

Civic Operations in the North Downtown

ISSUE

This report provides an overview of the current civic operations in the North Downtown and the approach being used to align operational needs with the planned future redevelopment of the area.

BACKGROUND

On July 18, 2012, City Council adopted a report recommending the procurement of consulting services for the North Downtown Master Plan. Community engagement and development of the plan began in late 2012. On May 20, 2014, an interim report on the North Downtown Master Plan was brought forward to City Council and the following recommendations were adopted:

1. That the North Downtown Master Plan include the concept of a Bridge Park over the CP rail line with a combination of a park and traffic bridge;
2. That the North Downtown Master Plan be completed and the concept plan be submitted to City Council for approval; and
3. That the Administration report further on the Area Revitalization Program as an option to finance the North Downtown Project.

At the September 4, 2018 meeting of the Standing Policy Committee on Finance, Administration brought forward a report in response to the request from Arbutus Properties to investigate the purchase of the North Downtown sites from the City of Saskatoon (City). At that time, the Committee requested:

“That the Administration report back on options for expediting the redevelopment of the City Yards site by the first quarter of 2019 to include options for phasing, financing, relocation of existing operations, while building on the vision and principles of the Plan for Growth, the City Centre Plan and the North Downtown Master Plan.”

At its meeting on September 28, 2020, City Council received a report regarding acquisition of 3815 Wanuskewin Road and 3802 Arthur Rose Avenue for Future City Operations North District Yard and resolved:

1. That the Administration be authorized to purchase 3815 Wanuskewin Road, Parcel CC, Plan No. 102102725, Extension 1 (ISC Surface Parcel No. 203244386), comprised of approximately 20.03 acres with approximately 156,400 square feet of buildings from Norseman Group Ltd., at a purchase price of \$15 million;
2. That a leaseback agreement for eight years between the City and Norseman Group Ltd. with an annual lease payment to the City of \$1.125 million be approved;
3. That Administration be authorized to purchase 3802 Arthur Rose Avenue, Lot 3, Block 280, Plan No. 102031186, (ISC Surface Parcel No. 164957653), comprised of approximately 3.81 acres from Riverbend Holdings Inc., at a purchase price of \$1.799 million; and

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4. That the City Solicitor be requested to prepare the appropriate agreements and His Worship the Mayor and the City Clerk be authorized to execute the agreements under the Corporate Seal.

The report described that the current central City Yards, located in North Downtown, are nearing capacity and there has been an identified civic interest in relocating many services out of the Downtown core to allow for the future redevelopment of the North Downtown. The Civic Operations Centre is planned to serve as a yard site for the southwest area of Saskatoon, while a north operations yard is needed to improve efficiencies in City operations and better serve residents in the long term. Additional study and public engagement would be required prior to confirming which civic operations might ultimately be relocated to the sites acquired through City Council's approval of these site purchases.

CURRENT STATUS

Outstanding Considerations from North Downtown Master Plan

In addition to the funding needed to advance the redevelopment of the North Downtown, a number of other factors have prevented this redevelopment from being prioritized by Administration. The River Landing development has been advancing and there remains a number of sites which will be available for sale, as described in a report to the Standing Policy Committee on Finance in November 2018. The Downtown also has a sizable amount of available land, with both servicing and flexible zoning in place and efforts to encourage Downtown development have been prioritized in recent years. In other infill areas of the city, efforts to support development in partnership with the University, through the development of the University Sector Plan, have also advanced as is work on the Corridor Planning Program. Administration has focused efforts on advancing these areas which are closer to development-ready, as opposed to further work to bring the North Downtown area forward.

Of note, North Downtown is one of the potential sites under consideration for a future Downtown event and entertainment district which would be planned around a future arena and convention centre. Administration remains in negotiation with private owners on parcels of land which would be good potential alternative sites. The intention is to provide City Council with the best possible array of potential sites to focus planning efforts.

