ARBUTUS PROPERTIES

May 11, 2022

Jeff Jorgenson, City Manager
City Hall

Dear Jeff,

RE: Rosewood Neighbourhood Development – Affordable Rental Housing Project

I'm writing you today in follow up to our discussions regarding the removal of the holding provision on one of our development sites in the Meadows. I also thought it would be beneficial to provide you some additional background and context to assist in your review.

In 2015, City Council approved an amendment to the Rosewood Neighbourhood Concept plan that brought additional development lands into that plan. As part of the approval, Arbutus Properties entered into a servicing agreement to undertake improvements to allow the lands to be developed. One of the key undertakings by Arbutus was for the construction of a temporary lift station and forcemain that was required to provide sufficient sanitary sewer servicing capacity to the additional lands being brought into the concept plan. The cost of this sanitary sewer capacity improvement was to be borne by Arbutus Properties as provided for in the engineering services agreement. Furthermore, City Council approved the placement of the Zoning Bylaw's holding provision on the Arbutus development parcels without adequate sanitary sewer capacity (light blue lands depicted on attached plan).

Development in our portion of the Rosewood Neighbourhood (Arbutus's Meadows Development) has now proceeded to a point that this additional sanitary sewer capacity is needed to allow the remaining 73 hectares of land to be fully serviced. To address this, Arbutus has commenced construction of the temporary lift station and forcemain to provide the necessary sanitary sewer capacity for the remaining development area. Design is complete for the forcemain and well underway for the lift station. The tender for construction has been awarded and we anticipate construction to commence this month. As we are employing a design-build methodology, we expect construction completed and the lift station operational by year end.

With this imminent completion of the lift station and forcemain, it is our view that the holding provision currently in place against these remaining development parcels can be removed. This will allow development to proceed and the Rosewood Neighbourhood to be completed. While this is all certainly a positive direction for Arbutus's development plans, and the City's overall plan, the removal of the holding provision on one parcel has become most pressing as outlined below.

Phase I of Arbutus Properties' Parkway rental project on Meadows Parkway will be fully completed and leased up within the next month or so (224 rental units). It has been a very successful project, and part of this success was due to being an approved CMHC affordable housing project under their Flexibilities Program. It offers reduced rental rates while maintaining a high-quality level of amenity to the residents. Based on that success, we made application to CMHC for Phase II of this project (a second building with 226 rental units) and are soon expecting approval under their affordable housing program. CHMC approvals are time sensitive, so will be needing to proceed as quickly as we can on this next phase.

Despite this success and the progress being made on servicing the neighbourhood, a barrier to this housing project proceeding within the needed timeframes exists, as the Phase II building site is one of the parcels with the holding provision applied to it (please refer to the attached condo plan with the site outlined in red). As you are aware,

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ArbutusProperties.com

Arbutus has been seeking administrative support to allow construction to commence on that site now, while the lift station and forcemain are under construction, as there is little risk to the City in allowing building foundation construction to commence prior to the forcemain and lift station being operational.

Unfortunately, the Administration has been unwilling to allow a building permit to be issued a bit early on our apartment project while we complete the lift station. We have trouble understanding the Administration's reluctance here as construction of the Phase II building will take 18 to 20 months, so commencing with the foundation permit at this time would never create a situation where the needed sanitary sewer capacity would not be in place prior to occupancy of the building. The City's risk exposure here is minimal and to be frank about it, if there is any significant risk at play here, it is being borne by Arbutus Properties taking on the construction of this $50million dollar affordable housing project. On top of this, the City holds final approvals on occupancy of the building and important things like turning on the water supply. To further provide comfort, Arbutus would be willing to enter into a further agreement to protect the City's interests here.

We therefore ask you to take our request for the removal of the holding provision on this site, to the Planning, Development and Community Services' June meeting for their consideration. As we discussed this would include a report from the Administration providing a discussion on risks and options. We understand that this would ultimately have to go to City Council to approve the removal of the holding provision.

