

Planning and Development Act Changes - Impacts to Municipal Reserve and Establishment of New High School Land Levy

ISSUE

There is currently not sufficient Municipal Reserve land to allocate to the development of future high schools, without having an impact on the community benefit provided by greenspace within neighbourhoods, and no current funding model to support the purchase of land for future high schools. Administration is proposing the establishment of a new city-wide High School Land Levy to assist with the acquisition of land for the new high school site in the Holmwood Sector and all future high school sites. In addition, funding is required to purchase land for the East Side Leisure Centre in the Holmwood Sector.

RECOMMENDATION

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

1. That a new city-wide levy be established, called the High School Land Levy, based on the year-to-year cost of acquiring 28 acres for future high-school sites for every four new neighbourhoods;
2. That the existing School Land Levy be renamed to the Elementary School Land Levy;
3. That Capital Project P.02600 Indoor Recreation Facilities be increased by \$10.842M for the purchase of 13 acres, 9 acres for the high school site and 4 acres for the Leisure Centre, of serviced land from Dream Asset Management for the development of the joint high school and East Side Leisure Centre project funded as follows: \$3.753M from the newly established High School Land Levy; \$3.753M from the Province of Saskatchewan; and \$3.336M from the Parks and Recreation Levy.
4. That with respect to the proposed joint high school and East Side Leisure Centre, the City Solicitor be requested to prepare the appropriate funding contribution agreement(s), which terms are as set out in this report, and that His Worship the Mayor and the City Clerk be authorized to execute the agreements under the Corporate Seal.

BACKGROUND

The City of Saskatoon (City) historically has not provided land for either elementary or high school sites. *The Planning and Development Act* was amended by the Province of Saskatchewan (Province) in 2018, through Bill 113, requiring that municipalities designate sufficient lands for school sites.

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City Council, at its Regular Business meeting held on April 30, 2018, was presented a [report](#) by Administration containing a summary of the proposed amendments to *The Planning and Development Act, 2007*. The amendments included a provision that municipal reserve (MR) lands be provided for school purposes, including “the creation of municipal reserve sites suitable in size to be used for school purposes”. Prior to this, there was no such requirement to locate schools on MR sites, although they were allowed to be located on MR lands. Administration was directed to undertake further assessment and consultation with the development industry for options to address the changes. At that time, there were limited indications of how this amendment would be interpreted and implemented in the future.

In response to the 2018 amendments and the Provincial announcement in 2019, to construct four new joint elementary schools, each of which required land be provided by the municipality, the City repurposed the Community Centre Levy to make the funds available to purchase land for new joint elementary school sites. This move to purchase the additional land for schools ensured the full-size typical core neighbourhood park, was able to be retained for the greater community and school benefit. The April 2018 report noted above included graphics highlighting the impacts to the size of the core park, if only MR was used for school land purposes. More recently, City Council, at its Regular Business meeting held on December 20, 2023, received the [report](#) and approved the following changes to the Community Centre Levy:

- “3. That the Community Centre Levy be renamed to the School Land Levy; and
4. That beginning in 2024, the School Land Levy be based on the year-to-year cost of acquiring 10 acres of potential elementary school-site property in each developing neighbourhood.”

To help provide clarity between this existing School Land Levy and the newly proposed High School Land Levy, Administration is recommending the existing levy be renamed to the Elementary School Land Levy. The purpose of the School Land Levy is to provide funds to purchase sufficient land for the development of elementary schools, which supports a healthy vibrant community, while maintaining the available MR for neighbourhood park space, including the core park. Facilitating development of schools in developing neighbourhoods supports the Strategic Goal of Quality of Life by helping to establish primary services (education and recreation) that are of high importance to residents, supporting community building through direct investment and supporting volunteers and community associations by providing good access to flexible community space in neighbourhoods. There is currently no funding mechanism to purchase land for the development of high schools.

