EXECUTIVE COMMITTEE

Wednesday, November 4, 2015
11:45 AM

Henry Baker Hall, Main Floor, City Hall

Public Agenda
Executive Committee
Wednesday, November 4, 2015

Approval of Public Agenda

Minutes of the meetings held on October 14 and 28, 2015

TABLED REPORTS

EX15-20 Multi-Year Budgeting
(Tabled September 9 and October 14, 2015)

<u>**Recommendation**</u>

1. That Administration continue generating one year Operating Budgets and five year Capital Budgets up to, and including, the 2018 budget year.

2. That a multi-year approach to developing operating and capital budgets be introduced starting with the 2019 budget that has the following characteristics:

   a. An annual review and Council approval of operating budgets, mill rates and the associated property tax bylaw.
   b. An annual review and Council approval of an operating budget forecast that covers up to the next four years, in accordance with the remaining years of each Council's term, at a level of detail sufficient for providing indicative guidance about services, service level and mill rate changes in each year of the forecast period.
   c. An annual review and Council approval of a five-year capital budget, including multi-year funding commitments where applicable, consistent with current practice.

3. That items EX11-50 and MN15-1 be removed from the list of outstanding items for the Executive Committee.

4. That this report be forwarded to the September 28, 2015 meeting of City Council for approval.

EX15-22 Servicing Agreement Fee (SAF) and Development Levy (DL) Policy Review and Final Phasing and Financing Project
(Tabled October 14, 2015)

Recommendation

1. That the following recommendations be forwarded to the October 26, 2015 meeting of City Council:

a) That the Administration and Calculation of Servicing Agreement Fees and Development Levy Policy, Appendix A, be approved;

b) That the greenfield Servicing Agreement Fee and Development Levy rate be approved with a three-year phase-in. The proposed phase-in results in an effective rate January 1, 2016 of $379,000 per hectare;

c) That the Administration of Servicing Agreements and Development Levy Agreements Policy, Appendix B, which includes the new policy that defines submission requirements and the Endeavour to Assist framework, be approved;

d) That in transitioning from the Interim Phasing and Financing Plan to the new Administration of Servicing Agreement Fee and Development Levy Policy that includes defined application requirements, all Service Agreement or Development Levy Applications in progress are subject to the conditions outlined in Appendix F.

e) That the phasing and financing policy for inclusion in *Design Regina, the Official Community Plan Bylaw 2013-48*, Appendix C, be approved as it relates to the Servicing Agreement Fees;

f) That the Administration be directed to consult with stakeholders and develop a proposed approach to charge Service Agreement Fees and Development Levy Charges for infill development, and that the Administration present the proposed approach to Council for approval in 2016 to allow for implementation of infill Service Agreements Fee and Development Levy charges beginning January 1, 2017; and

g) That the Administration undertake research in 2016 to better understand the factors that influence industrial development in Regina which will help inform the need to consider an industrial land-development subsidy.

2. That the following recommendations be forwarded to the November 23, 2015 meeting of City Council which would allow sufficient time for advertising of the required public notices for the respective bylaws and consultation with the Rural Municipality of Sherwood:

   a) That the City Solicitor be directed to prepare the necessary bylaw to amend the Development Levy Bylaw in accordance with the approved Administration and Calculation of Servicing Agreement Fee and Development Levy Policy and the approved Administration of Servicing Agreements and Development Levy Agreements Policy; and

   b) That the City Solicitor be directed to prepare the necessary bylaw to amend the *Design Regina, the Official Community Plan Bylaw 2013-48.*

ADJOURNMENT

AT REGINA, SASKATCHEWAN, WEDNESDAY, OCTOBER 14, 2015

AT A MEETING OF THE EXECUTIVE COMMITTEE
HELD IN PUBLIC SESSION

AT 11:45 AM

These are considered a draft rendering of the official minutes. Official minutes can be obtained through the Office of the City Clerk once approved.

Present:	Councillor Wade Murray, in the Chair Mayor Michael Fougere Councillor John Findura Councillor Jerry Flegel Councillor Bob Hawkins Councillor Terry Hincks Councillor Mike O'Donnell Councillor Barbara Young
Regrets:	Councillor Sharron Bryce Councillor Bryon Burnett Councillor Shawn Fraser
Also in Attendance:	City Clerk, Jim Nicol Deputy City Clerk, Erna Hall A\City Manager & CAO, Ed Archer Deputy City Manager & COO, Brent Sjoberg Executive Director, Legal & Risk, Byron Werry Executive Director, City Planning & Development, Diana Hawryluk Executive Director, City Services, Kim Onrait Executive Director, Human Resources, Pat Gartner Executive Director, Transportation & Utilities, Karen Gasmo A/Director, Communications, Myrna Stark Leader A/Director, Planning, Shanie Leugner

APPROVAL OF PUBLIC AGENDA

Mayor Michael Fougere moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, as submitted, and that the delegations be heard in the order they are called by the Chairperson.

ADOPTION OF MINUTES

Councillor Bob Hawkins moved, AND IT WAS RESOLVED, that the minutes for the meeting held on September 9, 2015 be adopted, as circulated, after correcting the date of the minutes from August 12, 2015 to September 9, 2015.

ADMINISTRATION REPORTS

EX15-22 Servicing Agreement Fee (SAF) and Development Levy (DL) Policy Review and Final Phasing and Financing Project

Recommendation

1. That the following recommendations be forwarded to the October 26, 2015 meeting of City Council:

   a) That the Administration and Calculation of Servicing Agreement Fees and Development Levy Policy, Appendix A, be approved;

   b) That the greenfield Servicing Agreement Fee and Development Levy rate be approved with a three-year phase-in. The proposed phase-in results in an effective rate January 1, 2016 of $379,000 per hectare;

   c) That the Administration of Servicing Agreements and Development Levy Agreements Policy, Appendix B, which includes the new policy that defines submission requirements and the Endeavour to Assist framework, be approved;

   d) That in transitioning from the Interim Phasing and Financing Plan to the new Administration of Servicing Agreement Fee and Development Levy Policy that includes defined application requirements, all Service Agreement or Development Levy Applications in progress are subject to the conditions outlined in Appendix F.

   e) That the phasing and financing policy for inclusion in *Design Regina, the Official Community Plan Bylaw 2013-48*, Appendix C, be approved as it relates to the Servicing Agreement Fees;

   f) That the Administration be directed to consult with stakeholders and develop a proposed approach to charge Service Agreement Fees and Development Levy Charges for infill development, and that the Administration present the proposed approach to Council for approval in 2016 to allow for implementation of infill Service Agreements Fee and Development Levy charges beginning January 1, 2017; and

   g) That the Administration undertake research in 2016 to better understand the factors that influence industrial development in Regina which will help inform the need to consider an industrial land-development subsidy.

2. That the following recommendations be forwarded to the November 23, 2015 meeting of City Council which would allow sufficient time for advertising of the required public notices for the respective bylaws and consultation with the Rural Municipality of Sherwood:

   a) That the City Solicitor be directed to prepare the necessary bylaw to amend the Development Levy Bylaw in accordance with the approved Administration and Calculation of Servicing Agreement Fee and Development Levy Policy and the approved Administration of Servicing Agreements and Development Levy Agreements Policy; and

   b) That the City Solicitor be directed to prepare the necessary bylaw to amend the *Design Regina, the Official Community Plan Bylaw 2013-48.*

Shanie Leugner, A\Director, Planning made a power-point presentation, addressed and answered questions of the Committee. A copy of the presentation is on file of the City Clerk.

The following addressed and answered questions of the Committee:

- Stu Niebergall, representing Regina & Region Home Builders Association;
- Jason Carlston and Evan Hunchak, representing Dream Development;
- Chad Jedlic, representing Harvard Developments Inc.;
- Kevin Reese, representing Karina Developments Ltd.;
- Lorne Yagelniski, representing Yagar Developments;
- Blair Forster, representing Forster Projects Inc.;
- Jerven Weeks, Jason Petrunia and Ryan Karsgaard, representing Rosewood Park Alliance Church;
- Mark Geiger, representing Geiger Ventures; and
- Murad Al-Katib, representing AGT Foods and Long Lake Investments.

Mayor Michael Fougere moved, AND IT WAS RESOLVED, that this item be tabled to a future meeting of the Executive Committee to be determined by the City Clerk.

TABLED REPORTS

EX15-20 Multi-Year Budgeting
(Tabled September 9, 2015)

Recommendation

1. That Administration continue generating one year Operating Budgets and five year Capital Budgets up to, and including, the 2018 budget year.

2. That a multi-year approach to developing operating and capital budgets be introduced starting with the 2019 budget that has the following characteristics:

   a. An annual review and Council approval of operating budgets, mill rates and the associated property tax bylaw.
   b. An annual review and Council approval of an operating budget forecast that covers up to the next four years, in accordance with the remaining years of each Council's term, at a level of detail sufficient for providing indicative guidance about services, service level and mill rate changes in each year of the forecast period.
   c. An annual review and Council approval of a five-year capital budget, including multi-year funding commitments where applicable, consistent with current practice.

3. That items EX11-50 and MN15-1 be removed from the list of outstanding items for the Executive Committee.

4. That this report be forwarded to the September 28, 2015 meeting of City Council for approval.

Mayor Michael Fougere moved, AND IT WAS RESOLVED, that this item be tabled to a future meeting of the Executive Committee to be determined by the City Clerk.

ADMINISTRATION REPORTS

EX15-23 Regina Civic Employees' Superannuation & Benefit Plan

Recommendation

1. That the following agreements substantially in the form attached hereto as Schedule D to this report be approved in principle and entered into on behalf of the City subject to any amendments being made that are necessary in the opinion of the City Solicitor:

   (a) the Sponsorship Agreement (including the list of participating employers, the Plan text, the Funding Policy, the Trust Agreement and the Employer Participation Agreement);

(b) the Trust Agreement; and

(c) the Participating Employers' Agreement.

2. That the City Clerk be authorized to sign the Sponsorship Agreement, Trust Agreement, and Participating Employers' Agreement on behalf of the City once the amendments to *The Pension Benefits Regulations, 1993* set out in recommendation 3(a) are enacted;

3. That Bylaw 3125, *A Bylaw of the City of Regina Concerning a Superannuation and Benefit Plan*, be repealed effective January 1, 2016 on the following conditions:

   (a) That amendments to *The Pension Benefits Regulations, 1993* are made that include the following:

      (i) an amendment that provides that no solvency payments are required to be paid with respect to the Plan;

      (ii) an amendment that allows for a 20 year amortization period from January 1, 2016, for any unfunded liabilities established as of December 31, 2014.

   (b) That the Civic Pension and Benefits Committee execute the Sponsorship Agreement and the Trust Agreement and the participating employers in the Plan execute the Employer Participation Agreement.

3. That the City Manager be delegated the authority to do the following:

   (a) appoint the members of the Sponsor Board and Administrative Board who are named by the other participating employers in the Plan in accordance with the Participating Employers' Agreement; and

   (b) appoint the City's representatives on the Sponsor Board and the Administrative Board.

4. That this report be forwarded to the October 26, 2015 meeting of City Council.

Mayor Michael Fougere moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

EX15-24 Pacer Park Project - Procurement Authority

Recommendation

1. That the City Manager or delegate be authorized to prepare, negotiate, review, amend and approve any required agreements with the Province of Saskatchewan for compensation as a result of the site relocation works for Pacer Park.

2. That the City Manager or delegate be authorized to prepare, negotiate, review, amend and approve any agreements necessary with Pacers Baseball Inc. to facilitate the site relocation works for Pacer Park.

3. That the City Manager or delegate be authorized to issue a request for proposals (RFP) for Engineering Services for project management, design, tender preparation and construction supervision of site relocation works for the Pacer Park Project.

4. That the City Manager or his or her delegate be authorized to award and finalize the terms of an agreement with the successful proponent chosen from the Engineering Services request for proposals.

5. That the City Clerk be authorized to execute the following agreements after review and approval by the City Solicitor:

    a. any required agreements with the Province of Saskatchewan;
    b. the contract awarded to the successful proponent as a result of the Engineering Services request for proposals; and
    c. any agreements necessary with Pacers Baseball Inc. to facilitate the site relocation works for Pacer Park.

6. That this report be forwarded to the October 26, 2015 meeting of City Council.

Councillor Terry Hincks moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

RESOLUTION FOR PRIVATE SESSION

Councillor Bob Hawkins moved, AND IT WAS RESOLVED, that in the interest of the public, the remainder of the items on the agenda be considered in private.

RECESS

Mayor Michael Fougere moved, AND IT WAS RESOLVED, that the Committee recess for 10 minutes.

(The meeting recessed at 3:07 p.m.)

______________________________ ______________________________
Chairperson Secretary

AT REGINA, SASKATCHEWAN, WEDNESDAY, OCTOBER 28, 2015

AT A SPECIAL MEETING OF THE EXECUTIVE COMMITTEE
HELD IN PUBLIC SESSION

AT 11:45 AM

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Present:	Councillor Wade Murray, in the Chair Mayor Michael Fougere Councillor Sharron Bryce Councillor Bryon Burnett Councillor Jerry Flegel Councillor John Findura Councillor Bob Hawkins Councillor Terry Hincks Councillor Mike O'Donnell Councillor Barbara Young
Regrets:	Councillor Shawn Fraser
Also in Attendance:	Chief Legislative Officer & City Clerk, Jim Nicol Deputy City Clerk, Erna Hall City Manager & CAO, Ed Archer Executive Director, Legal & Risk, Byron Werry Deputy City Manager & COO, Brent Sjoberg Executive Director, City Services, Kim Onrait Executive Director, City Planning & Development, Diana Hawryluk Executive Director, Transportation & Utilities, Karen Gasmo Director, Communications, Chris Holden

APPROVAL OF PUBLIC AGENDA

Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, as submitted, and that the delegations be heard in the order they are called by the Chairperson.

COMMUNICATIONS

EX15-25 Regina Exhibition Association Limited

Recommendation
That this communication be received and filed.

Mark Allan, representing Regina Exhibition Association addressed and answered questions of the Committee.

Councillor Terry Hincks moved, AND IT WAS RESOLVED, that this communication be received and filed.

EX15-26 Regina Public Library

Recommendation
That this communication be received and filed.

Jeff Barber, and Darryl Lucke, representing the Regina Public Library addressed and answered questions of the Committee.

Joanne Havelock, representing Friends of the Regina Public Library addressed the committee.

Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that this communication be received and filed.

EX15-27 Regina Regional Opportunities Commission

Recommendation
That this communication be received and filed.

John Lee and David Froh, representing Regina Regional Opportunities Commission addressed and answered questions of the Committee.

Mayor Michael Fougere moved, AND IT WAS RESOLVED, that this communication be received and filed.

EX15-28 Wascana Centre Authority

Recommendation
That this communication be received and filed.

Bernadette McIntyre and Michelle Paetsch, representing Wascana Centre Authority made a powerpoint presentation, addressed and answered questions of the Committee. A copy of the presentation is on the file of the City Clerk.

Mayor Michael Fougere moved, AND IT WAS RESOLVED, that this communication be received and filed.

ADMINISTRATION REPORTS

EX15-29 2016 Budget Submissions - Wascana Centre Authority (WCA); Regina Exhibition Association Limited (REAL); Regina Regional Opportunities Commission RROC); Regina Public Library (RPL)

Recommendation
That the determination of the 2016 Community Investment Allocation to Wascana Centre Authority (WCA), Regina Exhibition Association Limited (REAL), Regina Regional Opportunities Commission (RROC) and the Regina Public Library (RPL) be referred to the 2016 budget process.

Mayor Michael Fougere moved, AND IT WAS RESOLVED, that the recommendation contained in the report be concurred in.

ADJOURNMENT

Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that the meeting adjourn.

The meeting adjourned at 1:57 p.m.

Chairperson	Secretary

September 9, 2015

To: Members,
Executive Committee

Re: Multi-Year Budgeting

RECOMMENDATION

1. That Administration continue generating one year Operating Budgets and five year Capital Budgets up to, and including, the 2018 budget year.

2. That a multi-year approach to developing operating and capital budgets be introduced starting with the 2019 budget that has the following characteristics:

    a. An annual review and Council approval of operating budgets, mill rates and the associated property tax bylaw.
    b. An annual review and Council approval of an operating budget forecast that covers up to the next four years, in accordance with the remaining years of each Council's term, at a level of detail sufficient for providing indicative guidance about services, service level and mill rate changes in each year of the forecast period.
    c. An annual review and Council approval of a five-year capital budget, including multi-year funding commitments where applicable, consistent with current practice.

3. That items EX11-50 and MN15-1 be removed from the list of outstanding items for the Executive Committee.

4. That this report be forwarded to the September 28, 2015 meeting of City Council for approval.

CONCLUSION

The City of Regina has the authority to generate multi-year budgets and has developed a five-year Capital budget for many years. Section 128 of *The Cities Act* prescribes that Council must adopt an operating and capital budget for each financial year but does not stipulate the timing of this adoption. However, *The Cities Act* does not permit Council to pass a multi-year tax rate bylaw. Therefore, Council would have to confirm the budget for each year in an annual budget meeting for the purposes of setting the mill rate and enacting a tax bylaw.

Administration investigated the opportunities of longer term planning as part of the budget process and concluded that multi-year budgeting offers significant benefits, such as to:
- improve long-range strategic planning and decision making by aligning longer-term goals and objectives with longer-term funding plans;
- improve the City's financial management;

- establish better integration of the City's Official Community Plan, the Strategic Plan and Business Plans as well as link operating and capital activities and spending;
- provide citizens with greater degree of certainty about the future direction of the City with respect to service delivery, tax rate and utility rate levels;
- improve efficiency and potentially reduce time dedicated to budget development.; and
- support the City's credit rating by demonstrating a commitment to long-term financial planning.

While some preparatory work is required to ensure administrative policies, tools and work processes can support a multi-year planning and budgeting approach, the corporation's current processes reflect many of the key features associated with multi-year operating and capital budgets. A comparison of best practices as defined by the Government Finance Officers Association (GFOA) of the United States and Canada for successful implementation of multi-year budgets shows the City's budget development process needs some modification, but already at least "partially complies" with best practice guidance.

Experience from other cities demonstrates that it is best practice to align multi-year budgets with the civic election cycle and strategic planning. Consistent with this practice, and given the four-year horizon for the City's strategic planning cycle and Council term, it is recommended that the City pursue a multi-year budgeting timeframe of four years for both operating and capital budgets.

There are three options available with respect to the method for approving multi-year budgets. The best choice for Regina is the use of a four-year static[1] budgeting approach along with a multi-year budget approval process that allows Council to approve a three-year budget with all years approved at once, but the mill rate for future years will only be approved in principle. Council would formally approve the mill rate on an annual basis and approve the budget for the current year in order to enact the property tax bylaw for that year. This provides Council the control and flexibility to make annual adjustments to the budget and mill rate. This is consistent with *The Cities Act* and practices from the Cities of Winnipeg and Yellowknife. In addition, it better aligns the budget with the Council term. Future adjustments to the timeline can support the alignment of the multi-year budget with the four-year horizon for the City's strategic and business planning cycle.

Publishing multi-year mill rate forecasts enhances accountability. It can be difficult to accurately predict mill rate changes for up to four years because the municipal operating environment is subject to factors outside its control that influence perceptions of affordability, capacity and tax burden. These, in turn, could prompt Council to consider changes to the forecast mill rate and such changes could generate negative responses from stakeholders. To mitigate this risk, effective communication needs to be established to advise that mill rate levels included in the multi-year budgets are indicative rates based on projections and could potentially change, if circumstances warrant.

[1] Static budgeting does not mean the budget for future years cannot be adjusted. It entails that the period of the budget will not change until after four years. The benefit of a four-year static budget is that the timeframe can stay in lockstep with the City strategic plan and Council term.

Council motion MN15-1 directs that a potential work plan associated with producing a multi-year budget for the City of Regina beginning in 2017 be developed. Given the amount of work required to set the foundation for successful implementation of multi-year budgets, it was concluded that this timeline is aggressive. Implementing the City's first multi-year budget in the 2019 budget would provide a reasonable timeline for Administration to align the planning and budgeting process to ensure the benefits of multi-year budgeting are fully realized. This would include:

- establishing new processes, or adjusting current processes, with appropriate tools to support multi-year budgeting (for example, a multi-period revenue and expenditure forecasting methodology), and better technology to support long range forecasting and financial reporting in 2015 and 2016;
- develop a Long Range Financial Plan in 2016;
- conduct a core services review;
- engage the 2016-2020 Council in a strategic planning and business planning process in 2017 using inputs from the Long Range Financial Plan and the Core Services Review;
- in 2017, develop a new Strategic Plan (2019-2022) that will influence budget development; and
- develop a multi-year budget in 2018 for implementation for the 2019 budget year.

A potential work plan and timeline is included in this report. If a decision is made to pursue a multi-year budget, a more detailed plan and timeline would be developed.

BACKGROUND

On February 28, 2011, Council submitted a Motion MN11-3 that Administration undertake a review of what might be possible if the City of Regina was to move to a system of budgeting that would involve longer term planning for both the capital and operating budgets.
On November 14, 2011, City Administration provided a report (EX11-50) to the Executive Committee of Council that included analysis of the benefits and risks, as well as other considerations for pursuing a longer term planning for both the capital and operating budgets. The Executive Committee resolved that item M11-3 be removed from the list of outstanding items for the Executive Committee. It was also resolved that members support, in principle, the idea of multi-year budgeting and request the matter be placed on the agenda for an upcoming strategic planning session. This request is addressed by this report.

On February 23, 2015 Council submitted a new motion MN15-1 directing the Administration to prepare a report no later than the third quarter of 2015 describing the features, benefits and potential work plan associated with producing a multi-year budget for the City of Regina beginning in 2017. This report addresses Council's direction.

DISCUSSION

Multi-Year Budgeting

A multi-year budget refers to the development and adoption of an expenditure and revenue document that spans across two or more years. The budget for each year can be approved one year at a time or several years at once. Typically, a defined mechanism is put in place to adjust the budget each year to deal with unexpected changes in revenue or expenditure. The intent of the adjustment is not to open up the plans and budgets for a full-scale review, but to adhere to the multi-year budget and to provide the opportunity to fine-tune the budgets only when circumstances warrant.

Pursuant to section 128 of *The Cities Act*, the City of Regina has the authority to generate multi-year budgets and has developed a multi-year Capital Program for many years. *The Cities Act* directs that Council must adopt an operating and capital budget for each financial year. However, the *Act* does not permit Council to pass a multi-year property tax rate bylaw. Council would have to confirm the budget for each year in an annual budget meeting for the purposes of setting the mill rate and enacting a property tax bylaw.

Benefits and Challenges

The Administration investigated the opportunities of longer term planning as part of the budget process and identified that multi-year budgeting offers significant benefits and some challenges as presented below:

Benefits:
- *Promotes long-range thinking and strategic planning.* Most programs, services and capital investments that the City undertake have impacts and need funding over more than a single year. A multi-year budget will help strengthen longer-term planning focus for the City and improve implementation of the strategic and business plans by ensuring longer-term goals and objectives are supported by longer-term funding plans.

- *Improves financial management.* By providing estimates for service needs, commitments, and funding requirements for a long-term period, multi-year budgets help determine potential funding gaps and stimulate discussions around strategies to address the funding gaps. This will help improve the City's financial sustainability.

- *Reduces uncertainty.* Multi-year budgets provide a more in-depth estimate of service delivery expectations and the City's ability to fund those services over the long-term. Proper alignment of service cost projections with tax and other revenue sources provides greater degree of certainty for the citizens about what services they will receive and what taxes they will pay for those services.

- *Promotes service-based planning.* Multi-year budgets promote service-based planning by integrating resource allocations to service objectives and targets driven by Council priorities over a multi-year timeframe. It also links operating and capital activities and spending.

- *Manages risk.* Developing a multi-year spending plan and having indicators that signal when the budget is off course increases the City ability to make corrections before risks become realized, even when they result from circumstances outside of the City's control.

- *Strengthens communication, accountability and transparency.* Multi-year budgets can also improve accountability, transparency and decision-making by providing Council and citizens more contextual information about the consequences of current period decisions in future periods. Multi-year budgets help connect discussions regarding the achievement of long-term goals and short-term spending decisions.

- *Improves efficiency and potentially reduce time dedicated to budget development.* The annual budget process requires substantial time and effort for Administration and Council on an annual basis. Although multi-year budgeting requires significant effort in the first year, it should only require minimal effort for annual adjustments in subsequent years, provided annual adjustments are limited to external factors such as federal or provincial budgets, Council directed changes to priorities, or unforeseen and significant changes to economic factors. This could potentially save time each year, and create capacity for other important functions, including strategic and business planning as well as budget monitoring and evaluation.

- *Supports credit rating*. Financial management and budgetary performance are among key rating factors used by bond rating agencies in assessing the credit rating of municipalities. In 2015, Standards & Poor's (S&P), the City's credit rating agency, affirmed an AA+ rating for the City of Regina. This is partly due to the City's strong financial management and very strong budgetary performance. Implementing multi-year budgeting would be viewed positively by S&P as it would demonstrate the City has solid grasp of long-term financial planning and commitment to addressing long-range financial issues and concerns.

Challenges:

- *Relies on estimates*. One challenge with multi-year budgeting is the difficulty in accurately projecting revenues and expenses for multiple years. Projections are based on several controllable and uncontrollable elements including, but not limited to, collective agreements, inflation rates, population growth, and general economic conditions. Unanticipated changes in any of these factors could have significant impacts on budget plans. This could be mitigated by including an annual review and adjustment step in the budget development process.

- *Impacts Council's ability to reallocate funding*. A multi-year budget signals Council's intention about the services to be provided and the long-term financial direction of the City. This could be perceived as a constraint on Council's decision making ability. An annual review and adjustment process would mitigate this risk.

<u>Key Features of Multi-year Budgeting Compared to the City of Regina Current Process</u>

Table 1 presents the key features of multi-year capital and operating budgets in comparison to the City of Regina's current process. Table 2 shows the Government Finance Officers Association (GFOA) of the United States and Canada recommended conditions for successful implementation of a multi-year budget compared to the City's current budget process.

