

Council Chambers
City Hall, Saskatoon, Sask.
Monday, November 3, 2008
at 4:00 p.m.

MINUTES OF SPECIAL MEETING OF CITY COUNCIL

PRESENT: His Worship the Mayor, in the Chair;
Councillors Dubois, Heidt, Hill, Lorje, Neault, Paulsen,
Penner and Wyant
City Manager Richards;
City Solicitor Dust;
General Manager, Community Services Gauthier;
General Manager, Corporate Services Bilanski;
General Manager, Fire and Protective Services Bentley;
General Manager, Infrastructure Services Totland;
General Manager, Utility Services Jorgenson; and
City Clerk Mann

Moved by Councillor Heidt, Seconded by Councillor Penner,

THAT Council go into Committee of the Whole to consider the report of the Executive Committee and Communication to Council, with His Worship the Mayor in the Chair.

CARRIED.

REPORT NO. 17-2008 OF THE EXECUTIVE COMMITTEE

**1. Proposed Direct Sale – 140 4th Avenue North
Lighthouse Supported Living Inc.
(File No. CK. 4215-1 x CK. 750-4)**

RECOMMENDATION:

- 1) that City Council rescind its motion of September 29, 2008 regarding the direct sale of 140 – 4th Avenue North to Saskatchewan Housing Corporation;
- 2) that City Council approve the direct sale of a portion of Lot 43, Block 159, Plan 99SA32572 (140 – 4th Avenue North – Police Station Parking Lot), as shown on Attachment 1, to Stoneset Equities for a total value of \$1 plus development charges, plus the cost of developing and providing 100 parking stalls for the City of Saskatoon, subject to the sales conditions contained in this report; and

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- 3) that the City Solicitor be instructed to prepare the necessary Sales Agreement.

ADOPTED.

Your Committee has considered and supports the following report of the General Manager, Community Services Department dated October 24, 2008:

“BACKGROUND

In 2007, the City of Saskatoon was approached by Saskatchewan Housing Corporation to look for a site to develop the new Lighthouse supported living project. It was the intention to find a site and provide it to Saskatchewan Housing Corporation who would seek proposals from developers to undertake the construction of the Lighthouse project, and allow the opportunity to develop market housing on the same site.

On May 2, 2008, Stoneset Equities submitted a proposal to the Saskatchewan Housing Corporation in response to a Request for Proposal for the development of a mixed housing project which includes the Lighthouse supported living project, market housing, commercial office space, and 270 enclosed parking stalls.

On July 10, 2008, Saskatchewan Housing Corporation wrote to Stoneset Equities indicating a willingness to enter into an agreement to have Stoneset Equities develop the Lighthouse supported living project.

On September 29, 2008, City Council resolved:

“that the direct sale of a portion of Lot 43, Block 159, Plan 99SA32572 (140 – 4th Avenue North – Police Station Parking Lot), as shown on Attachment 1, to Saskatchewan Housing Corporation for a total purchase price of \$1, plus development charges, for the development of a mixed housing project in accordance with the project description and sales conditions contained in this report, be approved”.

REPORT

Council’s original resolution provided for the City to transfer the land to the Saskatchewan Housing Corporation (SHC) who would then transfer title to the eventual developer (Stoneset Equities) upon certain construction requirements being met. Subsequently, the parties have met to discuss implementation of the resolution. As a result of these meetings, the parties have agreed that the best process for all involved is for the City to transfer the land directly to Stoneset, subject to the same construction requirements. An agreement between SHC and Stoneset to construct and develop the Lighthouse project and the enclosed parking would be a condition precedent to the City’s obligation to transfer the land to Stoneset.

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Stoneset Equities would therefore acquire the site directly from the City of Saskatoon in exchange for constructing 100 enclosed parking stalls. The value of the parking stalls is estimated to be at least the same value as the site. It is estimated the 100 stalls will cost between \$2.7 and \$3 Million dollars (depending on the number of underground stalls the site will accommodate). Therefore, Stoneset will be providing the full market value of the site to the City.

A Sales Agreement will be drafted between the City of Saskatoon and Stoneset Equities, which will provide for the construction of the parking stalls. The direct sale to Stoneset Equities is an advantage to the City as it will allow the City to secure its interest in the site and development, rather than relying on SHC's Sales Agreement with Stoneset.

A separate agreement will be developed between Saskatchewan Housing and Stoneset to secure the development of the Lighthouse affordable living project. In the event that the development does not proceed, the City will have the option of re-acquiring the site for the land cost of \$1.

