

**Boundary Alteration Proposal
(FILE NO.: PL 4060-14)**

- COUNCIL RESOLVED:**
- 1) that City Council approve of the alteration of boundaries identified in Attachments 1 and 2;
 - 2) that the assessed owners and school divisions affected by the boundary alteration be served notice in accordance with Section 43 of *The Cities Act*;
 - 3) that at the appropriate time, following the notification process, the City Clerk be instructed to request a complementary resolution from the Rural Municipality of Corman Park;
 - 4) that the effective date of boundary alteration and taxation be set at January 1, 2015;
 - 5) that compensation in the amount of \$5,640,311.10, being 15 times the municipal portion of the taxes levied on the subject lands in 2013, be paid to the Rural Municipality of Corman Park upon annexation of the subject lands;
 - 6) that in the event that an objection to the boundary alteration is received by September 2, 2014, that the Administration be authorized to advertise a public meeting, in accordance with Section 43 of *The Cities Act*, to be held in conjunction with the September 29, 2014 public hearing meeting of City Council; and
 - 7) that City Council approve the continuation of the tax abatements that the Rural Municipality of Corman Park had granted for 2015 and 2016, as outlined in this report.

TOPIC AND PURPOSE

The purpose of this report is to seek City Council's endorsement of:

- 1) a boundary alteration proposal that is recommended by the Boundary Alteration Committee (BAC); and
- 2) continuation of tax abatements granted by the Rural Municipality of Corman Park (RM).

REPORT HIGHLIGHTS

1. The City of Saskatoon (City) has been meeting with the RM since mid 2013 to discuss proposed boundary alterations needed for short-term growth and for future growth.
2. The BAC, which consists of elected officials and members of the Administrations of both municipalities, has reached consensus on a boundary alteration proposal.
3. The proposal consists of lands needed for short-term growth. It is intended to take effect on January 1, 2015.
4. Tax loss compensation would be 15 times the municipal portion of the 2013 taxes and calculated to be \$5,640,311.10.
5. The City would assume the RM's responsibility for the intersection improvements that are required at Highway 16 and 71st Street.
6. The RM would like the City to continue the tax abatements the RM has granted.
7. The BAC also highlighted the need for a prioritized review of development policies in the Corman Park - Saskatoon Planning District (Planning District), and better communication with the RM about developments inside City limits.

STRATEGIC GOAL

This report supports the City's Strategic Goal of Sustainable Growth. Saskatoon is known for smart, sustainable growth. The long-term strategy is to plan for development collaboratively with regional partners and stakeholders.

BACKGROUND

At its March 4, 2013 meeting, Executive Committee agreed to create the BAC, consisting of elected officials from the RM and the City, and members of the Administrations of both municipalities. Executive Committee requested the BAC to report back on a boundary alteration proposal.

The BAC members have reached consensus on a boundary alteration proposal, which is described in this report.

REPORT

Lands and Compensation

The proposal consists of lands that are needed to correct anomalies in the current City limits, bring City-owned land and City infrastructure into City limits, and enable short-term growth. A map of the proposal is attached (see Attachment 1). Also attached is a list of the parcels, their current use, the City's rationale for including them in the boundary alteration, and the proposed tax loss compensation (see Attachment 2).

The proposed boundary alteration is intended to take effect on January 1, 2015. Tax loss compensation is not proposed for road right-of-way and similar parcels where taxes are not paid. Where tax loss compensation is proposed, it is based on 15 times the municipal portion of the 2013 taxes. The proposed compensation is \$5,640,311.10.

Intersection Improvement

As part of the boundary alteration proposal, the City is proposing to assume the RM's responsibility for the improvements that are planned at the Highway 16 and 71st Street intersection. The City is also proposing to take over operational jurisdiction of the intersection and the portion of Highway 16 between the intersection and the current City limits (south of 60th Street). The cost of the planned improvements, as agreed to by the RM and the Ministry of Highways and Infrastructure (MHI), is expected to exceed \$4 million. The costs consist of land acquisition, construction, and utility relocations. The RM's financial responsibility is still being confirmed, but is expected to be in the order of \$3 million. The improvements would also be funded by developer and MHI contributions.

MHI was initially requiring the RM to complete the intersection improvements in 2014. Given the boundary alteration proposal, the City is proposing to assess the safety and operation of the intersection in consideration of proposed development in the area, and recommend solutions that would best address urban and rural growth needs, and improve the safety and operation of the intersection. Discussions are being held with MHI to determine whether this analysis can be done in 2014 and the improvements constructed in 2015.

