

Smith Street Lands Ltd.

200 – 2401 Saskatchewan Drive
Regina, Saskatchewan
S4P 4H8

December 3, 2020

Office of the City Clerk
15th Floor, City Hall
Regina, Saskatchewan

To Whom It May Concern:

Re: Request for an Adjustment of Taxes
Executive Committee Meeting December 9, 2020
Regina City Council Meeting December 16, 2020
1971 Albert Street, Regina, SK

Please accept this letter as my notice that I wish to make a presentation at the Executive Committee Meeting on Wednesday the 9th of December and the City Council Meeting on Wednesday the 16th of December in regard to the above noted item.

Please find my presentation material below.

Amount Owing to the City of Regina on 1971 Albert Street

As per The City of Regina Correspondence with our partner Magnetic Capital Group Inc.

Balance Owing (Projection) November 15, 2020:

Arrears	\$2,796,731.85
Current Levy	\$46,948.93
Current Miscellaneous	\$7,589.05
Total Balance owing on 15-Nov-2020	\$2,851,269.83

Summary of Financial Information:

Balance due and owing Nov 15, 2020 **\$ 2,851,269.83**

This amount consists of following indebtedness:

Cost of Backfill	\$ 2,124,295.78
Late Payment Penalties Accrued Since July 2018	\$ 542,384.39
Tax Enforcement Charges	\$ 804.92
Current Levy	\$ 46,998.93
Current Miscellaneous	\$ 7,589.05
Property Tax Arrears	\$ 129,246.76

Our Proposal

This property (1971 Albert Street) has had a storied past that we at Smith Street Lands Ltd. would like to correct. We intend to take it from a problem project of the last decade to a new development that the City of Regina can be proud of.

Smith Street Lands Ltd. is made up of a group of local developers who have been developing properties in Regina for over 60 years. We have made arrangements with Magnetic Capital Group Inc. to work with them to proceed with a development on 1971 Albert Street as soon as its economically viable. Smith Street Lands Ltd. a local company will receive the Title to this property upon the current closing date of January 18, 2021 and Magnetic Capital Group Inc. will provide the construction financing once the project commences.

Smith Street Lands Ltd. has been pursuing the purchase of 1971 Albert Street for almost two years including going to court a number of times. It was not until October 27, 2020 that we were able to get the property under contract. Unfortunately, the timelines were set out before we had control which is why we need to have this file heard at the Executive Committee Meeting on December 9, 2020 and subsequently heard at the City Council Meeting on December 16, 2020 in order to meet our deadlines in the Purchase and Sale Agreement. The first deadline is a few days after the December 16th Regina City Council Meeting.

It is our intention to make sure that the taxpayers of Regina get paid back every out-of-pocket penny that they have into this site. This means the repayment of the **Cost to Backfill** the former hole and the 2–3 years of **Property Tax Arrears**.

This amounts to:

Cost to Backfill	\$ 2,124,295.78
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Property Tax Arrears	<u>\$ 129,246.76</u>
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Total Amount to be Paid to The City of Regina:	\$ 2,253,542.54
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+ the Property Taxes between now and January 18, 2021

As shown above per the City of Regina communication, there are compounding interest charges that have been accruing since July 2018. This amount is not out of pocket for the City of Regina and has accrued for years before we got control of 1971 Albert Street which was just over a month ago.

Within the current deal structure, Smith Street Lands Ltd. has committed to pay KEB Bank (1st Charge Mortgage Co. from original development) a significant amount of money upon closing on January 18, 2021 in addition to the money that is to be paid to the City of Regina. If we cannot agree to eliminate the compounding interest that has been accruing since July 2018, we will not be able to close on the property as that would push the Purchase Price to far exceed the Appraised Value of the Property.

It is our belief that this deal is the best deal the people of Regina can achieve which will repay the **Cost to Backfill** and bring the **Property Taxes** up to current.

As far as the Parking Application is concerned, in a normal world without COVID 19 it would take a year or two to put together a substantial development on this property, which this property merits. We would like to thank the Mayor and City Council for approving the Temporary Parking Application at City Council on December 2, 2020. It is our intention to develop as soon as possible and the Temporary Parking will be **Temporary**. We look forward to working with you to continue to advance this site towards a development that all Regina Tax Payers can be proud of and we appreciate your continued cooperation.

I would be happy to answer any questions any of the parties involved may have and I can be reached at 306-535-0021.

Thank you for your attention and consideration regarding this matter.

Yours truly,

A handwritten signature in black ink, appearing to read 'Robert Goldman', with a long horizontal flourish extending to the right.

Robert Goldman
President
Smith Street Lands Ltd.