

Background

Context

Refer also to the Map in Attachment 2

Saddle Ridge Cell D is a quarter section of land that was subdivided in 1914 into 32 blocks approximately 1.8 – 2.0Ha (4.5 – 4.8 acres) in size. The area was annexed by The City in 1961 and was built out with single family country residential homes. It is now bordered by existing suburban residential neighborhoods to the south and east. There is a developing residential community to the north and an industrial business park to the west.

The Saddle Ridge Area Structure Plan (ASP) first approved in 1984 identifies Cell D as a redevelopment area for a mix of residential forms and densities, with some supporting institutional and commercial uses. Despite longstanding policy direction, redevelopment of Cell D has been challenged by lack of a feasible stormwater pond solution. For development to commence, the area required the dedication of 8-10 acres of land to physically locate a storm pond and the front-ending of costs to construct the pond and trunk infrastructure. The ability to do this has been challenged by the fragmented ownership, differing owner aspirations, and the ability for small parcel owners to organize and front-end significant infrastructure investment.

Three of the original blocks were subdivided in 2012 into 14 mixed use and Municipal Reserve lots as part of a future Neighbourhood Activity Centre (“The Flights”). Underground services were installed and a temporary evaporation storm pond created on one lot. Street and surface improvements were not completed, and the development had not proceeded as of 2020.

As summarized below in “Previous Council Direction”, Council has directed several investigations to find a stormwater solution for Cell D. These include pursuing opportunities to acquire privately held lands within Cell D. With the reclassification of Métis Trail NE classification from Expressway to Major Arterial, a proposed interchange at 80 Avenue NE was no longer required. Four (4) Ha (9.99 acre) of land on the NW corner had already been purchased by The City for the interchange, meaning this land was surplus to roadway needs. Council approved budget and directed Administration to undertake preliminary engineering to confirm if this land was feasible for a shared storm pond, for both Cell D and industrial development.

In 2014, Council directed Administration to pursue a shared storm pond solution with Triovest Realty Advisors (representing “Saddleridge LP”) that had also investigated use of the surplus land for its Saddleridge Business Park storm pond. Saddleridge LP had indicated a willingness to construct the shared stormwater infrastructure. However, it had concerns that it would not fully recover Cell D’s share of those costs due to fragmented ownership, and a 20-year limit on cost recoveries set out in the standard development agreement. Administration investigated possible cost sharing and funding options, and the implications. In 2015 February, Council considered these options and directed Administration to negotiate a cost sharing arrangement with Saddleridge LP, where The City would assume Cell D’s share of the storm pond and trunk costs and recover those costs back from Cell D landowners as they redeveloped.

The following Principles were developed to guide The City’s participation in the cost-sharing agreement:

- Each party's share will be based on its contributing land area, as a percentage of total area contributing to the storm pond and trunk infrastructure.
- The value of all lands required to accommodate the storm pond as a Public Utility Lot (PUL) will be established through negotiation and included in the overall value of the project.
- Saddleridge LP will be responsible for all development and construction costs to deliver the shared storm pond and trunk infrastructure.
- Cell D's share of costs will reflect its portion of the full construction costs realized by Saddleridge LP and land value input by The City – Cell D is not being subsidized.
- Saddleridge LP assumes its share of development and construction and land costs – Saddleridge LP is not being subsidized.
- The City will not front-end payments to Saddleridge LP to develop and construct. It will backstop the recoveries Saddleridge LP would be owed from Cell D.
- Impacts to the OLSH [RE&DS] industrial development program and the Real Estate Services Reserve will be managed by reducing the total cash payment owing to Saddleridge LP, and by spreading those payments to the key milestones where defined value to Cell D and The City can be demonstrated.

In April 2016, Council approved terms and conditions of the Agreement and a \$2.8 million budget allocation to deliver the storm pond infrastructure. Saddleridge LP agreed to design, construct and pay for pond construction and approvals. The City would contribute its surplus land and agreed to backstop recoveries owing to Saddleridge LP from Cell D, based on the proportion of contributing area to the pond and downstream storm trunk. The City would receive credit for its land value (\$1.798M) and agreed to an estimated cash settlement of \$1.557 million to be paid over three project milestones. The City would also construct the Cell D storm trunk from the pond to the east side of Métis Trail NE.

