



**PUBLIC AGENDA
STANDING POLICY COMMITTEE ON FINANCE**

Monday, May 4, 2015, 2:00 p.m.

Council Chamber, City Hall

Committee:

Councillor T. Paulsen, Chair, Councillor A. Iwanchuk, Vice-Chair, Councillor C. Clark, Councillor R. Donauer, Councillor E. Olauson, His Worship Mayor D. Atchison (Ex-Officio)

Pages

- 1. CALL TO ORDER**
- 2. CONFIRMATION OF AGENDA**
- 3. DECLARATION OF PECUNIARY INTEREST**
- 4. ADOPTION OF MINUTES**

Recommendation

That the minutes of Regular Meeting of the Standing Policy Committee on Finance held April 13, 2015 be adopted.

- 5. UNFINISHED BUSINESS**
- 6. COMMUNICATIONS (requiring the direction of the Committee)**
 - 6.1 Delegated Authority Matters**
 - 6.2 Matters Requiring Direction**
 - 6.3 Requests to Speak (new matters)**
- 7. REPORTS FROM ADMINISTRATION**
 - 7.1 Delegated Authority Matters**

- 7.1.1 Quarterly Report - Builder and Developer Lot Supply - April 1, 2015 (File No. CK. 4110-1, AF. 4131-1, 4125-1 and LA. 4110-1)**

4 - 10

Recommendation

That the Quarterly Report - Builder and Developer Lot Supply - April 1, 2015 be received as information.

- 7.1.2 **2014 Annual Report - Saskatoon Land (File No. CK. 430-61, AF. 430-1, 4110-1 and LA. 430-4)** 11 - 35

Recommendation

That the 2014 Annual Report - Saskatoon Land be received as information.

7.2 Matters Requiring Direction

- 7.2.1 **Report on Investments - December 2014 (File No. CK. 1790-3 and AF. 1790-3)** 36 - 44

Recommendation

That the report of the CFO/General Manager, Asset & Financial Management Department, dated May 4, 2015, be forwarded to City Council for information.

- 7.2.2 **Aspen Ridge Land Exchange (File No. CK. 4131-32, AF. 4131-1 and LA. 4131-30-009)** 45 - 52

Recommendation

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

1. That the City Solicitor be requested to prepare the Aspen Ridge Land Exchange Agreement as outlined in the May 4, 2015 report of the CFO/General Manager, Asset & Financial Management; and
2. That His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

- 7.2.3 **Corporate Trunked Radio Supply - Blanket Purchase Order (File No. CK. 1000-12 and AF. 231-2)** 53 - 55

Recommendation

That the Standing Policy Committee on Finance recommend to City Council that a blanket purchase order supply for the City of Saskatoon's corporate mobile and portable radios with Motorola Solutions Canada Inc. be approved.

8. URGENT BUSINESS

9. MOTIONS (notice previously given)

10. GIVING NOTICE

11. IN CAMERA AGENDA ITEMS

11.1 Land Sales (File No. CK. 4215-1, AF. 4214-1 and LA. 4221-014-015)

[In Camera - Economic/Financial - Land]

Recommendation

That the above item be considered In Camera.

12. ADJOURNMENT

Quarterly Report – Builder and Developer Lot Supply – April 1, 2015

Recommendation

That the information be received.

Topic and Purpose

This report provides information on builder and developer inventory levels for residential and industrial land in Saskatoon.

Report Highlights

1. Land developers in Saskatoon have 546 residential lots in inventory. There is a builder inventory of 1,316 residential lots.
2. Land developers in Saskatoon are projected to service 1,509 single-family lots in 2015.
3. Land developers and builders have approximately 132 acres of multi-family land in inventory, which can potentially accommodate approximately 3,100 dwelling units.
4. Estimates of current builder/developer serviced land inventory levels could accommodate population growth in excess of 4%.
5. There is a healthy supply of vacant industrial land held by recent industrial land purchasers.
6. The Administration has deferred planned land development capital investments in 2015 to future years.

Strategic Goal

Measuring serviced land supply on an ongoing basis ensures sufficient inventory is available to accommodate new employment and housing growth in Saskatoon's economy. This supports the City of Saskatoon's long-term strategy of increasing revenue sources and reducing reliance on residential property taxes under the Strategic Goal of Asset and Financial Sustainability.

Background

The Land Bank Committee, at its meeting held on March 18, 2011, resolved, in part:

“that the Administration be requested to provide a quarterly update on the Builder and Developer Inventory Report.”

Report

Residential Lot Inventory

This report identifies single-family and multi-family inventory held by homebuilders and land developers, as well as projected single-family lot availability by neighbourhood for 2015 from major land developers in Saskatoon. In addition, this report also identifies

industrial inventory held by Saskatoon Land and recent purchasers of industrial land in the city's industrial growth areas.

Figure 1 (Attachment 1) identifies historic new single-family, two-family and multi-family dwelling units per year from 1996 to April 1, 2015.

Single-family Inventory

Table 1 identifies single-family lot inventory held by homebuilders and land developers as of April 1, 2015. All lots held by developers are ready for home construction and are available for immediate purchase.

Table 1: Single-Family Inventory, April 1, 2015

Neighbourhood	Builder Inventory	Developer Inventory		Totals
		City	Private	
Stonebridge	235	0	0	235
Hampton Village	12	3	0	15
Evergreen	340	91	0	431
Rosewood	172	12	176	360
Willowgrove	6	0	0	6
Briarwood	5	0	4	9
Kensington	544	217	40	801
Arbor Creek	2	0	0	2
Westview	0	3	0	3
Totals	1,316	326	220	1,862

Table 2 identifies the new single-family lot availability projected for 2015.

Table 2: Projected Residential Lot Availability, 2015

Neighbourhood	City		Dream		Other Developers		Totals	
	Jan-June	July-Dec	Jan-June	July - Dec	Jan-June	July - Dec	Jan-June	July-Dec
Rosewood	0	0	0	0	100	185	100	185
Aspen Ridge	0	371	0	0	0	0	0	371
Parkridge	174	0	0	0	0	0	174	0
Brighton	0	0	411	0	0	0	411	0
Kensington	0	*268	0	0	0	0	0	268
Totals	174	639	411	0	100	185	685	824
Total - 2015							1,509	

*Note: Actual lots released in the Kensington neighbourhood will depend on current inventory absorption rates.

Saskatoon Land anticipates holding lot draws in 2015 for:

- 174 single-family lots within the Parkridge neighbourhood extension area; and
- 371 single-family lots in the first phase of the Aspen Ridge neighbourhood.

In total, 545 single-family lots are currently planned to be offered for sale via lot draw process by Saskatoon Land throughout 2015. Actual lots released in the Kensington neighbourhood will depend on current inventory absorption.

The projected residential lot availability as shown in Table 2 is an adjustment from the Three-Year Land Development Report (November 2014). The projected lot availability in the Three-Year Land Development Report was to release 2,025 lots in 2015; however, due to increased levels of builder and developer inventory, adjustments were made by major land developers to push back the lot availability in the Elk Point neighbourhood from 2015 to future years.

The Monthly Building Permit Report indicates that as of April 1, 2015, building permits were issued for 154 single-family dwelling units and 18 two-family dwelling units. By comparison, at this time in 2014, building permits were issued for 268 single-family dwelling units and 22 two-family dwelling units. Year over year, this is a decrease of approximately 43% in new single-family dwelling units and 18% in two-family dwelling units.

Figure 2 (Attachment 1) shows historical single-family inventory levels held by builders and developers since 2011.

Multi-family Inventory

Table 3 identifies the multi-family inventory held by home builders and land developers as of April 1, 2015.

Table 3: Multi-family Inventory, April 1, 2015

Neighbourhood	Builder Inventory		Developer Inventory				Totals	
	Acres	Possible Dwelling Units	City		Private		Acres	Possible Dwelling Units
			Acres	Possible Dwelling Units	Acres	Possible Dwelling Units		
Stonebridge	13.29	577	0	0	8.21	203	21.50	780
Willowgrove	2.03	81	0	0	0	0	2.03	81
Hampton Village	7.58	114	0	0	0	0	7.58	114
Blairmore Suburban Ctr	4.05	243	0	0	0	0	4.05	243
Lakewood Suburban Ctr	3.82	152	0	0	0	0	3.82	152
Rosewood	9.99	150	0	0	4.38	78	14.37	228
Evergreen	41.78	917	18.99	285	0	0	60.77	1,202
Kensington	2.04	41	3.35	50	12.81	246	18.20	337
Totals	84.58	2,275	22.34	335	25.40	527	132.32	3,137

Note: The average density of development indicated in Table 3 is approximately 22 units per acre. This ranges from 15 units per acre for most group townhouse sites to 40 units per acre for three-storey buildings to 60 units per acre for M3 lands in the Blairmore Suburban Centre and Stonebridge.

According to the Monthly Building Permit Report, as of April 1, 2015, building permits were issued for a total of 485 residential units on multi-family sites. By comparison, at the same time in 2014, building permits for 288 units on multi-family sites had been issued. Year over year, this is an increase of approximately 41% in multi-family dwelling units in the city.

Figure 3 (Attachment 1) shows multi-family inventory levels held by builders and developers since 2011. It also indicates that while multi-family builder inventory levels have remained relatively constant, in recent years there has been a sharp decline in multi-family inventory levels held by developers.

The upward trend since the end of 2013 is due to servicing work that has been completed within the construction schedule. This inventory is expected to be sold and allocated to builders in the near future. The downward trend in multi-family developer inventory since August 2014 results primarily from recent sales of Saskatoon Land multi-family parcels within the Evergreen neighbourhood

Population Growth Rates

Table 4 demonstrates the potential population growth rate which can be accommodated based on current builder and developer single-family and multi-family inventories.

Table 4: 2015 Residential Availability and Potential Population Growth Rates

Land Use Type	# of Dwelling Units	Potential Pop. Increase	Potential Pop. Growth Rate
Single-Family Inventory (Builder/Developer)	1,862	5,213	2.03%
Multi-Family Inventory (Builder/Developer)	3,137	5,960	2.32%
Current Inventory – Total	4,999	11,173	4.35%

Note: Based on a calculation of 2.8 persons per single-family dwelling and 1.9 persons per multi-family dwelling unit. A base population of 257,300 was used, which represents the City’s December 31, 2014, population projection.

Industrial Land Inventory

Table 5, on the following page, identifies industrial land inventory held by Saskatoon Land and recent purchasers in the Marquis and Southwest Industrial areas (as of April 1, 2015).

Table 5: Industrial Inventory, April 1, 2015

Neighbourhood		Vacant Sites (Sold/Optioned)		Unsold Sites (Inventory)		Total
		IL	IH	IL	IH	
Marquis Industrial	No. of sites	31	38	8	8	85
	Area (ac)	75.92	97.89	12.52	20.60	206.93
Southwest Industrial	No. of sites	7	0	6	0	13
	Area (ac)	7.01	0	4.84	0	11.85
Total No. of Vacant Sites						98
Total Area (ac)						218.78

Note: IL denotes Light Industrial Zoning District, IH denotes Heavy Industrial Zoning District.

As indicated in Table 5, there are 218.78 acres of industrial land held by developers or recent purchasers.

Saskatoon Land anticipates the completion of servicing for approximately 117 acres of industrial land in the Marquis Industrial area in 2015. The timing and amount of future industrial land offered for sale via public tender in 2015 will be determined based on a review of industrial land market demand.

The absorption rate within industrial areas remains steady. Since the 2014 Year-end, Builder and Developer Lot Supply Report, permits have been issued for two parcels, totalling approximately 2.96 acres within the Marquis Industrial area.

Adjustments to Planned 2015 Land Development Capital Investments

In consideration of a potential decline of single-family lot absorption and rising inventory levels, the Administration has revised planned land development capital investments for the 2015 servicing season. Servicing phases in Elk Point and Kensington originally planned to be serviced in 2015 have been deferred to future years.

Due Date for Follow-up and/or Project Completion

The second quarter report will be tabled at the August Standing Policy Committee on Finance.

Public Notice

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

Attachment

1. Report Figures.

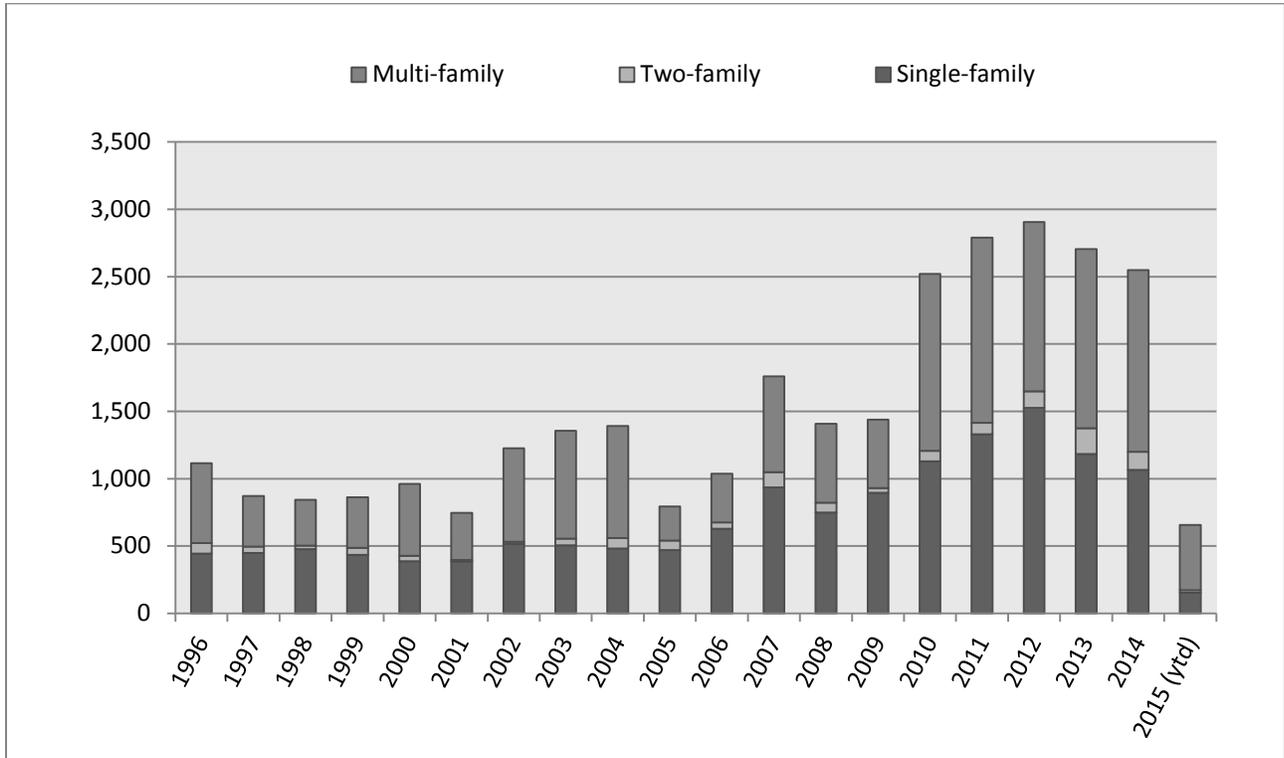
Report Approval

Written by: Ian Williamson, Planner 16
 Reviewed by: Frank Long, Director of Saskatoon Land
 Approved by: Kerry Tarasoff, CFO/General Manager,
 Asset & Financial Management Department

Builder Developer Quarterly Report (Apr 2015)

REPORT FIGURES

Figure 1: New Dwelling Units by Building Classification in Saskatoon, 1996 to Apr. 1, 2015