Table1: Features of Multi-Year Budgeting

	City of Regina Compliance	City of Regina Current Process
Key Features of Capital Budget		
Long-term asset and infrastructure renewal needs	Partially comply	The City has a long-term plan for some of its assets such as roads, bridges, transit and has also created an Asset Management Branch to better manage all of its assets. An asset management plan for the City's core asset classes is under development.
Multi-year commitments to capital projects	Partially comply	The City commits funds for multi-year capital projects when the project is approved and provides the funding in the year funds are needed. This improves the tendering process and associated bid results, producing more competition and better pricing.
Increase control over projects	Partially comply	There are opportunities to strengthen capital project controls. Adopting a multi-year budget framework helps realize those opportunities.
Longer-term horizon for capital planning	Partially comply	The City develops longer-term plans through its business and strategic planning process, but there is currently no comprehensive financial plan to fund these capital projects.
Estimated funding amounts from all appropriate funding alternatives	Partially comply	Funding sources from reserves and other dedicated sources are identified for some projects, but we need a long-range funding plan that fully funds our projected capital projects.
Reliability and stability of identified funding sources	Partially comply	While funds from other orders of government for municipal purposes could change, a multi-year budget framework helps strengthen the corporation's resilience if funding sources become less stable than originally planned.
Key Features of Operating Budget		
Multi-year tax rate forecast	Does not comply	Tax rate forecast are done annually
Multi-year utility rate forecast	Comply	Utility rates are set for multi-years
Multi-year staffing requirements	Does not comply	Staffing requirements are forecast annually
Asset condition profiles	Partially comply	Asset Management Branch has been created, but detailed asset management plan is not yet complete.
Multi-year funding requirements from Operating Budget to Capital Budget	Does not comply	Capital funding from operating budgets are set annually

Table 2: Conditions for Multi-year Budgets Compared to the City of Regina Current Process

Recommended Conditions	**City of Regina Compliance**	**City of Regina Current Process**
Well defined long-term priorities, goals and objectives	Fully comply	The City has well defined long-term priorities, goals and objectives
Clearly defined multi-year projects and services with operating and capital expenditures	Partially comply	Capital projects are defined for multiple periods but operating expenditures are prepared annually
Long-term strategic and business planning	Fully comply	The City has a four-year strategic plan
Long-range financial plan (LRFP)[2]	In process	The City is in the process of developing a long-range financial plan
Asset management plan	Partially comply	An Asset Management Branch has been created for the City
Revenue and expenditure forecasting methodology	Partially comply	Revenues and expenditures are forecasted on annual basis
Reporting and monitoring policies and processes	Fully comply	There is a well-established budgeting reporting and monitoring process
Budgetary controls, policies and processes	Partially comply	The City has budgeting policies and procedures, but these policies will have to be updated to meet the needs of multi-year budgeting

The City's current capital budget process only complies with some of the features and conditions of multi-year capital budgeting. Therefore, some effort will be required to develop the policies, tools and processes for a successful implementation of multi-year operating and capital budgets at the City.

Current Budget Process

The City's current budget process begins with strategic and business planning and ends with a Council approved plan for the upcoming year. The City's approach to budget development looks at a number of factors, including:

[2] The purpose of an LFRP is to provide a projection of the City's revenue and expenditure over the long-term, illustrate the relative magnitude of the financial gaps and challenges facing the City, stimulate discussions on how to address the general trends revealed by these challenges, and assist in planning strategy and actions that will contribute to the City's long-term financial sustainability.

- The importance of maintaining affordable services.
- The expectation that the City's financial condition will improve to achieve the *Design Regina* Community Priority of *Long-term Financial Viability.*
- The need to maintain service levels when costs are escalating and the city is growing.

A detailed description of the City's 2015 budget process is attached as Appendix A.

Although the operating budget for the City is prepared on an annual basis, the City follows a multi-year approach to capital planning and has developed a five-year capital plan for many years. This includes multi-year funding approvals for projects that require more than one year to complete. In order to maintain a five-year capital plan at the start of each budget year, a new capital budget period is annually added to the capital plan as the current budget year ends.

As a result, Administration spends considerable amount of time and effort annually to produce the operating and capital budgets for the current year. The estimated hours spent by Finance staff alone in developing the budget on annual basis is approximately 9,000 hours. There is a potential opportunity for time savings under the multi-year budgeting process if the annual adjustments to the multi-year budgets are limited to significant changes. It is important to note that multi-year budgeting may not result in time saving if the budget is open to a detailed review and adjustment annually.

Practices from Canadian Municipalities

Multi-year budgeting is not a standard approach in Canadian municipalities, but some municipalities have been successful in its implementation and have acknowledged the benefits of multi-year budgeting. The following provides the experience from six municipalities:

- *Calgary* (Four-Year Operating Budget and Four-Year Capital Plan) - The City of Calgary launched its first multi-year planning and budgeting in 2006, which included a three-year Operating Budget and a five-year Capital Plan. In 2013, the City of Calgary approved an integrated four-year approach to business planning and budgeting to reflect its new Council cycle of four-year terms. Council approves a four-year budget, including mill rate increase for all years. However, the mill rate increase is formally adopted each year in order to enact the tax bylaw. Council also approves adjustments to the current four-year budget every November to allow the City respond to emerging events and unexpected issues and maintain the integrity of the four-year plans and budgets. The budget is prepared on a static basis.

- *Lethbridge* (Four-Year Operating Budget and Four-Year Capital Plan) - The City of Lethbridge has successfully utilized multi-year budgeting for 15 years. Due to a number of factors, including frustration with figures, process and the time consumed, City Council initiated the move to a multi-year budgeting and a two-year operating budget was developed in 2000. In 2014, the City of Lethbridge approved a four-year Operating Budget and a four-year Capital Plan to better align with the civic election cycle. Council approves the four-year budget, along with the mill rate increase, with all years are approved at once. However, mill rate increase is formally adopted annually in order to enact the tax bylaw. The budget is prepared on a static basis.

- *Yellowknife* (Three-Year Operating Budget and Three-Year Capital Budget) - The City of Yellowknife approved its first multi-year budget in 2001. The City's budget policy indicates that Council shall adopt three-year budget goals at the start of each term and review budget goals annually. Council adopts the first year of the budget plan and mill rate levels, and approves the second and third years in principle in the first year. Annual adjustments are made to the budget and mill rate, and the budget is prepared on a rolling basis[3].

- *Winnipeg* (Three-Year Operating Budget and Five-Year Capital Plan) - The City of Winnipeg adopted its first multi-year budget for 2000-2002, and had since operated a three-year Operating Budget and five-year Capital Plan. Council approves, annually, the first of the three-year operating budget and the first of the five-year capital budget and adopts, in principle, the budgets and mill rate for future years. Annual adjustments are made to the budget and mill rate, and the budget is prepared on a static basis.

- *Edmonton* (One-Year Operating Budget and Three-Year Capital Plan) - The City of Edmonton approved a multi-year approach to budgeting for operating and capital programs in September 2014, with implementation scheduled for 2016. The plan is to roll out a multi-year budget that aligns with Council term.

- *Saskatoon* (One-Year Operating Budget and Five-Year Capital Plan) - The City of Saskatoon generates its operating budget on an annual basis, but has been operating a five-year capital plan for many years. This is similar to the City of Regina's current approach to budget development and approval.

Multi-Year Budgeting Timeframe, Approaches, and Approval Options

Timeframe

A number of municipalities in Canada have employed varying timeframes for their multi-year budgeting based on their unique needs and circumstances. Appendix B as attached provides the timeframes adopted by municipalities, along with the rationale for the timeframe.

The experience from other cities demonstrates it is best practice to align multi-year budgets with the civic election cycle. Based on this, consideration was given to developing multi-year budgeting that aligns with the strategic planning cycle and Council term for the City of Regina. The City of Regina's Council term is four years and the City's Strategic Plan is developed for a four-year period. Consistent with its strategic planning and election cycle, it is recommended that the City work toward the development of a multi-year budgeting timeframe of four years for both operating and capital budgets. Although this timeframe reduces the City's current five-year capital plan, it still allows the City to plan for five or more years internally.

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[3] A rolling budget is a budgeting approach whereby a new budget period is continually added on annual basis as the current budget year ends.

Approaches

There are two main approaches for ongoing management of multi-year budgets, which include:

- *Static Budget* - This approach requires establishing a budget for a four-year period with minimal adjustments applied to years two through four as they become current. The period of a static budget does not change until after four years. The benefit of a static budget is that the timeframe can be adjusted to stay in lockstep with the City strategic plan and Council term. A drawback would be that at the end of the four-year cycle, another major undertaking would be required to develop the budget for the next cycle.

- *Rolling Budget* - Under this approach, a new budget period is continually added as the current budget year ends. Thus, the rolling budget requires an incremental extension of the existing budget so that at each point in time, the City will have a four-year budget in place. The benefits of this approach is that the City is continually guided by a four-year plan and the rolling approach may better reflect that a municipality's operating environment is continually changing. A drawback with this approach is that time will be required annually to create the fourth year budget. As well, an incoming Council could be potentially committed to budget decisions made by an outgoing Council if the City enters into a contractual obligation based on multi-year budgets approved by an outgoing Council. This is not administration's recommended approach.

It is recommended that a static budgeting approach be pursued as it better aligns with the City's Strategic Plan and Council term. It is also the most common approach adopted by municipalities.

Budget Approval Options

Three options available to Council with respect to approving multi-year budgets and mill rate increases are analyzed below:

Option 1: Approve operating and capital budgets, including mill rate changes, for all years at a time. This means that Council will approve a four-year budget along with the mill rate changes for all four years in the first year of the four-year budget, but Council will have to formally adopt the mill rate (without debate) each year in order to create the tax bylaw. Minimal adjustments can be made to the budget but less so to the mill rate.

Pros
- It will promote long-term thinking and planning.
- It provides more certainty about the future direction of the City.
- It could result in time saving, which could create capacity for other important functions.
- It is consistent with multi-year budgeting practices from the Cities of Calgary and Lethbridge.

Cons

- It could be legally difficult to approve mill rate for multiple years under *The Cities Act*.
- Approving mill rate for multiple years based on revenues and expenditures forecasts could be risky if the assumptions in the forecasts are inaccurate or overtaken by unexpected events.
- It could potentially limit Council's flexibility to make adjustments to the budget plan.

Recommended Option - Option 2: Approve operating and capital budgets for all years at a time and approve mill rate changes annually. This means that Council will approve a four-year budget with all years approved at once, but mill rate changes for future years will only be adopted in principle. Council will debate and approve the mill rate for future years on an annual basis.

This recommendation would be implemented over a period of time that would first allow the alignment of the multi-year budget to the Council term by approving a three-year budget. Additional work would then be undertaken to adjust timelines that would allow for the development of four-year Operating and Capital Budgets to align with Council term and the Strategic Planning process.

Pros

- It could result in time saving, but would require more time than option 1.
- It is consistent with *The Cities Act.*
- It will enhance long-term planning.
- It allows Council to approve, in principle, indicative mill rate, utility rates and recycling fees, thereby creating more certainty in future years for planning and multi-year projects.
- It gives Council the flexibility to make annual adjustments.
- It is consistent with multi-year budgeting practices from the Cities of Winnipeg and Yellowknife.

Cons

- Multi-year budget approvals and publishing indicative mill rate forecasts increase the risk that public communication and engagement efforts do not sufficiently acknowledge the potential for future Council decisions to vary from forecasts, which could impair public trust.
- There is a probability of adjustments to the budget as mill rate for future years are subject to change.

Option 3: Approve operating and capital budget along with mill rate changes one year at a time, and adopt the budget and mill rate for future years in principle. This means that Council will approve the operating and capital budget together with the mill rate one year at a time, and adopt in principle, the budget and mill rate changes for future years.

Pros
- It is consistent with *The Cities Act.*
- It will enhance long-term planning.
- It is consistent with the City's current process for approving its multi-year Capital Plan.
- It allows Council to approve, in principle, indicative mill rate, as well as indicative utility rates and recycling fees.
- It ensures mill rate changes are adjusted annually to accurately reflect the level of service expected by the citizens and the funding available to deliver the services.
- It gives both City Administration and Council flexibility to make annual adjustments to the budget plan based on changing economic circumstances.

Cons
- Reviewing the budgets annually could require significant time and effort, which could potentially detract from one of the benefits of multi-year budgeting.
- It could require significant time to make adjustments to the budget and mill rate.
- It is not consistent with multi-year budgeting practices from other municipalities.

Staff recommend the use of a four-year static budgeting approach along with an approval process based on option 2. This option allows Council to approve a multi-year budget with all years approved at once, but mill rate changes for future years will only be approved in principle. Council will debate and approve the mill rate for each year on an annual basis. This recommendation gives Council the flexibility to make adjustments to the mill rate on an annual basis and it is consistent with practices from the Cities of Winnipeg and Yellowknife. It is also consistent with *The Cities Act and* allows for alignment between the City's strategic and business planning cycle and Council term.

Potential Work Plan and Timeline

To meet the 2017 timeline originally identified in Council's motion, the process for developing a framework for generating multi-year budgets would have to be rolled out in the second quarter of 2016 and development of the City's first four-year budget will have to be complete by the fourth quarter of 2016 for implementation in 2017. This timeline is aggressive given the amount of work required to set the foundation for successful implementation of multi-year budgets. In addition, the new Council elected in 2016 would not have sufficient time to contribute to the budget plan if a multi-year budget is implemented in 2017.

Based on this, it is recommended that implementation of the City's first multi-year budget be introduced with the 2019 budget. This provides Administration a reasonable timeline to:
- establish new processes required for multi-year budgeting, such as multi-period revenue and expenditure forecasting methodology, variance reporting tool, and proper technology support in 2015 and 2016;
- develop a Long Range Financial Plan in 2016;
- conduct core services review;

- engage the new Council (elected in 2016) to obtain direction on long-term strategic plan and business planning in 2017, using inputs from the Long Range Financial Plan and the Core Services Review;
- develop a new Strategic Plan (2019-2021) that will guide the budget development; and
- develop a multi-year budget in 2018 for implementation for the 2019 budget year.

Multi-Year Budgeting, Strategic Planning and Long Range Financial Plan –

The City of Regina's current planning framework is driven by the City's Vision and Official Community Plan, *Design Regina* (OCP). City Administration considers these documents to be Council's direction – the desired future state that Council wishes to achieve. Administration's strategic plans are defined as implementation plans to move the City towards that future state in a series of successive steps. A multi-year budget would strengthen the strategic plan's financial element.

However, there are some gaps in the process that could jeopardize the successful implementation of multi-year budgets. Prior to the full implementation of multi-year budgeting, the following elements need to be in place:

- Council engagement in strategic planning to ensure each successive strategic plan addresses Council priorities. A multi-year budget would be based on a time frame that aligns with each strategic plan cycle. Currently, the Administration bases its strategic plan on Council's very high level direction through the City's Vision and OCP. Council is advised of the Administration's strategic plan, but has not typically developed term priorities that drive or shape that plan. Best practice suggests that, in order to ensure long term commitment to a multi-year budget, it is important that the budget be based on achieving Council's stated priorities

- A Long Range Financial Plan (LRFP), a financial forecast covering between ten and thirty years which will:
    - Provide a projection of the City's revenues, expenditures, investments and required debt over the long-term;
    - Illustrate the relative magnitude of any financial gaps and challenges facing the City;
    - Stimulate discussions on how to address the general trends revealed by these challenges; and
    - Assist in planning strategy and actions that will contribute to the City's long-term financial sustainability.

  A LFRP will help Council to ensure that the financial constraints that might limit the scope of a multi-year budget are understood. It is anticipated that a LFRP will be complete for the City of Regina by the end of 2016.

- Consistent performance reporting and budget management to ensure the multi-year plan remains on track. The longer the timeframe of a multi-year budget, the more likely it is to be based on estimates. Given this reality, it is essential that the monitoring of performance (the delivery of services and achieving strategic priorities) and budget management (checking of financial assumptions against actuals) be strengthened to ensure the plan remains on track. Generally this would take the form of periodic in-year reporting on performance and budget to Council.

Following is a potential timeline for implementing a four-year budget for the City. This is a high level implementation timeline. If a decision is made to pursue a multi-year budget, a more detailed plan and timeline would be developed.

Potential Multi-Year Budget Development and Implementation Work Plan							
Activity	2015	2016	2017	2018	2019	2020	2021
Civic election/Council term							
Core services review							
Engage Council for direction and priorities							
Develop long range financial plan							
Engage City departments and City service partners on business planning							
Engage the public on the idea of multi-year budgeting							
Complete strategic and business plans							
Define multi-period projects and services with operating and capital expenditures							
Develop a multi-year budgeting policies, processes and variance reporting procedures							
Establish methodology for forecasting revenue and expenditure							
Roll out a process to create multi-year budgets							
Finalize multi-year operating and capital budgets							
Implement multi-year budgets							

RECOMMENDATION IMPLICATIONS

Financial Implications

If approved as presented, the recommended motions would enhance Council's and staff's ability to manage with a long-term financial perspective in mind when making current period decisions. Council would retain the discretion to annually review and adjust budget or mill rate levels.

Environmental Implications

None related to this report.

Strategic Implications

Multi-year budgeting would improve long-range and strategic planning by aligning longer-term goals and objectives with longer-term funding plans. A multi-year budget and the linkages to Council Vision, the Strategic Plan, and a Long Range Financial Plan have considerable impact on how the City implements its budget. These linkages will enable a longer term perspective that considers broad organizational goals instead of simple bottom line concerns. Council Vision, the OCP, and the underlying strategies as well as the financial impact will become more transparent to the public, City partners and other interested entities.

Other Implications

None related to this report.

Accessibility Implications

None related to this report.

COMMUNICATIONS

Consultation will be required with Regina Police Services, Regina Public Library, Business Improvement Districts, Regina Regional Opportunities Corporation, Regina Exhibition Association Limited, and Wascana Centre Authority.

Implementing a multi-year budget cycle will require the development of a new approach for communicating the City's budget to citizens and stakeholders.

DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval.

Respectfully submitted,	Respectfully submitted,
June Schultz Director Finance	Ed Archer, CFO Corporate Services

Appendix A: City of Regina 2015 Budget Process

The Executive Leadership Team - The Executive Leadership Team (ELT) directs the creation of the annual budget by establishing a process for identifying service requirements, creating staff teams responsible for implementing the process and providing directions that guide their work.

Budget Advisory Group - Once departmental budget estimates as well as estimates from the City's Service Partners are completed, ELT charged a cross-divisional team of directors and managers with the responsibility to examine the estimates, including any requests for incremental funding and make recommendations to ELT. Funding requests are ranked based on the following criteria:

Operating Budget

1. Projects in the Corporate Initiatives Portfolio classified as Category A or B
2. Contractual Obligations/Council Direction
3. Investing to create an efficiency that delivers existing service levels at a lower long term cost
4. Maintaining existing service levels by:
   a. Investing in increased operating costs to deliver the same level of service to existing areas
   b. Investing in increased operating costs to provide the same level of service to new growth areas
5. Projects in the Corporate Initiatives Portfolio classified as Category C
6. Increased operating costs to enhance service levels for existing services
7. Projects in the Corporate Initiatives Portfolio classified as Category D
8. Increased operating costs to provide new services

Capital Budget

1. Projects in the Corporate Initiatives Portfolio classified as Category A or B
2. Pre-approved capital expenditures from 2015 Budget
3. Contractual Obligations/Council Direction
4. Investing to create an efficiency that delivers existing service levels at a lower long term cost
5. Maintaining existing service levels by:
   a. Repairing/Rehabilitating existing infrastructure to continue the same level of service
   b. Replacing/Major upgrading existing infrastructure to continue the same level of service
   c. Developing new infrastructure to provide the same level of service to growth areas
6. Projects in the Corporate Initiatives Portfolio classified as Category C
7. Improving service levels by:
   a. Replacing/Major upgrading existing infrastructure to provide an enhanced level of service
   b. Developing new infrastructure to provide an enhanced level of service
8. Projects in the Corporate Initiatives Portfolio classified as Category D
9. Infrastructure/capital to provide new services

City Council - ELT makes the final decisions about what to recommend to Council based on recommendations from the Budget Advisory Group. Council ultimately determines the programs and service levels to be included in the budget, and also approves the budget.

Appendix B: Multi-year Budgeting Timeframes by Municipalities and the Rationale

Municipalities	Council term (years)	Strategic and business (years) plan	Operating Budget (years)	Capital Budget (years)	Rationale
Calgary	4	4	4	4	Operating and capital budgets are aligned to Council term and priorities
Lethbridge	4	4	4	4	Operating and capital budgets are aligned to Council term and strategic plan
Yellowknife	3	3	3	3	Operating and capital budgets are aligned to Council term and strategic plan
Winnipeg	4	N/A	3	5	Does not align with Council term
Edmonton	4	4	4	4	Operating and capital budgets are aligned to Council term and strategic plan
Saskatoon	4	10	1	5	Partially aligns with the capital budget as well as the strategic plan and Council term
Regina	4	4	1	5	Partially aligns with the capital budget as well as the strategic plan and Council term

October 14, 2015

To: Members of Executive Committee

Re: Servicing Agreement Fee (SAF) and Development Levy (DL) Policy Review and Final Phasing and Financing Project

RECOMMENDATION

1. That the following recommendations be forwarded to the October 26, 2015 meeting of City Council:

    a) That the Administration and Calculation of Servicing Agreement Fees and Development Levy Policy, Appendix A, be approved;

    b) That the greenfield Servicing Agreement Fee and Development Levy rate be approved with a three-year phase-in. The proposed phase-in results in an effective rate January 1, 2016 of $379,000 per hectare;

    c) That the Administration of Servicing Agreements and Development Levy Agreements Policy, Appendix B, which includes the new policy that defines submission requirements and the Endeavour to Assist framework, be approved;

    d) That in transitioning from the Interim Phasing and Financing Plan to the new Administration of Servicing Agreement Fee and Development Levy Policy that includes defined application requirements, all Service Agreement or Development Levy Applications in progress are subject to the conditions outlined in Appendix F.

    e) That the phasing and financing policy for inclusion in *Design Regina, the Official Community Plan Bylaw 2013-48*, Appendix C, be approved as it relates to the Servicing Agreement Fees;

    f) That the Administration be directed to consult with stakeholders and develop a proposed approach to charge Service Agreement Fees and Development Levy Charges for infill development, and that the Administration present the proposed approach to Council for approval in 2016 to allow for implementation of infill Service Agreements Fee and Development Levy charges beginning January 1, 2017; and

    g) That the Administration undertake research in 2016 to better understand the factors that influence industrial development in Regina which will help inform the need to consider an industrial land-development subsidy.

2. That the following recommendations be forwarded to the November 23, 2015 meeting of City Council which would allow sufficient time for advertising of the required public notices for the respective bylaws and consultation with the Rural Municipality of Sherwood:

a) That the City Solicitor be directed to prepare the necessary bylaw to amend the Development Levy Bylaw in accordance with the approved Administration and Calculation of Servicing Agreement Fee and Development Levy Policy and the approved Administration of Servicing Agreements and Development Levy Agreements Policy; and

b) That the City Solicitor be directed to prepare the necessary bylaw to amend the *Design Regina, the Official Community Plan Bylaw 2013-48.*

CONCLUSION

The City of Regina uses Servicing Agreement Fees (SAF) and Development Levies (DL) to fund major infrastructure investments required for new growth and development, as per the *Planning and Development Act, 2007*.

The development charge policy review is a key first step in implementing *Design Regina: The Official Community Plan Bylaw 2013-48* (OCP). To work towards meeting the goals of the OCP, the Administration and Urban Systems, the consultant retained to lead the project, have:

- Reviewed and updated the growth-related capital projects lists;
- Reviewed and updated the Administration and Calculation of SAF and DL Fees Policy;
- Revised the Administration of Servicing Agreements Policy to include the Endeavour to Assist tool as part of Servicing Agreements; and
- Developed a final Phasing and Financing Plan that considers the city's growth to a population of 300,000 (310,000 including the Special Study Areas).

With Council's approval, the Interim Phasing and Financing Plan and the SAF/DL rate for development charges that was approved by Council in June 2014 will no longer apply as:

1. The Administration of Servicing Agreements and Development Levy Agreements Policy will come into effect immediately;
2. The Administration & Calculation of Servicing Agreement Fees and Development Levies Policy will come into effect January 1, 2016; and
3. The final phasing and financing policies will come into effect in upon approval of the amendments to the OCP.

The recommended approach for the SAF/DL Policy considers the cost of growth along with overall City financing, the OCP goals and the associated Community Priorities, especially those related to developing complete neighbourhoods and achieving long-term financial viability. Extensive stakeholder consultation was undertaken throughout this project, particularly with the development community. Seeking feedback on the implications of changing policy variables was a key aspect of the consultation and the feedback received shaped the approach presented in this report. The recommended approach for development charges balances the City's aspirations for growth with the financial responsibilities to current and future residents.

BACKGROUND

The City of Regina previously established Service Agreement Fees and Development Levies to fund the infrastructure investment required for new growth pursuant to the *Planning and Development Act, 2007* and the *Development Levy Bylaw, 2011*. The current SAF/DL Policy was endorsed by City Council in 2009 based on recommendations and principles contained in the 2007 report prepared by Watson & Associates Ltd. (Watson). Through the endorsed policy, the SAF/DL rate is subject to Council approval on an annual basis. Review of the overall SAF/DL Policy every five years was recommended by Watson and engrained in the current SAF/DL Policy.

In 2013, *Design Regina: The Official Community Plan Bylaw 2013-48* (OCP) was approved. The OCP provided high level policy and direction around future growth of the city to a population of approximately 300,000. In addition to high-level policy, the OCP called for the creation of a Phasing and Financing Plan to help co-ordinate and finance growth of the City.

The Interim Phasing and Financing Plan (Interim Plan), completed in late 2013/early 2014, revealed that the City did not have adequate financial resources available to continue funding development in accordance with the 2009 SAF/DL Policy. The Interim Phasing and Financing project also revealed that sequencing growth would have a major impact on the SAF reserve cash flow and the City's debt position if the City continued to use SAFs and DLs to finance development specific infrastructure in accordance with the 2009 policy.

Based on the implementation of the OCP, the findings of the Interim Plan, recent rapid growth of the city, as well as the requirement to review SAF/DL Policy every five years, Administration along with its consultant, Urban Systems, carried out a major review of SAF/DL Policy. The updated policy and phasing plan will replace the Interim Phasing and Financing Plan that was approved by Council in June 2014, and will help the city grow to a population of 310,000 (including the Special Study Areas in the OCP Growth Plan) over the next 25 years.

This report explains the process undertaken to conduct a major review of the SAF/DL Policy, the key considerations, and the resulting recommendations, which include:

- The proposed SAF/DL development charge for 2016;
- The updated Administration and Calculation of Servicing Agreement Fee and Development Levy policy;
- The updated Administration of Servicing Agreements and Development Levy Agreements Policy, inclusive of the new sections related to Endeavour to Assist and submission requirements; and
- The final phasing and financing policies for inclusion in the OCP.

The approach presented through these policies reflects the true costs of providing services to new developments throughout the city and seeks to ensure financial viability and sustainable growth. The updated SAF/DL Policy proposes a fair and equitable share of development costs between taxpayers and the developers to ensure that new development will not cause financial burdens to Regina taxpayers. The phasing plan for sequencing land development also fosters complete neighbourhoods by limiting the number of neighbourhoods developing at any one time.

DISCUSSION

Project Overview

There are two primary components of this project:

- The review of the policy guiding the determination of SAFs and DLs and the updating of associated policies, which includes the review and updating of the SAF/DL-eligible growth-related capital projects; and
- The development of a final phasing and financing plan to direct the sequencing of land development.

These components relate to one another and as part of the Interim Plan process, were directed to be completed concurrently.

This project contributes to defining how the City of Regina enacts OCP policies related to financial sustainability and complete neighbourhoods. The development of the SAF/DL policies and the final phasing and financing plan seeks to meet the following outcomes, including:

- Minimizing the long-term financial impacts to taxpayers;
- Realizing the goals and policies of *Design Regina: the Official Community Plan Bylaw 2013-48,* including the OCP Policy 1.16 that states 'growth pays for growth';
- Ensuring the SAF/DL rate is equitable and understandable;
- Ensuring market choice for new development; and
- Meeting residents' service level expectations for new and existing programs and services.