DISCUSSION/ANALYSIS

Administration has been working with both Saskatoon School Divisions and the Province from the onset of planning for the two new joint high schools and Leisure Centre in the Holmwood Sector (see Appendix 1). In addition to the *Planning and Development Act* requiring municipalities to provide sufficient land for school purposes,

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the Provincial *Education Regulations, 2019* further contains a provision for the “area of site” which is to be set aside for school sites based on student population. The Saskatoon Public School Division and Greater Saskatoon Catholic Schools have confirmed that future high school sites will be based on a total student enrollment of 3,600 students (1,800 students per school).

Planning for Future High School Sites:

The school divisions informed Administration that based on neighborhood size, density and anticipated school enrollments, a new joint high school would be required for every four new neighborhoods of growth (approximately 40,000 to 50,000 population growth). Based on this projection, a second high school site will eventually be required in the Holmwood Sector, along with an additional future site in the Blairmore Sector. There is limited multi district and district MR available to support these future high school sites without significantly reducing the park space throughout these sectors. To support the purchase of land for these high school sites, while maintaining the majority of the MR for active and passive recreation and sport field green spaces, Administration is recommending the creation of the new High School Land Levy. As high schools draw students from large catchment areas, not geographically or neighborhood specific, Administration is recommending the new levy be a city-wide levy, similar to the Parks and Recreation Levy and the School Land Levy for elementary schools.

Administration has reviewed the *Education Regulations, 2019*, consulted with the school divisions on sport field requirements and utilized the following criteria in establishing the initial High School Land levy rate:

- Future joint high schools will have a total enrollment of 3,600 students;
- School divisions have identified the need for 6 sport fields to support school activities, totaling approximately 10 acres;
- The *Education Regulations, 2019* require for a 1,000-student base, a site size range: 4.0 ha to 5.7 ha, plus 0.4 ha more for every additional 100 students. Therefore 2,600 students above the 1,000 base adds a total of 10.4 ha;
- Site size range for 3,600 students is 14.4 ha to 16.1 ha;
- Conversion to acres yields a range of 35.5 to 39.8 acres; and
- Subtract the MR provision for 6 sport fields of 10 acres leaves 25.5 to 29.8 acres.

As described above, future joint high schools are anticipated to require 36 to 40 acres for two schools and the associated sport fields. The City’s current practice is for school sites to be located adjacent to park spaces; therefore, the 10 acres of sport fields for the new high schools would be developed on the adjacent MR to support both the school’s programming and community use. The remaining 28 acres of required lands would need to be purchased. To purchase 28 acres funded through the development of four new neighborhoods, using the current land costs, the new High School Land Levy is proposed at \$175.80 per front metre, effective January 1, 2025.

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The first neighborhood in the Holmwood Sector, Brighton, is already approximately 26% built out as of July 2023, and 75% of lots serviced. Levies are collected at the time of servicing the lots, so lots already serviced would not be subject to the new High School Land Levy. The remainder of lots serviced after January 1, 2025, in Brighton, as well as all future lots city-wide would be subject to the new High School Land Levy.

Park space for both passive and active recreation, active transportation and overall quality of life for residents is crucial for the continued development of a healthy and vibrant community. To put this into context of the potential impact to MR, without the newly establish High School Land Levy, and the existing Elementary School Land Levy the Holmwood Sector will include six new neighbourhoods and ultimately require six joint elementary schools (60 acres at 10 acres per joint elementary school site) and two joint high schools (72 to 80 acres at 36 to 40 acres per joint high school site), totaling 132 to 140 acres of school land required for this Sector. The projected total acres of MR for the Holmwood Sector are 447.8 acres (based on the *current Planning and Development Act* requirement for 10% designation of gross developable lands to MR). Therefore, if the City was to only provide MR for school sites from the existing MR allocation, approximately one third of the entire MR would be allocated to school sites, reducing green space available for use by residents by 132 acres, the equivalent of 65 multi-purpose sport fields.

