



City of Prince Albert

RPT 2024-208

TITLE: Prince Albert Victoria Hospital – Letter of Understanding

DATE: July 4, 2024

TO: Executive Committee

PUBLIC: X

INCAMERA:

RECOMMENDATION:

1. That the Letter of Understanding between The City and SaskBuilds and Procurement, Government of Saskatchewan, be approved; and,
2. That the Mayor and City Clerk be authorized to execute the Letter of Understanding on behalf of The City.

EXECUTIVE SUMMARY:

The Province of Saskatchewan is currently constructing a new acute care tower, to be connected with the current Victoria Hospital. The Province has committed funds for the construction of the hospital. The attached letter or understand outlines details that are pertinent to the obligations of the City of Prince Albert to fund a portion of the costs associated with furnishings, fixtures and equipment.

BACKGROUND:

As per City Bylaws, the City of Prince Albert is obligated to charge development and permit fees in relation to the construction of new projects within the City. These charges are based on construction value.

PROPOSED APPROACH AND RATIONALE:

Currently the City of Prince Albert charges building permit fee at a rate of \$7.50 per \$1000 of construction value.

As an example, for a 1-million-dollar building, the building permit fee would be \$7,500

$1000000/1000 = 1000$

$1000 \times 7.5 = \$7500$

This means that for every 1 million dollars of construction value, the building permit will go up by \$7,500.

As these fees are directly dependent on construction value, the cost of the permit will only be realized once all permits have been applied for and obtained.

As such, the City of Prince Albert will formally track these costs and upon project completion, the City will provide SaskBuilds with a summary of all charges and fees associated with this project.

It is understood through the attached Letter of Understanding, that SaskBuilds will acknowledge this value as the City's contribution to the furnishings of fixtures and equipment.

CONSULTATIONS:

The Mayor's Office, City Manager's Office and Director of Community Development were all consulted with the preparation of this report.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

- Once approved, the Mayor's Office will be in contact with SaskBuilds to inform them of Council's decision; and,
- SaskBuilds will then also be asked to execute the Agreement.

BUDGET/FINANCIAL IMPLICATIONS:

The financial implications of the terms stipulated in the attached Letter of Understanding will total millions of dollars. These dollars will be put towards the furnishing of the Victoria Hospital.

OTHER CONSIDERATIONS/IMPLICATIONS:

There are no other considerations, options to the recommendation, or official community plan implications.

STRATEGIC PLAN:

Having an engaged government is a way to deliver professional governance as a City. Building a relationship with SaskBuilds and executing a Letter of Understanding such as what is being contemplated, only strengthens that relationship.

PUBLIC NOTICE:

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

PRESENTATION:

Verbal Presentation by Mayor Dionne

ATTACHMENTS:

1. Letter of Understanding

Written by: Craig Guidinger, Director of Community Planning

Approved by: City Manager

Letter of Understanding

RE: Prince Albert Victoria Hospital Project

Between:

**THE CITY OF PRINCE ALBERT
("The City")**

and:

**SASKBUILDS AND PROCUREMENT, GOVERNMENT OF SASKATCHEWAN
("SaskBuilds")**

BACKGROUND

The Province of Saskatchewan is constructing a new acute care tower connected to the Prince Albert Victoria Hospital in addition to other renovations and improvements to expand services and capacity.

The Province of Saskatchewan has committed to funding the costs of construction.

The City of Prince Albert will be responsible to fund a portion of the costs associated with furnishings, fixtures and equipment.

As per City Bylaws, The City of Prince Albert is required to charge development and permit fees on construction projects with City limits.

OBLIGATIONS

It is mutually beneficial for The City and SaskBuilds to enter into an agreement with respect to costs and therefore the Parties agree as follows:

- I. The City will track development and permit fees for this project using a separate account.
- II. At project completion, The City will provide SaskBuilds with a summary of all charges and fees allocated to the Victoria Hospital project.
- III. SaskBuilds will acknowledge the value as The City's contribution to the furnishings, fixtures and equipment.

GENERAL

This letter reflects the understandings of The City and SaskBuilds and are unanimously agreed upon by the parties.

[Signatures follow]

Dated this ____ day of _____, 2024

THE CITY OF PRINCE ALBERT

Per: _____

Per: _____

Dated this ____ day of _____, 2024

**SASKBUILDS AND PROCUREMENT
GOVERNMENT OF SASKATCHEWAN**

Per: _____

Per: _____