

## Estimate of Financial Implications

The following estimates of costs have been provided based on best available information at this time. This should not be assumed to be final or complete at this time.

Please note: Costs have been rounded to nearest \$1,000.

<b>Official Community Plan Amendment Costs</b>			
<p>Potential amendments affect foundational elements of the Official Community Plan. As such the review required is extensive and will need to address how the City of Saskatoon prepares and reviews sector plans and concept plans; and will also need to consider financing strategies for overall growth.</p> <p>Costs associated with internal staffing including time by Planning and Development, Solicitors, Transportation and Construction as well as others.</p>			
	<b>Total Costs</b>	<b>Costs Recovered from Off-site Levies</b>	<b>Costs to be covered by mill rate</b>
Estimated Staff Costs (All Divisions)	\$ 250,000		\$250,000
Advertising, Communications and Engagement	\$ 13,000		\$13,000
<b>TOTAL</b>	<b>\$263,000</b>		<b>\$263,000</b>

## Boundary Alteration Costs

Boundary alteration will be required. Two options are provided whereby only the land in the proposal is brought into the City of Saskatoon, or the entire area now inside the Saskatoon Freeway alignment is brought in.

Boundary alteration may consist of tax loss compensation payable to the Rural Municipality of Corman Park, and could involve further negotiations and investigations to comply with the Financial Settlement Guidelines for the Saskatchewan Municipal Board.

Costs associated with internal staffing including time by Finance, City Assessors, Solicitors, Planning and Development, and Transportation and Construction.

This estimate does not include resources from:

- Directors and GMs of affected departments and City Manager
- Councillors, for meetings of the Boundary Alteration Committee (3 Councillors), GPC and/or PDCS, and Council.

	Total Costs	Costs Recovered from Off-site Levies	Costs to be covered by mill rate
<b>Option: Only lands proposed by Arbutus</b>			
Tax Loss Compensation Payable to RM of Corman Park	\$47,000		\$47,000
Estimated Staff Costs (All Divisions)	\$151,000		\$151,000
<b>TOTAL</b>	<b>\$198,000</b>		<b>\$198,000</b>
<b>Option: All lands within Saskatoon Freeway alignment</b>			
Tax Loss Compensation Payable to RM of Corman Park	\$652,000		\$652,000
Estimated Staff Costs (All Divisions)	\$151,000		\$151,000
<b>TOTAL</b>	<b>\$803,000</b>		<b>\$803,000</b>

## Holmwood Sector Plan Amendment Costs

Updating the sector plan will include formal review and ultimately approval by City Council of major components such as underground servicing, land use, comprehensive transportation strategy, and funding solutions.

For Holmwood, the servicing plans are largely complete, and the majority of lands north of 8th Street have not changed as a result of the future freeway. The Brighton Neighbourhood Concept Plan has already been approved, and the next neighbourhood (east of Brighton) is currently in the review process. These advantages have been factored into the cost and time estimates.

Costs associated with internal staffing including time by all internal reviewing Divisions, Solicitors, Transportation and Construction, Communications and Engagement, as well as others.

Required Studies include Natural Area Screening, Sound Study, Vibration Study, Hydro-Geotechnical Study.

	<b>Total Costs</b>	<b>Costs Recovered from Off-site Levies</b>	<b>Costs to be covered by mill rate</b>
Estimated Staff Costs (All Divisions)*	\$ 170,000		\$170,000
Advertising, Communications and Engagement	\$ 13,000		\$13,000
Required Studies	\$155,000		\$155,000
<b>TOTAL</b>	<b>\$338,000</b>		<b>\$338,000</b>

\*Planning staff working on Sector Plans are typically funded from the Planning Levy (component of Off-site Levies). However, due to existing priorities, these staff are not available. There is insufficient Planning Levy funds to add positions for this work.

## Neighbourhood Concept Plan Review Costs

Development of the Neighbourhood Concept Plan is the responsibility of the developer. Review of the proposal is the responsibility of the Administration and involves staff from many Divisions.

A typical review process may require 400-800 hours of staff time from all combined reviewing Divisions, in addition to 400-800 of staff time from Planning and Development staff as the lead co-ordinating Division. A review typically requires multiple rounds of review as changes are made to the plan.

Costs associated with internal staffing including time by all internal reviewing Divisions, Solicitors, Transportation and Construction, as well as others.

Solair is approximately half of the size of typical neighbourhoods. Therefore, similar costs would be incurred for the other "half" if not done concurrently as one Neighbourhood Concept Plan.

Sound and Vibration Studies, estimated at \$150,000, would be required from the developer due to the proximity to the railway.

