



City of Prince Albert

RPT 2026-114

TITLE: Shelter – Servicing Agreement

DATE: April 6, 2026

TO: City Council

PUBLIC: X

INCAMERA:

RECOMMENDATION:

1. That the terms of the draft Infrastructure Servicing Agreement attached to this Report between the City of Prince Albert and Saskatchewan Housing Corporation, for the construction of the municipal services for the Shelter, to be located at 650 Exhibition Drive, legally described as a portion of Parcel A, Plan BZ4785 Ext 0, at an estimated cost of \$1,230,000.00, be approved; and,
2. That the Mayor and City Clerk be authorized to execute the Infrastructure Servicing Agreement in consultation with the City Solicitor in accordance with this approval, and any other related documents, on behalf of the City, once prepared.

EXECUTIVE SUMMARY:

For the Shelter, City Council has now approved several reports: 1) Conditional Sale Agreement, 2) Subdivision Application, 3) Contract Zoning Agreement, and 4) Development Permit. Administration is bringing forward the last item for formal approval, the Servicing Agreement.

The Servicing Agreement forms part of the subdivision process and is intended to manage the responsibilities and costs related to servicing the shelter property. Once approved, Administration and the Ministry of Social Services (MSS), through Saskatchewan Housing Corporation (SHC), can complete the Development Permit and Building Permit processes

The above recommendation supports a Servicing Agreement between the City and MSS/SHC that sees no municipal funds spent on the servicing of the Shelter.

BACKGROUND:

Now, at the end of the negotiation process for the servicing agreement, Administration and SHA have agreed that SHA will cover the entire cost to service the property. See the attached Infrastructure Servicing Agreement.

It has also been established that while servicing the shelter is the primary reason for the work, rebuilding Exhibition Drive is a City infrastructure project that also includes minor municipal service upgrades. These include new services and a fire hydrant for the City Yards.

Based on the list of requirements quoted in the attached report, and as part of the subdivision process, the Servicing Agreement is the **last** step in the overall Council approval process for the Shelter.

Servicing Agreements generally cover the construction of municipal services related to a particular development, like underground infrastructure, roadways, sidewalks, etc. They also detail the responsibilities of both parties and can include additional items like warranty periods and bonding. In the case of the Shelter, this Servicing Agreement is relatively straightforward, managing the design and construction of the municipal services required for the Shelter property, fees, payments, etc.

PROPOSED APPROACH AND RATIONALE:

Shelter Servicing Agreement

To service the Shelter property, the City will construct/install the following (including but not specifically limited to):

- water, sanitary and stormwater services,
- asphalt roadway, concrete curb and gutter, and
- boulevard with grass and sidewalks along the north side of the Street.

The City prepared the design for the above-noted municipal services, which are paid for by SHC through the Admin fees charged.

The total estimated cost to service the Shelter is **\$1,230,000.00**, including PST and admin fees.

Municipal Upgrades

Unrelated to the Shelter infrastructure, the City will be installing new municipal services at the City Yards, as well as a fire hydrant. The installation of a new hydrant is required to improve fire protection to City yards. With the roadway under construction, the best time to install these is at the same time; this is both a best practice and cost-effective.

Next Steps

With this being the last of the formal approvals, the immediate next steps are as follows:

- Finalize the subdivision application, which includes the Servicing Agreement and Plan of Proposed Subdivision, creating the 1-acre parcel (in progress),
- Finalize the sale agreement, which required the clean environmental report, allowing title to the new parcel to be transferred to MSS (in progress), and
- Review and approve the plans required for the Development Permit and Building Permit, which determine the physical development of the site and the construction of Shelter itself.

Roadwork is expected to start in the summer of 2026, and Shelter construction is anticipated to start in the fall of 2026.

Therefore, Administration recommends approval of the Infrastructure Servicing Agreement.

CONSULTATIONS:

As it pertains to the physical development of the site, the Servicing Agreement has been developed by the City Solicitor, to ensure the resulting cost and payment arrangements meet City expectations. These expectations have been established through the following:

- Over 25 hours of public meetings that have been held over the past two years, which include city-wide consultations conducted in January 2025;
- More than 1,500 community survey responses from Prince Albert residents; and
- Numerous emails and direct feedback submitted to Administration and Council.

Administration has coordinated monthly Collaborative Shelter Support Team meetings and four (4) Shelter Neighborhood Engagement Table meetings.

Administration also remains in contact with MSS, to ensure work proceeds in a timely manner.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

Subject to approval of the Servicing Agreement, Administration will advise the Ministry of Social Services, and the agreement will be finalized and executed.

Administration will continue to work with MSS as the project turns to the physical development of the site through the construction of the municipal services and the review of the development permit and building permit drawings.

BUDGET/FINANCIAL IMPLICATIONS:

General

With MSS and SHC agreeing to cover the full cost of servicing the Shelter, the City will have no direct financial contribution to make, aside from providing the land.

The City will install new service connections and a fire hydrant for the City Yards at the same time as Shelter servicing. This work is completed in conjunction with the Shelter project, as it provides direct benefit to the City. The work is expected to cost an estimated \$40,000.00, and is to be paid from the Utility Budget. We are taking the opportunity to install these new services while the roadwork is underway, as it results in significant cost savings to the City.