The existing School Land Levy provides the funding to acquire 10 acres of land per new neighborhood for a joint elementary school site. The proposed new High School Land Levy is intended to provide the funding to acquire 28 acres of land for future high schools for every four new neighborhoods. These two levies serve to preserve the available MR for the neighborhoods while meeting the requirements to provide sufficient land for the development of schools, a needed and valued community amenity.

Holmwood High School Site

The Province intends to build two new high schools in the Holmwood Sector, located in the Holmwood Urban Center, which will be located east of Brighton Neighborhood. Administration has been working with the developer and school divisions in the planning for the new joint high schools and the East Side Leisure Centre (Leisure Centre). To accommodate the project, the City committed to providing 23 acres of MR, comprised of district and multi district park allocation from the sector. This represents a significant portion of the available MR from the Holmwood sector. The Province has identified the new targeted enrollment of 3,600 students and the need for 9 additional acres of MR, bringing the total parcel size to 32 acres to support the development of the schools and associated sport fields. Without funding available or a funding mechanism in place to purchase the additional 9 acres, Administration has been negotiating with the Province to develop a plan to fund the acquisition of the additional land. The developer, Dream Asset Management, recognizing the benefit of the joint high schools to the sector, is providing a 15% discounted per acre cost of \$834,000, or a total for \$7.506M for 9 additional acres.

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The City provided options to the Province to share in the costs of purchasing the additional 9 acres of land to support the goal of a 32-acre site. In a letter dated March 19, 2024 (Appendix 2), the Province agreed to equally share the cost of purchasing 9 acres of additional land, at a cost of \$3.753M to each party.

Administration is recommending the City's share would be funded from the new High School Land Levy proposed in this report. With the new levy just being established and the development of the new joint high schools occurring immediately, the 9 acres of land will need to be purchased in 2024 and then financed over the next five to ten years, depending on the pace of growth and levy collections. To facilitate this, Administration is recommending the new High School Land Levy be approved to be in a deficit position based on the timing required to purchase the land and the collection of the levy. The City does not otherwise have the cash on hand to purchase any additional acres of land for schools.

To support the development of the new joint high schools Administration is recommending that Capital Project P.02600 Indoor Recreation Facilities be increased by \$7.506M for the purchase of 9 acres of land from Dream Asset Management. Administration is recommending the source of funds be \$3.753M from the newly established High School Land Levy and \$3.753M from the Province.

The City will need to enter into a funding agreement with the Province for their share of the cost for the required additional 9 acres. Ultimately, the land will be purchased in the name of the City of Saskatoon and the funding agreement would specify the contributions, the use of the funds and details around receipt of the contribution from the Province. The details and process for the purchase agreement with Dream Asset Management, will be the subject of a future report through the Standing Policy Committee on Finance.

Additional Land Required for the East Side Leisure Centre

In the letter from the Province they also indicated, due to the increased student enrollment numbers, the full 32 acre site is to be dedicated to the development of the two new high schools and the City will need to provide for additional land to accommodate the Leisure Centre. Based on an estimated requirement of 4 acres for the Leisure Centre and supporting parking, Administration has reviewed options to fund the purchase of 4 additional acres without negatively impacting the remaining MR allocation of the Holmwood Sector.

Based on a conceptual exercise conducted by the school boards, the two new high school buildings and parking are projected to utilize approximately 22 acres of the 32 acre parcel, with the remaining being allocated to sport fields. The 22 acres of district/multi-district park will therefore not be developed into park space, which would normally be funded by the Parks and Recreation Levy. As a result, based on projections for the entire sector, an estimated \$3.458M of Parks and Recreation Levy will be collected which will not be required to develop park space.

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Administration is recommending the Parks and Recreation Levy reserve be utilized to acquire an additional 4 acres of land from Dream Asset Management to support the development of the Leisure Centre, at an estimated total cost \$3.336M. The Parks and Recreation Levy Policy C03-011 does allow for these funds to be used for multidistrict parks and recreation facilities.

