
Neighbourhood Land Development Fund Allocation of Profits

Recommendation

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

1. That \$10 million in profits be declared from the Neighbourhood Land Development Fund; and
2. That \$10 million in profits from the Neighbourhood Land Development Fund be allocated to Capital Project No. 2407 - Chief Mistawasis Bridge (formerly North Commuter Parkway) and Traffic Bridge Replacement Project.

Topic and Purpose

The purpose of this report is to request City Council approval to declare a \$10 million dividend from the Neighbourhood Land Development Fund (NLDF) for allocation to Capital Project No. 2407 - Chief Mistawasis Bridge (formerly North Commuter Parkway) and Traffic Bridge Replacement Project.

Report Highlights

1. The funding plan for the Chief Mistawasis Bridge and Traffic Bridge project included a contribution from the Neighbourhood Land Development Fund.
2. The Administration recommends that \$10 million of the profits from the Evergreen neighbourhood NLDF be allocated to Capital Project No. 2407.

Strategic Goals

This report supports the long-term strategy of increasing revenue sources and reducing reliance on residential property taxes and the four-year priority of developing funding strategies for expenses related to new capital expenditures including core services such as roadways and underground services under the Strategic Goal of Asset and Financial Sustainability.

Background

To date, \$123.3 million has been allocated from the NLDF from the Hampton Village, Willowgrove, Evergreen and Rosewood developments. These allocations have funded various capital projects and operating programs. The Willowgrove and Hampton Village developments are complete and final minor allocations from these developments will be forthcoming in the near future.

The funding plan for the approved capital project for the construction of the Chief Mistawasis Bridge and Traffic Bridge included a \$20 million contribution from the Evergreen neighbourhood profits.

Report

Return on Investment and Allocation

Favorable market conditions have persisted throughout most of the Evergreen build-out, resulting in positive cash flows and better than expected revenue being realized. These

factors have contributed to an expected profit of 29.34% for the neighbourhood. NLDF profits currently available from the Evergreen neighbourhood total \$10 million, increasing the total ROI from Land Development since 2006 to date to \$133.3 million.

Proformas are prepared for every Saskatoon Land development project. The proformas are prepared using the best known current information, but are based on present-day cost estimates and require certain judgments. While most costs in the Evergreen neighbourhood have been realized, some minor enhancement costs will remain beyond the sellout periods until the neighbourhood vision is fulfilled. Sufficient funds will be retained to accommodate these expected future costs.

Allocation to Capital Project No. 2407

The approved funding plan for Capital Project No. 2407 includes \$20 million from the NLDF Evergreen neighbourhood profits. At this time, there are sufficient profits to allocate \$10 million to the project with the remaining \$10 million to be allocated at a later date if required, based on the final project costs.

Options to the Recommendation

City Council could choose to not allocate the Evergreen neighbourhood profits to the capital project. The Administration does not recommend this option as the project would then be short of funding and an alternative funding source will need to be secured.

Financial Implications

Financial implications are included in this report.

Other Considerations/Implications

There are no environmental, policy, privacy, or CPTED implications or considerations, and neither public and/or stakeholder involvement nor a communication plan is required.

Due Date for Follow-up and/or Project Completion

There is no due date or follow up required.

Public Notice

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

Report Approval

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