

Lake Placid still in contention for River Landing development

BY DAVID HUTTON, THE STARPHOENIX NOVEMBER 23, 2009



Lake Placid CEO Michael Lobsinger

Photograph by: Liam Richards, The StarPhoenix

Several Saskatoon city councillors said Monday they support selling River Landing land directly to Lake Placid Developments if the company's CEO, Michael Lobsinger, proves he has financing for a \$200-million megaproject in place.

In the meantime, any opportunity for developers to bid on building the anchor riverfront project won't be open for at least three months while the City of Saskatoon's administration reworks the requirements for the site.

"We've got a lot of public money invested in this and it's time for the private sector to step up," Coun. Glen Penner said at a Monday executive committee meeting of city councillors.

"If we find out that the financing is available I'll be making a motion that we enter into negotiations with Lake Placid."

City council would then need a majority vote to OK a direct sale and enter into negotiations with the company, the committee heard.

Lobsinger, appearing in a jam-packed committee room at City Hall, said the company is "one signature away" from transferring the \$200 million necessary to complete Lake Placid's project.

He missed what many councillors called a drop-dead date at the end of October when he wasn't able to raise the financing necessary for the entire project and pay the \$4.5 million for the land.

He indicated he would enter another bid if another request is sent out by the city, but said other cities have shown an interest in his company building a similar project.

"Would I come back? Absolutely? I've spent 32 months on this project."

Lobsinger said he sees the riverfront-inspired hotel-condo-office project as a "legacy" for Saskatoon, where he was born, raised and attended university.

He said he is "100 per cent responsible" for the position the company is in.

"I am taking all the blame," Lobsinger told the committee. "I have spent \$8.24 million of my own money and I only have my passion to show for it.

"But I will literally have \$200 million in the bank for this project . . . and I still think this is good for the city of Saskatoon."

Coun. Charlie Clark said he doesn't support re-entering negotiations with Lake Placid Developments given the message council sent in August when the end of October deadline was set.

Clark said the city should look at a different vision for the request for proposals given the limited success the city has had so far with the megaproject concept.

"I'm not saying we have to scale back expectations," he said.

"I think we could actually get something that exceeds expectations."

Penner told reporters that re-entering negotiations isn't a contradiction of a previous decision that the Oct. 30 date would be a final deadline.

"One council cannot tie the hands of another council," he said. "It's the same people, but a new council, and if they decide that they want to reopen this, it's up to this council.

"They have every right, legally and morally, to do so."

City councillors on Monday directed administration to make changes to the initial request for proposals sent out two years ago and report back.

That request called for a hotel, street-level retail, restaurants, residential use, a public gathering place and public parking.

The city's administration will look at making that document more flexible for developers while they await two land appraisals for the site, a process that will likely take three months, officials said.

City manager Murray Totland laid out a somewhat bleak financial picture for River Landing, including the concession that some of the \$1 million needed to maintain the site annually could hit the mill rate in 2013.

The River Landing project is intended to be cost-neutral for taxpayers with parking and property tax revenue paying for the year-round maintenance of the site. The operation of River Landing, including grass cutting, sweeping and snow removal, is paid for through the city's capital reserve until 2012.

With delays in getting private-sector investment in the site, some of the \$1 million in operating costs will inevitably effect the property taxpayer in 2013, Totland said.

"We're getting to the point where we're a bit under the gun," Totland said.

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An artist's drawing of the proposed Lake Placid development

Photograph by: artist rendition, The StarPhoenix
