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## Acquisition of Land – West Material Handling Facility

### Recommendation

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

1. That the Administration be authorized to purchase a portion of Surface Parcel No. 118222781 from Her Majesty the Queen in Right of Saskatchewan for a material handling facility at a purchase price of \$229,738;
2. That Capital Project No. 2259 – TU - Public Works Satellite Yards be used as the funding source for this purchase, including any environmental, legal, administrative, and disbursements costs; and
3. That 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.

### Topic and Purpose

The purpose of this report is to receive City Council approval to purchase a 46.25 acre portion of Surface Parcel No. 118222781, within City limits along Highway 7, from Her Majesty the Queen in Right of Saskatchewan, represented by the Ministry of Highways and Infrastructure (MHI), for use as a material handling facility.

### Report Highlights

1. The intended use of the acquired land parcel is consistent with past use by the provincial government.
2. Terms of the agreement have been negotiated by Real Estate Services, including a purchase price of \$229,738.

### Strategic Goal

This report supports the long-term strategy of optimizing the flow of people and goods in and around the city under the Strategic Goal of Moving Around.

### Background

To continue performing road maintenance on a growing transportation network, additional property is required to manage material such as sand, gravel, and recycled asphalt pavement. The parcel of land owned by MHI, located along Highway 7 (shown on Attachment 1), was used for the operation of a material handling site. Interim material handling operations planned for the site will be used exclusively to support water and sewer, utility and roadway maintenance operations. The ability to store and dry backfill material for water and sewer connection repairs is critical to operating the water distribution network. Additional storage for roadway construction materials such as gravel, street sweeping debris, and recycled asphalt is required for continued service delivery. It will also allow innovative treatments to go forward including the infrared patcher which uses recycled asphalt, and the 2018 back lane dust palliation strategy pilot of using recycled asphalt to mitigate back lane dust concerns.

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While the site is located on a main entry point to the city, the site is well-situated from an operational perspective as it has good highway access, is not in close proximity to residential properties, and would serve as a complimentary location to the Central Avenue material handling site. The property is currently classified as a public improvement parcel and was historically used as a material handling site by MHI but has since been decommissioned.

At its meeting on December 18, 2017, City Council approved a budget adjustment to Capital Project No. 2259 – TU Public Works Satellite Yards that provided \$383,000 of funding from the Reserve for Capital Expenditures for this purpose. It was identified that these funds would be used to purchase land for a west material handling facility.

### **Report**

#### Land Use

The land is currently classified as a public improvement parcel and was previously used as a material handling site by the Government of Saskatchewan. The Administration proposes to use the land in a similar manner until a formal use of the site is determined through sector and concept planning process. No improvements (building construction or infrastructure installations) are planned to be made during the interim use of the land as a material handling site.

The land is designated Urban Holding Area on the Official Community Plan (OCP) Land Use Map and Phase 2 on the OCP Phasing Map. A Phase 2 sequence indicates areas considered to be suitable for development beyond the next five years, but within the scope of the OCP Plan.

Current zoning applied to the site is Future Urban Development district. The intended use of land is generally consistent with the requirements of public utility use outlined in Zoning Bylaw 8770.

No conflicts with immediately surrounding properties are anticipated, however, to mitigate potential concerns, dust control strategies will be employed and the use of berming and landscape screening will be considered to mitigate the visual impacts from Highway 7 if required.

#### Terms of the Agreement

Real Estate Services has negotiated an agreement with MHI to acquire the western 46.25 acres of Surface Parcel No. 118222781. MHI will retain the eastern 18.04 acres of the parcel to access its current material handling site located north of Township Road 364.

Notable terms of the agreement are as follows:

- Purchase price of \$229,738.
- City of Saskatoon (City) shall be responsible for all costs associated with surveying, subdividing, and raising title to the land.
- Conditional upon City Council approval by August 30, 2018.

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- Conditional upon the results of any environmental investigation the City wishes to undertake.
- Closing Date to be upon the raising of title to the land in the name of the City.