Funding Commitments

There are funding commitments from all levels of government, plus equity from Lighthouse Supported Living Inc., which are dedicated to the affordable component of this project:

- The Federal Homelessness Partnering Strategy (HPS) has provided \$500,000 towards the Lighthouse Supported Living Inc. affordable housing project. The City of Saskatoon has held this funding in trust for Lighthouse Supported Living Inc. until the first installment is required on the project.
- The Province of Saskatchewan has committed \$11,520,000 from the Home First Affordable Housing Program.
- The City of Saskatoon has committed \$1,458,000 from the Affordable Housing Reserve.
- Lighthouse Supported Living Inc. has committed \$1,102,000 of equity towards the project.

The committed funding from the City's Affordable Housing Reserve will not be provided until the Lighthouse project is completed.

City of Saskatoon Sales Agreement and Conditions

A Sales Agreement will be drafted between the City of Saskatoon and Stoneset Equities. The Agreement will include the following conditions:

- 1) A purchase price of \$1 for the land;

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- 2) Construction of 100 enclosed parking spaces. These spaces will be owned by the City of Saskatoon. The spaces will be provided to the Saskatoon Police Service until a permanent parking solution is developed;
- 3) Payment of all costs related to the creation of the site such as subdivision, environmental screening, market appraisal, off-site levies (market housing portion - \$57,264.41), and any other costs associated with site creation;
- 4) An agreement between SHC and Stoneset Equities to undertake the development of the Lighthouse affordable housing component and parking stalls, which is in substantial conformance with Stoneset's proposal dated April 30, 2008, (See Attachment 2) would be a condition precedent to the City's obligation to transfer the land;
- 5) Development of a foundation and structure in Phase 1 sufficient to construct additional floors of market housing in future phases;
- 6) Payment of \$18,083.50 in off-site levies if the affordable housing component is sold or converted for market housing within ten years of completion of the affordable housing component;
- 7) The remediation of the site to Canadian Council of Ministers for the Environment (CCME) Residential Standards by the Purchaser;
- 8) The City of Saskatoon will provide copies of the Phase 1 and Phase 2 Environmental Site Assessments;
- 9) If the foundation and required enclosed parking stalls are not constructed by an agreed date the City will have the option to require the land; and
- 10) In the event the Lighthouse Supported Living Inc. has ceased operation and if the City decides to sell or lease its parking stalls, it will offer a first right of refusal for any purchase or lease to SHC. This offer will be available only for the duration of their agreement with Lighthouse (15 years).

The Saskatchewan Housing Corporation is ready to proceed to enter into an agreement with Stoneset Equities to develop the Lighthouse project. Your Administration is recommending the direct sale to Stoneset Equities.

OPTIONS

1. Proceed with the direct sale for the Lighthouse as described (recommended).
2. The City of Saskatoon may decide not to proceed with the direct sale. In this case, an alternative arrangement would need to be negotiated in order for the Lighthouse project to proceed.

POLICY IMPLICATIONS

There are no policy implications as a result of this sale.

FINANCIAL IMPACT

The financial impact remains unchanged from the September 29, 2008 City Council report.

PUBLIC NOTICE

In accordance with Policy C01-021 (Public Notice Policy), Public Notice is not required. Stoneset Equities will be paying full market value of the land in the form of 100 enclosed parking stalls. Public Notice was formerly provided as a direct sale to the Saskatchewan Housing Corporation on September 20, 21, 27, and 28, 2008.

ATTACHMENTS

1. Location Plan
2. Rendering of the Lighthouse Project”

COMMUNICATION TO COUNCIL

**1. Request for Proclamation
November 5 – 11, 2008 as Veterans’ Week
(File No. CK. 205-5)**

Communication to Council from Jim McKinny, The Royal Canadian Legion, dated October 24, 2008, requesting that Council proclaim November 5 – 11, 2008 as Veteran’s Week in Saskatoon, as well as recognize the “Two Minute Wave of Silence.”

- IT WAS RESOLVED:* 1) *that City Council proclaim November 5 – 11, 2008 as Veterans’ Week in Saskatoon; and*
- 2) *that the City Clerk be authorized to sign the proclamation, in the standard form, on behalf of City Council.*

Moved by Councillor Penner, Seconded by Councillor Wyant,

THAT the report of the Committee of the Whole be adopted.

CARRIED.

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Moved by Councillor Penner,

THAT the meeting stand adjourned.

CARRIED.

The meeting adjourned at 4:04 p.m.

Mayor

City Clerk