	<b>Total Costs</b>	<b>Costs Recovered from Off-site Levies or other source</b>	<b>Costs to be covered by mill rate</b>
Estimated Staff Costs (All Divisions)	\$ 60,000 to \$80,000		\$ 60,000 to \$80,000
Estimated Staff Costs for Planning and Development	\$20,000 to \$40,000		\$20,000 to \$40,000
Advertising, Communications and Engagement	\$3,500		\$3,500
<b>TOTAL</b>	<b>\$83,500 to \$123,500</b>		<b>\$83,500 to \$123,500</b>

## Off-Site Servicing Costs

The Solair development is in the opposite end of the Holmwood Sector from the currently developing area.

Any temporary services required as a result of this development will be constructed and paid for by the private developer. This will include a lift station and a forcemain constructed to College Park as well as a portion of sanitary trunk sewers.

The permanent services will be funded and constructed by the City with payback from the developer as well as other adjacent developers in the future when those developments are approved. These services include storm trunk services to the Hyde Wetlands, Storm Ponds, a primary watermain along Taylor Street, sanitary trunk extensions, the Zimmerman/CPR overpass, as well as arterial roadways on Zimmerman and Taylor Street. Although the City intends to fully recoup the offsite costs incurred from the Solair development, a large amount of offsite services will be required sooner than normal to allow this development to sell lots simultaneously as the Brighton neighbourhood.

Costs identified as "Future" below will be expended approximately half way through the development of the neighbourhood.

Currently the storm trunk is shown as a permanent cost, however this may change to a temporary cost paid for by the private developer based on further analysis of the neighbourhood and sector plans.

	<b>Total Costs</b>	<b>Initial Costs Recovered from Off-site Levies</b>	<b>Future Costs Recovered from Off-site Levies</b>
Trunk Sanitary Sewer Extension (Extending within Solair to the planned permanent trunk location connection point only)	\$1,589,000	\$ 1,589,000	
Trunk Storm Sewer Outlet pipes (Solair storm ponds to Hyde Park Ponds)	\$3,304,000	\$ 3,304,000	
Storm Ponds within Solair (4 ponds subject to review)	\$6,450,000	\$ 3,225,000	\$3,225,000
Primary Watermain (Taylor Street - East portion of Solair to CPR)	\$5,584,000	\$ 3,347,000	\$2,237,000
Zimmerman Overpass (6 lanes)	\$27,500,000	\$ 27,500,000	
Zimmerman Arterial Roadway (four lane roadway)	\$6,004,000	\$6,004,000	
Taylor Arterial Roadway (initial two lanes of ultimate four lane roadway)	\$6,024,000		\$6,024,000
<b>TOTAL</b>	<b>\$56,455,000</b>	<b>\$44,969,000</b>	<b>\$11,486,000</b>

## Incremental Costs to Develop Multiple Neighbourhoods

There is an incremental cost to allowing two neighbourhoods to develop in the same sector simultaneously, especially if they are not connected with a common piping system. Many different assumption models could be fostered with varying results. If an assumption is made that due to Solair's unique nature, development in Saskatoon will increase by the amount of Solair property available over a buildout period of 10 years, then a model can be derived as to the cost of capital during the period of recovery of capital costs.

The City's cost of capital is approximately 2.76%. When this percentage is applied to the outstanding capital cost during the 10-year phase, and accounting for a constant revenue stream from the subdivision of lots, the **cost of capital averages \$1,063,000 per year**.

What this signifies is the City has approximately \$1,000,000 per year less disposable income due to the increased unrecovered capital costs committed. At the end of the 10-year period, Solair would be completed, however, the City would still have outstanding unpaid offsite services of approximately \$26M due mainly from the Zimmerman overpass that will need to have other northern neighbourhoods within the Holmwood Sector contribute towards when they begin developing.

Another scenario could also be developed that assumed if Solair was developed, an equal amount of lots would not be developed within the Brighton neighbourhood. This would entail more intense analysis; however in this example, the City would not be recovering on any of the services that have been constructed for the Brighton neighbourhood. The scenario has greater financial implications for the City because the additional cost of capital exist for Solair, based on current assumptions/estimate as noted above, and the Brighton neighbourhood would not be recovering the costs previously expended (approximately \$118M as of end of 2019) at the rate anticipated.

In all cases, no matter what assumption is derived, there is an incremental cost to extend services when multiple neighbourhoods in one sector are allowed to develop and the City has to expend monies to allow those additional neighbourhoods to proceed.

## Transportation Network Improvement Costs

Additional traffic generated by the development would require improvements to roadways and intersections in the vicinity to accommodate the traffic. This includes upgrades to current rural cross-section roads, traffic signal installations and an at-grade rail safety system at the CP Rail Crossing.

These costs would be required for this development but would eventually be removed and/or replaced as the rest of the Sector builds out and the final roadway alignments are constructed.

