

April 3, 2023

Standing Policy Committee on Finance
222 3rd Avenue North
Saskatoon, SK S7K 0J5

Dear Committee Members,

Re: Establishing a Municipal Development Corporation in Saskatoon

The purpose of our letter is to share our opinion on the consideration of establishing a Municipal Development Corporation. While we appreciate the work put into developing the research report, the NSBA believes forming a new entity adds unnecessary bureaucracy and red tape for Saskatoon businesses.

After reviewing the report presented in the Standing Policy Committee on Finance agenda, we believe the functions of the proposed MDC are vague and similar to that of the existing Saskatoon Land. In addition, the report does not address what an MDC might look like in Saskatoon, either in place of or alongside Saskatoon Land.

We also do not believe the City, in its report, accurately justified the existence of Saskatoon Land as a developer. For instance, what carrying costs does the City attribute to the tens of millions of dollars that are tied up in land purchases, that in turn are waiting for years, sometimes decades to develop? This is an unfair advantage that the City of Saskatoon has over private developers, who cannot afford to tie up their capital for such an extended period of time.

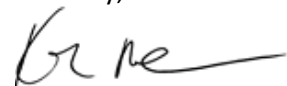
While we are concerned about the responsibilities of the MDC, we are also worried about the corporation's cost and funding model. That said, we view this as an additional cost that taxpayers will incur with uncertain benefits to enhance business growth and attract investments.

When lobbying for an audit of Saskatoon Land, the NSBA's primary concerns were transparency and governance of Saskatoon Land, particularly regarding the City's role as both regulator and developer. We believe creating an MDC would similarly create additional issues for businesses to navigate.

Instead of establishing another entity similar to Saskatoon Land, we recommend that the City revisit the role and responsibilities of Saskatoon Land and determine the best approach to making it more effective and efficient in meeting the City's growth and development goals.

We appreciate the opportunity to provide our comments, and I would also appreciate the opportunity to speak to the Finance Committee on this matter.

Sincerely,



Keith Moen
Executive Director
NSBA – Saskatoon's Business Association