

# Risk of Expropriation of Wheaton Lands to Accommodate Future Saskatoon Freeway

## ISSUE

This information report is in response to an inquiry made by Councillor D. Hill at it's Regular Business Meeting held on January 31, 2022. The inquiry raised concerns as to the potential financial risk relating to the recapture of the purchase price of the former Wheaton parcel, if the lands are required for the roadway project. The Inquiry stated:

“In respect of the volume of the Wheaton lands, north of Cory Road and west of Highway 12, that are being considered for the proposed interchange of the provincial perimeter highway, I consider the potential financial impact of the final land use, as important and urgent. Would the administration please report on the potential risk of expropriation of a significant volume of the Wheaton lands by the Provincial Government. The report should include reference to the original purchase price and any risk associated with what the assessed market value may be in the future at time of expropriation, with respect to what the City purchased it for.”

## BACKGROUND

The 155.18-acre parcel (NW 33-37-5 W3) is located within the Rural Municipality (RM) of Corman Park and was purchased by the City in 2015 for \$4,207,240 (\$27,112/acre), which included a house, outbuildings, and corrals. The site was previously situated within the Corman Park – Saskatoon Planning District, however, now falls within the newly formed Saskatoon North Partnership for Growth (or P4G) P4G Planning District. The zoning of the property is currently DAG2 (Agricultural 2) under the P4G Zoning Bylaw.

The current municipal property assessment of the parcel by the RM is \$382,800 with \$184,700 being attributed to the improvements and the balance of \$198,100 to the land.

The Saskatoon Freeway (Freeway) is a multi-lane high speed roadway that is planned to align along the west, north and east edges of Saskatoon. The Freeway will include new interchanges, a new bridge over the South Saskatchewan River and new and re-aligned municipal roads. The Freeway will enable the safe and timely movement of inter-provincial goods, as well as providing connections and access to Saskatoon which will benefit commuters and local businesses.

## CURRENT STATUS

The City of Saskatoon (City), through its development arm Saskatoon Land, has assembled land holdings to accommodate future urban development that now lie in the path of the current alignment of the proposed future Saskatoon Freeway. A review of the alignment and the City's land ownership indicates several parcels will be impacted to accommodate the land requirements for the project, including a significant portion of the former Wheaton parcel that is currently slated for an interchange.

The proposed roadway is classified as a Provincial Highway and therefore development of the project falls under the responsibility of the Provincial Government's Ministry of Highways and Infrastructure (MHI), including all costs for land assembly and construction of the improvements. Timing and official approval of the project has not been determined, however MHI continues to move forward with a multi-year functional planning study to determine how the Saskatoon Freeway will function and connect to regional infrastructure. According to information posted on the Saskatoon Freeway website, the freeway is expected to be a four-lane, 55-kilometer stretch of divided highway that begins at Highway 11 south of Saskatoon and connects with Highway 7 west of the city. The MHI project will encompass 15 interchanges, five railway overpasses, two flyovers and one major river crossing.

[Phase 1](#) of the functional planning study, which includes the former Wheaton parcel, is now complete and [Phase 2](#) is currently underway. The Standing Policy Committee on Transportation considered the Saskatoon Freeway Functional Planning Study – Phase 1 Functional Design Report and supporting appendices at their regular meeting on April 11, 2022. The Committee subsequently recommended that City Council endorse the report and supporting appendices design with the exceptions outlined in the report of the General Manager, Transportation and Construction dated March 7, 2022 (Option 3).

### **DISCUSSION/ANALYSIS**

Although timing and official approval of the project has not been determined, MHI has previously acquired a key land requirement on the west side of the river to accommodate the future river crossing in the City's northeast. In early 2019, the Province negotiated and purchased 254.97 acres from a private property owner at a purchase price of \$7,140,000 (\$28,000/acre).

The current municipal property assessment of that parcel which is located within the City limits and zoned Agricultural, is \$371,800 (\$1,458/acre). There are no improvements located on the property therefore the assessment is wholly attributable to the land.

This acquisition would suggest the Province is prepared to pay fair market value for lands required for the future roadway.

To get a further indication as to the MHI practice of acquiring lands for roadway purposes, Administration reached out to the City of Regina's Real Estate department to get some insight into their experience with the Province relative to their Bypass project, which is Regina's equivalent to the Saskatoon Freeway.

Regina's Administration referenced the sale/acquisition of the "Pacer Park" lands which were required for the East Bypass and consisted of 20 acres of City-owned land that were improved with baseball diamonds. The Province negotiated with the City and an agreement was reached which gave consideration for acquisition of the land as well as

the relocation of the sports fields to an alternate site the City subsequently acquired, thereby making the City whole again.

Administration also contacted Geoff Meinert, Senior Property Manager with MHI and project manager of the Functional Planning Study for the Saskatoon Freeway. Mr. Meinert confirmed the Ministry's policy in acquiring lands required for roadway is to pay fair market value as established through appraisals at the time the lands are to be acquired by the Ministry, and in that regard, the City of Saskatoon is no different than any other property owner and will be treated the same.

As previously noted, construction of the Saskatoon Freeway is not an approved project at this time nor does MHI have direction to proceed with further land acquisitions for the future project. However, based on Regina's experience on their By-pass project, MHI's earlier purchase of lands required for the Saskatoon Freeway from private owners at fair market value, and confirmation by Geoff Meinert of the Ministry's policy on acquiring lands for roadway at fair market value, there is no reason to expect there will be any issue with receiving fair compensation for loss of City-owned lands that will be required to accommodate the future Saskatoon Freeway. Given these circumstances, there would appear to be minimal risk of expropriation of City-owned lands by MHI as the City will be a willing seller to accommodate the future roadway.

### **FINANCIAL IMPLICATIONS**

There are no financial implications anticipated.

### **OTHER IMPLICATIONS**

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

### **NEXT STEPS**

There are no next steps identified.

### **APPENDICES**

1. Proposed P4G North Concept Plan Future Land Use Map
2. Saskatoon Freeway and the Wheaton Lands (NW 33-37-05 W3)

### **REPORT APPROVAL**

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