When the North Downtown Master Plan was last considered by City Council, the remaining work to be done was to complete the financial analysis, which would support the implementation (the Area Revitalization Program), undertake remaining environmental analysis on the sites and work through the final stages of plan adoption. The funds which remained in the project were to be used to complete these steps. Based on the feedback from Committee in 2014, work was initiated on the financial analysis, but was not completed. In 2017 the remaining project funds (\$716,900.25) were returned to the Property Realized Reserve. As such, new funding would need to be requested to complete this work.

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Current Civic Operations in North Downtown

The civic operations that are currently located in the City Yards provide critical services to the entire city, and with continued city growth over time, the operations in City Yards have also had to add equipment, machinery and staff. The current operational functions located in the City Yards are outlined in Appendix 1.

As Saskatoon has continued to grow, it was determined in 2019 the existing City Yards were exceeding their effective capacity to support safe and efficient delivery of civic operations. Since 2019, Administration has been completing a range of short term priority projects to address these issues to ensure safe and effective operating conditions for staff on the site until new yards facilities are established. Short-term improvements include items such as enhanced fire suppression, perimeter security fencing, replacement of existing fuel pumps and storage tanks, replacement of three fabric-covered buildings, priority roof repairs and enhancing available indoor equipment storage onsite.

As these short-term projects have been identified, and work is ongoing, a project team has also been working towards long-term solutions. The North Downtown Master Plan has informed the work of this team. Actions taken to address civic operations within the existing City Yards will be done in a manner that will continue to allow for the area to be redeveloped in the future. This includes:

- Focusing investments in areas where assets already exist and continue to have longer usable lifespans, which is largely north of Queen Street;
- Ensuring no permanent structures are constructed on the former rail beds in the area. These were identified in the North Downtown Plan for future greenway connections and are being maintained for this purpose; and
- Limiting investments in the area between Queen Street and 25th Street East, in order to be able to move civic operations out of the area in the medium term. This would enable phased redevelopment to move into North Downtown from south to north.

DISCUSSION/ANALYSIS

Relocation of the City Yards for North Downtown Redevelopment

Implementation of the North Downtown redevelopment requires the relocation of the City Yards from their current site. This was identified as the second phase of the Civic Operations Centre project, and was originally estimated to require funding of approximately \$92 million, funded almost entirely through debt financing.

In the 2017 Business Plan and Budget deliberations, Administration recommended the City Yards Relocation project be reconsidered along with the Satellite Yards Capital Project (Project 2259) and other future operational requirements to serve a population of 500,000 as well as any regional opportunities (see Appendix 2). The intent was to consider future civic operations and strategic locations, potentially including snow storage sites, parks operations, recycling and compost sites, and any other operational needs which will meet the service needs of the city as it grows. By deferring the Civic Operations Centre Phase II project, a more in-depth review could be undertaken to address these needs and determine

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the costs. In addition, the funding identified for the City Yards Relocation was deferred from the Civic Facilities Funding Plan.

Administration is currently developing a Civic Operations Long Term plan which will lay out a strategy for making the current City Yards site available for redevelopment and relocate civic operations into safe and productive facilities at appropriate locations to best service citizens both now and through growth to 500,000. This will support the operations of the existing City Yards until critical migrations from the current site to new facilities are achieved. Appendix 3 provides an illustration of the anticipated phasing for relocations of civic operations from the existing City Yards.

FINANCIAL IMPLICATIONS

Short-term priority improvements to the existing City Yards are funded through the Civic Accommodation Capital Project (Project 1949) and are projected to total approximately \$9.5 million once completed later in 2021.

The financial implications of developing a new strategy to complete the North Downtown Master Plan, and to complete the phased relocation of civic operations out of existing City Yards, will be detailed in a future submission to Business Plan and Budget deliberations.

OTHER IMPLICATIONS

There are no environmental, privacy or CPTED implications or considerations. A communication plan is not required at this time.

NEXT STEPS

Administration will develop a funding plan and project plan for the North Downtown redevelopment in the medium term, in alignment with the relocation of some civic operations from City Yards to other civic sites in the city. A similar funding plan will be developed for the phased relocation of civic operations out of existing City Yards. A future budget submission will be required for each.

APPENDICES

1. Current Civic Operations Located in the City Yards
2. Funding Plans Update, November 30, 2016
3. Potential Phasing for City Yards and North Downtown

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