

TO: Secretary, Municipal Planning Committee
FROM: General Manager, Corporate Performance Department
DATE: May 30, 2014
SUBJECT: North Downtown Master Plan – Interim Report #2
FILE NOS: CK. 4130-13, CP.4100-24 and LA.4100-2

RECOMMENDATION: that the information be received.

TOPIC AND PURPOSE

This report outlines the status of the North Downtown Master Plan (the Plan) project as a draft master plan nearing completion. The Bridge Park concept is described through project goals, marketability, business case, implementation, and community engagement.

REPORT HIGHLIGHTS

- 1) The Plan is substantially complete. The concept is based on a Bridge Park that spans the railway to reconnect the city, its transportation patterns, and its green spaces.
- 2) A market and financial analysis informs the design, and the feedback from local and national developers suggested that the Bridge Park would provide the kind of major public amenity necessary to stimulate positive growth.
- 3) Funding the project through an Area Revitalization Program is being considered.
- 4) The steps to complete the Plan include a final community engagement event, technical feedback, a presentation to the Municipal Planning Commission, and then to City Council for approval in June.

STRATEGIC GOALS

The Plan supports a notable number of the City of Saskatoon's (City) Strategic Goals across the full spectrum of categories (Attachment 1).

BACKGROUND

On July 18, 2012, City Council accepted the Terms of Reference for the Plan which established the following vision:

“The North Downtown is an environmentally sustainable, complete community. It is a vibrant, people-friendly neighbourhood that is easy to get around, supports living and working for people of all ages and enhances the city's green space network. The built heritage of the site, dating from Saskatoon's inception, provides the foundation for this new, unique and desirable district within the city.”

An interim report outlining the status of the Plan at the mid-way point, including community engagement feedback and design options, was received by the Executive Committee on May 12, 2013.

REPORT

Completing the North Downtown Master Plan

The Plan is substantially complete and is ready for the formal planning review process. The Plan articulates a phased redevelopment of the site including streets, green spaces, infrastructure, development parcels, community identity and a set of built-form guidelines. Implementation is anticipated over 25 years. The vision to convert this brownfield to a vital community is founded upon the goals of marketability, connections, inscribed history, open space network, a vibrant mix of uses, sustainability, liveable density, diverse districts and embracing winter.

Market and Financial Analysis

A preliminary market and financial analysis was carried out by Coriolis Consulting Corp. The report provided expert analysis of the demand for multi-family units and office space in the city and broader study area. The financial viability of different types and forms of development was also examined. The project vision and objectives were assessed against data drawn from local, regional, and national markets, helping to create some of the first principles for design specific to density, building materials, land use and phasing. Furthermore, it introduced the importance of making a unique neighbourhood with amenities and quality urban space, in order to create an attractive choice for customers looking for multi-family residential product.

Local Developers Contribute to Shaping the Plan

The project places an emphasis on community consultation, and feedback from developers was sought to ensure that the Plan's vision and direction are sound and marketable (Attachment 2). Effectively, this emphasis helped define this project as more than a master plan, but also a preliminary development plan geared toward implementation. Local developers and realtors were consulted at three key stages, in parallel with the Community Conversation milestones.

Market-sounding: How Would the Plan Perform Relative to the National Market?

Following the preparation of the draft plan in July 2013, a market-sounding with national developers was held to gain feedback from those familiar with ambitious brownfield redevelopments (Attachment 3). The purpose of the meeting was first to draw from their experience and get their opinion on the potential for success of the Plan. Secondly, it provided soft marketing for the site to familiarize this group with the project and timing with the hopes of nurturing future investment interest.

Bridge Park Amenity

In the interim report, two options were outlined. One option proposed medium densities across the new neighbourhood and a central park concept. The other option was the Bridge Park concept that tackles the problem of bridging the CP line with a combination of a park and traffic bridge through the creation of a land bridge. At the Community

Conversations in March, a clear preference for the Bridge Park option was stated by all of the groups consulted. Following the meetings in March, the Bridge Park option was developed further and its potential as a successful development assessed. The Plan's big moves include a park that bridges the gap, a pattern of rail history, and a new kind of urban neighbourhood (Attachment 4). The Plan projects a population of approximately 7,600 people and a neighborhood density of 36 units per acre (Attachment 5).

The Bridge Park is the recommended option for many reasons, building on the preference stated at the Community Conversations in March. The Bridge Park creates a catalyst for positive growth and development in the North Downtown and the adjacent areas. Its amenities create benefits not just to the neighbourhood in which it is situated, but to the broader city as a whole. The strengths of the Bridge Park can be understood through its ability to meet a broad variety of the City's Strategic Goals and the specific goals of the Growth Plan to 500,000 people. Furthermore, the Bridge Park models the principles for success set out by developers based on the creation of value through public investment in amenities and a high-quality urban realm.

