

Request to Amend License Agreement with Canadian Pacific Rail for West Central Multi-Use Corridor Expansion

ISSUE

The City of Saskatoon (City) has a license agreement with Canadian Pacific Rail (CP) for use of a strip of land adjacent to the CP tracks between Idylwyld Drive and Avenue F South. Additional lands are required to expand the West Central Multi-Use Corridor (WCMUC) further southwest. An amendment to the license agreement is required.

RECOMMENDATION

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

1. That the license agreement with Canadian Pacific Rail be amended to accommodate the expansion of the West Central Multi-Use Corridor as outlined in this report; and
2. That the City Solicitor be requested to amend the agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

BACKGROUND

Through the Pleasant Hill, Riversdale, and West Industrial Local Area Plans, the City identified a need to connect these neighbourhoods to the downtown via a multi-use pathway. To address safety and provide active transportation connections, the WCMUC project was conceived. The resultant project was a 3 km multi-use pathway adjacent to the CP tracks from Idylwyld Drive to Avenue W South. The concept for the project was approved by City Council in 2013 and the first phase was constructed between Idylwyld Drive and Avenue D South (with the exception of a 55-metre segment near Avenue B South) as part of the 25th Street East Extension Project.

From 2017 through to 2020 additional design work was completed and CP approvals obtained for pathway construction between Avenue D South and Avenue Q South, and the 55-metre segment near Avenue B South.

In 2021, the pathway between Avenue D South and 22nd Street West was constructed.

The pathway between Idylwyld Drive and 22nd Street West is completely on CP right-of-way and required a licensing agreement with CP. Clause 12(3)(c) of Bylaw No. 8174, The City Administration Bylaw, 2003 gives the City Manager authority to “approve the lease or license of land or buildings provided the annual rental charge does not exceed \$20,000.00”. Accordingly, a licence agreement with CP was reached on April 1, 2021 for use of 16,267 square feet of land at an annual fee of \$8,133.50. This addressed the required property between Avenue D South and 22nd Street West.

DISCUSSION/ANALYSIS

In 2022, the 55-metre segment between Idylwyld Drive and Avenue D South will be completed; the required CP property was included in the 2021 licensing agreement as construction work began in 2021.

In 2022, the pathway between 20th Street West and Avenue Q South will be constructed. Portions of this pathway are on public right-of-way, private land, and CP right-of-way. The Administration is working to purchase the required privately held land. A license agreement is required with CP to construct, operate, and maintain the pathway. The required licensed areas are shown in Appendix 1.

The April 1, 2021 licensing agreement requires amending to include an additional 34,806 square feet of CP land between 20th Street West and Avenue Q South. This results in an increase of the annual fee by \$17,403.00, for a total licensing cost of \$25,536.50. As this total cost exceeds the City Manager's authority, Standing Policy Committee on Finance approval is required.

Notable terms of the amending agreement include:

- Total license area of 51,073 square feet;
- Annual fee of \$0.50 per square foot and increasing annually by the Consumer Price Index equivalent (current total annual fee of \$25,536.50);
- Initial term of 10 years (expiring March 31, 2031) with an option to renew for an additional 5 years. Renewal term to be upon the same terms excepting the annual fee, which is to be reviewed and may be increased to reflect an increase in the value of CP lands;
- City responsible for the construction, operation, maintenance, and repair of the pathway and any associated improvements;
- Either party may terminate the agreement without cause upon giving the other party 90 days prior written notice; and
- Upon expiration or termination, at the option of CP, the City shall remove the pathway and any site improvements and return the land in clean and tidy condition.

A portion of land between 20th Street West and 22nd Street West is still required to complete the corridor. CP currently has licensing agreements in place with third parties for these lands. CP is aware of the City's interest in including this area within a future licensing amendment, and the Administration will continue to discuss with CP as their existing agreements with other parties expire. Subsequent reporting will be provided to the Standing Policy Committee on Finance as needed.

Appendix 2 illustrates the portions of the WCMUC constructed in 2021, carried over from 2021 into 2022 for completion, planned construction for 2022 and planned construction for future years.

FINANCIAL IMPLICATIONS

The annual fee for the license area is to be paid from Capital Project P.02550 - West/Central Multi-Use Corridor for the 2022-2023 budget cycle. Ongoing operational funding requirements will be presented as part of the 2024-2025 Multi-Year Business Plan and Budget deliberations.

The construction of this phase of the WCMUC is to be paid from Capital Project P.02550 - West/Central Multi-Use Corridor. Sufficient funding exists within the project to execute the work. Funding for the remaining phases of work will be submitted within future multi-year budget discussions.

OTHER IMPLICATIONS

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

NEXT STEPS

If the recommendations of this report are approved by City Council, the construction of the WCMUC from 20th Street West to Avenue Q South will be tendered for construction in 2022.

APPENDICES

1. Licensed Areas
2. Overall WCMUC Plan

Report Approval

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