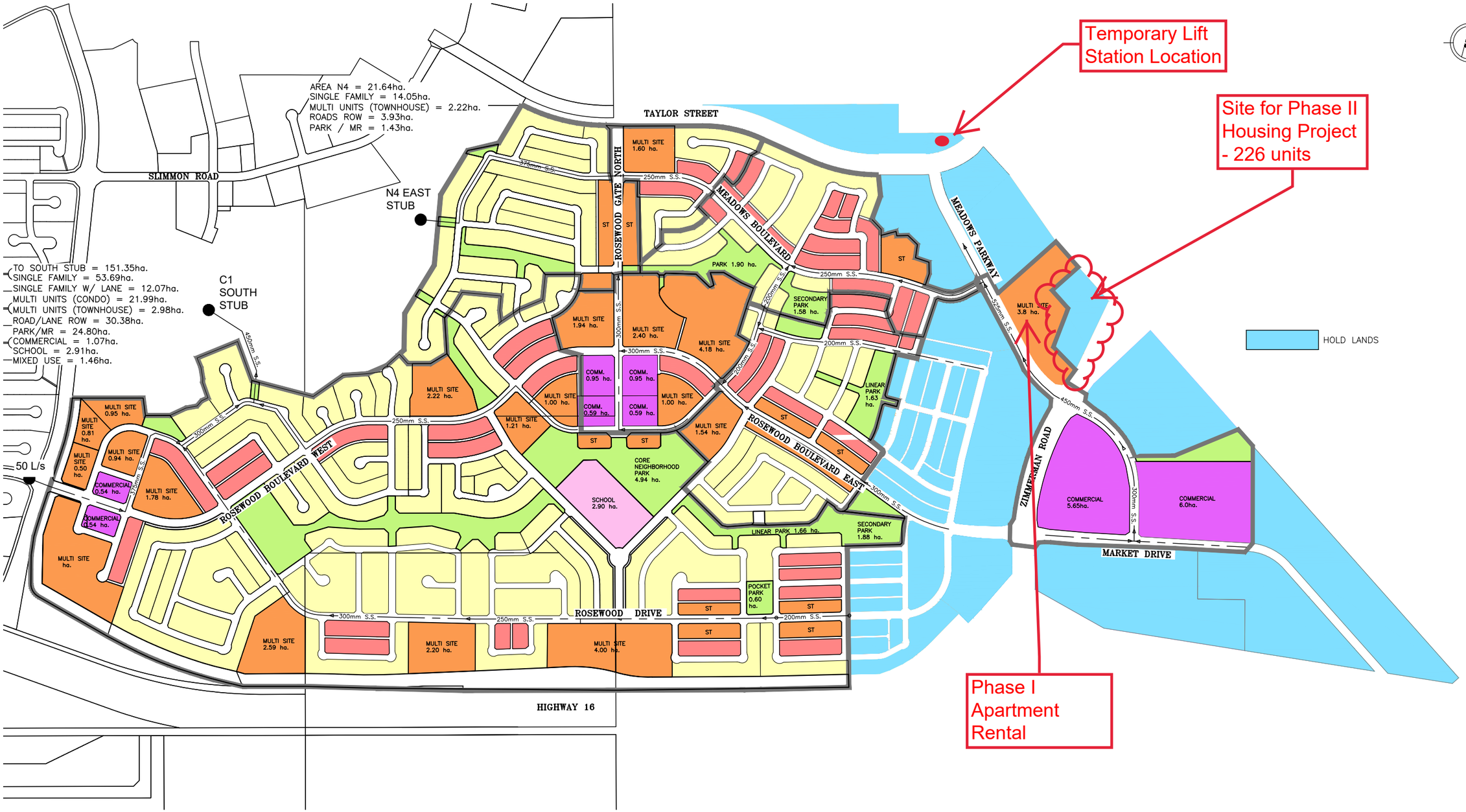
There are many benefits for the City allowing us to get an early start on construction. This project will bring much needed affordable rental units to our community and getting this work underway sooner than later is to everyone's benefit. The job creation and tax base increase are readily apparent as well. The multimillion-dollar lift station and forcemain construction is being fully funded by Arbutus, so there is no capital investment needed by the city. We simply seek approval to get construction started in advance of the infrastructure being fully completed, and again, at no risk to the City. On the downside, Arbutus faces the risk of losing the CMHC affordable project support if construction of this second building does not commence within their project approval timelines, thus our desire to start construction now.

