



**PUBLIC AGENDA
STANDING POLICY COMMITTEE ON FINANCE**

Monday, October 2, 2017, 2:00 p.m.

Council Chamber, City Hall

Committee Members:

Councillor A. Iwanchuk, Chair, Councillor R. Donauer, Vice Chair, His Worship Mayor C. Clark (Ex-Officio), Councillor C. Block, Councillor B. Dubois, Councillor M. Loewen

Pages

1. CALL TO ORDER

2. CONFIRMATION OF AGENDA

Recommendation

That the agenda be confirmed as presented.

3. DECLARATION OF CONFLICT OF INTEREST

4. ADOPTION OF MINUTES

Recommendation

That the minutes of Regular Meeting of the Standing Policy Committee on Finance held on September 5, 2017 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 Request for Direct Sale to Merlin Ford Lincoln - Marquis Industrial Area [File No. CK. 4214-1 and LA. 4221-15-009]

5 - 13

Recommendation

1. That the Director of Saskatoon Land be authorized to offer to Merlin Ford Lincoln, or affiliate, Lots 6 and 7, Block 944, and Lot 6, Block 943, Plan 102197729 for the purpose of expanding current operations; and
2. That the City Solicitor be requested to prepare the Sale Agreement and that His Worship the Mayor and the City Clerk be authorized to execute the Agreement under the Corporate Seal.

- 7.1.2 Request for Approval of Amendment to Auto Clearing Land Sale Agreement - Marquis Industrial Area [File No. CK. 4215-1, AF. 4214-1 and LA. 4221-15-009]** 14 - 16

Recommendation

That the City Solicitor be requested to amend the Sale Agreement with 101233054 Saskatchewan Ltd., operating as Auto Clearing, removing Lots 11 and 12, Block 944, Plan 102197729, thus, reducing the future payments as noted within the October 2, 2017 report of the CFO/General Manager of Asset and Financial Management Department.

- 7.1.3 Request for Direct Sale to Saskatchewan Housing Corporation - 303 Fast Court in Aspen Ridge [File No. CK. 4215-1, AF. 4214-1 and LA. 4215-015-178]** 17 - 23

Recommendation

1. That the Director of Saskatoon Land be authorized to offer, by direct sale, Lot 1, Block 701, Plan 102201769 to Saskatchewan Housing Corporation for the purpose of constructing a group home; and
2. That the City Solicitor be requested to prepare the Sale Agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreements under the Corporate Seal.

- 7.1.4 City-Owned Land Inventory in the Downtown and Plans for Development [File No. CK. 4130-1, AF. 4110-1 and LA. 4110-1]** 24 - 29

Recommendation

That the information be received.

- 7.1.5 Quarterly Report – Builder and Developer Lot Supply - September 1, 2017 [File No. CK. 4110-1, AF. 4131-1, 4125-1, and LA. 4110-1]** 30 - 38

Recommendation

That the information be received.

- 7.1.6 Internal Audit Budget Information Update - September 2017 [File No. CK. 1600-3 and AF. 1600-1] 39 - 45**

Recommendation

That the information be received.

7.2 Matters Requiring Direction

- 7.2.1 External Audit Services - Award of Request for Proposals [File No. CK. 1610-1 and AF. 1610-1] 46 - 48**

Recommendation

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

1. That the proposal submitted by Deloitte LLP for external audit services, at a total estimated cost of \$205,000, plus applicable taxes be approved; and
2. That His Worship the Mayor and the City Clerk be authorized to execute the contract documents as prepared by the City Solicitor under the Corporate Seal.

- 7.2.2 JSMB Adventures Inc. (Merlin Motors) Land Exchange and Servicing Agreement [File No. CK. CK. 4020-1, x 4125-12 and AF. 4214-1] 49 - 53**

Recommendation

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

1. That the Administration be authorized to proceed with a land exchange and site servicing agreement with JSMB Adventures Inc. as per the terms noted in the October 2, 2017 report of the CFO/General Manager, Asset and Financial Management Department;
2. That the City Solicitor be requested to prepare the agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal;
3. That Capital Project No. 1769, Land Development – Marquis Industrial Area, be used as the funding source for all servicing costs to be completed as part of the

agreement, including legal, administrative costs and disbursements; and

4. That the Property Realized Reserve be used as in interim source of funding for all costs related to the land exchange part of this agreement, until such time as the Idylwyld Drive/Marquis Drive improvement project is established

7.2.3 Saskatoon Soccer Centre Inc. Tax Abatement Renewal [File No. CK. 1965-1 and RS. 610-7]

54 - 57

Recommendation

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

1. That the Saskatoon Soccer Centre Inc. be granted a five-year tax abatement for the operation of the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre, commencing in 2016 and ending in 2020; and
2. That the City Solicitor be requested to prepare the required tax abatement agreement, and that the Mayor and the City Clerk be authorized to execute this agreement under Corporate Seal.

8. URGENT BUSINESS

9. MOTIONS (notice previously given)

10. GIVING NOTICE

11. ADJOURNMENT

Request for Direct Sale to Merlin Ford Lincoln – Marquis Industrial Area

Recommendation

1. That the Director of Saskatoon Land be authorized to offer to Merlin Ford Lincoln, or affiliate, Lots 6 and 7, Block 944, and Lot 6, Block 943, Plan 102197729 for the purpose of expanding current operations; and
2. That the City Solicitor be requested to prepare the Sale Agreement and 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 Standing Policy Committee on Finance approval for the direct sale of 4.37 acres of land in the Marquis Industrial area to Merlin Ford Lincoln or affiliate.

Report Highlights

1. Council Policy No. C09-033, Sale of Serviced City-Owned Lands, supports the direct sale of land to Merlin Ford Lincoln or affiliate.
2. Saskatoon Land is requesting authorization to enter into a Sale Agreement for the sale of 4.37 acres of land in the Marquis Industrial area at a price of \$2,983,400.

Strategic Goal

This report supports the long-term strategy of increasing revenue sources and reducing reliance on residential property taxes and the four-year priority of developing funding strategies related to new capital expenditures under the Strategic Goal of Asset and Financial Sustainability.

Background

At the October 5, 2015 Standing Policy Committee on Finance in camera meeting, the Director of Saskatoon Land requested authorization to enter into negotiations with Auto Clearing and Merlin Ford Lincoln for the direct sale of land in the Marquis Industrial area. The Standing Policy Committee on Finance resolved, in part:

- “2. That the Director of Saskatoon Land be authorized to have further exploratory discussions with Auto Clearing and Merlin Ford Lincoln for the potential direct sale of industrial land in the Marquis Industrial area.”

Merlin Ford Lincoln has a long-standing interest in acquiring lands adjacent to their current location at 3750 Idylwyld Drive North. With servicing of the adjacent municipal improvements nearing completion, Saskatoon Land is now able to accommodate their request to purchase lands adjacent to their site.

Report

Direct Sale of City-Owned Land

Similar to the request for a direct sale to Auto Clearing as approved by Standing Policy Committee on February 8, 2016, Merlin Ford Lincoln has requested to purchase 4.37 acres of land for the purpose of expanding its current business operations (Attachment 1). The direct sale is in accordance with Council Policy No. C09-033, Sale of Serviced City-Owned Lands, as follows:

- “3.3 The Administration may pursue or entertain direct sale, or long-term leases under the City’s Industrial Land Incentives Program of civic lands when one or more of the following conditions are present:
- b) A business interest is seeking a site, which is of a configuration, or size, which requires the combination of a number of adjacent sites or contiguous sites.
 - c) A situation which involves extending an option to purchase to adjacent existing owners to directly purchase lots which would facilitate expansion prior to offering for tender.”

Since the request made by Merlin Ford Lincoln is for a combination of a number of adjacent sites, and that the sites requested for expansion are adjacent to their existing site, the Administration is of the opinion that the request meets the conditions outlined in Council Policy No. 09-033.

Furthermore, when entertaining a direct sale, Council Policy No. C09-033 requires the Administration to ensure appropriate controls are in place to prevent speculation. To address this requirement, the purchaser has committed to a build time requirement of 36 months from possession. The 36-month time frame could be extended by 12 months upon payment of \$7,500 per acre. In the event that the improvement requirement is not met, the City of Saskatoon (City) would have the option to repurchase the property at the original purchase price per parcel.

General Terms and Conditions

1. Purchase Price:
 - Lot 6, Block 943 - \$1,175,200
 - Lot 6, Block 944 - \$ 904,400
 - Lot 7, Block 944 - \$ 903,800
 - Total \$2,983,400
2. Price Includes – All direct and off-site service levies. The Purchaser is responsible for its own service connections to street mains and other shallow buried utilities (e.g. gas, power, and telephone).
3. Possession Date – Upon receipt of first instalment payment.
4. Conditions Precedent – Subject to Standing Policy Committee on Finance approval.

5. Option to Repurchase – The agreement will contain a three year improvement requirement and option for the City to repurchase the property if the improvement requirement is not met.
6. Payment Terms:
 - 10% deposit (\$298,340) within 10 days of Standing Policy Committee on Finance approval.
 - First Instalment: 45% (\$1,342,530) due 30 days from roadway surfacing completion or May 1, 2018, whichever is earlier.
 - Second Instalment: 45% due May 1, 2019.

Options to the Recommendation

Standing Policy Committee on Finance could choose not to proceed with the direct sale and offer the parcels for sale via public tender or the open market approach.

Public and/or Stakeholder Involvement

Purchase price and terms of the sale have been discussed with Merlin Ford Lincoln and agreed to by letter dated August 23, 2017.

Financial Implications

Proceeds from the sale of these lands will be deposited to the Property Realized Reserve.

Other Considerations/Implications

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

Due Date for Follow-up and/or Project Completion

There is no due date for follow-up and/or project completion.

Public Notice

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

Attachment

1. Merlin Ford Lincoln's Request to Purchase dated August 11, 2017

Report Approval

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



August 11th, 2017

City of Saskatoon
Saskatoon Land
201 – 3rd Avenue North
Saskatoon, SK S7K 2H7

Attention: Jeremy Meinema
Finance and Sales Manager

Dear Jeremy:

RE: Merlin Ford Lincoln . Direct Sale Proposal

Merlin Ford Lincoln has been in business since 1946 and currently has in excess of 130 employees which are currently working out of numerous buildings located at 3750 Idylwyld Drive North; Saskatoon, SK. These businesses are Merlin Ford Lincoln (Ford Dealership), Midcan Brokers Inc. (Automotive Wholesale Division), Merlin Auto Body and Canada West RV & Truck Centre herein after referred to as (Merlin).

In the last two years we have spent close to three million dollars on renovations to Merlin and in order to expand our current operations over the next 3-25 years we will require anywhere from 3-5 acres.

Not only do we need the land to expand operations for our future growth we now need to deal with the reality that there will be an overpass in front of Merlin in the near future. We be required to make some costly changes to or operation due to the fact that the overpass will cause the following effects to my business.

- 1) Based on our initial conversations with the City of Saskatoon the future overpass will dramatically reduce our visibility to Idylwyld Drive. Idylwyld Drive has a traffic count of in excess of 37,000 cars per day which is essential to a retail business like Merlin or any other retail businesses. This is a huge form of advertising that will be lost which will affect our sales.
- 2) We have agreed to sell a portion of our land to the City of Saskatoon to facilitate the construction of the overpass.
- 3) It will dramatically reduce access to the site, in turn will cause the entrance to a multimillion dollar dealership to be now located at the rear of the building which is not very practical or convenient which will negatively affect sales.
- 4) Because of the reduced access to the site we will need to construct a light service facility which is shown on the attached direct sale proposal as "Quick Lane" which is a division of Ford Motor Company Canada and we will keep our heavy service at the main dealership. This is a necessity as it will provide quick service which can't be achieved based on the future changes to the site and is imperative to our business. The Quick Lane must be located on a FORD of Canada approved site or adjacent to such site .
- 5) The reduced visibility and access will immediately devalue my property which as you can imagine we are not that happy about.

In the event Merlin is successful in purchasing Lot 6; Block 943 we are committed to constructing a Ford Quick Lane over the next 4 years. We are prepared to take possession of the land in the spring of 2018, subject to Siemens Ave being completed. The building will be approximately 4,000 sqft and we are prepared to pay \$800,000.00 per acre for this lot.





In the event that Merlin is successful in purchasing Lots 6 and 7 in Block 944 we are committed to moving our Wholesale Division and our delivery area over there in the next 4 years. We are prepared to take possession of the land in the spring of 2018, subject to Siemens Ave being completed. The building will be approximately 2,000 sqft and we are prepared to pay \$550,000.00 per acre for these lots.

At this time, we cannot definitively tell you how many more jobs this will create but would suspect it could be between 10-20 additional staff to the Merlin team with the purchase of all three lots.

We feel the proposed purchase falls within section 3.3(b) and (c) in the City of Saskatoon Council policy C09-033.

(b) There is no other site and configuration that will work for Merlin as we are restricted to distance from our dealership and we are restricted to the distance between Quick Lane and our wholesale division/Delivery area.

(c) We strongly feel that we are the adjacent land owner and would like to purchase the land as outlined in this proposal.

I have attached a Proposal which outlines the land in red that Merlin has an interest in purchasing and hope that Saskatoon Land may be able to help us with the purchase of such land.

As such, please consider this as our official direct sale proposal which we would like you to present on our behalf during the September 2017 Saskatoon Land Committee Meeting.

Should you have any questions, please contact Stacy Dybvig directly at (306) 664-6116.

