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## RECORD OF DECISION

### CITY OF PRINCE ALBERT – BOARD OF REVISION

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**Appeal No.:** 2024-36  
**Roll No.:** 202010630  
**Hearing Date:** June 13, 2024, at 1:00 p.m.  
**Location:** 2<sup>nd</sup> Floor, Main Boardroom, City Hall  
1084 Central Avenue, Prince Albert, SK

**Appellant** Paslo Commercial Holdings Inc.

**Respondent** City of Prince Albert

**Board of Revision** Jackie Packet, Chair  
Ralph Boychuk, Vice-Chair  
Dan Christakos, Member  
  
Terri Mercier, Secretary

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#### Representation

**Appellant** Allan Pasloski

**Respondent** Vanessa Vaughan, City Assessor  
Dale Braitenbach, Assessment Appraiser  
Darcy Lees, Assessment Appraiser

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#### Property Appealed

**Civic Address** 272 South Industrial Drive  
Prince Albert, Saskatchewan  
**Legal Description** Lot 12, Block/Parcel F, Plan 79PA03642  
**Assessed Value** \$2,205,200  
**Tax Class** Commercial – Improved-T (85% of value)  
**Taxable Assessment** \$1,874,400

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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] With respect to the Board's internal process, this hearing will be recorded for use of the Board only in rendering its decision.

[10] There were no preliminary matters from either the Appellant or the Respondent.

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

- a. Exhibit A-1 – Notice of Appeal received February 29, 2024
- b. Exhibit B-1 - Acknowledgement Letter dated March 8, 2024
- c. Exhibit B-2 – Notice of Hearing Letter dated April 8, 2024
- d. Exhibit R-1 – Respondents 10 day written submission received June 3, 2024

## **Appeal**

[12] Pursuant to *The Cities Act*, section 197(1), an Appeal has been filed against the property valuation of the subject property. The Lead Appeal property is a non-regulated property with a total land size of 43,263 sq. ft with a one storey building size of 10,000 sq.ft.

[13] The Appellant's grounds state:

I feel the Classification of this property is incorrect and should be the same as other similar properties in the area and around the city. I also feel a 40% value increase is too high I pay more per sq ft then any similar property in the city (that I looked at)

## **Appellant**

[14] In the Appellant's written submission and testimony to the Board, the Appellant states:

1. 2024 assessment is roughly 40 % higher than 2023. How can that be justified?
2. Classification is Shopping Centre and other similar facilities near Subject Property is Light Industrial. Is this classification correct?
3. Several buildings in the Subject building area were referenced as being closer to how the Subject building should be classified.
4. The sq. ft. assessed on Subject Property is higher than any others in similar properties examined.

## Assessor

[15] In the Assessor's written submission and testimony to the Board, the Assessor states:

1. Classification of the property, and the cost approach were clarified.
2. Classification of a property requires six steps:
  - a) Identify valuation parameters
    - i. Physical characteristics: property use, building size/area, construction style/materials, condition of improvements, building configuration, site size, location
    - ii. Supply and demand conditions in the marketplace
    - iii. Legal restrictions (i.e. zoning)
  - b) Collect appropriate data
    - i. Data collected from existing assessment records, property owners, property inspections, government and industry publications.
  - c) Analyse collected data
    - i. Various statistical technics are used to sort, classify data gathered.
  - d) Develop guidelines for applying valuation parameters
    - i. Assurance that similar properties are assessed similarly is crucial.
    - ii. Assurance that equity is maintained.
  - e) Apply valuation parameters
  - f) Test results
    - i. Tests are done against recent sales.
3. The objectives of the classification process:
  - a) Enable the assessment of several properties easily and efficiently
  - b) Stratify properties into classes so comparisons are meaningful
  - c) Provide a broad enough definition of classes so there are enough within groups to establish valuation parameters and assessments
  - d) Achieve large classes with similar characteristics to assess similar properties similarly using mass appraisal and resulting in equitable results
4. The Cost Approach requires three major parts:
  - a) - part one is determining the value of land based on vacant land sales and applying a land size multiplier curve for larger parcels of land. In this case a BLR of \$6.51(standard parcel size of 47,045 sq. ft) and a LSM if 180% was applied.
  - b) -part two RCNLD which is determined using the Cost Guide of *Marshall & Swift Manual*. Section 3.2 provides calculation procedures, Section 3.4 lists cost factors, and Section 3.8 on valuation procedures addresses physical deterioration. Following the steps outlined, a depreciation

percentage is attained.

