

Acquisition of Land for Joint High School / East Side Leisure Centre Site in the Holmwood Sector

ISSUE

A site totalling approximately 36 acres is required to accommodate the new joint high schools and East Side Leisure Centre project in the Holmwood sector, immediately east of Brighton. The parcel is composed of 23 acres which is required to be dedicated by the developer, Dream Asset Management Corporation (Dream), as municipal reserve and an additional 13 acres to be purchased to support the project.

RECOMMENDATION

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

1. That the Administration be authorized to purchase a 13-acre portion of ISC Parcel No. 203232259 from Dream Asset Management Corporation for \$10,842,000 on the terms identified within this report; and
2. That the City Solicitor be requested to have the agreement executed by Her Worship the Mayor and the City Clerk under the Corporate Seal.

BACKGROUND

On [May 29, 2024](#), City Council approved an increase of \$10,842,000 to Capital Project P.02600 Indoor Recreation Facilities for the purchase of 13 acres of land required for the new joint high schools and East Side Leisure Centre (Leisure Centre) in Holmwood. The [report](#) noted the details of the purchase agreement with Dream would be provided in a subsequent report to City Council through the Standing Policy Committee on Finance.

DISCUSSION/ANALYSIS

Since May 2024, Administration has been working with Dream on a land acquisition agreement which would have the City of Saskatoon (City) purchase 13 acres of land from Dream. After several months of negotiating, a consensus on the terms of the agreement has been reached. Notable terms are as follows:

- Acquisition Area – 13-acre portion of ISC Parcel No. 203232259 (9 acres for school site and 4 acres for the Leisure Centre). The location of the joint high school site and leisure center is shown in Appendix 1.
- Purchase Price - \$10,842,000 (\$834,000/acre) to be paid as follows:
 - \$2,000,000 first deposit due within 20 days of signing the agreement.
 - \$4,700,000 second deposit due upon completion of site grading or commencement of underground services, whichever is earlier.
 - \$2,000,000 third deposit due within 10 days of execution of the Servicing Agreement for the neighbourhood.
 - \$2,142,000 balance payment due on closing.

- The agreement is conditional upon:
 - Dream receiving senior management approval of the agreement by February 28, 2025.
 - City Council approval by March 31, 2025.
 - Planning and Development approval of the subdivision on or before December 31, 2025. If this date is not met, the conditional approval date will automatically extend by six months' and can be further extended by mutual agreement if required.
- Dream is required to subdivide, grade and service the site. The City has agreed, in principle, to defer payment of development charges since timelines for the development of the schools and Leisure Centre construction are necessitating the site development. Full details of this arrangement will be negotiated in the neighbourhood Servicing Agreement between the City and Dream.
- Due to time constraints, Dream is completing pre-development work as permitted under section 5.1.18 of Bylaw No. 9990 – Zoning Bylaw, 2024 and will incur the associated grading and eventual servicing costs. The City has agreed the first, second, and third deposits shall be non-refundable unless Dream fails to complete the sale of the land in accordance with the terms of the agreement, and subject to the following:
 - The first deposit shall become non-refundable upon the earlier of satisfaction or waiver of all conditions, or upon Dream entering into an agreement for the grading of the land. This deposit is non-refundable only to the extent of Dream's actual grading costs incurred, with any remaining portion being refundable to the City.
 - The second deposit shall become non-refundable upon the earlier of satisfaction or waiver of all conditions, or upon Dream commencing servicing with respect to the land. This deposit is non-refundable only to the extent of Dream's actual servicing costs incurred, with any remaining portion being refundable to the City.
- Closing to be 90 days following issuance of a Transform Approval Certificate pursuant to the subdivision application.

Although the agreement is complex due to tight project timelines and the sequence of events related to development, Administration feels the payment of the deposits is warranted due to the costs Dream will incur in advance of having serviced, saleable sites in the rest of the neighborhood. In the unlikely event the sale cannot proceed due to conditions not being removed, the City is only exposed to the extent of actual costs incurred by Dream associated with grading and servicing the site.

Administration considers the negotiated sale price to be a fair price for the City. The sale price is agreeable to the developer (Dream) since they recognize the benefit of the joint high schools and Leisure Centre to the area, and were therefore willing to accept \$834,000/acre, a figure that represents a 15% discount to comparable market priced multi-family development sites in the area.

FINANCIAL IMPLICATIONS

To support this acquisition, a \$10,842,000 increase to Capital Project P.02600 Indoor Recreation Facilities was approved by Council on May 29, 2024. The increase is to be funded as follows: \$3,753,000 from the High School Land Levy, \$3,753,000 from the Government of Saskatchewan, and \$3,336,000 from the Parks and Recreation Levy. The High School Land Levy will be in a deficit position until the newly established levy collects the \$3,753,000 put towards this project.

OTHER IMPLICATIONS

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

NEXT STEPS

If approved, once the agreement is fully executed, Dream and the City would work toward their respective obligations to satisfy the conditions and obligations imposed by the agreement.

APPENDICES

1. Drawing Showing Site Location

REPORT APPROVAL

Written by: Jeremy Sibley, Real Estate Services
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Celene Anger, General Manager Community Services Division
Approved by: Clae Hack, Chief Financial Officer