



2017 SASKATOON LAND ANNUAL REPORT

 **City of
Saskatoon**
Saskatoon Land

Message from the Team

The Saskatoon Land team is pleased to provide the 2017 Annual Report. This year's report includes additional financial results for the 2017 year that address the internal auditor's recommendation for more transparency in financial reporting. Additional operating results for the Division have also been added for further financial transparency in Saskatoon Land's operation.

Despite the challenges presented by a recent moderation of growth in Saskatoon over the past few years, Saskatoon Land continues to generate solid investment returns for Saskatoon citizens from our self-financing land development operation. In 2017, land sales revenue of \$40 million generated a net income of \$11.67 million. These positive financial contributions provide Saskatoon City Council with additional funds to invest in what matters to the citizens of Saskatoon.

The Saskatoon Land team takes pride in building sustainable innovative communities that provide valued amenities, enhanced quality of life, community identity, and lasting value to the investors and families that choose our developments. Over the next few years, we will strive to continue meeting our mandate objectives and those of the new Growth Plan, which will result in Saskatoon Land unlocking value in many City-owned land assets located in the downtown and other infill areas throughout the city.

We are proud of the accomplishments noted in this year's report, and look forward to continuing to improve our unique land development business model throughout 2018.

A handwritten signature in white ink, appearing to read 'Frank Long', with a stylized, flowing script.

Frank Long
Director of Saskatoon Land





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Saskatoon Land Mandate

Responsibilities of the Saskatoon Land team include land development planning and design, project management for land development enhancements, marketing and sale of property owned by the City of Saskatoon (City), and provision of corporate real estate services (advice, expertise, negotiations, leasing, acquisitions, dispositions and assisting with corporate accommodation planning).

The core mandates of Saskatoon Land are to:

- provide an adequate supply of residential, institutional and industrial land at competitive market values;
- provide innovation and leadership in design for new growth;
- ensure timely and financially responsible acquisitions of all land requirements for the Corporation's various departments and ensure a sufficient long-term supply of future development lands for the Saskatoon Land business line;
- provide financial returns at competitive rates of return on investment to the City for allocation to civic projects and programs;
- provide real estate services and expertise for the Corporation;
- coordinate and oversee the ongoing maintenance and leasing of all City-owned future development lands; and
- operate on a level playing field with other land development interests in the city.



2017 HIGHLIGHTS

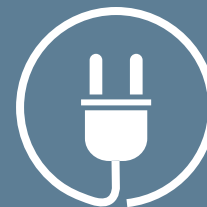
188

Single-Family
Lot Sales in 2017



Average Lot Price

\$147,000



New Lots
Serviced in 2017

207



35.11 acres

Industrial Land Released
(17 parcels)

Total Land
Sales in 2017



\$40,683,386



35.6%

Gross Profit Margin

**Launched saskatoonland.ca featuring
interactive lot inventory map**

2017 CAPITAL PROJECT ALLOCATIONS

\$13,548,503 Land Development
Profits Allocated in 2017

Northeast Swale Enhancements

\$500,000



Investment in Civic
Staffing Accommodations

\$4.7 million

\$500,000

Affordable Housing

Children's
Discovery Museum

\$1.3 million

Civic Operations Centre

\$2.4 million



Satellite Yard Growth Plan
Operational Analysis

\$200,000



Emergency
Back-Up
Power System

Replacement of
Fire Station No. 5

\$333,000



Replacement of
Fire Station No. 3

\$2.1 million

\$1.5 million





SALES/INVENTORY REVIEW

Saskatoon Land is helping shape Saskatoon. We take pride in building innovative communities that offer valued amenities, enhanced quality of life and lasting value for investors and families.

SALES/INVENTORY REVIEW

Single-Family

To meet serviced land supply objectives for single-family lots, Saskatoon Land plans infrastructure installations to ensure enough lots are serviced at the end of each construction season (October 31) to meet anticipated demand in the following year. In an attempt to draw down single-family lot inventory levels, only 200 lots have been completely serviced in the last two years to meet consistent demand for lots in the Aspen Ridge neighbourhood.

Figures 1, 2 and 3 respectively identify Saskatoon Land single-family lot inventory as of December 31, 2017, based on geographic distribution and price point.

FIGURE 1: Single-Family Residential – Inventory vs. Sales

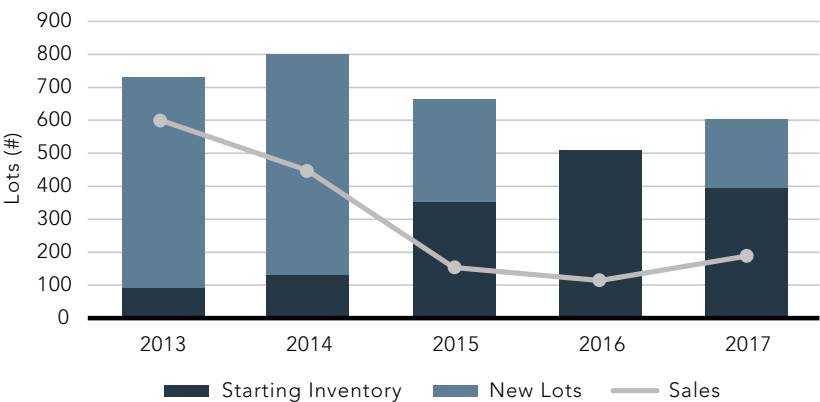
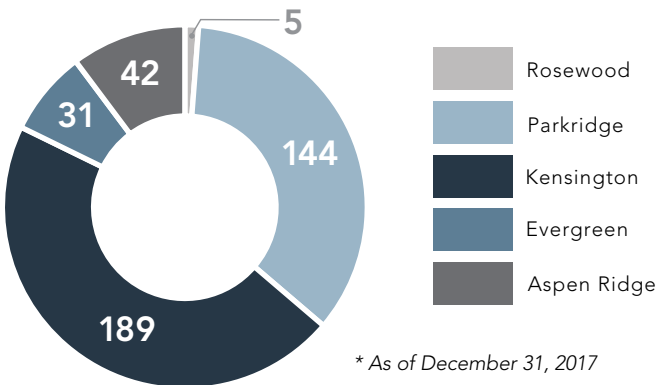


