



City of Prince Albert

RPT 2025-339

TITLE: Commercial Construction Incentive Program Application – 4284 7th Ave E

DATE: April 20, 2026

TO: City Council

PUBLIC: X

INCAMERA:

RECOMMENDATION:

1. That the application made under the New Construction of Commercial & Multi-Unit Residential Development Incentive Program for the development of a Hotel to be located at 4284 7th Avenue East, be approved, subject to:
 - a. The applicant entering into a tax abatement agreement with the City of Prince Albert; and
2. That the Mayor and City Clerk be authorized to execute the tax abatement agreement on behalf of the City, once prepared.

EXECUTIVE SUMMARY:

An application to the New Construction of Commercial & Multi-Unit Residential Development Incentive Program has been received by Administration and is deemed to be eligible for a multi-year tax abatement. The abatement will result in foregone revenue for a period of four years, but the City will see economic benefits through the construction and operation of a new hotel for years to come.

BACKGROUND:

The New Construction of Commercial & Multi-Unit Residential Development Incentive Program (Incentive Program) was approved by City Council on July 21, 2025. The intent of the incentive is to promote development through the provision of a declining scale tax abatement for all new commercial construction or residential developments with five or more units.

PROPOSED APPROACH AND RATIONALE:

The Community Development Department has received an application to the Incentive Program for a 99-room hotel at 4284 7th Avenue East. The project has an estimated value of \$12.5 million dollars. The development permit for the hotel was approved by City Council on September 15, 2025, and a building permit application has been submitted and is currently under review.

The Incentive Program has minimal eligibility criteria in place, as any new commercial construction project developed after July 21, 2025, is eligible. The hotel meets the criteria and is eligible for the incentive. The hotel will be located on the same site as a newly constructed liquor store. The liquor store is not eligible for the tax incentive as it was constructed prior to the incentive program being approved by City Council.

A new hotel in Prince Albert will create economic benefits for the city both during construction and once it is fully operational. The hotel is near the new Lake Country Co-op Leisure Centre and will be well used when events are taking place at the facility.

CONSULTATIONS:

Administration consulted with the applicant prior to receiving an application.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

The applicant will be notified in writing of City Council's decision and Administration will continue to work with them to finalize the related agreement.

BUDGET/FINANCIAL IMPLICATIONS:

Approving the tax incentive will result in some foregone revenue over the course of four years. The incentive is not intended to provide a 100% tax abatement to ensure there is some additional tax revenue being generated from the development each year. The property will be fully taxable by Year 5 following completion of construction.

Using a preliminary assessment of the hotel and the 2025 mill rates, the General Municipal Levy for the new hotel is estimated to be \$260,952. Using this value, the estimated abatement amounts and revenue still collected would be as follows:

Abatement Percentage	Estimated Abatement Value (Foregone Revenue)	Estimated Revenue
Year 1: 70%	\$182,666	\$78,286
Year 2: 50%	\$130,476	\$130,476
Year 3: 30%	\$78,286	\$182,666
Year 4: 15%	\$39,143	\$221,809
Year 5: 0%	-	\$260,952
Totals:	\$430,571	\$874,189

With the abatement applying specifically to the General Municipal Levy, the City will still be collecting the full amount for the Civic Facilities Levy, Library Levy, Base Tax, Snow Management Levy, and Roadways Levy.

The tax abatement will be calculated based on the final assessed value of the property, and the abatement amount will change year to year depending on established mill rates and whether the assessment changes with the next revaluation year.

In addition, building permit fees are calculated at a rate of \$7.50 per \$1,000 of construction value. For a project that is estimated to cost \$12.5 million, the City can expect a building permit fee of \$93,750.

Administration will be reviewing the impact of the Incentive Program on an annual basis and will ensure City Council knows the full financial impact prior to the program being proposed for renewal.

OTHER CONSIDERATIONS/IMPLICATIONS:

Legal

The applicant will be required to enter into a tax abatement agreement with the City of Prince Albert, which will be finalized by the City Solicitor.

OPTIONS TO RECOMMENDATION:

The application to the Incentive Program could be denied. This option is not being recommended because the project meets all eligibility criteria, and a denial would be in opposition to the direction provided by City Council.

STRATEGIC PLAN:

The Strategic Plan 2026-2029 identified a Strategic Priority of Building a Robust Economy by developing incentives to attract investments and business activities in strategic areas of growth. City Council's newly approved incentive program supports this priority, and this application is fully aligned with the incentive program.

OFFICIAL COMMUNITY PLAN:

This report supports Section 11.2 of the Official Community Plan which provides direction to encourage incentive development to attract new industries and businesses to the City.

PUBLIC NOTICE:

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

ATTACHMENTS:

1. Hotel Location – 4284 7th Avenue East

Written by: Ellen Pearson, Economic Development Planner

Approved by: A/Director of Community Development, Chief Financial Officer, and A/City Manager