The project largely focused on how infrastructure costs required for growth are allocated between developers and taxpayers. This discourse must be set in the context of the City's broader financial picture. This includes consideration of the existing infrastructure demands, as well as recognition of the costs related to providing services that support growth but are beyond what can be charged to SAFs/DLs, as per the *Planning and Development Act, 2007*. For instance, SAFs/DLs do not cover growth-related costs associated with operations or maintenance (e.g. snow removal or garbage collection), costs for infrastructure repairs or renewal that benefits existing residents or costs associated with other growth-related capital costs, such as police or fire stations, libraries, and transit.

Growth-related capital projects that can be funded by SAFs/DLs fit into three main categories:

- Roads and transportation infrastructure, including multi-use pathways and traffic signals;
- Utility infrastructure, including water, wastewater and storm water (drainage); and
- Parks and recreation infrastructure.

The projects that compose the Growth-Related Capital Projects Lists form the core basis for the SAF model. The SAF model uses the projects required to service the 300,000 population (310,000 including Special Study Areas) to determine the annual development charge, or SAF rate, for residential, commercial and industrial development.

The projects required to support future growth were identified through various studies and plans that have been undertaken as well as servicing plans submitted by the developers for the various new neighbourhoods. The City is in the process of undertaking the development of comprehensive water and wastewater master plans. These plans will inform future reviews of the SAF/DL rate and policy. In the meantime, the Capital Project List includes placeholders based on high level assumptions about the cost of system-wide water and wastewater improvements required to service new growth, as per preliminary analysis completed by consultants. The projects funded by SAFs/DLs have been reviewed extensively by both the Administration and the development community.

Process Overview

The project was initiated in September 2014 and has progressed through three phases, as outlined in Figure 1.

PHASE 1 Develop and Discuss Options	PHASE 2 Develop and Discuss the Preferred Option	PHASE 3 Seek Approval of the Recommended Option and Prepare for Implementation
Sept 2014 – March 2015	April 2015 – June 2015	July 2015 – Dec 2015
• Reviewing & refining Project Lists • Confirming initial policy direction • Prepare draft SAF models with different variables. • Review initial results and seek feedback	• Revise model and policy and determine a preferred SAF model option and associated guiding policy • Review preferred option and associated results and seek feedback	• Revise model and policy • Finalize policy, rates and phasing • Seek council approval • Train staff to use new model
Working Group Sessions – Dec 2014 & March 2015	Working Group Sessions – April & June 2015	Working Group Sessions – August, September & October 2015

Figure 1: Process Overview of SAF/DL Policy Review and Final Phasing and Financing Project

Early in the project, the City of Regina established a Working Group to reflect perspectives of various stakeholders affected by the SAF/DL policy and rate review and the subsequent phasing and financing plan. The members of this Working Group include the Regina and Region Homebuilders' Association (RRHBA), Regina and District Chamber of Commerce, Regina and Region Opportunities Commission, residential, commercial and industrial developers, and infill developers, along with members of the City Administration.

The Working Group met regularly and extensively for the duration of the project to:

- Build a collective understanding of the current situation;
- Understand implications of different options in updating the policy;
- Ensure that concerns and ideas are consistently understood and considered when developing the recommended SAF/DL Policy and Final Phasing and Financing Plan; and
- Collaborate on the generation of alternate solutions.

The final recommendations were developed in consideration of the feedback that was provided through the project. An overview of feedback provided is in Appendix D.

Due to the complexity of the subject matter, public input was sought through focus groups and a telephone survey. The goal of the public involvement was to better understand residents' priorities and attitudes towards growth and the funding of future development. Based on the resident surveyed, findings (as per the Summary Report in Appendix E) related to who should pay for growth were inconclusive. There was no consensus about who should pay for growth-related infrastructure outside of new developments. Maintaining existing infrastructure was seen to be more important than investing in growth. At the same time, a strong majority also agree that it is a priority for the City to be planning for growth.

Interested public were directed to find information on the project online (designregina.ca) and could also sign-up to receive regular project update emails.

Key Considerations, Findings and Recommendations

Throughout this project, a number of factors were considered when determining the recommended approach. These are outlined below.

a) Improved Knowledge and Understanding of Projects Required for Growth

Since the Interim Plan was undertaken in 2013/2014, additional information was uncovered about the constraints of existing infrastructure systems. As such a number of projects were added to the Growth-Related Capital Projects Lists, a primary input for determining the SAF/DL rate, that were previously not identified. The increase in growth-related capital project capital costs, as opposed to shifts in policy, represents the majority of the proposed rate increase.

b) Defining 'Growth Pays for Growth'

To ensure revenue growth and financial sustainability, *Design Regina: The Official Community Plan Bylaw 2013-48* (OCP) includes Policy 1.16 that states that the City "ensures that growth pays for growth". Defining how to interpret this phrase in the context of this project was important as it defines how costs for growth-related infrastructure are to be allocated between developers and taxpayers/utility ratepayers.

The Growth-Related Capital Project List identifies the projects required to enable new developments to meet service levels for water, wastewater, storm water, roads and transportation, and parks and recreation infrastructure. When looking at the projects in the list, the phase 'growth pays for growth' means:

- Projects that are only required for growth are assigned to be paid for by developers either:
  - Directly, if the project primarily serves a single development area/region, or
  - Indirectly through SAF/DL, if it provides a broader benefit to multiple new developments.
- Projects that are required for growth but also address a service deficiency for existing residents or a new service that is currently not offered (e.g. Zone-Level Dog Parks), a portion of that cost is assigned to taxpayers or utility ratepayers.

Through this policy review, the majority of projects in the Growth-Related Capital Projects List are assigned to be paid for by developers either directly or through SAF/DL as they are deemed to be required for growth. These developer contributions only cover the costs of the initial installation of the infrastructure. Taxes and utility rates will fund operation, maintenance and renewal costs for the infrastructure.

c) Grade Separations

Grade separations include bridges, flyovers, interchanges and rail overpasses and underpasses.

Prior to the Interim Phasing and Financing Plan, taxpayers contributed between five and 15 per cent of the costs of all road expansion projects and 50 per cent of all grade separation projects. The rationale for this taxpayer contribution was (1) infill was not paying DLs; and (2) existing residents benefit from the growth. Through this project, Administration explored the validity of these two rationales. Administration is now recommending that infill development pay a DL to offset their consumption of infrastructure capacity, rather than rely on taxpayer contributions.

Furthermore, Administration has identified that without growth, the existing taxpayers would not need to add capacity to the existing system in order to meet service level expectations. The approach to allocate 100% of the costs of growth related capital projects to SAF/DL is known as the “trigger line approach”: Users that trigger the need for a new infrastructure investment are the ones who should pay for it. It is common in municipalities across Canada to use the trigger line approach and to maximize the use of development charges to fund growth related capital projects.

As a result of the shift to the “trigger line approach”, Administration is recommending that grade-separation and interchange projects be shifted to 100 per cent SAF/DL funded. This recommendation is based on the recognition that: (1) if the city stopped growing, taxpayers would not need to invest in this infrastructure; (2) growth over the next 25 years will be using and benefiting from all the existing infrastructure in the city, including existing grade separations; and, (3) to be consistent with all other capacity adding transportation projects which are 100 per cent SAF/DL funded.

d) Need for Key Policy Shift to Fund Major ‘System’ Improvements

Under the current SAF/DL Policy, fees were used to both recover costs for connecting new neighbourhoods to the major infrastructure systems as well as to ensure that these broader infrastructure systems had capacity to absorb the impact of the new neighbourhood. It has become clear that while that was the intention of the fund, the reality is that the SAFs/DLs were only able to fund the infrastructure to connect neighbourhoods and that the improvements required to support the long-term sustainability of the major infrastructure systems were being deferred. Due to frequent payments required for connecting infrastructure, the SAF/DL reserve fund was not able to build up a sufficient balance to fund the major improvements. The major improvements for which available funds are insufficient include the eastern water pressure zone, additional pumps and force mains from McCarthy Boulevard pump station to the wastewater treatment plant, and road expansion projects such as the Pasqua Street and 9th Avenue North interchange.

To ensure that the City has the means to fund major infrastructure improvements required for growth, a policy shift is proposed that would see SAFs/DLs being used to recover only costs associated with broader system improvements. Projects that serve a single area (including storm water projects, arterial roads, trunk mains and pump stations) would be transferred from being SAF-funded to being 100 per cent developer-funded. This shift means:

- SAF/DL investments will be for projects that support the broader infrastructure systems, ensuring that these systems are able to absorb the impact of new development without significantly reducing the level of service for the existing community;
- A more equitable SAF/DL rate will be charged to developers as the SAF/DL fund will be used for projects that serve a broader benefit versus projects that are required to serve individual developments; and
- Developers will directly fund those projects that are specific to their development; on average, this results in about a $50,000/hectare increase in developer-specific costs as compared to the Interim Plan period. The cost variance to individual developers/neighbourhoods will depend on the specific infrastructure needs of the area. This cost is in addition to other developer-specific costs that developers already paid for their developments.

As such, this approach does not result in more total costs being paid for developers; it only alters the amount funded by SAF/DL versus the amount funded directly by developers.

This change is consistent with other municipalities; it helps keep the overall SAF rate lower; and it provides developers more flexibility in managing projects for their specific developments. Additionally, developers directly funding more of the upfront infrastructure may create natural cost incentives for lower cost neighbourhoods to proceed earlier than higher cost neighbourhoods.

e) Tool Required to Help First-In Developers: Endeavour to Assist

With more projects that serve a single development being allocated to developers directly, developers have suggested that they require a formal tool to recapture costs when projects they build benefit other developers.

Endeavour to Assist Agreements are a tool that can assist current developers in recovering some of these costs from future developers for projects that provide benefit to the surrounding area. An example of the type of project that would be eligible for an Endeavour to Assist Agreement would be over-sizing of water or wastewater trunks, which ensure that subsequent neighbourhoods can easily connect to the water and wastewater systems.

This tool is recommended to be embedded in the Administration of Servicing Agreements and Development Levy Agreements Policy as Part D (see Appendix B) as it would be executed at the time of developing Servicing Agreements. The City will ensure that the future developers, who benefit from infrastructure installed and paid for by the first-in/initial developer, make payment to first-in developer prior to the issuance of subdivision approval.

During consultation, Administration heard concerns that the development industry would like the Endeavour to Assist Agreements to be extended over the entire 25 year planning horizon. Administration also heard that the first-in developers would like certainty that when they are eventually repaid through these agreements that the payment should reflect the opportunity cost of paying for infrastructure that only benefits future developers. As a result of the feedback, Administration adjusted the policy so that Endeavour to Assist Agreements may be extended to a period beyond the Agreement's initial term. Administration also adjusted the policy to require future developers to pay interest on the first-in developer's investment.

f) Managing the SAF Reserve Fund

Various scenarios were tested through the SAF/DL review. In evaluating these, two key outcomes were reviewed: (1) the implications to the SAF/DL rate, which developers are charged at the time of subdivision; and (2) the SAF/DL reserve balance which is related to the City's cash flow.

The more negative the SAF/DL balance (i.e. the more it has borrowed from either the general reserve, the utility reserve or from lenders), the greater the City's financial risk. A negative balance in the SAF/DL reserve is particularly concerning if investments in infrastructure have been made and growth significantly slows or stops, as this would jeopardize or delay the ability of the City to recapture the funds borrowed from the general reserve and/or utility reserve, or to repay a debenture.

Of the scenarios tested, the option to prioritize water and wastewater projects and delay transportation projects to minimize the deficit in the SAF/DL reserve account was preferred. Water and wastewater projects were prioritized, as they are most urgently required to enable system upgrades to foster growth in the city. This approach minimizes financial risk to the taxpayers.

This approach does not rely on debt to fund growth projects. Therefore, the City retains flexibility to use debt to address existing infrastructure and asset renewal needs and service improvements. All growth-related capital SAF projects (including delayed transportation projects) will be built by the end of the period (2040).

As shown in Figure 2 below, with delays, the SAF/DL reserve fund deficit is projected to be maintained in the range of -$50M, with a maximum deficit of approximately -$60M in 2036. Without delaying transportation projects the deficit is projected to be as high as approximately $420M. In reality, the SAF fund balance will be significantly impacted by the pace and variability of growth; the current SAF reserve projection assumes that 81 hectares of land are subdivided every year.

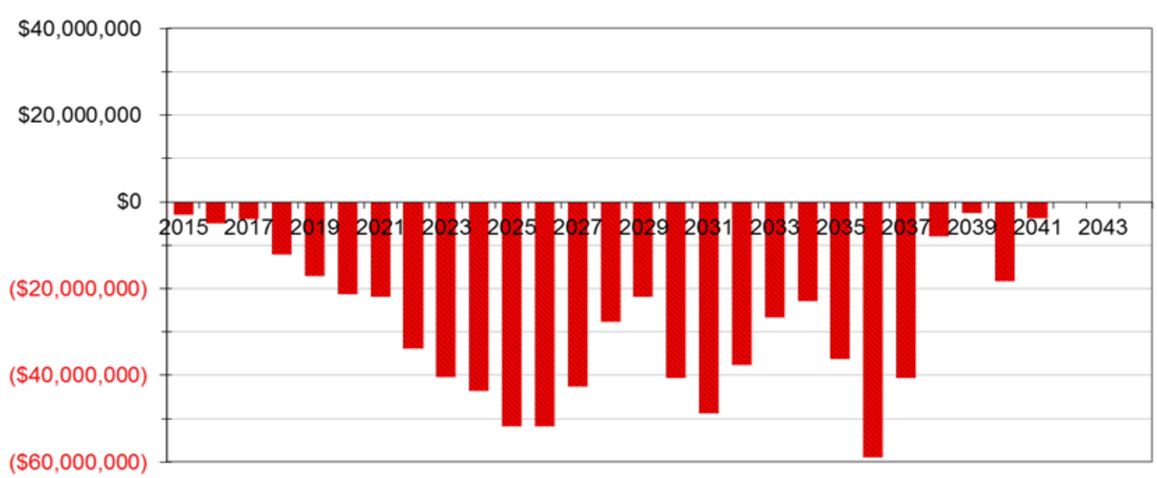

Figure 2: Projected SAF/DL Reserve Fund Cash Balance

To maintain the reserve deficit at this level, most transportation projects are delayed from 2 to 12 years. These delays will result in temporary service level reductions for all residents of the city, with potential implications including increased congestion, more use of local roads and challenges meeting emergency response times, especially in peak travel periods.

Ultimately, the timing of all SAF/DL funded projects will be determined during the annual budget process; if the City has financial capacity to allow additional deficit within the SAF/DL reserve fund, accelerating transportation projects could be considered at that time.

As well, as part of the development and implementation of the Long Range Financial Plan, Administration will be able to clearly describe the long-term effect of decisions on services and the funding requirements to sustain them. This would include the development of a strategy to sustain transportation service levels while addressing asset renewal.

g) <u>Reduced Impact on City SAF Cash Flows from Phasing of Development</u>

During the Interim Plan process, phasing (or sequencing) of land development significantly impacted the City's cash flow due to the local projects that were triggered by different developments.

As a result of the key policy shift noted above, which transfers capital projects that were previously funded by the SAF to being funded directly by the developer, the impact of phasing of development on cash flows is reduced.

However, phasing is still important for managing operating and maintenance costs; it assists with faster build-out of specific developments, which ensures there is a sufficient tax base to cover the operating and maintenance costs of new neighbourhood infrastructure and helps promote faster development of complete neighbourhoods for those new residents.

As such, the Phasing and Financing policies and map to be included in the OCP and presented in Appendix C (which also includes other associated OCP amendments) recommend a sequencing of new neighbourhoods and new mixed-use neighbourhoods based on:

- Servicing as a constraint;
- Limiting neighbourhoods to foster faster build-out; and,
- Developer-readiness.

Zoning approval will continue to trigger the phasing and development of employment lands (e.g. urban corridors, industrial areas), consistent with the Interim Phasing and Financing Plan. Approval for employment lands can be granted or denied based on considerations including servicing constraints and solutions, developer-readiness, and compatibility. As such, pending Council approval;

- All urban corridors could immediately proceed;

- Land north of the Global Transportation Hub (GTH) could proceed following the build out of the bypass and completion of the eastern water pressure solution and the identification of a wastewater solution;
- The first phase of the Fleet Street Business Park could advance; and
- Commercial lands within residential areas would proceed as those areas build out.

This Phasing and Financing Plan will be reviewed and updated regularly, particularly as new information becomes available with respect to servicing solutions within Secondary Plans, the Special Study Areas meeting the requirements of the OCP, and consideration of development timing for lands that were recently annexed.

h) Softer Market

Since 2006, Regina had been experiencing a boom in population growth; this has resulted in record building starts and a flurry of development activity. However, over the past couple of years, growth has slowed to a more moderate rate; this combined with a higher amount of unabsorbed housing units than in the past is causing a market adjustment in home prices and demand.

The OCP was based on the foundational assumption that the growth rate experienced by the City of Regina over the 2006-2012 would not be sustained over the life of the plan. Rather, the OCP assumed that housing starts of 1100-1500 would be sustained under a medium growth scenario over the 25-year horizon. As such, the market slow down does not change assumptions used for the OCP, though there are short-term impacts to development while it adjusts to a more sustainable growth rate.

i) Phase-In of the SAF Rate

Due to the recent market changes, the identification of additional capital projects to support growth and the proposed policy change to transfer development-specific projects to the developers to fund directly, the development industry was nearly unanimous in seeking a three-year phase-in of the SAF/DL rate. This phase-in will allow them to adjust to the new policy regarding projects that are developer-funded, the new SAF/DL rate and the change in market.

A review of the implications of phasing-in the rate was undertaken and revealed that while there was an impact on the SAF reserve balance, it was not significant. The phase-in results in a higher rate after the three years to compensate for the lesser cost years. With this understanding, the development community was overwhelmingly supportive of this option.

As such, Administration recommends that the rate for residential, commercial, and industrial development for 2016 be set at $379,000/ha to cover growth-related capital costs.

This rate is the first of a three-year phase-in of the greenfield rate. If the rate was not phased-in, it would be approximately $410,000/ha in 2016. Initiating this phase-in will result in reduced rates for 2016 and 2017; in 2018, the rate will be slightly higher than it would have been if the rate was not phased-in, in order to compensate for fees not captured between 2016 and 2017.

The project list will be reviewed annually and rates for subsequent years will be approved by City Council. The Administration and Calculation of Servicing Agreement Fees and

Development Levies Policy (Appendix A), updated as a part of this process, was used to guide the development of this rate and will also guide future rate setting.

j) Differential Rates for 235K and 300K Neighbourhoods

Traditionally, the City has had a single flat rate for all neighbourhoods. During the Interim Plan process, different rates for 235K (the rate per hectare was $304,960) and 300K (the rate per hectare was $359,089) neighbourhoods were implemented. Having a lesser rate for 235K neighbourhood instead of the same rate as 300K neighbourhoods results in a higher SAF rate overall.

The Interim Plan period is deemed to have provided the phase-in of the new rate for the 235K neighbourhoods; moving forward, the remaining 235K areas will pay the same rate as the 300K areas.

Administration considered using differential rates based on population growth horizon (235,000 versus 300,000) and on a neighbourhood basis and deemed that all growth has the same demand on the City's system-wide infrastructure and should therefore pay the same rates. Furthermore, establishing which infrastructure is required due to one neighbourhood or growth area as compared to another is not practical on a city-wide basis and it is unlikely that the City and development community would reach consensus on how to allocate costs.

k) Housing Affordability

Feedback from the development industry is that increasing SAF/DL rates will affect housing affordability. The City is in agreement that housing affordability is a key consideration but notes that there are a number of factors that go into housing costs, including raw land costs, consulting fees, contractor salaries, building materials, and profits.

Based on the 2016 phased-in SAF rate and projected median cost of a new house, SAFs will comprise 4.5% of the cost of a new detached or semi-detached house in 2016. Furthermore, between 2007 and 2016, the median cost of a detached or semi-detached home will have risen by a projected $232,000; SAF increases over the same time period only account for $12,500 of this total increase. On this basis, while SAFs do have an impact on the cost of a new house, recent increases to the price of a new house have largely been driven by other factors.

l) Infill Development Impacts Capacity of Infrastructure Systems

As per a City Council decision in 1989, infill within the exempt area (generally within the boundaries of the Ring Road) has not been charged DL fees. In addition, areas that had already paid SAF in the past were also exempt. However, for some infrastructure systems, there are impacts to capacity regardless of where growth occurs, such as for the water treatment plant, wastewater treatment plant, and internal roadway improvements, such as capacity upgrades along Saskatchewan Drive.

It was determined that to meet the objective of having an equitable SAF/DL Policy, it was important to start recognizing the impact of infill on our infrastructure systems, to remove the exemptions which applied to infill development, and to start allocating growth-related capital costs accordingly.

Through this policy review, Administration has established which projects benefit infill development and what share of the costs of each of those projects should theoretically be funded through an infill SAF/DL rate, based on *Design Regina* targets of accommodating 30 per cent of new population growth in existing built-up areas of the city.

At this time, Administration believes that further consultation and process review is required before implementing changes to the exempt area in 2016; but does anticipate removal of the exempt area and an infill rate being effective in 2017. Further consultation and study leading to a future report on infill SAFs and DLs will be forthcoming in 2016.

Related, at the time of this SAF/DL Policy review, the Regina Revitalization Initiative for the railway lands was getting underway. While some preliminary information was made available in terms of projects required for growth in that area, they have been excluded from being added to the Growth-Related Capital Projects List at this time. The forthcoming work around infill SAFs and DLs will consider how projects associated with the re-development of the railway lands should be funded.

m) Barriers to Industrial Development

To date, a single greenfield rate for all land uses has been used in Regina. Through this project, an alternative of having a separate industrial SAF/DL rate was explored. This rate was calculated based on the identification of projects that are primarily required to support industrial neighbourhood development, recognizing the full cost of industrial growth. Through this analysis, it was discovered that the majority of the projects identified support the development of residential, commercial and industrial areas, but that by creating separate rates, the industrial rate would be higher than the residential/commercial rate. The separate projected industrial rate presented to the working group was deemed to be too high. As such, at this time, maintaining a single combined greenfield rate is the preferred approach.

Both Administration and the development community recognize the value in ensuring the City of Regina stays competitive to attract industrial development to the city to maintain economic growth and to help offset the costs of operating the city. Preliminary research in this process was undertaken to better understand the industrial market in Regina and potential barriers; however, it was identified that a more involved research project would be required, particularly to determine the impact that SAF/DL have on industrial development and the potential for subsidies to be created to help incentivize industrial development. Working Group feedback was that incentives should not be built into the SAF/DL system as it results in the costs of the subsidy to be borne by other developers. Rather, should the City choose to incentivize industrial growth, these incentives should be open and transparent rather than hidden in the SAF/DL rates.

Administration will continue working to understand what barriers, including SAF/DL, may prevent industry from locating in the City of Regina.

Other Considerations:

Comparison of Charges with Other Communities

This recommended rate, with the phase-in, is comparable to that of other Saskatchewan municipalities, including Saskatoon and White City, and in the mid-range of other studied communities in Canada (Figure 3: unless otherwise noted, rates are for 2015 with the exception of Edmonton as it maintains a complex area-specific rate system which has not received a major update in two years). It is Administration's expectation that many of these rates will be increased in 2016, consistent with Regina's annual rate adjustment.

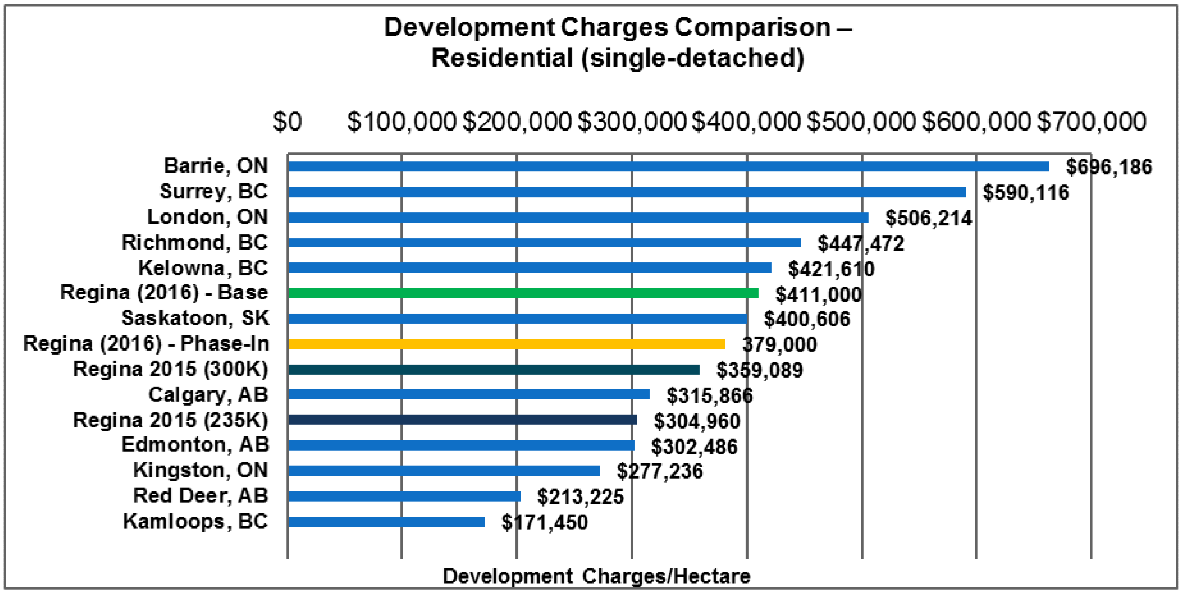

Figure 3: Development Charges Comparison for Residential Development

<u>Policy Clarifications</u>
Through the policy review, a lack of clarity was identified for the following policy components. As such, the following outlines the proposed policy directions for the lands that are exempt from being charged SAF/DL as well as the application requirements needed prior to a Servicing Agreement or Development Levy Agreement being issued.

a) <u>Lands Exempt from SAF/DL</u>
Clarification of the lands that are exempt from being charged SAF/DL is provided in section 4.7 in the Administration and Calculation of Servicing Agreement Fee and Development Levy Policy (Appendix A) as follows:

- Internal environmental reserves;
- Freeways;
- Expressways;
- Interchange lands;
- Major utility corridors (electrical transmission corridors and pipeline corridors unfeasible for development as a result of safety and/or environmental regulations) lakes; and
- Lands used to accommodate permanent City-owned pump stations or lift stations.

b) <u>Application Requirements</u>
The proposed application requirements are outlined in Part E of the Administration of Servicing Agreements and Development Levy Agreements Policy (Appendix B). Essentially, if developers submit the required documents to the satisfaction of the City, they have six months from the date a Servicing Agreement number is assigned to enter into the Servicing Agreement with the City or the policy/rate in effect the date the Servicing Agreement number was assigned will no longer be in effect.

The documents required for formal submission of an application include:

- Secondary Plan or Concept Plan approval if deemed required in accordance with the policies in the OCP;
- Zoning approval;
- Application for subdivision;
- Receipt by the City of an engineering submission;
- Receipt by the City of a landscape drawing submission; and
- Formal written request to enter into a servicing agreement.

In consideration of these application requirements not being included in the Administration of Servicing Agreements and Development Levy Agreements Policy previously, a transition period is recommended. This is outlined in Appendix F; it describes that during this transition period in 2015, zoning approval would not be required due to the expected time required for Administration to review applications; however, submission of the zoning application would be required by November 30, 2015 and all other documents would be need to be submitted by December 31, 2015 in order to be eligible for the Interim Phasing and Financing Plan (policy and rate). As well, Servicing and Development Levy Agreements initiated in 2015 must be executed by the development proponent and the City of Regina by June 30, 2016.