Source: City of Saskatoon, Building Standards, Monthly Building Permit Report

Figure 2: Single Family Builder and Developer Inventory Levels, 2011 to Current

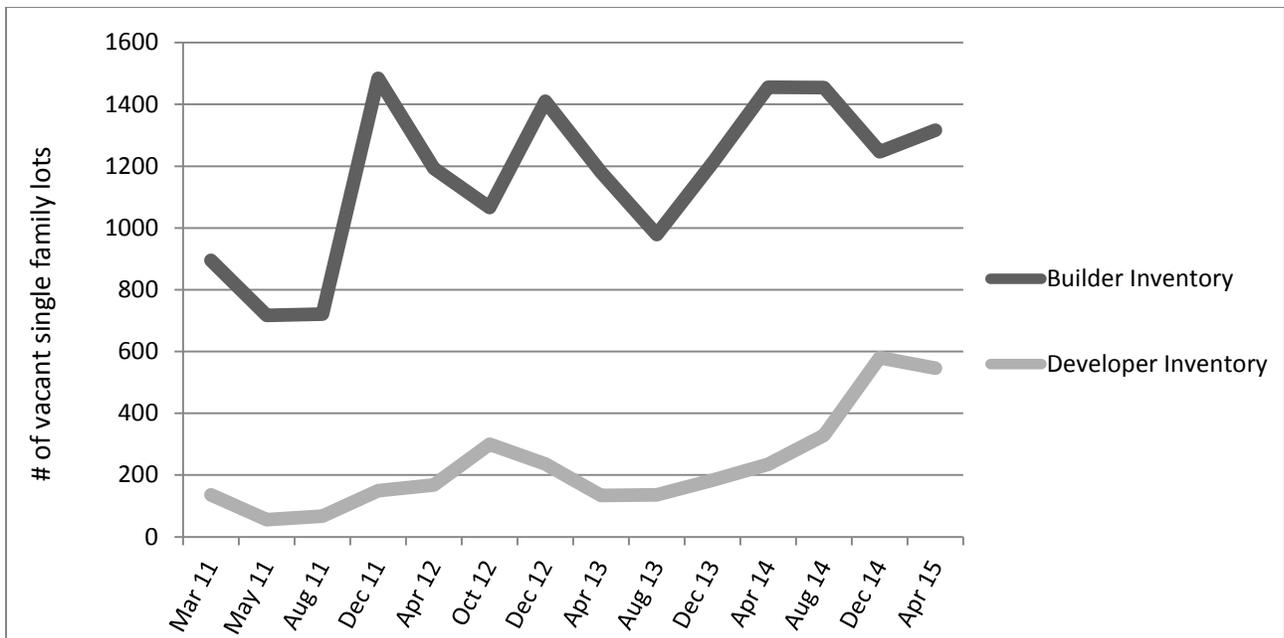
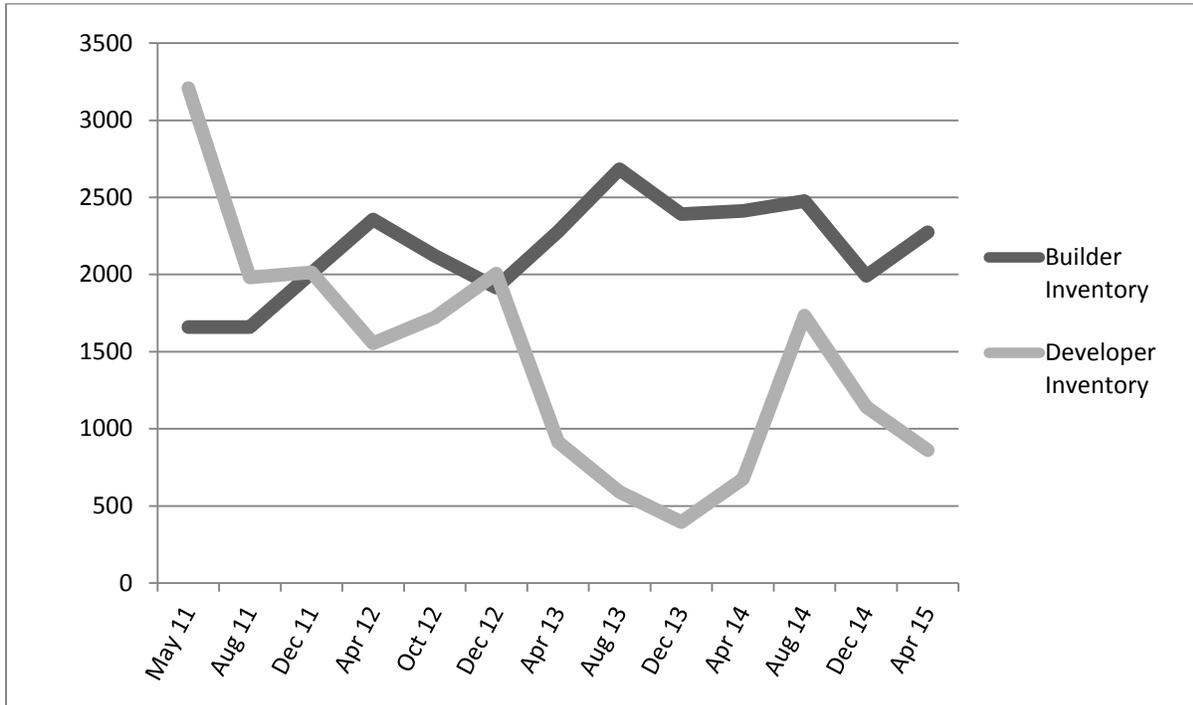


Figure 3: Multi-Family Dwelling-Unit Builder and Developer Inventory Levels, 2011 to Current



2014 Annual Report – Saskatoon Land

Recommendation

That the information be received.

Topic and Purpose

The 2014 Annual Report highlights key Saskatoon Land accomplishments and summarizes revenue sources for the 2014 calendar year.

Report Highlights

1. Land sales for 2014 totaled \$124,629,284. Sales highlights include 450 single-family lot sales, 38.88 acres of institutional/multi-family sales and 54.56 acres of industrial sales/leases.
2. The Sales and Accounting Section's accomplishments in 2014 include upgrading Reflex (the inventory management system), completing an internal audit, implementing a trial single-family tender process and having a record year for multi-family sales.
3. The Real Estate Section's accomplishments in 2014 included implementation of Reflex to manage leases, assembling all land for the North Commuter Parkway, developing a set of guiding principles for land acquisitions, and developing a long-term office accommodation plan for the corporation.
4. The Land Development Section had several major accomplishments in all of the current ongoing project areas in 2014.
5. To date, \$119.3 million in net proceeds from the sale of property in Hampton Village, Willowgrove, Rosewood and Evergreen have been made available for City Council to allocate to various civic projects.

Strategic Goals

In the daily operation of Saskatoon Land, staff is committed to assist City Council and the Administration in achieving many of the goals and priorities outlined in the Strategic Plan. Specific examples include:

- enhancing and improving the land development business, through customer and builder surveys, up-to-date inventory control and project management software, and continual analysis of market demand and consumer preferences under the Strategic Goal of Continuous Improvement;
- generating investment returns that provide City Council with additional funding to invest in what matters and provide increased revenue sources and reduced reliance on residential property taxes under the Strategic Goal of Asset and Financial Sustainability;

- incorporating community focal points in new neighbourhood design such as village squares, streetscaping, and Linear Park design, as well as pre-designating rental, affordable and entry-level housing projects in each neighbourhood, under the Strategic Goal of Quality of Life;
- striving to be a leader in promoting environmental practices through incorporating energy efficient and responsible land use strategies in new neighbourhood design under the Strategic Goal of Environmental Leadership;
- designing complete communities that support a range of household types and contain a mix of commercial, institutional and residential land uses, purposefully designed to promote transportation options and increase density under the Strategic Goals of Moving Around and Sustainable Growth; and
- facilitating employment growth and business expansion in the industrial and commercial sectors, through the use of the innovative Industrial Land Incentives Program and the development of suburban centres under the Strategic Goal of Economic Diversity and Prosperity.

Background

In 1954, after years of obtaining and selling tax enforcement properties, City Council formalized its involvement in the land development business by actively acquiring land through purchase for future development.

Since that time, the City of Saskatoon (City) has been actively involved in the land development industry in all areas of Saskatoon, including all residential, institutional, commercial, and industrial.

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 capital projects and to ensure a sufficient long-term supply of future development lands for the City's Land Development Business Line;
- provide financial returns at competitive rates of return on investment to the City for allocation to civic projects and programs;
- assist in the attainment of orderly urban growth;
- 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.

Report

The 2014 Annual Report (Attachment 1) is an abstract of Saskatoon Land revenues and activities during 2014 and highlights key accomplishments of the Sales and Accounting, Real Estate, and Land Development Sections, as well as the financial benefits of the City's Land Development Program.

Sales Highlights

Saskatoon Land revenues for 2014 totalled \$124,629,284 and are summarized as follows:

- 450 residential lots were sold for a total of \$60,692,558;
- 15 institutional and multi-family parcels totalling 38.88 acres were sold for a total of \$35,727,267;
- 17 industrial parcels totalling 46.87 acres were sold for a total of \$23,215,670;
- 2 industrial parcels totalling 7.69 acres were entered into long-term leasing contracts which represents revenue of \$3,459,400; and
- 1 commercial parcel totalling 1.48 acres was sold for \$999,000.

Sales and Accounting Accomplishments

The Sales and Accounting Section introduced new initiatives to enhance efficiency, increase customer satisfaction and attain sales objectives such as:

- upgraded Reflex (Saskatoon Land's inventory management system);
- implemented revenue and inventory audit recommendations;
- initiated a trial single-family tender for Evergreen Phase 8 and Kensington Phase 2;
- implemented industrial lease incentive requirements;
- recorded a record year for multi-family sales totalling \$35,727,267; and
- direct sale of 23 acres of land to Matrix Equities for a new business park in the Marquis Industrial area.

Real Estate Accomplishments

In 2014, the Real Estate Section continued to achieve its many land procurement goals such as:

- securing over 1,850 acres of future development lands over the past two years for the City's land development program;
- developing a set of guiding principles for land acquisitions that has been endorsed by the Executive Committee;
- acquiring north east land for future construction of the North Commuter Parkway;
- implementing Phase 1 of the long-term office accommodation plan for the City; and
- successfully selling surplus Montgomery properties.

Land Development Accomplishments

In 2014, the Land Development Section was active in a variety of ways in the following project areas:

- Kensington;
- Parkridge Extension
- Rosewood;
- Willowgrove;
- Evergreen;
- Elk Point;
- Aspen Ridge;
- University Heights Neighbourhood 3;
- Blairmore Suburban Centre; and
- Marquis Industrial.

Further information on these projects and the accomplishments of each Section of Saskatoon Land can also be found in Attachment 1.

Financial Benefits

The following list outlines various projects and programs that have been funded by allocations from net proceeds generated by Saskatoon Land. In 2014, a further \$13.75 million in net proceeds from land sales were allocated by City Council. To date, \$119.3 million in net proceeds from the sale of property in Hampton Village, Willowgrove, Rosewood and Evergreen have been made available for City Council to allocate to various civic projects. These allocations include:

- \$14.0 million to fund the City's Affordable Housing Reserve commitments;
- \$11.7 million for inner-city urban renewal projects, including the Pleasant Hill revitalization and the 25th Street entrance treatments;
- \$8.2 million over six years for operating budget contributions from 2007 - 2013;
- \$2.5 million to Bridge Reserve;
- \$13.0 million to land acquisitions;
- \$17.7 million, over six years for contributions to various future capital expenditures and reserves including:
 - fire hall land
 - Reserve for Capital Expenditures
 - lane paving; and
 - Infrastructure Surface Reserve.
- \$5.0 million to replace Mayfair Pool;
- \$4.7 million for paved street rehabilitation and road maintenance equipment;
- \$2.0 million for the 2013 - 2022 Housing Business Plan;
- \$12.2 million for road rehabilitation and preservation; and
- \$28.3 million for Prepaid Reserve deficiency.

Due Date for Follow-up and/or Project Completion

Saskatoon Land produces an annual report which highlights key Saskatoon Land accomplishments, summarizes revenue sources for the calendar year, and outlines the benefits of the Land Bank Program. The 2015 Annual report will be tabled at the Standing Policy Committee on Finance in spring 2016.

Public Notice

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

Attachment

1. City of Saskatoon, Saskatoon Land 2014 Annual Report

Report Approval

Written by: Chelsea Mamer, Staff Accountant
Reviewed by: Frank Long, Director of Saskatoon Land
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

Land Annual Report 2014.docx

City of Saskatoon, Saskatoon Land 2014 Annual Report





The City of Saskatoon (City) has been active in the business of developing and selling land since the 1920s, at a time when numerous properties were obtained through tax enforcement. In 1954, City Council formalized its involvement in the land development business by actively acquiring land for future development. This land-banking function was unique among municipalities at that time and continues to be one of the more extensive operations of its type. Since the 1950s, the City has played a significant role in developing Saskatoon communities and more recently supplying serviced industrial land to accommodate growth in Saskatoon's vibrant business community and local economy. The Saskatoon Land (Asset and Financial Management Department) team takes pride in building innovative communities that provide valued amenities, enhanced quality of life, community identity, and lasting value to the investors and families that choose City developments.

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 capital projects and to ensure a sufficient long-term supply of future development lands for the City's Land Development Business line;
- provide financial returns at competitive rates of return on investment to the City for allocation to civic projects and programs;
- assist in the attainment of orderly urban growth;
- 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.

Saskatoon Land is comprised of 19 staff members who administer the City's land development and real estate operations. In the process of developing the land and offering it for sale, Saskatoon Land staff examines the demand for four different markets including institutional, commercial, industrial and residential. Based on these market assessments, they arrange for the appropriate quantity and type of land to be designed and developed for eventual sale. In attaining planned land servicing objectives, Saskatoon Land draws heavily on the engineering experience and skills of the staff at the Saskatoon Water and Construction and Design Divisions within the Transportation and Utilities Department. This group of civic staff provide the engineering design, drafting, and project management during the servicing phase of the land development process.

As with private sector land developers, Saskatoon Land is subject to all procedures and regulations that govern the land development process in Saskatoon. This process is subject to extensive negotiations and influences from many stakeholders including, but not limited to, civic departments, external agencies, and in most instances, private developer partners and land owners.

The City's land development operation, including Saskatoon Land, is self-financing. This includes all business operations, including the land development levies and fees, payment of staff salaries, overhead costs, marketing, and the administration of sales. An administration fee is received on all sales and leases and is allocated to the Land Operations Reserve to finance all of the annual operating costs of the Division.

Growing Forward! Shaping Saskatoon: Growth Plan to Half a Million

Growing Forward! Shaping Saskatoon is a public planning initiative to develop a *Growth Plan to Half a Million* (Growth Plan) for Saskatoon that will guide infrastructure investments as our city doubles its population over the next 30 to 40 years.

In 2011, Saskatoon citizens developed a comprehensive vision for the city through the *Saskatoon Speaks* process. This City-led initiative engaged a large portion of the community in a discussion about Saskatoon's future. Citizens were asked to share what they value and their aspirations for Saskatoon. Eight interrelated themes and visions were identified that contributed significantly to City Council's *Strategic Plan 2013-2023* (Strategic Plan).