Best regards,

MERLIN FORD LINCOLN

**Jason Bews
President**

Attachment



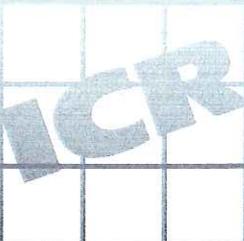


A DIVISION OF
FORD MOTOR
COMPANY
CANADA



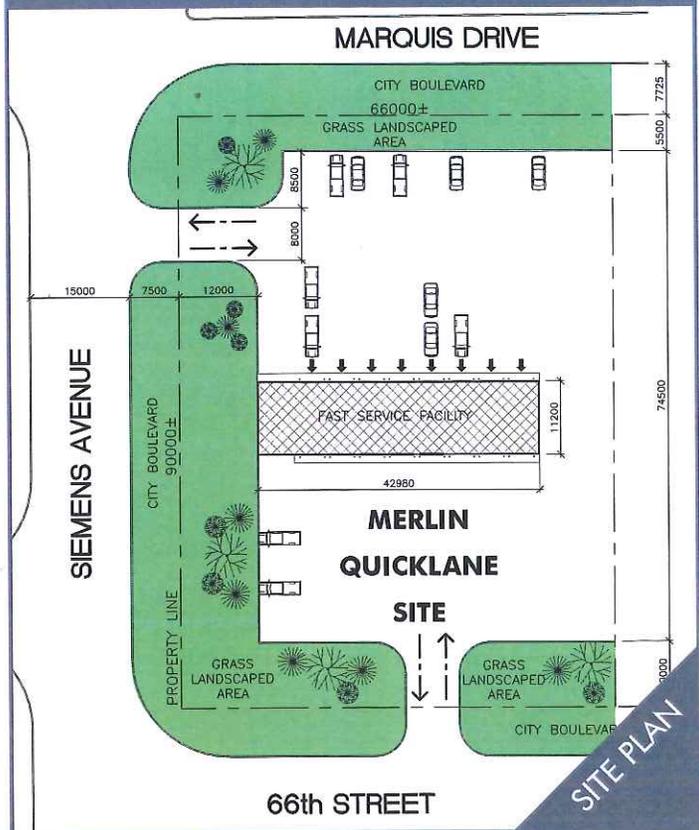
CITY OF SASKATOON PROPOSED DIRECT LAND PURCHASE

602, 603 66TH STREET EAST, 602 64TH STREET EAST

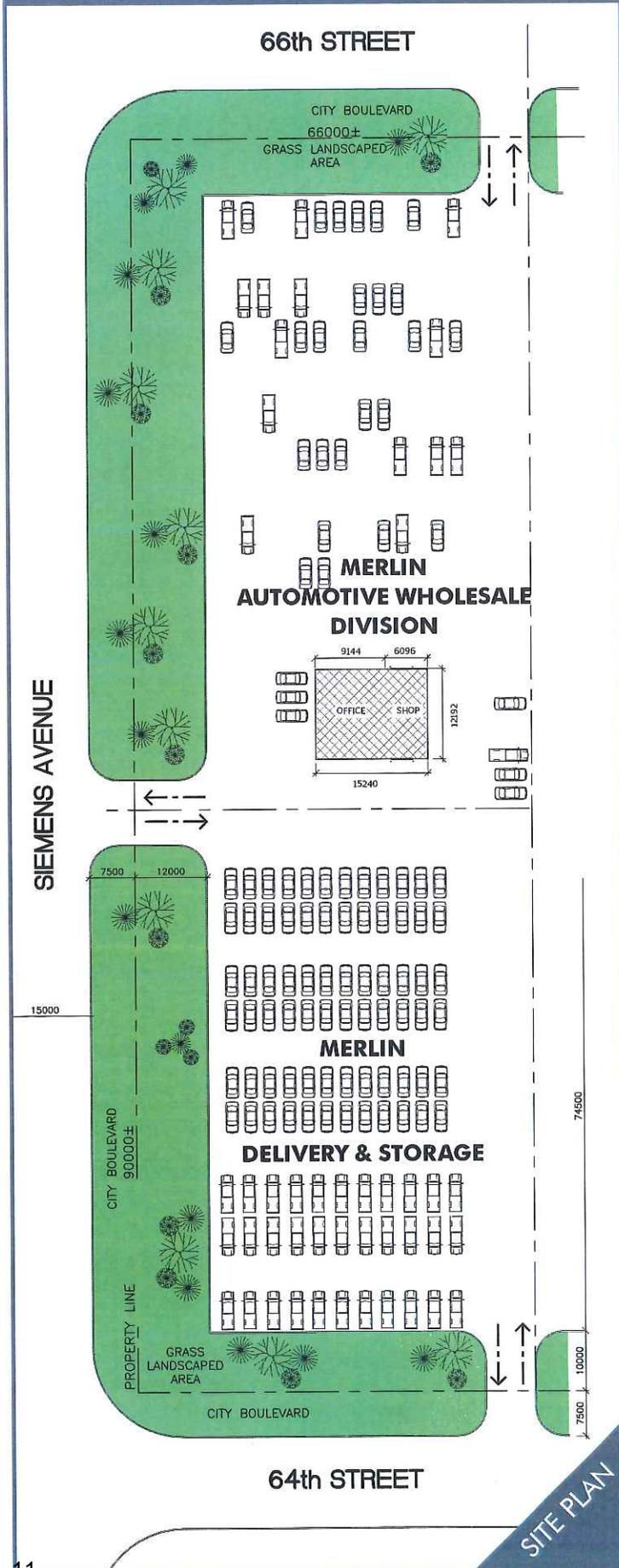


INTEGRITY COMMITMENT RESULTS

602 66TH STREET EAST



603 66TH STREET EAST & 602 64TH STREET EAST



Legal Description:

Surface Parcels 203145971,
203145791,
203146051

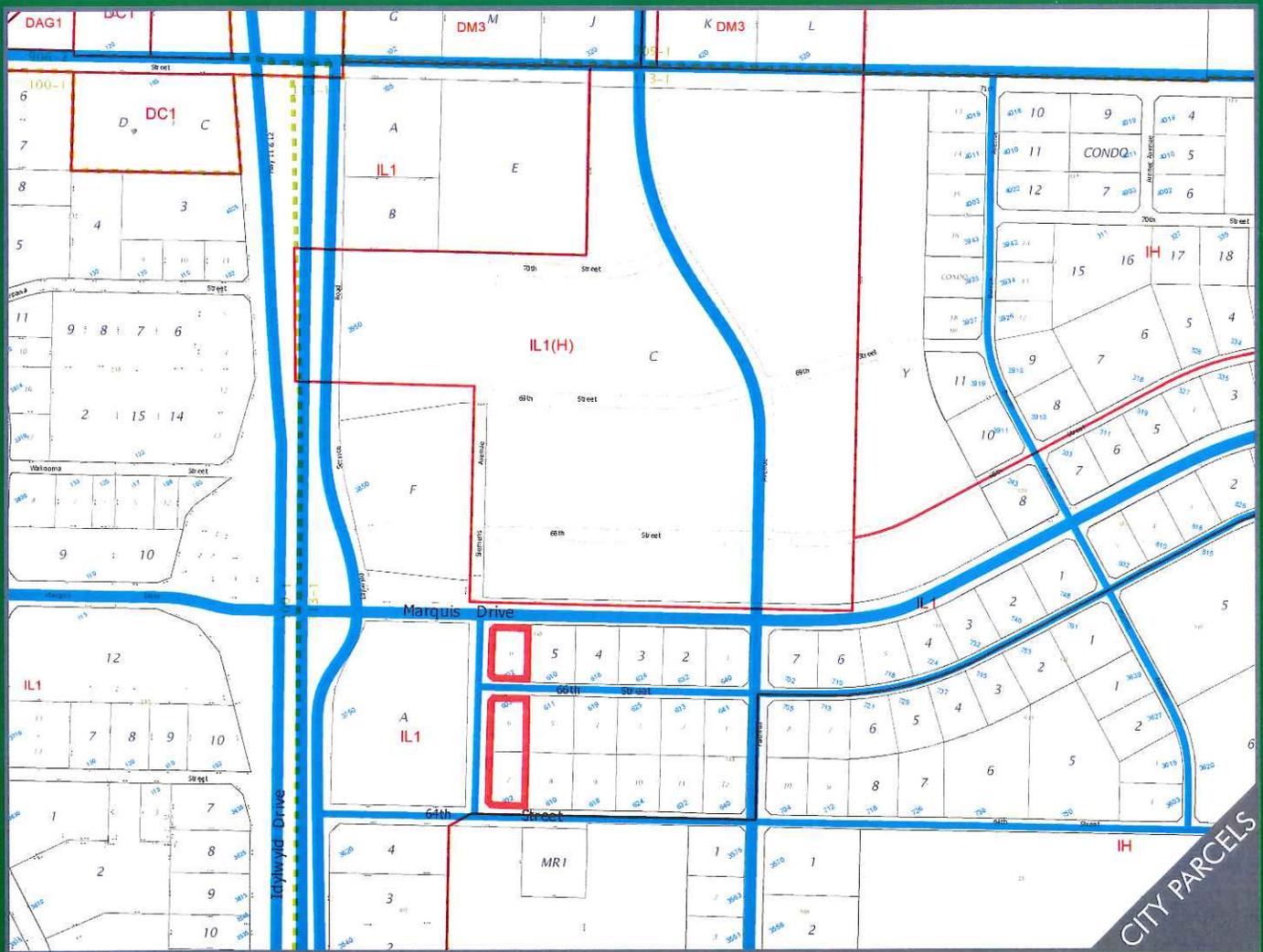
Building Sizes:

Merlin Quicklane Building: 3,000 SF
Merlin Automotive Wholesale Division: 2,000 SF

Land Size:

Merlin Quicklane Site: ±1.47 Acres
Merlin Automotive Wholesale Division: ±1.44 Acres
Merlin Delivery & Storage: ±1.45 Acres

Total Land: ±4.36 Acres



COMMERCIAL REAL ESTATE

DOWNTOWN OFFICE

275 1st Ave N
 Saskatoon, SK S7K 1X2
 Phone: (306) 664-6116
 Fax: (306) 664-1940
 brokerage@icrcommercial.com

NORTH OFFICE

840 48th Street E
 Saskatoon, SK S7K 3Y4
 Phone: (306) 933-2929
 Fax: (306) 931-0882
 industrial@icrcommercial.com

REGINA OFFICE

200 - 1055 Park Street
 Regina, SK S4N 5H4
 Phone: (306) 721-6116
 Fax: (306) 721-1940
 regina@icrcommercial.com

www.icrcommercial.com

Request for Approval of Amendment to Auto Clearing Land Sale Agreement – Marquis Industrial Area

Recommendation

That the City Solicitor be requested to amend the Sale Agreement with 101233054 Saskatchewan Ltd., operating as Auto Clearing, removing Lots 11 and 12, Block 944, Plan 102197729, thus, reducing the future payments as noted within the report.

Topic and Purpose

The purpose of this report is to obtain Standing Policy Committee on Finance approval to amend a previous Sale Agreement with 101233054 Saskatchewan Ltd. (Auto Clearing).

Report Highlights

1. Auto Clearing has requested the removal of Lots 11 and 12, Block 944, Plan 102197729 from the land Sale Agreement originally approved by the Standing Policy Committee on Finance.

Strategic Goal

This report supports the long-term strategy of providing a coordinated approach to customer service with quick and accurate responses under the Strategic Goal of Continuous Improvement.

Background

At the February 8, 2016 Standing Policy Committee on Finance meeting, the Director of Saskatoon Land was authorized to offer eight parcels in the Marquis Industrial area to Auto Clearing. The parcels were acquired for the purpose of relocating its automobile dealership and expanding its current business operations.

Report

Amendment to the Sale Agreement with Auto Clearing

On June 14, 2017, the Administration was advised by Auto Clearing that they no longer required Lots 11 and 12, Block, 944, Plan 102197729 for their expansion plans. In discussions between Auto Clearing and the Administration, it was mutually agreed that if the sites (Attachment 1) were no longer required for the planned relocation and expansion, the parcels should be removed from the sale agreement and be re-offered to the market by Saskatoon Land.

To facilitate the removal of the parcels from the agreed sale, the Administration is recommending the City Solicitor be requested to amend the Sale Agreement and adjust the remaining payments as follows:

Payments	Original Agreement	Amended Agreement
Deposit – April 25, 2016	\$ 810,000	\$ 810,000
Further Payment – November 14, 2016	\$3,645,000	\$3,645,000
Installment One – May 1, 2018	\$ 810,000	\$ 642,600
Installment Two – May 1, 2019	\$ 810,000	\$ 642,600
Installment Three – May 1, 2020	\$2,025,000	\$ 685,800

All other terms will remain the same.

Options to the Recommendation

Standing Policy Committee on Finance could choose not to proceed with the amendment with Auto Clearing. Administration does not recommend this as it would result in the parcels being held by Auto Clearing for speculative purposes.

Public and/or Stakeholder Involvement

The amendment of removing three parcels on the Sale Agreement with Auto Clearing was agreed to through discussions with authorized representatives from Auto Clearing and Saskatoon Land Management.

Financial Implications

The amendment of the Sale Agreement with Auto Clearing and return of Parcels 11 and 12, Block 944, Plan 102197729 will result in a \$1.674 million reduction in the initial approved price. It is expected that reoffering these parcels in 2018 after the North Commuter Parkway opens will yield a positive increase in value in excess of the original assigned value of the parcels.

Other Considerations/Implications

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

Due Date for Follow-up and/or Project Completion

There is no due date for follow-up and/or project completion.

Public Notice

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

Attachment

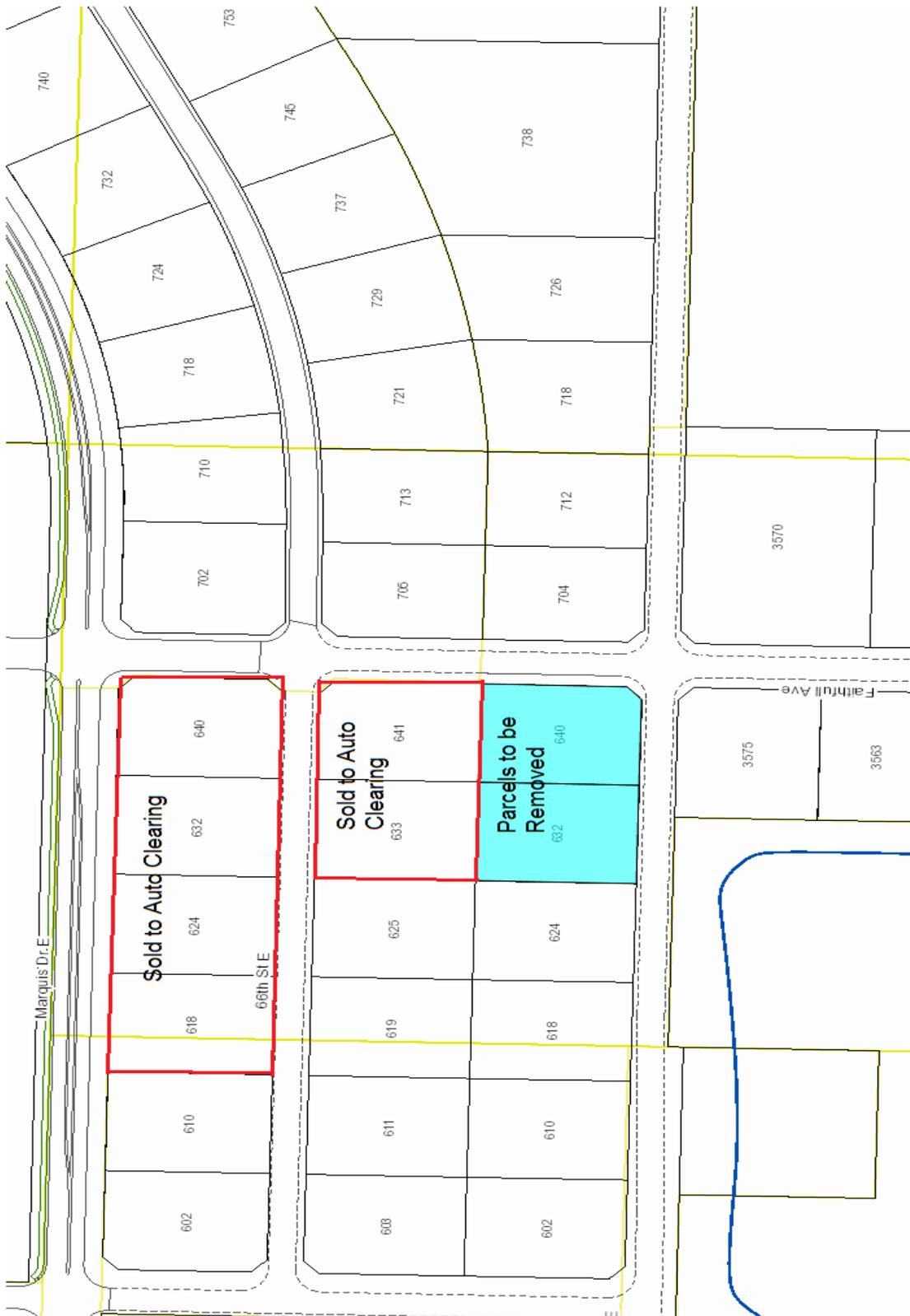
1. Map Indicating Lots being Removed from Auto Clearing Sale Agreement

Report Approval

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

Amendment_Auto Clearing Land Sale Agreement.docx

Map Indicating Lots being Removed from Auto Clearing Sale Agreement



Request for Direct Sale to Saskatchewan Housing Corporation – 303 Fast Court in Aspen Ridge

Recommendation

1. That the Director of Saskatoon Land be authorized to offer, by direct sale, Lot 1, Block 701, Plan 102201769 to Saskatchewan Housing Corporation for the purpose of constructing a group home; and
2. That the City Solicitor be requested to prepare the Sale Agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreements under the Corporate Seal.

Topic and Purpose

The purpose of this report is to obtain authorization for the direct sale of Lot 1, Block 701, Plan 102201769 (303 Fast Court) to Saskatchewan Housing Corporation.

Report Highlights

1. Policy No. C09-033, Sale of Serviced City-Owned Lands, supports the direct sale of land to Saskatchewan Housing Corporation
2. Saskatoon Land is requesting authorization to enter into a Sale Agreement for a designated group home lot in the Aspen Ridge neighbourhood at previously approved prices.

Strategic Goal

This report supports the long-term strategy of increasing revenue sources and reducing reliance on residential property taxes, and the four-year priority of developing funding strategies for expenses related to new capital expenditures including core services such as fire halls, roadways, and underground services, under the Strategic Goal of Asset and Financial Sustainability.

Background

Saskatchewan Housing Corporation (SHC) is a Crown corporation owned by the Government of Saskatchewan, dedicated to providing a range of programs and services to help Saskatchewan people in greatest housing need.

The occupants of this housing live in a variety of residential dwelling types in neighbourhoods within Saskatchewan communities. These citizens enjoy a lifestyle that includes employment in a variety of vocations in their communities and provide economic enhancement through their participation in the labour force. Some of the individuals enjoy a retirement-type lifestyle due to their age or preferred lifestyle, which includes in-home recreation as well as participation in community activities of their choice. Three to four individuals normally reside in these group homes which are staffed 24 hours a day with support staff.

On August 11, 2016, a letter was received from the Real Estate Officer of Housing Development requesting a direct sale of a designated group home lot in Aspen Ridge (Attachment 1). Prior to submitting a direct sale request to the Standing Policy Committee on Finance in 2016, the Administration was informed that the purchase would have to be delayed. On August 22, 2017, SHC indicated they had the approval to proceed with the purchase of the designated site at 303 Fast Court.

Report

Request to Purchase Pre-Designated Care Home Lot

SHC has requested to purchase 303 Fast Court in Aspen Ridge (Attachment 2) for the purpose of constructing a group home. This home will have less than five residents, qualifying it as a Type I Care Home under Zoning Bylaw No. 8770, and does not require an application for discretionary use. The home will be subject to the same developmental controls as adjacent single-family homes.

The direct sale is in accordance with Council Policy No. C09-033, Sale of Serviced City-Owned Lands, as follows:

- “3.3 The Administration may pursue or entertain direct sale, or long-term leases under the City’s Industrial Land Incentives Program, of civic lands when one or more of the following conditions are present:
- h) A situation where a registered non-profit corporation is seeking a site for development of a community centre or similar project or a housing project directed at the provision of affordable housing units or special needs housing.”

General Terms and Conditions

Saskatoon Land is requesting authorization to enter into a direct sale agreement for a pre-designated group home lot located at 303 Fast Court with the terms of the sale detailed below. The sales price of the lot was previously approved by the Standing Policy Committee on Finance at its meeting on October 5, 2015.

The terms and conditions for the lot are as follows:

- Purchase Price – \$185,100
- Deposit – 10% deposit (\$18,510) within 10 business days of approval by the Standing Policy Committee on Finance.
- Price Includes – All direct and off-site service levies. The Purchaser is responsible for its own service connections to street mains and other shallow buried utilities (e.g. gas, power, and telephone).
- Possession Date – Upon receipt of payment in full and issuance of title for Transfer in Trust.
- Conditions Precedent – Subject to approval by the Standing Policy Committee on Finance.
- Build Time – Requirement of three years in which the City of Saskatoon would have the option of repurchasing the sites from SHC at the original sale price if the three year build requirement was not met.

Options to the Recommendation

Standing Policy Committee on Finance could choose not to proceed with the direct sale and offer the parcels for sale via public tender or the open market approach.

Public and/or Stakeholder Involvement

Terms of the sale have been discussed with SHC and agreed to by letter dated September 8, 2017.

Financial Implications

Proceeds from the sale of this lot will be deposited into the Aspen Ridge Land Development Fund.

Other Considerations/Implications

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

Due Date for Follow-up and/or Project Completion

There is no due date for follow-up and/or project completion.

Public Notice

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

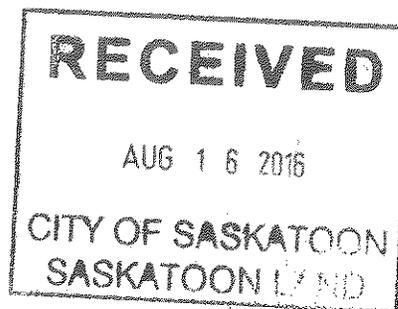
Attachments

1. Direct Purchase Request from Saskatchewan Housing Corporation dated August 11, 2016
2. Map of Proposed Direct Sale Lot – Saskatchewan Housing Corporation

Report Approval

Written by: Jeremy Meinema, Finance & Sales Manager
Reviewed by: Frank Long, Director of Saskatoon Land
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

Direct Sale_SHC_303 Fast Court.docx

**Ministry of Social Services**

11th Floor, 1920 Broad Street
Regina, Canada S4P 3V6

306-798-2226
1-800-667-7567 (Toll Free)
306-798-3110 (Fax)

August 11, 2016

Jeremy Meinema
Finance and Sales Manager
City of Saskatoon
201 3rd Avenue North
SASKATOON SK S7K 2H7

Dear Mr. Meinema:

Re: 303 Fast Court, Saskatoon
Lot 1, Block 701, Aspen Ridge

Saskatchewan Housing Corporation is applying herein to purchase the above-noted lot pursuant to your direct sale process.

CLSD (Community Living Service Delivery) funds, channeled through Saskatchewan Housing Corporation, provide service to over 4,000 individuals with intellectual disabilities across the province.

The proposed Level 1 care home (bungalow) would house three to four individuals with intellectual disabilities and are typically staffed 24/7 with support staff as required.

These residents enjoy a lifestyle that includes employment in a variety of vocations in their communities and provide economic enhancement through their participation as well as the employees who staff their supports. Some of the residents enjoy a retirement type lifestyle due to their age or by preference. This would include home recreation as well as participation in community activities of their choice.

.../2

Page 2
August 11, 2016

The anticipated construction start date would be in 2017. Attached is a preliminary site plan for your review.

Please do not hesitate to contact our office if you require any further information.

Sincerely,



Dianne Rodenbush
Real Estate Officer, Housing Development

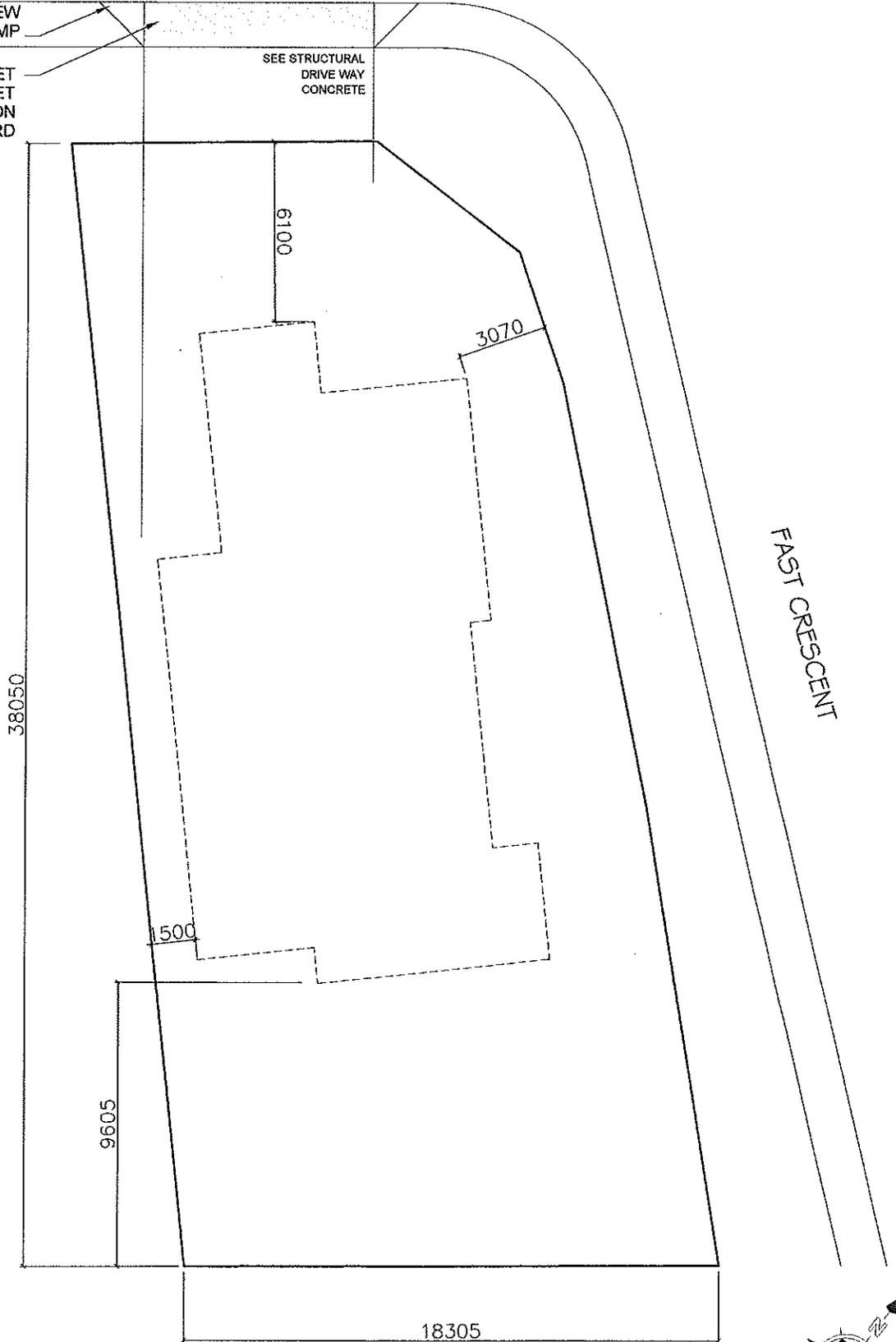
Enclosures

Enclosures

303 FAST COURT

INSTALL NEW
CONCRETE RAMP
CONSTRUCT NEW STREET
CROSSING TO MEET
CITY OF SASKATOON
STANDARD

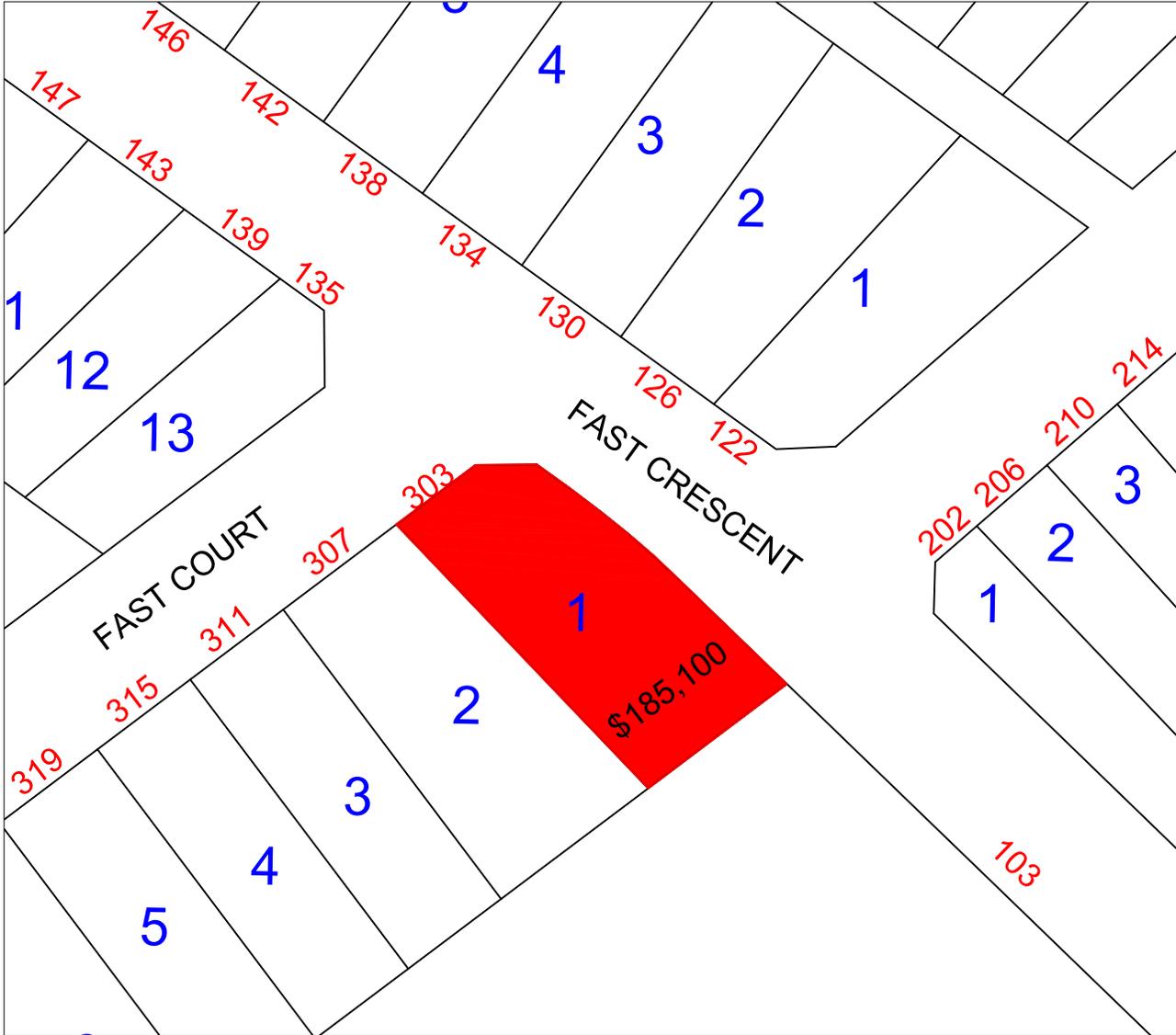
SEE STRUCTURAL
DRIVE WAY
CONCRETE



FAST CRESCENT

1 SITE PLAN
A1-0.1 SCALE 1:200





Note: The information contained on this map is for illustrative purposes only and should not be used for legal purposes. All the information was compiled from available sources and the line work is subject to change without notice.



Scale: NTS Date: 2017 - 09
 Drawn By: TF File No.

ASPEN RIDGE
 RESIDENTIAL CARE HOME TYPE II
 303 FAST COURT

City-Owned Land Inventory in the Downtown and Plans for Development

Recommendation

That the information be received.

Topic and Purpose

The purpose of this report is to provide information on City of Saskatoon-owned land inventory in the downtown and surrounding area, and to identify potential development or release of these lands to the market.

Report Highlights

1. Saskatoon Land has identified several City-owned properties in the downtown and area.
2. Plans are underway to offer additional City-owned Downtown development sites to the market over the next few years.
3. A package of incentives to encourage Downtown development is being prepared by the Planning and Development Division.

Strategic Goal

This report supports the long-term strategy of increasing and encouraging infill development and corridors to balance growth under the Strategic Goal of Sustainable Growth.

Background

At its May 1, 2017 meeting, the Standing Policy Committee on Finance resolved, in part:

- “2. That the Administration report by September 2017 on all Saskatoon Land inventory in the downtown and any approved plans for development.”

Report

City-Owned Land in and Around the Downtown

The City owns a number of properties in and around the Downtown which are identified on Attachment 1 as follows:

- Lands shown in red are either currently available or could be ready for release to the investment community once subdivision/rezoning and any required environmental analysis/remediation is complete. Generally speaking, short- to mid-term parcels that have been deemed surplus to the City’s needs, could potentially be released to the market within five years.

City-Owned Land Inventory in the Downtown and Plans for Development

- Lands shown in blue are currently being used for a variety of interim uses or have servicing/location considerations which are limiting potential development or disposition in the short term. A number of these parcels are part of larger planning projects such as the North Downtown Master Plan, Downtown Parking Strategy, Imagine Idylwyld and the City Centre Plan.
- Lands shown in light brown include properties such as City Hall, the Library, Police Station, City Yards, TCU Place and a number of other sites with buildings currently being used for civic purposes. There are no current plans to make these lands available for sale.
- Buildings shown in pink are leased to organizations such as the Riversdale BID, Saskatoon Farmers' Market, White Buffalo Youth Lodge and Zayo Group Holdings Inc.
- Privately-owned properties that have buildings or are vacant are identified in light grey.

Attachment 2 provides further details on these City-owned lots.

The City does not own any vacant development sites along the major corridors leading into the downtown such as Broadway Avenue, 22nd Street and College Drive.

Plans are Underway to Release Additional Development Parcels in the Downtown

Of the properties shown in red on Attachment 1, there are a number of sites on 25th Street by Idylwyld Drive that are being reviewed for potential release to the development industry in 2018. Currently, the site at the corner of 5th Avenue and 25th Street is being marketed for sale through Saskatoon Land's website.

Other plans currently underway for the release of development land to the market include redevelopment of the Caswell Hill former Transit site and the River Landing parcels. Specific release dates for development sites in these areas will be detailed in future reports to the Standing Policy Committee on Finance.

As shown on Attachment 1, a number of the City-owned sites shown in blue are currently being used as surface parking lots and add to Downtown parking availability as noted in the recently completed Downtown Parking Strategy.

The Planning and Development Division is currently working on a package of incentives and measures to "cut red tape" that would encourage development in the Downtown. Once in place, such incentives would make City-owned parcels more appealing and also encourage development on privately held sites. This package is anticipated to be brought forward to the Standing Policy Committee on Planning, Development and Community Services in late 2017.

Due Date for Follow-up and/or Project Completion

Further reports on the method and terms of sale will be presented to the Standing Policy Committee on Finance prior to offerings being issued.

Public Notice

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

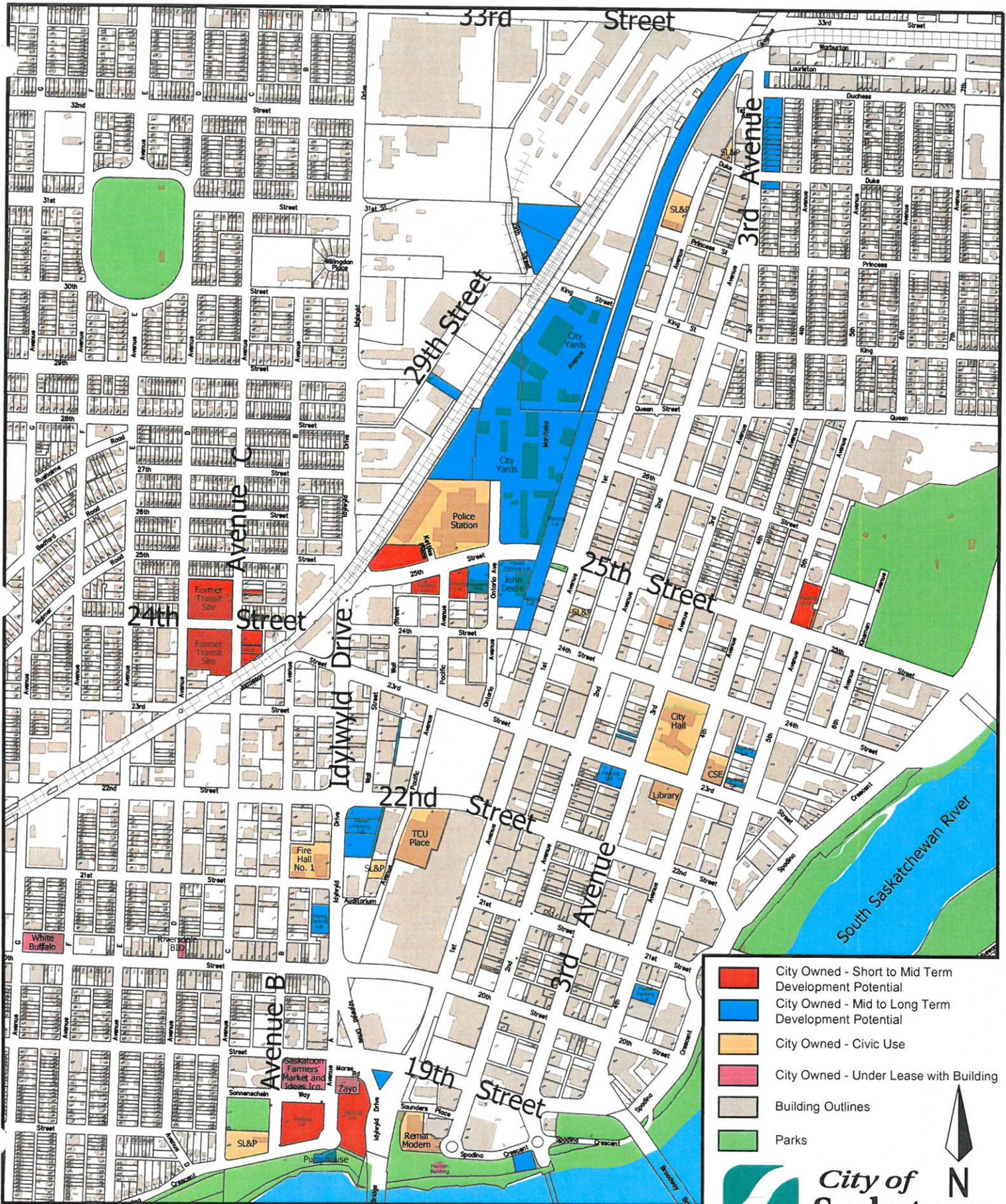
Attachments

1. Inventory of City-Owned Land in and Around Downtown
2. City-Owned Vacant Land in and Around Downtown

Report Approval

Written by: Scott McCaig, Real Estate Services
Reviewed by: Frank Long, Director of Saskatoon Land
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

City-Owned Land Inventory_Downtown_Plans for Development. docx



For best clarity, please view the digital version of this drawing--it can be found on the City of Saskatoon webpage as part of the meeting agenda packages 27

- City Owned - Short to Mid Term Development Potential
- City Owned - Mid to Long Term Development Potential
- City Owned - Civic Use
- City Owned - Under Lease with Building
- Building Outlines
- Parks

City of Saskatoon
 Real Estate Services - September 2017

Note: The City does not guarantee the accuracy of this drawing. To ensure accuracy, please refer to the Registered Plan of Survey. This drawing is not to scale. Distances are in metres unless shown otherwise. Do not scale.

City-Owned Vacant Land in and Around Downtown

Neighbourhood	Site Address	Site Area (M ²)	Site Area (ac)	Zoning	Plan	Block	Lot	Current Site Use
Short- to Mid-Term Development Potential								
Caswell Hill	301 24th St W	7,993	1.98	IL1	101352169	14	14A	Former Transit Site
Caswell Hill	321 Ave C	7,494	1.85	IL1	G582	19	13	Former Transit Site
Caswell Hill	316 Ave C N	356	0.09	IL1(H)	121032391	18	52	Vacant
Caswell Hill	316 Ave C N	130	0.03	RM3	G582	18	16	Vacant
Caswell Hill	230 Ave C N	623	0.15	IL1	101339603	15	64	Parking Lot
Caswell Hill	232 Ave C N	724	0.18	IL1	G582	15	34	Parking Lot
Caswell Hill	240 Ave C N	1,299	0.32	IL1	G582	15	38	Parking Lot
Central Industrial	25 25th St E	1,816	0.45	RA1	102111253	XX		Parking Lot
Central Industrial	45 25th St E	2,230	0.55	RA1	102111253	F		Parking Lot
Central Industrial	52 25th St E	4,893	1.21	RA1	102162462	BG		Vacant
City Park	410 5th Ave N	3,486	0.86	M3	99SA24455	181	30	Parking Lot
River Landing	422 Ave A S	7,441	1.84	DCD1(AC)	65S12125	D		Parking Lot
River Landing	426 Ave B S	6,884	1.70	DCD1(AC)	101977274	BB		Parking Lot

Mid- to Long-Term Development Potential

Central Industrial	N/A 25th St	7,738	1.91	IL1	102111253	C		John Deere Parking Lot
Central Industrial	N/A 25th St	14,263	3.53	N/A	102203569	CC		Parking Lot
Central Industrial	N/A King St	24,982	6.17	N/A	102203569	AA		Parking Lot / Vacant
Central Industrial	N/A Ontario Ave	1,746	0.43	RA1	92S45913	D		City Yards
Central Industrial	N/A 29th St E	4,290	1.06	IL1	G715	T		Vacant
Central Industrial	N/A 29th St E	6,369	1.57	IL1	G715	S		Vacant
Central Industrial	75 King St	33,203	8.21	IL1	92S18605	B		City Yards
Central Industrial	100 King St	24,982	6.17	N/A	102203569	AA		Parking Lot
Central Industrial	140A 29th St E	1,541	0.38	IL1	G715	1	12	Public Works Storage
Central Industrial	330 Ontario Ave	4,360	1.08	RA1	G3042	13	1	John Deere Building
Central Industrial	333 Ontario Ave	2,483	0.61	RA1	102111253	E		Equipment Shed
Central Industrial	450 Ontario Ave	49,482	12.23	N/A	92S45913	D		City Yards
City Park	302 Duchess St	323	0.08	MX1	H1323	C	1	Vacant
City Park	840 3rd Ave N	591	0.15	M1	G1322	30	11	Vacant
City Park	900 Blk of 3rd Ave N	5,908	1.46	M1	98SA35499	29	43	Community Garden
CBD	N/A 4th Ave S	1,586	0.39	B6	C195	162	25	Parking Lot
River Landing	N/A 19th St E	857	0.21	DCD1(AC)	65S12125	F		Vacant
CBD	N/A 3rd Ave N	217	0.05	B6	99SA32572	168	27	Parking Lot
CBD	N/A 3rd Ave N	221	0.06	B6	99SA32572	168	28	Parking Lot
River Landing	N/A Spadina Cres	1,567	0.39	DCD1(AC)	101856427	MM		Vacant
CBD	155 3rd Ave N	1,209	0.30	B6	99SA32572	150	36	Parking Lot
CBD	209 5th Ave N	468	0.12	M4	99SA32572	170	24	Parking Lot
CBD	221 5th Ave N	651	0.16	M4	E2335	170	15	Parking Lot
CBD	231 23rd St E	907	0.22	B6	99SA32572	150	35	Parking Lot
CBD	110 Idylwyld Dr S	1,667	0.41	B3	00SA11632	K		Parking Lot
CBD	120 Idylwyld Dr S	2,021	0.50	B3	G110		E	Parking Lot
CBD	126 Idylwyld Dr S	2,825	0.70	B3	00SA15145	6	50	Parking Lot
Riversdale	219 Idylwyld Dr S	2,170	0.54	B3	00SA15145	16	42	Parking Lot
River Landing	145 Spadina Cres W	943	0.23	DCD1(AC)	63S01249	Q		Pumphouse

Neighbourhood	Site Address	Site Area (M ²)	Site Area (ac)	Zoning	Plan	Block	Lot	Current Site Use
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Civic Use

Central Industrial	76 25th St E	24,777	6.12	N/A	102111253	SPS		Police HQ
City Park	801 1st Ave N	3,370	0.83	IL1	99SA33536	8	16	SL&P
City Park	100 Duke St	670	0.17	IL1	99SA33536	8	15	SL&P
CBD	N/A Auditorium Ave	1,210	0.21	B6	00SA15145	6	44	SL&P
CBD	35 22nd St E	9,016	2.23	B6	65S10491		1	TCU
CBD	350 1st Ave N	651	0.16	B6	99SA32572	176	26	SL&P
CBD	325 3rd Ave N	911	0.23	B6	99SA32572	175	22	Assessment & Taxation
CBD	222 3rd Ave N	13,950	3.45	B6	E2335	169		City Hall
CBD	202 4th Ave N	2,604	0.64	B6	99SA32572	170	26	Civic Square East
CBD	311 23rd St E	2,681	0.66	DP6	99SA32572	158	42	Library
River Landing	102 Spadina Cres E	4,870	1.20	DCD1(AC)	101856427	X		Remai Modern
River Landing	502 Ave C S	4,789	1.18	DCD1(AC)	101977274	AA		SL&P
Riversdale	125 Idylwyld Dr S	6,042	1.49	B3	00SA15145	1	43	Firehall #1

City-Owned Under Lease

River Landing	414 Ave B S	5,552	1.37	DCD1(AC)	101977274	B		Saskatoon Farmers' Market and Ideas Inc.
River Landing	414 Ave A S	1,650	0.41	DCD1(AC)	101311456	E		Zayo
Riversdale	344 20th St W	604	0.15	B5C	00SA15145	14	55	Riversdale BID
Riversdale	602 20th St W	3,321	0.33	B5C	E5618	MR1		White Buffalo
River Landing	110 Spadina Cres E	85	0.02	DCD1(AC)	101856427	Z		Pavilion Building

Quarterly Report – Builder and Developer Lot Supply – September 1, 2017

Recommendation

That the information be received.

Topic and Purpose

The purpose of this report is to provide information on builder and developer inventory levels for residential and industrial land in Saskatoon.

Report Highlights

1. Land developers in Saskatoon have 919 residential lots in inventory, and there is a builder inventory of 981 residential lots.
2. Land developers in Saskatoon are projected to service and release 749 single-family lots in 2017, dependent on inventory levels and absorption rates.
3. Land developers and builders have approximately 98 acres of multi-family land in inventory, which can potentially accommodate approximately 2,400 dwelling units.
4. Building permit issuance for new dwelling units in 2017 has resulted in an 80% suburban to 20% infill split.
5. There is a healthy supply of vacant industrial land held by recent land purchasers and Saskatoon Land.

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

The Standing Policy Committee on Finance, at its meeting held on May 29, 2017, resolved:

“That the Administration include information on infill development as part of the quarterly reporting.”

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 2017 from major land developers in Saskatoon. In addition, this report 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 2001 to September 1, 2017.

Single-Family Inventory

Table 1 identifies single-family lot inventory held by homebuilders and land developers as of September 1, 2017.

Table 1: Single-Family Inventory, September 1, 2017

Neighbourhood	Builder Inventory	Developer Inventory		Unreleased Developer Inventory		Totals
		City	Private	City	Private	
Aspen Ridge	72	55	0	115	0	242
Arbor Creek	3	0	0	0	0	3
Briarwood	5	0	0	0	0	5
Brighton	201	0	0	0	0	201
Evergreen	76	33	0	0	0	109
Hampton Village	3	2	0	0	0	5
Kensington	304	201	64	177	0	746
Parkridge	5	147	0	0	0	152
Rosewood	279	5	34	0	84	402
Stonebridge	26	0	0	0	0	26
Westview	0	2	0	0	0	2
Willowgrove	2	0	0	0	0	2
The Willows	5	0	0	0	0	5
Totals	981	445	98	292	84	1,900

As Table 1 indicates, as of September 1, 2017, a total of 981 single-family lots were held by builders and 543 single-family lots were held by developers, for a total of 1,524 single-family lots. The developer inventory consisted of 445 single-family lots produced by Saskatoon Land, and 98 single-family lots produced by private developers. In addition to the 543 single-family lots held by developers, it should be noted that developers have 376 additional unreleased single-family lots which have been completely serviced. Servicing of these lots was recently completed in 2017 or in prior years, but have yet to be released to the market by land developers. This results in a total of 1,900 lots being available for new home construction throughout the remainder of 2017.

A large majority of developer inventory is located within the suburban neighbourhoods of Kensington and the Parkridge extension. Due to the inventory available in west

Saskatoon, Saskatoon Land has adjusted servicing plans accordingly and does not plan to service any new lots until a portion of existing west side inventories are absorbed. Table 2 identifies new single-family lot availability projected for 2017.

Table 2: Projected New Residential Lot Availability, 2017

Neighbourhood	City		Dream		Other Developers		Totals		
	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec	
Aspen Ridge	122	115	0	0	0	0	122	115	
Brighton	0	0	0	157	0	0	0	157	
Kensington	85	0	0	0	0	0	85	0	
Rosewood	0	0	0	0	174	96	174	96	
Totals	207	115	0	157	174	96	381	368	
Total - 2017								749	

In early 2017, Saskatoon Land held a lot draw for 122 lots in the second phase of the Aspen Ridge neighbourhood, with 81 lots being sold. A further 115 lots will be released in fall 2017. Saskatoon Land also has the capability of releasing additional lots in the Kensington neighbourhood should market demand warrant it.

Similar to Saskatoon Land, private developers have indicated that further lot releases in 2017 will be dependent on their current inventory levels, and absorption rates in each of their respective market areas.

The Monthly Building Permit Report indicates that as of September 1, 2017, building permits were issued for 612 single-family dwelling units and 52 two-family dwelling units. By comparison, at the same point in 2016, building permits were issued for 630 single-family dwelling units and 34 two-family dwelling units. Year over year, this is a decrease of approximately 3% in new single-family dwelling units and an increase of approximately 53% in new two-family dwelling units.

Figure 2 (Attachment 1) shows historical single-family inventory levels held by builders and developers since 2011. Since the last reporting period, there has been a slight increase in builder inventory resulting from improved confidence in the new home market. This moderate rebound in dwelling unit starts has reduced developer inventory slightly as lots are sold to builders throughout 2017. When factoring in unreleased lots held by developers, the number of lots held by both developers and builders is roughly equal.

Multi-Family Inventory

Table 3 identifies the multi-family inventory held by home builders and land developers as of September 1, 2017.

Table 3: Multi-Family Inventory, September 1, 2017

Neighbourhood	Builder Inventory		Developer Inventory				Totals	
	Acres	Possible Dwelling Units	City		Private		Acres	Possible Dwelling Units
			Acres	Possible Dwelling Units	Acres	Possible Dwelling Units		
Blairmore Suburban Ctr	4.05	243	4.84	97	0	0	8.89	340
Brighton	0	0	0	0	14.95	371	14.95	371
Evergreen	11.15	167	15.13	471	0	0	26.28	638
Hampton Village	0.99	40	0	0	0	0	0.99	40
Kensington	5.42	94	1.85	28	2.05	31	9.32	153
Lakewood	3.82	152	0	0	0	0	3.82	152
Rosewood	9.98	149	0	0	4.47	81	14.45	230
Stonebridge	18.91	477	0	0	0	0	18.91	477
Totals	54.32	1,322	21.82	596	21.47	483	97.61	2,401

Note: The average density of development indicated in Table 3 is approximately 24 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 September 1, 2017, building permits were issued for a total of 578 residential units on multi-family sites. By comparison, at the same point in 2016, building permits for 375 units on multi-family sites had been issued. Year over year, this is an increase of approximately 54% in multi-family dwelling unit permits in the city.

Figure 3 (Attachment 1) shows multi-family inventory levels held by builders and developers since 2011. Inventory levels of multi-family land for both developers and builders have remained relatively stable within the last year, though builder inventories have marginally decreased as a result of a modest number of starts on townhouse style developments.

Infill Development

Between January 1 and September 1, 2017, building permits were issued for a total of 1,242 dwelling units. Table 4 outlines the distribution of these units on the basis of a suburban growth and infill split. For the purpose of this analysis, housing starts were classified as suburban and infill in accordance with the Planning and Development Division's Infill Neighbourhoods Map (Attachment 2).

Table 4: January 1, 2017 – September 1, 2017 New Dwelling Unit Locations

Housing Form	Suburban	Infill	Total	Suburban %	Infill %
Single-Family	527	85	612	86%	14%
Two-Family Dwelling	46	6	52	88%	12%
Multi-Family	425	153	578	74%	26%
Totals	998	244	1,242	80%	20%

As noted in Table 4, between January 1, 2017 and September 1, 2017, 80% of building permit issuance for new dwelling units occurred in the City’s suburban growth areas, with the remainder occurring in established areas.

The 80% suburban to 20% infill split is comparable to the five-year (2012-2016) Saskatoon average of an 83% suburban to 17% infill split.

The City's Growth Plan Summary Report, presented to City Council at its April 25, 2016 meeting, identifies a variety of population distribution scenarios based on future corridor growth and the development of strategic areas. Under the high-density corridor growth scenario, the balance of growth could shift to 50% suburban and 50% infill over the next 30 years.

Industrial Land Inventory

Table 5 identifies industrial land inventory held by Saskatoon Land and recent purchasers in the Marquis and South West Industrial areas as of September 1, 2017.

Table 5: Industrial Inventory, September 1, 2017

Neighbourhood		Vacant Sites (Sold/Optioned)		Unsold Sites (City Inventory)		Total
		IL	IH	IL	IH	
Marquis Industrial	No. of sites	34	26	2	10	72
	Area (ac)	67.53	66.23	2.88	28.89	165.53
South West Industrial	No. of sites	16	0	1	0	17
	Area (ac)	24.96	0	0.96	0	25.92
Total No. of Vacant Sites						89
Total Area (ac)						191.45

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

As indicated in Table 5, there are 191.45 acres of industrial land held by developers or recent purchasers. An additional 39 acres of industrial land in the Marquis Industrial area will be offered to market via a public tender process in September 2017.

The absorption rate within industrial areas remains steady. Since January 1, 2017, permits have been issued for seven parcels, totalling approximately 13 acres within the Marquis Industrial area.

Due Date for Follow-up and/or Project Completion

This report is produced by Saskatoon Land on a quarterly basis. The next quarterly report will be tabled with the Standing Policy Committee on Finance in January 2018.

Public Notice

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

Attachments

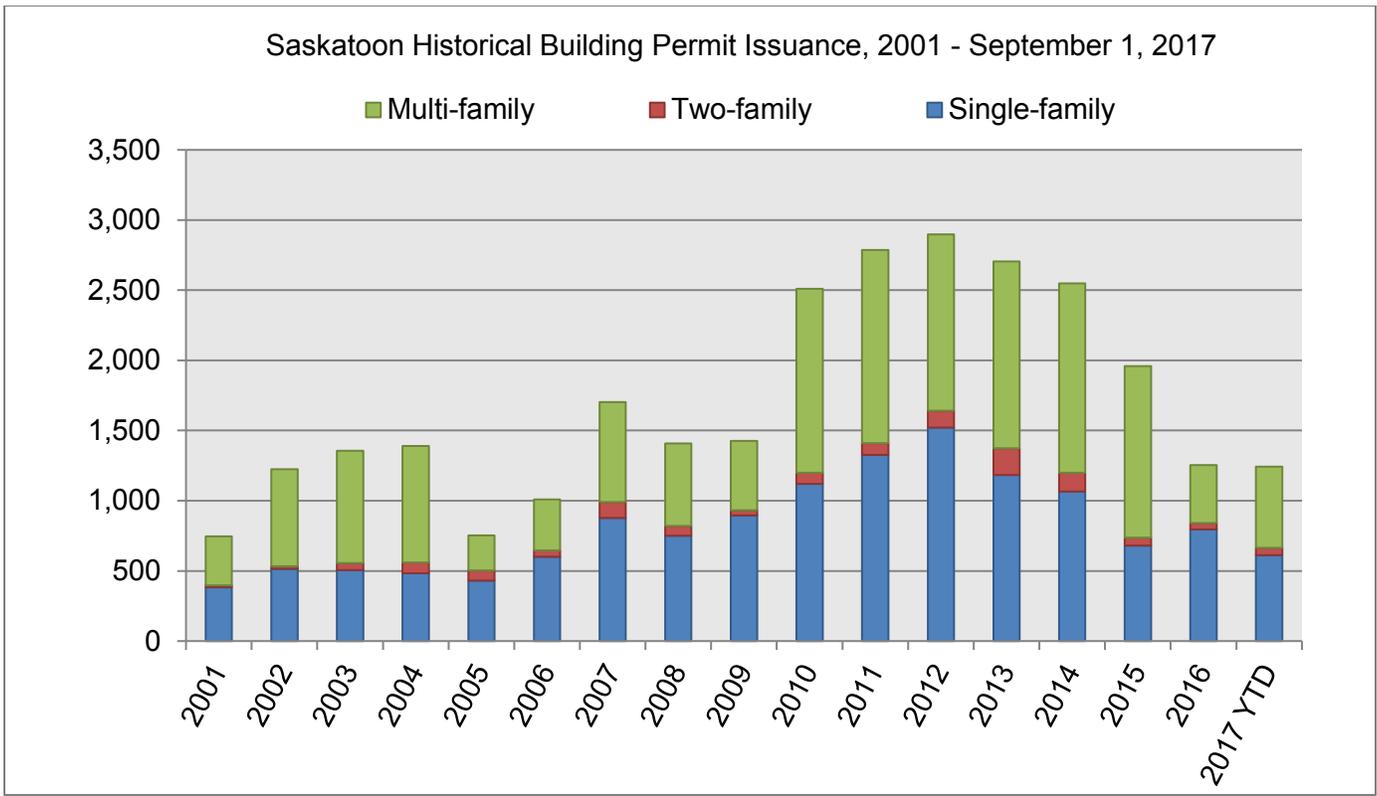
1. Report Figures
2. Infill Neighbourhoods Map

Report Approval

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

Quarterly Report_ Builder and Developer Lot Supply - Sept 2017.docx

Figure 1: New Dwelling Units by Building Classification in Saskatoon, 2001 to September 1, 2017



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

Figure 2: Single-Family Builder and Developer Inventory Levels, 2011 to September 1, 2017

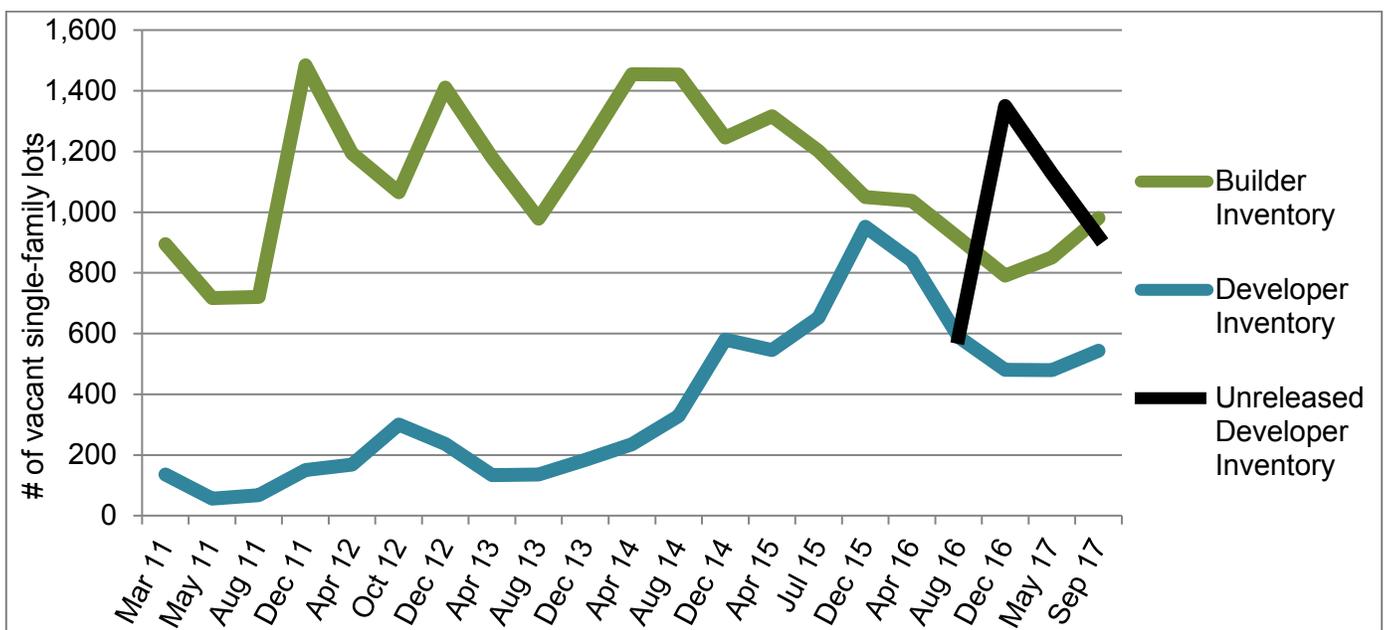
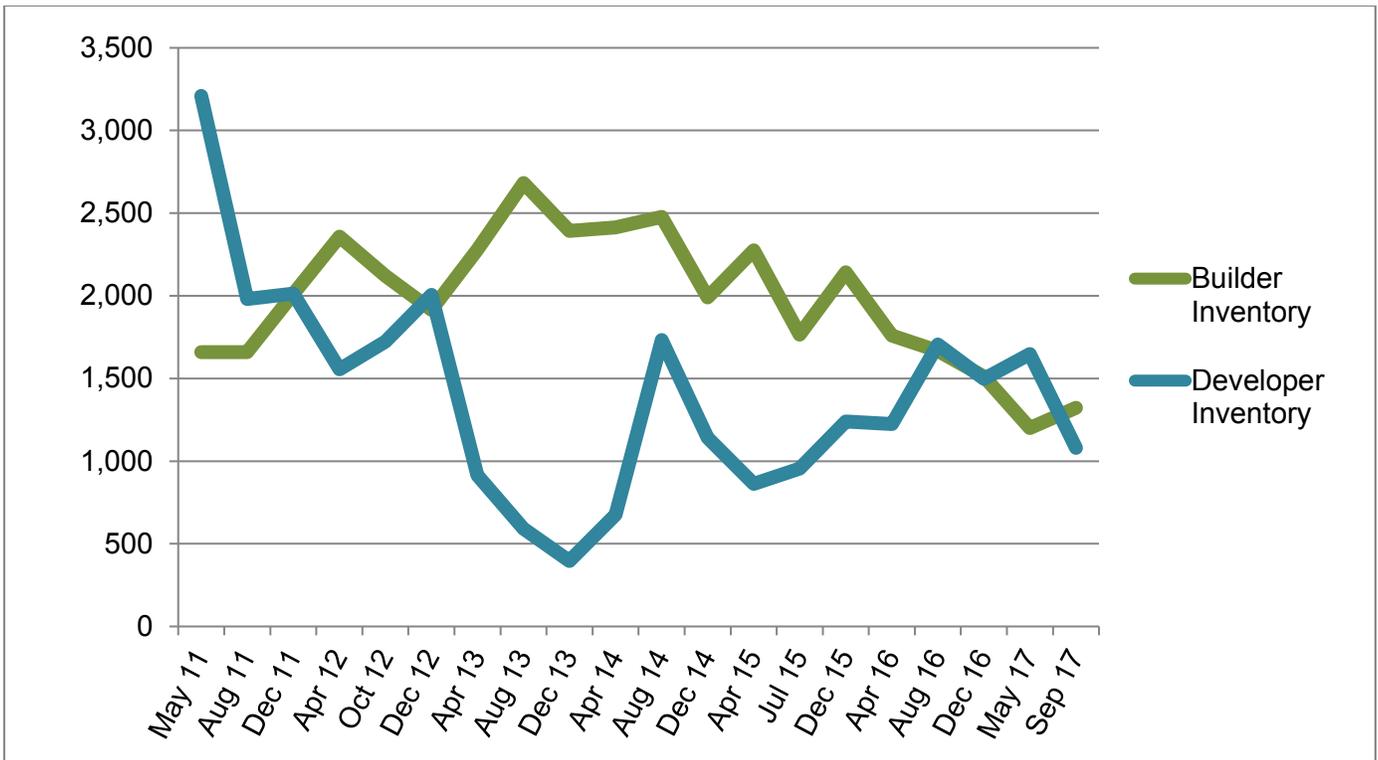


Figure 3: Multi-Family Dwelling Unit Builder and Developer Inventory Levels, 2011 to September 1, 2017



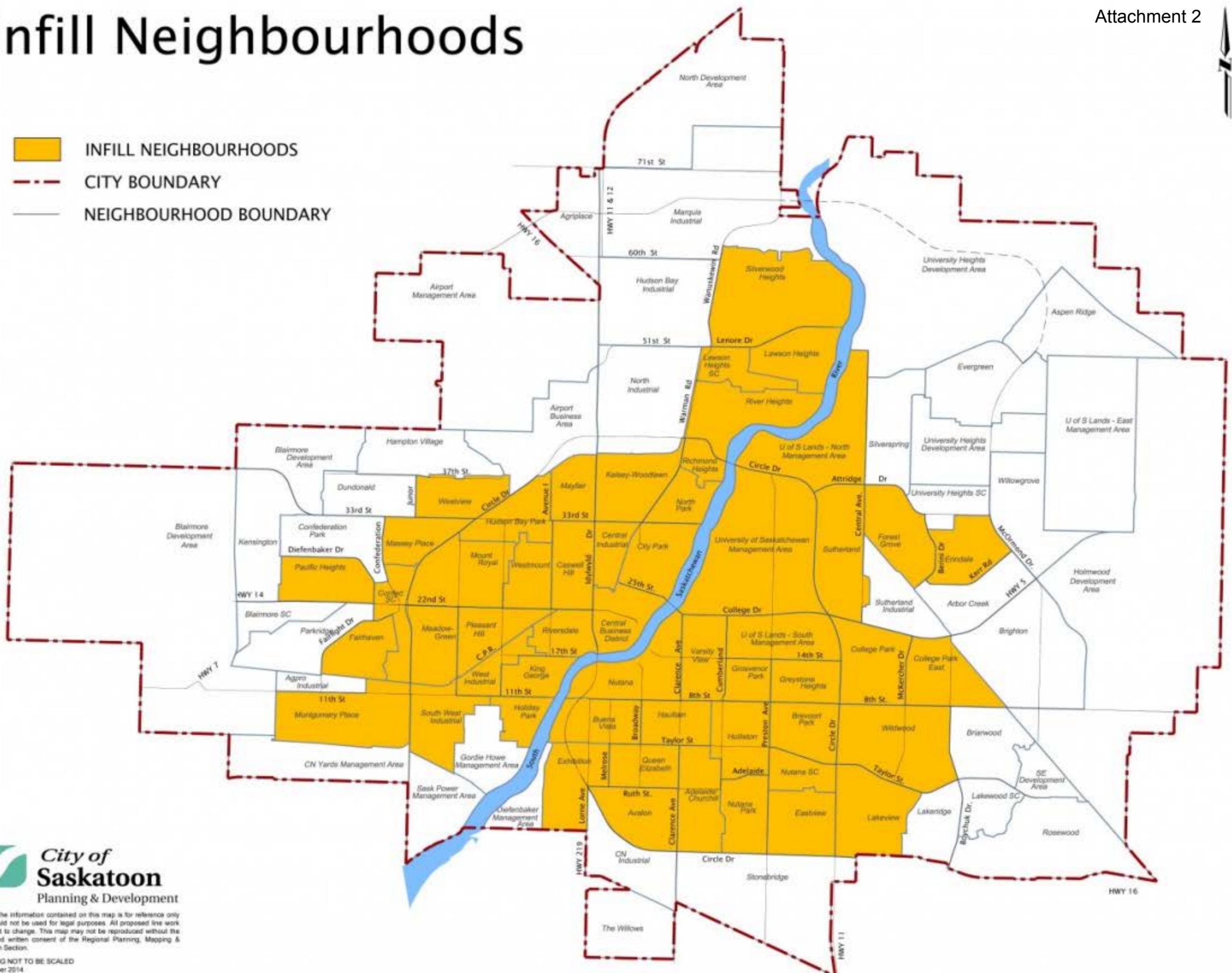
Infill Neighbourhoods



Attachment 2

Infill Neighbourhoods Map

- INFILL NEIGHBOURHOODS
- CITY BOUNDARY
- NEIGHBOURHOOD BOUNDARY



NOTE: The information contained on this map is for reference only and should not be used for legal purposes. All proposed line work is subject to change. This map may not be reproduced without the expressed written consent of the Regional Planning, Mapping & Research Section.

DRAWING NOT TO BE SCALED
September 2014

Internal Audit Budget Information Update – September 2017

Recommendation

That the information be received.

Topic and Purpose

The purpose of this report is to provide an update on the internal audit and consulting services provided by PricewaterhouseCoopers (PwC) to date.

Report Highlights

1. PwC is currently working on all projects as approved in the 2017 internal audit plan. Four of the five projects are anticipated to be complete by late 2017/early 2018.

Strategic Goal

Efficient and effective performance of internal audits supports the long-term strategy of being more efficient in the way the City of Saskatoon (City) does business under the Strategic Goal of Continuous Improvement.

Background

Internal audit services are funded through the Internal Audit Program Reserve which had an opening balance of \$442,533 for 2017. This is the third year of the five-year contract with PwC.

Report

As of September 15, 2017, 36% of the total budgeted internal audit hours for the year have been completed, and 30% of the total contracted funds for audits have been spent.

There are currently five internal audit projects being conducted by PwC. Planning activities have recently started for the Parks and Recreation audit; fieldwork activities are underway for the Business Continuity, CO2 Reduction Initiatives and Human Resource Management audits; and audit fieldwork for the Revenue Generation audit is complete.

Attachment 1 provides detailed information regarding each project. The Statement of Work describing the scope and approach for each audit/project can be found on the Corporate Risk webpage of the City's website.

Attachment 2 is an update from PwC on the current status of the internal audit plan.

Due Date for Follow-up and/or Project Completion

A budget information update report will be submitted monthly to the Standing Policy Committee on Finance.

Public Notice

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

Attachments

1. Internal Audit Budget Status Report
2. September 2017 Internal Audit Status Report - PwC

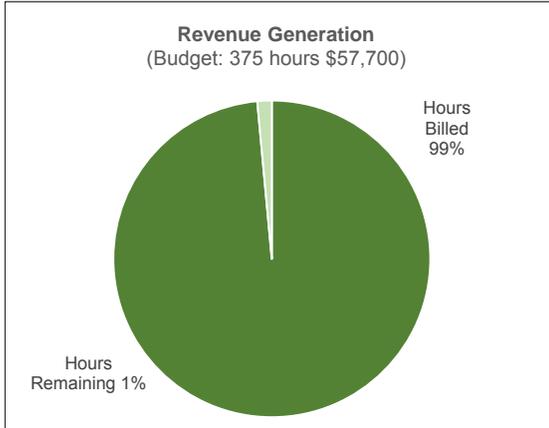
Report Approval

Written by: Nicole Garman, Director of Corporate Risk
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

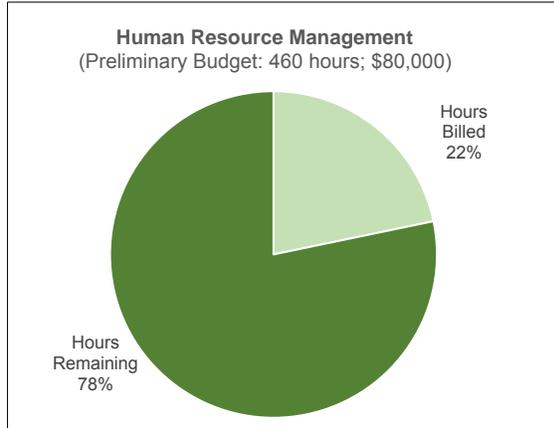
Internal Audit Budget_Sept2017.docx

Internal Audit Budget Status Report

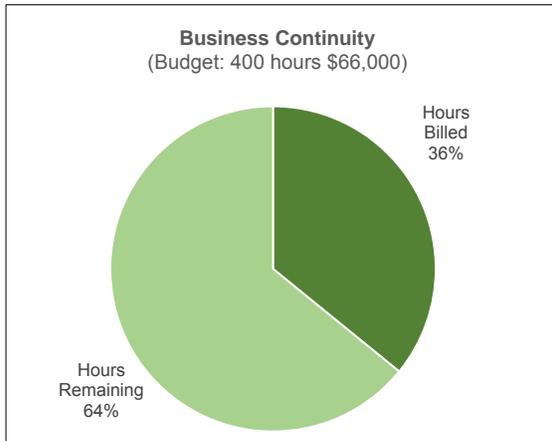
Internal Audit Projects



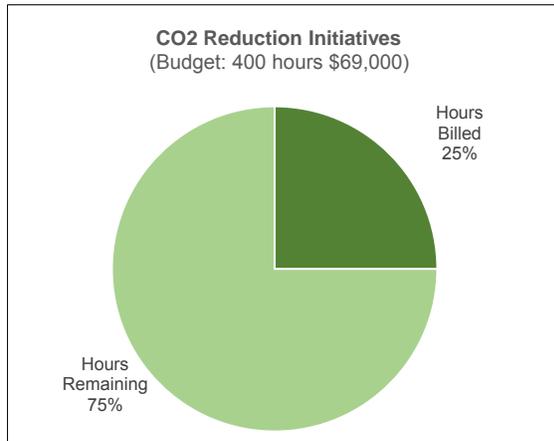
Notes: Statement of Work approved November 7, 2016. Audit fieldwork complete. Draft audit report being circulated to Administration for review and comment. Anticipated reporting to Committee fall 2017.



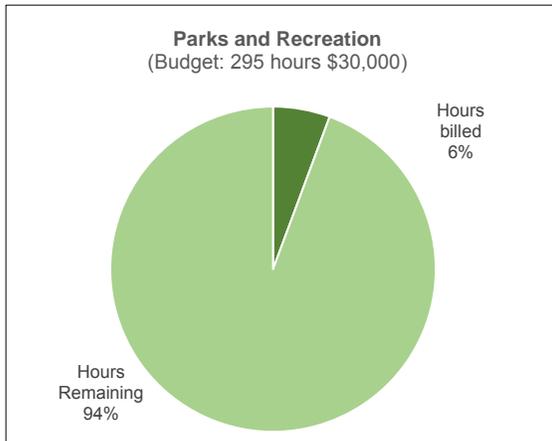
Notes: Statement of Work approved August 14, 2017. Audit fieldwork underway. Anticipated reporting to Committee late 2017/early 2018.



Notes: Statement of Work approved August 14, 2017. Audit fieldwork underway. Anticipated reporting to Committee late 2017/early 2018.

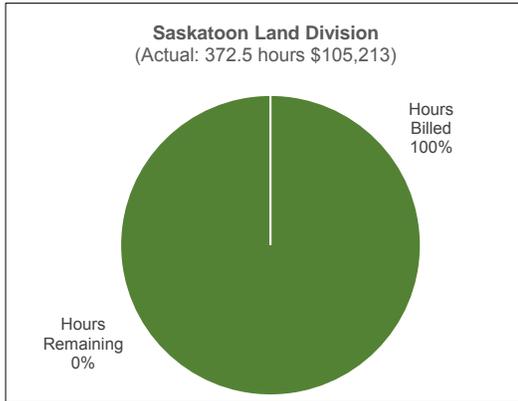


Notes: Statement of Work approved August 14, 2017. Audit fieldwork underway. Anticipated reporting to Committee late 2017/early 2018.

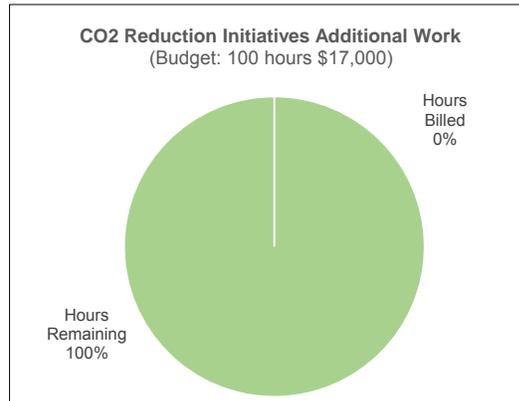


Notes: Preliminary planning activities have started. Statement of Work expected to be presented to Committee by the end of 2017.

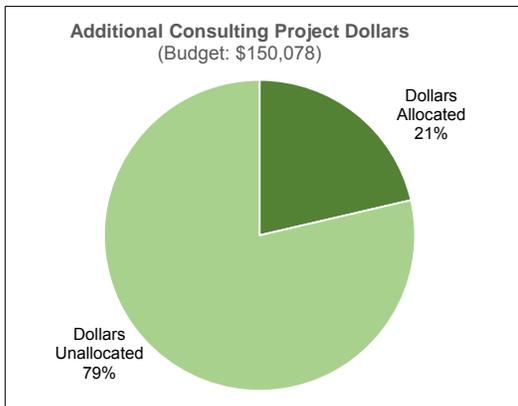
Additional Consulting Projects



Notes: Audit report presented to Committee on August 14, 2017. Administration agreed with all 21 findings.

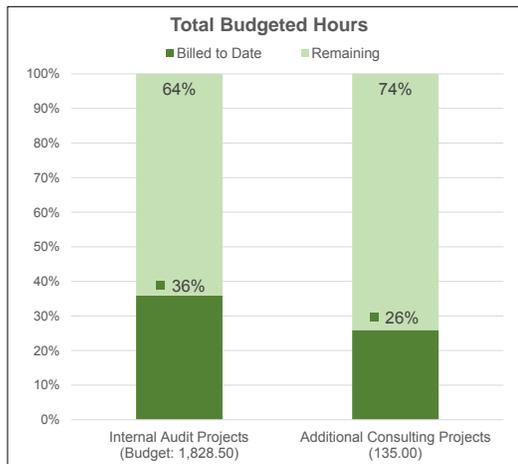


Notes: Statement of Work approved August 14, 2017. Audit fieldwork underway.

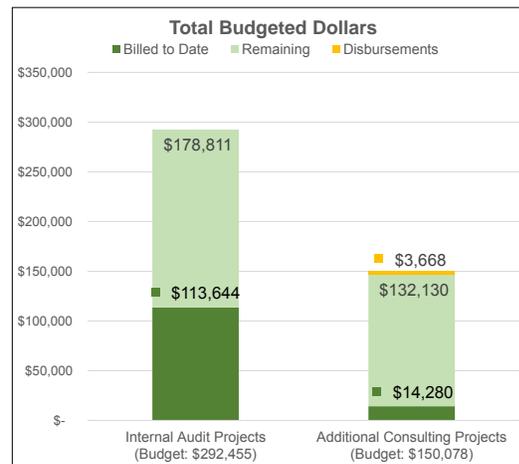


Notes: 21% of additional consulting project dollars have been allocated to specific consulting projects to date.

Overall Internal Audit Program



Notes: A total of 656.5 hours of internal audit work and 35.0 hours of additional consulting work have been billed to September 15, 2017.



Notes: A total of \$131,591.73 has been billed to September 15, 2017 for internal audit services, consulting services and disbursements. This represents 30% of the total available funding for 2017.

September 2017 Internal Audit Status Report - PwC



September 15, 2017

City of Saskatoon Standing Policy Committee on Finance (“SPC on Finance”)
 222 Third Avenue North
 Saskatoon, Saskatchewan S7K 0J5

September 2017 Internal Audit Status Report

We are pleased to provide you with an update on the internal audit work that PwC is providing to the City of Saskatoon. There are currently 5 projects underway. As of September 15, 2017 we have billed a total of 36% of the total hours available in the internal audit plan for the 2017 calendar year. Our progress on the 2017 internal audit plan can be broken down into 3 distinct periods (also please see the Appendix):

- a) January 1, 2017 to April 1, 2017 – during this period, the internal audit plan underwent formal approval from the SPC on Finance as well as City Council. The internal audit plan was taken to City Council to ensure that the priorities reflected in the internal audit plan (first formed as a 5-year plan in 2015 and refreshed annually) continued to reflect the priorities of the newly elected City Council. As a result of this consultation there was an amendment made to the internal audit plan for a Carbon Reduction project, replacing the initially planned Bridge Maintenance project.

During this period, the hours available for internal audit consisted of 300 hours carried over from the 2016 internal audit plan. The initial audit plan contained a higher number of carryover hours, however certain of these hours not required for the carryover projects were transferred to projects to be performed later in the year (please refer to the Appendix for a reconciliation). During this period, 177.5 (or 59%) of the 300 available hours were achieved.

- b) April 1, 2017 to August 1, 2017 – during this period, the internal audit team began forming the Statements of Work for the approved 2017 projects, in particular for the Business Continuity and Carbon Reduction projects. A verbal update for these 2 projects was provided to the SPC on Finance at its meeting on May 29 as there was a scheduled break in meetings until August 14.

As a result, there were approximately 100 hours for each of those 2 projects available to be completed during this period, for planning and pre-fieldwork activities (assuming that 25% of the total project hours were available for internal audit to perform prior to formal approval of a final Statement of Work for each project).

During this period, there were 322.5 hours available (consisting of the remaining 122.5 hours carried forward from 2016 and the 100 hours for the 2 new projects described immediately above) of which 218 hours (or 68%) were achieved. The gap in hours achieved as of August 1 was 104.5.

- c) August 1, 2017 onward – as of August 1, there were now 1,429.5 hours (or 78%) of the internal audit plan to be achieved in the final 5 months of 2017. In addition to what has been described in sections a) and b) immediately above, approximately 725 hours (or 40% of the internal audit plan) was unavailable to be started until September as a result of the fall timing requested for the Human Capital and Parks & Recreation projects (460 and 265 hours, respectively).

PricewaterhouseCoopers LLP
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 T: +1 306 668 5900, F: +1 306 652 1315, www.pwc.com/ca



Project #1 – Revenue Generation

- This project remains from the 2016 internal audit plan. All hours available in the budget have been utilized. The initial draft report was vetted through various applicable members of the Administration during the summer of 2017, with an updated version (reflecting feedback received) provided to certain key stakeholders in September 2017.

Project #2 – Human Capital

- This project began preliminary scoping activities in Jan. 2017, however as a result of a change in the General Manager of Corporate Performance position and restructuring within Corporate Performance (related to Strategic Negotiations, Total Rewards & Workforce Analytics and Employee Experience & Performance) was requested to be delayed to Sept. 2017. The 24 hours incurred on this project from January 1 to August 1 are reflected in “Period 3” in the Appendix.
- Project workshops began the week of Sept. 11, 2017 and will take place over a 4-week period ending mid/late Oct. We expect to complete approximately 90% of the hours on the project before the end of Dec. 2017 with reporting to occur in either late 2017 or early 2018. This is dependent on working with Administration on a quick turnaround between Phase I and Phase II of the project.

Project #3 – Business Continuity

- The internal audit project team, including a Business Continuity subject matter specialist, will be holding a workshop with the Leadership team on Sept. 26 to gain valuable insight on critical services and restoration priorities thereof. Follow-up workshops are then being planned for mid/late Oct. with Directors to work through Business Impact Analysis assessments. Workshops will then be organized for November to work on draft Business Continuity plans.
- During Sept/Oct internal audit will be working through the procedures outlined in the Statement of Work. We expect to complete approximately 90% of the hours on the project before the end of December 2017 with reporting to occur in either late 2017 or early 2018. This is dependent on working with Administration on a quick turnaround of Business Impact Analysis assessments.

Project #4 – Carbon Reduction

- The internal audit project team kicked off detailed project activities with the key stakeholders in early September. We expect to complete approximately 90% of the hours on the project before the end of December 2017 with reporting to occur in either late 2017 or early 2018. This is dependent on working with the Administration on a quick turnaround of the final project reporting.

Project #5 – Parks and Recreation

- Early project planning activities will occur in Sept. 2017 in order to formalize a Statement of Work in Oct. or Nov. 2017. The total project hours (approx. 495) are split between 2017 and 2018 – we are currently forecasting carryover of approx. 80 project hours into 2018 but this may increase depending on the ability to execute project fieldwork on a timely basis in late 2017.

Appendix – Illustrative Table of Hours Available and Achieved in 2017

Project Description	Total Hours	Adjust Plan *	Revised Total	Period 1 (Jan 1-Apr 1)		Period 2 (Apr 1-Aug 1)		Period 3 (Aug 1-Jan 1)		Remaining Hours	Expected Carryover
				Available	Achieved	Available	Achieved	Available	Achieved		
2016 Carryover											
Revenue Generation	280.0	(30.0)	250.0	250.0	127.5	122.5	122.5	-	-	-	-
Asset Life Cycle Costs	100.0	(70.0)	30.0	30.0	30.0	-	-	-	-	-	-
Transit Services	15.0	5.0	20.0	20.0	20.0	-	-	-	-	-	-
Human Capital	75.0	(75.0)	-	-	-	-	-	-	-	-	-
	<u>470.0</u>	<u>(170.0)</u>	<u>300.0</u>								
2017 Projects											
Human Capital	385.0	75.0	460.0	-	-	-	- b	460.0	100.0	360.0	40.0
Business Continuity	400.0	-	400.0	-	- a	100.0	68.5	331.5	75.0	256.5	30.0
Carbon Reduction	275.0	125.0	400.0	-	- a	100.0	27.0	373.0	73.0 c	300.0	30.0
Parks & Recreation	295.0	(30.0)	265.0	-	-	-	- b	265.0	15.0	250.0	80.0
	<u>1,825.0</u>	<u>-</u>	<u>1,825.0</u>							<u>1,166.5</u>	<u>180.0</u>
Hours available in period				<u>300.0</u>		<u>322.5</u>		<u>1,429.5</u>			
Hours achieved in period					<u>177.5</u>		<u>218.0</u>		<u>263.0</u>		
					59%		68%		18%		
Gap in hours for period					(122.5)		(104.5)		(1,166.5)		

* - Adjustments made to plan to reflect projects under-budget on hours and moved to new projects (approved in SOW's).

a - Assuming 25% available to perform prior to formal approval of project SOW for planning and pre-fieldwork activities.

b - Fall timing requested by the Administration.

c - 100 extra hours approved in SOW beyond 400 hours in audit plan/contract - will represent last 100 hours of the project.

External Audit Services – Award of Request for Proposals

Recommendation

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

1. That the proposal submitted by Deloitte LLP for external audit services, at a total estimated cost of \$205,000, plus applicable taxes be approved; and
2. That His Worship the Mayor and the City Clerk be authorized to execute the contract documents as prepared by the City Solicitor under the Corporate Seal.

Topic and Purpose

The purpose of this report is to receive City Council approval for the award of Request for Proposals (RFP) for External Audit Services.

Report Highlights

1. An RFP was issued for procurement of external audit services.
2. The Standing Policy Committee on Finance has since reviewed all proposals and interviewed Deloitte LLP.

Strategic Goal

This report supports the long-term strategy of protecting the City of Saskatoon's (City) credit rating by ensuring sound financial policies and practices under the Strategic Goal of Asset and Financial Sustainability.

Background

As per *The Cities Act* (Section 159(1)), it is City Council responsibility to appoint an auditor for the City.

The contract for external audit services for the City has expired. This service has been provided by Deloitte since 2002 after three contracts awarded through an RFP, the last one being in 2012. It is the City's practice to issue an RFP for such services every five years. In continuation of that practice, an RFP was issued on March 31, 2017 with a closing date of May 12, 2017.

The following is required of the external auditor:

- complete the requirements of Division 10 of *The Cities Act*;
- express an opinion as to whether the financial statements fairly present the financial position of the enterprise or fund under review, the results of its operations for the year; and
- confirm reporting was done in accordance with stated accounting policies on a basis consistent with that of the preceding year.

External Audit Services - Award of Request for Proposals

The engagement must be conducted in accordance with generally accepted auditing standards as prescribed by the Canadian Institute of Chartered Professional Accountants (CICPA) and the Public Sector Accounting Board (PSAB). As part of the external auditor's service, the City will be advised of required improvements in internal accounting controls and systems, where such improvements are important, but not critical, to the expression of an opinion.

The City's financial statements are fully consolidated to include all entities directly controlled by City Council. However, the services provided exclude Remai Modern Art Gallery, SaskTel Centre and TCU Place for which the auditor appointed by the City must review and be satisfied with the work of the auditors appointed by those Boards.

Report

RFP for Consulting Services

On March 31, 2017, an RFP for consulting services was advertised on the SaskTenders website with a closing date of May 12, 2017. The Administration received responses from the following proponents:

1. KPMG LLP (Saskatoon)
2. Deloitte LLP (Saskatoon)

The following criteria as detailed in the RFP was used in order to evaluate the proposals:

Criteria	Points
Firm's demonstrated knowledge and experience in the audit of similar size municipalities and other large entities	10
Qualifications and expertise of partners and staff, including consultants, to be assigned to the audit. Education, position in the firm, and years and types of experience will be considered as determined from resumes submitted	10
Firm's audit plan and philosophy related to the City of Saskatoon and related entities, particular terms of the audit work, use of technology and plans for dealing with start-up and familiarization of the entities	10
Total audit fees for the five-year term and the number of hours involved in the audit	40
Ability to meet proposed deadlines	30
TOTAL	100

Under the delegated authority of the Standing Policy Committee on Finance, it is the Committee's responsibility to select the external auditor. Since receiving both proposals, KPMG has since withdrawn from the competition.

Although Deloitte is the only remaining proponent, the RFP requirements were still met. Upon review of Deloitte's submission and an interview held at its in camera meeting on September 5, 2017, the Standing Policy Committee on Finance advised the Administration to proceed with the award of the External Audit RFP to Deloitte.

Options to the Recommendation

City Council could choose not to award the External Audit to Deloitte. The Administration does not recommend this option as Deloitte meets all RFP requirements and it would require a reposting of the RFP potentially putting the external audit timetable at risk.

Applying the principles for assessing the use of external resource, the option to have this work done in-house was not considered. As per Section 159(3) of *The Cities Act*.

“a council may not appoint a member of council, an employee of the city or an employee of one of its controlled corporations to be an auditor.”

Financial Implications

The cost of the contract from either proponent is within the approved 2017 Operating Budget.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations, and neither a communication plan or public and/or stakeholder involvement is required at this time.

Due Date for Follow-up and/or Project Completion

The award of RFP will be completed upon City Council approval.

Public Notice

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

Report Approval

Written by: Kyra Macfarlane, Corporate Accounting Manager
Reviewed by: Clae Hack, Director of Finance
Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department
Approved by: Murray Totland, City Manager

External Audit – Award of RFP Oct 2017.docx

JSMB Adventures Inc. (Merlin Motors) Land Exchange and Servicing Agreement

Recommendation

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

1. That the Administration be authorized to proceed with a land exchange and site servicing agreement with JSMB Adventures Inc. as per the terms noted in this report;
2. That the City Solicitor be requested to prepare the agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal;
3. That Capital Project No. 1769, Land Development – Marquis Industrial Area, be used as the funding source for all servicing costs to be completed as part of the agreement, including legal, administrative costs and disbursements; and
4. That the Property Realized Reserve be used as in interim source of funding for all costs related to the land exchange part of this agreement, until such time as the Idylwyld Drive/Marquis Drive improvement project is established.

Topic and Purpose

The purpose of this report is to receive City Council approval for a land exchange and site servicing agreement with JSMB Adventures Inc. (JSMB) to accommodate land requirements for the future improvements to the intersection of Idylwyld Drive and Marquis Drive, and the installation of site servicing connections to the JSMB site that were not previously available.

Report Highlights

1. The future improvements to the intersection of Idylwyld Drive and Marquis Drive will require the closure of the Idylwyld Drive Service Road resulting in access and egress changes to the JSMB property.
2. Municipal site service connections are now available to the JSMB property.
3. Terms of the agreement have been negotiated by Real Estate Services.

Strategic Goals

Future changes to the Idylwyld Drive and Marquis Drive intersection support the long-term strategy of optimizing the flow of people and goods in and around the city under the Strategic Goal of Moving Around.

In addition, connecting the JSMB site to City of Saskatoon (City) services and the resulting payment of direct levies supports the long-term strategy of reducing the gap in funding required to rehabilitate and maintain the City's infrastructure under the Strategic Goal of Asset and Financial Sustainability.

Background

The JSMB property, more commonly known as Merlin Motors, was developed in the 1980's before any City services were available to the area. Over the past few decades, the Marquis Industrial area has continued to be developed and has now reached the point that new, City-developed roadways are being constructed adjacent to the property and all City services are available to the JSMB site.

Report

Future Improvements at Idylwyld Drive and Marquis Drive

In the first half of 2018, the Administration will report on Idylwyld Drive and Marquis Drive to provide a recommendation to either construct an interchange or significantly improve the existing at-grade intersection.

A section of the Idylwyld Drive Service Road between Marquis Drive and the new 64th Street roadway (scheduled to be constructed in 2017) is proposed to be closed to accommodate the future interchange or an improved intersection at Idylwyld Drive and Marquis Drive. Closure of this section of roadway will result in elimination of the current access and egress points to the JSMB property. The JSMB site is located on the southeast corner of the Idylwyld Drive Service Road and Marquis Drive.

As a result of the closure of the service road, replacement accesses to the JSMB site will need to be accommodated via 64th Street and Siemens Avenue which are new roadways scheduled to be completed in 2017. To maximize efficiencies and cost savings, it is best to make these access changes at the same time as the construction of the new roadways.

Attachment 1 provides a visual summary of the various components related to the land exchange agreement.

Municipal Site Service Connections

Development of the Marquis Industrial has now reached JSMB's site and is set to engulf the property. All municipal services are immediately adjacent and available for connection. With the planned construction of 64th Street and Siemens Avenue scheduled to be completed in 2017, the best time to connect to these services is now, prior to completion of the roadway surfacing.

As the JSMB property was developed long before grades for the future Marquis Drive Industrial area were developed and known, the site is somewhat lower than the adjacent roadways and properties. As a result, the typical method of overland drainage to accommodate 1-in-100-year storm events is not possible. To address this issue, a storm water outflow has been constructed in the southeast corner of the JSMB property which provides direct access to the adjacent storm pond.

Significant Terms of the Agreement

The Administration has negotiated an agreement with JSMB for the land exchange to accommodate future improvements at Idylwyld Drive and Marquis Drive and related access relocations, as well as connection to the City's direct municipal services.

Significant terms of the agreement include:

- Conditional upon City Council approval by September 29, 2017.
- The City will receive 17,566 square feet of land along Marquis Drive from JSMB in exchange for 25,987 square feet along the Idylwyld Drive Service Road.
- The City will construct three replacement accesses to the JSMB site – one on 64th Street and two on Siemens Avenue, and arrange to have SaskPower and SaskTel lines along Siemens Avenue raised to accommodate vehicle haulers to access the site.
- Direct servicing charges of \$1,450,131.15 are payable to the City by JSMB with an initial deposit of \$483,377.05 due within 30 days of signing the agreement and the balance of \$966,754.10 due within 7 days of City Council approval of the agreement.
- The City agrees to construct a storm water outflow in the southeast corner of the site to accommodate drainage 1-in-100-year storm events.
- Possession on exchange areas will be on the Closing Date.
- Closing Date subsequent to the required subdivision and completion of the City's work.

Options to the Recommendation

City Council can choose not to approve this land exchange and site servicing agreement. The Administration does not recommend this option since the land exchange accommodates the proposed future roadway improvements.

Public and/or Stakeholder Involvement

Public consultation will take place in the future regarding the proposed future improvements at Idylwyld Drive and Marquis Drive and the proposed closure of the service road between Marquis Drive and 64th Street.

Internal consultations were held with Transportation, Construction and Design, Land Development, Saskatoon Land, and the City Solicitor's Office.

Communication Plan

At this time, a communication plan is not required. A communication plan will be established when the Marquis and Idylwyld Drive interchange project is formalized.

Financial Implications

Construction costs relating to the land exchange including construction of new accesses to the JSMB site and raising SaskPower and SaskTel lines along Siemens Avenue are estimated to be approximately \$175,000, including taxes. Costs applicable to Capital

Project No. 1769, including construction of the storm water outflow in the southeast corner of the site is estimated to be approximately \$195,000, including taxes.

Initially, the Property Realized Reserve (PRR) will be used as an interim source of funding for the approximate \$175,000 in costs relating to the land exchange part of the agreement. Once the Marquis Drive/Idylwyld Drive improvement project is established, those funds are to be reimbursed to PRR.

Levies payable from JSMB for connection to the City's direct services are \$1,450,131.15. These services include water, sanitary, and storm sewer mains; curbing; street paving; and street lighting.

Other Considerations/Implications

There are no policy, environmental, privacy or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

Construction of the proposed access and egress relocations and installation of the service connections and storm water outflow is expected to be completed in 2017.

There is no date set for commencement or completion of the proposed Idylwyld Drive/Marquis Drive improvement project.

Public Notice

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

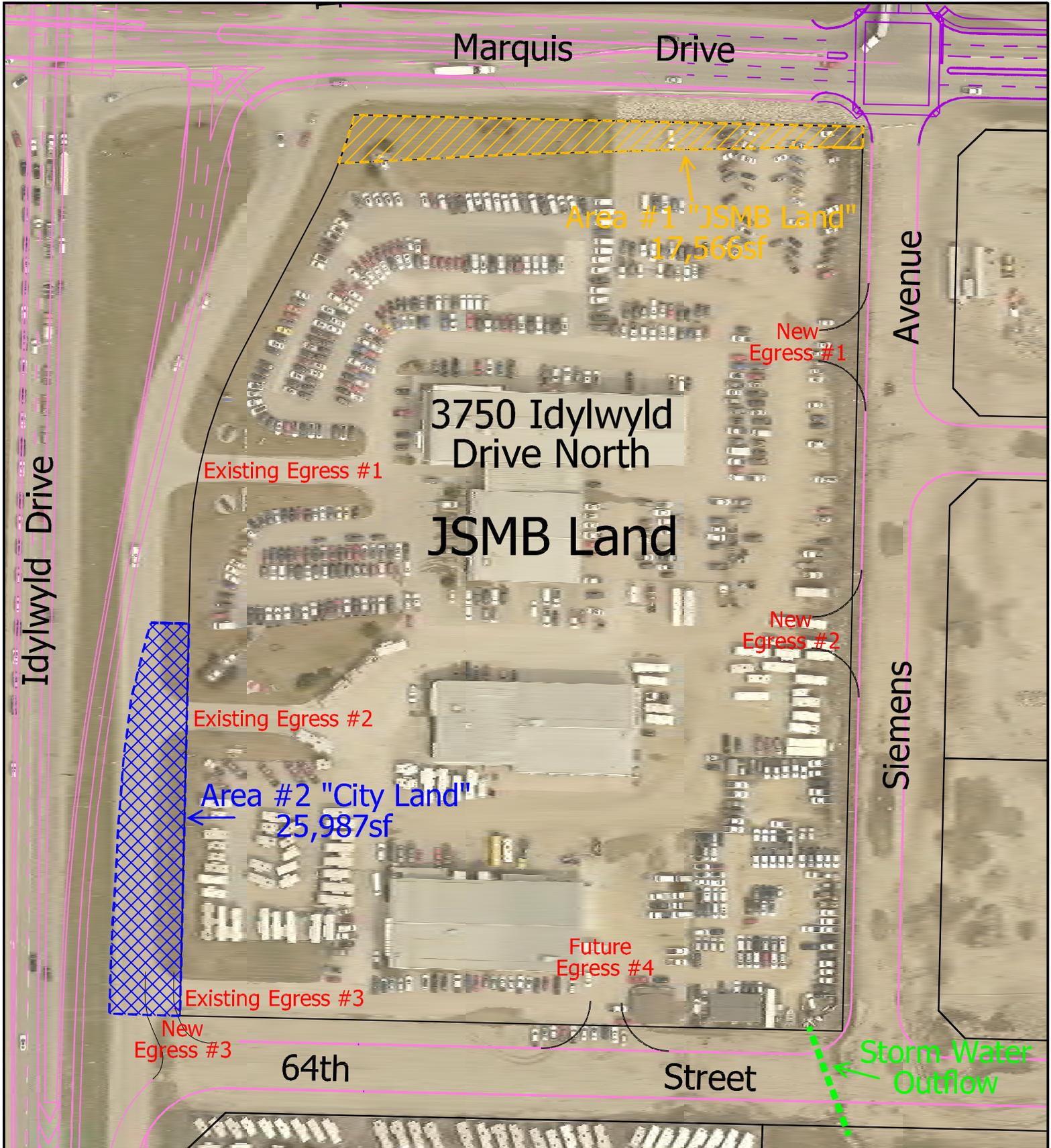
Attachment

1. Land Exchange Drawing – JSMB Adventures Inc.

Report Approval

Written by: Keith Pfeil, Manager, Real Estate Services
Reviewed by: Frank Long, Director Saskatoon Land
Jay Magus, Acting Director of Transportation
Celene Anger, Director of Construction & Design
Daryl Schmidt, Manager, Land Development, Construction & Design
Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department
Approved by: Murray Totland, City Manager

Land Exchange_Servicing_Merlin Motors (Oct 2017).docx



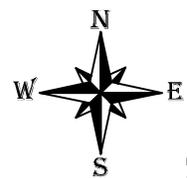
JSMB Land to Become Roadway = 17,566sf



City Land to be Consolidated into JSMB Parcel = 25,987sf



Possible Future Road Geometrics



Note: The City does not guarantee the accuracy of this drawing. To ensure accuracy, please refer to the Registered Plan of Survey. This drawing is not to scale. Distances are in metres unless shown otherwise. Do not scale.

Saskatoon Soccer Centre Inc. Tax Abatement Renewal

Recommendation

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

1. That the Saskatoon Soccer Centre Inc. be granted a five-year tax abatement for the operation of the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre, commencing in 2016 and ending in 2020; and
2. That the City Solicitor be requested to prepare the required tax abatement agreement, and that the Mayor and the City Clerk be authorized to execute this agreement under Corporate Seal.

Topic and Purpose

The purpose of this report is to recommend that Saskatoon Soccer Centre Inc. be granted a five-year tax abatement with respect to the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre. This would be a renewal of a previous agreement that expired in 2016 and would be subject to Saskatoon Soccer Centre Inc. making the necessary contributions to a capital reinvestment reserve fund for the two soccer centres.

Report Highlights

1. Saskatoon Soccer Centre Inc. (Saskatoon Soccer) is a non-profit corporation that provides valuable recreational facilities for indoor soccer and other sports in Saskatoon.
2. Saskatoon Soccer is requesting a tax abatement renewal for a further five years, beginning in 2016, for the operation of the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre.

Strategic Goal

This report supports the City of Saskatoon's (City) Strategic Goal of Quality of Life by ensuring existing and future leisure centres and other recreational facilities are accessible, physically and financially, and meet community needs; by supporting community-building through direct investment, and by building capacity within the community to address a broad range of issues and build consensus around collaborative responses.

Background

Lease agreements have been signed with Saskatoon Soccer, a non-profit corporation, to lease lands from the City to operate the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre. The long-term lease agreements allow Saskatoon Soccer to lease municipal reserve land from the City in order to provide valuable recreational facilities for indoor soccer and other sports in Saskatoon.

At its December 5, 2011 meeting, City Council approved a report from the General Manager, Community Services Department, recommending that Saskatoon Soccer be granted a five-year tax abatement for the operation of the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre commencing in 2011 and ending in 2015.

This arrangement has a long history and is somewhat unique in that the buildings are located on City municipal reserve lands, but are owned and operated by a non-profit organization.

Report

Saskatoon Soccer Centre Inc. Community Benefit

Saskatoon Soccer facilities, Saskatoon Kinsmen/Henk Ruys Soccer Centre, and SaskTel Sports Centre are utilized by youth and adults, for both local and provincial soccer activities that include practices, league games, tournaments, and various camps and clinics. In addition, both facilities host various cultural, community and special events, and are utilized by a variety of youth and adult sport organizations including Kinsmen Tackle Football, ultimate disc frisbee, volleyball, lacrosse, baseball, lawn bowling, roller derby, and fly ball.

Saskatoon Soccer is well known for hosting numerous successful local, provincial, and national championships and events at these facilities. Saskatoon Soccer also offers daily drop-in playgroups for young children, walking groups for seniors, and drop-in soccer and sports programs for families. Saskatoon Soccer has estimated that there is approximately 1.4 million visitors annually to both the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre.

Centennial Collegiate and St. Joseph High School utilize SaskTel Sports Centre's indoor and outdoor fields for high school programming, as well as for junior football and soccer games as part of the Saskatoon secondary schools athletic development program.

Both recreation facilities are also designated as evacuation reception centres and have been utilized numerous times by the Province of Saskatchewan for residents of northern communities displaced by flood and/or fire emergency events.

Saskatoon Soccer Centre Inc. Tax Abatement Renewal

The Cities Act permits City Council to grant tax abatements for up to five years providing that City Council enter into an agreement with the owner or occupant of any property. The City has long-term lease agreements with Saskatoon Soccer for both the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre.

In the past, most, if not all of the lands on which the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre operate, have been exempt from taxation. Previously, City Council granted Saskatoon Soccer a five-year tax abatement

with respect to the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre, commencing in 2011 and ending in 2015.

Saskatoon Soccer continues to operate both recreation facilities for public recreation purposes. Under the terms of their lease agreements with the City, they are requesting a tax abatement renewal for five years, beginning in 2016. This request does backdate the tax abatement, noting that since 2016 there have been discussions regarding the use of the soccer centres and details had to be worked out for the joint operation of the SaskTel Sports Centre. These discussions delayed the preparation of this report until this time.

The standard tax abatement agreement specifies the obligations of each party and the consequences of a breach. Saskatoon Soccer has made all the necessary contributions to the capital reinvestment reserve fund that were agreed upon. This fund, is held in trust at the City, and used for any renovations, upgrades, or replacements that may be required for the facilities.

This approach aligns with the practice of non-profit organizations seeking to establish and operate a recreational facility on municipal reserve lands and being granted a tax abatement on the condition that the organization demonstrates there are sufficient funds available to address construction and operating costs as well as any renovation or replacement needs, as the City does not want to assume the responsibility for such costs.

Further, this tax abatement request aligns with previous requests for tax abatements where the non-profit user is operating a recreational facility that has broad community engagement in recreational endeavours.

Options to the Recommendation

City Council could choose to not grant a five-year tax abatement to Saskatoon Soccer. The Administration recognizes that any change to now require the paying of property taxes would have an adverse economic impact on the ability of Saskatoon Soccer to continue to provide and maintain Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre; further direction would then be required.

Public and/or Stakeholder Involvement

Saskatoon Soccer has been involved in the process of reviewing the Tax Abatement Agreement and is in agreement, in principle, with the terms and conditions.

Financial Implications

The tax abatement request is for the total taxes, including City, library, and education taxes. The table below summarizes the tax abatement related to the portion of City taxes required, including library tax for Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre for 2016 and 2017.

Saskatoon Soccer Centre Inc. Tax Abatement Renewal

Saskatoon Soccer Centre Inc.	Actual	
	2016	2017
Saskatoon Kinsmen/Henk Ruys Soccer Centre	\$115,583.00	\$114,001.99
SaskTel Sports Centre	\$264,787.13	\$271,109.76

Subject to City Council granting Saskatoon Soccer a five-year tax abatement, the 2018 to 2020 tax abatement will be adjusted on an annual basis.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations; a communication plan is not required at this time.

Due Date for Follow-up and/or Project Completion

No follow-up is required at this time.

Public Notice

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

Report Approval

Written by: Brad Babyak, Section Manager,
Recreation and Community Development
Reviewed by: Lynne Lacroix, Director of Recreation and Community Development
Approved by: Randy Grauer, General Manager, Community Services Department

S/Reports/2017/RCD/FINANCE – Saskatoon Soccer Centre Inc. Tax Abatement Renewal/gs