Options

<u>Option 1:</u> Include taxpayer contributions to grade-separation and interchange projects.

An option that can be considered to address stakeholder feedback regarding the allocation of costs for interchanges and grade-separation projects is described as follows.

Under Interim Phasing and Financing Policy, interchanges and grade-separation projects were funded 50 per cent by SAFs and 50 per cent by taxpayers. The recommendation in the proposed SAF/DL policy is to have these projects allocated 100 per cent to growth (i.e. SAF/DL) as they are triggered by growth. Furthermore, developers are not being asked to contribute to the interchanges and grade-separations that were built in the past to serve growth but which new neighbourhoods/developers will use and benefit from.

From a developer-perspective, maintaining the Interim Phasing and Financing Policy direction for SAF/DL would be positive as it would reduce the SAF/DL rate by about $35,000/hectare. However, taxpayers would then have to fund the approximately $60 million in growth-related infrastructure through property taxes over the next 25 years through a mill rate increase over and above what would be required for other purposes, such as infrastructure renewal and providing other growth-related infrastructure, such as fire halls. The development community supports this with the rationale that these projects should be partially funded by taxpayers since they will use them.

Administration's perspective is that the policy for allocating costs is not based on who will use something; rather it is based on whether the project is required to meet the service levels identified for that infrastructure component. In this case, if the city stopped growing, there would not be a need to construct new interchanges and grade-separations because the existing community's level of service would be met; as such, taxpayers should not be contributing to the capital costs for these projects. The existing population, along with the new population, will be responsible for the entire cost associated with maintenance and renewal of new interchanges and grade-separations over time.

The taxpayer research indicates that taxpayers consider it important to be able to travel to and from work with minimal delay. Taxpayers also were split on whether or not taxpayers should make any financial contributions to growth-related projects. In consideration of this research, Council may consider this a viable option.

Option 2: Include Southeast Special Study Area

In support of the OCP, the City's boundary was altered in 2014. As part of that boundary alteration, the City added a large area of land in the southeast quadrant of the City from Victoria Avenue to Arcola Avenue to the railway tracks. This area of land was not given thorough consideration for inclusion in the current (300K) planning horizon. Through the Southeast Lands Secondary Plan process, Administration will be evaluating the appropriate horizon for development of this land.

In consideration of this, and in response to the attached feedback (Appendix D.3), Administration has prepared an alternative phasing plan option (Appendix G), which would designate this area as a "Special Study Area" for the purpose of the Phasing Plan. At such time as the Secondary Plan is reviewed and approved, the OCP policy and Growth Map will be updated as required to reflect the City's decision regarding timing for development of this area.

Administration's perspective is that this option is not required. Amendments to the OCP that are identified through any secondary plan process would typically be brought forward as part of the approval process for that secondary plan. This would ensure that all OCP amendments related to a particular growth area would be consistent. If this special study area is added to the Phasing Plan map, it would be inconsistent with other maps and policies in the OCP.

RECOMMENDATION IMPLICATIONS

Financial Implications

The recommendations contained in this report will ensure that adequate SAF/DL are charged to more accurately cover the cost of infrastructure that is trigged by development. The drivers for the SAF/DL Policy ensure that growth does not create an unfair financial burden on Regina taxpayers to pay the capital costs of growth of the city. This is consistent with the OCP Policy that 'growth pays for growth'.

SAFs and DLs are not a tax. The City is mandated to keep the money collected through SAF/DL in an account(s) separate and apart from other funds of the municipality. The municipality is only allowed to use the funds to pay the capital costs of the infrastructure for which it was collected. The definition of capital costs includes the cost of construction, planning, engineering and legal services associated with that infrastructure.

The City does not profit from SAF/DL and historically, the SAF/DL reserve accounts have been in a negative position. When the SAF/DL reserve accounts are in a negative position, the SAF/DL are assessed an interest charge. When the SAF/DL reserve accounts are in a positive position, they collect interest. An SAF/DL reserve with a positive balance will enable the City to pay for infrastructure as it is required without having to draw funds from other sources, such as debt, to fund the cost.

The proposed approach will decrease the risk that taxpayers would need to fund SAF/DL deficits should growth of the city slow down. The taxpayer share of the plan, based on the current financing strategy, is roughly $212-million over the next 25 years. Therefore, the City will need to contribute an average of $8.5-million per year in taxpayer funding to pay for its share of the projects. These are costs that would have been incurred by the city, even if it stopped growing.

Using the ‘growth pays for growth’ perspective, this policy review has shifted all identified SAF/DL eligible growth-related capital projects to be paid for by developers – either indirectly via SAF/DL or directly, to be paid for by the developer. This shift minimizes the risk to taxpayers and allows for property taxes and utility fees to be focused on operations, maintenance, and renewal of existing infrastructure, managing other non-infrastructure programs and services, and funding other projects that result from growth that cannot be charged to SAF/DL as per the *Planning and Development Act, 2007* (for example, police and fire stations, libraries, and transit).

To mitigate risks to taxpayers, the City is in the process of developing and implementing a financial policies framework and a long-range financial plan. A long-range financial plan will support decision-making by clearly describing current and long-term funding requirements and the implications to services and service levels. The recommendation does not remove all risk as the model established to produce the recommended SAF/DL rate provides for a balanced SAF/DL reserve at the end of the 25-year model, but enables the reserve to reach a deficit of approximately $50-million in most years.

This risk can be eliminated by requiring the reserve to maintain a positive balance. Administration is not recommending this at this time as it would further reduce the projects that could be advanced while the reserve balance is increased and/or increases the rate to a level that would be unacceptable to developers. To manage the ongoing risks to taxpayers, all projects are reviewed and approved by Council through the City’s annual budget process. This enables Council to re-evaluate its tolerance for risk / deficit in the SAF/DL reserve fund on an annual basis and ensure that projects proceed in an affordable and sustainable manner.

<u>Environmental Implications</u>

None with respect to this report.

<u>Policy and/or Strategic Implications</u>

The recommendations are consistent with the OCP Community Priorities and goals. In particular, the recommendations are built on the principle that ‘growth pays for growth’ and those that benefit from a service pay for the service.

Like in the interim plan process, the recommendations place particular weight on two of the Community Priorities:

- Long Term Financial Viability: The recommendations have attempted to find the appropriate balance between supporting growth and ensuring long term financial viability for the City and the taxpayer.
- Develop Complete Neighbourhoods: Regina has generally allowed development to occur when and where developers identify a market demand. Historically, this has resulted in

slow build-out of some neighbourhoods, delaying the development of support services that are inherent to the concept of 'Complete Neighbourhoods' (e.g. grocery stores and other retail, schools, transit, etc.). Keeping this Community Priority in mind, the recommendations focus development to allow for complete build out. This approach is likely to achieve complete neighbourhoods sooner.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

The City's engagement objective was to involve the development community and related stakeholders in the exploration of options and the development of recommendations.

A Working Group, comprised of development community members and business representatives, supported by City staff and consultants was established to collectively work through the detailed material, ensure concerns and ideas were understood and considered and assist with the development of alternative solutions. This group met for six workshops throughout the project to share ideas, review project progress and provide feedback. The result was a process that allowed for significant information sharing and provided the opportunity to build a collective understanding of the issues.

To complement the in-person engagement, workshop summaries and participation opportunities were posted on DesignRegina.ca. This provided an opportunity for other interested stakeholders and residents to review updates on the project and to provide feedback or seek clarification throughout the process, if needed. The majority of the communication with this group was in the form of regular email updates that coincided with the Working Group sessions.

Due to the complexity of the subject matter, public input was sought through focus groups and a telephone survey to better understand residents' priorities, attitudes towards growth and how future development is funded. These results are included in Appendix E.

Upon Council approval, the rate and policy will be shared with the development community. As well, Public Notice related to the proposed amendments to the Development Levy Bylaw and the OCP with respect to the Phasing and Financing policies will commence in preparation for the bylaw amendments to be brought forward to City Council in November. The Phasing and Financing policies also require consultation with the Rural Municipality of Sherwood which will be undertaken concurrent to the Public Notice for the OCP amendment.

DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval.

Respectfully submitted,

Shanie Leugner

Shanie Leugner, A/Director
Planning

Respectfully submitted,

Diana Hawryluk

Diana Hawryluk, Executive Director
City Planning and Development

Report prepared by:
Kim Sare, Senior City Planner, Long Range Planning

APPENDIX A

Administration and Calculation of Servicing Agreement Fees and Development Levies

<table>
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Administration and Calculation of Servicing Agreement Fees and Development Levies</td><td colspan="3">Applies to:
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City Planning and Development</td></tr>
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<tr><td>Last Review:</td><td>21-Dec-2009</td></tr>
<tr><td>Next Review:</td><td>As Required or Every 5 Years</td></tr>
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Council, or Executive Director, City Planning and Development, or designate where noted</td></tr>
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1 Purpose

This purpose of this policy is to provide for the administration and calculation of Servicing Agreement Fees and Development Levies in accordance with policy 1.16 of *Design Regina: The Official Community Plan Bylaw 2013-48*:

> *"1.16 Ensure that growth pays for growth by:*
>
> *1.16.1 Ensuring that Service Agreement Fees Charges are based on full capital cost;*
>
> *1.16.2 Regularly Reviewing the Rate and Rate Structure for Service Agreement Fees;*
>
> *1.16.3 Reviewing the areas to which Servicing Agreement Fees apply, including the possibility of fees varying with location, density, and use as necessary, except where specific and deliberate subsidies are approved to support public benefits;*
>
> *1.16.4 Aligning the City's development fees, property taxes and other charges with the policies and intent of this Plan (Official Community Plan); and*
>
> *1.16.5 Achieving a balance of employment and residential lands."*

2 Scope

This policy provides direction to Administration involved in:

- the procedure for the inclusion of projects in the Servicing Agreement Fee / Development Levy reserve fund;
- calculation of annual Servicing Agreement Fee / Development Levy rates; and
- Administration of Servicing Agreement Fees and Development Levies.

3 Definitions and General Interpretation

Capital Costs: Means the estimated capital cost, pursuant to section 168 of *The Planning and Development Act, 2007*, of providing construction, planning, engineering and legal services that are directly related to the matters for which servicing agreement fees and development levies are established pursuant to sections 169 and 172 of *The Planning and Development Act, 2007*.

Capital Projects: Refers to projects including roadways and related infrastructure, waterworks, sanitary sewer works, drainage works, parks, and recreational facilities, which are constructed, altered or expanded to add capacity to service the growth of the City.

Capital Project List: Refers to compiling of proposed Growth-Related Capital Projects, including project name, anticipated timing, current year gross cost, and funding sources.

City: Means the City of Regina.

Council: Means the Council of the City, acting for the purposes of *The Planning and Development Act, 2007* as a municipality or an approving authority.

Developer: Means an applicant for subdivision approval who is required to enter into a Servicing Agreement pursuant to section 172 of *The Planning and Development Act, 2007*; or an applicant for a development permit or building permit who is required to enter into a Development Levy Agreement pursuant to the City's Development Levy Bylaw, 2011 as may be amended from time to time and section 169 of *The Planning and Development Act, 2007*.

Development Lands: Those lands (or any part thereof) within the City where no previous servicing agreement has been entered into for the specific proposed development and the City will incur additional capital costs as a result of the proposed development.

Development Levy: Refers to fees adopted by the Council pursuant to section 169 of *The Planning and Development Act, 2007*.

Development Levy Agreement: Refers to the form of Development Levy Agreement, including Standard Conditions for Development Levy Agreements, adopted by the Council from time to time, and referred to in Administrative Reports respecting applications as the City's "Standard Development Levy Agreement"; all subject to such changes as circumstances of development applications require and as may be approved or directed by Council.

Development Levy Bylaw: Refers to the Council approved bylaw (#2011-16) describing when and how Development Levies apply. The bylaw also contains the Development Levy rate, which shall be identical to the Servicing Agreement Fee rate.

Environmental Reserve: Refers to a parcel of land pursuant to section 185 of *The Planning and Development Act, 2007*.

Executive Director: means the Executive Director of City Planning and Development or his/her delegate or successor in title.

Funding Splits: Refers to the apportioning of costs between a Developer, the City, and the Servicing Agreement Fee Reserve Fund (as defined below).

Indexing: Refers to the cost inflation adjustment as calculated specific to Regina by an independent source to be used in the Servicing Agreement Fee Model calculations.

Infill Development: Refers to development within previously developed areas of the City.

Official Community Plan or OCP, or Design Regina: Refers to *Design Regina, Official Community Plan, Bylaw No. 2013-48*.

Servicing Agreement: Refers to the form of Servicing Agreement, including Standard Conditions for Servicing Agreements, adopted by the Council from time to time, and referred to in Administrative Reports respecting subdivision or development applications as the City's "Standard Servicing Agreement"; all subject to such changes as circumstances of subdivision or development applications require and as may be approved or directed by Council.

Servicing Agreement Fee, Servicing Fee or SAF: Refers to fees adopted by the Council pursuant to section 172(3)(b) of *The Planning and Development Act, 2007*.

Servicing Agreement Fee Model or SAF Model: Refers to the cash flow calculations performed over a 25-year time horizon from information including the Growth-Related Capital Project List, indexing and Servicing Agreement Fee reserve fund balances to calculate an annual Servicing Agreement Fee rate and Development Levy rate.

Servicing Agreement Fee Rate, Development Levy Rate: Refers to the fees adopted by Council pursuant to section169 and 172(3)(b) of *The Planning and Development Act, 2007* per hectare of a new development. A Servicing Agreement Fee paid by developers is calculated by multiplying the Servicing Agreement Fee rate by the total area of new development. A Development Levy paid by developers is calculated by multiplying the Development Levy rate by the total area of new development or the number of development units as the case may be.

Servicing Agreement Fee Reserve Fund or SAF Reserve Fund: Refers to an account or accounts established by the City for the deposit of Servicing Agreement Fees / Development Levies, as required pursuant to section 174 of *The Planning and Development Act, 2007*.

Study or Studies: Refers to the studies undertaken by the City on a citywide or area basis for the purpose of determining long range infrastructure required as a result of growth, including transportation studies, wastewater studies, water studies, drainage studies, parks and recreation studies, and serviceability studies.

Subdivision: An area of land encompassed by the outside boundary of a plan of survey.

4 Policy

4.1 Application of Servicing Agreement Fees and Development Levies

Servicing Agreement Fees are collected where a development involves the subdivision of land in accordance with Section 172 of *The Planning and Development Act, 2007*:

> *"172(1)If there is a proposed subdivision of land, the municipality in which the subdivision is located may require a subdivision applicant to enter into a servicing agreement to provide services and facilities that directly or indirectly serve the subdivision."*
>
> *"172(3)(b) Servicing agreements may provide for: the payment by the applicant of fees that the council may establish as payment in whole or in part for the capital cost of providing, altering, expanding or upgrading sewage, water, drainage and other utility services, public highway facilities, or park and recreation space facilities, located within or outside the proposed subdivision, and that directly or indirectly serve the proposed subdivision;"*

Applicants for subdivision shall pay the Servicing Agreement Fees established by Council from time to time.

Development Levies are collected where a development does not involve the subdivision of land, in accordance with Section 169(1) of *The Planning and Development Act, 2007*:

> *"If council has adopted an official community plan that is not subject to an application for subdivision of land and that authorize the use of development levies, the council may, by bylaw, establish development levies to recover the capital costs of services and facilities as prescribed in subsections (2) and (3)."*

Applicants shall pay a Development Levy established by Council from time to time for:

- a development permit for a proposed development located within the development lands; or
- a building permit for a proposed development in the case where no development permit is required.

4.2 Capital Projects Recoverable through Servicing Agreement Fees and Development Levies

Servicing Agreement Fees / Development Levies paid by developers are established as payment in part or in whole for the capital costs associated with providing, altering, expanding or upgrading services that directly or indirectly serve the proposed subdivision / development, as provided in section 172(3)(b) and 169(2) of *The Planning and Development Act, 2007*.

The detailed list of projects included for recovery is developed by City Administration based on technical studies and infrastructure master plans, and reviewed in consultation with development industry members.

The City will consider additional projects proposed by individual developers subject to review and consideration against criteria established to administer this policy.

Appendix B outlines projects that are eligible for payment via Servicing Agreement Fees and Development levies.

4.3 Capital Projects required through Service Agreements

A number of services are excluded from Servicing Agreement Fees and Development Levies. These include services that developers are required to install or construct under a Servicing Agreement as provided in section 172 (3) (a) of *The Planning and Development Act, 2007*.

Appendix B outlines projects that are eligible for payment via Servicing Agreements and Development Levy Agreements.

4.4 Administration Fees for Service Agreements and Development Levy Agreements

In addition to the calculated rates based on capital projects, administration costs are calculated on Servicing Agreements and Development Levy Agreements to offset the City's costs for "planning, engineering and legal services" in accordance with Section 168, 169 and 172 of *The Planning and Development Act, 2007*. These administration costs are recorded as annual revenues in the year the administration costs are received.

Applicants for subdivision shall pay the Servicing Agreement Administration Fees established by Council from time to time. Applicants required to pay a Development Levy shall pay the Development Levy Administration Fees established by Council from time to time.

The methodology for calculating these administration fees is provided in Appendix A.

4.5 Fund Management

Servicing Agreement Fees are collected through Servicing Agreements, and Development Levies are collected through Development Levy Agreements in accordance with the City's Policy on Administration of Servicing Agreements and Development Levy Agreements.

In accordance with *The Planning and Development Act, 2007*, the City maintains two Servicing Agreement Fee / Development Levy reserve funds – one for Utility related fees (i.e. water, wastewater and drainage), the other for General related fees (i.e. for transportation, parks and recreation projects). These two accounts are separate and apart from other funds.

Interest is calculated annually on the combined balance of the Servicing Agreement Fee / Development Levy reserve funds in accordance with principles as provided in Appendix A.

The repayment plus interest terms of external borrowing shall be included in the calculation of the rate.

While it may not be possible to always maintain these reserve balances in a positive position, the City should make best efforts to achieve this.

4.6 Calculation of Servicing Agreement Fee and Development Levy Rates

Annual Servicing Agreement Fee / Development Levy rates are calculated in accordance with Appendix A.

4.7 Application of Servicing Agreement Fees and Development Levy Rates

Servicing Agreements Fees and Development Levies are applicable to all areas of the City exempting:

- internal environmental reserves;
- freeways;
- expressways;
- interchange lands;
- major utility corridors (electrical transmission corridors and pipeline corridors unfeasible for development as a result of safety and/or environmental regulations);
- lakes; and
- lands used to accommodate permanent City-owned pump stations or lift stations.

4.8 Delegated Authority

Council has delegated authority to the Executive Director of City Planning and Development to determine which Capital Projects are included in the Servicing Agreement Fee / Development Levy rate.

4.9 Servicing Agreement Fee Rate / Development Levy Review

Proposed Servicing Agreement Fee and Development Levy rates are presented from time to time to Council for approval.

The Servicing Agreement Fee and Development Levy Rate Review will include:

- Consultation with development industry members;
- Review of the current Servicing Agreement Fee balance and interest due;
- Determination of pace of development for the purpose of establishing the Capital Projects list and developable area;
- Current population, and population projections for the purpose of calculating appropriate funding splits for new projects added to the list;
- Review of infill development Capital Projects for the purpose of calculating the infill rate;
- Review of greenfield development Capital Projects for the purpose of calculating the greenfield rate;

- Review of city-wide development Capital Projects for the purpose of calculating both the greenfield and infill rates;
- Adjustment, addition, and removal of Capital Projects projected over the 25 year time horizon; and
- Indexing for inflation.

4.10 Annual Reporting

Administration shall annually prepare a Servicing Agreement Fee / Development Levy report that shows reconciliation of completed projects. This report shall be shared publically and made available to developers.

4.11 Policy Review

This Policy is to be reviewed once every five years. It may also be reviewed upon request by council or as related policies are updated.

Appendix A

Servicing Agreement Fee and Development Levy Calculation Methodology

Appendix B

Servicing Agreement Fee and Development Levy Funding Criteria and Summary Chart

Appendix A
Servicing Agreement Fee and Development Levy Calculation Methodology

1 Purpose

This appendix contains supplementary detailed information in support of the Administration and Calculation of Servicing Agreement Fees and Development Levies Policy.

2 Scope

This appendix provides a detailed summary of the calculation methodology used to determine the infill and greenfield Servicing Agreement Fee rates and Development Levy rates.

3 Additional Definitions

None associated with this appendix.

4 Methodology

To account for the time value of money and the impacts of interest on reserves, a cash-flow model is required to calculate the Servicing Agreement Fee and Development Levy rates.

The following steps are required to determine the Servicing Agreement Fee and Development Levy rates.

4.1 Establish Inflation Rate and Interest Rates

Inflation: The City will commission a report once every two years estimating the inflationary rate to be used.

This inflation rate will be used to inflate project costs over time, and to inflate Servicing Agreement Fee rates over time in calculating current Servicing Agreement Fee rates. This rate will also be used to index Servicing Agreement Fee rates and Development Levy rates in years between re-calculations.

Interest rate generated on positive balance: The City will determine the assumed interest rate generated by positive funds in Servicing Agreement Fee reserve Funds based on consultation with the Finance Department.

Interest rate paid for internal transfers: The City will determine the assumed interest rate paid by the Servicing Agreement Fee Reserve Fund for moneys in the fund under a deficit position, where the deficit is funded through internal transfers within the City (as opposed to going outside the City for long term debentures), based on consultation with the Finance Department.

Interest rate paid for External Borrowing: The fund will accurately reflect the repayment plus interest terms of any external borrowing for capital projects, and will be included in the calculation of the rate.

4.2 Set the Opening Servicing Agreement Fee / Development Levy Reserve Cash Balance

Reference the Servicing Agreement Fee Reserve year-end cash balance (which becomes this year's opening balance). Use this value as the 'Opening Balance' for the Servicing Agreement Fee / Development Levy rate calculation.

4.3 Calculate Outstanding Servicing Agreement Fees and Development Levies to be Collected

The value of outstanding Servicing Agreement Fees and Development Levies to be collected is established through a review of executed Servicing Agreement and Development Levy Agreements. Determine the value of outstanding Servicing Agreement Fees and Development Levies and which year payments are to occur in. Update the model accordingly with the calculated Annual Payments Due.

4.4 Establish Development Projections for Infill & Greenfield

Establish 25-year projections for the pace of infill and greenfield development. These trends should be based on recent growth estimates and detailed growth studies, as well as growth policy (e.g. the City's intensification target).

4.5 Establish Payment Schedule for Servicing Agreement Fees / Development Levies

Establish the payment schedule for Servicing Agreement Fees and Development Levies. This payment schedule should be based on payment timing established via the *Administration of Servicing Agreements and Development Levy Agreements* policy.

4.6 Update Capital Project List

The existing capital project list for each infrastructure type (transportation, water, wastewater, drainage, parks and recreation) should be reviewed and adjusted, based on updated studies, master plans, updated current year cost estimates, the timing required for allocation of capital project funding as influenced by the pace of growth, and other factors. Cost allocations for any projects added are to conform to the criteria detailed in Appendix B.

4.7 Establish the Share of Costs Attributed to Greenfield Growth and the Share of Costs Attributed to Infill Growth for Each Capital Project

For each capital project the share of Servicing Agreement Fee / Development Levy eligible costs must be allocated between greenfield development and infill development. Projects can be allocated based on (1) the share of development expected between infill and greenfield, (2) attributed 100% to greenfield growth, or (3) attributed 100% to infill growth. Capital projects are allocated per the direction of the Executive director, in accordance with the following criteria:

Projects that primarily facilitate greenfield growth should be allocated 100% to greenfield development (e.g. transportation upgrades to serve new greenfield neighbourhoods, trunk lines to serve greenfield neighbourhoods, new zone level parks in greenfield areas).

Projects that primarily facilitate infill development should be allocated 100% to infill development (e.g. upgrades to the water and wastewater network in downtown Regina).

Projects that are required to facilitate growth in general, and provide a city-wide benefit should be allocated to both infill and greenfield development based on their share of growth (e.g. upgrades to water supply capacity or wastewater capacity).

Projects are considered to provide a city-wide benefit if they meet any of the following criteria:

- Infrastructure projects that serve the majority of the City population, such as a water treatment plant or wastewater treatment plant;
- Studies or plans that consider the majority of the City;
- Transportation projects that add capacity within the area bound by Lewvan / Pasqua and the Ring Road / 9th Avenue North or as determined by the Executive Director; or
- Parks and recreation projects that provide new municipal level services, serving most areas of the City, including infill and greenfield areas.

For projects that are allocated based on the share of development the formula for calculating the infill and greenfield shares are:

$$Infill\ Share = \frac{Assumed\ Infill\ Hectares}{Greenfield\ Hectares + Assumed\ Infill\ Hectares}$$

$$Assumed\ Infill\ Hectares = Greenfield\ Residential\ Hectares * \frac{Infill\ Population\ Share}{Greenfield\ Population\ Share}$$

$$Greenfield\ share = 100\% - Infill\ Share$$

4.8 Calculate the Share of Total Capital Costs Allocated to Infill and to Greenfield Development

Sum the costs allocated to greenfield, and sum the costs allocated to infill to determine the total costs allocated to each development area.

4.9 Calculate Estimated Servicing Agreement Fee / Development Levy Rates for Infill & Greenfield Based on the Cash-Flow Model

Calculate an estimated per hectare Servicing Agreement Fee / Development Levy rate for the greenfield areas:

$$Greenfield\ Estimated\ Rate = \frac{Total\ Greenfield\ Costs}{Total\ Greenfield\ Hectares}$$

Calculate an estimate per person equivalent Servicing Agreement Fee / Development Levy rate for the infill areas:

$$Infill\ Estimated\ Rate = \frac{Total\ Infill\ Costs}{Total\ Infill\ Equivalent\ Population\ Growth}$$

4.10 Calculate the Servicing Agreement Fee and Development Levy Rates for Infill & Greenfield Based on the Cash-Flow Model

Adjust the estimated infill and greenfield rates using a common factor in order to balance the Servicing Agreement Fee and Development Levy reserves cash-flow at $0 in the final year of the cash-flow model (i.e. increase or decrease both rates by the same percentage factor in order to zero the balances). This adjustment is necessary to account for the time-value of money and any delays to Servicing Agreement Fee and Development Levy payments, as well as the current state of Servicing Agreement Fee reserves and payments due.

The final Greenfield rate shall be rounded to the nearest $1,000. The final infill rate shall be rounded to the nearest $10.

4.11 Calculate the Administration Servicing Agreement Fee / Development Levy

Estimate the annual administration costs associated with addressing subdivision and development based on staffing resources required. Divide the total amount of administration costs per year by the estimated amount of development per year. These administration costs are recorded as annual revenues in the year the administration costs are received, so interest costs are not considered in calculating Administration Servicing Agreement Fees and Development Levies.

The final greenfield rate shall be rounded to the nearest $1,000. The final infill rate shall be rounded to the nearest $10.

Appendix B

Servicing Agreement Fee and Development Levy Funding Criteria and Summary Chart

1 Purpose

This appendix is supplementary detailed information in support of the Administration and Calculation of Servicing Agreement Fees and Development Levies policy.