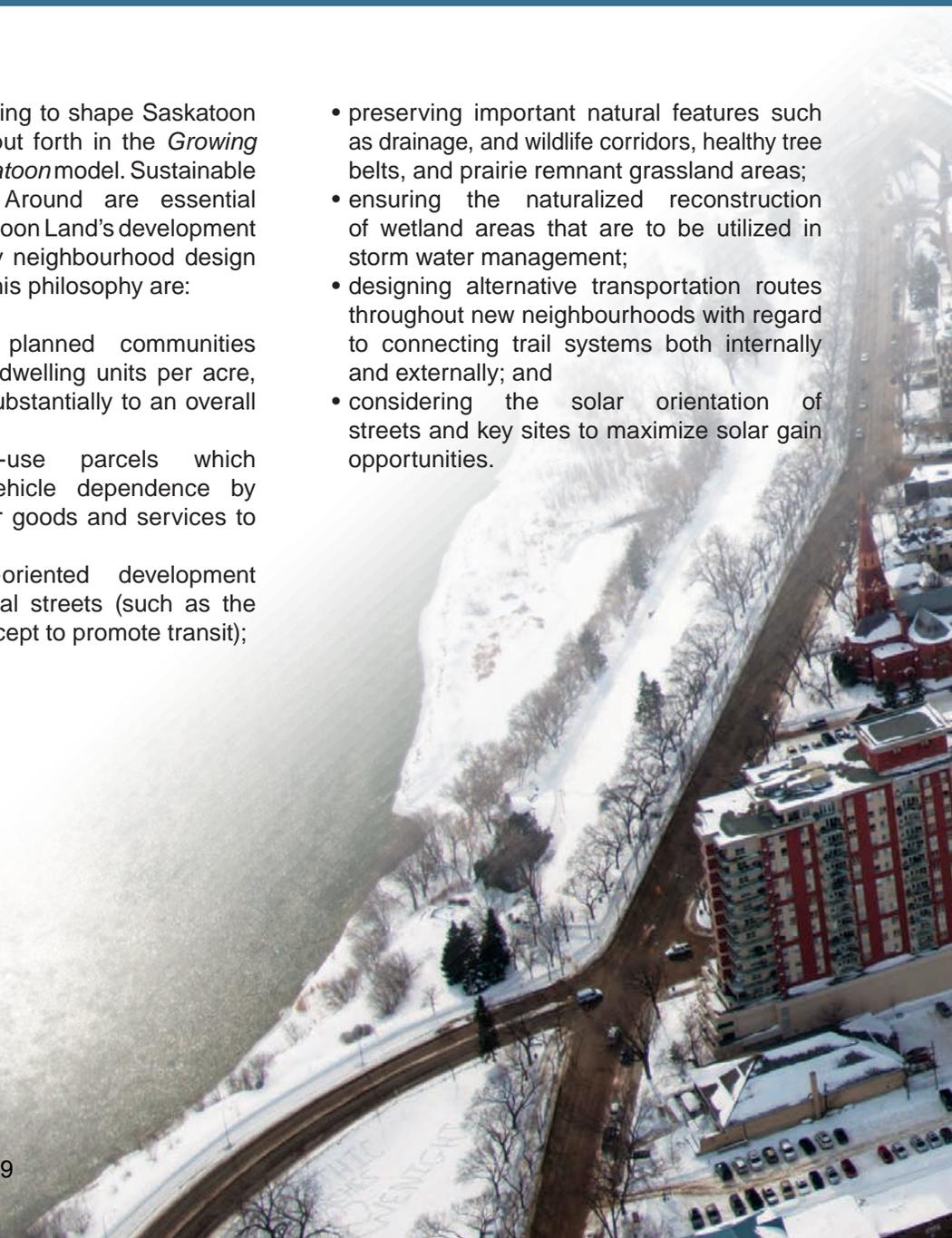
The *Growth Plan* focuses on the City's Strategic Goals of Sustainable Growth and Moving Around. These goals are about building places to bring people together and providing more transportation choices so Saskatoon will be a healthier, more sustainable, accessible and attractive place to live.

The *Growth Plan* is made up of several parts that fit together to form a new growth model for Saskatoon – one that will provide more choices for residents to move around the city while making it easier to work, shop and play closer to home. By creating more transportation choices and building places to bring people together, Saskatoon will be a healthier, more sustainable, accessible and attractive place to live.

Saskatoon Land is helping to shape Saskatoon in line with the vision put forth in the *Growing Forward! Shaping Saskatoon* model. Sustainable Growth and Moving Around are essential considerations in Saskatoon Land's development areas. Some of the key neighbourhood design elements that support this philosophy are:

- designing master planned communities with higher, overall dwelling units per acre, which contributes substantially to an overall denser urban form;
- developing mixed-use parcels which promotes lower vehicle dependence by setting the stage for goods and services to be available locally;
- developing transit-oriented development parcels along arterial streets (such as the complete street concept to promote transit);

- preserving important natural features such as drainage, and wildlife corridors, healthy tree belts, and prairie remnant grassland areas;
- ensuring the naturalized reconstruction of wetland areas that are to be utilized in storm water management;
- designing alternative transportation routes throughout new neighbourhoods with regard to connecting trail systems both internally and externally; and
- considering the solar orientation of streets and key sites to maximize solar gain opportunities.





2014 Land Sales Highlights

Land Sales for 2014 totaled \$124,629,284. Sales highlights include 450 single-family lot sales, 38.88 acres of institutional/multi-family sales and 54.56 acres of industrial sales/leases. A five-year sales comparison by property type is detailed throughout this report. Properties with options or deposits in 2014, to be exercised or paid out in 2015, amount to \$3,728,000 on industrial land and \$10,120,500 on multi-family land. These two amounts are in addition to the 2014 sales reported above.

An evident shift in the market has resulted in the single/multi-family sales ratio changing in 2014. Single-family sales have decreased 26.43% from the previous 2013 sales year, with sales of \$60,692,558. However, a strong multi-family family market resulted in record sales of \$35,727,267 totaling 38.88 acres. This shows an increase of 87.78% in sales from the previous 2013 sales year. The fall Evergreen multi-family tender saw one of the five sites sold with a bid of over \$1.1 million per acre. Two additional sites were optioned in the following weeks, with the remaining two sites still available for sale over-the-counter at year end. Sales from this phase of multi-family sites totalling \$8,666,000 were not accounted for in 2014 and will be realized in early 2015.

Land value increases due to higher land servicing costs (approx. 3.3%) and increased demand for smaller lots resulted in a decreased average lot price of \$134,872 from the average price of \$137,503 in 2013.

Residential Properties

Year	Total Sales	Number of Lots	Average Price
2010	\$59,619,450	575	\$103,686
2011	\$69,309,800	549	\$126,247
2012	\$106,566,000	789	\$135,065
2013	\$82,501,916	600	\$137,503
2014	\$60,692,558	450	\$134,872
5 yr Avg	\$75,737,945	593	\$127,720

Single-Family Residential Lot Sales



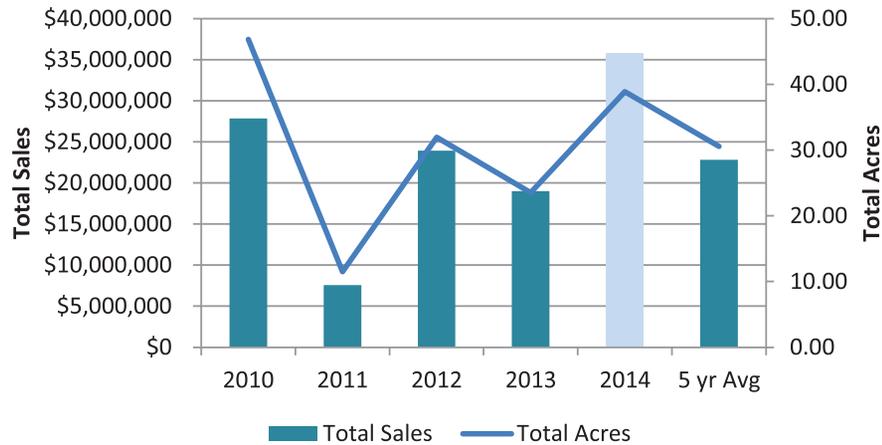
Institutional/Multi-Family Properties

Year	Total Sales	Number of Parcels	Total Acres	Average Price/Acre
2010	\$27,860,800	13	46.85	\$594,681
2011	\$7,556,360	4	11.51	\$656,504
2012	\$23,917,100	16	31.96	\$748,345
2013	\$19,026,400	8	23.52	\$808,946
2014	\$35,727,267	15	38.88	\$918,911
5 yr Avg	\$22,817,585	11	30.54	\$747,040

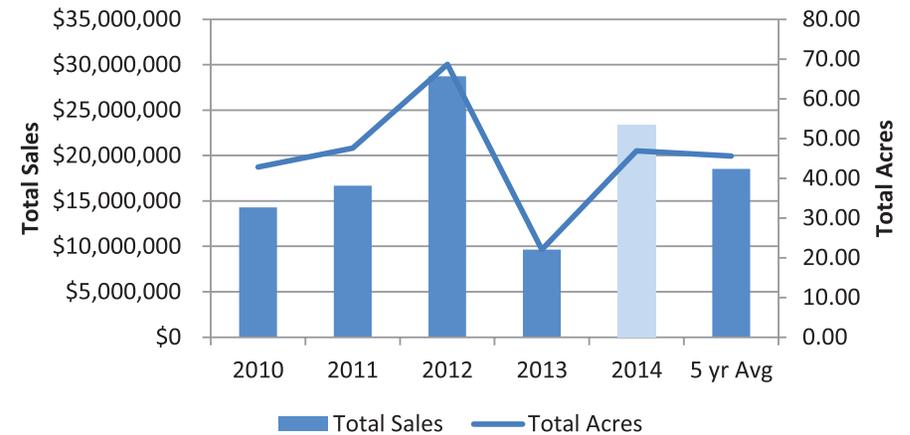
Industrial Properties

Year	Total Sales	Number of Parcels	Total Acres	Average Price/Acre
2010	\$14,299,200	19	42.82	\$333,937
2011	\$16,692,900	22	47.62	\$350,544
2012	\$28,728,687	33	68.63	\$418,602
2013	\$9,629,406	13	22.03	\$437,104
2014	\$23,215,670	17	46.87	\$495,320
5 yr Avg	\$18,513,173	21	45.59	\$406,044

Institutional / Multi-Family Sales 2010-2014



Industrial Sales 2010-2014



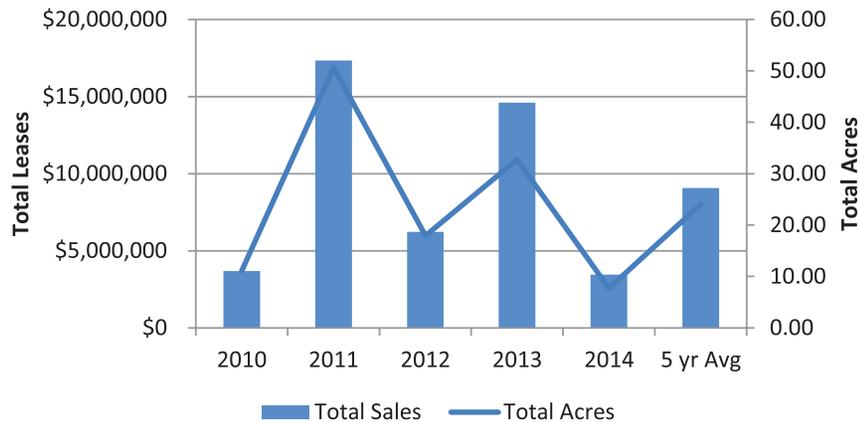
Industrial Long-Term Leases

Year	Total Sales	Number of Parcels	Total Acres	Average Price/Acre
2010	\$3,676,450	7	11.10	\$331,212
2011	\$17,331,550	23	50.66	\$342,115
2012	\$6,219,500	5	17.94	\$346,683
2013	\$14,615,900	18	32.77	\$446,015
2014	\$3,459,400	2	7.69	\$449,857
5 yr Avg	\$9,060,560	11	24.03	\$377,021

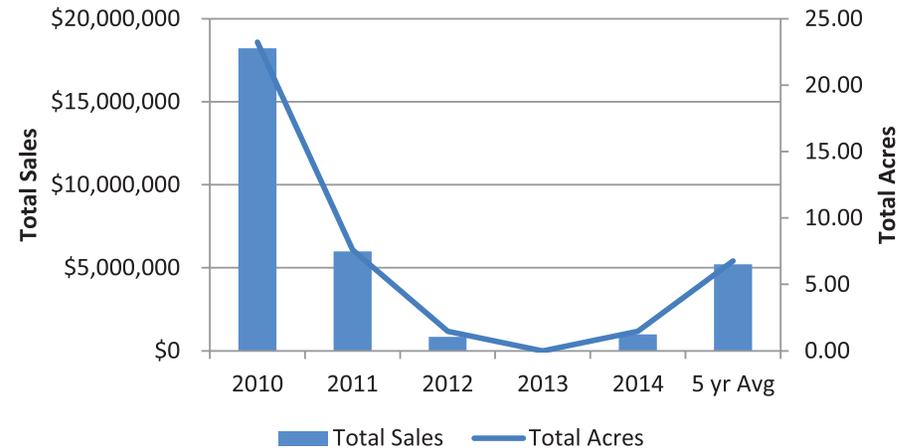
Commercial Properties

Year	Total Sales	Number of Parcels	Total Acres	Average Price/Acre
2010	\$18,214,038	1	23.23	
2011	\$5,982,426	3	7.61	\$786,127
2012	\$838,100	1	1.48	\$566,284
2013	\$0	0	0.00	\$0
2014	\$999,000	1	1.48	\$675,000
5 yr Avg	\$5,206,713	1	6.76	\$770,224

Long-Term Leases 2010-2014



Commercial Sales 2010-2014



Industrial land sales in 2014 totalled \$26,675,070 which is a 10.02% increase in sales from 2013. Of these sales, 7.69 acres (12.97%) were long-term leases which have a term of 15 years and an option to purchase the land at its original price. Additionally, \$10,730,570 (46.22%) of total industrial land sales were the result of a single direct-land sale. At yearend 2014, 12 parcels of land totalling 21.48 acres were completely serviced and available for sale.

Similar to the previous three years, the commercial land sales in 2014 were low due to few land parcels being made available. In 2013, 415 Willowgrove Square was put under agreement and \$999,000 of revenue from that sale was recognized in early 2014. Commercial land sales are expected to gain momentum over the next 5 years as more land parcels are serviced and brought into the development stream.



Single-Family

	Hampton Village	Evergreen	Rosewood	Kensington	Parkridge	Total
Beginning Inventory: January 1, 2014	9	102	26	2	-	139
Less: Lots sold in 2014	3	353	9	83	-	448
Add: Lots serviced in 2014	-	351	-	317	174	842
Ending Inventory: December 31, 2014	6	100	17	236	174	533

Multi Family/Commercial

	Hampton Village		Willowgrove		Evergreen		Total	
	Parcels	Acres	Parcels	Acres	Parcels	Acres	Parcels	Acres
Beginning Inventory & Parcels Under Agreement: January 1, 2014	2	7.50	1	1.48	14	33.06	17	42.04
Less: Sales Recognized in 2014	2	7.50	1	1.48	13	31.35	16	40.33
Add: Parcels Brought to Market in 2014	2	0.00	0	0	5	13.75	5	13.75
Ending Inventory & Parcels Under Agreement: December 31, 2014	0	0	0	0	6	15.46	6	15.46

Industrial

	Light Industrial		Heavy Industrial	
	Parcels	Acres	Parcels	Acres
Beginning Inventory & Parcels Under Agreement: January 1, 2014	0	0.00	7	15.49
Less: Sales Recognized in 2014	4	7.08	15	47.46
Add: Parcels Brought to Market in 2014	14	24.83	10	35.7
Ending Inventory & Parcels Under Agreement: December 31, 2014	10	17.75	2	3.73

Three lot draws are planned for 2015. The table below outlines the phases and estimated release dates for these draws. The release dates shown for the draws are estimates and are subject to change.

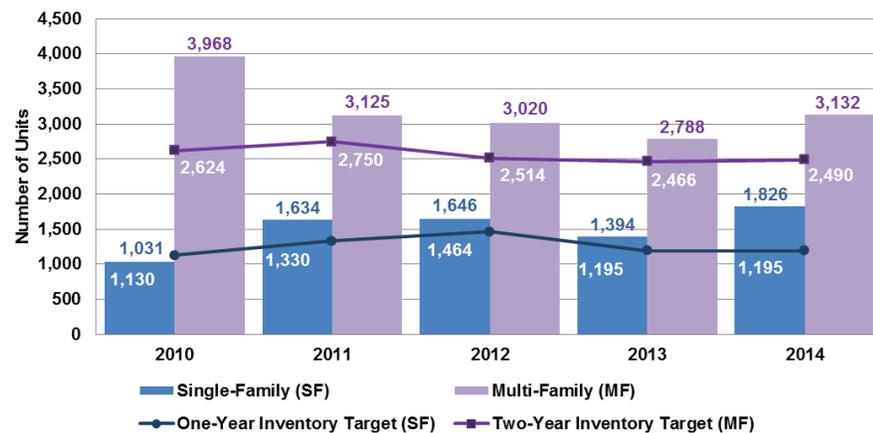
2015 Lot Draws

Neighbourhood	# of Lots Released	Date Released
Parkridge Extension	174	April
Kensington Phase 4	357	Fall 2015
Aspen Ridge Phase 1	375	Late Summer 2015

Supply of Residential and Industrial Land

Servicing sufficient amounts of land to ensure adequate supply levels is a key objective of Saskatoon Land. In striving to achieve this objective, minimum supply targets of a one-year supply of single-family lots and two-year supply of multi-family and industrial land have been set by the City. Saskatoon Land monitors land inventory supply throughout the year and works with private developers to quantify servicing plans on lands located in growth areas within Saskatoon. Since 2011, the local land development industry has met or exceeded the minimum supply targets for residential and industrial land.