Arbutus Properties continues to explore and deliver unique development opportunities for our community and at times, we require the support of the City to think a little differently in how we approach project development. Flexibility and discretion in the application of city policy in situations such as ours is a hallmark of a progressive and business friendly city. We have considered our request to you carefully and don't believe it causes any additional risk for the city's development processes and in fact, construction of the lift station and forcemain reduces overall development risk for the Rosewood community and the City of Saskatoon. We are therefore seeking support of City Council to allow this important affordable housing project to move forward expeditiously.

Regards,

Murray Totland, P. Eng., MBA
Director of Planning

attach: Hold lands – Meadows Development
Plan of survey for Unit 2 – Bareland Condo Site



SCALE BAR

0 500m 1000m

1			PLS	
	PLAN DESCRIPTION/REVISION	DATE	BY	SEAL

CATTERALL & WRIGHT
CONSULTING ENGINEERS

DRAWN BY GCW DATE 2019-MAR-28

City of Saskatoon
Transportation & Construction Department

ARBUTUS MEADOWS PARTNERSHIP

ROSEWOOD & THE MEADOWS
SANITARY SEWER CATCHMENT AREAS
PARTIAL BUILD-OUT
(REVISED HOLD LANDS)

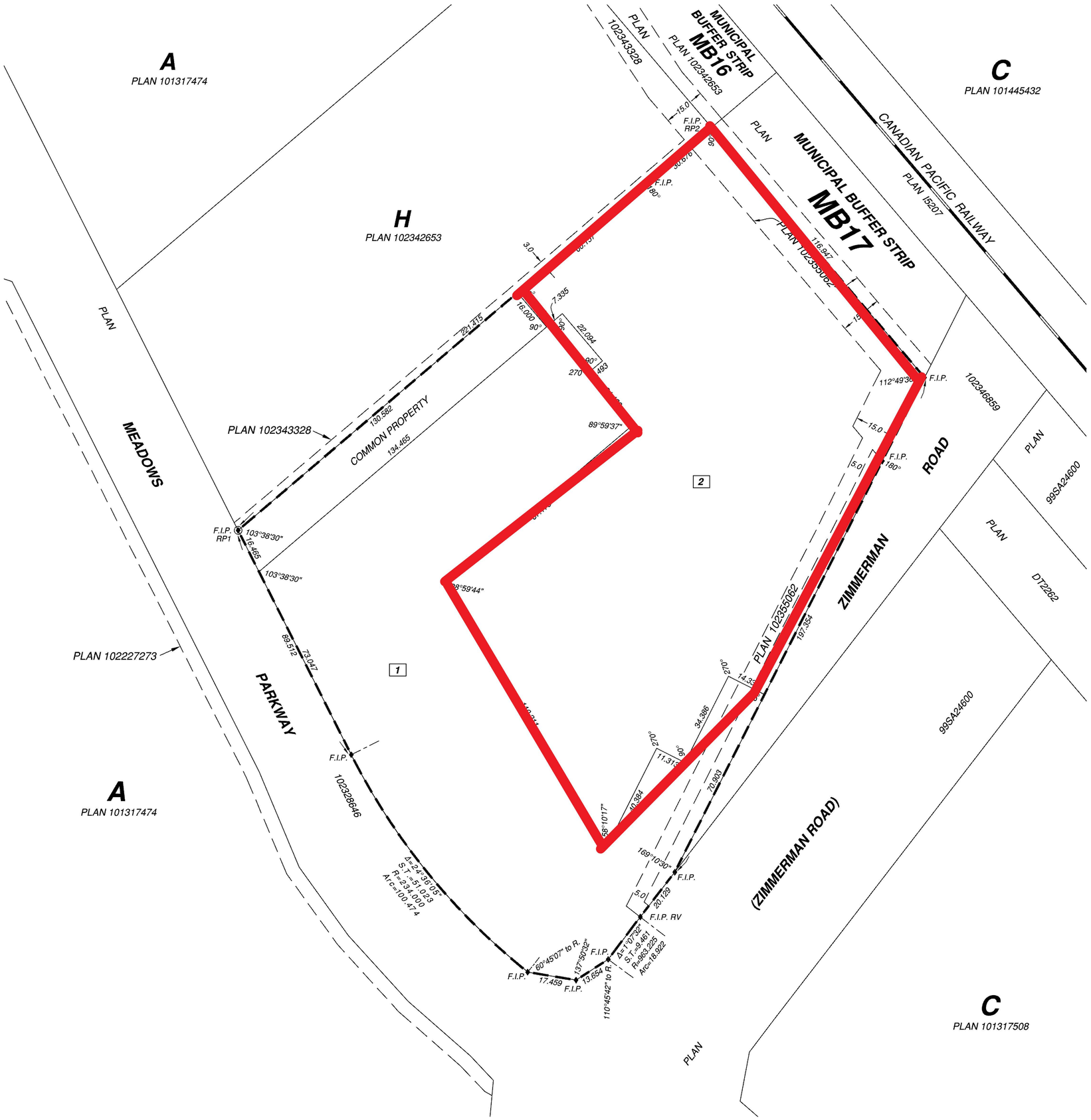
CHIEF ENGINEER

SCALES : HOR. 1:10,000 VERT.

DATE

SHEET NO. C102

PLAN NO.



PLAN OF SURVEY

SHOWING

SURFACE BARE LAND CONDOMINIUM

IN

PARCEL J, PLAN 102346859
N.E.¼ SEC.17-TWP.36-RGE.4-W.3Mer.
CITY OF SASKATOON
SASKATCHEWAN

BY: M.G. RADOUX, S.L.S.

DATE: APRIL 2021

SCALE 1:1000

LEGEND
MEASUREMENTS ARE IN METRES AND DECIMALS THEREOF.
BARE LAND UNIT NUMBERS ARE SHOWN THUS: 1 2
STANDARD IRON POSTS FOUND ARE SHOWN THUS: ♦
UNIT CORNERS ARE MARKED BY 0.013 BY 0.450 LONG, SMALL IRON POSTS.
AREA TO BE APPROVED IS OUTLINED BY A HEAVY DASHED LINE.
ALL PARCELS WITHIN THE LINE OF APPROVAL HAVE AN EXTENSION OF 0.
PARKING SPACES ARE IN ACCORDANCE WITH SECTION 11 (2) (C) OF THE CONDOMINIUM PROPERTY ACT.
REFERENCE POINTS ARE SHOWN THUS: ○RP1 ○RP2
DATUM USED: NAD83(CSRS98)
PROJECTION USED: UTM ZONE 13N EXTENDED
GEOREFERENCED POINTS DERIVED FROM PLAN 102346859.
RP COORDINATES WERE DERIVED ON NOVEMBER 14, 2019.

UNIT FACTOR SCHEDULE

UNIT NUMBER	UNIT FACTOR	APPROXIMATE BARE LAND SITE AREA IN SQUARE METRES	UNIT TYPE
1	5000	16086	BL/Res
2	5000	21587	BL/Res
	10,000		

Meridian
Surveys Ltd.
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