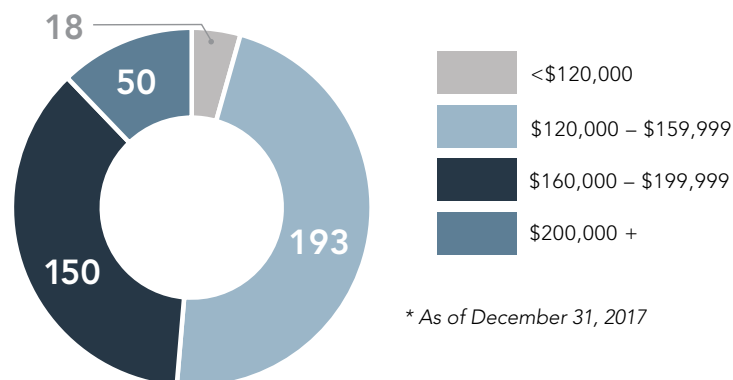
FIGURE 2: Single-Family Inventory* – Geographic Distribution



As of December 31, 2017, Saskatoon Land held 411 single-family lots in inventory. The majority of these lots were in west Saskatoon, including 189 lots in Kensington and 144 lots in Parkridge.



FIGURE 3: Single-Family Inventory* – Price Point



As referenced in Table 1, between 2018 and 2020, Saskatoon Land plans to service approximately 900 single-family lots in the Aspen Ridge, Brighton and Kensington neighbourhoods. The majority of planned servicing will occur in east Saskatoon neighbourhoods, including approximately 800 single-family lots. Further servicing in the Blairmore sector will be dependent on absorption of existing inventory levels.

All of our communities are “complete communities” that bring together services, amenities and housing options to ensure every citizen feels a sense of belonging.

TABLE 1: Projected Single-Family Servicing & Development 2018-2020

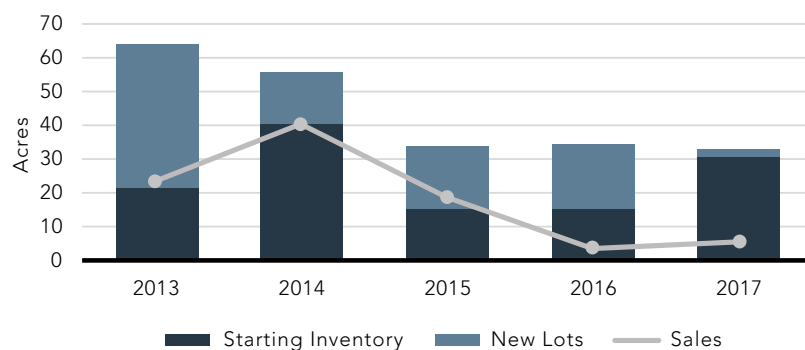
Development Area	Scope	2018	2019	2020
Aspen Ridge Phase 4 (261 lots)	Roads/Shallow Utilities			
	Land Sale			
Aspen Ridge Phase 5 (125 lots)	Grading/Water & Sewer			
	Roads/Shallow Utilities			
	Land Sale			
Aspen Ridge Phase 6 (180 lots)	Grading/Water & Sewer			
	Roads/Shallow Utilities			
	Land Sale			
Aspen Ridge Phase 7 (198 lots)	Grading/Water & Sewer			
	Land Sale			
Kensington Phase 4 (112 lots)	Grading/Water & Sewer			
	Roads/Shallow Utilities			
	Land Sale			
Brighton Phase 1 (213 lots)	Grading/Water & Sewer			
	Roads/Shallow Utilities			
	Land Sale			

SALES/INVENTORY REVIEW

Multi-Family

Figure 4 identifies inventory and sales of multi-family, commercial and institutional land. Over the last five years, the majority of releases and sales have occurred in the Evergreen neighbourhood with 72.74 acres sold. With the change in economic conditions over the last two years, Saskatoon Land re-released multi-family inventory under the open market sales approach in order to spur sales and renew interest in the market. This approach led to several agreements, with sales expected to be recognized in 2018.