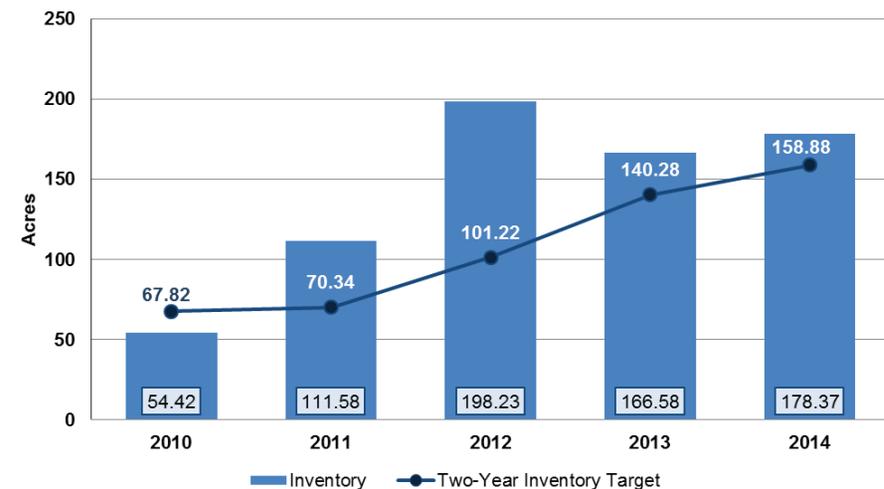
Builder and Developer Inventory Levels



To achieve the targeted inventory levels in 2014, Saskatoon Land and Construction and Design staff coordinated the completion of 842 single-family lots 19 multi-family parcels (63 acres), and 10 industrial parcels (47 acres) in the Evergreen, Kensington, Parkridge and Marquis Industrial neighbourhoods. Normal precipitation amounts throughout the construction season provided average weather conditions for contractors performing land development work.

The servicing completed by the City and private developers in 2014, as well as subsequent moderation of serviced lot absorptions, has increased yearend single-family builder and developer inventory levels to over 1,800 dwelling units. Multi-family inventories remained relatively consistent throughout 2014. Land tenders offered by Saskatoon Land throughout 2014 received considerable interest with most parcels selling over the reserve bid amounts. Dwelling unit demand and land absorption in the multi-family category exceeded single-family as builders continued to offer attractive price points for newly constructed units throughout the city.

5-Year Industrial Inventory



Targets for industrial land supply in 2014 were also achieved. City land tenders yielded few bids in excess of reserve prices, however, most parcels were tied up by purchasers shortly after the land was placed for sale over-the-counter. Absorption of industrial land remained steady throughout 2014 with building permits issued on 19 parcels totalling 42 acres. While fully serviced industrial land inventories remained relatively stable in 2014, continued monitoring of industrial vacancy rates and available land parcels will take place throughout 2015 to inform decisions on further industrial land tenders and future servicing phases in the Marquis Industrial area.



Saskatoon Land 2014 Key Accomplishments

Sales Section

During the first quarter of 2014, Saskatoon Land's inventory management system (Relfex) was upgraded. This upgrade provided for much higher data integrity, while also allowing for more flexible reporting options including more effective tracking of project costing for all of Saskatoon Land's development areas. The system also includes a module to track revenue and expenditures of leases on City-owned properties. This module is expected to be fully functional in 2015, and will remove the need to track these leases on spreadsheets.

In conjunction with the upgrade, an internal audit was performed on the inventory and revenue system. The objective of the audit was to determine whether adequate systems, practices and controls are in place. The audit concluded that for the most part, the objectives were being met with seven recommendations for enhancements, which included updated written procedures and a more formal communication tracking log for correspondence with customers. The majority of these recommendations have been implemented ahead of the estimated completion date.

In order to accommodate requests from Eligible Contractors who desire access to more lots to grow their businesses, Saskatoon Land initiated a trial process of offering groupings of single-family lots through a public tender process. This trial process was done prior to the Evergreen

Phase 8 and Kensington Phase 2 lot draws with all 43 lots in the groupings being sold through the tenders. While interest received on the tenders was positive, with multiple bids being received, feedback from Eligible Contractors has indicated that further refinements to the process and the general lot allocation policy may be required.

Other significant accomplishments include a record year for multi-family sales of \$35,727,267. The previous record was \$27,860,800 which was set in 2010. The 2014 year also saw the release of the last phase of Evergreen single-family lots to the market. This has resulted in 8 phases consisting of 1,715 lots being released to the market in less than 4 years, with 94% of the lots being sold. On the industrial side, a 22.84 acre parcel was sold by direct sale to Matrix Equities for a total of \$10,730,570 for the creation of a business park in the Marquis Industrial area. This park will be developed in stages with construction starting in the near future.

Real Estate Services

The Real Estate Services Section continues to achieve their many land procurement goals. In support of Saskatoon Land, Real Estate Services has secured over 1,850 acres of future development lands over the past 2 years for the City's land development program. To ensure continued success in securing strategic, future development lands that are consistent and in concert with the goals and objectives of City Council, Real Estate Services has developed

a set of guiding principles for land acquisitions which has been endorsed by the Executive Committee.

In addition to securing lands for future development, Real Estate Services also acquires lands required for a variety of roadways and infrastructure projects undertaken by the City each year. The North Commuter Parkway (NCP) is a major transportation project linking the developing neighbourhoods in the northeast with the Marquis Industrial area. In 2014, Real Estate Services completed the majority of the land acquisitions required for the project, leaving only two partial acquisitions to be completed in early 2015. Further to this, numerous other land acquisitions were completed in support of several smaller roadway and infrastructure projects such as the 33rd Street pathway project, a long-term snow management facility site, and lands to accommodate an earth berm for the Civic Operation Center (COC) project.

Other significant responsibilities of Real Estate Services include provision of leasing, property management, project management and property maintenance services for the corporation. These functions generate a significant amount of revenue and cost savings for the City. Revenue realized in 2014 from parking lots managed by Real Estate Services was approximately \$400,000, while revenues from short-term leases was approximately \$618,000 plus an additional \$150,000 from farm leases.

The long-term office accommodation plan for the corporation continues to be a major focus for Real Estate Services. In December 2013, the former Canada Post property (now known Civic Square East [CSE]) at 202 4th Avenue North was acquired to provide long-term office accommodations to the corporation. Fit-up of the space was overseen by Real Estate Services and was completed on time and under budget. Approximately 130 civic employees from several corporate departments were subsequently relocated from external leased locations throughout 2014. The staggered moves were completed at an ambitious pace with seamless transitions. The cost savings from external leases has saved the City \$304,000 in 2014, while revenue realized from external tenants at CSE earned the City approximately \$465,000 in revenue.

Land Development Section

Kensington

The first lot draw offering for the Kensington neighbourhood took place in the spring of 2013. Since then, approximately 174 lots have been sold. Saskatoon Land initiated a new approach to the implementation of development controls in Kensington, which allows for greater flexibility for builders while maintaining desired standards for appearances. As part of this approach, Saskatoon Land staff review each development control form, ensuring consistency of application and approvals. The process has been positively received and continues to evolve along with changes in the market and builder and consumer preferences.

Additional Kensington projects that were completed or initiated in 2014 include:

- The release of a marketing video, promotional radio spots, bus banners



and billboards to promote the Kensington neighbourhood. This campaign, developed by the City's Community Services Marketing Division, won the Bridges Award for Best Marketing Campaign award at the 2015 Awards Gala.

- Conceptual design for the Kensington Village Square and Village Centre is complete. Tender document preparation for construction of the Square is anticipated for fall 2015.
- The 33rd Street landscaping project is well underway and is expected to be complete by the end of 2015.
- Decorative concrete entrance fencing has been constructed at the most easterly roundabout entrance to Kensington.
- A landscape consultant has been hired to undertake design and construction management of landscaping for the central pond in Kensington.

Parkridge Extension

The extension of the Parkridge neighbourhood was approved by City Council in 2005 as part of the Blairmore Suburban Centre Neighbourhood Concept Plan. Some key accomplishments in Parkridge in 2014 include:

- completion of the subdivision and the majority of the survey work; and
- completion of the area grading, water and sewer, and roadways.

The shallow utilities (power, gas, cable, and telephone) will be completed in the spring of 2015. The release of 174 single-family lots through lot draw took place in April 2015.

Rosewood

At 2014 yearend, there were 17 single-family lots remaining for sale in Rosewood. These, in addition to one mixed-use site in the Village Square, and one multi-family site adjacent to the Village Square, represent Saskatoon Land's remaining land holdings in the Rosewood neighbourhood.

The Rosewood Gate North entrance streetscaping project has been awarded, with construction scheduled to begin in the spring of 2015. The project also includes the landscaping of three cul-de-sac islands within Saskatoon Land's development area.

Saskatoon Land has led a concept plan amendment and rezoning application for a redesign of Rosewood Village Square. The redesign has been undertaken in order to achieve a reconfiguration that allows more efficient access, parking, and circulation for pedestrians and vehicles, and to improve the development potential of the building sites. Most importantly, the redesign will focus on the relationship between development parcels and the village square park, with the goal of developing an attractive and vibrant public space in the village square.

It is anticipated that the proposed concept plan and rezoning application will be tabled at City Council for approval in the summer of 2015.

Willowgrove

Sales of single-family and multi-family residential properties in the Willowgrove neighbourhood were completed in 2010. In 2012, the first commercial/residential mixed-use parcel was tendered, awarded and recently completed. It contains a total of 24,500 square feet of retail/commercial space of which 70% is either leased

or sold. This mixed-use development also contains 48 apartment-style condominiums on the second and third floors of which only 9 remain unsold.

In 2013, the second and final commercial/residential mixed-use parcel was offered by RFP, with the successful proponent being selected in June 2013. The development, currently under construction in two phases consists of two mixed-use commercial/residential buildings.

Phase I, which is sold out, is under construction. It contains eight townhouse units that front onto the rear lane. Each townhouse unit contains retail at grade, office space on the second floor, and a residential unit on the third floor. Phase II, which begins construction in 2015, fronts on to Willowgrove Square, features 70,000 square feet of commercial space on the first two floors with 35,000 square feet of residential condominiums on the third floor. The Phase II structure also includes two levels of underground parking.



Evergreen

Increased demand for housing in Saskatoon and the popularity of Saskatoon Land's northeast development has contributed to the very quick development of Evergreen. Approved by City Council in June 2009, the first lot draw in Evergreen was held in the fall of 2010. The final single-family lot draw was held in the spring of 2014. All of the single-family residential lots and nearly all the multi-family parcels within these areas were brought to market within three and one-half years, which demonstrates the aggressive development schedule that was required to satisfy population growth and housing demand in the city over the past few years. 2014 saw a continuation of Saskatoon Land's aggressive servicing schedule with the completion of the final 314 single-family lots, specifically:

- 4 lots which are set aside for a future tender of Residential Care Home Type 2, Child Care Centre or Pre-School;

- 29 lots which were offered for sale through a grouped public tender process; and
- the remaining lots were offered for sale through the normal lot draw process.

In Evergreen, there were 102 single-family lots in inventory at the end of 2014. With respect to multi-family property, 30.78 acres were serviced with 13.76 acres being tendered.

Some other key accomplishments in Evergreen in 2014 include the following:

- The Concept Plan amendment for the District Village area was approved by City Council in June 2014. This amendment was necessitated by the North Commuter Parkway Bridge and subsequent McOrmond Drive re-alignment.
- The Zoning Bylaw amendment for the south half of the District Village (southeast of the intersection of Baltzan Boulevard and McOrmond Drive) was approved by City Council in June 2014. This area was rezoned to facilitate impending development.
- The construction of approximately 40% of Evergreen Square in the 2014 construction season; landscaping is anticipated to be completed in the fall 2015.
- The detailed design and preparation of tender documents for the Evergreen Green Bridge was completed in the spring of 2013. Construction is currently underway with completion of the structure anticipated in early 2015. The landscaping of the bridge and the linear parks leading to the bridge will be completed by fall 2015. When completed, the Green Bridge will provide safe and pleasant pedestrian access across McOrmond Drive to the east and west areas of the Evergreen neighbourhood.

- The completion of Phase II masonry entry fencing at both intersections on Fedoruk Drive (at Zary Road and Evergreen Boulevard) and feature sign number two on Lowe Road.
- The completion of all linear park fencing up to Funk Park.

Elk Point Neighbourhood Concept Plan

Elk Point, located north of Kensington, is the next neighbourhood to be developed in the Blairmore Sector. Development is scheduled to begin once the sales of the City's land holdings in Kensington are substantially complete.

The Elk Point Neighbourhood Concept Plan was developed by Saskatoon Land in consultation with its development partner and co-owner of lands within the neighbourhood, DREAM Development.

The design of Elk Point neighbourhood has been undertaken with the aim of creating a walkable, well-connected, mixed-use neighbourhood that meets the goals of the City's Strategic Plan 2013 - 2023 and Growth Plan to Half a Million.

The design proposes a return to elements commonly found in pre-war North American neighbourhoods, including a largely grid-based street layout, a substantial number of rear-laned lots, and a mix of land uses. The neighbourhood includes three major constructed wetland areas that will feature native plantings, be designed to function as wetlands to manage and filter stormwater, and provide recreational and educational amenities for the neighbourhood and surrounding communities.

The design of the street layout is intended to accommodate a mix of housing options, while supporting connectivity for all modes of transportation. Housing options will include a variety of types and tenure options in the single-family and multi-family market, including purpose-built rentals, and attainable and entry-level housing. This mix of housing forms will promote affordability, diverse lifestyles and accommodate a variety of income levels within the neighbourhood.

Commercial uses have been located on the western edge of the neighbourhood, providing accessibility to traffic along Neault Road and also residents living in surrounding neighbourhoods. These locations also allow for these commercial sites to be integrated with the mixed-use sites and medium density developments in the village centre and western area of the neighbourhood.

The proposed plan includes a centrally located corridor and linear park lined with multi-family parcels, which will provide multi-modal connections between shops and services and residential areas. The placement of a significant amount of the neighbourhood population along this central corridor will also promote transit viability and accessibility for residents.

In keeping with the Growth Plan to Half a Million, the neighbourhood was designed to ensure that access points into the neighbourhood provide connectivity with adjacent neighbourhoods. These connections ensure that amenities in Elk Point are convenient and accessible, and provide connections to existing and future transit facilities to those in adjacent neighbourhoods in addition to those living in Elk Point.

The Elk Point Neighbourhood Concept Plan was submitted to Planning and Development in 2013; City Council's approval is anticipated in the summer of 2015.

Aspen Ridge

The next neighbourhood to be developed by Saskatoon Land in the northeast is Aspen Ridge of which the City owns approximately 70%. The Aspen Ridge Neighbourhood Concept Plan was approved by Council in June 2014.

Some other key accomplishments in Aspen Ridge in 2014 include the following:

- completion of area grading and water and sewer for 134 lots in Phase 1;
- partial completion of the area grading and water and sewer for the remaining 237 lots in Phase 1 and 400 lots in Phase 2; and
- negotiation of a land exchange agreement between the three ownership groups, which will be tabled at City Council in June 2015.

The first lot draw for the Aspen Ridge neighbourhood is anticipated for either late summer or early fall of 2015.

University Heights Neighbourhood 3

In 2014, the preliminary studies were initiated for the design and development of the neighbourhood after Aspen Ridge.

Some of the key accomplishments in University Heights Neighbourhood 3 in 2014 include the following:

- preliminary office and site meetings with key internal and external stakeholders to gauge expectations and communicate Saskatoon Land's intentions;
- tender and completion of professionally surveyed information plan;
- tender and award of preliminary hydro geotechnical investigations were completed; further and expanded study will continue into 2015; and
- tender and near completion of natural area screening and heritage inventory report.

Blairmore Neighbourhood 3

In 2013, background research for the proposed Blairmore Neighbourhood 3 in the Blairmore Sector, including an Environmental Site Assessment, Natural Areas Screening, Heritage Sensitivity Study, and a Noise and Vibration Study.

