

# SaskEnergy Central Ave Regulator Station Direct Sale

## ISSUE

SaskEnergy Incorporated (SEI) provides natural gas to customers in Saskatoon and an expansion of their infrastructure is required to continue serving their customers. The land to be acquired by SEI for a district regulator station along Central Avenue is owned by the City of Saskatoon (City) and Standing Policy Committee on Finance approval is required prior to proceeding with a direct sale.

## RECOMMENDATION

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

1. That the Administration be authorized to sell, by direct sale, a portion of ISC Parcel No. 121032098 and 119031050, being 0.41 acres, located along the east side of central Avenue to SaskEnergy Incorporated for \$12,300.00 for a regulator station as per the terms and conditions outlined in this report; and
2. That His Worship the Mayor and the City Clerk be authorized to execute the conditional Agreement for Sale under the Corporate Seal.

## BACKGROUND

The City was approached by SEI to consider the sale of approximately 0.41 acres of City-owned land located on the east side of Central Avenue in the Silverspring neighbourhood, as shown on Appendix 1. SEI has identified this location as an ideal location for a regulator station giving its proximity to existing and planned SEI infrastructure.

## DISCUSSION/ANALYSIS

The land being requested for purchase by SEI is a portion of Parcel C, Plan No. 92S44715 Ext 2, ISC Parcel Number: 121032098 and a portion of MB2, Plan No. 92S44715 ISC Parcel Number: 119031050.

The direct sale is consistent with Section 3.3 of Council Policy No. C09-033, Sale of Serviced City-Owned Lands, as follows:

- “3.3 The Administration may pursue or entertain direct sale, or long-term leases under the City’s Industrial Land Incentives Program, of civic lands when one or more of the following conditions are present:
- i) A situation where a utility company or government agency requires a site for a specific purpose.”

The Administration has negotiated a conditional sale agreement with SEI, noteworthy details of the agreement are:

Purchase Price:

- \$12,300.00 being paid at Closing.

Conditions Precedent:

- Standing Policy Committee on Finance approval by June 28, 2023;
- SEI obtaining all regulatory approvals required to construct on the Lands on or before May 1, 2025;
- SEI obtaining, and the City approving where applicable, the closure of a portion of MB2, Plan No. 102399497 on or before December 1, 2024; and
- SEI obtaining, and the City approving where applicable, the necessary approvals of the subdivision application and the issuance of a Transform Approval Certificate, on or before December 1, 2024.

Other Terms and Conditions:

- Possession date would be upon the removal of the Condition whereby SEI has obtained all regulatory approvals required to construct on the Lands;
- Closing would take place upon completion of the subdivision and transfer of title;
- SEI and agrees that the Lands may only be used for the construction and maintenance of a regulator station and its related fixtures;
- SEI would be purchasing the land “as is”; and
- SEI would be able to apply to the City’s Transportation department for a driveway crossing of up to 10.6m.

The purchase price of \$12,300 reflects a value of \$30,000 per acre, which is considered market value.

The closure of a portion of MB2 as shown on Appendix 2 would be required for the site/subdivision to meet the City’s subdivision requirements as parcels must have direct access to a legally subdivided roadway for access requirements.

**FINANCIAL IMPLICATIONS**

Of the total sale amount of \$12,300.00, \$1,040.00 for the Municipal Buffer portion would go to the Dedicated Lands Account and \$11,260.00 for the portion of Parcel C would go to the Property Realized Reserve.

SEI would be responsible for all costs associated with the subdivision, which would include survey costs, levies, money in lieu of Municipal Reserve dedication and bylaw dealings for the portion of the MB2 that would be closed.

## OTHER IMPLICATIONS

As these lands being recommended for sale to SEI are within the Meewasin River Valley jurisdiction, the City is required to comply with Section 51 of the *Meewasin Valley Authority Act* which states:

“[...] where a participating party proposes to dispose of land owned by it within Meewasin Valley, it shall provide the other participating parties and the authority with an opportunity to acquire the land before attempting to dispose of it.”

The “participating parties” are Meewasin, University of Saskatchewan, the Provincial Government, and the City of Saskatoon. The City has obtained written permission from the participating parties for the sale of the City-owned land to SEI as required by the Act.

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

## NEXT STEPS

If approved, the SEI and Administration would proceed with the necessary procedures to complete the Municipal Buffer closure bylaw, subdivision and sale.

## APPENDICES

1. Proposed Lands to be Sold to SEI Along Central Ave
2. Plan of Proposed Subdivision

## REPORT APPROVAL

Written by: Scott McCaig, Real Estate Services  
Reviewed by: Frank Long, Director of Saskatoon Land  
Jay Magus, Director of Transportation  
Approved by: Clae Hack, Chief Financial Officer