



CCA 55-28
Tabled by Chair (Cox)
Date June 27/18

May 10, 2018

Mr. Herb Cox, Chair
Crown and Central Agencies Committee
Room 203, Legislative Building
2405 Legislative Drive
Regina SK S4S 0B3

Dear Mr. Cox:

Re: Sale of the Prince Albert Forest Centre

The Fourth Report of the Standing Committee on Crown Corporations, dated May 5 1994, requested that the Chair of the Board of Saskatchewan Opportunities Corporation (SOCO) provide certain information to your Committee on any significant transactions that are undertaken by the Corporation. Accordingly, I am pleased to provide you with information on the key elements of the sale of the Prince Albert Forest Centre to the University of Saskatchewan.

Situation Prior to Transaction

- The Prince Albert Forest Centre was developed by SOCO in 2005 with the intention of leasing space to forest sector organizations.
- After an extended period of attempting to lease the facility to tenants active within the forestry sector (and subsequently the broader resource sector), the facility remained approximately half-empty. In an effort to cut the financial losses and respond to local demand, the facility was made available to all interested parties and effectively became an office building. When the Prince Albert Forest Centre effectively became an office building it no longer fit with SOCO's mandate.

Objectives of the Transaction

- Although in recent years, the Prince Albert Forest Centre was substantially leased and profitable, operations were not focused on advancing research and technology business opportunities.
- As current operations were not consistent with SOCO's mandate, it was decided the property would be sold.

The Transaction

- Effective March 15, 2018 the Prince Albert Forest Centre was sold to the University of Saskatchewan for \$8.125 million, not materially different from the appraised value.

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Implications of the Transaction

- On March 26, 2018, net proceeds of \$7.84 million were passed on to Crown Investments Corporation in the form of an equity repayment.
- The sale generated a gain on sale of \$2.2 million for the 2017/18 fiscal year but will reduce future annual net income for SOCO by approximately \$0.4 million.
- The sale provides the ability for SOCO to focus on the research parks in Regina and Saskatoon.

Authorities

- Approval to sell the Prince Albert Forest Centre was provided by the CIC Board at the November 21, 2013 meeting.
- The sale of the Prince Albert Forest Centre to the University of Saskatchewan was approved by the SOCO Board at the November 29, 2017 meeting, and through Order in Council 97/2018.

I would be pleased to provide any further information on this transaction that the Committee might require.

Yours sincerely,



Mark Regier, Chair
Saskatchewan Opportunities Corporation

MR/wk