In 2014, Saskatoon Land hired Global Retail Strategies to undertake a market demand and impact study for the site, and subsequently hired Reztark Design Studios to develop a concept plan and related site renderings for the plan.

The proposed concept plan provides for a variety of housing options and building forms, high quality public spaces and recreation amenities, and various levels of office and retail uses. The proposed plan is expected to undergo the review and approval process in 2015.

Marquis Industrial Area

Industrial demand remained strong in the Marquis Industrial area in 2014. To keep up with demand, Saskatoon Land is continuing with an aggressive industrial design, legal subdivision and servicing schedule.

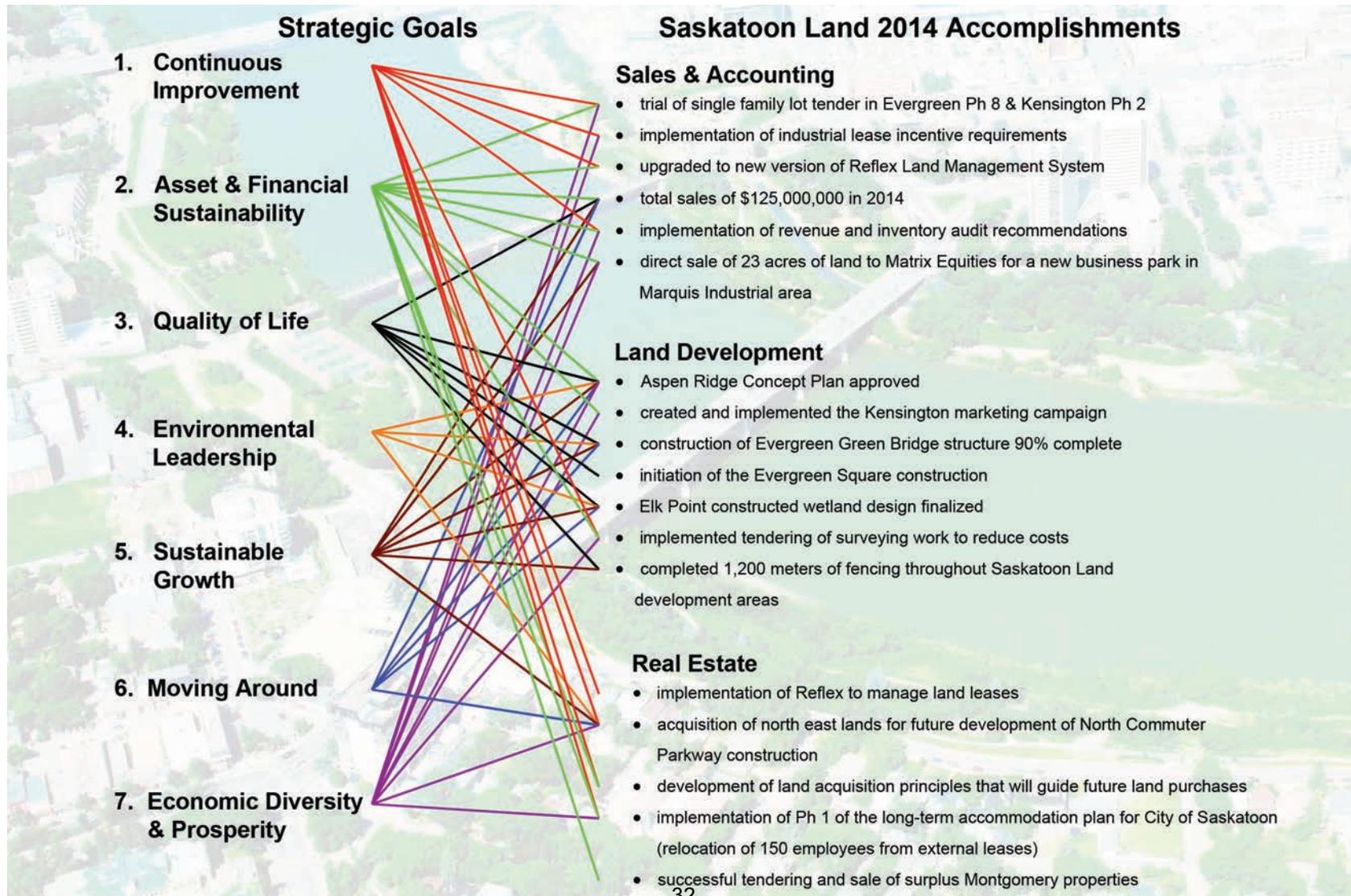
Some of the key accomplishments in the Marquis Industrial area in 2014 include the following:

- completion of construction for Phases 9 and 10, which consist of 123 acres of heavy industrial land;
- registration of legal plan for Phases 9 and 10;
- finalization of the design for an additional 60 acres of heavy industrial for Phase 11, which accommodates the balance of municipal reserve dedication required for the Marquis Industrial Sector;
- completion of a Traffic Impact Study and Rail Crossing Evaluation for Phase 11;
- tendering of 16 heavy industrial parcels totalling 33.41 acres; and
- direct sale of a 20-acre heavy industrial site to Matrix Equities.



Saskatoon Land plays a significant role in helping the Administration and City Council achieve the goals and priorities outlined in the Strategic Plan. The strategic goals and priorities provide the main direction for Saskatoon Land

in its daily operations. The figure below provides a visual demonstration of how Saskatoon Land's 2014 accomplishments connect with the seven core goals of the plan.



Financial Benefits

The Following list outlines various projects and programs that have been funded by allocations from net proceeds generated by Saskatoon Land. To date, \$119.3 million in net proceeds from the sale of property in Hampton Village, Willowgrove, Rosewood and Evergreen have been made available for City Council to allocate to various civic projects. These Allocations include:

- \$14.0 million to fund the City's Affordable Housing Reserve commitments;
- \$11.7 million for inner-city urban renewal projects, including the Pleasant Hill Revitalization and the 25th Street entrance treatments;
- \$8.2 million over six years for operating budget contributions from 2007 - 2013;
- \$2.5 million to Bridge Reserve;
- \$13.0 million to land acquisitions;
- \$17.7 million over six years for contributions to various future capital expenditures and reserves including:
 - o Fire Hall land
 - o Reserve for Capital Expenditure
 - o Lane paving
 - o Infrastructure Surface Reserve;

- \$5.0 million to replace Mayfair Pool;
- \$4.7 million for paved street rehabilitation and road maintenance equipment;
- \$2.0 million for the 2013 - 2022 Housing Business Plan;
- \$12.2 million for road rehabilitation and preservation; and
- \$28.3 million for Prepaid Reserve deficiency.

Several other civic programs and projects have resulted from contributions or financing provided by the Property Realized Reserve, including:

- land acquisitions for numerous infill developments: Pleasant Hill revitalization, River Landing, North Downtown Brownfield redevelopment, and COC facility;
- 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 protections (North East Swale).

The Property Realized Reserve also provides yearly transfers to the RCE when funds within the reserve exceed \$24 million (27.2 million in 2012). 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.

Other corporate programs funded by the contributions from Saskatoon Land include:

- Expanded Urban Design mandate (\$750,000 per year since 2005);
- Municipal Enterprise Zone (\$500,000);
- Façade Appearance Grants (\$75,000 – 2011);
- Accelerated new neighbourhood design (\$3.0 million); and
- North Downtown Master Plan prep and site remediation (\$1.0 million).

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 have resulted in significant savings for Saskatoon taxpayers and contributed to the City being in the enviable position of having one of the lowest property tax rates in western Canada.





201 3RD AVENUE NORTH, SASKATOON, SK
306-975-3278

Report on Investments - December 2014

Recommendation

That the report of the CFO/General Manager, Asset & Financial Management Department, dated May 4, 2015, be forwarded to City Council for information.

Topic and Purpose

The purpose of this report is to inform City Council of recent interest rate developments and trends, current investment activity, and portfolio performance.

Report Highlights

1. Bond yields reverse course and move lower in 2014.
2. Proceeds from bond sales and maturities were fully re-invested.
3. Cash is still favoured for portfolio liquidity purposes.
4. Positive trend in portfolio performance and compliance.

Strategic Goal

This report supports the long-term strategy to protect the City of Saskatoon's (City) credit rating under the Strategic Goal of Asset and Financial Stability. The high level of cash and investments translates into increased financial flexibility which has a favourable impact on the credit rating process.

Report

Bond Yields Move Lower

In 2013, Canadian bond yields moved to higher levels as economic growth improved and expectations increased for a potential bank rate hike. Some economists expected this upward trend to continue into 2014. However, some factors including slowing overseas growth, a sharp drop in oil prices, and conflict in the Middle East placed downward pressure on both Canada and U.S. bond yields. As well, the Bank of Canada and U.S. Federal Reserve decided not to increase short-term rates but rather maintain them at current levels. The 10-year and 30-year Canada bond yields fell by 1% during the year, while 2-year Canada bonds displayed a minimal change in yield.

Canada Bond Yields	Dec-13	May-14	Sep-14	Dec-14
2-Year	1.03%	1.09%	1.11%	1.00%
5-Year	1.82%	1.53%	1.52%	1.23%
10-Year	2.77%	2.24%	2.15%	1.78%
30-Year	3.23%	2.77%	2.67%	2.33%

Full Reinvestment of Bond Proceeds

The book value of the General Account bond portfolio increased to \$385.5 million, a net increase of \$37.5 million from 2013 (Attachment 1). All proceeds from bond sales and maturities were reinvested into high-quality municipal bonds (including some secondary lines of City of Saskatoon debentures) and chartered bank deposit notes. Yields on these bond purchases ranged from 1.34% to 3.50%. These securities generally trade at attractive yield spreads over provincial bonds which ultimately enhance the portfolio's income return. The majority of bond purchases were limited to maturity terms of five years or less. The Investment Manager believes that maintaining a shorter average maturity term for the portfolio is warranted given the very low interest rate environment. The weighted average term of the bond portfolio was 3.4 years as at December 31, 2014, somewhat less than the 6 year maximum as outlined in the Corporate Investment Policy.

Cash is Still Favoured

The City requires cash and/or a portfolio of highly marketable investments to fund the day-to-day expenditures of the corporation. Over the past few years, the amount of cash held on deposit has increased, while the number of money market investments has actually declined. The increase in bank balances is largely attributed to higher deposit rates offered relative to yields available on short-term investments. As very few money market issuers have posted yields above the City's current bank deposit rate, the Investment Manager expects the level of cash to remain high going forward.

Positive Performance

The investment of civic funds is governed by Council Policies C12-002, C12-003, and C12-009 which are collectively referred to as Corporate Investment Policy. Detailed compliance reports are forwarded to the Investment Committee on a monthly basis for approval.

The primary performance objectives and recent results, relating to the investment of civic funds, are outlined as follows:

1. Capital preservation of the corporation's financial assets
 - All securities held by the civic portfolios have a minimum credit rating of "A" for bonds and "R-1 Low" for money market securities (Attachment 2).
2. Funding the day-to-day cash flows of the corporation
 - Daily expenditures of the corporation were funded in a timely manner in 2014. Cash and money market investments amounted to 10 to 15% of total securities holdings during the year.

3. Maximizing return subject to Council Policy C12-009 - Portfolio Management

- The budget variance measures the success in attaining the Investment Manager's interest income projections:

2014	Budget	Actual	Variance
Interest on Investments	\$8,603,500	\$10,245,700	**(\$1,642,200)
Bank Interest	\$187,500	\$464,700	(\$277,200)
	\$8,791,000	\$10,710,400	(\$1,919,400)

** A significant portion of the variance is attributed to income accrued (\$1,332,000) from a \$32 million investment in the Property Realized Reserve.

- The income return of the combined General Account bond and money market portfolios is compared to a benchmark comprised of government and corporate yields which closely match the average term of the portfolio:

	2012	2013	2014
Income Return	2.75%	2.53%	2.58%
Benchmark	1.63%	1.56%	1.46%
Excess Return	1.12%	0.97%	1.12%

Due Date for Follow-up and/or Project Completion

The Report on Investments for 2015 will be tabled at City Council in April 2016.

Public Notice

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

Attachments

1. General Account Long-Term Investment Portfolio as at December 31, 2014
2. Total Portfolio Holdings by Credit Rating and Bond Type

Report Approval

Written by: Murray Gronsdal, Investment Manager
 Reviewed by: Investment Committee
 Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