FIGURE 4: Multi-Family, Commercial & Institutional – Inventory vs. Sales

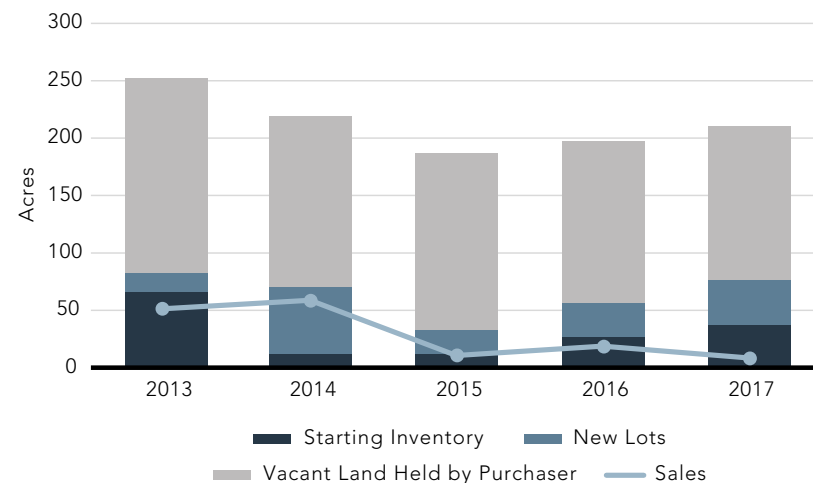


Industrial

Over the last decade, the majority of Saskatoon Land's industrial servicing has been in the Marquis Industrial Area. Figure 5 identifies Saskatoon Land's industrial inventory, new servicing in the Marquis Industrial Area, and vacant land inventory held by recent purchasers of industrial land in the Marquis Industrial Area. Between 2013 and 2017, Saskatoon Land's inventory in the Marquis Industrial Area has ranged from 12 acres to 66 acres, with the majority of vacant land parcels being held by recent purchasers. In addition to providing investment returns, Saskatoon Land's role in industrial development is to facilitate opportunities for economic development in the areas of business attraction and expansion. This is accomplished by having a suitable inventory of fully serviced shovel-ready sites that are available to potential new businesses considering a location in the Saskatoon area. Much of the current inventory held by Saskatoon Land can facilitate these employment generating opportunities as they arise. The City's Industrial Land

Incentive Program provides further benefits that are available for proponents considering Saskatoon Land industrial sites.

FIGURE 5: Marquis Industrial – Inventory vs. Sales

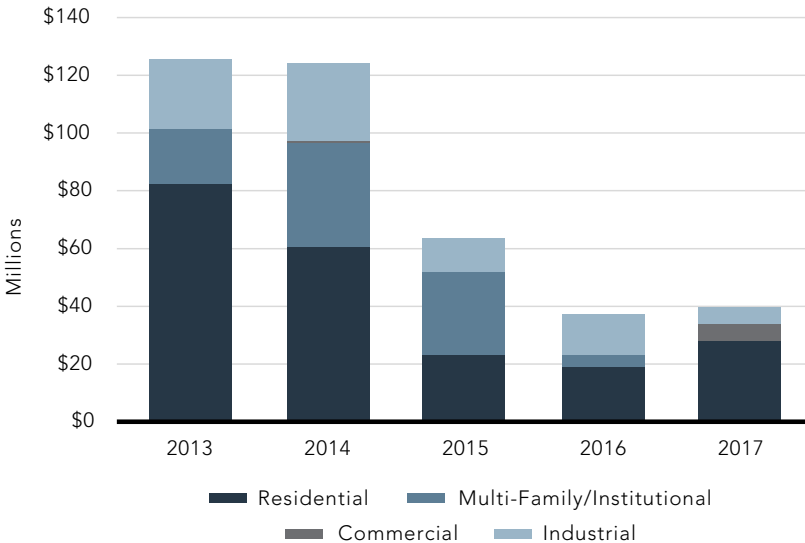


SALES/INVENTORY REVIEW

Sales Summary

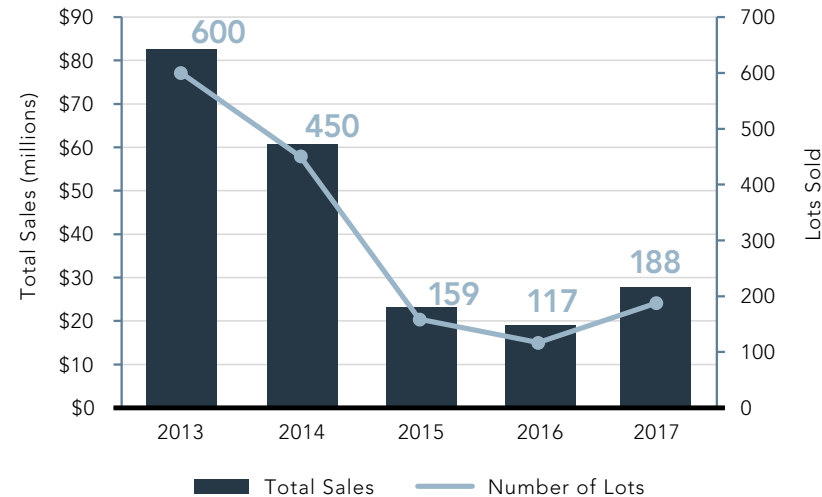
As seen in Figure 6, sales rebounded slightly in 2017 compared to 2016, led by stronger single-family sales, and the sale of the first mixed-use parcels in the Evergreen District Commercial Area.

FIGURE 6: Sales Summary



The Aspen Ridge Phase 2 lot draw took place in spring 2017, resulting in a three-year high in single-family lot sales as shown in Figure 7. There were no lot draws in 2016. Average price of lots sold in 2017 was \$147,000, down from the 2016 average of \$162,100.

