

RPT 20-268

TITLE: Prism Holdings Ltd. - Request for Tax Exemption - Amendment

DATE: June 22, 2020

TO: City Council

PUBLIC: X

INCAMERA:

RECOMMENDATIONS:

1. That Council approves granting an amended tax exemption as follows in relation to a new 30,240 square feet construction of a brand new development on 15th Street East to Prism Holdings Ltd. as follows:

January 1, 2022	100% tax abatement (conditional on 100% construction completed)
January 1, 2023	75% tax abatement
January 1, 2024	50% tax abatement
January 1, 2025	25% tax abatement
January 1, 2026	0% tax abatement

2. That the amended Tax Exemption Agreement with Prism Holdings Ltd. be applied to the improvement valuation assessment, be approved that includes:

1. Municipal taxes and levies be exempt for four (4) years, except local improvement levies.
2. That correspondence be forwarded relating to the tax exemption for public and separate school taxes to the Saskatchewan Ministry of Government Relations and the Prince Albert Catholic Separate School Division, if necessary.
3. That the land valuation continue to be taxed during the term of the Agreement.

3. That the Mayor and City Clerk be authorized to execute the amended Tax Exemption Agreement on behalf of the City, once finalized by the City Solicitor.

TOPIC & PURPOSE:

That Council approves granting an amended tax exemption as follows in relation to a new 30,240 square feet construction of a brand new development on 15th Street East to Prism Holdings Ltd. as follows:

January 1, 2022	100% tax abatement (conditional on 100% construction completed)
January 1, 2023	75% tax abatement
January 1, 2024	50% tax abatement
January 1, 2025	25% tax abatement
January 1, 2026	0% tax abatement

BACKGROUND:

A Report was forwarded to the April 6, 2020 City Council meeting regarding a tax exemption request from Prism Holding. Attached is the Report to City Council dated April 1, 2020. The City Manager had been approached by Prism Holdings Ltd. in regards to a proposal for a 30,240 square foot brand new retail/agricultural development to be constructed in the City of Prince Albert on 15th Street East.

The attached correspondence dated March 30, 2020 from the President of Prism Holding Ltd. was forwarded to City Council requesting a property tax exemption. Their correspondence stated that the tax exemption would greatly offset the initial investment in the property.

City Council, at its meeting of April 6, 2020, approved the following tax exemption:

“That a Tax Exemption in relation to a new 30,240 square feet construction of a brand new development on 15th Street East to Prism Holdings Ltd., be approved, as follows:

<i>a. January 1, 2021</i>	<i>100% tax abatement (conditional on 100% construction completed);</i>
<i>b. January 1, 2022</i>	<i>75% tax abatement;</i>
<i>c. January 1, 2023</i>	<i>50% tax abatement;</i>
<i>d. January 1, 2024</i>	<i>25% tax abatement; and,</i>
<i>e. January 1, 2025</i>	<i>0% tax abatement”</i>

PROPOSED APPROACH AND RATIONALE:

Prism Holdings has contacted the City Manager in regards to the construction for the brand new development. The construction will not be concluded until Summer of Year 2021. As such, they are requesting that the tax exemption commence January 1, 2022 to allow the construction to be fully completed. They are requesting that the tax exemption be pushed back a year to commence January 1, 2022 rather than January 1, 2021, as construction will not be completed.

This report is requesting approval to amend the tax exemption to reflect the construction as follows:

January 1, 2022	100% tax abatement (conditional on 100% construction completed)
January 1, 2023	75% tax abatement
January 1, 2024	50% tax abatement
January 1, 2025	25% tax abatement
January 1, 2026	0% tax abatement

Attached is a copy of the previous Tax Exemption Agreement that if approved, will be amended to reflect the change in years.

CONSULTATIONS:

The City Manager has discussed this proposal with Administration in relation to the economic benefit to the community relating to brand new construction and the additional employment in our community, along with future tax revenues to the City.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

If approved by City Council, Administration will finalize the amended Tax Exemption Agreement with the City Solicitor.

FINANCIAL IMPLICATIONS:

The attached April 1, 2020 Report to City Council illustrated the assessed value and taxation estimate.

OTHER CONSIDERATIONS/IMPLICATIONS:

There are no policy, privacy implications or official community implications at this time.

STRATEGIC PLAN:

Sustainable Growth – This incentive supports and conforms to the core value providing an efficient and effective service to help foster long term investment in the City, while also broadening the City's tax base.

OPTIONS TO RECOMMENDATION:

That City Council denies the amended tax exemption to Prism Holdings Ltd. as requested. That is not being recommended as this brand new construction brings economic and employment benefits to our community. As well, this brand new development will provide future tax revenues to the City.

PUBLIC NOTICE:

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

PRESENTATION: NONE**ATTACHMENTS:**

1. Report to City Council dated April 1, 2020, regarding Prism Holdings Ltd. – Request for Tax Exemption.
2. Correspondence from Prism Holdings Ltd. dated March 30, 2020 requesting a tax exemption.
3. Previous Approved Tax Exemption Agreement.

Written by: Jim Toye, City Manager

Approved by: City Manager