2 Scope

This appendix provides a detailed summary of the funding split for project inputs utilized in the calculation of Servicing Agreement Fee and Development Levy rates. Authority is per the Administration and Calculation of Servicing Agreement Fees and Development Levies policy.

3 Additional Definitions

For the purposes of providing context to some of the terms utilized in this appendix, the following definitions are included to provide clarity. The definitions are in addition to definitions provided within the Administration and Calculation of Servicing Agreement Fees and Development Levies policy:

Arterial (Roads): is per the definition within the City of Regina Transportation Master Plan and includes all constructed components as required by the City of Regina Development Standards Manual, Construction Specifications or as directed by the Executive Director of City Planning and Development or delegate.

Capacity: refers to a limit, defined by the service or infrastructure, of a number of people, vehicles or flow that can pass through or be utilized by the infrastructure over a set period of time. Capacity may include a level of service that provides additional margin prior to a physical limit being exceeded.

Collector (Roads): is per the definition within the City of Regina Transportation Master Plan and includes all constructed components as required by the City of Regina Development Standards Manual, Construction Specifications or as directed by the Executive Director of City Planning and Development or delegate.

Community Contributions: means contributions made towards capital projects where the sources of funding are the residents of Regina, businesses, or community organizations who have made contributions towards a capital project either through a community organization or directly to the City of Regina.

Contiguous new development(s): refers to a subdivision or development that is either adjacent to an existing development or a subdivision or development adjacent to another subdivision or development under design or construction.

Development – within the context of this policy, development only refers to an area that Servicing Agreement Fees and/or Development Levies shall be applied to through the execution of a Servicing Agreement prior to the approval of subdivision or Development Levy Agreement prior to the issuance of a Building Permit by the City.

Development application refers to either an application by a development proponent to the City for review and approval of a Neighbourhood Plan, Secondary Plan, Concept Plan, Subdivision, Servicing Agreement, Development Levy Agreement, Discretionary Use or Building Permit or other that requires the City approval or permit prior to construction as required by municipal bylaw or provincial regulation.

Development boundaries: refers to either;

(1) the outside boundaries or limits of a plan of subdivision and as identified within a Servicing Agreement; or

(2) the outside boundaries of a parcel of land and as identified within a Development Levy Agreement.

Grade Separations: refers to any classification of road which is required to either be constructed over or under an obstacle including but not limited to another road, railway, pipeline or building.

Grants: means funding received from sources outside of the City of Regina and its taxpayers, such as the Provincial or Federal Government, for capital projects**.**

Interchanges: refers to a junction of two or more traffic flows by a system of separate levels that permit traffic to pass from one to another without the crossing of traffic streams.

Intersections: any ground level intersection of two or more roads regardless of road classification (i.e. local, collector, arterial, expressway). An intersection does not include an interchange.

Level of Service: refers to the targeted design capacity of a component of infrastructure including a margin of additional capacity versus the total physical capacity of the infrastructure. Level of service may be expressed with different reference points and metrics for water, wastewater, storm water, transportation and parks and recreational facilities.

Lift Station: means a mechanical/hydraulic devices that are used to solve flow problems that cannot be solved by standard gravity methods. Lift stations lift fluids to a gravity model.

Local (Roads): is per the definition within the City of Regina Transportation Master Plan and includes all constructed components as required by the City of Regina's Development Standards Manual, Construction Specifications or as directed by the Executive Director of City Planning and Development or delegate.

Major Sanitary Storage, Conveyance or Treatment Facilities: refers to the components of the City's existing sanitary collection and treatment system that service multiple existing and future new developments external to the boundaries of a new subdivision or development. The primary facilities include the City Wastewater Treatment Plant, Sanitary Trunk Mains, McCarthy Boulevard Pump Station and Force mains and existing sanitary pump stations with or without offline storage.

Major Water Storage, Conveyance or Treatment Facilities: refers to the components of the City's existing water treatment and distribution system that service multiple existing and future new developments external to the boundaries of a new subdivision or development. The primary facilities include the Buffalo Pound Water Treatment Plant, Buffalo Pound Water Supply Lines, New or Existing Water Reservoirs, Re-pressurization Pump Stations, pressure zone isolation components and Water Trunk Mains including but not limited to the City loop.

Models: refers to electronic, computer aided simulations utilized by the City for the purposes of planning for growth and review of development applications for transportation, water, wastewater, storm water, parks and recreational facilities.

Multi-Use Pathways: means the identified pathways within the City Open Space Regina Management Strategy and the new pathways identified within the Transportation Master Plan. Multi-use pathways generally refers to an asphalt pathway surface within a landscaped area and provides a protected route for walking or cycling.

Municipal Level Parks and Facilities: as fully defined within the City Open Space Regina Management Strategy. A municipal park or facility is intended to meet the recreation needs of large sections of the population. They allow for group activities and recreation opportunities not feasible at the neighbourhood level.

Neighbourhood Level Parks and Facilities: as fully defined within the City Open Space Regina Management Strategy. Neighbourhood level parks and facilities are oriented toward children and youth and may include active and passive recreation facilities.

On-Street Bikeways: refers to a lane within a road right-of-way specifically intended for the movement of bicycle traffic that are either separated from vehicular traffic with a separate painted lane or a protected lane separated by a curb, barrier or raised from general vehicular traffic.

Overall Growth: in the context of the statement "required to accommodate overall growth" means growth that occurs in multiple existing and future neighbourhoods.

Oversizing: means to design and construct an infrastructure facility to a greater capacity than servicing of a new subdivision or development requires unto itself to meet City development standards. The amount of oversizing is based upon design assumptions for servicing of a land area greater than the extents of the subdivision or development itself.

Pump Station: means a mechanical/hydraulic devices that are used to solve flow problems that cannot be solved by standard gravity methods. Pump stations lift fluids to a forcemain.

Regional Service: means a service provided by the City of Regina to a municipality, first nation, or other entity located outside of the boundary of the City.

Regional Service Partner: means a participant in a Regional Service through an agreement with the City of Regina.

Sanitary Main: is per the definition within the City of Regina Development Standards Manual and includes all requirements and components as required by the Development Standards Manual, Construction Specifications or as directed by the Executive Director of City Planning and Development or delegate.

Sanitary Trunk Main: is per the definition within the City of Regina Development Standards Manual and includes all requirements and components as required by the Development Standards Manual, Construction Specifications or as directed by the Executive Director of City Planning and Development or delegate.

Service Connection: is per the definition within the City of Regina Development Standards Manual and includes all requirements and components as required by the Development Standards Manual, Construction Specifications or as directed by the Executive Director of City Planning and Development or delegate.

Site Detention: refers to the City of Regina requirements for individual developments to detain a portion of the rainfall within the property lines of the development site and release the water at a controlled rate into the storm water collection system.

Site Access Driveways and Crossings: is per the definition within the City of Regina Development Standards Manual and includes all requirements and components as required by the Development Standards Manual, Construction Specifications or as directed by the Executive Director of City Planning and Development or delegate.

Storm Main: is part of the storm water minor system and per the definition within the City of Regina Development Standards Manual and includes all requirements and components as required by the Development Standards Manual, Construction Specifications or as directed by the Executive Director of City Planning and Development or delegate.

Storm Trunk Main: is part of the storm water major system and per the definition within the City of Regina Development Standards Manual and includes all requirements and components as required by the Development Standards Manual, Construction Specifications or as directed by the Executive Director of City Planning and Development or delegate.

Storm Channel: refers to natural or manmade water courses reserved primarily for the purpose of collecting and carrying runoff waters and designed as per the City's Development Standards Manual.

Storm Sewer Detention Pond and Outlet: refers to a storm water system facility which returns to dry conditions once all of the excess rainfall has discharged from the facility. The pond is designed to manage the flows of a rainfall event as per the City's Development Standards Manual including an outlet at a controlled flow rate back into the storm water collection system or a receiving body.

Storm Sewer Non-point Water Quality Control Infrastructure: refers to either permanent or temporary devices or infrastructure utilized to capture sediments or other non-desirable contaminants prior to outflow into a natural or engineered conveyance channel, creek, river, tributary or lake. Such infrastructure may be incorporated into storm water major system elements such as detention or retention ponds or may be separated from other components of the overall system.

Storm Sewer Retention Pond and Outlet: refers to a storm water system facility which retains a portion of the storm water runoff permanently in the facility. The pond is designed to manage the flows of a rainfall event as per the City's Development Standards Manual including an outlet at a controlled flow rate back into the storm water collection system or a receiving body.

Streetscaping: refers to landscaped visual elements of a street including street furniture, trees and boulevard treatments.

Study or Studies: Refers to the studies undertaken by the City on a citywide or area basis for the purpose of determining long range infrastructure required as a result of growth, including transportation, water, sanitary sewer,, storm sewer, parks and recreational facilities.

Traffic Signals: refers to any type of electrically powered signalization devices used to direct or control the flow of vehicular, cycle or pedestrian traffic and includes, but is not limited to poles, signal heads, lamps, controllers, electrical conduits, wiring and pedestal bases.

Upgrades: means upgrades required to provide additional capacity to a service to accommodate the additional demands placed on the infrastructure as a result of growth. Upgrades in the context of this policy do not include projects which are a result of a regulatory change or level or service improvement not previously identified within the calculation of previous Servicing Agreement Fees or Development Levy.

Water Main: is per the definition for either a Feeder or Distribution Watermain within the City of Regina Development Standards Manual and includes all requirements and components as required by the Development Standards Manual, Construction Specifications or as directed by the Executive Director of City Planning and Development or delegate.

Water Pump Station & Reservoir: refers to infrastructure where the water supply is delivered to and held within a reservoir and re-pressurized through one or more hydraulic pumps to the distribution network.

Water Quality Source Control Measures: refers to either permanent or temporary devices or infrastructure utilized to capturing sediments or other non-desirable contaminants prior to runoff and discharge into the City storm sewer collection system.

Water Trunk Main: is per the definition within the City of Regina Development Standards Manual and includes all requirements and components as required by the Development Standards Manual, Construction Specifications or as directed by the Executive Director of City Planning and Development or delegate.

Zone Level Parks and Facilities: as fully defined within the City Open Space Regina Management Strategy. Zone parks and facilities serve a broader purpose than neighbourhood parks and provide higher quality athletic facilities.

4 General Principles

Servicing Agreement Fees / Development Levies paid by Developers are established as payment in whole or part for the Capital Costs for providing, altering, expanding or upgrading: sanitary sewer, water, storm sewer and other utility services, transportation facilities, or park and recreational facilities that directly or indirectly serve the proposed subdivision or development, as provided in section 169 and 172(3)(b) of the P&D Act.

The projection period for identifying capital costs for payment by Servicing Agreement Fees / Development Levies is 25 years.

The Funding Criteria and Summary Charts within this Appendix are intended to cover the majority of typical wastewater, water, drainage and other utility services, roads and other related infrastructure, or park and recreational facilities that may be encountered which are either not funded or funded in whole or in part by Servicing Agreement Fees / Development Levies.

Infrastructure projects, studies, designs and models not outlined in the tables below shall be assumed to not be funded by Servicing Agreement Fees / Development Levies unless determined to be funded in whole or in part by the Executive Director of City Planning and Development or delegate, and is in alignment with section 169 and 172(3)(b) of the P&D Act.

Infrastructure projects, studies, designs and models not outlined in the tables below that are required for subdivision and development as determined by the Executive Director of City Planning and Development or delegate, for, within, adjacent to or extending to the subdivision or development boundaries shall be assumed to be funded 100% by the developer.

Infrastructure projects, studies, designs and models not outlined in the tables below that are not required for one or more specific development or overall growth of the City shall be assumed be funded 100% by the City.

Upgrades outside the context of this policy may be funded 100% by the developer if required to be constructed within, adjacent to or extending to the development boundaries to provide service.

5 Interim Services

Services required for subdivision and development but are deemed as interim services until a permanent solution is constructed and in operation shall be funded 100% by the developer including the ongoing operational and maintenance costs of the interim services, unless determined otherwise by the Executive Director of City Planning and Development or delegate. Construction of interim services does not preclude the developer from having to also make financial contribution to a permanent servicing solution.

6 Lands

All lands required for services that developers are required to construct within, adjacent to, or extending to the development boundaries, whether through acquisition, dedication, easement or other legal mechanisms shall be 100% Developer-funded.

All lands required for services that the City is required to construct projects that are indirectly required to support growth of the City shall be 100% funded by Servicing Agreement Fees / Development Levies.

Any conflict between the two previous statements shall be resolved by the Executive Director of City Planning and Development or delegate.

7 Timing

Should an SAF/DL funded infrastructure project be required by an individual development in advance of the project being triggered or planned for by the City to accommodate overall growth, funding of the project either in whole in or in part, including land acquisition, shall become 100% Developer-funded.

8 Grants and Community Contributions

In determining capital costs, grants for capital projects shall be addressed as follows:

- Confirmed grant amounts are subtracted from the total project cost to determine the net project cost. The cost allocation policies are applied to the net amount remaining after subtracting the grant amount.
- If the grant amount is unknown, or not confirmed, no grant amounts are subtracted from the project cost. The total project cost is used in determining Servicing Agreement Fees or Development Levies.
- If the project is dependent on receiving a grant, and will not proceed without the grant amounts, the required grant amounts are subtracted from the total project cost to determine the net project cost. The cost allocation policies are applied to the net amount remaining after subtracting the grant amount.

In determining capital costs, community contributions are considered as a City contribution, similar to general fund or utility fund sources. The cost allocation policies are applied to the total capital cost, without subtracting the community contribution.

9 Regional Service Contributions

Where a regional service partner has agreed to pay for part of the capital costs of a project in the project list, the amount provided by the regional service partner is subtracted from the total project cost to determine the net project cost. The cost allocation policies are applied to the net cost remaining after subtracting the amount provided by the regional service partner. Where a regional partner has agreed generally to pay SAFs, in whole or in part, the revenue from the regional partner will be reflected in the opening balance for future rate calculations.

10 Funding Criteria and Summary Charts

The Funding Criteria and Summary Charts include numbered references which are outlined below.

(1) The funding criteria specified in this table does not supersede any previous funding arrangements for projects entered into a Servicing Agreement between the Developer and the City prior to the effective implementation date of the Administration and Calculation of Servicing Agreement Fees and Development Levies policy.

(2) **SAF / DL** refers to Servicing Agreement Fee / Development Levy funding percentage share of funding infrastructure works.

(3) **Dev.** refers to Developer / Proponent funding percentage share of funding infrastructure works.

(4) **City** refers to funding percentage share of funding infrastructure works through General or Utility Capital allocations though the budget process. This does not refer to funding percentage share by the City where the City is acting as a developer.

(5) Applicability of % share determined will apply to engineering design, construction and commissioning. Construction may include but is not limited to temporary and permanent materials and excavations. Level of Service improvements for existing development is not intended to be provided for by Servicing Agreement Fee / Development Levy Funding unless it is clearly demonstrated a project has been deferred and subsequently growth has deteriorated the existing population level of service.

   a. New Pop. = New Population Growth intended to be serviced by project

   b. Ext. Pop. = Existing Population intended to be serviced by project that may directly or indirectly benefit from new or improvements to existing infrastructure.

   c. Total Pop. = New Population + Existing Population

   d. Should a project only be intended to service a New Population, then Servicing Agreement Fee / Development Levy Funding = 100%.

   e. In the absence of any substantiated population actuals or estimates, a default placeholder funding split share of 30% SAF/DL Funding, 70% City Funding may be utilized in the interim for the purposes of calculating an SAF/DL Rate.

(6) Upgrades to existing Arterial Roads, Intersections and Signals shall deduct the estimated rehabilitation cost from the gross cost required to increase the capacity of the Transportation Infrastructure if and only if rehabilitation is warranted within +/-3 years from the time the capacity increases are triggered to maintain a targeted level of service.

1 Funding Criteria and Summary Charts

Sanitary Sewer Infrastructure Projects[1]					
Description	**Location**	**Funding Split (%)**			**Comments**
		SAF / DL[2]	**Dev. [3]**	**City [4]**	
Sanitary Service Connection	Internal / External to development boundaries	0%	100%	0%	
New Sanitary Main	Internal / External to development boundaries. External is where an extension is required to service one or more contiguous new development(s).	0%	100%	0%	
New Sanitary Trunk Main	Internal/External to development boundaries, and intended to service one or more contiguous specific new developments. May provide service level improvement for existing residents.	0%	A[5]	B[5]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
New Sanitary Trunk Main	Internal/External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to accommodate overall growth. May provide service level improvement for existing residents.	A[5]	0%	B[5]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
Existing Sanitary Trunk Main Upgrades	Internal/External to development boundaries, and intended to service one new developments. May provide service level improvement for existing residents.	0%	A[5]	B[5]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
Existing Sanitary Trunk Main Upgrades	Internal/External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to accommodate overall growth.	A[5]	0%	B[5]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%

	May provide service level improvement for existing residents.				
New Sanitary Mains and Trunk Mains Oversizing	Internal / External to development boundaries. Oversizing is required to service one or more contiguous new development(s).	0%	100%	0%	
New Sanitary Pump Stations (with or without storage)	Internal / External to development boundaries where a station required to service one or more contiguous new development(s). May provide service level improvement for existing residents.	0%	A(5)	B(5)	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
New Sanitary Pump Stations (with or without storage)	Internal / External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to accommodate overall growth. May provide service level improvement for existing residents.	A(5)	0%	B(5)	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
Existing Sanitary Pump Station Upgrades (with or without storage)	Internal / External to development boundaries where an existing station required to be upgraded to service one or more contiguous new development(s). May provide service level improvement for existing residents.	0%	A(5)	B(5)	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
Existing Sanitary Pump Station Upgrades (with or without storage)	Internal / External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to accommodate overall growth. May provide service level improvement for existing residents.	A(5)	0%	B(5)	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%

Existing Sanitary Storage, Conveyance or Treatment Facility Upgrades	Internal / External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to accommodate overall growth. May provide service level improvement for existing residents.	A(5)	0%	B(5)	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
New Sanitary Storage, Conveyance or Treatment Facilities	Internal / External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to accommodate overall growth. May provide service level improvement for existing residents.	A(5)	0%	B(5)	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%

Water Infrastructure Projects[1]					
Description	**Location**	**Funding Split (%)**			**Comments**
		SAF / DL[2]	**Dev. [3]**	**City [4]**	
Water Service Connection[6]	Internal / External to development boundaries	0%	100%	0%	
New Water Main	Internal / External to development boundaries. External is where an extension is required to service one or more contiguous new development(s).	0%	100%	0%	
New Water Trunk Main	Internal / External to development boundaries, and intended to service one or more contiguous specific new developments. May provide service level improvement for existing residents.	0%	A[5]	B[5]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
New Water Trunk Main	Internal / External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to accommodate overall growth. May provide service level improvement for existing residents.	A[5]	0%	B[5]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
Existing Water Trunk Main Upgrades	Internal/External to development boundaries, and intended to service one new developments. May provide service level improvement for existing residents.	0%	A[5]	B[5]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
Existing Water Trunk Main Upgrades	Internal/External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to accommodate overall growth. May provide service level improvement for existing residents.	A[5]	0%	B[5]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%

New Water Mains and Trunk Mains Oversizing	Internal / External to development boundaries. Oversizing is required for development of additional new development.	0%	100%	0%	
New Water Pump Stations & Reservoirs	Internal / External to development boundaries where a station required to service one or more contiguous new development(s). May provide service level improvement for existing residents.	0%	A[(5)]	B[(5)]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
New Water Pump Stations & Reservoirs	Internal / External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to accommodate overall growth. May provide service level improvement for existing residents.	A[(5)]	0%	B[(5)]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
Existing Water Pump Station & Reservoirs Upgrades	Internal / External to development boundaries where an existing station required to be upgraded to service one or more contiguous new development(s). May provide service level improvement for existing residents.	0%	A[(5)]	B[(5)]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
Existing Water Pump Station & Reservoir Upgrades	Internal / External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to accommodate overall growth. May provide service level improvement for existing residents.	A[(5)]	0%	B[(5)]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
New or Existing Water Storage, Conveyance or Treatment Facilities	Internal / External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to	A[(5)]	0%	B[(5)]	A = (New Pop / Total Pop.) * 100%

	accommodate overall growth. May provide service level improvement for existing residents.				B = (Ext. Pop. / Total Pop.) * 100%

Storm Sewer Infrastructure Projects[1]					
Description	**Location**	**Funding Split (%)**			**Comments**
		SAF / DL[2]	**Dev.** [3]	**City** [4]	
Storm Service Connection, Water Quality Source Control Measures and Site Detention	Internal / External to development boundaries	0%	100%	0%	
New Storm Sewer Main	Internal / External to development boundaries. External is where an extension is required to service one or more contiguous new development(s).	0%	100%	0%	
New Storm Sewer Trunk Main, Lift Station, or Channel	Internal / External to development boundaries. External is where an extension is required to service one or more contiguous new development(s).	0%	100%	0%	
New Storm Sewer Trunk Main, Lift Station, or Channel	External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to accommodate overall growth and to improve service levels for existing residents.	A[5]	0%	B[5]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%
Existing Storm Sewer Trunk Main, Lift Station, or Channel Upgrades	External to development boundaries, where an extension required to service one or more contiguous new development(s).	0%	100%	0%	
Existing Storm Sewer Trunk Main, Lift Station, or Channel Upgrades	External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to accommodate overall growth and to improve service levels for existing residents.	A[5]	0%	B[5]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%

New Storm Sewer Mains, Trunk Mains, Lift Stations or Channel Oversizing	Internal / External to development boundaries. Oversizing is required for development of additional new development.	0%	100%	0%	
New Storm Sewer Detention Ponds and Outlet Infrastructure	Internal / External to development boundaries where a pond and outlet is required to service one or more contiguous new development(s).	0%	100%	0%	
New Storm Sewer Retention Ponds and Outlet Infrastructure	Internal / External to development boundaries where a pond and outlet is required to service one or more contiguous new development(s).	0%	100%	0%	
New Storm Sewer Non-point Water Quality Control Infrastructure	Internal / External to development boundaries where a required to service one or more contiguous new development(s).	0%	100%	0%	
Existing Storm Sewer Non-point Water Quality Control Infrastructure	External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to accommodate overall growth and to improve service levels for existing residents.	A(5)	0%	B(5)	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%

Transportation Infrastructure Projects[1]					
Description	**Location**	**Funding Split (%)**			**Comments**
		SAF / DL[2]	**Dev.** [3]	**City** [4]	
New or Upgraded Site Access Driveways and Crossings	Internal or External to development boundaries	0%	100%	0%	
New Local Roads	Internal / External to development boundaries. External is where an extension or upgrade is required to service one or more contiguous new development(s).	0%	100%	0%	
New Collector Roads	Internal / External to development boundaries. External is where an extension or upgrade is required to service one or more contiguous new development(s).	0%	100%	0%	
New Arterial Roads	Internal / External to development boundaries. External is where an extension or upgrade is required to service one or more contiguous new development(s).	0%	100%	0%	
New or Upgrades to Existing Collector or Arterial Roads – as warranted	External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to accommodate overall growth.	100%	0%	0%	[6]
Reconstruction of Existing Roads	External to development and cost of City's portion	0%	0%	100%	[6]
New or Upgrades to Existing Intersections - Immediate	Internal / External to development boundaries. External is where the intersection provides access into the development boundaries.	0%	100%	0%	[6]
New or Upgrades to Existing	External to development boundaries where the intersection does not provide	0%	100%	0%	[6]

Intersections - Immediate	direct access into a development boundaries, but is warranted at the time of a development.				
New or Upgrades to Existing Intersections – as warranted	External to development boundaries where the intersection does not provide direct access into a development boundaries, and is not warranted at the time of a development. Project completed as capacity warrants.	100%	0%	0%	(6)
New Traffic Signals - Immediate	Internal / External to development boundaries. External is where the intersection provides access into the development boundaries.	0%	100%	0%	
New Traffic Signals - Immediate	External to development boundaries where the intersection does not provide direct access into a development boundaries, but is warranted at the time of a development.	0%	100%	0%	
New Traffic Signals – as warranted	Internal / External to development boundaries where new signals are not warranted at the time of a development. Project completed as capacity warrants.	100%	0%	0%	
Grade Separations - immediate	Internal / External to development boundaries. External is where the grade separation provides access into the development boundaries and is warranted by City standards.	0%	100%	0%	
Grade Separations – as warranted	Internal / External to development boundaries where a grade separation is not warranted at the time of a	100%	0%	0%	

	development. Project completed as capacity warrants.				
Interchanges – immediate	Internal / External to development boundaries. External is where the interchange provides access into the development boundaries and is warranted by City standards.	0%	100%	0%	
Interchanges – as warranted	Internal / External to development boundaries where an interchange is not warranted at the time of a development. Project completed as capacity warrants.	100%	0%	0%	
Streetscaping - immediate	Internal / External to development boundaries. External is where an extension or upgrade is required to service one or more contiguous new development(s).	0%	100%	0%	
Streetscaping – as warranted	External to development boundaries, and not intended to service any one or more contiguous specific new developments, but required to be consistent with streetscape policy but required to accommodate overall growth.	100%	0%	0%	
On-Street Bikeways and Multi-Use Pathways	Internal to development boundaries.	0%	100%	0%	
On-Street Bikeways and Multi-Use Pathways	External to development boundaries. External is where an extension or upgrade is required to service one new development.	0%	100%	0%	
On-Street Bikeways and Multi-Use Pathways	External to development boundaries. External is where an extension or upgrade is required to service two or more new development(s).	100%	0%	0%	

On-Street Bikeways and Multi-Use Pathways	External to development boundaries, and not intended to exclusively service any new developments, but required to link overall growth and provide an extension of the network to existing neighbourhoods.	A[5]	0%	B[5]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%

Parks and Recreational Facilities Infrastructure Projects[1]					
Description	**Location**	**Funding Split (%)**			**Comments**
		SAF / DL[2]	**Dev. [3]**	**City [4]**	
Neighbourhood Level Parks and Facilities	Internal to new development boundaries, typically associated with the dedication of Municipal Reserve space.	0%	100%	0%	
Zone Level Parks and Facilities	New zone parks and associated recreation facilities within new development areas or capacity upgrades to existing zone parks needed to provide a similar level of service to the future population of a new development area.	100%	0%	0%	
Municipal Level Parks and Facilities	New or capacity upgrades to existing municipal level parks or recreational facilities (includes off-leash dog parks).	A[5]	0%	B[5]	A = (New Pop / Total Pop.) * 100% B = (Ext. Pop. / Total Pop.) * 100%

Studies, Development Standards or Policy or Specifications, Design and Infrastructure Engineering Work					
Description	**Location**	**Funding Split (%)**			**Comments**
		SAF / DL(2)	**Dev. (3)**	**City (4)**	
Studies, Serviceability, Conceptual, Functional, Pre-Design and Detailed Design	Development proponent required study or design required by the City as part of a development application.	0%	100%	0%	Studies and designs specific to advancing servicing of a new development are funded directly by the developer.
Studies, Serviceability, Conceptual, Functional, Pre-Design and Detailed Design	Internal or External to development boundaries intended to provide City regulatory guidance for water, sanitary, storm, roads, parks or recreational facility infrastructure required for growth.	100%	0%	0%	
Infrastructure Models	Internal or External to development boundaries intended to provide City regulatory guidance for water, sanitary, storm, roads, parks or recreational facility infrastructure required for growth.	100%	0%	0%	
Engineering Specifications, Standards, Policy development or update	Development driven documents which provide guidance to developers and their consultants, either new or updates to existing as the documents pertain to water, sanitary sewer system, storm sewer system or parks and open space or recreational facilities design.	100%	0%	0%	

Administration of Servicing Agreements and Development Levy Agreements

<table>
<tr><td>Policy Title:
Administration of Servicing Agreements and Development Levy Agreements</td><td colspan="3">Applies to:
City of Regina
City Planning and Development</td></tr>
<tr><td rowspan="4">Adopted by:
City Council</td><td colspan="2">Dates:</td><td>Total # of Pages</td></tr>
<tr><td>Effective:</td><td>26-Oct-2015</td><td rowspan="3">10</td></tr>
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<tr><td colspan="4">Authority:
Adopted by resolution of City Council as per The Planning and Development Act, 2007</td></tr>
</table>

1.0 Purpose

To provide for the orderly administration of Servicing Agreements for approved subdivisions and Development Levy Agreements for approved non-subdivided development by the adoption of standards and policies addressing security for performance of developers’ covenants, the remittance of Servicing Agreement Fees or Development Levies in instalments, and Endeavour to Assist provisions.