In addition to the Agreement terms, Council approved an "Initial Recovery Rate" of \$78,074 per gross developable hectare (\$31,595/gross developable acre). It included an estimate of The City's Agreement and storm trunk construction costs to be collected from Cell D landowners when they developed. It was intended the Recovery Rate would be finalized upon completion of the pond project and reconciliation of actual costs.

Previous Council Direction

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
4/11/2016	LAS2016-44	<p>SADDLE RIDGE CELL D – STORMWATER INFRASTRUCTURE COST SHARING AGREEMENT</p> <p>Council was presented the terms of a Cost Sharing Agreement with Saddleridge GP and approved the following:</p> <ol style="list-style-type: none"> 1. Authorize the recommendations as outlined in Attachment 2 [The proposed fundamental terms and conditions of a Cost Sharing Agreement between The City and Saddleridge GP]; 2. Approve a capital appropriation of \$2.8 million in the Office of Land Servicing & Housing's Program 697 to be funded from the Real Estate Service Reserve; 3. Approve the Cell D Interim Recovery Rate for the stormwater pond and trunk infrastructure at \$78,074 per Hectare (\$31,595 per acre) plus appropriate carrying costs; and 4. Request that the Report, Recommendations, and Attachments remain confidential under Sections 23(1)(b), 24(1)(a), 24(1)(b), 24(1)(c), 24(1)(g), 25(1)(b) and 25(1)(c) of the <i>Freedom of Information and Protection of Privacy Act</i> until the regional storm pond facility is completed and Saddleridge GP has received Final Acceptance Certificate (FAC) on the storm pond and outfall trunk.
1/11/2016	CPC2016-014 M-2016-002	<p>POLICY AMENDMENT SADDLE RIDGE (WARD 3) NORTH OF 80 AVENUE AND EAST OF MÉTIS TRAIL NE BYLAW 3P2016</p> <p>An amendment to the Saddle Ridge Area Structure Plan was approved, effectively implementing the new regional servicing direction for stormwater management in Cell D. It also provided a flexible approach to density allocation across the entire quarter section.</p>
2/9/2015	LAS2015-01	<p>SADDLE RIDGE CELL D – CITY FINANCING OPTIONS FOR STORMWATER INFRASTRUCTURE</p> <ol style="list-style-type: none"> 1. Direct, in principle, the one-time use of the Real Estate Services Reserve to cover Cell D's portion of regional pond and infrastructure costs, land costs and acreage assessments. 2. Direct Administration to negotiate a cost sharing agreement with Triovest and return to the Land and Asset Strategy Committee with terms of the agreement, the recovery terms, and estimated capital budget and funding.

11/17/2014	PUD2014-0830	<p>SADDLE RIDGE CELL 'D' PROGRESS REPORT</p> <p>In considering a progress report on storm pond options for Cell D, Council approved the following:</p> <ol style="list-style-type: none"> 1. Receive this report for information. 2. Direct Administration to complete the servicing report and approve Option 3 (the regional storm pond) as the preferred option for Cell D; and 3. Direct Administration to: <ol style="list-style-type: none"> (a) Work with Triovest to finalize Cell D's share of the regional pond and infrastructure costs; (b) identify the implications and risks of using the Office of Land Servicing & Housing (OLSH) Land Development Reserve [Real Estate Services Reserve] to cover Cell D's costs and/or identify other potential sources of funding; (c) define a preferred mechanism to recover those costs from Cell D landowners; and (d) report back through the Land and Asset Strategy Committee no later than 2015 January.
6/23/2014	PUD2014-0439	<p>PLANNING FOR SADDLE RIDGE CELL D – DEFERRAL REQUEST</p> <p>Council considered a deferral request and directed Administration to provide a status update on Saddle Ridge Cell D, that includes the engineering study, the outcomes of the June Public Meeting with Saddle Ridge Land Owners and a Public Engagement Plan and Planning Process Plan for Developing a Comprehensive Land Use Plan for Cell D to return no later than the 2014 October Regular Meeting of SPC on Planning and Urban Development to allow for further public engagement on this item.</p>
12/16/2013	Confirmation of Minutes	<p>CONFIRMATION OF MINUTES OF THE SPECIAL MEETING OF COUNCIL RE: 2014 PROPOSED ADJUSTMENTS TO THE BUSINESS PLAN AND BUDGET AND RELATED MATTERS</p> <p>2013 NOVEMBER 25, 26 and 27.</p> <p>Council confirmed the Minutes approving an increase to the 2014 Capital Budget of the Office of Land Servicing & Housing Program 697 (Land Development) by \$200,000 (Class 5 estimate) funded by the Real Estate Services Reserve. This was to fund the Phase One (preliminary engineering) work of the Saddle Ridge Area Structure Plan. Administration was also directed to determine a way to recover these funds from the benefiting landowners</p>
7/22/2013	CPC2013-080	<p>LAND USE AMENDMENT (SADDLE RIDGE)</p> <p>In consideration of a Land Use Amendment for the Flights development in Cell D, Council approved a Motion Arising from Councilor Stevenson. Administration was directed to</p>