FIGURE 7: Single-Family Residential Lot Sales



The Aspen Ridge Phase 2 lot draw took place in spring 2017, resulting in a three-year high in single-family lot sales. Average price of lots sold was

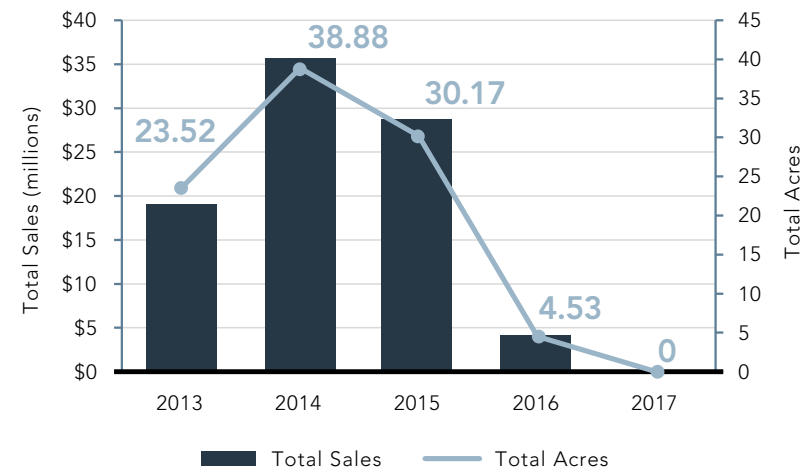
\$147,000

SALES/INVENTORY REVIEW



No new release of multi-family and/or institutional land occurred in 2017. Existing inventory was re-released under the open market sales approach with sale agreements negotiated that will be realized in 2018. As noted in Figure 8, no multi-family sales were recognized in 2017.

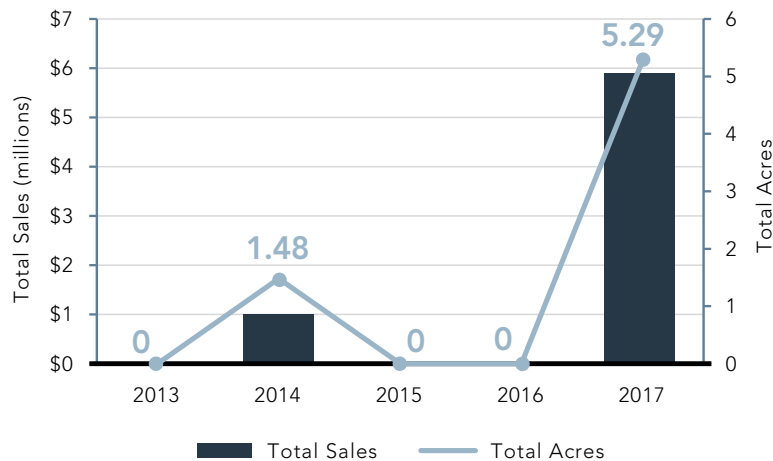
FIGURE 8: Institutional/Multi-Family Sales



SALES/INVENTORY REVIEW

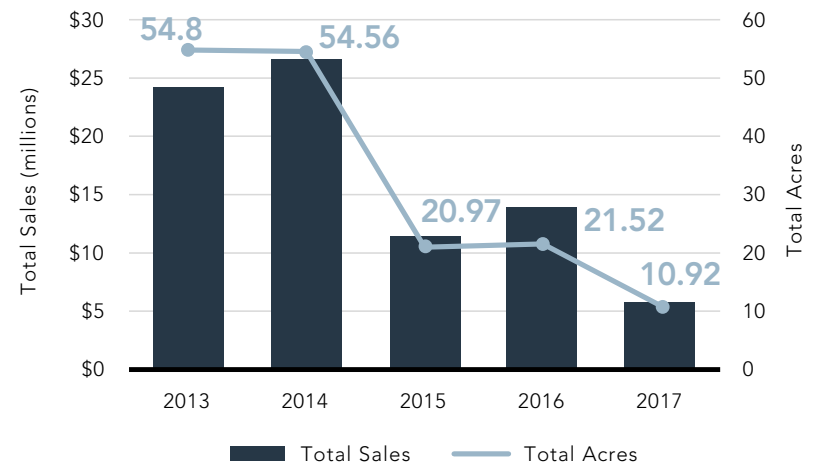
Sales of the first sites in the Evergreen District Commercial Area took place in 2017, which included a 3.66 acre parcel and a 1.63 acre parcel; both sites were sold as a pair. These sites will accommodate a new Shoppers Drug Mart and other retail amenities offering conveniently located services to Evergreen and Aspen Ridge residents (Figure 9).

FIGURE 9: Commercial Sales



Industrial sales consist of sales and new leases under the Industrial Land Incentive Program. Industrial land sales trended down in 2017 due to an elevated supply of vacant industrial condo space that resulted in less speculative space being developed. Sales that took place in 2017 were with end users who sought fully serviced sites for new builds in the Marquis Industrial Area. Figure 10 shows the five year history of industrial lots sales.

FIGURE 10: Industrial Sales





FINANCIAL REPORTING

Saskatoon operates one of the largest self-financed municipal land development programs in Canada.

Self-financed means the cost of all business operations (including land development levies, fees, staff salaries, overhead costs, marketing, and administration) is covered by the revenue generated by land sales and not through property taxes collected by the City.

FINANCIAL REPORTING

Consolidated Statement of Earnings

The following consolidated statement of earnings* consists of Saskatoon Land's development activities, leasing activities and operating expenses.