2.0 Scope

This policy generally applies to both Servicing Agreements and Development Levy Agreements. It is noted in circumstances where statements apply to one type of agreement and not the other.

3.0 Definitions

Council: Means the council of the City of Regina, acting for the purposes of *The Planning and Development Act, 2007* as a municipality or an approving authority.

Developer: Means an applicant for subdivision approval who is required to enter into a Servicing Agreement pursuant to section 172 of *The Planning and Development Act, 2007*; or an applicant for a development permit or building permit who is required to enter into a Development Levy Agreement pursuant to the City’s *Development Levy Bylaw, 2011* as may be amended from time to time and section 171 of *The Planning and Development Act, 2007*.

Development Area: Refers to the area shown for construction or development in schedules to a Development Levy Agreement.

Development Levy Agreement: Refers to the form of Development Levy Agreement, including Standard Conditions, adopted by the Council from time to time, and referred to in Administrative Reports respecting development applications as the City's "Standard Development Levy Agreement"; all subject to such changes as circumstances of development applications require and as may be approved or directed by Council.

Endeavor to Assist Agreement: Means the portion of the Servicing Agreement or Development Levy Agreement that addresses the methods by which the Initial Developer can recoup a proportion of the costs relating to Excess or Extended Services from developers of Future Benefitting Lands.

Endeavour to Assist Payments: Means the portion of the costs relating to Excess or Extended Services that are attributable to the Future Benefitting Lands, which are to be paid and satisfied to the Initial Developer through an Endeavour to Assist Agreement.

Engineering Submission: Means, for the purpose of this policy the following:

- A detailed engineering drawing set as per the requirements outlined in the Development Standards Manual;
- All electronic models and modeling results, analysis and calculations required for the design of water distribution, sanitary collection, and storm water systems in an acceptable format outlined in the Development Standards Manual or otherwise deemed acceptable to the City;
- Traffic Impact Analysis, Noise Studies or other requirements as outlined in the Concept Plan, Secondary Plan, Development Standards Manual; and
- Other requirements that may be deemed by the City to be relevant to subdivision.

Excess or Extended Services: Means the portion of Infrastructure Work that provides servicing and directly benefits Future Benefitting Lands other than the lands developed by the Initial Developer.

Future Benefitting Lands: Means lands to be developed in the future that would directly benefit from Excess of Extended Services constructed by the Initial Developer.

Future Developer: Means the developer who will develop the Future Benefitting Lands.

Infrastructure Work: Has the meaning ascribed in the Servicing Agreement and Development Levy Agreement and is generally intended to refer to work or services related to streets, roads, grading and utilities to be provided, constructed or installed by a developer of an approved subdivision, excluding Landscaping Work.

Initial Developer: Means the developer who constructs the Excess or Extended Services that benefit other Future Benefitting Lands as part of the Infrastructure Work.

Interest Rate: is City of Regina's indicative pricing rate plus 2 % at the effective date of the Endeavour to Assist Agreement.

Landscape Drawing Submission: Means for the purpose of this policy the following:

- A detailed landscape drawing set submitted as per the requirements outlined in the Development Standards Manual; including:
- Dimensioned recreational facilities or elements within park space.

Landscaping Work: Has the meaning ascribed in the Servicing Agreement and Development Levy Agreement and is generally intended to refer to work or services related to the establishment of parks and landscaping and/or irrigation of public lands such as municipal reserve, environmental reserve, buffer strips, floodway fringe areas to be provided, constructed or installed by a developer of an approved subdivision, excluding Infrastructure Work.

Phase(s) or Phased Development: Refers to the registration and development of a portion only of an approved subdivision.

Sanitary Trunk**:** Means, for the purposes of this policy, is defined as a large main generally servicing an area of 65 ha or more and 300mm or larger in diameter. Flows to it are contributed by sanitary sewer mains. Direct connections from service connections are not permitted.

Servicing Agreement: Refers to the form of Servicing Agreement, including Standard Conditions, adopted by the Council from time to time, and referred to in Administrative Reports respecting subdivision or development applications as the City's "Standard Servicing Agreement"; all subject to such changes as circumstances of subdivision or development applications require and as may be approved or directed by Council.

Servicing Agreement Fees / Development Levies: Refers to the charges or levies adopted by Council from time to time pursuant to Part VIII of *The Planning and Development Act, 2007.*

Subdivision: Means an overall subdivision as will have been shown in a concept plan submitted by the Developer for approval by the Council, and refers to the entire area as would be locally known as that named subdivision irrespective of approval of partial plans of subdivision or phased development thereof.

Trunk Watermain (or trunkmain): Means, for the purposes of this policy, a pipe over 450 mm nominal diameter which delivers potable water within the distribution system network. Service connections to trunkmains are not permitted.

4.0 Policy

The Executive Director of City Planning and Development is authorized to prepare Servicing Agreements and Development Levy Agreements and arrange for the execution of same by the City Clerk, and thereafter administer Servicing Agreements and Development Levy Agreements, in accordance with the policies and procedures set forth in this Policy.

Part A – Financial Assurances for Completion of Work

Upon entering into Servicing Agreements, the Executive Director of City Planning and Development shall obtain securities in an approved form in the amount of 50% of the total estimated cost of the aggregate of Infrastructure Work and Landscaping Work.

The security may be varied upon the completion of Infrastructure Work and the issuance of a Completion Certificate to such effect, to an amount equaling:

- 10% of the total estimated cost of Infrastructure Work; plus 50% of the total estimated cost of all remaining Parks and Landscaping Work;
- provided that the amount of the security varied in accordance with this clause shall not exceed the original amount of security provided at the time of entering into the servicing agreement, nor shall the security be reduced to an amount less than the aggregate of 10% of the total cost of infrastructure work and 10% of the total cost of parks and landscaping work.

Upon completion of Landscaping Work and the issuance of a Completion Certificate to such effect, the security may be further reduced to;

- 10% of the total estimated cost of Infrastructure Work; plus 10% of the total estimated cost of Park and Landscaping Work.

Upon receipt of the Final Acceptance Certificate of the Infrastructure Work, the security may be further reduced to:

- 10% of the total estimated cost of Park and Landscaping Work;
- provided that a Completion Certificate for the Landscaping work has been issued. If a Completion Certificate for the Landscaping work has not been issued, the security shall remain at the aggregate of 10% of the total estimated cost of the Infrastructure Work plus the initial 50% of the estimated cost of all Parks and Landscaping Work. This security shall be maintained until a Completion Certificate for the Landscaping Work has been issued.

Upon receipt of the Final Acceptance Certificate of the Landscaping Work, the security may be released in its entirety provided that a Final Acceptance Certificate of the Infrastructure Work has been issued.

The provisions of this Part A apply to all Servicing Agreements unless the Council provides different terms in its resolution approving the relevant subdivision application or development.

Part B – Payment of Servicing Agreement Fees

Servicing Agreements shall provide as follows in this Part B with regard to the payment of Servicing Agreement Fees in instalments.

Instalment payments on Servicing Agreement Fees will be accepted in Servicing Agreements having a Development Area of 2 or more hectares.

Instalments payments on Servicing Agreement Fees will be accepted in Servicing Agreements having a Development Area of less than 2 hectare to a limit of two Servicing Agreements per year per subdivision.

Instalments payments on Servicing Agreement Fees will be accepted in Servicing Agreements pertaining exclusively to a park having a Development Area of less than 2 hectares, to a limit of one Servicing Agreement per year per subdivision. This provision is in addition to the two Servicing Agreements per year described in the immediately preceding clause.

Notwithstanding the preceding clauses in this Part B, no instalment payments shall be allowed in any Servicing Agreement having a Development area of 0.75 hectares or less.

Instalment payments shall be as follows:

(a) For Assessments in relation to Infrastructure:

30% upon execution of the Servicing Agreement;

40% upon the earlier of the issuance of a Certificate of Completion for Infrastructure Work or 9 months from the date of the Servicing Agreement;

30% upon the earlier of the issuance of Final Acceptance Certificate for the Infrastructure Work or 18 months form the date of the Servicing Agreement.

(b) For Assessment in relation to Parks and Recreation Facilities:

50% upon the earlier of the issuance of a Certificate of Completion for Landscaping Work or 12 months from the date of the Servicing Agreement;

50% upon the earlier of the issuance of Final Acceptance Certificate for the Landscaping Work or 24 months from the date of the Servicing Agreement.

Payment of the unremitted portion(s) of Servicing Agreement Fees shall at all times be secured by Letters of Credit in an approved form. The Letters of Credit may be reduced or surrendered, as the case may be, upon remittance by the Developer of an instalment on or payment of the balance of the Servicing Agreement Fees.

Part C – Payment of Development Levies

Development Levy Agreements shall provide as follows in this Part C with regard to the payment of Development Levies in instalments.

Instalment payments on Development Levies will be accepted in Development Levy Agreements having a Development Area of 2 or more hectares.

Notwithstanding the preceding clauses in this Part C, no instalment payments shall be allowed in any Development Levy Agreement having a Development area of 0.75 hectares or less.

Instalment payments shall be as follows:

a. For Assessments in relation to Infrastructure:
   i. 30% upon execution of the Development Levy Agreement;
   ii. 40% upon 9 months from the date of the Development Levy Agreement;
   iii. 30% upon 18 months form the date of the Development Levy Agreement.

b. For Assessment in relation to Parks and Recreation Facilities:
   i. 50% upon 12 months from the date of the Development Levy Agreement;
   ii. 50% upon 24 months from the date of the Development Levy Agreement.

Payment of the unremitted portion(s) of Development Levies shall at all times be secured by Letters of Credit in an approved form. The Letters of Credit may be reduced or surrendered, as the case may be, upon remittance by the Developer of an instalment on or payment of the balance of the Development Levies.

Part D – Endeavour to Assist

Where the City of Regina has required an Initial Developer to provide Excess or Extended Services, the Initial Developer may apply to the City to enter into an Endeavor to Assist Agreement. The City will review all applications relating to Endeavour to Assist in accordance with its policies and the standards for development then in effect and will work with the Initial Developer to detail any arrangements, if any, in an Endeavour to Assist Agreement. The City reserves the right and sole discretion to determine the format of and what will qualify for an Endeavour to Assist Agreement.

Under the Endeavor to Assist Agreement, the City will agree to require the Future Developer to repay the Endeavour to Assist Payments directly to the Initial

Developer or to the City as a condition of providing development approvals or entering into a Servicing Agreement relating to the first phase of development for the area relating to the Future Benefitting Lands. For further certainty, all amounts payable relating to Endeavour to Assist Payments shall be payable by the Future Developer as part of the first Servicing Agreement related to the subdivision containing the Future Benefitting Lands.

Where the City receives payment from the Future Developer relating to Endeavour to Assist Payments, the City will pay all applicable sums to the Initial Developer within 30 days of receiving such payment.

The cost of the Excess or Extended Services relating to Endeavour to Assist Payments shall be based on the actual unit costs that are detailed in the cost estimate included in the Initial Developer's Servicing Agreement. Only the following items shall be eligible to be included within Endeavour to Assist Payments:

- land or rights-of-way acquisition costs;
- construction costs;
- design and inspection costs for the works.

The following infrastructure types may be eligible for Endeavour to Assist:

- sanitary pump stations;
- sanitary trunk;
- trunk watermains;
- traffic signals;
- intersections;
- grade-separations; and
- any roadway where more than 50% of the roadway needs to be constructed.

No costs for Excess or Extended Services that have been paid by the City shall be eligible to be included within Endeavour to Assist Payments.

The allocation of costs relating to Excess or Extended Service amongst the Initial Developer and the Future Developer will be determined by the Executive Director of City Planning and Development or their delegate.

The Endeavor to Assist Payments shall be escalated at a rate of interest equal to the Interest Rate by inflation, with such interest payable from the date of the Endeavour to Assist Agreement until the date of payment by the Future Developer.

The term of the Endeavor to Assist Agreement shall be for 15 years; however it will expire once all Endeavour to Assist Payments have been received. The Endeavor to Assist Agreement may be renewed by the mutual agreement of the City and the Initial Developer prior to its expiry, as initiative by the Initial Developer. No payment shall be made to the Initial Developer or required of the Future Developer after the Endeavor to Assist Agreement has expired and the City shall have no obligation or liability relating to the collection or payment of Endeavour to Assist Payments following the termination of the Endeavour to Assist Agreement. The Initial Developer shall acknowledge that the City is not responsible for the payment of any Endeavour to Assist Payments to the Initial Developer in the event that Future Benefitting Lands do not develop within the term of the Endeavour to Assist Agreement.

Upon execution of an Endeavour to Assist Agreement an interest shall be registered on the title in favour of the City as against the Future Benefitting Lands specifying that the development of those lands is subject to the payment of an Endeavour to Assist Payment by the Future Developer.

All developers are cautioned that the standards and levels of service required by the City of Regina change from time to time. As a result, the City does not and cannot guarantee that the services provided under the Endeavour to Assist Agreement will meet the standards required at the time of subdivision approval, development permit or building permit issuance for the Future Benefitting Lands. The City may require additional Infrastructure Works when the Future Benefitting Lands develop and the Future Developer will be responsible for all such costs relating to the Future Benefitting Lands as may be applicable at that time.

Part E – Application Requirements

Prior to the issuance of a Servicing Agreement or a Development Levy Agreement, the following submissions must be made to the satisfaction of the City prior to December 31:

- Secondary Plan or Concept Plan approval if deemed required in accordance with Policies 14.23 and 14.27 of *Design Regina, The Official Community Plan Bylaw 2013-48*;
- Zoning approval;
- Application for subdivision;
- Receipt by the City of an Engineering Submission;
- Receipt by the City of a Landscape Drawing Submission;
- Formal written request to enter into a servicing or development levy agreement.

Any amendments to the above submission requirements may be considered and approved at the discretion of the Manager of Development Engineering.

Upon confirmation that the above submissions have been received to the City's satisfaction, the City will assign a Servicing or Development Levy Agreement number to the application.

The development proponent will have six months from the date the Servicing or Development Levy Agreement number is assigned to enter into the Servicing or Development Levy Agreement with the City of Regina.

In the event that the development proponent fails to enter into a Servicing or Development Levy Agreement within six months from the date the Servicing or Development Levy Agreement number is assigned, the Servicing or Development Levy Agreement will be deemed invalid and the Servicing Agreement Fee or Development Levy Rate and Policy in effect at the date the Servicing or Development Levy Agreement number was assigned will no longer be in effect.

5.0 Roles & Responsibilities

The Executive Director of City Planning and Development, when reviewing subdivision applications, shall attempt to identify aspects of the subdivision application which may require any departure from approved Servicing Agreement forms and policies. The intent of this requirement is to provide the council and its commissions, boards and committees with sufficient information to identify and adopt specific resolutions authorizing the departure from practices and procedures identified in this document.

Development Levy Agreements must be council approved as described in subsection 169(8) of *The Planning & Development Act, 2007.*

All Servicing Agreements and Development Levy Agreements shall be executed by the City Clerk, and one original executed copy thereof shall be maintained in the Office of the City Clerk. The City Clerk shall not execute any Servicing Agreement or Development Levy Agreement unless an original executed copy thereof has been approved as to form and content by the City Solicitor.

All Financial Securities taken under the terms of Servicing Agreements shall be deposited in the vault maintained by the Director of Finance.

The Executive Director of City Planning and Development shall, when retrieving original securities for reduction or return to the Developer or the issuing institution, provide the Director of Finance with a statement which identifies the payments received or the certificates issued by the Executive Director of City Planning and Development which condition the release or the reduction of security, and which further identifies the accounts to which any payment shall be credited under the requirements of *The Planning and Development Act, 2007*.

6.0 Revision History

Date	Description of Change	(Re)-Approval Required (y/n)
16-Dec-1996	Initial Release (Report CR96-311).	Yes
24-Mar-1997	Revised by Resolution of City Council (Report CR97-81)	Yes
29-Sep-2010	Revised by Resolution of City Council (Report CR10-105)	Yes

Appendix C

Proposed Final Phasing and Financing Plan Policies, Maps and OCP Amendments

For inclusion in: *Design Regina, The Official Community Plan Bylaw 2013-48*

14.19 The phasing of new growth and development, including the provision of municipal services, shall support:

14.19.1 Optimization of existing services/amenities;

14.19.2 Meeting *intensification targets* established in this Plan;

14.19.3 Projected population and employment growth and anticipated market demand for housing and/or commercial/industrial development;

14.19.4 Provision of new services, features and amenities within a *complete neighbourhood*, as required by this Plan;

14.19.5 Contiguous development;

14.19.6 The eventual full build-out of new growth areas;

14.19.7 Meeting level of service requirements, as determined by the City;

14.19.8 Balanced residential and employment growth;

14.19.9 Financial capacity of the City;

14.19.10 Affordable land development, land availability, and market readiness; and

14.19.11 Any other consideration deemed important by the City.

14.20 The phasing of development, and the provision of associated municipal services, within lands identified on Map 1 – Growth Plan as NEW NEIGHBOURHOODS and NEW MIXED-USED NEIGHBOURHOODS shall be in conformity with Map 1b – Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods.

14.21 The phasing of development, and the provision of associated municipal services, within lands identified on Map 1 – Growth Plan and Map 1b – Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods as URBAN CORRIDORS, URBAN CENTRES and NEW EMPLOYMENT AREAS, shall be considered for approval, by the City, on a case-by-case basis.

14.22 Notwithstanding Policy 14.21, where an URBAN CENTRE or URBAN CORRIDOR is located within an area subject to phasing, as shown on Map 1b – Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods the timing of residential development shall conform with the phasing schedule; however, Council may waive this requirement where it can be demonstrated, to the City's satisfaction, that a mixed-use environment will be developed, which reflects a high quality urban design that is pedestrian-oriented, and includes high quality architectural treatment.

14.23 Notwithstanding any other policy of this Plan, the phasing and/or development of land shall not be permitted to proceed unless it can be demonstrated, to the satisfaction of the City, that core services (e.g. water, wastewater, storm water, transportation, parks and recreation infrastructure) can be provided and maintained in a fiscally sustainable and cost effective manner.

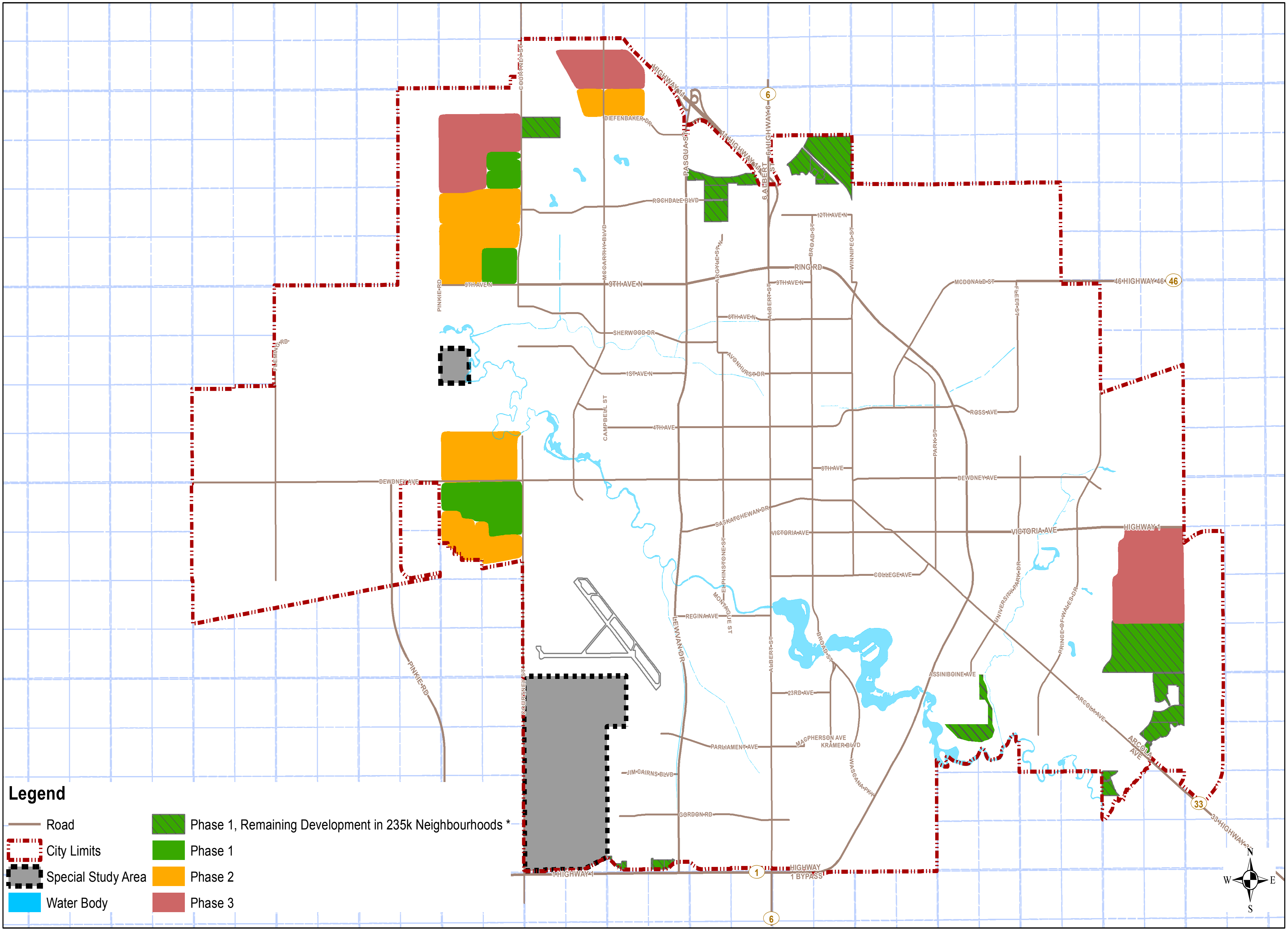
14.24 Phase 1 shall be developed first, followed by Phase 2, which is followed by Phase 3.

14.24.1 A succeeding phase may be approved for development when 75% of the preceding phase, as determined by the City, has been developed;

14.24.2 Notwithstanding Policy 14.24.1, a succeeding phase may be developed when 75% of the preceding phase has been subdivided, recognizing that areas within a given phase may be removed from the calculation at the City's discretion; and

14.24.3 As a prerequisite for development approval within identified Special Policy Areas, the requirements of OCP Part A must be met and a phasing designation must be assigned through an amendment to Map 1b - Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods.

Map 1b: PHASING OF NEW NEIGHBOURHOODS and NEW MIXED-USE NEIGHBOURHOODS



*Note: These neighbourhoods formed part of the 235,000 Population Growth Scenario under the former OCP - *Regina Development Plan Bylaw 7877*.

PROPOSED AMENDMENTS

Design Regina, Part A - Citywide Plan, Phasing and Financing Policies

The following outlines the proposed *Design Regina, The Official Community Plan Bylaw No. 2013-48* (OCP) policy amendments related to the proposed Phasing and Financing Plan policies that have been developed as directed by the OCP.

Policy #	Current Policy	Proposed Amendment (identified in bold)	Reason for Proposed Amendment
Section B: Financial Policies			
1.4	Develop infrastructure in accordance with a phasing and financing plan.	Develop infrastructure in accordance with phasing and financing **Policies 14.19, 14.20, 14.21, 14.22, 14.23 and 14.24 and Map 1b - Phasing of New Neighbourhoods and New Mixed-Use Neighbourhood**.	Update policy references to align with phasing and financing policies.
1.7	Align capital development plans with the policies of this Plan: 1.7.1 Coordinate capital plans with phasing of growth and development; 1.7.2 Update capital plans annually to account for changes in the timing and location of development; 1.7.3 Identify and evaluate each capital project in terms of the following, including but not limited to: − Costs; − Timing and phasing; − Funding sources; − Growth-related components; − Required financing and debt servicing costs; − Long-term costs, including operations, maintenance, and asset rehabilitation costs; − Capacity to deliver; and − Alternative service delivery and procurement options.	Align capital development plans with the policies of this Plan: 1.7.1 Coordinate capital plans with phasing of growth and development **in accordance with Policies 14.19, 14.20, 14.21, 14.22, 14.23 and 14.24 and Map 1b – Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods**; 1.7.2 Update capital plans annually to account for changes in the timing and location of development; 1.7.3 Identify and evaluate each capital project in terms of the following, including but not limited to: − Costs; − Timing and phasing **in accordance with Policies 14.19, 14.20, 14.21, 14.22, 14.23 and 14.24 and Map 1b – Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods**; − Funding sources; − Growth-related components; − Required financing and	Update policy references to align with phasing and financing policies.

		debt servicing costs; − Long-term costs, including operations, maintenance, and asset rehabilitation costs; − Capacity to deliver; and − Alternative service delivery and procurement options.	
Section C: Growth Plan			
2.6	Phase and stage development in accordance with a phasing and financing plan.	Phase and stage development in accordance with phasing and financing **Policies 14.19, 14.20, 14.21, 14.22, 14.23 and 14.24 and Map 1b – Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods.**	Update policy references to align with phasing and financing policies.
2.12	NEW NEIGHBOURHOODS, NEW MIXED-USE NEIGHBOURHOODS and NEW EMPLOYMENT AREAS shall: 2.12.1 Be in developed accordance with a phasing and financing plan;	NEW NEIGHBOURHOODS, NEW MIXED-USE NEIGHBOURHOODS and NEW EMPLOYMENT AREAS shall: 2.12.1 Be in developed accordance with phasing and financing **Policies 14.19, 14.20, 14.21, 14.22, 14.23 and 14.24 and Map 1b – Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods**;	Update policy references to align with phasing and financing policies.
Section D4: Infrastructure			
6.13	Sequence infrastructure based on phasing and financing plan.	Sequence infrastructure based on phasing and financing **Policies 14.19, 14.20, 14.21, 14.22, 14.23 and 14.24 and Map 1b – Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods.**	Update policy references to align with phasing and financing policies.
Section E: Realizing the Plan			
14.19	Develop a detailed phasing and financing plan that will establish sequencing of new growth and development identified on Map 1 – Growth Plan and associated municipal servicing that supports: 14.19.1 Optimization of existing services/amenities; 14.19.2 Meeting *intensification* targets established in Policies 2.3 and 2.9;	**The phasing of new growth and development, including the provision of municipal services, shall support:** 14.19.1 Optimization of existing services/amenities; 14.19.2 Meeting *intensification targets* established in **this Plan**; 14.19.3 Projected population and employment growth and anticipated market demand for	Update policies to reflect completion of action item identified in current Plan to develop a phasing and financing plan. Collectively policies 14.19-14.24 and Map 1b reflect the proposed phasing and financing plan.