In order to meet the projected design and construction schedule and opening of the schools and the Leisure Centre, the purchase of these 4 acres of land for the Leisure Centre is required in advance of collection of the total Parks and Recreation Levy for the sector. The levy funds will not be repaid to the reserve until the lands throughout the Holmwood Sector (five more new neighborhoods and two urban centres) are serviced. With this advanced timing, there is the potential for the Parks and Recreation Levy to be in a negative balance in future years. Administration has reviewed the city-wide Park Development Plans up to 2026 and utilizing the funds as described does not jeopardize the proposed park development plans in other areas of the city. Administration is recommending this path with the identified risk that the Parks and Recreation Levy may be in a future short-term deficit position. Ultimately, when the Holmwood Sector lot sales are fully realized the reserve will be fully funded. Administration recognizes the potential risk based on the timing of funds required compared to funds received from lot sales. A similar process was followed in 2006 to accelerate the development of park space associated with the high schools and the Shaw Centre in the Blairmore Sector.

To support the development of the Leisure Centre, Administration is recommending Capital Project P.02600 Indoor Recreation Facilities be further increased by \$3.336M for the purchase of 4 acres of land, with the proposed source of funds being a transfer from the Parks and Recreation Levy Reserve for up to \$3.336M.

FINANCIAL IMPLICATIONS

The financial implications have been outlined in this report. The proposed High School Land Levy is being recommended at \$175.80 per front meter beginning January 1, 2025. The new city-wide High School Land Levy will support the future purchase of 28 acres of land for high school sites and will support both the purchase cost and any carrying costs to purchase the City's portion of the 9 additional acres of land in the Holmwood Sector for the new joint high school.

The Province has agreed to provide funding (\$3.750M) to the local school boards to acquire 50% or 4.5 acres of the additional land required, which will be transferred to ownership by the City, for the Holmwood High Schools.

The financial implications related to the purchase of up to 4 acres for the Leisure Centre are detailed in the report. Administration is recommending the Parks and Recreation Levy reserve as the identified source of funds for up to \$3.336M.

Administration, as per standard practice for the Parks and Recreation Levy and School Land Levy (elementary schools), will review the levy rates, land costs, carrying costs and interest accrued on an annual basis and report back to City Council annually

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through the Standing Policy Committee on Planning, Development and Community Services with recommendations for approval of any future rate adjustments to meet financial commitments.

OTHER IMPLICATIONS

There are no legal, social or environmental implications identified. At the Developers' Liaison Committee meeting on November 8, 2023, Administration shared that a potential levy would need to be developed to support the acquisition of land for the future development of high schools. No immediate concerns were raised at the November meeting, but the total levy calculation was not yet known. Administration met with the Developers' Liaison Committee on April 29, 2024, to provide an update on the new High School Land Levy and the report. At the April meeting, with full details available and the per front meter costs shared, concerns were raised with the long-term affordability of homes in Saskatoon and if alternative funding sources were considered. The developers recognize the benefit of schools and park space to vibrant neighborhoods.

NEXT STEPS

Subject to City Council approval, the new High School Land levy rate as described in this report would come into effect January 1, 2025. The City Solicitor will prepare the appropriate funding contribution agreement(s) to be executed under the Corporate Seal. The formal approval for the purchase of the 13 acres of additional lands will be the subject of a future report through the Standing Policy Committee on Finance. Administration will also report further, on an as required basis, related to the required lease agreement with the School Divisions, and as the procurement and development process for the new high schools and the Leisure Centre advances.

APPENDICES

1. Holmwood Sector Plan Map
2. Letter From Government of Saskatchewan regarding Holmwood Sector Joint School Site

REPORT APPROVAL

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SP/2024/RCD/PDCS/High School Land Levy-Funding for Lands Specific to High School Sites/jdw