

Council Chambers
City Hall, Saskatoon, Sask.
Wednesday, November 10,
2010, at 4:00 p.m.

MINUTES OF THE SPECIAL MEETING OF CITY COUNCIL

PRESENT: His Worship the Mayor, in the Chair;
Councillors Dubois, Heidt, Lorje, Neault,
Penner, and Pringle;
City Manager Totland;
A/City Solicitor Manning;
General Manager, Corporate Services Bilanski;
General Manager, Infrastructure Services Gutek;
General Manager, Utility Services Jorgenson; and
City Clerk Mann

REPORT NO. 16-2010 OF THE EXECUTIVE COMMITTEE

**1. River Landing Parcel “Y”
(File No. CK. 4129-3)**

RECOMMENDATION:

- 1) that City Council acknowledge that, in accordance with paragraph 13.02 of the Memorandum of Agreement for sale of Parcel “Y” and the adjacent lane, Victory Majors Investments Corporation and Phoenix Management Inc. has purchased Lake Placid Developments (Saskatchewan) Inc.’s interest in the land and the development; and
- 2) that City Council confirm the financial information provided to the City by Victory Majors Investments Corporation pursuant to paragraph 3.01(a) of the Memorandum of Agreement is satisfactory.

Your Committee has considered and supports the following report of the City Manager dated November 8, 2010:

“REPORT

Paragraph 3.01(a) of the Memorandum of Sale between the City and Lake Placid Developments (Saskatchewan) Inc. identifies the City’s obligation to complete the sale of the land to Lake Placid subject to and conditional upon the following:

“(a) Lake Placid, on or before 5:00 p.m. C.S.T., November 1, 2010, providing to the City a copy of a commitment letter from a financial

MINUTES OF THE SPECIAL MEETING OF CITY COUNCIL

WEDNESDAY, NOVEMBER 10, 2010

PAGE 2

institution or other lender, or such other documentation satisfactory to the City, which shows that Lake Placid has obtained financing in an amount sufficient to complete construction of the development to grade level in accordance with the plans and drawings filed in support of its application for a building permit, including excavation and shoring, footings and foundation, and all levels of the underground parking structure.”

As the Committee is aware, Lake Placid Developments (Saskatchewan) Inc. has entered into an agreement with Phoenix Management Inc. whereby Phoenix Management Inc. has purchased Lake Placid’s interest in the River Landing Village Development. The Memorandum of Sale between the City and Lake Placid provides that Lake Placid had the right to sell or transfer its interest in the land (Parcel “Y” and the adjacent lane), and the development to Victory Majors Investments Corporation or an affiliate or related entity without the requirement of the City’s consent.

The City Solicitor’s Office reports that it has reviewed the agreement between the parties. The transaction constitutes a sale of the land and the development within the meaning of the Memorandum of Sale. The Purchaser is Phoenix Management Inc. which is a related entity of Victory Majors Investments Corporation. Accordingly, the obligation to provide the financial information required under paragraph 3.01(a) is now that of Phoenix Management Inc. which has taken the place of Lake Placid under the Memorandum of Sale.

On November 1, 2010, Victory Majors Investments Corporation provided the Administration with documentation indicating that it had conditional financing commitments in an amount sufficient to complete the construction of the development to grade. Deloitte & Touche Inc., which is acting as the City’s independent outside auditor in this matter, has reviewed the documentation supplied by Victory Majors Investments Corporation. Deloitte & Touche has reported that because Victory Majors Investments Corporation does not hold title to the land at this time, the documents contain certain conditions precedent which are consistent with the nature of the proposed financing outlined therein. Deloitte & Touche find that the documents provide plausible support of the existence of conditional financing commitments and conditional intentions to consider financing totalling \$62.5M.

In moving forward, Victory Majors Investments Corporation will have 15 business days to pay the purchase price of the land of \$5,240,494 (less the deposit of \$250,000 that was submitted in June 2010). Once payment is received, the City will transfer title of the land to Victory Majors Investments Corporation.

POLICY IMPLICATIONS

At this time, no policy implications are identified.

FINANCIAL IMPLICATIONS

At this time, no financial implications are identified.

ENVIRONMENTAL IMPLICATIONS

At this time, no environmental implications are identified.

PUBLIC NOTICE

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

Dr. Nasser was invited to address City Council. Dr. Nasser introduced members of his family in attendance and expressed appreciation to his family, civic administration, and all of the people who were involved in the process.

Moved by Councillor Penner, Seconded by Councillor Heidt,

- 1) that City Council acknowledge that, in accordance with paragraph 13.02 of the Memorandum of Agreement for sale of Parcel “Y” and the adjacent lane, Victory Majors Investments Corporation and Phoenix Management Inc. has purchased Lake Placid Developments (Saskatchewan) Inc.’s interest in the land and the development;*
- 2) that City Council confirm the financial information provided to the City by Victory Majors Investments Corporation pursuant to paragraph 3.01(a) of the Memorandum of Agreement is satisfactory;*
- 3) that City Council consent to the assignment of the Memorandum of Sale dated June 14, 2010, as well as all City of Saskatoon permits and approvals related thereto, to Victory Majors Investments Corporation and Phoenix Management Inc. or its nominee, provided that the requirements of paragraph 13.02 of the Memorandum of Sale are satisfied; and*
- 4) that the Mayor and City Clerk be authorized to execute such documents under the Corporate Seal as are necessary to carry out the above resolutions.*

CARRIED.

**MINUTES OF THE SPECIAL MEETING OF CITY COUNCIL
WEDNESDAY, NOVEMBER 10, 2010
PAGE 4**

Moved by Councillor Dubois,

THAT the meeting stand adjourned.

CARRIED.

The meeting adjourned at 4:20 p.m.

Mayor

City Clerk