	14.19.3 Projected population and employment growth and anticipated market demand for housing and/or commercial/industrial development; 14.19.4 Provision of new services, features and amenities within a *complete neighbourhood* as required by Policy 7.1; 14.19.5 Contiguous development; 14.19.6 Balanced residential and employment growth; 14.19.7 Financial capacity of the City; 14.19.8 Affordable land development, land availability and market readiness; and 14.19.9 Any other considerations deemed important by the City.	housing and/or commercial/industrial development; 14.19.4 Provision of new services, features and amenities within a *complete neighbourhood*, as required by **this Plan**; 14.19.5 Contiguous development; 14.19.6 **The eventual full build-out of new growth areas;** 14.19.7 **Meeting level of service requirements, as determined by the City;** 14.19.8 Balanced residential and employment growth; 14.19.9 Financial capacity of the City; 14.20.10 Affordable land development, land availability, and market readiness; and 14.19.11 Any other consideration deemed important by the City.	
14.20	Council shall approve the phasing and financing plan	**The phasing of development, and the provision of associated municipal services, within lands identified on Map 1 – Growth Plan as NEW NEIGHBOURHOODS and NEW MIXED-USED NEIGHBOURHOODS shall be in conformity with Map 1b – Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods.**	Update policies to reflect completion of action item identified in current Plan to develop a phasing and financing plan. Collectively policies 14.19-14.24 and Map 1b reflect the proposed phasing and financing plan.
14.21	-	**The phasing of development, and the provision of associated municipal services, within lands identified on Map 1 – Growth Plan and Map 1b – Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods as URBAN CORRIDORS, URBAN CENTRES and NEW EMPLOYMENT AREAS, shall be**	Update policies to reflect completion of action item identified in current Plan to develop a phasing and financing plan. Collectively policies 14.19-14.24 and Map 1b reflect the proposed phasing and financing plan.

		considered for approval, by the City, on a case-by-case basis.	
14.22	-	**Notwithstanding Policy 14.21, where an URBAN CENTRE or URBAN CORRIDOR is located within an area subject to phasing, as shown on Map 1b – Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods the timing of residential development shall conform with the phasing schedule; however, Council may waive this requirement where it can be demonstrated, to the City's satisfaction, that a mixed-use environment will be developed, which reflects a high quality urban design that is pedestrian-oriented, and includes high quality architectural treatment.**	Update policies to reflect completion of action item identified in current Plan to develop a phasing and financing plan. Collectively policies 14.19-14.24 and Map 1b reflect the proposed phasing and financing plan.
14.23	-	**Notwithstanding any other policy of this Plan, the phasing and/or development of land shall not be permitted to proceed unless it can be demonstrated, to the satisfaction of the City, that core services (e.g. water, wastewater, storm water, transportation, parks and recreation infrastructure) can be provided and maintained in a fiscally sustainable and cost effective manner.**	Update policies to reflect completion of action item identified in current Plan to develop a phasing and financing plan. Collectively policies 14.19-14.24 and Map 1b reflect the proposed phasing and financing plan.
14.24	-	**Phase 1 shall be developed first, followed by Phase 2, which is followed by Phase 3.** **14.21.1 A succeeding phase may be approved for development when 75% of the preceding phase, as determined by the City, has been developed;** **14.21.2 Notwithstanding Policy 14.24.1, a succeeding phase may be developed when 75% of the preceding phase has been subdivided, recognizing that areas within a given phase**	Update policies to reflect completion of action item identified in current Plan to develop a phasing and financing plan. Collectively policies 14.19-14.24 and Map 1b reflect the proposed phasing and financing plan.

		may be removed from the calculation at the City's discretion; and **14.21.3 As a prerequisite for development approval within identified Special Policy Areas, the requirements of OCP Part A must be met and a phasing designation must be assigned through an amendment to Map 1b – Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods.**	
14.21+	Remaining policies in Section F.	Update remaining policy numbers to reflect insertion of policies 14.21-14.24 above. As such, policy 14.21 will become 14.25; policy 14.22 will become 14.26; policy 14.23 will become 14.27, etc.	Update remaining policy numbers to reflect insertion of policies under Goal 5 – Phasing and Financing of Growth.
Section F: Maps			
-	-	**Map 1b – Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods**	Add map to the list to reflect phasing and financing policies.
Table of Contents			
-	List of Maps	**Map 1b – Phasing of New Neighbourhoods and New Mixed-Use Neighbourhoods**	Update Table of Contents, List of Maps to reflect addition of the phasing map.

Appendix D
Stakeholder Feedback

D.1 Summary Table - Feedback Received in Response to the Draft Approach Presented in June 2015

Servicing Agreement Fee and Development Levy Policy Review & Final Phasing and Financing Plan

WHAT WE HEARD	CITY'S CONSIDERATIONS	RECOMMENDATION
Extend Model to a 30-year Model or Amortize Large Projects Over a Longer Period		
Projects in the model will take the city beyond a population of 300K (310K with the special study areas) and/or amortize large projects over a longer time period.	The model time period has been extended from 20-year to 25-year, as per Working Group feedback in December 2014. The longer that the model is extended, the larger the risk to the City. While it may look better in short term, it catches up and creates more issues in the longer term as new projects for the 300K+ are required. 30 years is the maximum that the City can finance projects.	Maintain 25-year model recommendation. The City maintains that the projects in the model are required for a population of 310K (current growth plan, including special study areas). The model has been developed as a 25-year model to be consistent with the growth projections for 300K by 2040 in the OCP – if it was a 30-year model, additional projects would need to be added to accommodate more growth over the longer time frame and the rate would not be expected to decrease.
Tolerance for Deficit in the SAF Reserve		
Want an increase in tolerance for deficit from -$20M proposed in June to at least -$50M which was discussed previously and used in the Interim Plan. The City's debt capacity has not kept up with pace of growth. It is overly risk averse and results in a reduced quality of life for residents due to transportation delays and reduced housing affordability due the high rate.	In 2008, the City increased its tolerance for deficit in the SAF reserves; previous to that (and going back 20 years) the reserves did not go below $0.5M for half the year. Most communities do not prefer (and others are not allowed) to go into a deficit. Increased deficit creates increased risk of debt for the City. This would impact use of that debt capacity for other things, such as addressing the infrastructure deficit or other costs associated with growth that cannot be charged through SAFs. In short, it takes away options and flexibility. An option considered was taking debt to support earlier advancement of transportation projects, thereby improving the level of service. Costs to finance this debt would be added to the SAF, which would	With the updated hectares, the rate goes down (to about $410K/ha) but SAF reserve balance decreases (to ~-$50M, with a dip to ~-$100M). Direction is still to work towards as low of a deficit as possible.

	increase the rate; the risk to the City increases - if growth slowed and the SAF-debt could not be paid by SAFs, payments would have to come from taxes.	
Differential Rates for Greenfield, Industrial, and Infill		
Transparent approach appreciated. Not in favour of current industrial rate – may stifle the market and risks pushing industrial development to areas outside of Regina, impacting the City's tax base and long-term financial viability. Inclusion of an infill rate acknowledges that infill development has an impact on the capacity of the City's infrastructure. Any subsidies to incentivize infill should be open and transparent and not hidden in SAFs. The infill rate also seems to indicate opportunity and optimism for downtown development.	Project costs were assigned based on what they were required for – either servicing multiple land uses or "only" industrial or infill. Considered moving industrial "only" projects to overall SAF list and maintain industrial rate. Delaying implementation of the infill charges until 2017 to allow broader consultation and development of the methodology for calculation of the rate was considered.	Combine industrial projects with greenfield SAF projects to result in single greenfield SAF rate given that the parks portion is so small, and greenfield industrial and greenfield residential require the same package of services for growth. RROC to conduct some additional research with industrial developers to better understand the barriers to industrial development and the level of impact that the City's SAF rate has in the region. This will inform consideration of an industrial development subsidy. Infill will have its own rate, to be determined following further engagement of the infill development community and development of the methodology for determining the rate and processes for implementation in 2016. Further input sought at the September Working Group session.
Community Benefits from Growth		
Jobs and increased standard of living result from growth therefore investment in growth needs to be rethought and tax/utility payers should contribute to project costs. Change conversation about growth from a risk/cost to a community benefit; use changes to the SAF policy to support this.	While growth can be considered a benefit to the community, the infrastructure required to support growth benefits growth areas specifically; OCP policy states that the City ensures growth pays for growth. Other funding sources such as taxes and utilities are used to fund operations and maintenance of existing services and the new growth-related infrastructure once it is built. As well as costs of growth not covered by SAFs (e.g. fire stations, transit, police, and libraries). If taxes and utilities are used to pay for growth-related infrastructure, it compromises the City's ability to address the existing infrastructure deficit re: services or its ability to seek tax or utility rate increases to improve / maintain existing services.	In the context of this policy review, maintain policy that growth pays for growth as set out in the OCP as the benefit (capacity) from the infrastructure projects is provided to service growth.

	Preliminary analyses demonstrates that the amount of tax or utility increase that would be required to impact the SAF rate would be significant.	
Cost Allocation for Projects		
Consider revisiting the projects to allocate costs based on who benefits (versus whether they would be built if growth was occurring or not). The result would be an increase in taxpayer contributions. There are projects in the model that address existing infrastructure deficiencies – therefore taxpayers should pay their portion. Major water and wastewater upgrades are too large for growth that will service all “ready” neighbourhoods, enabled only by degrading city-wide transportation network. Options are to either increase debt, increase taxpayer contribution, or strategically add population where infrastructure capacity exists.	Growth pays for growth approach is used, therefore if a project would only be built by the City to support growth, it has been 100% allocated to be paid for by growth. To date, projects identified as 100% SAF are considered to only be built if growth continues and if they are required for 300K. There are a few interchanges that are the exception, and they have been identified as such in the model (i.e. only 70% of the total cost is allocated to this model/time horizon). Where projects would be built to improve service for the existing community whether growth was occurring or not, the costs have been allocated to the City (taxes or utility). Water and wastewater projects are required generally wherever growth is occurring. We are in a new threshold of growth by which previously built infrastructure is at capacity; as such major investments are required in all systems regardless of the location of growth. Their objective is not to allow growth to happen everywhere concurrently (see proposed phasing plan).	Maintain current criteria regarding projects identified and their cost allocations. Clearly identify cost allocation policies, to be set out in a cost allocation table, for each infrastructure service.
Moving projects from being funded by the SAF to being funded directly by developers.		
Concern that there is a lack of consistency in how projects are identified to be funded by SAFs or directly by developers. Making projects development-specific reduces amount of debt required by the City and artificially minimizes the SAF rate but it increases the cost of development, and the cost of lots. Increased developer risk puts the city’s competitiveness at risk. Keep ‘capacity-building’ projects in the model. Concern about drainage projects that are now identified as developer- specific. The success of the previous SAF model relied on including projects that built future	The project lists have been reviewed for consistency. This direction is aligned with the proposed recommendation to use SAFs for system improvements versus for projects that serve a single development. An Endeavour to Assist policy is being drafted to help current developers recoup costs for projects that serve future developments. Moving projects back into the SAF results in an increased SAF rate. Moving projects to being paid directly by the developers evens out overall system upgrade costs (generally the same across the board). Cost differences between areas would now be seen in project-costs by area for developer-specific projects.	Maintain policy direction that developers directly pay for projects that serve their specific areas and that SAFs are used to fund system improvements that are required for growth. This is consistent with approaches used in other communities; and it will improve the balance of the SAF reserve and the City’s ability to fund system upgrades - something the previous approach to SAF’s had been preventing.

growth capacity and ensured developers were receiving the same benefits while paying the same rate. The City's deficit buffered costs of oversizing projects and removed burden of future growth from current growth. This helped affordability, decreased developer risk, and encouraged growth. The changes in direction creates uneven benefit and is bad for small developers		
When transportation projects were delayed in the model, were the new dates arbitrary or were they based on some new/revised trigger that related to level of service level or population threshold?		
Recognition that population triggers are difficult to establish for every project but for the larger projects, it is the fairest way of determining project timing. Would like to see sensitivity analysis with respect to different growth population rates and how it affects the rate.	The delay of transportation projects was developed in consideration of which projects could actually be delayed. Delayed projects were funded when the revenues/funding allowed it, versus in response to some service level or population threshold. All projects are subject to the overall budget process; the model is not a capital project planning tool.	Maintain current transportation project timing and allocation of costs as determined to date.
Transparency of development cost increases		
Concern about how the increase in costs are described – communication needs to reference cost increases to the SAF program and the costs that are being passed on directly to the developer.	To date the SAF rate has largely been the focus of communication, with reference to developer-specific projects. Modelling considerations and communication with administration and Council has identified the cost being passed on directly to the developer.	Communication going forward will highlight development costs for both SAF and the change in developer-specific projects.
Phasing of Neighbourhoods		
Comments vary widely across Working Group members. For example: ● Support of phasing presented at June WG Workshop ● Prefer free market approach using area-specific rates to encourage development	With changes in how SAF is used (i.e. ***from*** being something to pay for the work required to plug new areas into the system ***to*** focusing on keeping the broader system functioning) phasing becomes less important to the City from a capital project perspective. However, there are considerations from an operations and maintenance and complete neighbourhoods perspective.	Phasing of residential lands: Phase 1: - All 235K neighbourhoods - Phase 1, Westerra - Coopertown: Rosewood Park & School Site area and a Portion Elmbridge

to proceed when feasible. • If a flat rate is used, need tight phasing to guide development of most affordable lands. • Three areas are manageable at once. • Percent of subdivision (i.e. 70-80%) should be used to trigger the start of a new development. • The market will sort it out during periods of growth. When growth is not occurring at a sufficient rate, phasing should be staggered based on reaching pre-determined thresholds. • Growth should be defined by community, not by neighbourhood (so that a neighbourhood that is not as desirable does not hold up overall development). • Desire for there to be certainty in phasing plans going forward.	Various options were considered including: • Maintaining the Interim Plan approach and only phasing for short periods of time (i.e.define phasing for the next 5 years) • Defining a specific phasing plan • Allowing all neighbourhoods to proceed as they can meet servicing OCP Policy 14.19 (policy to guide development of a phasing and financing plan) was used to inform the development of a phasing plan.	Phase 2: - Rest of Westerra - Coopertown: Rest of Elmbridge and The Village - Westbrook - North of Dewdney (Keeseekoose) Phase 3: - Towns North - Coopertown: Rest of Rosewood Park - McCarthy North (including Skywood) - West Harbour Landing Phasing of employment lands: - Generally triggered by zoning approval, as per servicing, developer-readiness, and compatibility. t As such, all corridors could proceed, land north of the GTH could proceed following build out of the bypass and completion of the east pressure zone solution, and the first phase of the Fleet Street Business Park could advance. - Commercial lands within residential subdivisions should proceed as those areas build out
Phase in SAF fees over 2-3 years		
Phase-in requested	To date, the focus has been on developing a rate for full implementation in 2016 as it has been recognized that delaying this increase will just cause rates in the future to be even higher. Phase-in options under consideration: - Not phasing in any charges - Phasing-in infill charges - Phasing-in rates for industrial - Phasing in Greenfield SAF charge	Seek further input at the September Working Group session. Base rate has been calculated without phase-in.
SAF Rate for Greenfield		
Rate is too high – there should be an increase to the taxpayer contribution to reduce the rate; this could be accomplished by changing the conversation to focus more on the benefit of growth to the community	The rate has been based on: • the cost of projects to service 300K (310K with the special study areas); • the number of hectares to be developed, updated since June;	Seek further input at the September Working Group session. Greenfield SAF rate has dropped due to revisions in the growth projections to reflect more recent and

(and thereby the benefit to existing taxpayers). Utility projects should be paid by the Utility, which will reduce the rate. If there is a flat rate (i.e. not area-specific) a tight phasing plan is needed. Increased SAFs will erode housing affordability and put the city's competitiveness and growth at risk.	● delaying transportation projects to prioritize water and wastewater projects; ● maintaining a relatively narrow SAF reserve balance; ● limiting the City's risk; and ● the proposed recommendation that SAFs are to fund system improvements	accurate figures along with other refinements to the modeling. Additional growth has resulted in more units which has decreased the cost from about $488K/ha to about $410K/ha.
Differential Rate for 235K and 300K Neighbourhoods		
Comments vary widely between WG members. For example: Support for a single rate (reasonable and less risk). Support for a differential rate for 235K and 300K neighbourhoods. Supports exploration of having a staggered rate to understand costs.	The Interim Plan phased the rate in for the 235K lands. Projects in the lists benefit a combination of both 235K and 300K neighbourhoods, as per the shift in having SAFs pay to improve service of the entire systems. Allowing the 235K neighbourhoods to have a lower rate will increase the 300K rate.	Maintain recommendation for a single rate including both 235K and 300K lands.
Area-Specific Rates		
Develop area-specific rates to maintain affordability and motivate developers to find innovative and cost effective servicing solutions.	The differences in development costs are now more apparent via the development-specific projects. Areas that are more efficient to develop will have lower costs paid directly by the developer, rather than through area specific SAFs. Developing area-specific rates would involve intensive consultation and agreement on the approach may be difficult given the subjectivity.	Maintain approach of having a single Greenfield SAF rate.

D. 2: Summary of Responses to Draft Recommended Approach Presented in September 2015

Draft approach was shared on September 4, 2015 and presented at the Working Group Session on September 10, 2015

PHASING

Proposed Recommendation (as of Sept 4, 2015)	What aspects work well?	What suggestions would you make to improve the approach?	Response to Feedback / Recommendation Going Forward
Phasing of residential land development is divided into three phases that considers continued population growth and serviceability Development of employment lands will be triggered by zoning approval with specific consideration given to servicing, developer-readiness and compatibility. This approach generally meets stakeholder interests, provides market choice, is lower risk to the City, and promotes faster build-out of neighbourhoods which fosters quicker achievement of complete neighbourhoods and generation of taxes to support operational costs.	Understanding sequencing of development is improved. There is a clearer picture of growth areas and when new areas will start. The phasing plan is logical and makes sense. Generally support the approach, but the policy seems too prescriptive.	Provide better clarification on the 75% build-out – is city-wide or by quadrant Development should not be reliant on the completion of one area in order for another to advance to the next phase. It should be up to the developer, who under the proposed policy needs to be more investments, to determine if development should proceed or not. There should be no constraints on the consumer. This will provide market choice and may foster more affordable new housing. There must be a way for the City to allow developer to go if they are ready. Suggest that as new information is received, the City should be open to potential amendments to the policy and phasing plan. Therefore, there should be flexibility. Reconsider phasing of development in the northwest and southwest. Phasing of the 235K neighbourhoods has become irrelevant; phasing should distinguish between the existing neighbourhoods that have been developing since 2007 and those that have not commenced. Recommend re-evaluating 235K neighbourhoods, and moving those unlikely to develop immediately out of Phase 1 - the model should reflect a realistic time frame for when fees will be collected More clearly describe criteria and rationale for phasing plan. Make the areas identified as phase 1, 2, and 3 more fuzzy to better recognize that more information is to come.	Provide more clarity on what 75% build-out means– this includes considering triggering moving from phase to phase on a quadrant basis. Round the shapes for the phases to better illustrate that more information is required in order to draw specific lines around development. Review phasing policy language. Consider refinements to northwest neighbourhoods.

SHIFT IN PROJECTS BEING FUNDED BY SAF TO BEING FUNDED DIRECTLY BY DEVELOPERS

Proposed Recommendation (as of Sept 4, 2015)	What aspects work well?	What suggestions would you make to improve the approach?	Response to Feedback / Recommendation Going Forward
Developer-Specific Projects (those within a single development area or that are outside the area but primarily serve one area) have been identified as 100% developer-funded. This approach is consistent with other municipalities, helps keep the overall SAF rate low, and provides developers more flexibility in managing projects for their specific developments. SAF is used to fund city-wide infrastructure.	This allows developers to move forward without waiting for City investment. It clearly identifies which projects qualify This works well if consistently applied. The description of what the SAF pays for is somewhat understandable; however, it is anticipated that a lot of discussion will be had on specific infrastructure items.	For this to work, the Endeavour to Assist policy needs to be flawless. This is a good idea, though some refinements may be needed when it comes to shared areas and the distribution of costs. The criteria are too subjective and could lead to challenges from the development industry. Provide rationale used to make the decisions as the provision of the infrastructure list alone is not sufficient. Change the policy so that developers only pay directly for projects that are within the boundaries of their specific areas (i.e. not off-site). There should be a balance of risk taken between the City and developers.	Maintain proposed approach Improve clarity in project lists for why projects are SAF/DL or directly developer-funded.

COST ALLOCATIONS FOR CAPITAL PROJECTS LISTS

Proposed Recommendation (as of Sept 4, 2015)	What aspects work well	What suggestions would you make to improve the approach?	Response to Feedback / Recommendation Going Forward
Growth-Related Capital Projects Lists form a core basis for the SAF model. These projects are required to service the 300K (310K, with Special Study Areas) population; this includes, greenfield, infill and industrial development. All growth-related capital SAF projects are built by the end of the period (2040) Cost allocations between the City, SAF and developers are outlined in the DRAFT fee policy and appendices.	Agree that growth should pay for growth; however capital projects should be partially funded by taxpayers as they will share the benefit from projects. This is a good idea as part of the whole package. This is well thought-out If consistently applied, and the criteria are clear, this approach could work well.	Developers, taxpayers and utilities should pay a portion of projects. Criteria remain too subjective. There is lack of clarity around the definition that a project is SAF-funded provided it is "not intended to service one or more contiguous new developments, but is required to accommodate overall growth". Disappointed in cost allocation for interchanges -change interchange and grade-separation projects from being 100% SAF funded to 50-50 (SAF-City) This is where we should have spent most of our time during this project since it is the main input into the rate calculation.	Maintain proposed approach Provide option for Council to consider funding interchanges 50% through SAFs and 50% through taxpayers; recommendation will be to fund interchanges 100% through SAFs.

		Feel we need the master servicing plans as a key input to drive timing, cost allocation, and developer funding. This policy results in an SAF rate that is very different and developers are not clear on what they have to pay for and when. Concern that due to the complexity of the model, Servicing Agreements will take a long time to prepare and reach agreement on, which will add time and cost to the process.	

ENDEAVOUR TO ASSIST DRAFT POLICY

Proposed Recommendation (as of Sept 4, 2015)	What aspects work well?	What suggestions would you make to improve the approach?	Response to Feedback / Recommendation Going Forward
Endeavour to Assist policy be used to help developers manage projects they need to fund directly that help service future growth areas.	This is a useful tool when there are a limited number of parties involved. This looks like it should work as long as the original developer is not waiting a long time to recoup funds. Criteria is needed to decide what infrastructure serves multiple areas. Pleased that City recognizes Endeavour to Assist in Servicing Agreements. Separate cost sharing agreements are important. A developer who is first in needs a level of assurance that they can collect from a future developer; the interest on title helps bring that assurance.	It will be a challenge to distribute the costs evenly if there are a lot of parties. The policy needs to be extended to 25 years to match the model and OCP. This policy should be solely taken on by the City to administer, manage and enforce. The City will always be there; developers may not. The City should bear some of the risk and initiative to pay for infrastructure that benefit lands other than land being developed and can collect funds from new developers directly. Concern is raised that a developer can have an interest registered on title due to an Endeavour to Assist for which they have not been a part. The City needs to be involved to provide the backing to the first developer while at the same time, provide a level of fairness to subsequent developers. Determine how to allocate costs fairly - this may require the development of a guiding document to help parties agree.	Maintain proposed approach Consider extending term of Endeavour to Assist to 15 years, plus an option for renewal.

APPROACH FOR GREENFIELD SAF RATE

Proposed Recommendation (as of Sept 4, 2015)	What aspects work well?	What suggestions would you make to improve the approach?	Response to Feedback / Recommendation Going Forward
Greenfield SAF/DL Rate: ~$410k/ha This includes a blend of all required greenfield projects (for industrial, commercial and residential growth).	With current policy of growth paying for growth, it allows GF areas to proceed with investment. It is clearly defined. It offers transparency. Believe the City made every effort to come up with the lowest rate possible.	Better cost-sharing of growth paying for growth. Include all areas to be developed in the future. This would not improve the approach to the rate, but clarity would be improved to understand the rate without the industrial projects. The rates for industrial and commercial development must remain affordable. One rate may work but industrial development requires more study. This work is complicated but could be simplified as follows: SAF = infrastructure divided by area. Existing neighbourhoods under development should pay a lower rate than the new neighbourhoods; the infrastructure for existing neighbourhoods is mostly in place. Preference for area-specific rates. Concern that development could be approved before the end of the year that could have a lower SAF rate than existing neighbourhoods that have been under development since 2007.	Maintain proposed approach For information, provide the SAF rate without the industrial only projects included.

APPROACH TO INFILL

Proposed Recommendation (Sept 4)	Do you support removing the exempt area	Response to Feedback / Recommendation Going Forward
Maintain exempt area and delay implementation of infill charges to allow for industry consultation and process development in 2016. In 2017, the intention is to apply 100% of the infill charge. Subsidies for infill development may be considered.	Generally, yes from all respondents. If there is anything being added to the system, then there should be a charge in most cases. Need more information on the impact to infill developers, and non-profits. A development levy is a fair mechanism to generate necessary revenue to cover infrastructure costs for infill development. Concerns about how this would be done, and therefore support more research.	Maintain proposed approach

	Suggestion for private home builders/home owners who self-build to be exempt to ensure affordability. Support consultation process to be undertaken in 2016	

PHASE-IN OF THE RATE

Proposed Recommendation (as of Sept 4, 2015)	Do you support phase in of the rate?	If a phase in was preferable, over what time period should it be phased in - over 2 or 3 years?	Response to Feedback / Recommendation Going Forward
100% of Greenfield SAF Rate implemented in 2016	Generally yes, from all respondents: phasing-in of the fees would help alleviate the initial impact and strain on the slower market	Phasing in over 3 years was preferred by most respondents.	Recommend phasing-in the rate over 3 years

OVERALL SAF & DL DRAFT POLICY

Proposed Recommendation (as of Sept 4, 2015)	What aspects work well?	What suggestions would you make to improve the approach?	Response to Feedback / Recommendation Going Forward
DRAFT SAF and DL Policy and appendices were provided.	There is a better understanding of current key issues and importance of continued rate review. Overall, the policy is l – okay. There was good consultation with industry and clear definition of issues. Appreciate consultation process in working through the issue with the development community.	Monitor and measure how the new policy is performing and how it is being applied over time. Believe that what has been developed is a model to fund infrastructure over time but the process has failed to plan for growth. Suggest that there should have been consideration of the question: "If we implement this plan to pay for infrastructure, will we be able to grow the city to 300K over the next 25 years?" Include taxpayers and effects of affordability into the policy. Concern that if the policy is implemented as drafted (i.e. bringing on too much land at one time), there will be immediate, negative effects on growth that will take a long time to recover from.	Continue to refine policy using the proposed approach. Consider development of monitoring and measurement component to include in the policy.