	<b>Total Costs</b>	<b>Costs Recovered from Off-site Levies</b>	<b>Costs to be covered by mill rate</b>
Zimmerman Road between CP mainline and 8 <sup>th</sup> Street – roadway improvement from gravel to pavement (2.3km)	\$3,400,000		\$3,400,000
8 <sup>th</sup> Street between McOrmond Drive and Zimmerman Road (existing) - roadway improvement from gravel to pavement (0.8km)	\$1,200,000		\$1,200,000
8 <sup>th</sup> Street / Zimmerman Road (existing) intersection – installation of traffic signals	\$250,000		\$250,000
<b>TOTAL</b>	<b>\$4,850,000</b>		<b>\$4,850,000</b>

## **Other Potential Costs**

Due to the preliminary nature of this review, there are a variety of other potential costs that have not been included in the above estimates. These include, but are not limited to the following:

- Additional operating and maintenance costs are expected to implement the neighbourhood raingarden concept.
- Potential need for an additional Fire Hall and associated annual operating costs.
- Expansion of Transit Service to the area, as triggered by population levels.
- Existing SaskWater lines in the area will need to be relocated.
- Operating costs associated with areas brought in to the City through boundary alteration until such time as full development.
- Inefficient servicing for operations like garbage collection where full neighbourhoods are not built in a contiguous fashion.
- Additional transportation network improvements requested by residents in this area to address lack of connectivity or access issues.



**Summary of Estimates**

	Estimated Total Costs	Costs Recovered from Off-site Levies (or other source)	Costs to be covered by mill rate
<b>OCP Amendment Costs</b>			
Estimated Staff Costs (All Divisions)	\$ 250,000		\$ 250,000
Advertising, Communications and Engagement	\$ 12,750		\$ 12,750
<b>Boundary Alteration</b>			
<b>Option 1</b> Only lands proposed by Arbutus			
Tax Loss Compensation Payable to RM of Corman Park	\$ 47,000		\$ 47,000
Estimated Staff Costs (All Divisions)	\$ 150,634		\$ 150,634
<b>Option 2</b> All lands within Saskatoon Freeway alignment			
Tax Loss Compensation Payable to RM of Corman Park	\$ 652,000		\$ 652,000
Estimated Staff Costs (All Divisions)	\$ 150,634		\$ 150,634
<b>Holmwood Sector Plan Amendment Costs*</b>			
Communications and Engagement, Advertising	\$ 12,750		\$ 12,750
Required Studies	\$ 155,000		\$ 155,000
Estimated Staff Costs (All Divisions - Except Planning)	\$ 70,000		\$ 70,000
Planning Staff component only (*typically Planning staff for Sector Planning are funded from Planning Levy. Due to existing priorities, this would not be the case for this development, unless otherwise directed.)	\$ 100,000		\$ 100,000
<b>Neighbourhood Concept Plan Review Costs</b>			
<b>Range of cost</b>			
Estimated Staff Costs (All Divisions)	\$60,000 to \$80,000		\$60,000 to \$80,000
Estimated Staff Costs (Planning)	\$20,000 to \$40,000		\$20,000 to \$40,000
Advertising, Communications and Engagement	\$ 3,500		\$ 3,500
<b>Off Site Servicing Costs</b>			
Trunk Sanitary Sewer Extension (Extending within Solair to the planned permanent trunk location connection point only)	\$ 1,588,710	\$ 1,588,710	
Trunk Storm Sewer Outlet pipes (Solair storm ponds to Hyde Park Ponds)	\$ 3,303,720	\$ 3,303,720	
Storm Ponds within Solair (4 ponds subject to further review)	\$ 3,225,000	\$ 3,225,000	
Future: Storm Ponds within Solair (4 ponds subject to further review)	\$ 3,225,000	\$ 3,225,000	
Primary Watermain (Taylor Street - East portion of Solair to CPR)	\$ 3,347,442	\$ 3,347,442	
Future: Primary Watermain (Taylor Street - East portion of Solair to CPR)	\$ 2,236,770	\$ 2,236,770	
Cost of Capital (Carrying Cost) (annually)	\$ 1,063,000		\$ 1,063,000
Zimmerman Overpass (6 lanes)	\$ 27,500,000	\$ 27,500,000	
Zimmerman Arterial Roadway (four lane roadway)	\$ 6,003,973	\$ 6,003,973	
Future: Taylor Arterial Roadway (initial two lanes of ultimate four lane roadway)	\$ 6,024,322	\$ 6,024,322	
<b>Transportation Network Improvement Costs</b>			
Roadway Improvement - Zimmerman Road	\$ 3,400,000		\$ 3,400,000
Roadway Improvement - 8th Street	\$ 1,200,000		\$ 1,200,000
Traffic Signals - 8th Street and Zimmerman	\$ 250,000		\$ 250,000
<b>Other Potential Costs</b>			
To be determined.			
<b>ESTIMATED TOTALS</b>	<b>\$64,052,206 to \$64,092,206</b>	<b>\$ 56,454,937</b>	<b>\$7,597,269 to \$7,637,269</b>