Continue Tax Incentives

The RM has granted three tax abatements for new buildings that it would like the City to honour. All abatements expire in 2016. The total value of the abatements, based on current assessments and taxes, is under \$100,000 of foregone revenue. The abatements are as follows:

Property	Use	2015 Abatement	2016 Abatement	Comments
Saskatoon Co-Op Association	Commercial	20%	0%	Municipal and School
Cervus Equipment Corp	Commercial	40%	20%	Municipal and School
German Canadian Club	Recreational/ Institutional	75%	75%	Municipal only

Two commercial abatements were done for economic development purposes. The third abatement was done to address the hardship created when the previous building was destroyed by fire. It should be noted that the abatement that is being requested for Cervus Equipment Corp. was originally granted to Quattro Properties Ltd. It has been determined that there was an assessment error, and the building is located on the Cervus property. The businesses belong to the same parent company. The RM is

asking the City to honour their intent, which was to provide an abatement on the new building.

It is recommended that the abatements granted by the RM be continued, notwithstanding Business Development Incentives Policy No. C09-014, which has different criteria for abatements. Business Development Incentives Policy No. C09-014 was not intended to address these circumstances. By agreement, any abatements granted by City Council are extended to the school boards.

Interim Development Strategy and Retail Growth

The Saskatoon North Partnership for Growth (P4G), of which the City and the RM are a part, is completing a Regional Plan by mid 2016, to enable a collaborative approach to growth in the region. During the BAC discussions, it became clear that the RM wishes to continue to respond to market demands and enable growth, particularly in the joint Planning District, while the Regional Plan is underway. The City committed to working with the RM to adopt an interim development strategy before the end of the year, before the Regional Plan is completed. The Municipal Administrations are discussing the approach needed to achieve this.

The City also committed to reviewing the commercial square footage policies in the Planning District before the end of the year. The Municipal Administrations are discussing the approach needed to complete this policy review.

Open Communication

The BAC discussions also highlighted the need for better communications with the RM about initiatives inside City limits, similar to the way the City has input into the Planning District. This would ensure that compatible development can occur on both sides of the border, and that key infrastructure is planned comprehensively. For example, the City would refer the following types of proposals to the RM for review and comments:

- a) Sector Plans for proposed new growth areas;
- b) proposed Concept Plans for new neighbourhoods;
- c) major development proposals near City limits; and
- d) major infrastructure proposals near City limits.

The City committed to improving communications and has already begun referrals and presentations to the RM. The Municipal Administrations are discussing the best means of formalizing this process.

OPTIONS TO THE RECOMMENDATION

There are no options to the recommendation. The lands included in the boundary alteration proposal are needed for short-term growth and the compensation offered is consistent with what was offered and accepted with the previous boundary alteration completed in 2010.

On the tax abatement matter, City Council could decline to endorse the continuation of the abatements. This option is not recommended as the RM is asking the City to honour the commitments given by the RM.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

As noted, the tax loss compensation for the proposed boundary alteration is \$5,640,311.10. This compensation will be paid to the RM using the City's cash balances and repaid over the 15-year period through the additional tax revenues derived from the annexed properties.

The cost of assuming the RM's financial responsibility for the Highway 16 and 71st Street intersection improvements is being determined. The cost of the improvements will depend on the assessment of the formerly agreed upon design by RM and MHI, which is currently underway by civic staff. The potential funding sources for this are being determined.

After boundary alteration, there will be an immediate operating impact to cover the provision of civic services (for example, snow removal, road maintenance, and operational jurisdiction of a portion of Highway 16 and of the intersection at 71st Street). In addition, the City will forgo investment income by cash flowing the compensation payment over the 15 years on a declining balance basis. The investment loss revenue could range between \$1.2 million and \$1.4 million (over the 15 years in total), depending on investment rates. There is no estimate available at this time on the operating impact related to the provision of services for the annexed properties.

These costs will be partially offset by any increases in property taxes generated from these properties through increased assessments and new construction.

The value of the tax abatements that the RM would like the City to honour is under \$100,000, based on estimates of assessments and taxes.

PUBLIC AND/OR STAKEHOLDER INVOLVEMENT

The RM asked that discussions be held with business owners and developers with land adjacent to the east side of Highway 16. Many of these stakeholders relocated from properties in Saskatoon or were planning to submit proposals for rural developments. The RM Administration contacted these stakeholders and provided them with background information supplied by the civic Administration. A meeting is being arranged with one of the business owners. No significant concerns about the boundary alteration proposal have been identified at this time.