General Account Long-Term Investment Portfolio as at December 31, 2014

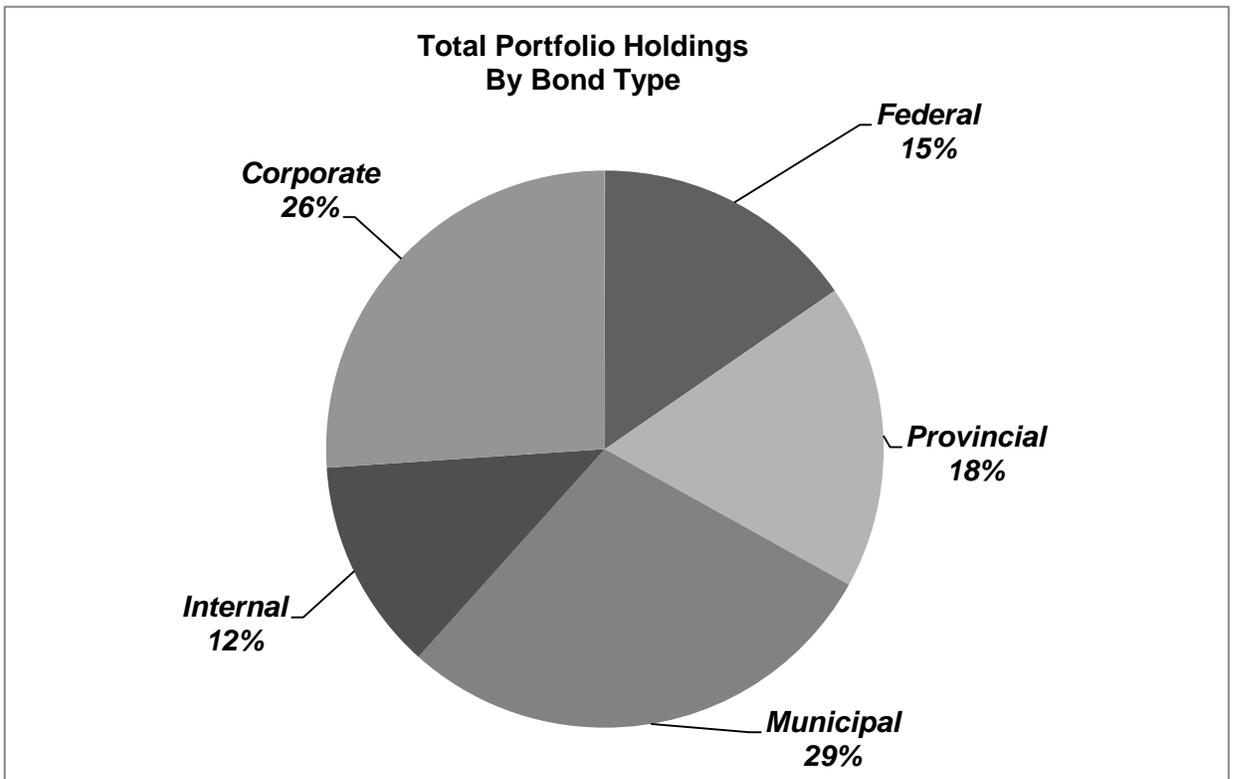
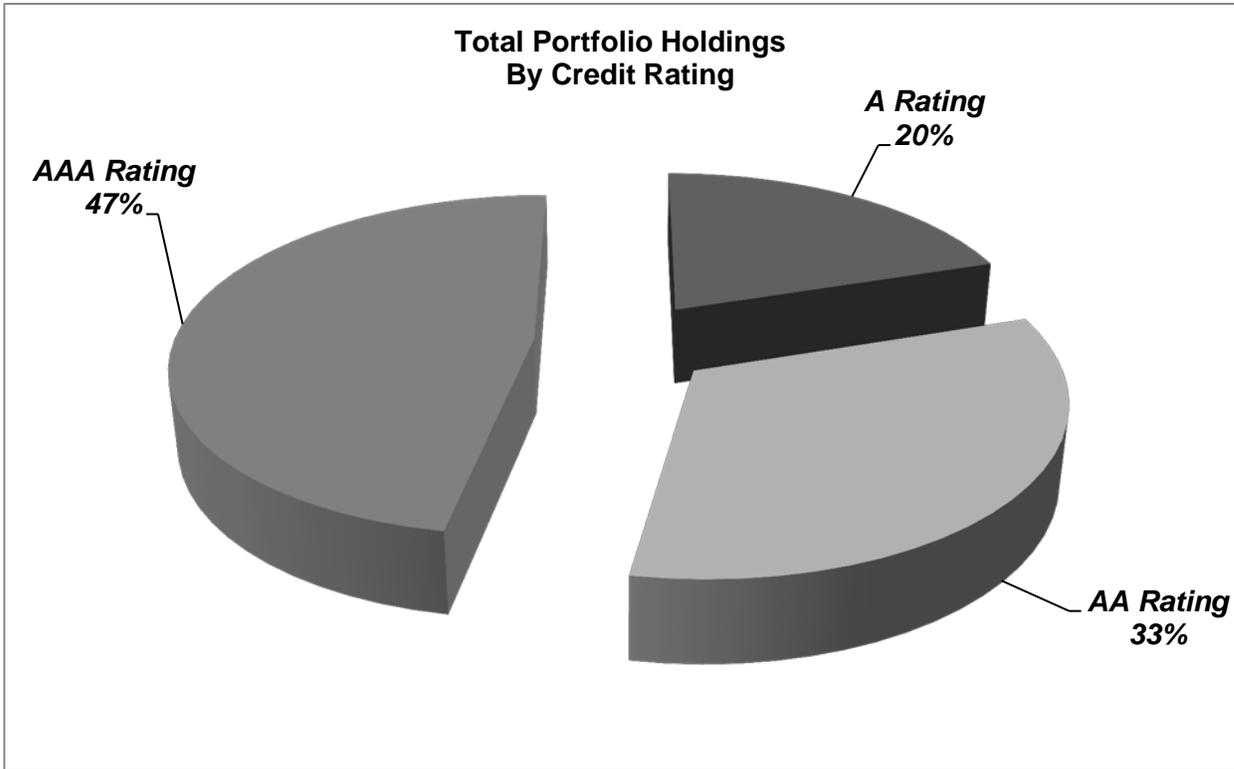
SECURITY	INTEREST RATE	MATURITY TERM	PAR VALUE	%	UNIT COST	BOOK VALUE	%
2015							
ROYAL BANK OF CANADA FLOATING RATE NOTE	3 mo. BA+80bp	16-Jan-15	2,000,000		100.000	2,000,000.00	
NATIONAL BANK OF CANADA DEPOSIT NOTE	2.231	30-Jan-15	2,200,000		100.981	2,221,582.00	
PSP CAPITAL INC. FLOATING RATE NOTE	3 mo. BA+39bp	16-Feb-15	6,615,000		100.311	6,635,544.25	
BANK OF NOVA SCOTIA FLOATING RATE NOTE	1 mo. BA+16bp	10-Mar-15	2,000,000		100.000	2,000,000.00	
CENTRAL 1 CREDIT UNION FLOATING RATE NOTE	3 mo. BA+45bp	28-Apr-15	2,750,000		100.000	2,750,000.00	
REGIONAL MUNICIPALITY OF YORK DEBENTURE	3.650	27-May-15	3,172,000		104.920	3,328,062.40	
REGIONAL MUNICIPALITY OF HALTON DEBENTURE	1.400	3-Jun-15	1,768,000		99.990	1,767,823.20	
BANK OF MONTREAL DEPOSIT NOTE	5.180	10-Jun-15	1,000,000		106.540	1,065,400.00	
BANK OF MONTREAL FLOATING RATE NOTE	1 mo. BA+11bp	19-Jun-15	2,000,000		100.000	2,000,000.00	
REGIONAL MUNICIPALITY OF PEEL DEBENTURE	1.450	20-Jun-15	1,000,000		99.908	999,080.00	
ROYAL BANK OF CANADA FLOATING RATE NOTE	3 mo. BA+ 7bp	25-Jun-15	2,000,000		100.000	2,000,000.00	
REGIONAL MUNICIPALITY OF NIAGARA DEBENTURE	1.750	31-Jul-15	2,304,000		99.913	2,301,995.52	
BANK OF NOVA SCOTIA FLOATING RATE NOTE	3 mo. BA+38bp	4-Aug-15	5,000,000		100.263	5,013,150.00	
CANADA HOUSING TRUST FLOATING RATE NOTE	3 mo. BA+13bp	15-Sep-15	10,000,000		99.920	9,992,000.00	
ROYAL BANK OF CANADA FLOATING RATE NOTE	3 mo. BA+ 7bp	18-Sep-15	2,000,000		100.000	2,000,000.00	
CANADIAN IMPERIAL BANK OF COMMERCE FRN	3 mo. BA+35bp	23-Sep-15	3,000,000		100.000	3,000,000.00	
REGIONAL MUNICIPALITY OF DURHAM DEBENTURE	1.550	16-Oct-15	1,000,000		99.975	999,750.00	
DISTRICT MUNICIPALITY OF MUSKOKA DEBENTURE	1.900	17-Oct-15	471,000		99.962	470,821.02	
CITY OF OTTAWA DEBENTURE	1.550	22-Oct-15	2,468,000		99.996	2,467,901.28	
COUNTY OF WELLINGTON DEBENTURE	1.800	30-Oct-15	450,000		99.971	449,869.50	
CANADIAN IMPERIAL BANK OF COMMERCE RESIDUAL	1.740	2-Nov-15	5,000,000		98.065	4,903,250.00	
REGIONAL MUNICIPALITY OF WATERLOO DEBENTURE	1.750	26-Nov-15	513,000		99.913	512,553.69	
COUNTY OF NORFOLK DEBENTURE	3.050	29-Nov-15	1,210,000		99.816	1,207,773.60	
FARM CREDIT CORPORATION MID TERM NOTE	4.150	1-Dec-15	10,000,000		99.632	9,963,200.00	
CITY OF MONTREAL DEBENTURE	3.150	1-Dec-15	3,000,000		103.430	3,102,900.00	
PSP CAPITAL INC. MID TERM NOTE	2.940	3-Dec-15	600,000		99.958	599,748.00	
			73,521,000	18.8		73,752,404.46	19.1

SECURITY	INTEREST RATE	MATURITY TERM	PAR VALUE	%	UNIT COST	BOOK VALUE	%
2016							
CADILLAC FAIRVIEW FINANCE TRUST DEBENTURE	3.240	25-Jan-16	500,000		99.995	499,975.00	
PROVINCE OF NEW BRUNSWICK FLOATING RATE NOTE	3 mo. BA+ 4bp	22-Feb-16	3,000,000		100.000	3,000,000.00	
BANK OF NOVA SCOTIA DEPOSIT NOTE	3.610	22-Feb-16	5,000,000		103.050	5,152,500.00	
PROVINCE OF MANITOBA FLOATING RATE NOTE	3 mo. BA+16bp	19-Apr-16	5,000,000		100.205	5,010,250.00	
TORONTO DOMINION BANK FLOATING RATE NOTE	3 mo. BA+20bp	21-Apr-16	4,500,000		100.000	4,500,000.00	
NATIONAL BANK DEPOSIT NOTE	3.580	26-Apr-16	2,000,000		100.000	2,000,000.00	
NB MUNICIPAL FINANCE CORPORATION BOND	1.350	15-May-16	1,500,000		99.921	1,498,815.00	
PROVINCE OF ALBERTA FLOATING RATE NOTE	3 mo. BA+11bp	27-May-16	6,000,000		99.989	5,999,364.41	
REGIONAL MUNICIPALITY OF YORK DEBENTURE	4.750	1-Jun-16	2,000,000		99.760	1,995,200.00	
EXPORT DEVELOPMENT CANADA BOND	4.300	1-Jun-16	4,000,000		99.652	3,986,096.00	
ROYAL BANK OF CANADA FLOATING RATE NOTE	3 mo. BA+36bp	17-Jun-16	3,000,000		100.000	3,000,000.00	
NATIONAL BANK OF CANADA FLOATING RATE NOTE	3 mo. BA+25bp	23-Jun-16	7,600,000		100.044	7,603,360.00	
CANADIAN IMPERIAL BANK OF COMMERCE FRN	3 mo. BA+24bp	14-Jul-16	3,000,000		100.000	3,000,000.00	
REGIONAL MUNICIPALITY OF NIAGARA DEBENTURE	1.950	31-Jul-16	1,346,000		99.828	1,343,684.88	
CITY OF TORONTO DEBENTURE	4.850	28-Jul-16	5,000,000		102.946	5,147,310.00	
CANADA HOUSING TRUST FLOATING RATE NOTE	3 mo. BA+ 6bp	15-Sep-16	6,000,000		99.900	5,994,000.00	
PROVINCE OF MANITOBA FLOATING RATE NOTE	3 mo. BA+15bp	15-Sep-16	10,000,000		99.434	9,943,440.00	
CANADIAN WESTERN BANK FLOATING RATE NOTE	3 mo. BA+ 42bp	26-Sep-16	4,000,000		100.020	4,000,780.00	
REGIONAL MUNICIPALITY OF DURHAM DEBENTURE	1.900	16-Oct-16	2,000,000		99.991	1,999,820.00	
DISTRICT MUNICIPALITY OF MUSKOKA DEBENTURE	2.150	17-Oct-16	485,000		99.812	484,088.20	
CAISSE CENTRALE DESJARDINS MID TERM NOTE	2.281	17-Oct-16	1,000,000		100.000	1,000,000.00	
COUNTY OF WELLINGTON DEBENTURE	2.000	30-Oct-16	458,000		99.885	457,473.30	
REGIONAL MUNICIPALITY OF WATERLOO DEBENTURE	1.950	26-Nov-16	528,000		99.847	527,192.16	
PROVINCE OF SASKATCHEWAN RESIDUAL	2.843	30-Nov-16	1,976,000		85.730	1,694,024.80	
CITY OF SASKATOON DEBENTURE	2.000	18-Dec-16	3,359,000		101.280	3,401,995.20	
			83,252,000	21.3		83,239,368.95	21.6
2017							
ROYAL BANK OF CANADA DEPOSIT NOTE	3.660	25-Jan-17	2,000,000		100.147	2,002,938.00	
PSP CAPITAL INC. MID TERM NOTE	2.260	16-Feb-17	3,000,000		102.150	3,064,500.00	
CANADA HOUSING TRUST FLOATING RATE NOTE	3 mo. BA+20bp	15-Mar-17	11,100,000		100.237	11,126,270.00	
TORONTO DOMINION BANK DEPOSIT NOTE	1.824	3-Apr-17	2,000,000		100.000	2,000,000.00	
NATIONAL BANK OF CANADA DEPOSIT NOTE	2.019	13-Apr-17	800,000		100.000	800,000.00	
CITY OF QUEBEC DEBENTURE	1.800	1-May-17	3,600,000		99.216	3,571,760.00	
CENTRAL 1 CREDIT UNION FLOATING RATE NOTE	1.720	1-May-17	5,500,000		100.042	5,502,300.00	

SECURITY	INTEREST	MATURITY	PAR VALUE	%	UNIT COST	BOOK VALUE	%
	RATE	TERM					
PROVINCE OF SASKATCHEWAN COUPON	2.020	30-May-17	4,256,250		93.030	3,959,589.38	
CANADA HOUSING TRUST BOND	2.050	15-Jun-17	5,000,000		101.702	5,085,100.00	
PROVINCE OF BRITISH COLUMBIA COUPON	4.542	18-Jun-17	8,000,000		61.656	4,932,480.00	
REGIONAL MUNICIPALITY OF PEEL DEBENTURE	2.050	20-Jun-17	3,500,000		99.893	3,496,255.00	
CITY OF TORONTO DEBENTURE	5.050	18-Jul-17	1,000,000		99.728	997,280.00	
REGIONAL MUNICIPALITY OF NIAGARA DEBENTURE	2.200	31-Jul-17	1,393,000		99.953	1,392,345.29	
CREDIT UNION CENTRE LOAN	5.250	1-Aug-17	1,154,397		100.000	1,154,396.91	
CANADA HOUSING TRUST FLOATING RATE NOTE	3 mo. BA+11bp	15-Sep-17	15,000,000		99.948	14,992,263.00	
REGIONAL MUNICIPALITY OF DURHAM DEBENTURE	2.250	16-Oct-17	1,000,000		99.916	999,160.00	
COUNTY OF WELLINGTON DEBENTURE	2.200	30-Oct-17	468,000		99.929	467,667.72	
CITY OF GUELPH DEBENTURE	2.750	9-Nov-17	1,485,000		100.775	1,496,508.75	
NB MUNICIPAL FINANCE CORPORATION BOND	3.150	19-Nov-17	1,233,000		99.751	1,229,929.83	
REGIONAL MUNICIPALITY OF WATERLOO DEBENTURE	2.200	26-Nov-17	542,000		99.906	541,490.52	
PROVINCE OF SASKATCHEWAN COUPON	4.589	30-Nov-17	4,156,250		60.388	2,509,876.25	
			76,187,897	19.5		71,322,110.64	18.5
2018							
PROVINCE OF MANITOBA FLOATING RATE NOTE	3 mo. BA+24bp	2-Apr-18	10,000,000		100.035	10,003,500.00	
TORONTO DOMINION BANK DEPOSIT NOTE	2.171	2-Apr-18	300,000		100.000	300,000.00	
PROVINCE OF ONTARIO FLOATING RATE NOTE	3 mo. BA+12bp	30-May-18	2,000,000		100.000	2,000,000.00	
FINANCEMENT - QUEBEC FLOATING RATE NOTE	3 mo. BA+39bp	1-Jun-18	5,000,000		100.000	5,000,000.00	
NB MUNICIPAL FINANCE CORPORATION BOND	2.200	14-Jun-18	2,000,000		99.633	1,992,660.00	
REGIONAL MUNICIPALITY OF PEEL DEBENTURE	2.300	20-Jun-18	1,000,000		99.925	999,250.00	
TOYOTA CREDIT CANADA INC. MID TERM NOTE	2.750	18-Jul-18	600,000		99.986	599,916.00	
PROVINCE OF ONTARIO FLOATING RATE NOTE	3 mo. BA+16bp	28-Aug-18	2,000,000		100.000	2,000,000.00	
PROVINCE OF ONTARIO GREEN BOND	1.750	1-Sep-18	500,000		99.823	499,115.00	
REGIONAL MUNICIPALITY OF DURHAM DEBENTURE	2.550	16-Oct-18	1,000,000		99.814	998,140.00	
MUNICIPAL FINANCE AUTHORITY OF B.C. BOND	5.100	20-Nov-18	2,000,000		99.628	1,992,560.00	
CITY OF MONTREAL DEBENTURE	5.000	1-Dec-18	5,500,000		110.604	6,083,240.00	
			31,900,000	8.2		32,468,381.00	8.4
2019							
PROVINCE OF MANITOBA FLOATING RATE NOTE	3 mo. BA+12bp	2-Apr-19	2,000,000		100.169	2,003,380.00	
TORONTO DOMINION BANK DEPOSIT NOTE	2.447	2-Apr-19	2,000,000		100.000	2,000,000.00	
ROYAL BANK OF CANADA FLOATING RATE NOTE	3 mo. BA+41bp	9-Apr-19	5,000,000		100.000	5,000,000.00	
BANK OF MONTREAL FLOATING RATE NOTE	3 mo. BA+41bp	11-Apr-19	3,000,000		100.000	3,000,000.00	
PROVINCE OF SASKATCHEWAN COUPON	2.782	30-May-19	4,256,000		85.522	3,639,816.32	

