

Council Chambers
City Hall, Saskatoon, Sask.
Monday, January 30, 2006
at 4:05 p.m.

MINUTES OF SPECIAL MEETING OF CITY COUNCIL

PRESENT: His Worship the Mayor, in the Chair;
Councillors Alm, Birkmaier, Fortosky, Heidt, Hnatyshyn, Neault,
Penner, and Wyant;
City Manager Richards;
General Manager, Corporate Services Bilanski;
General Manager, Community Services Gauthier;
General Manager, Fire and Protective Services Bentley;
A/General Manager, Infrastructure Services Sexsmith;
General Manager, Utility Services Totland;
A/City Solicitor Manning;
City Clerk Mann; and
Council Assistant Mitchener

**1. Requests for Consent of Landlord
Centennial Foods – 820 – 60th Street
(File No. CK. 4215-1)**

REPORT OF THE CITY CLERK:

“The following is a report of the City Solicitor dated January 27, 2006:

- RECOMMENDATION:**
- 1) that the City consent to the assignment of the lease by Centennial Foods and the mortgages by way of debenture to the Bank of Montreal and TD Capital Mezzanine Partners Management Ltd. by Centennial Land Holdings Corp. as outlined in this report; and
 - 2) that the Mayor and Clerk be authorized to execute the appropriate documents.

In November, 2000, the City entered into a long-term lease with Centennial Foods to lease to Centennial the land for its plant located at 820 60th Street. The lease was subsequently amended and assigned to an affiliated corporation, Centennial Land Holdings Corp. On January 25, 2006, the Land Branch received a request from the Calgary office of the law firm of Borden Ladner Gervais LLP, on behalf of Centennial, requesting that the City consent to the assignment of the beneficial interest in the lease from Centennial Foods to a partnership known as new Foods

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Classics. This partnership is made up of the same parties as Centennial Foods, which is also a partnership. Secondly, the City was requested to consent, as landlord, to two mortgages being granted by Centennial Land Holdings Corp. to the Bank of Montreal and TD Capital Mezzanine Partners.

Attached to this Report is a copy of a letter dated January 26, 2006 from Allan Nielsen, Q.C. of Borden Ladner Gervais which sets out the background of and reasons for the request. The requests have to do with a corporate reorganization and financing transaction being undertaken by Centennial Foods. The City's consent to these requests would not affect its status as landlord or its rights and remedies under the lease of the 60th Street site.

When this request was received, Centennial's solicitors were advised that the documents could only be executed if approved by a resolution of City Council and that City Council would not be meeting until February 13, 2006. His Worship the Mayor indicated that the request should not be the subject of a special meeting unless there was a clear possibility of the financing transaction collapsing if not approved as requested. This was communicated to Centennial's solicitors who have responded that there is such a possibility. In this regard, we refer to the "Timing" heading on page 2 of the attached letter.

ATTACHMENT

1. Letter from Borden Ladner Gervais to City of Saskatoon Legal Department dated January 26, 2006."

Moved by Councillor Wyant, Seconded by Councillor Penner,

- 1) *that the City consent to the assignment of the lease by Centennial Foods and the mortgages by way of debenture to the Bank of Montreal and TD Capital Mezzanine Partners Management Ltd. by Centennial Land Holdings Corp. as outlined in this report; and*
- 2) *that the Mayor and Clerk be authorized to execute the appropriate documents.*

CARRIED.

Moved by Councillor Neault,

THAT the meeting stand adjourned.

CARRIED.

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The meeting adjourned at 4:07 p.m.

Mayor

City Clerk