There is some urgency to acquiring access to the land as space requirements to maintain an inventory of recycled asphalt have grown as innovative roadway treatments have come online. In addition, the Water and Sewer section has an imminent need to begin using the site to phase out its use of existing sites to accommodate future urban development. As such, MHI has agreed to grant the City early permission to utilize the site through a usage permit. If the acquisition is approved, the Administration will pay the permit fee of \$50 and thereafter be permitted to use the site as intended.

Since the proposed acquisition is for a portion of a public improvement parcel, the closure of right-of-way process will have to be followed. The terms of the agreement state that the Crown will provide the Notice of Road Closure Consent when required to do so. If this acquisition is approved, a report requesting approval to close the portion of the public improvement parcel will be presented to City Council upon completion of the Plan of Proposed Closure.

### **Options to the Recommendation**

City Council could choose to not approve this purchase. The Administration does not recommend this option as an additional material handling site is required and this location is preferred for the reasons noted in this report.

### **Public and/or Stakeholder Involvement**

MHI is aware of the City's intent to use the land as a material handling site. The land to the east will be retained by MHI to access its current material handling facility located north of Township Road 364.

The following civic divisions were consulted regarding the land acquisition:

- Planning and Development regarding the proposed use of the site;
- Environmental and Corporate Initiatives to help identify any environmental risks and/or potential impacts resulting from the proposed acquisition; and
- City Solicitor's Office was consulted regarding land use and land designation relative to the Zoning Bylaw.

### **Financial Implications**

The City will pay \$229,738 for the land as well as all costs associated with surveying, subdividing, and raising title to the land. To date, the City has paid \$2,500 plus taxes to complete a Phase I Environmental Site Assessment on the land. There is sufficient funding in Capital Project No. 2259 – TU Public Works Satellite Yards.

Furthermore, a recent change in asphalt specifications that introduced a minimum recycled asphalt quantity in new paving contracts has resulted in improved marketability for recycled asphalt material. The long-term value of the material is not known at this time, however, the sale of recycled asphalt material may provide a future revenue source if a storage site is secured.

### **Environmental Implications**

In consultation with the Environmental and Corporate Initiatives Division (E&CI), a Phase I ESA was completed by P. Machibroda Engineering Ltd. on March 8, 2018, in order to review and assess historical information to determine the potential for onsite environmental risks. The results indicated very little risk in acquiring the land “as is”.

E&CI also considered any potential environmental impacts that may result from the proposed use. In reviewing the potential impacts, the following was considered:

- The acquired land is set back approximately 80 meters from the west swale at the closest point, and is not directly connected to the swale as there is a secondary roadway between the land and the swale.
- The previously completed Natural Area Screening did not identify any provincially listed plant or wildlife species on the land.
- The Natural Area Screening suggested that site-specific predevelopment vegetation surveys would be required for native grasslands/woodlands, however, in this case, the site is a modified grassland and was previously disturbed by past use of the land as a material handling site.

Taking these points into consideration, E&CI did not suggest any additional investigation for the land prior to its proposed use. However, it was agreed that the Roadways and Operations Division would involve E&CI in the development of a site management plan that would be reviewed every three years to ensure that continued use of the site aligns with the new Green Infrastructure Plan. Initial site management would consider items such as site orientation and runoff control as means to mitigate any potential impacts.

### **Other Considerations/Implications**

There are no policy, privacy or CPTED implications or considerations, and a communications plan is not required.

### **Due Date for Follow-up and/or Project Completion**

If this land acquisition is approved, a report requesting approval to close the portion of the public improvement parcel to be acquired will be presented to City Council upon the completion of the Plan of Proposed Closure.

The transaction will close upon completion of the subdivision and raising of title to acquired land in the name of the City.

**Public Notice**

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

**Attachment**

1. Proposed Land Acquisition

**Report Approval**

Written by: Jeremy Sibley, Property Agent, Real Estate Services  
Reviewed by: Keith Pfeil, Manager, Real Estate Services  
Frank Long, Director of Saskatoon Land  
Angela Gardiner, Acting General Manager, Transportation and  
Utilities Department  
Kerry Tarasoff, CFO/General Manager, Asset and Financial  
Management Department  
Approved by: Jeff Jorgenson, City Manager

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