

Rosewood Neighbourhood Development – Arbutus Properties Request

ISSUE

A request has been received from Arbutus Properties to remove the Holding Symbol from lands in their development area of Rosewood Neighbourhood (see Appendix 1).

BACKGROUND

The [Rosewood Neighbourhood Concept Plan](#) was originally approved by City Council in May 2008 and was subsequently amended in 2014 to include the commercial area east of Zimmerman Road. Since 2014, other amendments have been approved to facilitate minor changes in land uses and parcel layout.

The Holding Symbol (H) was applied to certain lands in the Rosewood Neighbourhood to recognize particular conditions, for development to proceed, are not yet in place. The use of the Holding Symbol was deemed necessary in Rosewood to address the servicing limitations that were known in the area and has been known throughout the development process by all stakeholders, including Arbutus.

Arbutus has an approved Servicing Agreement, dated September 2, 2015, which outlined that the City of Saskatoon (City) would build the temporary lift station and forcemain, with the developer funding 100% of the costs of the lift station and forcemain. A subsequent request was made to Administration by Arbutus to allow them to fund and build this required infrastructure, which was agreed to, on February 28, 2019. Approval of work to be undertaken by Arbutus is subject to current standards and specifications, including submission of a partial letter of credit to cover some of the construction costs.

CURRENT STATUS

Request from Arbutus Properties

Arbutus Properties has requested the removal of the Holding Symbol from Parcel J in their development area of Rosewood (see Appendix 2). [City Council, at its Public Hearing Meeting on August 21, 2014](#) (referred to on page 27 of the minutes, under 4.1.3) considered a [report](#) for the rezoning of this land which included the following conditions:

“The holding symbol “H” will restrict development on the subject lands and will only be removed based on the following criteria:

- a) adequate sewer, water, and servicing capacity to the satisfaction of the General Manager of Transportation and Utilities;
- b) adequate transportation infrastructure designed to accommodate the expected traffic generated from new development to the satisfaction of the General Manager of Transportation and Utilities;

- c) for the lands designated “Regional Commercial”, a retail market analysis which demonstrates the need for more regional commercial land at this location; and
- d) agreement between the City and Developer for payment of Development Charges and Levies.”

The request to remove the Holding Symbol pertains to the first condition. Typically, as a developer achieves the required conditions (for example, full site servicing), they would make application to amend [Bylaw No. 8700, the Zoning Bylaw](#), to remove the Holding Symbol. The Administration would review the application and complete the necessary steps for the item to be considered at a Public Hearing of City Council.

Administration has explored potential options to support this request. In considering this request, Administration reviewed the conditions in place for these lands, the current status of completion of the approved conditions and the risks associated with the request for both this particular area, as well as all development areas of the city. Following this review and exploration in April 2022, Administration advised Arbutus that their request could not be supported by the Administration until such time as the required servicing for the site is completed.

Arbutus is responsible for the construction of a forcemain and temporary lift station to provide for the sanitary sewer capacity needed for this area. Discussions are continuing with the Administration, Arbutus, and their engineering consultant to ensure that the infrastructure meets the City’s construction and design standards. As of June 2, 2022, the Administration has completed the review of the construction drawings for the forcemain and has received the preliminary layout drawing for the lift station. Once the 50% design review package is received for the lift station, it will be reviewed and feedback will be provided.

Administration has actively worked with Arbutus to assist them in achieving their servicing requirements throughout Rosewood. Arbutus is in control of completing their servicing commitments, which is the necessary next step to develop the area in discussion.

DISCUSSION/ANALYSIS

Servicing Required Prior to Development

The City has a long-standing practice of requiring lots to be fully serviced before individual site development can proceed. The requirement, for servicing to be completed prior to development, is a basic and foundational concept in our Official Community Plan and approval process, for good reason. Allowing development to proceed prior to servicing brings risk to the City, the developer, and most importantly, to prospective renters or buyers. These risks include:

- Potential the City may have to take over construction of infrastructure, including funding and completion, should the developer not complete the work for any reason;

- Potential liability for the City and the developer associated with knowingly allowing a development to occur without adequate servicing; and
- Future renters/buyers may expect to be able to occupy their unit ahead of servicing completion, which could result in individual financial impacts.

Construction delays, unforeseen circumstances or ownership changes can all bring significant risk and result in a situation where a building is ready for occupancy yet cannot be occupied because servicing is not in place.

Criteria for Removal of the Holding Designation

In Section 5.1-8a of [The Official Community Plan](#) (OCP), it is provided that:

“Council shall specify the use to which lands or buildings may be put at any time that the holding symbol is removed by amendment to the Zoning Bylaw”.

In considering removal of the Holding Symbol, Section 5.1-8b of the OCP specifies that the following criteria will be relevant to the suitability of the proposed development:

- (i) “Capacity of Servicing - the capacity of existing municipal services or the economic provision of new services to facilitate such use and development;
- (ii) Transportation System - the effects of such use and development upon the transportation and public transit systems;
- (iii) Environmental Concerns – the need to minimize or remediate environmental impacts or conditions in relation to air, water, soil, or noise pollution;
- (iv) Natural or Historical Features – the need to protect any significant natural or historical feature upon or adjacent to the land; and
- (v) Other Circumstances - any other matter that Council deems necessary”.

At this time, the criteria for “Capacity of Servicing” has not yet been met.

The requirement for servicing provision prior to development has been consistently used and applied to all developers and has been consistently communicated to Arbutus throughout the development in Rosewood. Moving away from the requirement and its consistent application at this time has potential to set a precedent for similar requests from others.

Time Sensitive Funding Application

Throughout the development of the Rosewood Neighbourhood, the servicing constraints have been well known and communicated, including the requirement for the lift station and forcemain to be operational prior to proceeding with development in the subject area. Arbutus has stated that their application for funding from Canada Mortgage and Housing Corporation for this parcel is time sensitive and should therefore be allowed to

proceed prior to satisfaction of these requirements. Arbutus' application was made with full knowledge of the servicing constraints and resulting development restrictions for the subject area and would not typically be a consideration of the Administration for the removal of the Holding Symbol.

A contract could be put in place in an attempt to ensure Arbutus completes the servicing prior to the building completion. Further, Arbutus' investment in the building itself, stated to be worth nearly \$50 Million, is arguably an incentive for them to complete the servicing. Although both of these factors may help mitigate the City's risk, neither fully absolve the City of the risks outlined in this report.

POLICY IMPLICATIONS

Until such time as the servicing requirement is deemed complete, Administration cannot recommend removal of the Holding Symbol as it would be in contravention of the Official Community Plan.

OTHER IMPLICATIONS

There are no other implications of note at this time.

NEXT STEPS

Removal of the Holding Symbol requires a bylaw amendment to the Zoning Bylaw map and City Council approval via a Public Hearing. This process will proceed once the lift station and forcemain are constructed and operational, unless otherwise directed by City Council. Should Council wish to proceed with removal of the H designation prior to servicing being in place, a specific motion would be required directing the Administration to bring the matter forward to a public hearing.

APPENDICES

1. Letter from Arbutus Properties – Dated May 11, 2022
2. Map – Rosewood Land Use Concept Plan
3. Confidential – Solicitor/Client Privilege

REPORT APPROVAL

Written by: Lesley Anderson, Director of Planning and Development
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