Completing the Plan

The steps to complete the Plan include a final community engagement event in early June, further technical feedback, a presentation to the Municipal Planning Commission, and a report to City Council in June. This report recommends proceeding through this process with the Bridge Park Plan.

OPTIONS TO THE RECOMMENDATION

Option 1: Remove the Bridge Park

A simplified "break even" plan providing for a more traditional neighbourhood-scaled park has been prepared (Neighbourhood Park Concept – Attachment 6). This option theoretically covers the costs of development with revenues, but it has been identified by developers that this modest option may not create enough amenities to draw customers to this redevelopment. The Neighbourhood Park Concept is also more limited in how it addresses the Strategic Plan in comparison with the preferred option and is not recommended.

Option 2: Reject the North Downtown Master Plan and Subdivide the Area for Sale as Industrial Land

A second option would be to sell the land under its existing zoning, without further city-site development (Base Condition – Attachment 6). Because of the land economics on this site, in this scenario it is most likely that the developer would place new industrial uses on the industrial-zoned property, as that would provide the highest return on investment. This option is not recommended because it does not support the goals set out in the City's Strategic Plan.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

As this work evolved, cost estimates and analysis of potential revenues were prepared for the Bridge Park, the more modest Neighbourhood Park, and the sell-as-is options (Attachment 6). The Bridge Park business case currently shows that a public investment or a new approach to financing city-building is required.

Financial Analysis: Bridge Park

Net Revenues	\$ 72M
Total Costs	\$ 130M
Revenues Less Costs	\$ (58M)

Financing the Project through an Area Revitalization Program

Opportunities exist to use an Area Revitalization Program for the Plan area. This is a financing model where future tax revenues from the redevelopment are directed toward the costs of public amenities and infrastructure. The project attracts private investment to the area and as the tax base increases, the additional monies are used to pay down the debt. In Calgary, a program was created called the Community Revitalization Levy, which was used to borrow \$240M to fund its East Village Project.

An initial analysis of an Area Revitalization Program for the North Downtown found that the project would have the ability to pay for itself if the program was established for a 25 - 30 year period and the neighbourhood redevelopment moved ahead as anticipated. When the loan from the program is fully paid out, an additional \$7M - \$8M would be added to the annual tax revenue from this redeveloped area. Further detail on the Area Revitalization Program will be brought forward with the completed Master Plan.

The 2014 Capital Budget provided funding for the investigation of financing options for the Plan, including examination of a Land Development Corporation. An Area Revitalization Program and implementation through a Land Development Corporation are complementary approaches which will be further reported on later this year.

PUBLIC AND/OR STAKEHOLDER INVOLVEMENT

On January 20, 2013, the Plan process began the first Community Conversations to gather a broad spectrum of feedback (Attachment 7). A final community engagement event is planned for early June, where the Plan will be presented for information. Developers, Stakeholders and the Public will be invited to attend a presentation of the completed plan by the consultant, review presentation panels, and to provide feedback. The stages of implementation work following the completed Master Plan will be communicated at this time.

COMMUNICATION PLAN

Communications, in alignment with the community engagement, will continue. Community events will be advertised across a broad range of media, and regular updates to the City's website will continue as the project reaches major milestones.

DUE DATE FOR FOLLOW-UP AND/OR PROJECT COMPLETION

The Master Plan will be presented to City Council in June 2014. Further information on the Financing Report will be brought forward following the approval of the Master Plan, prior to the end of the year.

ENVIRONMENTAL IMPLICATIONS

Sustainability is a key driver for this project. The Plan will create a new neighbourhood which is ecologically sustainable, as well as a vibrant and liveable place – a demonstration project for a bold new direction in Saskatoon's planning, policy and urban development. Innovative approaches to planning and development introduced in the Plan will direct growth sustainably, illustrating best practice to the public and the private sectors.

PRIVACY IMPLICATIONS

There are no privacy implications.

SAFETY/CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN (CPTED)

A CPTED Review Report was issued in September 2013. There were six recommendations, all of which would be directly addressed during the implementation stages of the project.

PUBLIC NOTICE

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

ATTACHMENTS

1. The Strategic Alignment
2. Local Developers and Realtors Engagement and Feedback
3. Developers External to Saskatoon
4. The Preferred Plan
5. Development Statistics: Full Build-out
6. Preliminary Financial Analysis by Coriolis Consulting Corp. (Excerpt)
7. Community Conversations: Themes Common to All Groups

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