

## Vacant Lot and Adaptive Reuse Incentive Program – 1011, 1013 and 1015 Idylwyld Drive North

### ISSUE

Under the Vacant Lot and Adaptive Reuse Incentive Program, JABR Property Holdings Ltd. has applied for a five-year tax abatement of the incremental property taxes for the development of 1011, 1013 and 1015 Idylwyld Drive North.

### RECOMMENDATION

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council that:

1. A five-year tax abatement, equivalent to 60.67% of the incremental City of Saskatoon, Library and Education property taxes for the development of 1011, 1013 and 1015 Idylwyld Drive North, be approved;
2. The City Solicitor be requested to prepare the appropriate agreement, and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal; and
3. The five-year tax abatement on the incremental taxes be applied to the subject property, commencing the next taxation year which follows the completion of the project.

### BACKGROUND

City Council, at its Regular Business [Meeting](#) on March 7, 2011, approved the Vacant Lot and Adaptive Reuse Incentive Program (VLAR Program) and Council [Policy](#) C09-035, Vacant Lot and Adaptive Reuse Incentive Program Policy (Policy) . The VLAR Program is designed to encourage infill development on vacant sites and the adaptive reuse of vacant buildings within established neighbourhoods in Saskatoon.

Applicants have an incentive choice of a five-year tax abatement or a cash grant. The maximum incentive amount is calculated by multiplying the increment, between the existing taxes and the taxes owing upon completion of the project, by five years. Applications are scored against an evaluation system where points are awarded for features included in a project, which meet a defined set of policy objectives. The total points scored for the project determines what portion of the incentive amount it will receive, up to a maximum of 100%. Projects scoring 100 points or more are eligible for 100% of the incentive. Any residual portion of the maximum incentive amount, on projects which earn less than 100%, will be redirected into the Vacant Lot and Adaptive Reuse Reserve (Reserve) during the abatement period. The residual portion redirected to the Reserve excludes the Education portion of property taxes.

### DISCUSSION/ANALYSIS

#### Description of Development at 1011, 1013 and 1015 Idylwyld Drive North

Neighbourhood Planning received an application under the VLAR Program from JABR Property Holdings Ltd. for the development of 1011, 1013 and 1015 Idylwyld Drive North, located in Caswell Hill (see Appendix 1).

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The three lots are zoned RM4 – Medium/High Density Multiple-Unit Dwelling District. The VLAR Program requires projects within the program boundary, which is outside of the City Centre, to have a minimum four-year vacancy requirement for eligibility to receive a development incentive. However, the Policy allows the minimum vacancy requirement to be reduced to one year if a site contains a derelict and vacant building, which is uninhabitable or structurally unsound and the subject of a property maintenance order, fire order, public health or safety hazard; or has a history of public complaints and is intended to be demolished for the purpose of redevelopment.

In 2021 and 2022, the Saskatoon Fire Department conducted site visits at 1011 and 1013 Idylwyld Drive North, resulting in multiple Order to Remedy notices. The two houses were demolished in 2022. The Saskatoon Fire Department also conducted inspections at 1015 Idylwyld Drive North in 2022, where it was determined to be in satisfactory condition and did not receive any Order to Remedy notice. This property was occupied until the end of June 2023 and is currently being demolished.

With the conclusion of the site visits, it was determined two of the three equal-sized properties meet the minimum vacancy requirement of the Policy. As a result, the maximum incentive amount for the entire project will be pro-rated by this amount (two thirds of the maximum).

The proposed development is a multi-unit residential building consisting of 22 one-bedroom rental units. The four-level project includes three storeys and a basement, with 22 at-grade parking spaces and three visitor parking spaces, shared laundry facilities, secured indoor bicycle parking and basement storage units. The applicant has indicated the estimated investment in the project is approximately \$2,800,000 (see Appendix 2).

### Estimated Incremental Property Tax Abatement

The application was reviewed using the VLAR Program's evaluation system. The project received a total of 91 points. Since only two of the three equal-sized lots are eligible for the incentive program, the maximum incentive amount earned is pro-rated by two-thirds, resulting in an earned incentive of 60.67% of the maximum incentive amount (see Appendix 3). The project received points for a variety of design features, such as dedicated indoor and outdoor bicycle parking, upgraded wall insulation, triple-pane low-E windows, Energy Star appliances and good walking/transit scores.

The applicant is applying for a five-year tax abatement of the incremental property taxes for the development of 1011, 1013 and 1015 Idylwyld Drive North. According to Corporate Financial Services, the incremental increase in annual property taxes, the City of Saskatoon (City), Library and Education portions for the project, is estimated to be \$14,242.47; therefore, the estimated maximum incentive amount over five years totals \$71,212.35.

The estimated actual abatement amount is \$43,204.53, which is 60.67% of the maximum incentive amount. This includes an estimated \$5,510.35 in City and Library property taxes and \$3,130.56 in Education property taxes annually, for five years.

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As the Education property tax portion for the site is not expected to exceed \$25,000 per tax year, no further approval from the Provincial Government is required to exempt or abate the Education tax revenue. The calculations are based on 2022 tax rates and would change with any alterations to the design plans and annual mill rate adjustments. An actual assessment value will be determined upon final inspection of the completed project.

### Administration Recommendation

After review of this application, Administration has concluded this project is consistent with the intent of the Policy and is recommending City Council approval.

### **FINANCIAL IMPLICATIONS**

The incremental property tax abatement, for the project at 1011, 1013 and 1015 Idylwyld Drive North, is forgone revenue and will not require funding from the Reserve. The City will forgo an estimated total of \$45,412.45 of City and Library property tax revenue, over five years, of which an estimated \$27,551.75 will be abated to the property owner, and the residual of \$17,860.70 will be redirected to the Reserve. The Provincial Government will forgo an estimated total of \$15,652.80 of Education tax revenue over five years, which will be abated to the property owner.

### **OTHER IMPLICATIONS**

There are no other implications.

### **NEXT STEPS**

Development of 1011, 1013 and 1015 Idylwyld Drive North is planned to begin in 2023 and expected to be complete in 2025. The incremental property tax abatement, if approved, will begin the calendar year following project completion and continue for five years.

### **APPENDICES**

1. Project Location
2. Building Rendering and Site Plan – 1011, 1013 and 1015 Idylwyld Drive North
3. VLAR Program Project Evaluation – 1011, 1013 and 1015 Idylwyld Drive North

### **REPORT APPROVAL**

Written by: Sarah Adair, Planner  
Reviewed by: Mark Emmons, Acting Neighbourhood Planning Manager  
Lesley Anderson, Director of Planning and Development  
Approved by: Lynne Lacroix, General Manager, Community Services Division

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