In addition to the notice requirements of *The Cities Act*, which are described below, the Administration has informally contacted assessed owners of affected properties and affected school divisions to advise them that a boundary alteration proposal is being considered, and provided a “Frequently Asked Questions” brochure about boundary alteration and City services and bylaws.

One of the affected properties is Reserve land of the Red Pheasant First Nation. In 1999, the City, the RM, and the Red Pheasant First Nation signed a Compatible Land Use Agreement. As part of the Compatible Land Use Agreement, the City and the Red Pheasant First Nation agreed that if the City’s boundaries were ever expanded to include the Reserve land, they would enter into a Municipal Services and Land Use Compatibility Agreement, consistent with other Urban Reserves. The process of negotiating a new agreement would be completed after the boundary alteration.

COMMUNICATION PLAN

If City Council passes a resolution to proceed with the boundary alteration proposal, communications must follow the requirements of *The Cities Act*. The RM Council will be asked to provide a complementary resolution. It is the RM’s practice to refer boundary alterations to the District Planning Commission for review and comments.

Two public notices will be placed in The StarPhoenix, and copies of the notice will be sent directly to affected school boards and the assessed owners of affected properties. If an objection is received within four weeks of the last notice, City Council must hold a public meeting. Notice of the public meeting must be published and circulated in advance.

DUE DATE FOR FOLLOW-UP AND/OR PROJECT COMPLETION

If the RM provides a complementary resolution in support of the boundary alteration proposal, and no objections are received, the proposal will be forwarded to the Ministry of Government Relations for a decision. This would be done in September 2014, when the notification process has been completed.

If there are objections, a public meeting would be advertised and held in conjunction with the City Council meeting on October 27, 2014.

If the boundary alteration proposal proceeds, the City will be requesting that it take effect on January 1, 2015, as noted above.

ENVIRONMENTAL IMPLICATIONS

No environmental and/or greenhouse gas implications have been identified at this time.

PRIVACY IMPACT

There are no privacy implications.

SAFETY/CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN (CPTED)

A CPTED review is not required.

PUBLIC NOTICE

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








ATTACHMENTS

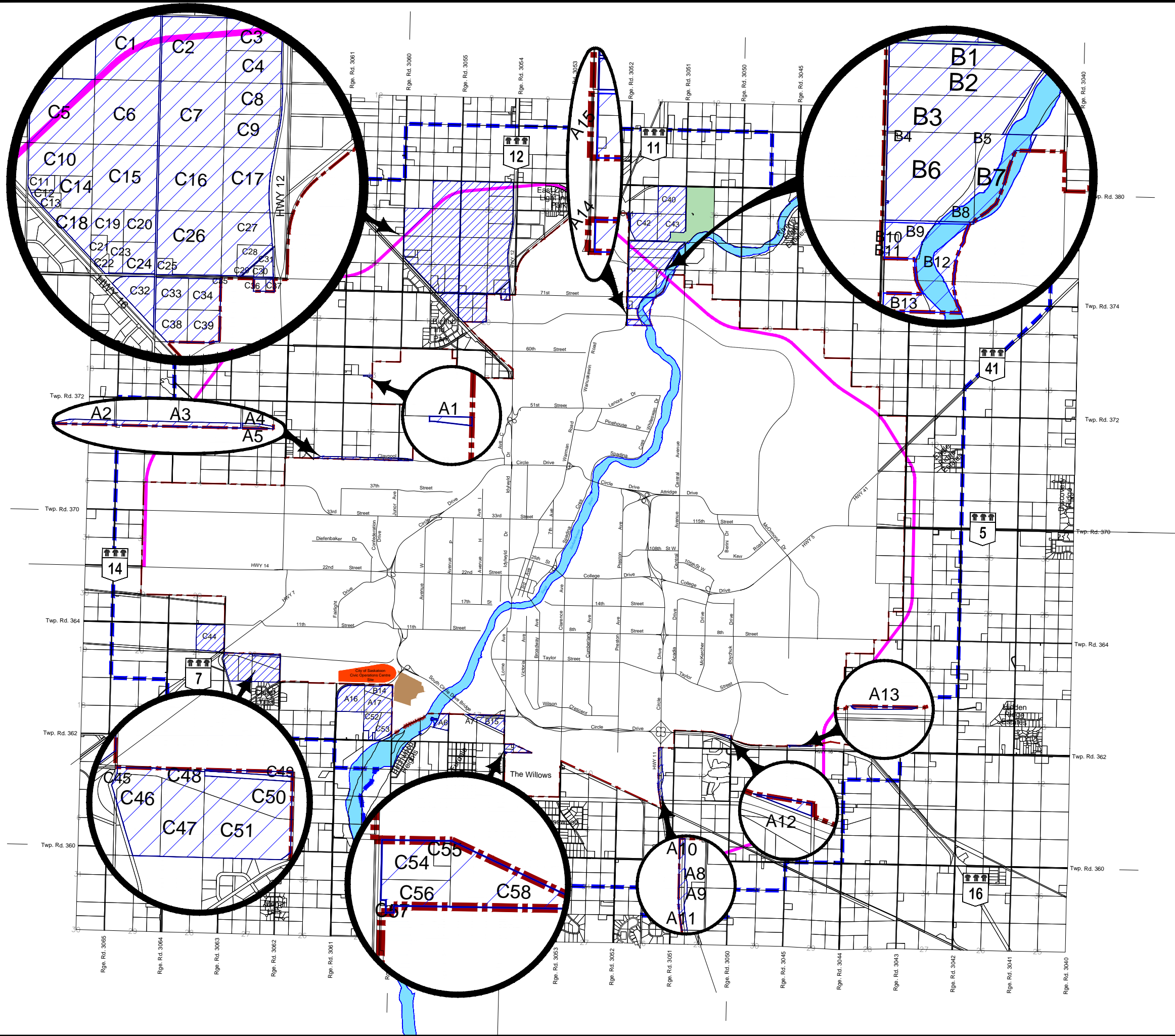
1. Proposed Boundary Alterations
2. Boundary Alteration Proposal Details

