPEG MB R2J 0H3

Property Information	
<b>Account Number</b>	10018730
<b>Property Address</b>	610 HENDERSON DRIVE
<b>Assessed Parcel</b>	Plan: 78R30133 Block: 15 Lot: 5
<b>Property Type</b>	IMPROVED PARCEL

Mail Date: Jan. 5, 2017  
Appeal Deadline: Mar. 6, 2017

**Assessment Information**

Assessed Person(s)          ABCAMP HOLDINGS LTD

School Support                  Public          71 %                  Separate          29 %

Current Assessed Value                  6,163,100

Subclass (Provincial Percent)                  Taxable Assessment Exemptions  
Commercial (100%)                  6,163,100          Taxable(100%) From Jan-Dec

**Total Taxable Assessment:**                  6,163,100

If you would like more information about your property characteristics, or to learn more about your Assessment Notice, please visit [Regina.ca](http://Regina.ca) or call 306-777-7000.

This notice was mailed on **January 5, 2017**. If you wish to appeal your assessment, your appeal should be made on the enclosed form. Your appeal must be filed with the Secretary of the Board of Revision, no later than **March 6, 2017**.

**This is not a tax bill.** This statement shows the assessment on this property upon which taxes are to be levied. An official tax bill will be forwarded to you or your agent in due course.

E.&O.E.

Assessment, Tax and Real Estate Department  
Queen Elizabeth II Court | 2476 Victoria Avenue  
PO Box 1790 | REGINA SK S4P 3C8  
P: 306-777-7000 | F: 306-777-6822  
[Regina.ca](http://Regina.ca)



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**REGINA BOARD OF REVISION**

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**APPEAL #2017-28125**  
**Account ID: 10018652**

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**

ACKLANDS-GRAINGER INC.  
90 WEST BEAVER CREEK ROAD RICHMOND HILL ON L4B 1E7

**respecting the assessment of:**

680 MCLEOD STREET REGINA SK S4N 4Y1

**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, 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:

<b>Appeal#</b>	<b>Appeal Address</b>	<b>Appeal#</b>	<b>Appeal Address</b>
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 <sup>ST</sup> AVENUE
2017-28108	402 MCDONALD STREET	2017-28077	12202 EWING AVENUE
2017-28121	603 PARK STREET	2017-28103	316 E 1 <sup>ST</sup> 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 <sup>ST</sup> AVENUE
2017-28123	615 N WINNIPEG STREET	2017-28097	2133 1 <sup>ST</sup> AVENUE
2017-28127	855 PARK STREET	2017-28114	515 1 <sup>ST</sup> 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 is civically described as 680 McLeod Street and is owned by Acklands-Grainger Incorporated. The property is located in the Ross Industrial area of the city.

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

The total assessed value of the property is \$4,767,400 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 a distribution warehouse facility that was constructed in 1976.

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 66,801 square feet and a lot size of 112,314 square feet that results in site coverage of 59.5%. Because the subject property has a total of 112,314 square feet, it received an adjustment for size. The applied capitalization rate is 8.622.

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 warehouses 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



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Joanne Moser, Panel Chair



I CONCUR:

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Walter Antonio, Member



I CONCUR:

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Linda Paidel, Member

120 Pages removed as non-responsive

Non Responsive

# Notice of Appeal to the Regina Board of Revision

(DEADLINE FOR APPEALS IS March 6, 2017)

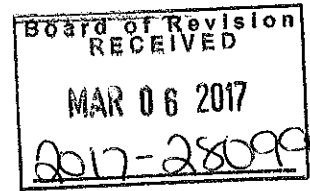
To the Secretary of the Board of Revision of the City of Regina, Saskatchewan:

## 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"**

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## 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"**

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**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:**

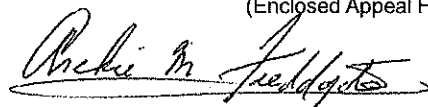
Mailing Address: 311 Albert Street City/Town: Regina, SK Postal Code: S4R 2N6

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)

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- 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

NOTICE OF AMENDED ASSESSMENT  
2017 DUPLICATE

000001

3346286 MANITOBA LIMITED  
C/O SHINDICO REALTY INC.  
200-1355 TAYLOR AVENUE  
WINNIPEG MB R3M 3Y9

Property Information	
<b>Account Number</b>	10018625
<b>Property Address</b>	221 N WINNIPEG STREET
<b>Assessed Parcel</b>	Plan: FA4603 Block: C Lot ; Plan: 101221142 Block: C Lot ; Plan: 84R22521 Block: T Lot:
<b>Property Type</b>	IMPROVED PARCEL

Mail Date: Jan. 27, 2017  
Appeal Deadline: Feb. 27, 2017

**Assessment Information**

Assessed Person(s) 3346286 MANITOBA LIMITED

<b>School Support</b>	<b>Public</b>	71 %	<b>Separate</b>	29 %
<b>Previous Assessed Value</b>		16,982,400		
<b>Current Assessed Value</b>		<b>10,919,900</b>		
<b>Subclass (Provincial Percent)</b>	<b>Taxable Assessment</b>	<b>Exemptions</b>		
Commercial (100%)	10,919,900	Taxable(100%) From Jan-Dec		

**Total Taxable Assessment:** 10,919,900

If you would like more information about your property characteristics, or to learn more about your Assessment Notice, please visit [Regina.ca](http://Regina.ca) or call 306-777-7000.

This notice was mailed on **January 27, 2017**. If you wish to appeal your assessment, your appeal should be made on the enclosed form. Your appeal must be filed with the Secretary of the Board of Revision, no later than **February 27, 2017**.

**This is not a tax bill.** This statement shows the assessment on this property upon which taxes are to be levied. An official tax bill will be forwarded to you or your agent in due course.

E.&O.E.



**647 pages removed as non-responsive records**

Non Responsive