

SREDA Funding Agreement 2022-2025

ISSUE

The current Funding Agreement with the Saskatoon Regional Economic Development Authority (SREDA) expires December 31, 2021.

RECOMMENDATION

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

1. That the City Solicitor be instructed to prepare the Funding Agreement as outlined in the report of the Chief Financial Officer dated September 13, 2021; and
2. That His Worship the Mayor and the City Clerk be authorized to execute and deliver the Saskatoon Regional Economic Development Authority Funding Agreement.

BACKGROUND

At its 2017 Preliminary Business Plan and Budget meeting on November 30, 2016, City Council approved the current Funding Agreement between the City of Saskatoon (City) and SREDA for 2017-2020.

In the 2017-2020 Funding Agreement, a formula of \$3 per capita was used which estimated a population of 295,184 by 2020 to reach funding of \$885,500.

At its meeting on December 21, 2020, when considering a report regarding an amendment to the Funding Agreement between the City and SREDA, City Council resolved:

- “1. That the term of the Funding Agreement with SREDA be amended to end December 31, 2021;
2. That the payment to SREDA be amended to add 2021 at \$885,500; and
3. That His Worship the Mayor and the City Clerk be authorized to execute the amending agreement.”

DISCUSSION/ANALYSIS

The City’s estimated population for 2021 is 282,900 which is lower than the population estimate used for the previous agreement. The Administration is recommending keeping the same annual payment of \$885,500 until such time as the population catches up to the previous forecast which, using an annual growth rate of 1.75%, is estimated to be in 2024. The proposed payments in the agreement are as follows:

- 2022: \$885,500;
- 2023: \$885,500;
- 2024: \$894,000; and
- 2025: \$909,700.

A bonus payment of up to \$125,000 per year based on the performance targets set by SREDA and approved by City Council remains in the proposed terms of the agreement. This amount is paid from industrial land sales proceeds in the Property Realized Reserve. City Council reviews and approves SREDA's performance measures and targets and bonus payment annually.

All terms and conditions for the performance targets remain the same as the previous agreement.

FINANCIAL IMPLICATIONS

Approval of the agreement will increase the mill rate by the following amounts for a total impact of \$24,200 over the four years:

Year	Increase	Total Amount
2022	\$ 0	\$885,500
2023	\$ 0	\$885,500
2024	\$ 8,500	\$894,000
2025	\$15,700	\$909,700

OTHER IMPLICATIONS

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

NEXT STEPS

If approved, the Funding Agreement will be prepared by the City Solicitor for signature by His Worship the Mayor, the City Clerk, and the President/CEO of SREDA.

REPORT APPROVAL

Written by: Kari Smith, Director of Finance
Approved by: Kerry Tarasoff, Chief Financial Officer