

## Acquisition of Future Development Land - North Saskatoon Region

### ISSUE

As the City of Saskatoon (City) continues to develop and sell residential, industrial, and commercial land, raw land is required to ensure there is sufficient inventory of land to develop and sell in the future. The City currently has the opportunity to acquire 79.64 acres of future residential development land located within the P4G Future Urban Growth to 700,000 Area.

### RECOMMENDATION

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

1. That the Administration be authorized to purchase ISC Parcel No's 145175474 and 145175496, comprising approximately 79.64 acres, from Martin and Joy Gramowski for \$540,000.00 and upon the terms as stated within this report; and
2. That the City Solicitor be requested to have the agreements executed by His Worship the Mayor and the City Clerk under the Corporate Seal.

### BACKGROUND

Informally, the City has been purchasing, developing, and selling land since the 1920's. In 1954, the City formally established the Land Bank and began to actively acquire land for future development. As Saskatoon and region continues to grow, the existing supply of future development lands is depleted as lands are serviced and sold. As such, Saskatoon Land's core mandates include providing an adequate supply of residential, institutional, and industrial land at competitive market values and ensuring there is a sufficient long-term supply of future development lands for the City's land development business line through timely and responsible acquisitions.

### DISCUSSION/ANALYSIS

The City has the opportunity to acquire ISC Parcel No.'s 145175474 and 145175496, totalling approximately 79.64 acres, located northwest of Saskatoon within the R.M. of Corman Park (Appendix 1). The land includes a 1,332 square foot house with an attached garage which occupies approximately four acres. The remainder of the land is being farmed or grazed (approximately 75 acres).

The acquisition of this land is in line with Saskatoon Land's core mandates and principles. The land is identified as Urban Residential Land on the P4G District Land (Appendix 2) and the City owns adjacent land to the north and west, as well as other lands in the vicinity. The land is currently subdivided into two 40-acre parcels and the yard site is not subdivided out of the larger parcels.

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The owners (Martin and Joy Gramowski) approached the City looking to sell their property with a leaseback in place for the house and a yard site. From a future development perspective, acquiring the entirety of the property is advantageous as developing around yard sites and smaller fragmented parcels creates future servicing and design challenges. Through negotiation, a conditional agreement with the following notable terms was reached:

- Acquisition Area – 79.64 acres;
- Purchase Price - \$540,000.00 (\$6,780 per acre);
- Sale conditional upon City Council approval by February 28, 2023;
- Closing Date of March 15, 2023; and
- Leaseback of house/yard site to the owners at \$1.00/year for a term of 25 years, which has been factored into the purchase price. Lease to terminate should the house be abandoned by the sellers, should neither seller be capable of living independently in the house, or upon their death.

A proposed leaseback for the house has been drafted by Solicitors and approved by the parties and would come into effect upon the Closing Date of the acquisition should it be approved.

### **FINANCIAL IMPLICATIONS**

The negotiated price of \$540,000.00 is reflective of market value considering the location and size of the parcel, the condition of the house, and considering the leaseback. Sufficient funds exist within the Property Realized Reserve to fund this land acquisition.

Saskatoon Land would explore opportunities to increase the farm rent revenue generated from the balance of the property with the revenues being deposited into the City's General Revenue Account.

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

### **OTHER IMPLICATIONS**

The R.M. of Corman Park has been informed of this potential acquisition.

### **NEXT STEPS**

If approved, the proposed acquisition would close on March 15, 2023, at which point the leaseback would also commence.

### **APPENDICES**

1. Aerial Showing Location of Land for Acquisition
2. P4G District Land Use Visual

**REPORT APPROVAL**

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Reviewed by:        Frank Long, Director of Saskatoon Land  
                          Clae Hack, Chief Financial Officer  
Approved by:        Jeff Jorgenson, City Manager

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