The proposed development will generate direct municipal revenue through various application and permit fees, including \$600 from the Subdivision Application, \$1,500 from the Contract Zoning Agreement, and \$500 from the Development Permit Application. Additionally, Building Permit fees will amount to \$7.50 for every \$1,000 of construction

value. For example, a \$1,000,000.00 project would result in a \$7500 Building Permit fee; Administration has not been provided a total estimated value of construction at this time.

Property Value Determination

To determine a reasonable land value for the subject property, Administration reviewed three available valuation sources that reflect both historical municipal data and current market perspectives.

The first source is the City's internal sales data. Based on this dataset, the City's established value for comparable serviced industrial land is \$6.52 per square foot, which equates to approximately \$284,011 per acre. While this value reflects verified municipal transaction data, it is derived from sales that occurred prior to recent market changes and therefore represents a conservative benchmark.

The second source is a Broker Opinion of Value (BOV) completed by Cushman & Wakefield Saskatoon. The appraisal provides a value of \$200,000 per acre based on land comps (some not relevant). In this case, the appraised value is lower than the City's internal valuation, which may reflect specific market conditions considered by the appraiser, not included in their report.

The third source is a Realtor Comparative Market Analysis by residential/commercial realtor Conrad Kruger, which identified a market value of \$375,000 for approximately 1.11 acres. This equates to approximately \$337,838 per acre or approximately \$7.75 per square foot. Realtor CMAs generally reflect more recent market listings (for commercial land, which is industrial) and transactions and may capture short-term market conditions and pricing expectations.

Taken together, these three sources provide a reasonable valuation range for the subject land. The BOV establishes a lower value at approximately \$200,000 per acre, while the Realtor CMA reflects a higher value at approximately \$337,838 per acre. The City's internal valuation of approximately \$284,011 per acre (\$6.52 per square foot) falls within this range and is supported by verified municipal sales data. For this reason, the City's internal valuation has been used as the basis for determining the value of the land contribution associated with the Shelter project and with the parcel being 1.00 ac, the valuation is determined at \$284,011.

Based on the information provided in the report above, the City is contributing fair value to the overall project, which is being managed through the waiver or reduction of fees and use of 2026 budget dollars, or opportunity costs vs sunk cost (or new dollars).

OTHER CONSIDERATIONS/IMPLICATIONS:

As part of the conditional sale of the 1-acre parcel, MSS paid for an environmental assessment. The results of the assessment showed that there were no environmental concerns with the parcel. See attached for more information.

As noted in the report, the City and MSS are in the process of finalizing the sale agreement and intend to sign off on the last of the sale conditions shortly.

Once again, it is worth noting that the current temporary shelter and any location “within the vicinity of the current stepping stones shelter” was one of the top locations that resulted from our extensive public engagement exercise. Approving any of these locations, specifically the site recommended, would uphold that consultation process and validate our findings. This is an important communication piece for the public to consider to uphold public confidence in the decision of City Council.

Councillors may note that the Indemnification clause in 4.1 of the draft Shelter Infrastructure Servicing Agreement attached is slightly modified from earlier versions. The City Solicitor has been involved in this modification and has confirmed that it is consistent in legal effect with prior provisions reviewed by Councillors and reflects an appropriate clause and language in protection of the City’s interests.

OPTIONS TO RECOMMENDATION:

The following is an option to the recommendation that includes the partial waiver of admin fees. The rationale for this option is:

- The waiver of \$75,000 in admin fees is based on an assessment of the administrative time required for this project and represents an opportunity cost (uncollected fees), not a sunk cost (money spent).

Optional Recommendation:

1. That the Infrastructure Servicing Agreement between the City of Prince Albert and Saskatchewan Housing Corporation, for the development of the Shelter, to be located at 650 Exhibition Drive, legally described as a portion of Parcel A, Plan BZ4785 Ext 0, be approved; and,
2. That the waiver of a portion of the Administrative Fees, in the amount of \$75,000.00, be approved, and
3. That the Mayor and City Clerk be authorized to execute the Servicing Agreement, and any other related documents, on behalf of the City, once prepared.

STRATEGIC PLAN:

Supporting the City’s strategic direction of promoting a progressive community, approving the construction of a new, permanent Shelter will go a long way in providing meaningful care and support to those who need it most in our community. In working with our community and government partners in the development and operation of the Shelter, the City can continue to focus on implementing its CSWB initiatives.

OFFICIAL COMMUNITY PLAN:

Taken from Section 6, Land Use,

“Prince Albert functions as both the gateway to the north and to the south. For this reason, it is a regional hub for a range of services in health, education, social services and justice and as such has need for transitional and supportive housing.”

Notwithstanding the recent expansion in emergency shelter beds, there will be a need to monitor the need in this area as well. As a community, Prince Albert wants to stimulate independence of its citizens but realizes that some will require support to function optimally. It is a goal of this Plan to create the context where all citizens can have safe, secure, affordable housing that meets their needs."

PUBLIC NOTICE:

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

ATTACHMENTS:

1. Shelter Servicing Agreement (April 10, 2026)
2. RPT 2025-385

Written by: Kristina Karpluk, Planning Manager

Approved by: Director of Community Development, Director of Public Works, Chief Financial Officer, and City Manager