		2017	2016
LAND SALES	Residential/Mixed Use ⁽¹⁾	\$ 33,541	\$ 22,120
	Industrial/Commercial ⁽²⁾	\$ 7,143	\$ 16,022
		\$ 40,684	\$ 38,142
COST OF LAND SOLD	Residential/Mixed Use	\$ 21,522	\$ 13,020
	Industrial/Commercial	\$ 4,666	\$ 8,191
		\$ 26,188	\$ 21,211
NET SALES ⁽³⁾		\$ 14,496	\$ 16,931
OTHER REVENUE	Rock Sales	\$ 104	\$ 433
	Cost Recoveries	\$ 198	\$ 46
	Property Lease	\$ 2,561	\$ 2,853
	Interest ⁽⁴⁾	\$ 343	\$ 1,168
		\$ 3,206	\$ 4,500
NET REVENUE		\$ 17,702	\$ 21,431

* In thousands of dollars

FINANCIAL REPORTING

		2017	2016
EXPENSES	Salaries & Benefits ⁽⁵⁾	\$ 1,448	\$ 1,572
	Operating Expenses	\$ 642	\$ 557
	Grants in Lieu of Taxes	\$ 1,075	\$ 1,013
	Maintenance ⁽⁶⁾	\$ 242	\$ 419
	Interest	\$ 978	\$ 1,101
	Marketing ⁽⁷⁾	\$ 894	\$ 662
	Contribution to Reserves ⁽⁸⁾	\$ 748	\$ 174
		\$ 6,027	\$ 5,498
NET EARNINGS (Loss)		\$11,675	\$15,933

* In thousands of dollars

- ⁽¹⁾ Residential sales rebounded in 2017 led by single-family sales incentives and the release of Aspen Ridge Phase 2. There were no lot draws in 2016 in order to reduce single-family inventory levels.
- ⁽²⁾ Industrial sales in 2016 were a result of the direct sale for \$8.1 million for 11.72 acres in the Marquis Industrial Area. A portion of Marquis Phase 9 was released in late 2017 with most sales in this area being recognized in 2018. Industrial sales include purchases and the exercise of options under the Industrial Land Incentive Program, but not new leases under the program.
- ⁽³⁾ A gross margin of 35.6% was realized in 2017, down from 44.3% in 2016. This change was mainly due to lower average lot prices in 2017 which were a result of the type of lot offered to market.
- ⁽⁴⁾ Lower interest revenue is a result of the new payment terms introduced in 2016 as part of the Single-Family Lot Incentive Program.

FINANCIAL REPORTING

- (5) Lower salaries and benefits are a result of vacant positions that were not filled due to the softer economic conditions and lower projected sales.
- (6) Lower maintenance costs in 2017 are a result of the sale of the former Saskatoon Police Service headquarters building. Prior to the sale, the cost of maintaining this building was offset by parking revenues collected on the site.
- (7) Increased marketing costs are a result of driveway and landscaping incentives.
- (8) Contribution to reserves are based on excess of revenue over expenses in Saskatoon Land's operating cost centre and transfers from City-owned property.



Operating Statement of Earnings

The following statement of earnings* consists of Saskatoon Land's operating revenue and expenses, including that of future development land.

		2017	2016
REVENUE	Administration Fees ⁽¹⁾	\$ 2,425	\$ 2,099
	Lease Revenue ⁽²⁾	\$ 2,490	\$ 2,655
		\$ 4,915	\$ 4,754
EXPENSES	Salaries & Benefits	\$ 1,448	\$ 1,572
	Operating Expense	\$ 542	\$ 499
	Maintenance	\$ 108	\$ 226
	Building Costs	\$ 124	\$ 124
	Marketing	\$ 33	\$ 36
	Contribution to Reserves	\$ 748	\$ 124
		\$ 3,003	\$ 2,581
NET EARNINGS (Loss)		\$ 1,912	\$ 2,173

* In thousands of dollars

⁽¹⁾ A 6% administration fee is included in all sales which covers Saskatoon Land's annual operating costs.

⁽²⁾ Lease revenue consists of short-term leases, parking revenue and farm leases on future development land, as well as lease revenue from the Industrial Land Incentive Program.





FINANCIAL BENEFITS

Financial returns from land development operations stay in Saskatoon and through a dividend to the City of Saskatoon are allocated for use in capital projects that would otherwise be funded through the mill rate or borrowing.

FINANCIAL BENEFITS

Financial returns from land development operations stay in Saskatoon and are allocated for use in capital projects that would otherwise be funded through the mill rate or borrowing. Since 2007, Saskatoon Land has allocated \$123.3 million in net proceeds from the sale of property in the Hampton Village, Willowgrove, Rosewood and Evergreen neighbourhoods. The following table shows several past projects that have been funded through Saskatoon Land's investment returns.

Project	Allocation *
Funding for the City's Affordable Housing Reserve commitments	\$ 15.9
Inner-city urban renewal projects, including Pleasant Hill Revitalization and 25th Street entrance treatments	\$ 13.3
Operating Budget contributions (2007-2013)	\$ 8.1
Bridge Reserve	\$ 2.5
Land Acquisitions	\$ 13.0
Contributions to various capital projects and reserves (fire halls, Reserve for Capital Expenditures, Civic Square East, Civic Operations Centre)	\$ 35.2
Mayfair Pool replacement	\$ 5.0
Paved street rehabilitation and road maintenance equipment	\$ 20.8
2013-2022 Housing Business Plan	\$ 2.0
Recreation and Parks funding	\$ 5.0
Northeast Swale improvements	\$ 1.5
Ice Arena Partnership	\$ 1.0
TOTAL	\$ 123.3