SECURITY	INTEREST	MATURITY	PAR VALUE	%	UNIT COST	BOOK VALUE	%
	RATE	TERM					
CITY OF REGINA DEBENTURE	5.000	2-Jun-19	5,000,000		111.840	5,592,000.00	
REGIONAL MUNICIPALITY OF PEEL DEBENTURE	2.250	10-Jun-19	2,000,000		99.944	1,998,880.00	
INTERNAL LOAN - CAPITAL PROJECT 2160	4.500	1-Jul-19	1,963,856		100.000	1,963,856.15	
PROVINCE OF ONTARIO FRN	3 mo. BA+9bp	26-Aug-19	2,000,000		100.000	2,000,000.00	
NEWFOUNDLAND & LABRADOR COUPON	3.960	17-Oct-19	2,100,000		69.960	1,469,160.00	
REGIONAL MUNICIPALITY OF WATERLOO DEBENTURE	2.050	6-Nov-19	2,000,000		99.854	1,997,080.00	
CITY OF MONTREAL DEBENTURE	5.450	1-Dec-19	6,000,000		104.875	6,292,500.00	
CITY OF TORONTO DEBENTURE	4.500	2-Dec-19	5,000,000		108.777	5,438,850.00	
NB MUNICIPAL FINANCE CORPORATION BOND	2.150	8-Dec-19	600,000		99.769	598,614.00	
			42,919,856	11.0		42,994,136.47	11.2
2020							
PROVINCE OF SASKATCHEWAN COUPON	3.063	30-May-20	6,006,000		81.678	4,905,580.68	
REGIONAL MUNICIPALITY OF HALTON DEBENTURE	2.600	2-Jun-20	2,000,000		99.763	1,995,260.00	
TORONTO DOMINION BANK DEPOSIT NOTE	2.563	24-Jun-20	1,200,000		100.000	1,200,000.00	
SOUTH COAST BC TRANSPORTATION AUTH BOND	3.800	2-Nov-20	800,000		99.926	799,408.00	
NB MUNICIPAL FINANCE CORPORATION BOND	2.400	8-Dec-20	1,231,000		99.867	1,229,362.77	
			11,237,000	2.9		10,129,611.45	2.6
2021							
CITY OF SASKATOON DEBENTURE	4.700	14-Feb-21	75,000		108.470	81,352.50	
ROYAL BANK OF CANADA DEPOSIT NOTE	2.860	4-Mar-21	1,500,000		99.987	1,499,805.00	
REGIONAL MUNICIPALITY OF PEEL DEBENTURE	2.750	10-Jun-21	1,000,000		99.754	997,540.00	
CITY OF OTTAWA DEBENTURE	3.400	22-Oct-21	1,000,000		99.840	998,400.00	
NB MUNICIPAL FINANCE CORPORATION BOND	3.300	20-Nov-21	2,000,000		99.624	1,992,480.00	
CITY OF SASKATOON DEBENTURE	3.350	27-Nov-21	1,135,000		105.830	1,201,170.50	
NB MUNICIPAL FINANCE CORPORATION BOND	2.600	8-Dec-21	1,166,000		99.822	1,163,924.52	
CITY OF BRANDON DEBENTURE	4.750	30-Dec-21	534,000		109.140	582,807.60	
			8,410,000	2.2		8,517,480.12	2.2
2022							
CITY OF OTTAWA DEBENTURE	3.600	22-Oct-22	2,551,000		99.749	2,544,596.99	
COUNTY OF WELLINGTON DEBENTURE	3.200	30-Oct-22	1,000,000		99.958	999,580.00	
			3,551,000	0.9		3,544,176.99	0.9

SECURITY	INTEREST RATE	MATURITY TERM	PAR VALUE	%	UNIT COST	BOOK VALUE	%
2023							
TORONTO HYDRO CORPORATION DEBENTURE	2.910	10-Apr-23	1,000,000		99.983	999,830.00	
CITY OF TORONTO DEBENTURE	3.900	29-Sep-23	3,000,000		99.713	2,991,390.00	
PROPERTY REALIZED RESERVE - LAND ACQUISITION	4.250	1-Oct-23	29,365,436		100.000	29,365,436.00	
REGIONAL MUNICIPALITY OF WATERLOO DEBENTURE	3.750	24-Oct-23	2,000,000		99.802	1,996,040.00	
CITY OF VANCOUVER DEBENTURE	3.750	24-Oct-23	2,000,000		99.884	1,997,680.00	
			37,365,436	9.6		37,350,376.00	9.7
2024							
CITY OF LONDON DEBENTURE	3.450	9-May-24	2,300,000		99.598	2,290,754.00	
CITY OF TORONTO DEBENTURE	3.400	21-May-24	2,000,000		99.656	1,993,120.00	
REGIONAL MUNICIPALITY OF HALTON DEBENTURE	3.450	2-Jun-24	1,000,000		99.857	998,570.00	
INTERNAL LOAN - CAPITAL PROJECT 2160	5.250	1-Jul-24	7,345,551		100.000	7,345,551.26	
INTERNAL LOAN - CAPITAL PROJECT 1787	5.250	1-Jul-24	6,510,362		100.000	6,510,362.14	
			19,155,913	4.9		19,138,357.40	5.0
NO DEFINED MATURITY DATE							
EQUITY BUILDING PROGRAM (As per Investment Agreement with Affinity CU)	3.540	N/A	3,000,000	0.8	100.000	3,000,000.00	0.8
PORTFOLIO TOTAL			390,500,102	100.0		385,456,403.48	100.0



Aspen Ridge Land Exchange

Recommendation

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

1. That the City Solicitor be requested to prepare the Aspen Ridge Land Exchange Agreement as outlined in this report; and
2. That His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

Topic and Purpose

The purpose of this report is to obtain City Council's approval of the exchange of land in the Aspen Ridge neighbourhood between the City of Saskatoon (City), Victory Majors Investment Corporation (Victory Majors), and Cindercrete Products (Cindercrete).

Report Highlights

1. The reallocation of land will distribute net developable land among owners on a proportional basis according to gross land ownership percentages, as agreed upon by all parties.
2. Land is allocated with the intent to keep land ownership areas contiguous with original gross ownership areas. The sole exception to this is the allocation of three multi-family parcels and one mixed-use parcel to Victory Majors located within Saskatoon Land's original ownership area.
3. The land reallocation will enable the creation of a Cost Sharing Agreement to equitably distribute shared costs among the owners for neighbourhood enhancement located throughout the neighbourhood.

Strategic Goal

This report supports the four-year priority of exploring alternative sources of revenue to pay for ongoing operations, as well as the long-term strategies of increasing revenue sources and reducing reliance on residential property taxes, and helping to protect the City's credit rating under the Strategic Goal of Asset and Financial Sustainability.

Background

The Aspen Ridge Neighbourhood Concept Plan (Attachment 1) was originally approved by City Council on June 23, 2014, and sets out land uses within the neighbourhood, including various forms of housing, commercial sites, transportation routes and public spaces within the neighbourhood. The Concept Plan development was led by Saskatoon Land in consultation with Victory Majors, the other major land holder within the area. Cindercrete, the smaller landholder within the area, was also informed of the Concept Plan progress and was offered opportunities to provide input.

Report

Land Reallocation Calculations

This report outlines a proposal to reallocate land ownership within the Aspen Ridge neighbourhood. This reallocation will distribute net developable land among owners, on a proportional basis according to gross land ownership percentages, as agreed upon by all parties.

Saskatoon Land undertook the calculations required to allocate net developable land on a proportional basis within the neighbourhood as outlined in this section of the report. Land areas, including existing buffers and roadways, have been distributed among owners based on their percentage of gross land ownership.

Proportional gross land area ownership provides the basis for the distribution of net developable land within the neighbourhood. Existing gross land ownership areas are shown on Attachment 2. Table 1 indicates the amount of gross land area attributable to each owner after distributing unowned lands, such as buffers and existing roadways, among owners.

Table 1 – Property Ownership Before Reallocation

Owner	Raw Land		Raw Land Adjusted to Distribute Non-ownership Lands (9.18 ha)		
	Hectares	Acres	Hectares	Acres	Ownership %
City of Saskatoon	177.04	437.46	183.55	453.56	71.01%
Victory Majors	55.73	137.70	57.78	142.77	22.35%
Cindercrete	16.54	40.87	17.15	42.38	6.64%
Total	249.31	616.03	258.48	638.71	100.00%

Net developable land (61.06% of total gross land), which is the remaining developable land after subtracting non-saleable land such as roadways, municipal reserve, ponds, buffers, etc., will be allocated to each owner based on their gross land ownership percentage. Each owner's net developable land allocation is indicated in Table 2.

Table 2 – Net Developable Land Ownership Reallocation

Owner	Adjusted Raw Land			Net Land	
	Hectares	Acres	Ownership %	Hectares	Acres
City of Saskatoon	183.55	453.56	71.01%	112.09	276.98
Victory Majors	57.78	142.77	22.35%	35.28	87.18
Cindercrete	17.15	42.38	6.64%	10.47	25.88
Total	258.48	638.71	100.00%	157.84	390.04

Attachment 3 indicates those lands within the neighbourhood which will be transferred between owners as a result of the land exchange agreement.

Location of Each Owner's New Allocation

Attachment 4 indicates the allocation of net developable land based on the net developable land areas indicated in Table 2. In general, land has been allocated with

the intent to keep land ownership areas contiguous and within, or in close proximity to, original gross ownership areas in order to promote development consistency and efficiency. The sole exception to this is the allocation of three multi-family parcels and one mixed-use parcel to Victory Majors located within Saskatoon Land's original ownership area. Victory Majors' original ownership area only contains three multi-family parcels. Allocating the additional multi-family and mixed use parcels to Victory Majors allows Victory Majors to be more reflective of the overall land use mix in the neighbourhood, resulting in a more equitable allocation of land types between Saskatoon Land and Victory Majors.

Cost Sharing Agreement

Once the Land Exchange Agreement has been signed by all participating parties, subdivisions will proceed to legally establish these ownership areas within the Aspen Ridge neighbourhood. Completing this land reallocation will also enable the creation of a Cost Sharing Agreement to equitably distribute, among owners, costs related to such things as area improvements, boundary improvements, pipe over-sizing, and any other shared costs as agreed upon by the owners.

Options to the Recommendation

The only other option would be to not proceed with the Land Exchange Agreement.

Public and/or Stakeholder Involvement

Saskatoon Land and Victory Majors worked together to determine a fair distribution of developable land within Aspen Ridge. The proposed land exchange has been agreed upon by both parties. Cindercrete has been offered opportunities to provide input and has agreed to the proposed distribution.

Financial Implications

There are no immediate financial implications. The proposed Land Exchange Agreement will facilitate equitable distribution of developable lands and a Cost Sharing Agreement based on proportional land ownership. Once the Land Exchange Agreement has been executed and each owner's developable land has been identified, a neighbourhood Cost Sharing Agreement will be completed. This Cost Sharing Agreement will be the subject to a future report to the Standing Policy Committee on Finance. Financial obligations related to the cost-sharing agreement will also be included in the Aspen Ridge proforma.

Other Considerations/Implications

There are no policy, privacy, environmental, or CPTED implications or considerations, and a communication plan is not required.

Due Date for Follow-up and/or Project Completion

A future report outlining the Cost Sharing Agreement will be tabled with the Standing Policy Committee on Finance. Implementation of the land exchange by the parties will take place as subdivisions are approved and titled through Information Services Corporation.

Public Notice

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

Attachments

1. Aspen Ridge Neighbourhood Land Use Concept Plan
2. Aspen Ridge Land Exchange Schedule "A" (Ownership Areas Prior to Land Exchange)
3. Aspen Ridge Land Exchange Schedule "B" (Ownership Areas to be Transferred by Land Exchange Agreement)
4. Aspen Ridge Land Exchange Schedule "C" (Ownership Areas After Land Exchange)

Report Approval

Written by: Tyson McShane, Senior Planner, Saskatoon Land

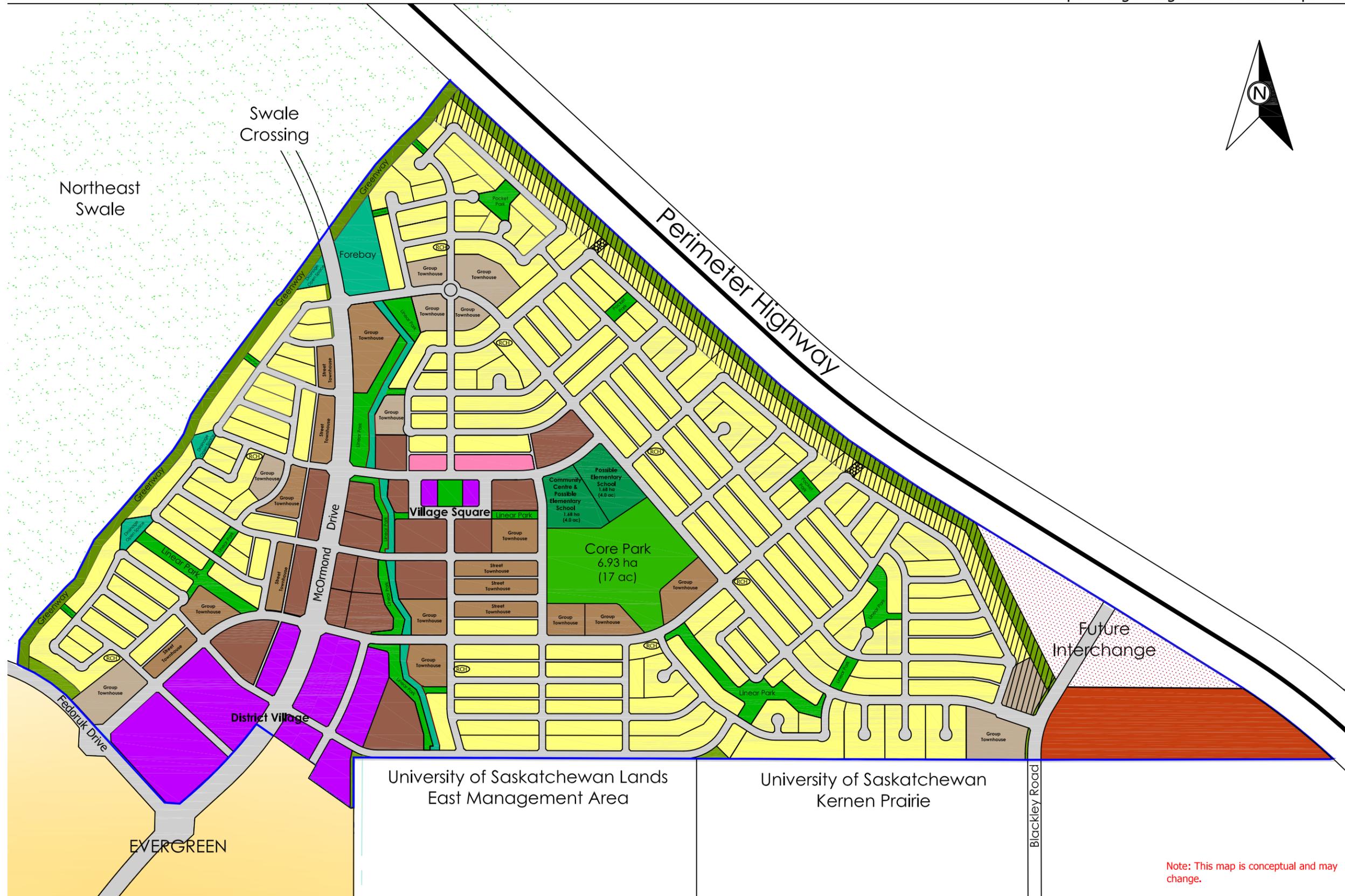
Reviewed by: Frank Long, Director of Saskatoon Land

Approved by: Kerry Tarasoff, CFO/General Manger, Asset & Financial Management Department