ATTACHMENT 1

Proposed Boundary Alterations

LEGEND

-  CITY BOUNDARY
-  PLANNING DISTRICT
-  PERIMETER HIGHWAY
-  PROPOSED BOUNDARY ALTERATION
-  LANDFILL
-  COS CIVIC OPERATIONS CENTRE SITE
-  WANUSKEWIN HERITAGE PARK



BOUNDARY ALTERATION PROPOSAL DETAILS

Site No.	Location	Use	Comments	Proposed Compensation
A1	Airport land	airport-related	Requested by Saskatoon Airport Authority. Consolidates airport lands in one municipality.	15 times the municipal portion of the 2013 taxes (15x)
A2- A5	Claypool Drive extension right-of-way (ROW)	future roadway	Brings future City infrastructure inside City limits.	n/a – road ROW
A6	Raw water intake site	raw water intake	Brings City-operated infrastructure inside City limits. Provides water supply to the region.	n/a – civic infrastructure
A7	Circle Drive South ROW	roadway	Brings City infrastructure inside City limits.	n/a – road ROW
A8- A11	Stonebridge flyover ROW	future flyover	Brings future City infrastructure inside City limits.	n/a – road ROW
A12	Boychuk Drive/Highway 16 interchange ROW	future interchange	Brings future City infrastructure inside City limits.	n/a – road ROW
A13	South edge of Rosewood	urban development	Consolidates urban lands in one municipality (City).	n/a – parcel fragment
A14- A15	Wanuskewin Road	roadway	Consolidates roadway south of the rail line in one municipality (City).	n/a – road ROW

BOUNDARY ALTERATION PROPOSAL DETAILS

Site No.	Location	Use	Comments	Proposed Compensation
A16-A17	South of Regional Reuse and Recycle Facility and Civic Operations Centre	Waste diversion programs (potential permanent enclosed organics processing facility, soils handling, and construction and demolition waste storage and processing)	<p>Allows comprehensive planning of all waste management activities with the adjacent Regional Reuse and Recycle Facility, Civic Operations Centre, and Saskatoon Regional Waste Management Centre (Landfill).</p> <p>The footprint of the adjacent Landfill (that is, where non-recyclable waste is buried) will not change. Waste diversion programs will expand, to divert material from the Landfill and extend its life. These programs include a potential permanent enclosed organics processing facility, soils handling, and construction and demolition waste storage and processing.</p> <p>People and equipment resources between the various operations would be aligned, as would the hours of operation. The provincial Permit to Operate would encompass all waste management activities.</p> <p>Development and initial servicing (electrical, phone and internet) are proposed to begin in 2015-2016, with remaining servicing (natural gas, water, sewer) in 2017 and beyond.</p> <p>An enhanced landscape plan for all aspects of the waste management</p>	15x