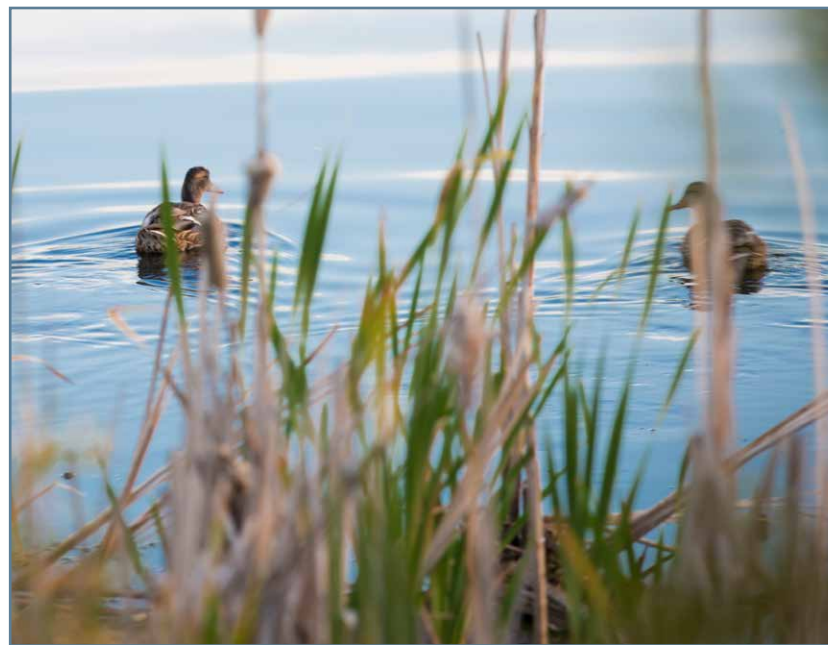
* In millions of dollars

In addition, several civic programs and projects have benefited from contributions or financing provided by the Property Realized Reserve (PRR), including the following:

- land acquisitions for numerous infill developments, such as Pleasant Hill revitalization, River Landing, North Downtown brownfield redevelopment, and Civic Operations Centre;
- interim financing of land purchases for new roadways, intersection improvements, trunk sewer outfalls, future snow dump/material handling, and future land development projects; and
- lands purchased for the purpose of riverbank stewardship and natural area protection (Northeast Swale).

The PRR also provides yearly transfers to the Reserve for Capital Expenditure when funds within PRR exceed \$24 million. These funds are allocated to various community priorities through the annual budget cycle, thereby reducing the potential for mill rate increases to fund the programs and projects.

Over time, the City's involvement in land development has proven to be a financial asset that would be difficult to replace. Contributions made by returns from the investment in and subsequent sale of development lands has resulted in significant savings for Saskatoon taxpayers and contributed to Saskatoon having one of the lowest property tax rates in western Canada.



\$123.3 million

Amount Saskatoon Land has allocated in net proceeds from the sale of property in the Hampton Village, Willowgrove, Rosewood and Evergreen neighbourhoods since 2007.

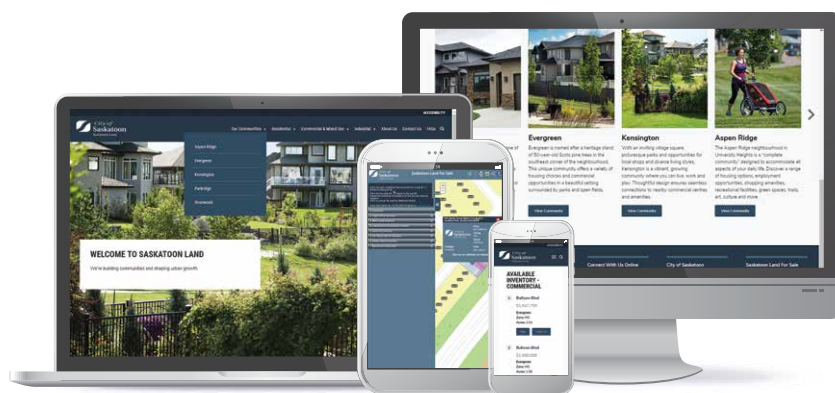




2017 ACCOMPLISHMENTS

Since 1954, Saskatoon Land has been successfully shaping urban growth while generating revenue through a dividend to the City of Saskatoon for municipal improvements. Building better roads, funding affordable housing, renovating aging leisure amenities—these are just a few of the quality of life improvements made possible by Saskatoon Land in recent years.

2017 ACCOMPLISHMENTS



Saskatoon Land Website

Saskatoon Land's new website (saskatoonland.ca) went live in September 2017. The website was created to give Saskatoon Land an improved platform to market its neighbourhoods and serviced land parcels. The website also included a live web mapping feature that gives users real time information on lot descriptions, pricing and availability. The website and mapping features have the ability to sort and filter by area, lot type and price. This function did not exist on the old site which relied on static PDF maps to provide information to users.

Check out our new look
at **saskatoonland.ca**



Evergreen District Commercial

Two commercial parcels in the Evergreen District Commercial area were released for sale in June 2016. The sites were listed as a pair consisting of 5.29 acres (3.66 acres and 1.63 acres) with a sale price of \$5.9 million. The site was optioned in June 2017 with the sale being finalized in December to Shoppers Drug Mart.

Saskatoon Land Internal Audit

The Saskatoon Land Audit was received by the Standing Policy Committee on Finance at its meeting on August 14, 2017.

The audit identified 21 recommendations for changes and improvements to current policies and procedures that will be implemented in 2018.

In 2017, the following amendments to Council Policy No. C09-006, Residential Lot Sales – General Policy, were approved by City Council:

- Payment terms – payment terms for sales are now approved along with pricing for new lot releases instead of being fixed in the policy.
- Time frame to build – changes were made to both increase the time an extension may be granted to the number and type of lots builders are able to request an extension.

