

Request to Sell City-Owned Property – Multi-Unit Parcels LM and GH, Evergreen Neighbourhood

ISSUE

Declining rental vacancy rates in Saskatoon have increased demand for multi-unit parcels that accommodate purpose-built rental projects. Parcels LM and GH in the Evergreen neighbourhood are zoned RM3 - Medium-Density Residential District, and their location in the District Village Area of Evergreen makes them a good fit for potential purpose-built rental projects. These are the sole multi-unit parcels remaining in Evergreen, yet to be released for sale.

RECOMMENDATION

1. That the Administration be authorized to sell Parcels LM and GH, Plan No. 102308082 (ISC Surface Parcel Nos. 203746327 and 203746338) in the Evergreen neighbourhood, through a public tender process with reserve bid prices;
2. That if the parcels are not sold through the tender process, they will be placed for sale over-the-counter on a first-come, first-served basis for a period of six months;
3. That the Administration be authorized to entertain acceptable market price offers on any parcel which remains unsold after the six-month period following the public tender closing date through the open market (standard terms) sales approach;
4. That the Administration be authorized to administer architectural controls for this parcel; and
5. That the City Solicitor be requested to prepare the appropriate agreements and that His Worship the Mayor and the City Clerk be authorized to execute the agreements under the Corporate Seal.

BACKGROUND

Parcels LM and GH are the last multi-unit parcels to be released in the Evergreen neighbourhood with RM3 - Medium-Density Residential District zoning (Appendix 1). This type of parcel is currently in short supply in the northeast area of Saskatoon, and therefore, will be attractive to builders considering multi-story purpose-built rental projects.

DISCUSSION/ANALYSIS

Parcels LM and GH are proposed to be offered with reserve bid prices of \$3,009,100 and \$3,844,500, respectively. These prices have been determined through an examination of current multi-unit parcel prices on the Saskatoon market, site locational factors, and the developable site area.

Sales Method

The Administration is recommending a public tender process for the initial release of the parcels. If approved, the parcels will be awarded to the highest bidders above reserve bid price. If the parcels do not sell through the public tender process, they will be made available for purchase over-the-counter on a first-come, first-served basis for a six-

month period. Upon completion of the public tender and subsequent six-month over-the-counter period, the Administration will have the option to offer the parcels through the open market (standard terms) sales approach (Appendix 2). Interested parties will have a designated time period to submit non-binding offers on the parcels, using the reserve bid price to establish listing price for the parcels offered through the open market (standard terms) sales method.

Offers received will be reviewed by the Administration to determine compliance with open market (standard terms) and to identify which proponent will be contacted for negotiation of a sale agreement for the respective parcels. It is generally accepted that the highest offer received determines the preferred proponent, assuming the standard terms and conditions are met. If no offers are received, the parcels will remain available over-the-counter until an acceptable offer is received. Any accepted offer will be conditional upon approval of the Chief Financial Officer.

Utilizing the open market (standard terms) sales approach provides the Administration with additional flexibility to accommodate prospective sales, while helping to mitigate risk associated with carrying a larger-than-desired level of completed inventory.

Saskatoon Land will administer multi-unit architectural controls consistent with all Saskatoon Land developed and marketed multi-unit parcels. This process ensures the site will be developed with buildings that contain interesting architectural details, a variety of building materials and colour schemes, and a site landscape plan.

FINANCIAL IMPLICATIONS

Proceeds from the sale of these lands will be deposited into the Evergreen Neighbourhood Land Development Fund.

OTHER IMPLICATIONS

There are no privacy, legal, social, or environmental implications identified.

NEXT STEPS

If approved, a sales package with a public tender date will be sent to the participating multi-unit and commercial builders that have requested to be on Saskatoon Land's notice list. Notice of this land release will be advertised in the Saskatoon StarPhoenix for a minimum of two Saturdays prior to the close of bid submissions.

APPENDICES

1. Parcels LM and GH Pricing Map
2. Open Market (Standard Terms) Sales Approach – Terms and Conditions

REPORT APPROVAL

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