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## RECORD OF DECISION

### CITY OF PRINCE ALBERT, BOARD OF REVISION

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**APPEAL NO.:** 2020-13  
**ROLL NO.:** 220-011-580  
**Hearing Date:** June 11, 2020  
**Location:** Room 237, 2nd Floor Boardroom  
City Hall, City of Prince Albert  
**Note:** Appellant and Respondent joined the hearing by  
teleconference call

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**Appellant** Stockyards (Prince Albert) GP Ltd.  
**Respondent** City of Prince Albert  
**Board of Revision** Jackie Packet, Chair  
Ralph Boychuk, Member  
Dan Christakos, Member

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#### Representation

**Appellant** Agent: MNP (Wesley Van Bruggen)  
**Respondent** Assessor: Vanessa Vaughan (City Assessor)  
Dale Braitenbach (Assessment Appraiser)

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#### Property Appealed

**Civic Address** 700-720, 800 15<sup>th</sup> Street East  
Prince Albert, Saskatchewan  
**Legal Description** Lot: 9 Block: 3 Plan: 01PA17544  
**Assessed Value** \$1,514,000  
**Tax Class** Commercial (100% of value)  
**Taxable Assessment** \$1,514,000

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## Role of the Board of Revision

[1] The Board of Revision (Board) is an appeal board that rules on the assessment valuations for both land and buildings that are under appeal. The basic principle to be applied by the Board in all cases is set out in *The Cities Act*, which states the dominant and controlling factor in the assessment of property is equity. The Board's priority is to ensure that all parties to an appeal receive a fair hearing and that the rules of natural justice come into play.

[2] The Board may also hear appeals pertaining to the tax classification of property or the tax status of property (exempt or taxable). This does not mean the Board can hear issues relating to the taxes owed on property.

[3] Upon hearing an appeal the Board is empowered to:

- (a) confirm the assessment; or,
- (b) change the assessment and direct a revision of the assessment roll by:
  - a. increasing or decreasing the assessment;
  - b. changing the liability to taxation or the classification of the subject; or,
  - c. changing both the assessment and the liability to taxation and the classification of the subject.

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## Legislation

[4] Property assessments in Saskatchewan are governed by *The Cities Act*, *The Cities Act Regulations* and/or by board order of the Saskatchewan Assessment Management Agency (SAMA).

[5] The dominant and controlling factor in assessment is equity. (*The Cities Act*, 165(3))

[6] Equity is achieved by applying the market valuation standard. (*The Cities Act*, 165(5))

[7] The market valuation standard is achieved when the assessed value of property:

- (a) is prepared using mass appraisal;
- (b) is an estimate of the market value of the estate in fee simple in the property;
- (c) reflects typical market conditions for similar properties; and,
- (d) meets quality assurance standards established by order of the agency.

(*The Cities Act*, 163(f.1))

[8] Mass appraisal means 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 Cities Act*, 163(f.3))

## **Exhibits**

[9] The following material was filed with the Secretary of the Board of Revision:

- a) Exhibit A-1 — Notice of appeal
- b) Exhibit A-2 — Letters of authorization (MNP to represent Appellant)
- c) Exhibit A-3 — Appellant's 20 day written submission
- d) Exhibit A-4 — Appellant's Rebuttal
- e) Exhibit R-1 — Respondent's 10 day written submission

## **Preliminary Matters**

[10] At the request of the Board and in agreement with the Agent and the Respondent, this hearing will be recorded for use of the Board in rendering its decision.

## **Grounds for Appeal**

[11] Pursuant to *The Cities Act*, section 197(1), an appeal has been filed against the property valuation of the subject property. The subject property is a recently opened Dental Clinic located in the Municipality of Prince Albert, Cornerstone Development. The property was constructed starting in 2001 and renovated in 2019; the quality of this building is average. The cost approach, with market adjustment factor (MAF), was used to derive the 2020 assessment.

[12] The Appellant's ground state:

The City of Prince Albert has significantly increased the replacement cost of the improvements on the site from a replacement value of \$89.31 per sq. ft. to \$128.13 per sq. ft. The only change on the site has been one tenant changing and one tenant moving out. The value should not have increased and should have maintained at \$89.31 per sq. ft.

## **Agent**

### **Ground : Replacement Value:**

[13] For the 2020 assessment year the City of Prince Albert costed the base structure for the property due to a change in one of the spaces, namely from The Dollar Store to Smile's Dental Centre. The replacement value of the property increased from \$862,282 to \$1,237,157. This increase equates to a value of \$374,875.

[14] The property owner, through email, has indicated that the costs of changing the property over was \$69,450.

[15] Based on 2019 replacement of the buildings, functional depreciation, and the value of tenant improvements MNP is requesting the replacement value be set at \$894,505.

[16] Based on the correct replacement value indicated above, MNP's position is that the 2020 assessment for said property should be \$1,183,700 and not \$1,514,000.

## **Assessor**

### **Ground 1: Replacement Value**

[17] A permit value of \$700,000 was declared by the owner to change the space from a retail store to a dental clinic.

[18] Using Marshall & Swift, retail costs and dental clinic costs differ.

[19] The square footage of the dental clinic is 4,646 sq. ft., nearly half of the total building area of 9,954 sq. ft. The rate applied to a dental clinic is higher than that of retail. The change affected the rates - \$89.31 per sq. ft. to a cost of \$128.13 per sq. ft.

[20] After five months of extensive renovations, including a new HVAC system and substantial electrical work, this space can no longer be used as retail space, but rather dental space. A dental clinic has a higher RCNLD than a retail space.

[21] Under cross-examination by the Assessor and the Board, the Agent testified:

- MNP had no supporting documentation of costs of renovations.
- MNP supports using Marshall & Swift for some of the assessment costing, but not all.

[22] Under cross-examination by the Agent and the Board, the Assessor testified:

- Changing from retail space to clinic space, affects space classification which can affect assessment values.
- A permit taken of \$700,000 for renovations and claiming renovations of \$69,450 seems odd.

## **Board Analysis**

### **Ground 1: Replacement Value**

[23] City assessors were correct in following guidelines of Marshall & Swift in the reclassification of the subject property from retail to dental clinic.

[24] The lack of evidence concerning actual renovation costs by the appellant brings into question the discrepancy of a substantial renovation permit and declared renovation costs.

**Decision**

[25] The Board dismisses the appeal on all grounds.


[26] The total assessed value will remain at \$1,514,000.

[27] The taxable assessment will remain at \$1,514,000.


[28] The filing fee shall be retained.

DATED AT PRINCE ALBERT, SASKATCHEWAN THIS 22<sup>nd</sup> DAY OF JULY, 2020.


CITY OF PRINCE ALBERT BOARD OF REVISION

  
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Jackie Packet, Chair

I concur:

  
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Ralph Boychuk, Member

I concur:

  
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Dan Christakos, Member