

## Acquisition of Downtown Parcel 213 - 5th Avenue North

### ISSUE

A strategically located re-development property situated in Downtown Saskatoon has been listed for sale by Randolph Holdings Ltd. (by way of Colliers McClocklin Real Estate Corp.) and Administration is recommending the property be acquired for potential interim parking and future development.

### RECOMMENDATION

That Standing Policy Committee on Finance recommend to City Council:

1. That Administration be authorized to purchase 213 – 5<sup>th</sup> Avenue, (Lot 22; Block 170; Plan 99SA32572; ISC Surface Parcel No. 120283095), comprised of 0.13 acres (5,608 square foot) from Randolph Holdings Ltd. at a purchase price of \$588,840;
2. That 213 – 5<sup>th</sup> Avenue be used for market-rate monthly hangtag parking and managed by a third party until such time as the property is redeveloped or incorporated into the Civic Employee Parking Program; and
3. That the City Solicitor be requested to prepare the appropriate agreements to transfer the Property and to hire a third-party management group to provide parking services on the Property; and that His Worship the Mayor and the City Clerk be authorized to execute the agreements under the Corporate Seal.

### BACKGROUND

The City of Saskatoon currently owns 221 and 209 5th Avenue North, which are on the same block as 213 5th Avenue North (the Property). 221 and 209 5th Avenue North were acquired by the City of Saskatoon (City) in 2013 as part of the purchase of 202 4th Avenue North, which is known as Civic Square East. Both 221 and 209 5th Avenue North are being used as surface parking lots as part of the City's Civic Employee Parking Program. For the location of these properties see Appendix 1.

From images and/or permits, a house was built on the Property around 1908 and was used for residential, office and light commercial uses until the building was demolished in 2002 and converted to a gravel surface parking lot which was approved by the Saskatchewan Municipal Board in 2003.

[At its May 9, 2016 meeting](#) the Standing Policy Committee on Transportation received a report titled Comprehensive Downtown Parking Strategy Update, which recommended:

“The City needs to play a greater role in the provision of off-street public parking facilities in order to facilitate future development in the downtown in accordance with the Council approved [City Centre Plan](#)”

In March 2019, a three-day workshop was convened with community stakeholders, local and visiting experts, and civic representatives to develop creative and innovative ideas that could help stimulate growth and transformation of the Downtown.

A number of "best and most supported" ideas were identified at the workshop, as well as key actions recommended under various themes, including:

- Prepare the Downtown for Growth and Change;
- Cut Development Risk;
- Actively Stimulate Preferred Downtown Growth; and
- Best City-Building Principles.

Several recommendations in the Inquiry Toward A Downtown Stimulus Strategy for Saskatoon report suggests the City initiate actions to kick-start and manage Downtown change.

### **DISCUSSION/ANALYSIS**

#### Development Opportunity

The Property is strategically located in the Downtown, near Civic Square East, City Hall, and other City-owned sites that are currently used for parking. The Property has become available for purchase via a listing with Colliers McClocklin Real Estate Corp. Zoning of the site is M4 Core Area Institutional Services District, which allows for a wide range of institutional, office and community activities, commercial parking lots, as well as high density residential uses within the Downtown area.

Ownership of the Property would provide the City with the opportunity to work towards a land assembly that would provide the land base to influence redevelopment and future investment in this area. This area of the Downtown is home to several multi-story residential developments. The property is in close to the Downtown office district, City Hospital, the University of Saskatchewan, and the South Saskatchewan River.

The proposed land assembly is consistent with key strategies outlined in the City Centre Plan to encourage growth of residential uses and the recommendations outlined in the above noted Inquiry Toward A Downtown Stimulus Strategy where the City plays an active role to kick start downtown change.

#### Interim Use

Given the Property's proximity to nearby office and residential complexes, there is opportunity to generate interim parking revenue from the Property until redevelopment of the Property occurs. Since most of the parking in this area of the downtown is monthly hangtag, Administration would obtain the services of a third-party parking management company to manage the monthly parking on the lot until such time as the Property is redeveloped or incorporated into the Civic Employee Parking Program.

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A monthly management fee would be deducted from the monthly parking revenues. It is estimated annual lot expenses would be \$17,300 (with property taxes being \$9,500) and annual revenue from the lot would be \$32,400.

### Terms of the Agreement

Administration has negotiated a purchase agreement with Randolph Holdings Ltd., to acquire the Property. Noteworthy details of the agreement are:

- Purchase Price
  - \$588,840. Paid as a \$25,000 refundable deposit with the balance due on Closing.
  - The purchase price represents a land value of \$105 per square foot which is considered to be market value and in line with sales of similar properties in the surrounding area.
- Conditions Precedent
  - City Council approval on or before March 29, 2022.
- Other Terms and Conditions of the Agreement
  - Possession shall coincide with the Closing Date of April 6, 2022.
  - Adjustments of all taxes against the Land shall be as of the Closing Date.
  - Existing monthly parking tenancies would be transferred to the City.

### **FINANCIAL IMPLICATIONS**

Sufficient funds for this purchase exist in the Property Realized Reserve (PRR), which would be used as the interim source of funding until such time as redevelopment of the property is ready to proceed. Upon future sale or redevelopment of the property, proceeds will be deposited in the PRR.

It is proposed the interim parking revenue and expenses flow through City-Owned Property with net proceeds transferred to the General Revenue account annually. Net annual proceeds from parking revenue are estimated to be \$15,100.

### **OTHER IMPLICATIONS**

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

### **NEXT STEPS**

If approved by City Council, Administration would obtain the services of a third-party parking management company to manage the monthly parking at the lot until such time as the property is redeveloped or incorporated into the Civic Employee Parking Program.

### **APPENDICES**

1. Property for Acquisition – 213-5<sup>th</sup> Avenue North

### **REPORT APPROVAL**

Written by: Scott McCaig, Real Estate Services  
Reviewed by: Frank Long, Director of Saskatoon Land

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Approved by: Lynne Lacroix, General Manager, Community Services  
Clae Hack, Chief Financial Officer  
Jeff Jorgenson, City Manager

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