In addition, a new financial reporting template to measure annual financial performance was tabled for Standing Policy Committee

2017 ACCOMPLISHMENTS

on Finance consideration. This was the first step in a commitment to improve the financial transparency of Saskatoon Land's operation.

Incentive Carryover

The front driveway and landscaping incentives were carried over into 2017 and continue to have a high participation rate. There were a total of 66 driveway rebates issued and 32 landscaping rebates from sales that occurred in 2016 and 2017. The rebates have contributed to an increase in single-family sales from 2016 to 2017, and are resulting in other benefits such as improved street appeal and reduced silt runoff into the storm water catch basins.

LANDSCAPING INCENTIVE REBATE



¹ Completion within one year of building permit issuance date.

² Completion within two years of building permit issuance date.

FRONT DRIVEWAY INCENTIVE REBATE



³ Completion of driveway surfacing within one year of building permit issuance date.

⁴ Completion of driveway surfacing within two years of building permit issuance date.



2017 ACCOMPLISHMENTS



Evergreen Fair in the Square

With the substantial buildout of the Evergreen neighbourhood, a neighbourhood marketing fair was held in the Village Square Park. The event took place on Saturday June 10, 2017, and featured a variety of family friendly entertainment and activities, including face painting, inflatables, an outdoor tradeshow showcasing local builders, a DJ, puppet show, and a barbeque that raised funds for the Evergreen Community Association. The event showcased the potential of the Square as a community gathering place and focal point of the Evergreen neighbourhood.

Multi-Family Open Market Release

In March 2017, multi-family parcels in Evergreen, Kensington and Parkridge were re-released under the open market sales approach. This new sales approach provides the Administration additional opportunity to negotiate land sales with comparable sales and current market conditions taken into consideration.

Although no sales were recognized in 2017, terms were agreed upon for four parcels (two each in Evergreen and Kensington) with sales to be recognized in 2018.

In March 2017, multi-family parcels in Evergreen, Kensington and Parkridge were re-released under the open market sales approach.

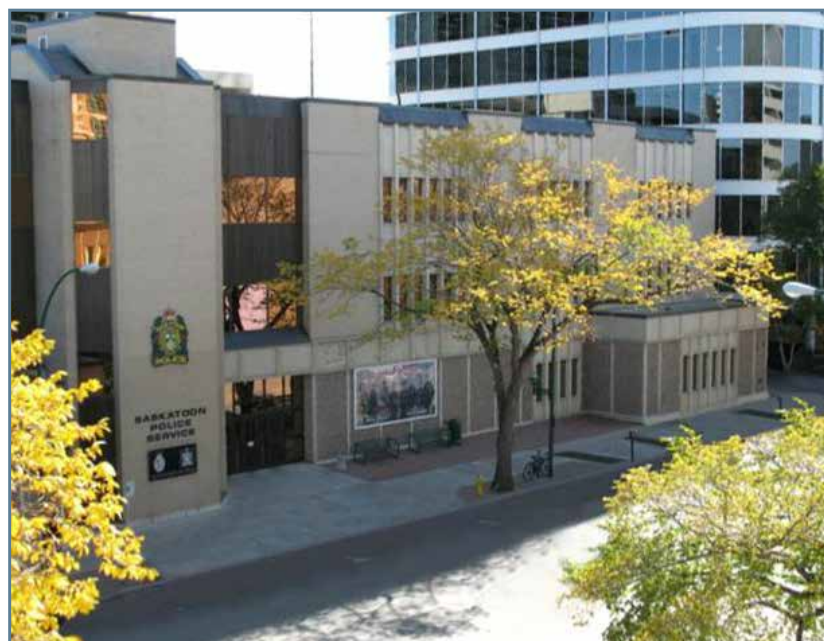


Photo credit: Saskatoon Police Service

Sale of Saskatoon Police Service (SPS) Headquarters Property

In February 2017 the former SPS headquarters property at 130/140 4th Avenue North sold for \$10.7 million after being listed on the market since September 2013 when SPS relocated to its new building on 25th Street West. Real Estate Services had been managing the property on an interim basis while working with external real estate brokerage firms to find a buyer for the property.

2017 ACCOMPLISHMENTS

Tender of Security Services in our Developing Neighbourhoods

Through a tender process in 2017, GardaWorld Security Services was hired to patrol Saskatoon Land's developing neighbourhoods for a three-month trial period. Their presence deterred illegal dumping of material on vacant, City-owned land, resulting in reduced maintenance costs for cleanup of unwanted material. Additionally, GardaWorld witnessed two instances of dumping which were reported to the Environmental Protection Officers as violations under the Waste Bylaw 8310. This resulted in one guilty plea and fine of \$500 with the second case still ongoing. By creating awareness and education that dumping is illegal and that fines are being issued, Saskatoon Land hopes to deter builders and contractors from this illegal activity.

Acquisition of a Portion of the Retro Petro Site and Lands Required to Accommodate Construction of Boychuk Drive/Highway 16 Interchange

Real Estate Services negotiated a Purchase Agreement with the Thunderchild First Nation to acquire 720 square feet from its Retro Petro property at 1135 Idylwyld Drive North to accommodate a future bus lay-by on the southbound side of Idylwyld Drive. The agreement included a purchase price of \$28,800, a leaseback by Retro Petro for a period of not less than ten years, and the City assumed environmental responsibility of the land based on a Corrective Action Plan completed by Retro Petro. This transfer of environmental responsibility was the first of its kind in

Saskatchewan and has helped to set precedent in dealing with these types of land transaction situations.