- c) -part three is to determine a MAF. In this case 1.7 based on 16 Retail/Outside Downtown sales of 59 sales which were stratified by property use, district, and/or location.

### **Ground One: Classification**

5. The property was inspected March 28, 2024
6. Subject Property has a 412 classification - Neighbourhood Shopping Centre.
7. In M&S Neighbourhood Shopping Centres, by definition, contain, but are not limited to the following:
  - a) A row of open stores comprising a single line of storefronts with individual service entrances in the rear. It is generally a small, one-story project that may or may not have a major anchor.”
  - b) Costs are for strip buildings only and include all necessary plumbing and electrical connections for operation of satellites. Trade fixtured and equipment pertinent to individual tenants are not included.
  - c) Reflect a larger amount of finished area and a smaller amount of warehouse/storage area.
  - d) Typical uses are retail, discount stores, food service, markets, office, commercial, personal services, recreational.
8. The Subject building is a single line of storefront with service entrances in the rear. There are three units – Unitech Office Solutions, Novus Salon, and The Investors Group. 88% of complete building is finished, 12% (loading/storage bay of Unitech) is unfinished.
9. The Subject building is costed as Class D (Wood or Steel Framed Exterior Walls) of ‘Average’ quality.
10. The Appellant has compared his property to properties costed as 453 – Industrial Flex. The main differences between a Flex building and a shopping Centre are interior finishings, overhead door entries, minimal subdivisions. Pictures and descriptions of flex buildings were examined.
11. Of the 16 sale properties in the Retail/Outside Downtown stratification, 5 are Neighbourhood Shopping Centres. Pictures and descriptions of these 5 centres were examined.
12. Concerning cost per sq. ft. of Subject Property in comparison to other buildings in the Retail grouping; the Subject Property is a newer build and, thus, receives less depreciation than the comparable. A chart depicting this was provided.

## **Final Questions, Comments, and Rebuttals**

[16] All parties, the Appellant, the Respondent, and the Board all expressed agreement that The Subject Property is properly classified, and that the assessment is what it is.

[17] Unfortunately, this assessment cycle. Retail is being 'hit hard' as the 2023 MAF was 1.1 and this year, 2024, is 1.7.

[18] Acknowledgement was made that high MAF's result in higher taxation, and, for these Neighbourhood Shopping Centre's, this increase must be accounted for somewhere. In these tough economic times, passing the dollar increase onto tenants is difficult.

## **Board Analysis**

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

1. The City is bound to follow guidelines when assessing properties using a modified Cost Approach. The SAMA Guide was repeatedly used and followed.
2. The Property, due to its construction type, finishings and use is correctly classified as a 412 – Neighbourhood Shopping Centre.
3. To compare the Property to Light Industrial or Flex buildings does not hold merit, even though they may cater to similar tenants. The build, finish, and use of the types is different.
4. The Property is a newer build than others in the stratification grouping and will, by nature of depreciation, have a higher per sq. ft. costing.
5. The Board respectfully understands the difficulties involved in significant increases in assessments from year to year but acknowledges that the Assessors are bound by law to follow the guidelines for assessment.

[20] The Board rules that the Assessors did not error in fact, in law, or in the application of standard appraisal principles and practices. The Property is correctly assessed as a 412 Neighbourhood Shopping Centre and a MAF of 1.70 will be applied.

**Decision**

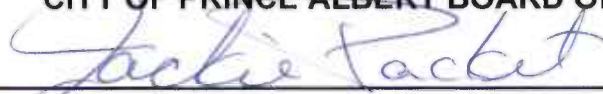
[21] The Board dismisses the Appeal on all grounds.

[22] The assessment will remain at total assessed value of \$1,874,400.

[23] The filing fee shall be retained.

DATED AT PRINCE ALBERT, SASKATCHEWAN THIS 10TH DAY OF JULY, 2024.

**CITY OF PRINCE ALBERT BOARD OF REVISION**



Jackie Packet, Chair

I concur:



Ralph Boychuk, Member

I concur:



Dan Christakos, Member