

## Acquisition of Land for Future Development – Northeast Growth Area

### ISSUE

As the City of Saskatoon (City) develops and sells residential, industrial, and commercial properties, replacement land is required to ensure there is a sufficient inventory of future development land.

### RECOMMENDATION

That the Standing Policy Committee on Finance recommend to City Council:

1. That the Administration be authorized to purchase NE 32-37-4 W3 Ext 58, SE 32-37-4 W3 Ext 59, SW 32-37-4 W3 Ext 0, and NW 32-37-4 W3 Ext 61 (ISC Surface Parcel Nos. 131838712, 131838723, 118558615, and 131838734), comprising of approximately 550.81 acres, from 590028 Saskatchewan Ltd. at a purchase price of \$9,000,235.40; and
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

### BACKGROUND

Informally, the City has been buying, developing, and selling land since the 1920s. The City formally established the Land Bank in 1954 and began to acquire land for future development. Today, Saskatoon Land's mandate is to provide an adequate supply of serviced land, initiate creativity and innovation in urban design, generate profits for allocation to civic projects and programs, and influence urban growth in support of the City's Growth Plan.

Over the past decade, Saskatoon Land has developed, serviced, and sold over 2,600 acres of its raw land holdings. To ensure the future sufficiency of the land development program, it is integral that well-positioned replacement lands are acquired at best value to the City.

### DISCUSSION/ANALYSIS

#### Land Acquisition Considerations

The 550.81-acre site is located in the Rural Municipality (RM) of Corman Park within the Corman Park – Saskatoon Planning District. In recent years, Saskatoon Land has assembled several parcels of land in the northeast section of the Saskatoon area, both inside and outside the proposed Saskatoon Freeway and City Limits. The subject property is located outside the proposed Saskatoon Freeway and situated adjacent to lands previously acquired by Saskatoon Land (Appendix 1).

The lands are cultivated and have been farmed for decades. If approval to purchase the property is obtained, the City would continue leasing the lands for agricultural use or until such time as a more suitable interim use is identified.

The Saskatoon North Partnership for Growth (P4G) Land Use Map (Appendix 1) identifies the proposed future use of the majority of these lands as being “Urban Residential Neighbourhood” and a small portion of the lands fronting the South Saskatchewan River being shown as “Green Network Study Area.”

The lands are located within the current P4G Growth to 700,000 population boundary. Development of the lands is not expected to take place in the short term. The strategy of acquiring lands well in advance of development has proven to be an effective business model for Saskatoon Land. Most of the lands recently developed and sold in the Evergreen and Willowgrove neighbourhoods were purchased in the mid-1970s, and Hampton Village and Rosewood lands in the 1960s and 1970s (all of which resulted in significant investment returns for the City).

As shown on Appendix 2, the 550.81-acre site is situated between and immediately adjacent to both the South Saskatchewan River valley and the Northeast Swale. When the lands enter the development stream, it is anticipated the favourably unique location of these lands will create strong market demand for future development.

### Land Sale Terms

Administration has negotiated a conditional agreement for the property. Noteworthy terms of the agreement are as follows:

- conditional upon City Council approval by November 20, 2019;
- purchase price of \$9,000,235.40 payable on the closing date;
- environmental, geotechnical, heritage, homestead, and drainage investigations to the City’s sole satisfaction by October 1, 2019;
- seller to pay real estate commissions; and
- closing/possession date of November 29, 2019.

## **IMPLICATIONS**

### Financial

The negotiated purchase price of \$9,000,253.40 represents a land value of \$16,340 per acre, which is comparable to sales of similarly located sites with long-term development timelines. Of note, the City purchased 473.41 acres immediately southwest of these lands from the Cathcart estate in fall 2016 for a price of \$16,700 per acre.

Land acquisitions for future development are funded from the Property Realized Reserve, the purpose of which is to finance the purchase of real property for resale by the City. Sufficient funds for the purchase of this land exist in the Property Realized Reserve and the reserve sufficiency forecast over the next five years remains positive with this purchase.

### Environmental

The Purchase of these lands supports the “Environmental Management” section of the City’s Official Community Plan (OCP). The OCP identifies riverbank and natural areas as land uses that should be protected for the enjoyment of present and future

generations and recommends “wherever possible, natural areas of significant value shall be placed in public ownership.”

Finally, the acquisition of these river fronting lands is consistent with the City’s Green Infrastructure Strategy, which strives to ensure all residents have access to a network of high-quality, multifunctional, seamlessly integrated green spaces.

There are no legal or social implications identified.

## **NEXT STEPS**

If approved, this proposed acquisition would close on November 29, 2019, and the required documentation to finalize the sale would be completed by the City Solicitor’s Office.

The Administration has advised the RM of Corman Park Administration that Saskatoon City Council will be considering the purchase of these lands at an upcoming meeting.

## **APPENDICES**

1. The Saskatoon North Partnership for Growth (P4G) Regional Land Use Map
2. 590028 Saskatchewan Ltd. Land Details

## **REPORT APPROVAL**

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