BOUNDARY ALTERATION PROPOSAL DETAILS

Site No.	Location	Use	Comments	Proposed Compensation
			<p>program is being developed, to prevent litter from migrating off-site and improve aesthetics. Dust and odour control measures are being enhanced.</p> <p>Noise is limited to the operating hours of the facility.</p> <p>Annual public information open houses will be held to provide updates on the current operations and future plans for the Landfill and related waste management facilities.</p>	
B1-B13	East of Wanuskewin Road and south of Perimeter Highway	Extension of North Sector; majority of lands occupied by industrial uses.	<p>City growth has extended past this area, and North Commuter Parkway will enhance access to the area.</p> <p>Existing industries have expressed interest in water and sanitary sewer connections.</p>	15x
B14	Proposed Recovery Park	New entrance to Saskatoon Regional Waste Management Centre, Regional Reuse and Recycle Facility to divert reusable material from the Landfill, construction and demolition waste recycling stockpiling and processing, soils handling, and future	<p>Phase 1: Development of the construction and demolition waste recycling (stockpiling and processing) facility for source separated materials as well as a soils handling facility, in compliance with the discretionary use approval issued by the RM, would begin in summer 2014.</p> <p>Phase 2: Expansion of the new Landfill</p>	15x

BOUNDARY ALTERATION PROPOSAL DETAILS

Site No.	Location	Use	Comments	Proposed Compensation
		Landfill front entrance with offices, scales, and waste sorting receptacles (roll off bins).	<p>entrance and acceptance of mixed construction and demolition materials (that is, loads that are mixed and not source separated) would occur in 2015-2016.</p> <p>Electrical servicing would begin in summer 2014. Natural gas, water and sewer are proposed in 2015-2016.</p> <p>Please refer to Site No. A16- A17 for further details.</p>	
B15	West of Lorne Avenue, north of Canadian National Railway (CNR) line	Extension of CN Industrial area. Owner has expressed interest in urban uses, including commercial development.	<p>This land is physically severed from rural lands by the CNR line.</p> <p>Requires a minor Concept Plan to develop land use plan, transportation and servicing system.</p>	15x
C1-C39	Remainder of North Sector, between Highways 12 & 16	Urban industrial and commercial.	Responds to continued demand for urban industrial and commercial growth. Supported in principle by the RM when 2010 boundary alteration negotiated.	15x
C40, C42-C43	West of Wanuskewin Heritage Park	Urban use; to be determined.	Urban services available as an extension of the North Sector. Enables the North Sector to be serviced more economically.	15x

BOUNDARY ALTERATION PROPOSAL DETAILS

Site No.	Location	Use	Comments	Proposed Compensation
C41	Portion Wanuskewin Road ROW	Roadway	Brings future City infrastructure inside City limits.	n/a – road ROW
C44-C51	Next to the southwest corner of Blairmore Sector	Specific urban land uses to be determined. Rural land uses and development densities are not planned.	<p>Enables comprehensive planning of the south-west quadrant of the city. A Concept Plan, including a servicing strategy, is underway. Development and servicing would align with the adjacent Blairmore Sector, and may be influenced by mining operations.</p> <p>Development and servicing timeframes would be determined as part of the Concept Plan.</p> <p>Ensures that City-owned land is inside City limits, and that vacant land can be managed in a comprehensive way until it is developed.</p>	
C52-C53	West of Regional Waste Management Facility	Considering large scale solar power generation and recycled material stockpiles, and temporary storage facilities for empty waste carts.	<p>Allows comprehensive planning with the adjacent Saskatoon Regional Waste Management Centre and the Regional Reuse and Recycle Facility, and with the Civic Operations Centre.</p> <p>The City is receiving economically attractive solar farm proposals from energy developers.</p> <p>Servicing would consist of electrical,</p>	

BOUNDARY ALTERATION PROPOSAL DETAILS

Site No.	Location	Use	Comments	Proposed Compensation
			<p>phone and internet only.</p> <p>Please refer to Site No. A16-A17 for further details.</p>	
C54-C58	West of The Willows	Urban residential and institutional development, at urban development densities.	<p>Surrounded by urban development. Supports contiguous urban growth, and enables the area to be planned and serviced in a comprehensive way.</p> <p>One owner has expressed interest in urban multi-unit residential development and urban institutional development (for example, residential care facility), at urban development densities. The majority have expressed interest in urban services.</p> <p>Requires a minor Concept Plan to address land use, transportation and servicing. The details of this, and the timing of development and servicing, would be determined during the Concept Plan process.</p>	