In 2017, Real Estate Services negotiated two land acquisitions and one Land Exchange Agreement in the southeast corner of the city to accommodate construction of the Boychuk Drive/Highway 16 interchange. Acting on behalf of the City's Major Projects Division, Real Estate Services liaised with the Rural Municipality of Corman Park, the Ministry of Highways, and various property owners impacted by the project.

This transfer of environmental responsibility was the first of its kind in Saskatchewan and has helped to set precedent in dealing with these types of land transaction situations.

University Heights Neighbourhood 3

In 2017, Saskatoon Land completed a draft neighbourhood concept plan for the third neighbourhood in the University Heights Sector, which included due diligence investigations and the procurement of various studies related to development and design of the neighbourhood.

Landscaping, Fencing and Streetscaping Projects

In 2017, Saskatoon Land led the development of several streetscaping, landscaping and park development projects, including the following:

- completion and opening of the Evergreen Green Bridge;
- streetscaping for three neighbourhood entries in Evergreen, including Evergreen Boulevard/Fedoruk Drive, Baltzan Boulevard/McOrmond Drive and Zary Road;
- Phase 1 linear parks in Aspen Ridge;
- Aspen Ridge Greenway;
- completion of Rosewood Gate North Streetscaping;
- completion of Parkridge Extension Park development and open space areas; and
- completion of Kensington George H. Clare Park landscaping.
- masonry fencing in Aspen Ridge and Kensington;
- aluminum fencing in Kensington; and
- completion of entrance signage in Kensington.





Evergreen Streetscaping



Entrance Signage in Kensington



RISK MITIGATION

Land development is a dynamic, complex and generally long-term process, impacted by a myriad of factors, including market demand, pricing, consumer choice and cost.

RISK MITIGATION

Land development is a dynamic, complex and generally long-term process, impacted by a myriad of factors, including market demand, pricing, consumer choice and cost. Developers such as Saskatoon Land are required to navigate a number of risks in order to realize a desired return, including permitting risks, construction risks, marketing and pricing risks, changing consumer preferences and general economic conditions.

Due to the uncertainties encountered, the land development process has inherent risk which is documented in the City's Corporate Risk Registry as a medium priority strategic risk (see below information excerpted from the *City of Saskatoon Corporate Risk Annual Report 2017*).

As with any project, understanding and managing this risk is critical for success.

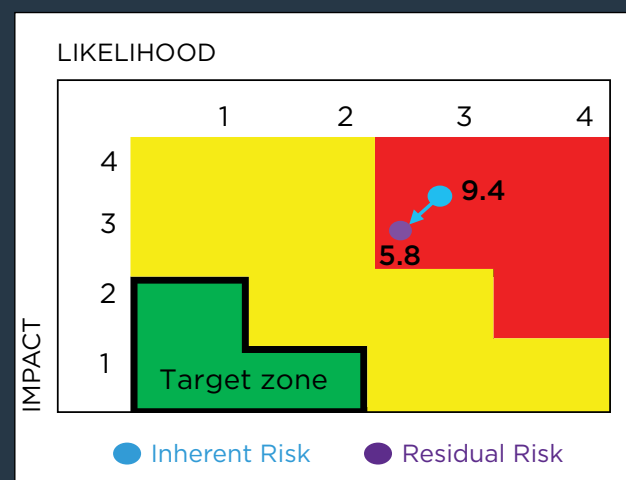
In the recently completed audit of Saskatoon Land, the internal auditor noted that risk mitigation in land development is generally undertaken through a combination of the following:

- upfront due diligence;
- continual market monitoring;
- development phasing; and
- cost monitoring/management.

The City's infrastructure investments may not correspond to growth trends and forecasts for the local or regional economy.

Key current risk mitigation activities:

- *Growth Plan to Half a Million* approved by City Council; major infrastructure investments are being aligned with the Plan's directions and strategies
- Frequent and ongoing monitoring of market conditions, economic indicators and financial resources
- Long-term infrastructure plans developed and funding commitments secured
- Regional plans, concept plans and community plans developed



RISK MITIGATION

Saskatoon Land's approach to risk mitigation was evaluated by the internal auditor in 2017 and found to be consistent with industry best practices. The following examples of risk mitigation in land development noted by the internal auditor are performed by Saskatoon Land staff on a regular basis, and include the following:

- significant upfront due diligence performed in the development of detailed land proforma projections of each development project, which are presented to the Standing Policy Committee on Finance annually;
- monitoring of population/employment growth data (Conference Board of Canada, Stats Canada, and Planning Department estimates);
- continual serviced land inventory analysis of all land categories through semi-annual reports to the Standing Policy Committee on Finance to monitor inventory and serviced land supply;
- monthly review of serviced land absorption (City building permits and CMHC housing start data);
- review of annual land development servicing plans (Three-Year Land Development Report to determine development phasing and annual capital budget requirements);

- surveys of builder customers to identify home and lot size preferences, community amenity preferences and household formation trends;
- continual housing market analysis to determine changing consumer preferences and preferred marketing methods; and
- Saskatoon Land Annual Report to the Standing Policy Committee on Finance outlining yearly land sales and financial performance.

Most of this analysis is presented to City Council or Standing Policy Committee on Finance and is available to the public.







PREPARED BY

Saskatoon Land Division
Asset & Financial Management Department

Printed May 2018