		provide a report to Council through the SPC on Planning and Urban Development by the end of 2014 Q2 that would provide a conceptual plan for Cell D, including potential amendments to Map 6, Land Use Plan, of the Saddle Ridge ASP, and a preliminary engineering assessment with cost estimates for an infrastructure work program, the first step of a "two part" work program, that will provide a framework for comprehensive redevelopment of Cell D. It was further resolved that Phase One work program costs in the amount of \$200,000 (Class 5 estimate), be included in a proposed budget request to the Proposed Adjustments to Business Plans and Budgets Meeting in 2013 November, such funds shall be subject to recovery from the benefiting landowners.
4/9/2012	LAS2012-12	SADDLE RIDGE CELL D STORM POND REPORT Council received report LAS2012-12 for information, providing an update on Administration's land purchase investigations for a storm pond site in Cell D.
1/9/2012	VERBAL REPORT	VERBAL REPORT, SADDLE RIDGE STORM POND Council heard the verbal report as a matter of urgent business. Administration was directed to further investigate the feasibility of purchasing parcels of land within Cell D for a future storm pond, with bridge financing to come from the Reserve For Future Capital, and report back with a status update through the Land and Asset Strategy Committee no later than 2012 March 13
9/19/2011	LAS2011-33 E2011-13	Saddle Ridge Cell D Storm Servicing Impacts Council received the reports as part of the in-camera agenda. The reports provided options and implications for The City to promote a storm pond solution for Cell D by investing in land and construction. Council received the two reports for information and the Recommendations, Report and Attachments to remain confidential. Mayor Nenshi, Alderman Stevenson and the City Manager were directed to return to Council with options by the end of 2012 January.
2/7/2011	CPC2011-022	Land Use Amendment (Saddle Ridge) and Bylaw 17D2011 In consideration of a land use amendment for Lot 31 in Cell D, Council directed Administration to investigate project requirements and impacts, including estimated land purchase costs, construction costs, and cost recovery strategy, for a permanent stormwater retention facility within Cell D of the Saddle Ridge Area Structure Plan, and report back to Council through the Land and Asset Strategy Committee, no later than 2011 June.

Bylaws, Regulations, Council Policies

Saddle Ridge Area Structure Plan Bylaw (as amended)

The Saddle Ridge Area Structure identifies a shared stormwater pond location on the northwest corner of 80 Avenue and Métis Trail NE. Specific Stormwater Management policies (Section 6.3) identify the shared regional pond to serve Cell D (residential) and a portion of Cell F (Industrial). The first developer needing stormwater service will be required to construct the pond and downstream infrastructure. This developer will be entitled to recover stormwater infrastructure costs from the other benefitting owners. Those benefitting owners will pay their proportionate share of those costs at the first subdivision or development permit.

Real Property Bylaw 52M2009 (as amended)

The Bylaw directs authorizations of transactions and the administration and management of The City's real property undertaken by Real Estate & Development Services. Council approval is required for any rectification where the financial obligation exceeds \$500,000.