Aspen Ridge Land Exchange_May.docx

Land Use Concept Plan

Aspen Ridge Neighbourhood Concept Plan

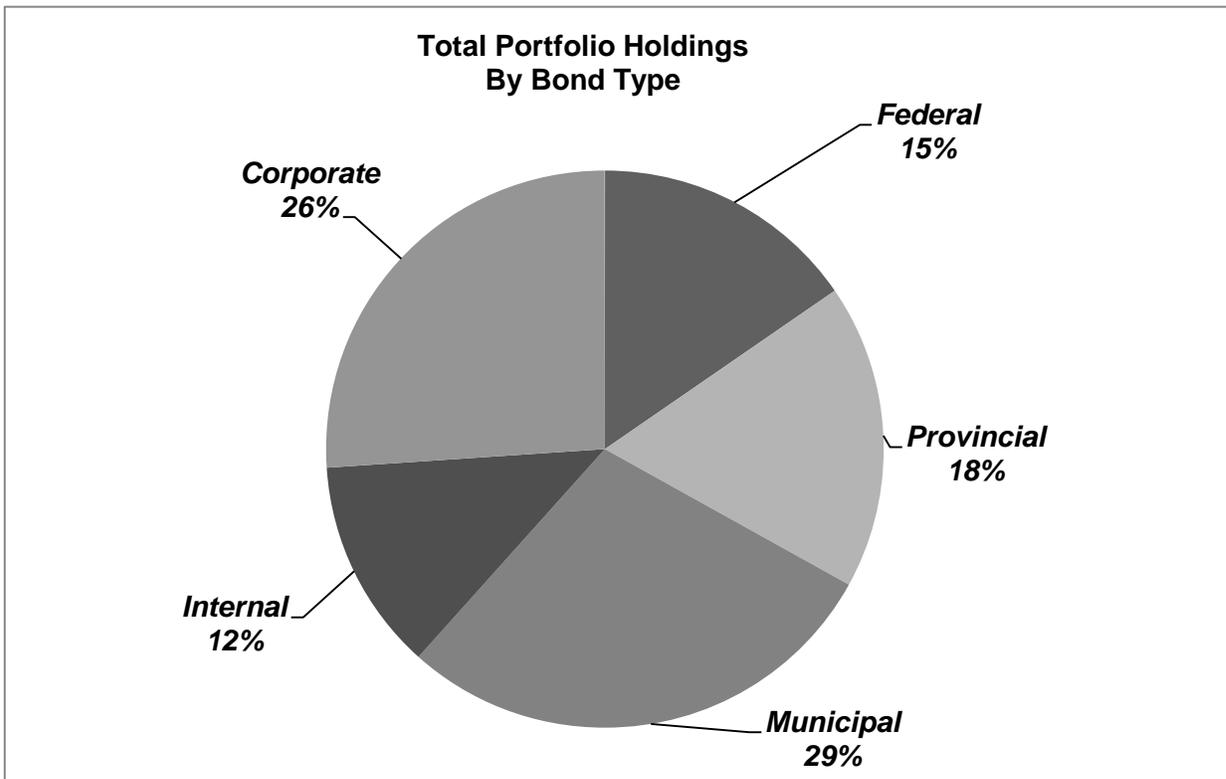
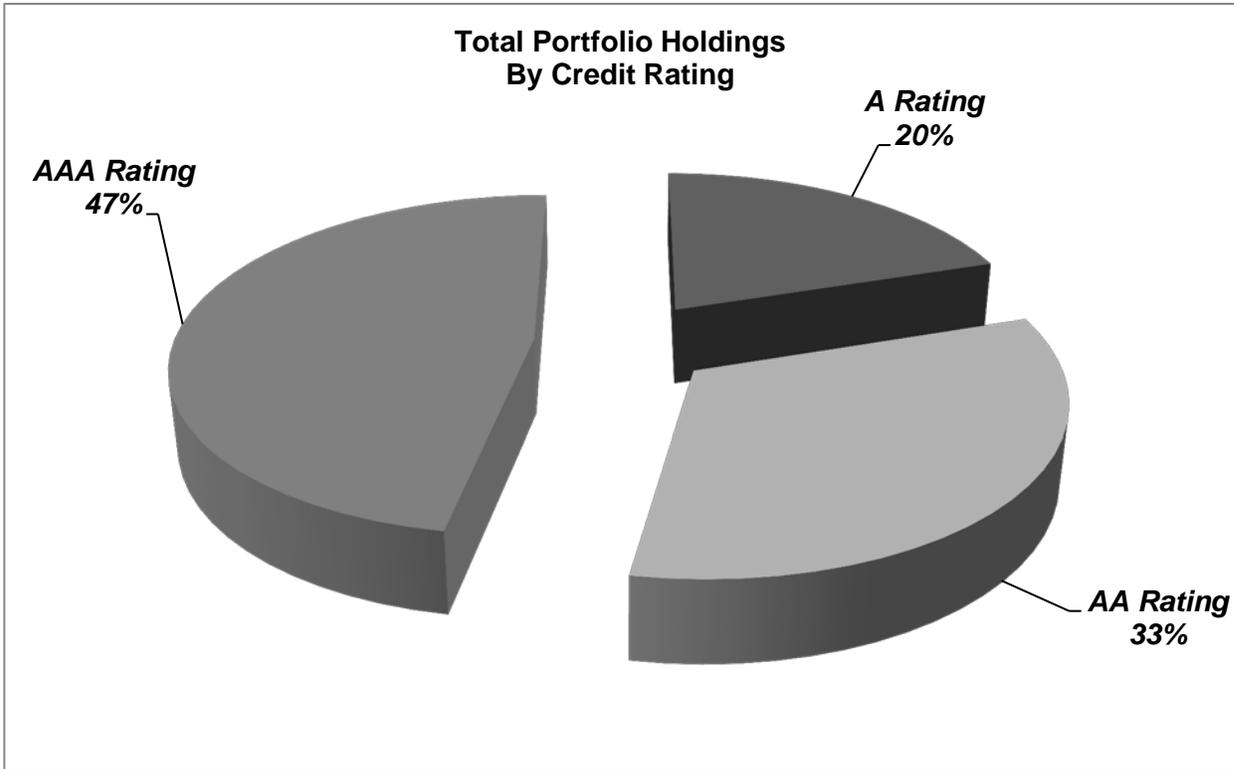


Legend

- Single-Unit Detached
- Low-Density Multi Unit
- Low/Med Density Multi Unit
- Medium-Density Multi Unit
- Medium-Density Mixed-Use
- Low-Density Mixed-Use
- Park
- Landscaped Drainage Open Space
- Greenway
- Buffer
- Elementary Schools/Community Centre
- Urban Holding Area
- Northeast Swale Preserved Land
- Possible Roadway Extension
- Neighbourhood Boundary
- Possible Residential Care Home Site
- Possible Cell Tower Location
- Final configuration to be determined once the Perimeter Highway alignment is confirmed



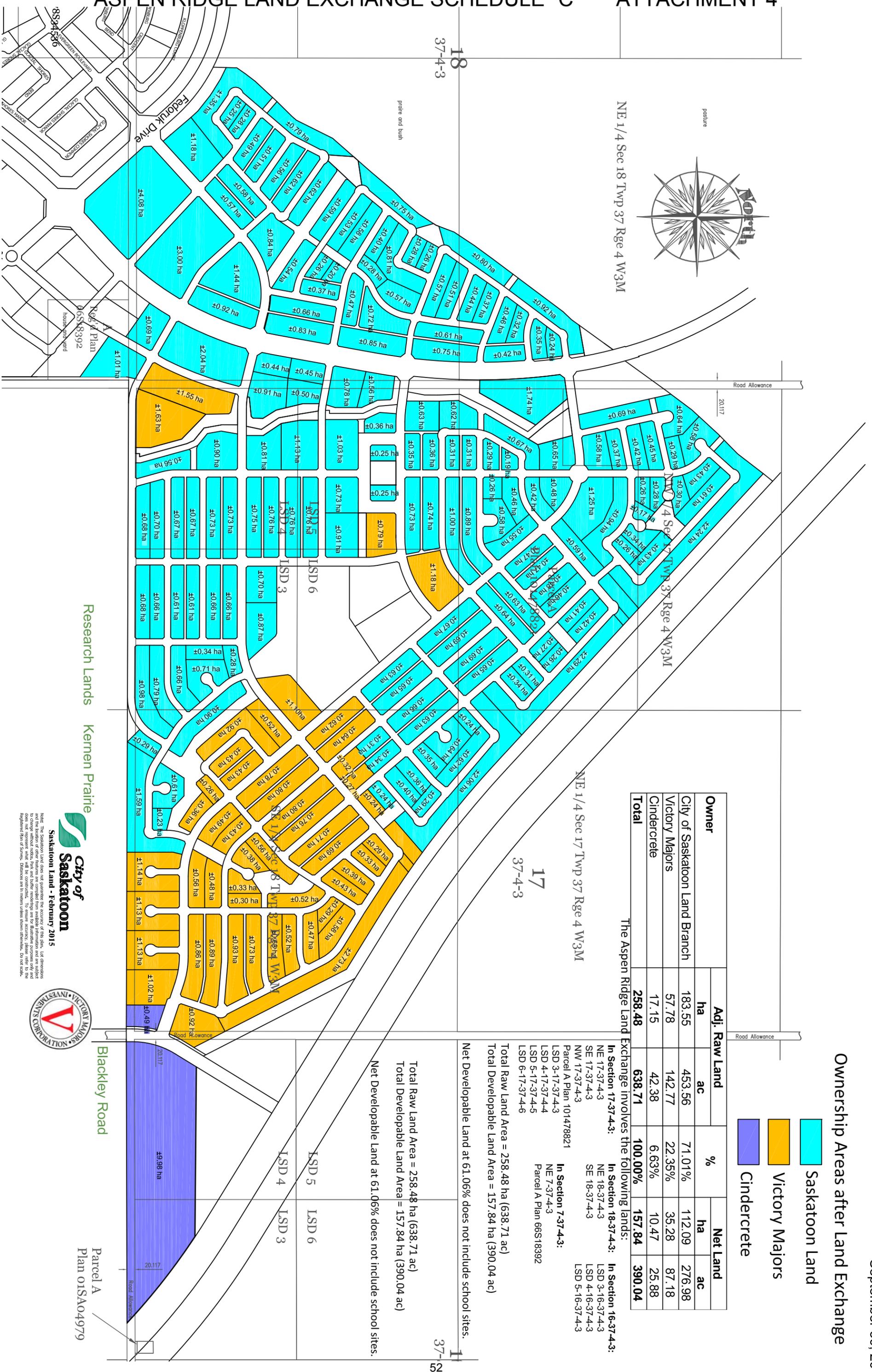
Note: This map is conceptual and may change.





NE 1/4 Sec 18 Twp 37 Rge 4 W3M

NE 1/4 Sec 17 Twp 37 Rge 4 W3M



Owner	Adj. Raw Land		%	Net Land	
	ha	ac		ha	ac
City of Saskatoon Land Branch	183.55	453.56	71.01%	112.09	276.98
Victory Majors	57.78	142.77	22.35%	35.28	87.18
Cindercrete	17.15	42.38	6.63%	10.47	25.88
Total	258.48	638.71	100.00%	157.84	390.04

The Aspen Ridge Land Exchange involves the following lands:

In Section 17-37-4-3:
 NE 17-37-4-3
 SE 17-37-4-3
 NW 17-37-4-3
 Parcel A Plan 101478821

In Section 18-37-4-3:
 NE 18-37-4-3
 SE 18-37-4-3

In Section 7-37-4-3:
 LSD 3-17-37-4-3
 LSD 4-17-37-4-4
 LSD 5-17-37-4-5
 LSD 6-17-37-4-6

In Section 16-37-4-3:
 LSD 3-16-37-4-3
 LSD 4-16-37-4-3
 LSD 5-16-37-4-3

Parcel A Plan 66S18392

Total Raw Land Area = 258.48 ha (638.71 ac)
 Total Developable Land Area = 157.84 ha (390.04 ac)

Net Developable Land at 61.06% does not include school sites.

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 Total Developable Land Area = 157.84 ha (390.04 ac)

Net Developable Land at 61.06% does not include school sites.

Research Lands Kernen Prairie



NOTE: The Saskatoon Land does not guarantee the accuracy of this plan. Lot dimensions and the location of other features are compiled from available information and are subject to change. This plan is for informational purposes only and does not represent what will be constructed. To ensure accuracy, please refer to the Registered Plan of Survey. Distances are in metres unless shown otherwise. Do not scale.



Parcel A
 Plan 01SA04979

Corporate Trunked Radio Supply – Blanket Purchase Order

Recommendation

That the Standing Policy Committee on Finance recommend to City Council that a blanket purchase order supply for the City of Saskatoon's corporate mobile and portable radios with Motorola Solutions Canada Inc. be approved.

Topic and Purpose

The purpose of this report is to obtain City Council's approval to procure a multi-year blanket purchase order with Motorola Solutions Canada Inc. (Motorola Solutions) for radio replacements and radio upgrades over an eight-year term for an estimated annual expenditure of \$350,000.

Report Highlights

1. Motorola Solutions has been the sole provider of the City of Saskatoon's (City) trunked radios and is the preferred product of the City's mission critical agencies.
2. The City has over 1,400 radios that require replacement due to new technology, upgrades, and units wearing out.
3. The Administration is seeking approval to procure a blanket purchase order to provide radios for all departments funded by the Radio Replacement Reserve.

Strategic Goal

The provision of radio communications is life and safety for the City's mission critical agencies. This report supports the Strategic Goal of Asset and Financial Sustainability, as it will ensure that the radio communications infrastructure is maintained.

Background

In 2011, City Council approved the replacement of the obsolete corporate trunked radio system infrastructure with Motorola Solutions at a total cost of \$3,300,000. Motorola Solutions was chosen as the supplier of choice for emergency and protective services, and is similar to networks used by the Province of Saskatchewan, other major jurisdictions in Saskatchewan, and other adjoining provincial municipalities which also utilize Motorola products.

In 2012, City Council approved the creation of a Radio Replacement Reserve in order to fund capital renewal of radio infrastructure throughout the years and for major replacement of radio equipment.

Report

Motorola

All of the City's corporate trunked radios and systems are Motorola products and are supported by Motorola Solutions. Only Motorola equipment is compatible with, and will function with, the City's existing trunked radio system.

Corporate Radio Usage

The City has over 1,400 radios, both mobiles and portables, which are utilized exclusively throughout the corporation by the Saskatoon Police Service, Saskatoon Fire Department, Public Works, Transit, Saskatoon Light & Power and all other corporate units that require radios. All radios are currently Motorola products, which is the preferred product of the City's mission critical agencies. This product is preferred because of the uniformity between jurisdictions, provincially and nationally, and Motorola's engineering and design support services.

The City uses a radio hierarchy of radio implementation, ensuring the corporation's most mission critical agencies have the latest technologies and highest capacity and capabilities affordable. As equipment transitions through its lifecycle, other less mission critical agencies use the older equipment. The useful life of a radio is dependent on the working environment and can range between 10 to 14 years (equipment used at Saskatoon Fire Department, Public Works and other similar departments tend to wear out faster due to harsh working environments, vibration, etc.).

Blanket Purchase Order

In order to ensure the timely replacement of radios within the corporation, the Administration is seeking approval to proceed with a blanket order for radios rather than an individual radio replacement each time a new radio is required. This process will also be used by other departments requiring additional new radios, alleviating the need to sole source for additional radios.

As allowed under Administrative Policy A02-027, Corporate Purchasing Procedure, this blanket purchase order is for the compatibility with the City's existing equipment and is the corporate standard for radio communication.

The replacement and upgrade of the City's radio fleet to digital will provide the most technical features for life and safety to the City's mission critical agencies.

Options to the Recommendation

Other options to the recommendation include:

1. Publicly tendering for the annual supply of radios for the corporation. This option is not recommended because if Motorola Solutions is not the low bidder, then justification would need to be provided to select Motorola Solutions in order to maintain compatibility. Conversely, if the Administration chose to abandon selecting Motorola, then the alternate radios chosen would not function on the Motorola network and changes to the network systems will be required, resulting in service disruption and significant capital costs.
2. Continuing to individually sole source Motorola radios on an as-needed basis. This option is not recommended as procurement would need to occur between 8 to 10 times per year. Over the course of 8 years, this would result in 70 to 80 sole source procurements, as well as significant expenditure in human resources managing the process.

Financial Implications

Funding for the corporate radio supply will be from the Radio Replacement Reserve. This reserve currently has sufficient funds and funding for future years.

Other Considerations/Implications

There are no policy, environmental, privacy or CPTED implications or considerations. 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 for follow-up and/or project completion required.

Public Notice

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

Report Approval

Written by: Del Ehlert, Manager, Maintenance Support
Reviewed by: Tim Halstead, Director of Facilities & Fleet Management
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

Corporate Trunked Radio Supply Blanket PO