
JSMB Adventures Inc. (Merlin Motors) Land Exchange and Servicing Agreement

Recommendation

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

1. That the Administration be authorized to proceed with a land exchange and site servicing agreement with JSMB Adventures Inc. as per the terms noted in this report;
2. That the City Solicitor be requested to prepare the agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal;
3. That Capital Project No. 1769, Land Development – Marquis Industrial Area, be used as the funding source for all servicing costs to be completed as part of the agreement, including legal, administrative costs and disbursements; and
4. That the Property Realized Reserve be used as in interim source of funding for all costs related to the land exchange part of this agreement, until such time as the Idylwyld Drive/Marquis Drive improvement project is established.

Topic and Purpose

The purpose of this report is to receive City Council approval for a land exchange and site servicing agreement with JSMB Adventures Inc. (JSMB) to accommodate land requirements for the future improvements to the intersection of Idylwyld Drive and Marquis Drive, and the installation of site servicing connections to the JSMB site that were not previously available.

Report Highlights

1. The future improvements to the intersection of Idylwyld Drive and Marquis Drive will require the closure of the Idylwyld Drive Service Road resulting in access and egress changes to the JSMB property.
2. Municipal site service connections are now available to the JSMB property.
3. Terms of the agreement have been negotiated by Real Estate Services.

Strategic Goals

Future changes to the Idylwyld Drive and Marquis Drive intersection support the long-term strategy of optimizing the flow of people and goods in and around the city under the Strategic Goal of Moving Around.

In addition, connecting the JSMB site to City of Saskatoon (City) services and the resulting payment of direct levies supports the long-term strategy of reducing the gap in funding required to rehabilitate and maintain the City's infrastructure under the Strategic Goal of Asset and Financial Sustainability.

Background

The JSMB property, more commonly known as Merlin Motors, was developed in the 1980's before any City services were available to the area. Over the past few decades, the Marquis Industrial area has continued to be developed and has now reached the point that new, City-developed roadways are being constructed adjacent to the property and all City services are available to the JSMB site.

Report

Future Improvements at Idylwyld Drive and Marquis Drive

In the first half of 2018, the Administration will report on Idylwyld Drive and Marquis Drive to provide a recommendation to either construct an interchange or significantly improve the existing at-grade intersection.

A section of the Idylwyld Drive Service Road between Marquis Drive and the new 64th Street roadway (scheduled to be constructed in 2017) is proposed to be closed to accommodate the future interchange or an improved intersection at Idylwyld Drive and Marquis Drive. Closure of this section of roadway will result in elimination of the current access and egress points to the JSMB property. The JSMB site is located on the southeast corner of the Idylwyld Drive Service Road and Marquis Drive.

As a result of the closure of the service road, replacement accesses to the JSMB site will need to be accommodated via 64th Street and Siemens Avenue which are new roadways scheduled to be completed in 2017. To maximize efficiencies and cost savings, it is best to make these access changes at the same time as the construction of the new roadways.

Attachment 1 provides a visual summary of the various components related to the land exchange agreement.

Municipal Site Service Connections

Development of the Marquis Industrial has now reached JSMB's site and is set to engulf the property. All municipal services are immediately adjacent and available for connection. With the planned construction of 64th Street and Siemens Avenue scheduled to be completed in 2017, the best time to connect to these services is now, prior to completion of the roadway surfacing.

As the JSMB property was developed long before grades for the future Marquis Drive Industrial area were developed and known, the site is somewhat lower than the adjacent roadways and properties. As a result, the typical method of overland drainage to accommodate 1-in-100-year storm events is not possible. To address this issue, a storm water outflow has been constructed in the southeast corner of the JSMB property which provides direct access to the adjacent storm pond.

Significant Terms of the Agreement

The Administration has negotiated an agreement with JSMB for the land exchange to accommodate future improvements at Idylwyld Drive and Marquis Drive and related access relocations, as well as connection to the City's direct municipal services.

Significant terms of the agreement include:

- Conditional upon City Council approval by September 29, 2017.
- The City will receive 17,566 square feet of land along Marquis Drive from JSMB in exchange for 25,987 square feet along the Idylwyld Drive Service Road.
- The City will construct three replacement accesses to the JSMB site – one on 64th Street and two on Siemens Avenue, and arrange to have SaskPower and SaskTel lines along Siemens Avenue raised to accommodate vehicle haulers to access the site.
- Direct servicing charges of \$1,450,131.15 are payable to the City by JSMB with an initial deposit of \$483,377.05 due within 30 days of signing the agreement and the balance of \$966,754.10 due within 7 days of City Council approval of the agreement.
- The City agrees to construct a storm water outflow in the southeast corner of the site to accommodate drainage 1-in-100-year storm events.
- Possession on exchange areas will be on the Closing Date.
- Closing Date subsequent to the required subdivision and completion of the City's work.

Options to the Recommendation

City Council can choose not to approve this land exchange and site servicing agreement. The Administration does not recommend this option since the land exchange accommodates the proposed future roadway improvements.

Public and/or Stakeholder Involvement

Public consultation will take place in the future regarding the proposed future improvements at Idylwyld Drive and Marquis Drive and the proposed closure of the service road between Marquis Drive and 64th Street.

Internal consultations were held with Transportation, Construction and Design, Land Development, Saskatoon Land, and the City Solicitor's Office.

Communication Plan

At this time, a communication plan is not required. A communication plan will be established when the Marquis and Idylwyld Drive interchange project is formalized.

Financial Implications

Construction costs relating to the land exchange including construction of new accesses to the JSMB site and raising SaskPower and SaskTel lines along Siemens Avenue are estimated to be approximately \$175,000, including taxes. Costs applicable to Capital

Project No. 1769, including construction of the storm water outflow in the southeast corner of the site is estimated to be approximately \$195,000, including taxes.

Initially, the Property Realized Reserve (PRR) will be used as an interim source of funding for the approximate \$175,000 in costs relating to the land exchange part of the agreement. Once the Marquis Drive/Idylwyld Drive improvement project is established, those funds are to be reimbursed to PRR.

Levies payable from JSMB for connection to the City's direct services are \$1,450,131.15. These services include water, sanitary, and storm sewer mains; curbing; street paving; and street lighting.

Other Considerations/Implications

There are no policy, environmental, privacy or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

Construction of the proposed access and egress relocations and installation of the service connections and storm water outflow is expected to be completed in 2017.

There is no date set for commencement or completion of the proposed Idylwyld Drive/Marquis Drive improvement project.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachment

1. Land Exchange Drawing – JSMB Adventures Inc.

Report Approval

Written by: Keith Pfeil, Manager, Real Estate Services
Reviewed by: Frank Long, Director Saskatoon Land
Jay Magus, Acting Director of Transportation
Celene Anger, Director of Construction & Design
Daryl Schmidt, Manager, Land Development, Construction & Design
Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department
Approved by: Murray Totland, City Manager

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