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## RECORD OF DECISION

### CITY OF PRINCE ALBERT – BOARD OF REVISION

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**Appeal No.:** 2023-02  
**Roll No.:** 102005080  
**Hearing Date:** June 12, 2023, at 9:00 a.m.  
**Location:** 2<sup>nd</sup> Floor, Main Boardroom, City Hall  
1084 Central Avenue, Prince Albert, SK

**Appellant** 600653 Saskatchewan Ltd.

**Respondent** City of Prince Albert

**Board of Revision** Jackie Packet, Chair  
Ralph Boychuk, Member  
Dan Christakos, Member

Terri Mercier, Secretary  
Stacey Slater, Recording Secretary  
Shawn Hurd, CSR, Living Skies Reporting

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#### Representation

**Appellant** Travis Horne, Leyton

**Respondent** Troy Barill, Procido LLP (Legal Representation)  
Vanessa Vaughan, City Assessor  
Dale Braitenbach, Assessment Appraiser  
Roxanne Belzevick (Observer, Assessment Department)

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#### Property Appealed

**Civic Address** 140 Marquis Road West  
Prince Albert, Saskatchewan

**Legal Description** Parcel K, Plan 79PA25636, Ext. 2

**Assessed Value** \$6,471,200

**Tax Class** Commercial Hotel – Improved (85% of value)

**Taxable Assessment** \$5,500,500

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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))

## **Preliminary Matters**

[9] At the request of the Respondent, and in accordance with Section 208 of *The Cities Act*, the Board ordered that this hearing be recorded by court reporting services, Living Skies Reporting, with the costs of the recording being charged to the Respondent.

[10] The Appellant requested that appeal 2023-02 be considered a lead appeal and all evidence and testimony from both parties for this appeal be carried forward and applied to appeal 2023-04. The Respondent agreed.

[11] The Board ruled appeal 2023-02 to be the lead appeal and all evidence and testimony from the Agent and Respondent will be carried forward and applied to appeal 2023-04.

[12] In light of there being a lead appeal, the Board will render a decision on the lead appeal 2023-02 and apply that decision to appeal 2023-04

[13] The Assessor points out that within the Appellant's submission, two new issues under depreciation are introduced; one issue is regarding condition rating and the other is regarding effective year built. Neither of these issues are covered in the grounds for appeal on NOA (notice of appeal).

[14] The Respondent requested that the appeal not be heard as the City agreed to adjust the depreciation as requested in the NOA and the owner/Appellant accepted the adjustment.

[15] The Appellant argues that the acceptance to adjust the depreciation age should not affect other aspects of the valuation.

## **Exhibits**

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

- a) Exhibit A-1 – Notice of Appeal received January 26, 2023
- b) Exhibit A-2 – Appellant's 20 day written submission received May 23, 2023
- c) Exhibit B-1 – Acknowledgement Letter dated February 21, 2023
- d) Exhibit B-2 – Notice of Hearing Letter dated March 27, 2023
- e) Exhibit R-1 – Respondent's request for Recording received March 27, 2023
- f) Exhibit R-2 – Respondent's 10 day written submission received June 1, 2023

## **Appeal**

[17] Pursuant to *The Cities Act*, Section 197(1), an appeal has been filed against the property valuation of the subject property. The property is a non-regulated property with a land size of 166,399 sq. ft. with a Full-Service Hotel of 75,294 sq. ft.

[18] The Appellant's ground states: The assessment is too high due to the RCNLD (replacement cost new less depreciation) set by the Assessor. The amount of depreciation is too low which increases the total RCNLD. The life expectancy set by the Assessor at 60 years is too high.

### **Board Analysis**

[19] After careful deliberation and reviewing *The Cities Act* and other referenced material, the Board considered:

- The Appellant's support statement for the grounds for appeal in Section 3 of the NOA. The Appellant writes, "The life expectancy of the subject is less than 60 years according to the M&S (Marshall & Swift) Manual. The currently applied amount of 60 years comes from the Alberta assessment guide which is prohibited by the Market Value Board Order. The Assessor incorrectly mixes two different cost manuals. The M&S Manual adopted by SAMA indicates a life expectancy of 45 years."
- The Appellant's requests in Section 4 on the NOA that the City decrease the life expectancy from 60 years to 45 years.
- The City agreed with the Appellant's request and placed a 45-year depreciation on the subject property rather than a 50-year depreciation.
- An agreement to adjust the depreciation, as requested in the NOA, was agreed upon by both parties.
- Arguments concerning the "flow through" effect of a depreciation age adjustment on valuation are not within the scope of this appeal.
- Lastly, the Board considered whether a hearing was required as the grounds for appeal were met and requested changes were made.

**Decision**

[20] The Board deems it unnecessary for the hearing to proceed.

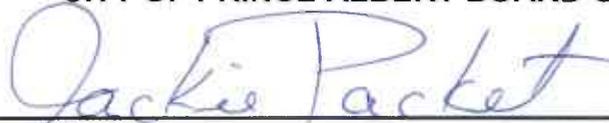
[21] The Board accepts the Assessor's reassessment of the subject property based on a 50-year depreciation and orders that the assessed value be lowered by \$382,000.

[22] The taxable assessment will be determined once the reassessment is complete.

[23] The filing fee shall be refunded.

DATED AT PRINCE ALBERT, SASKATCHEWAN THIS 5<sup>TH</sup> DAY OF JULY 2023.

CITY OF PRINCE ALBERT BOARD OF REVISION



Jackie Packet, Chair



Ralph Boychuk, Member

I concur:



Dan Christakos, Member

I concur: