

Council Chambers
City Hall, Saskatoon, SK
Monday, September 15, 2003
at 7:00 p.m.

MINUTES OF SPECIAL MEETING OF CITY COUNCIL

PRESENT: His Worship Mayor Maddin , in the Chair;
Councillors Atchison, Fortosky, Heidt, McCann, Penner, Roe, Steernberg,
Swystun and Waygood;
City Manager Richards;
A/City Solicitor Manning;
City Clerk Mann;
Councillors' Assistant Long.

Moved by Councillor Penner, Seconded by Councillor Atchison,

THAT Council go into Committee of the Whole with His Worship the Mayor in the Chair.

CARRIED.

Council went into Committee of the Whole with His Worship the Mayor in the Chair.

Committee arose.

His Worship the Mayor, Chair of the Committee of the Whole, made the following report:

THAT while in Committee of the Whole, the following matter was considered and dealt with as stated:

**“1. Regional Retail Study
(File No. CK. 4125-1)**

Report of the City Clerk:

“City Council, at its meeting held on August 11, 2003, considered Clause A5, Administrative Report No. 13-2003, copy attached, and resolved that Robin Dee and Associates be invited to present the Regional Retail Study Final Report to a meeting of City Council in September, 2003.

The following is a report of the General Manager, Community Services Department dated September 8, 2003:

RECOMMENDATION: that the Administration be instructed to report on the findings and recommendations of the Retail/Service Space Needs and Distribution Study by Rob Dee and Associates, dated August 2003, including a review of

**MINUTES OF THE SPECIAL MEETING OF CITY COUNCIL
MONDAY, SEPTEMBER 15, 2003
PAGE 2**

future distributions and timing of retail space in Saskatoon to 2021, by December 31, 2003.

BACKGROUND

The City of Saskatoon has recently received a considerable number of requests for new major retail developments in Saskatoon. These requests are over and above retail areas that are proposed in the City's Development Plan. In order to objectively consider these new requests, the Community Services Department recommended that a Regional Retail Study be completed for Saskatoon.

On December 16, 2002, City Council authorized a Regional Retail Study in the 2003 Capital Budget (project 2035).

In February 2003, the City of Saskatoon contracted the services of Rob Dee and Associates (Ontario), in association with Fast Consulting (Saskatoon), to undertake a retail/service space needs and distribution study for Saskatoon.

REPORT

New Retail Space Added Since 2000

Since 2000, the City of Saskatoon has expanded the overall amount of retail space significantly by adding over 620,000 square feet of new retail space through the following major projects:

- Preston Crossing Phase 1;
- 8th Street Relocations (Jubilee Ford, Sherwood sites);
- Marketplace on Attridge Drive;
- Superstore Expansions (8th Street and Confederation).

Potential New Retail Space in 2004

The City of Saskatoon has significant opportunities for additional retail development which include the following major new retail projects with immediate potential:

- Preston Crossing Phase 2;
- University Heights Suburban Centre;
- Lakewood Suburban Centre;
- 8th Street (former Future Shop);
- Former Bay Building;

**MINUTES OF THE SPECIAL MEETING OF CITY COUNCIL
MONDAY, SEPTEMBER 15, 2003
PAGE 3**

- South Downtown Block 146;
- Inland Steel Site (Giant Tiger);
- Union Centre Site (Fairhaven).

If each of the retail projects listed above were developed, an additional 940,000 square feet of retail use would be added to the Saskatoon market in 2004.

New Retail Beyond 2004

Looking beyond 2004, the following list includes those sites that have, or may have, potential to add significantly more square feet of retail space to Saskatoon.

- Preston Crossing Phase 3;
- 8th Street (Former RCMP, Mainway Motors, Dodge City sites);
- Stonebridge (Clarence and Circle) – Requires Development Plan Amendment;
- West Sector (Highway 7 and 14) – Requires Annexation and Development Plan Amendment;

These sites, if fully developed, will add another 950,000 square feet of retail space to the Saskatoon market.

In total, the sum of all major retail sites available, or proposed, for 2004 and beyond is 1.9 million square feet. This is the rough equivalent of twelve (12) to fifteen (15), major, new-format, big box stores, (or six (6) Preston Crossings – Phase 1) if all requests were considered at one time.

It is the desire within the Community Services Department to accommodate all new requests for major retail developments within Saskatoon, within a rational and planned framework, and with prudent consideration for existing, traditional retail areas and the Downtown. However, the broad list of commercial developments may need to be prioritized with approvals granted over an extended time period. This has been the long-standing practise of the City of Saskatoon for the development of new residential land.

The Retail/Service Space Needs and Distribution Study prepared by Rob Dee and Associates uses an approach containing both quantitative and qualitative assessments, which have been used in many other market studies across Canada. The study has broken down the retail market into the following major categories:

- Food Store Related Merchandise (FSRM) (supermarkets, specialty foods, membership club);
- Department Store Type Merchandise (DSTM) (major department

**MINUTES OF THE SPECIAL MEETING OF CITY COUNCIL
 MONDAY, SEPTEMBER 15, 2003
 PAGE 4**

- stores, discount department stores);
- Non-Department Store Type Merchandise (Non-DSTM) (general merchandise, apparel, drugs, cosmetics, durables, household furnishings);
- Other Retail (Home Improvement Related Store (HIRS) and, Home and Auto Supply Store (HASS); and
- Retail Services (eating, drinking, personal services, finance, medical, accommodation, entertainment, etc.)

The methodology used by Rob Dee and Associates includes:

- Assessment of current and future sales/space demand potential by major service category;
- Determining the residual sales/space demand potential;
- Conversion of residual sales potential into estimates of warranted additional space; and
- Summary of warranted additional space, with an assessment of the format that retail development may take in the future.

Exhibit 2B (Attachment 1 – Retail Study pages 21/22) provides a summary of warranted additional retail/service space by major retail category for 2006, 2011, 2016 and 2021. The following is a summary.

Retail Category	2006	2011	2016	2021	Typical Size/Store
FSRM	47,081	117,050	173,856	217,906	30 – 50,000 sq.ft.
DSTM	57,000	130,707	193,476	252,555	100 - 150,000 sq.ft.
Non-DSTM	107,727	313,859	488,482	656,227	5 – 50,000 sq.ft.
Other Retail	32,597	88,999	134,022	174,837	5 – 80,000 sq.ft.
Services	51,622	162,636	237,439	312,262	5 – 50,000 sq. ft
Total Warranted Additional Space	296,025	813,251	1,227,276	1,613,786	

(Note: all numbers are gross square feet)

SUMMARY

What is clear from the above analysis is that the City of Saskatoon can accommodate approximately 300,000 square feet of additional space for retail/service uses. However, there is a current supply of retail space throughout the City that has immediate potential for development in 2004 totalling 940,000 square feet. It should be noted however, that the supply of existing space includes

**MINUTES OF THE SPECIAL MEETING OF CITY COUNCIL
MONDAY, SEPTEMBER 15, 2003
PAGE 5**

many locations which are not suitable to accommodate new retail formats such as standalone discount department stores and large box stores.

Rob Dee and Associates have provided an estimate of additional retail/service space requirements to 2021. The next phase of the analysis will concentrate on a review of alternative future distributions of retail space in Saskatoon. A selection among the alternatives will be recommended which best serves the public interest and may call for amendments to the City's Development Plan. Three questions need to be addressed in the additional forthcoming Administrative Report:

- 1) How much additional space is warranted?
- 2) What is the recommended time frame for development?
- 3) Where should additional retail space be allocated?

It is recommended that a further report be provided to City Council which considers all future alternatives for retail space distribution, including an administrative recommendation, prior to December 31, 2003.

ATTACHMENT

1. Retail/Service Space Needs and Distribution Study (Rob Dee and Associates).'

Attached are copies of the following correspondence requesting to address Council with respect to the matter:

1. Ron Renaud, Preston Crossing Properties Inc., Rencor Developments Inc., dated September 4, 2003;
2. Bill Peterson, Points West Consulting Inc., dated September 8, 2003;
3. Blair Forster, Vice President, Development, Harvard Developments Inc., dated September 8, 2003;
4. Chris LeTourneur, Partner & Principal, Thomas Consultants Inc., dated September 9, 2003;
5. Beverly A. Cantin, President, Eighth Street Business Association, dated September 9, 2003;
6. Judy Yungwirth, C.A., Director, Corporate Administration, University of Saskatchewan, dated September 10, 2003;

**MINUTES OF THE SPECIAL MEETING OF CITY COUNCIL
MONDAY, SEPTEMBER 15, 2003
PAGE 6**

7. Terry Scaddan, Executive Director, The Partnership, dated September 10, 2003; and
8. Mike Gilman, Project Manager, First Pro Shopping Centres, dated September 15, 2003.”

Mr. Lorne Sully, Community Services Department, outlined the background and reason for the study. He indicated that the Administration is requesting more time to meet with the consultants in order to answer three questions - how much additional space is warranted; what is the recommended time frame for development; and where should additional retail space be allocated.

Mr. Robin Dee, Robin Dee and Associates and Mr. Doug Fast, Fast Consulting, gave a presentation summarizing the City of Saskatoon Retail/Service Space Needs and Distribution Study Interim Report, Background Market Analysis.

Mr. Ron Renaud, indicated that he was representing Preston Crossing Properties. He outlined the success of Phase I, and discussed the application for Phase II. He expressed the opinion that there is a demand for more retail space in the City than is currently available.

Mr. Bill Peterson, Points West Consulting Inc., presented Council with a copy of a document entitled “Retail/Service Space Needs and Distribution Study, City of Saskatoon Preliminary Independent Review” which was prepared by Meyers Norris Penny LLP & Tamarack Group Limited. He outlined the report, highlighting the differences between it and the Robin Dee Report. He encouraged Council to obtain the widest possible input on the issue.

Mr. Blair Forster, Vice President, Development, Harvard Developments Inc., indicated that he wished to withdraw his request to speak.

Mr. Chris LeTourneur, Partner & Principal, Thomas Consultants Inc., advised Council that he has been involved in three different studies for Preston Crossing. He challenged the methodology used in the Robin Dee Report, and questioned the population figures used. He expressed the opinion that the report underestimates the existing demand.

Ms. Beverly A. Cantin, President, Eighth Street Business Association, outlined a survey taken by businesses on 8th Street regarding the impact that Preston Crossing has had. She also compared the property taxes on 8th Street to those at Preston Crossing.

Dr. Tony Whitworth, Vice-President, Finance and Resources, University of Saskatchewan, outlined the history of the University of Saskatchewan setting aside land for retail revenue, and explained the University’s need to maximize revenue sources available to it. He indicated that the University appreciates the reports which are being done, but requested that Council expedite its review, explaining the urgency of securing a revenue source.

**MINUTES OF THE SPECIAL MEETING OF CITY COUNCIL
MONDAY, SEPTEMBER 15, 2003
PAGE 7**

Mr. Terry Scaddan, Executive Director, The Partnership, indicated that he was speaking on behalf of the three business improvement districts. He explained that they are not opposed to competition as long as there is an even playing field. He discussed the discrepancies in property taxes and expressed the opinion that the City should look at backfilling vacant properties before expanding the retail base.

Mr. Mike Gilman, Project Manager, First Pro Shopping Centres, advised that First Pro Shopping Centres have applied to develop 40 acres of land on Circle Drive and Clarence Avenue, which is on hold waiting for the retail study to be completed. He indicated that they would like to see the issue resolved so that they can move forward.

Moved by Councillor Penner,

that the Administration be instructed to report on the findings and recommendations of the Retail/Service Space Needs and Distribution Study by Rob Dee and Associates, dated August 2003, including a review of future distributions and timing of retail space in Saskatoon to 2021, by December 31, 2003.

CARRIED.”

Moved by Councillor Penner, Seconded by Councillor Atchison,

THAT the Committee of the Whole be adopted.

CARRIED.

Moved by Councillor Fortosky,

THAT the meeting stand adjourned.

CARRIED.

**MINUTES OF THE SPECIAL MEETING OF CITY COUNCIL
MONDAY, SEPTEMBER 15, 2003
PAGE 8**

The meeting adjourned at 9:45 p.m.

Mayor

City Clerk