OTHER COMMENTS

- Policy should include financial involvement by utilities and tax payers.
- There are still outstanding issues – suggest that the City compile these and clear them up through an issues paper or table them for the next SAF/DL policy review
- Appreciate being involved in the process
- Feel City provided ample opportunity for input from the industry and the consultant did a good job of presenting the information in a clear and concise fashion.
- Understand the financial pressures that the City is facing, as the development industry is now experiencing similar circumstances due to the softer market.
- Look forward to continued collaborative working relationship in the development and review of neighbourhood and concept plans to fulfill the vision of the OCP.
- Concern about affordability of this approach.
- The City of Regina has the responsibility to address the specific items of feedback in a manner that encourages the sustainable growth, both economically and physically of our community, while ensuring our City has a competitive advantage to attract investment and growth to our community. One of Regina's long standing competitive advantages is the affordability and attainability of our housing. This must be part of any equation, if the City of Regina sees its mandate more than its corporate accountabilities, but improving the standard of living for Regina Citizens. This means removing barriers, not adding barriers for the development industry.
- Refer to comments provided in January and July - they are still relevant.
- It is very important that the SAF and DL Policy is structured to allow growth to occur in a sustainable manner rather than impede the growth of the city.

From Producer to the World

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Diana L. Hawryluk, MCIP, RPP

Executive Director, City Planning and Development

City of Regina

October-6-15

Re: Designation of Lands within the Phasing Plan Draft Maps

Dear Ms. Hawryluk:

As per our recent discussions regarding the South East lands owned by Long Lake Investments (LLIC) and AGT Foods (AGT) located to the east of Tower Road, I reference the draft map for Phasing that outlines the current proposed phasing plan for Regina city lands.

I draw your attention to the numerous discussions I have had with Administration prior to and since the annexation of these lands from the Rm of Sherwood and rely on the discussions where it was agreed that these lands needed to be studied further along with the phasing and financing discussions to ensure that they were dealt appropriately in the development of the SE Neighborhood Planning process. As you are aware, LLIC is a major funder of the current collaborative work that is being completed by the consortium of landowners, of which the City is one.

It is as a result of these previous discussions and the genuine intent of all parties to examine our lands and how they will fit in to Phase 1,2 and/or 3 lands that we formally request that the draft Maps be amended to outline the lands to the west and east of the new Regina Bypass to be outlined as "Special Study Area." This designation will reflect the reality of its current status. The current draft leaves these lands entirely out of classification and I do not believe this is the intent. Please do confirm to us that your team will facilitate this change in the Draft Phasing Plan that I understand will go to Council this month.

Yours sincerely,

Murad Al-Katib

Cc: LLIC Ownership Group

SUMMARY REPORT

City of Regina | REGINA Infinite Horizons

Prepared for the City of Regina by:

Jamie Duncan, Vice President, Canada Public Affairs

CONTENTS

SECTION ONE: OBJECTIVES & METHODOLOGY

Research Objectives

The overall intent of this research was to quantify the views and perspectives of Regina residents on topics related to growth and service agreement fees/ development levies.

Specifically, this survey asked respondents about the following key areas:

- Overall perspectives about living in Regina, including factors considered when choosing a place to live and quality of life/ liveability in Regina;
- Current housing types, motivations for housing choices, likelihood of moving and changing housing type;
- Perceptions about who is responsible for ensuring a variety of neighbourhood and housing choices in Regina;
- Awareness and perceptions of the City's long-term plans for community growth;
- Priorities when selecting a new home; and,
- Attitudes about service agreement fees/ development levies.

Methodology

A total of 600 telephone interviews have been conducted with a randomly selected representative sample of Regina residents aged 18 years or older.

Interviews were conducted between Interviews were conducted between July 21 and August 17, 2015.

The data has been weighted to ensure the age/gender distribution reflects that of the actual population in Regina according to the most recent Census data.

SECTION TWO: KEY TAKEAWAYS

Residents have positive views about quality of life in Regina. With over eight in ten residents rating the quality of key quality of components as being good or very good, it is perhaps not surprising that one third also say that life in Regina is better compared to other Canadian cities. Of note is the optimism of nearly eight in ten who anticipate that quality of life in the city will either remain the same or improve in the next twenty years.

There are differing views about who is responsible for neighbourhood and housing choices. While three quarters of residents say that the City of Regina is most responsible for ensuring a variety of neighbourhood choices, fewer (six in ten) say that they have the same role in ensuring housing choices. Close to four in ten believe that neighbourhood developers and home builders should be most responsible for the latter.

There is no consensus about who should pay for future growth. Residents were presented with information about growth funding before being asked whether Developers should carry the full cost of growth-related infrastructure improvements made outside of new developments or if it should be shared with the City. Half believes that it should be shared while the other half believes that it should be Developer-funded. There is a notable difference in opinion among those who are and are not satisfied with the City's management of long-term growth. Residents who are satisfied with the City's growth management performance are more likely to say that growth-related infrastructure costs should be shared, while those who are not satisfied are more likely to believe that it should be Developer-funded.

Maintaining existing infrastructure is seen to be more important than investing in growth. Levels of agreement show that residents strongly believe that the City of Regina should be focusing on investing to help maintain existing areas of the City and that maintaining existing infrastructure is more important than growing the city. It is important to note however that a very strong majority also agree that a top priority of the City of Regina should be planning for growth.

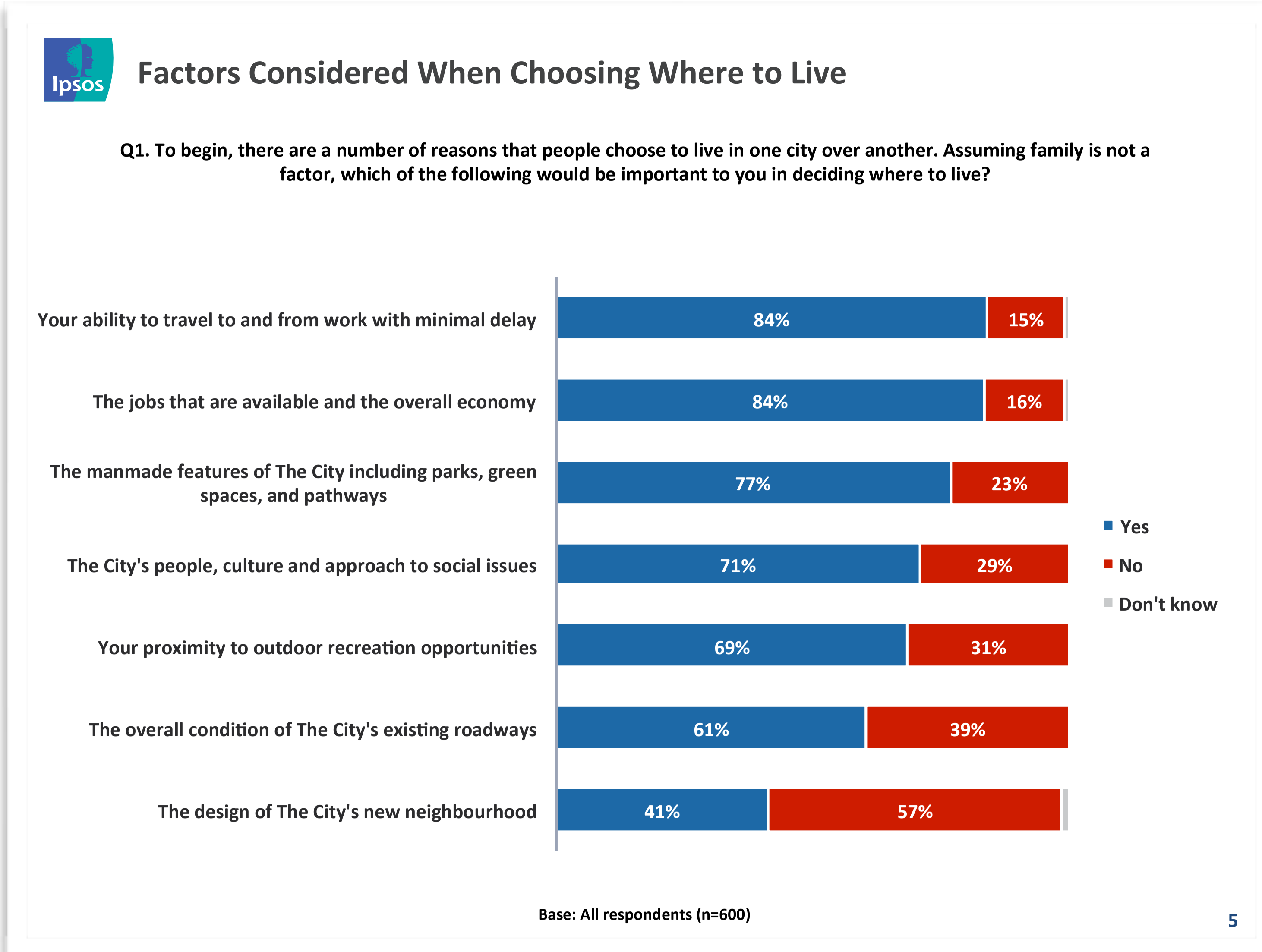
Satisfaction with current City long-term growth management is moderate. With two thirds of residents saying that they are satisfied with City performance in this area and less than one in ten who are very satisfied, results indicate that there is a need to improve communication and performance in this area.

SECTION THREE: LIVING IN REGINA

When asked about reasons that people choose to live in one city over another, **the most popular reason is your ability to travel to and from work with minimal delay (84%),** the jobs that are available and the overall economy (84%), and the manmade features of The City including parks, green spaces and pathways (77%).

When rating the overall quality of Regina according to an assortment of indicators, **the variety of jobs that are available and the overall economy achieves the highest "good" rating (90%).** The manmade features of the City's including parks, green spaces and pathways also achieves a high good rating (89%). Conversely, just under six-in-ten (59%) of people rate the design of the City's new neighbourhoods as "good" and **only three-in-ten (35%) consider the overall condition of the City's existing roadways to be good.**

Comparatively, **Regina's overall livability or quality of life compared to other cities in Canada is considered better (36%)** by more residents, than those who consider it to be worse (14%). Looking forward to the future, **37% anticipate Regina's overall livability to be better in 20 years,** while less than one quarter (19%) anticipate it will be worse.



SECTION FOUR: HOUSING AND COMMUNITIES IN REGINA

A strong majority of respondents live in a single-detached house (73%), while the remaining respondents are narrowly split between small apartments or condo (9%), semi-detached house/duplex/row house/townhouse (8%) and a large apartment or condo (7%).

When asked why respondents chose their specific type of housing, the **most common responses included affordability (22%),** preference for the space/layout (20%), and size of location/liked the yard (17%). Comparatively, the net responses show that appeal has greater influence (83%), than location (27%).

Over seven-in-ten (77%) of respondents own their own home, while 21% rent. With a strong majority of respondents owning their home, 495 respondents provided their primary motivation for purchasing their residence. The **top mentions included wanted a house/place to live (16%), as an investment (16%), overall location (14%),** for family – starting one or expanding (13%), and did not want to pay/rent was too high (12%).

When asked to think 10 years from now, how many times do you think you will move in the City of Regina, **less than half (37%) of respondents think they will move one time**, while 26% do not think they will move at all.

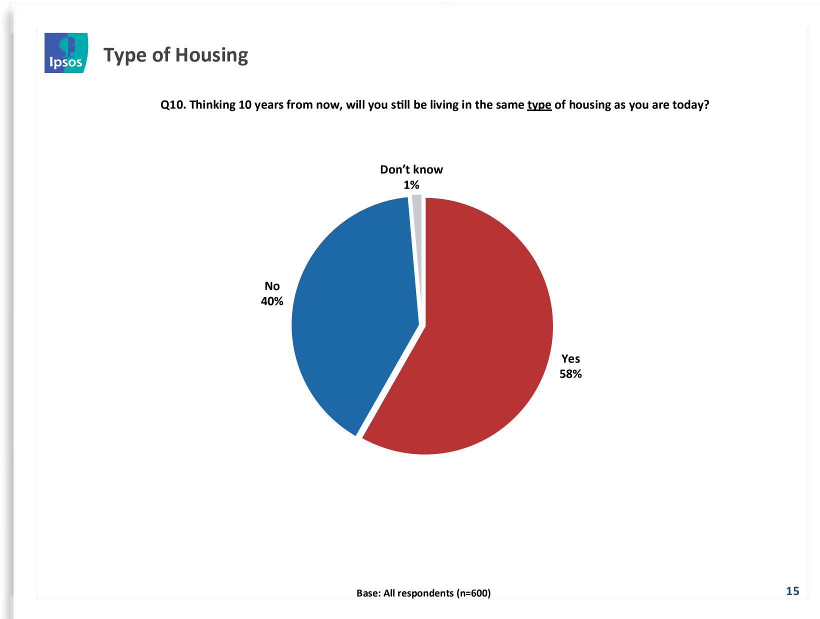
Notably, a similar number of respondents (23%) do not plan on living in Regina 10 years from now.

Continuing to anticipate the future, **when respondents are thinking 10 years from now, 58% plan to live in the same type of housing as they are today**, while 40% do not plan to live in the same type of housing.

The majority of respondents who plan on changing their type of housing in the next 10 years plan to be living in a single-detached house (52%), a small apartment or condo (17%), or a large apartment or condo (9%).

Overall, three-quarters (76%) of residents say that *the City of Regina, municipal government* is most responsible for ensuring that Regina has a variety of **quality neighbourhood choices**, while one in five (22%) say that it is the responsibility of *neighbourhood developers and home builders.* Just 2% of residents say that they don't know.

When it comes to ensuring that Regina has a variety of **quality housing choices,** six in ten (61%) residents say that *the City of Regina, municipal government* is most responsible, while close to four in ten (38%) say that it is the responsibility of *neighbourhood developers and home builders.* Just 2% of residents say that they don't know.



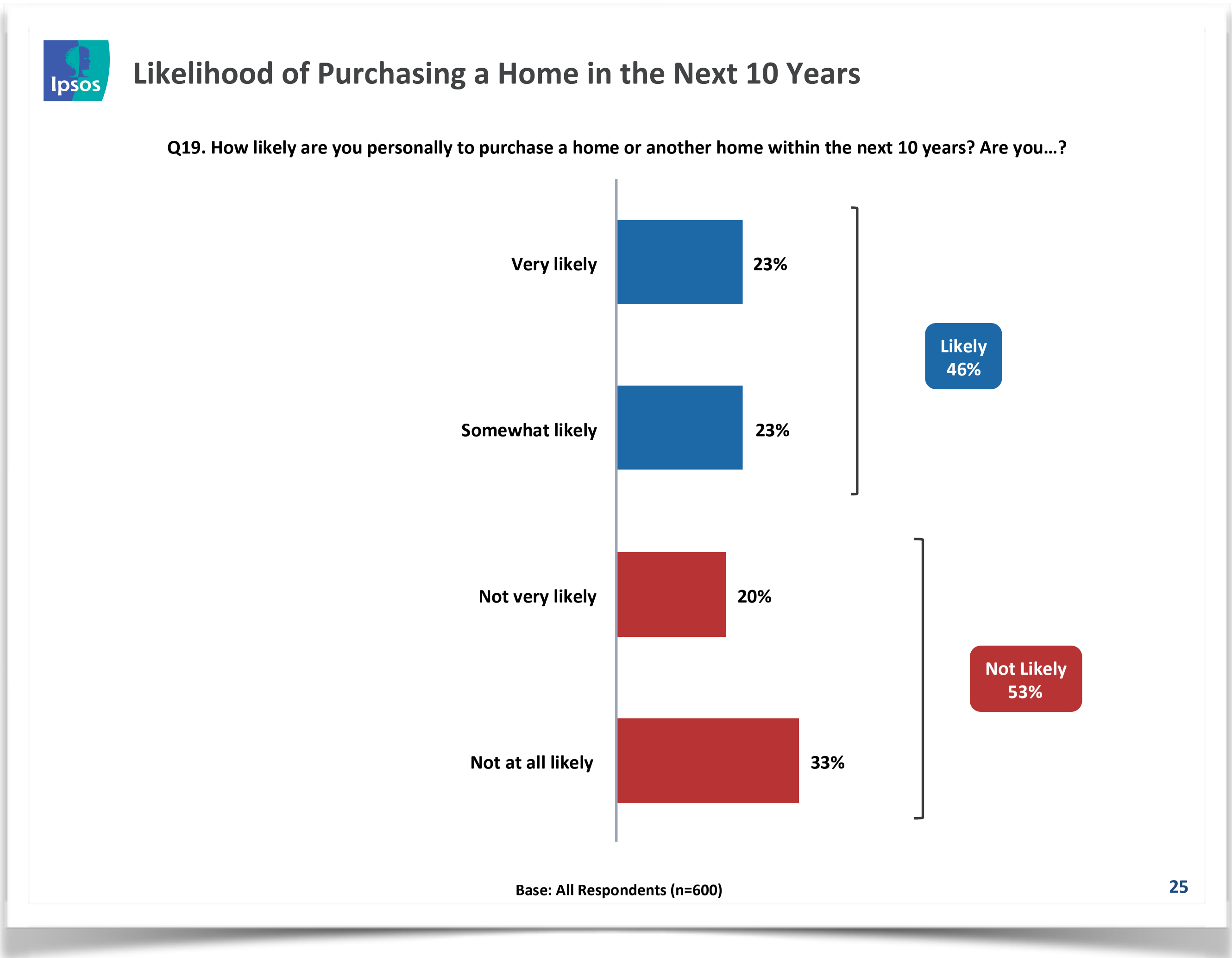
- There is a gender divide when it comes to who is responsible for quality housing choices. Men are more likely to say that this is the responsibility of neighbourhood developers and home builders (44% vs. 32% among women), while women are more likely to say that it is the responsibility of the City of Regina (66% vs. 55% among men).

SECTION FIVE: NEW HOME PURCHASE INTENTION

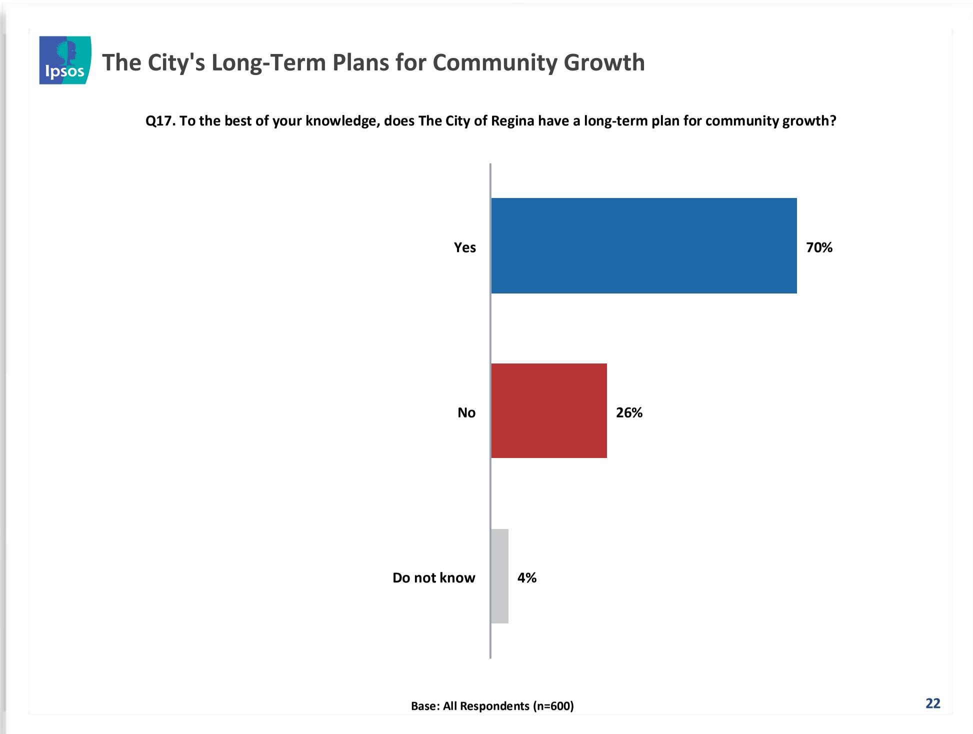
Just under half of residents (46%) anticipate purchasing a home or another home in the next 10 years, with one-quarter (23%) saying that they are "very likely" to do so. Conversely, just over half (53%) say that it is unlikely they'll purchase a new home in this time period, with one third (33%) saying it is "not at all likely."

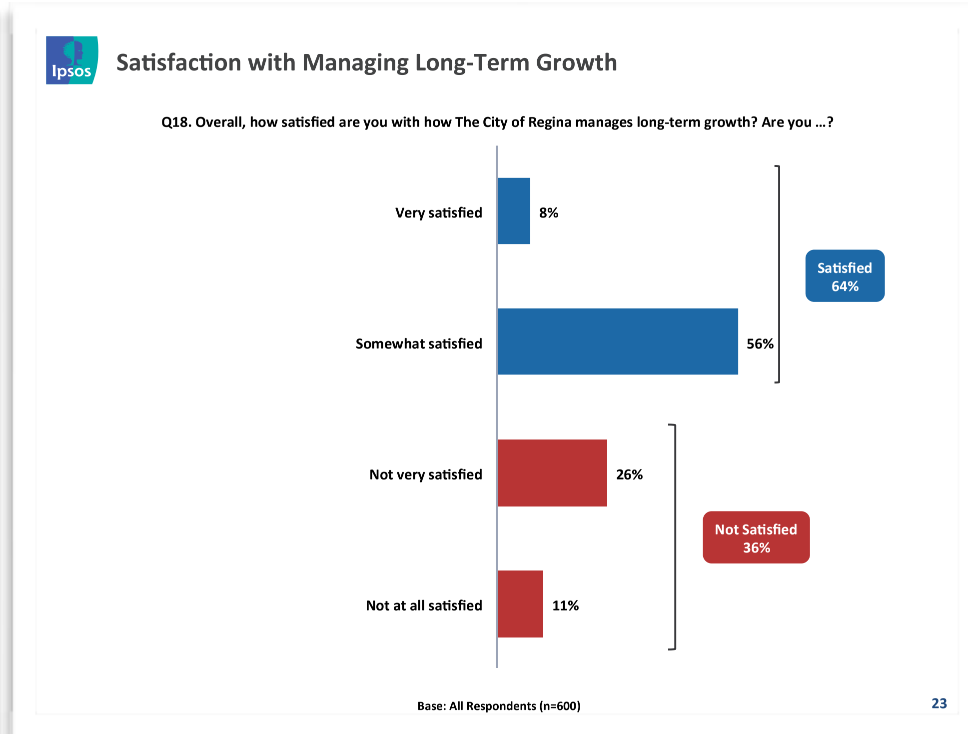
Among those who anticipate purchasing a new or another home in the next 10 years, six in ten (60%) say that they will spend under $400,000, while 19% will spend $400,000 to just under $500,000, and 20% will spend over $500,000.

When considering a new home purchase, top priorities include *affordability (96%), an attractive community for walking (89%), the amount of open space in a community (84%), close to amenities (82%), close to shopping, entertainment, and health services (82%).* Priorities that that receive lower importance ratings include *close to work (72%)* and *access to convenient public transit (60%).*



SECTION SIX: VIEWS ABOUT LONG-TERM PLANNING & GROWTH MANAGEMENT PERFORMANCE





Seven in ten (70%) of residents believe that the City of Regina has a long-term plan for community growth, while 26% say that they don't believe a plan exists and 4% don't know.

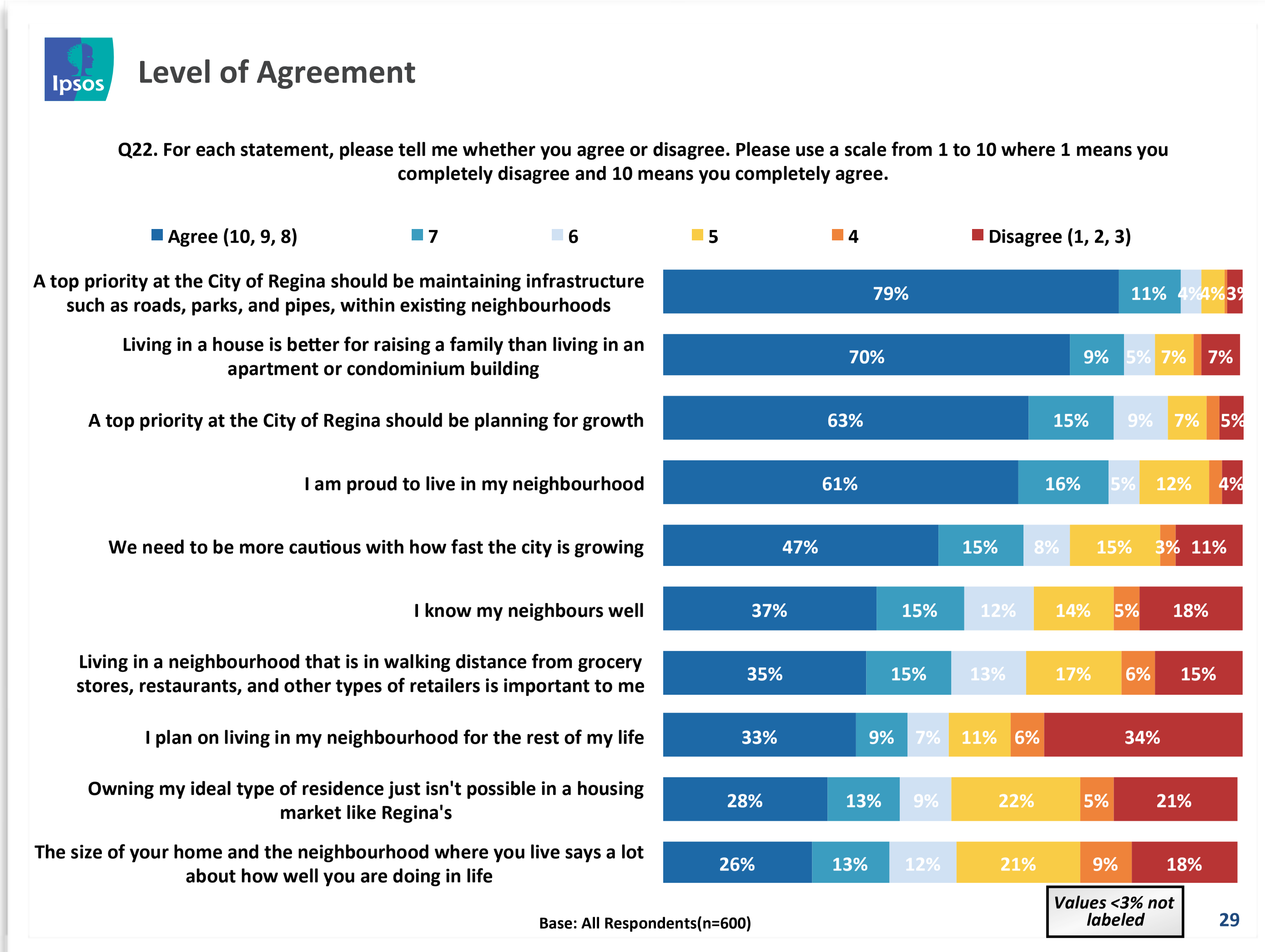
And while a majority acknowledges that a plan exists, satisfaction with the City's long-term growth management performance is moderate. Two thirds (64%) of residents say that they are satisfied with how the City of Regina manages long-term growth, with just 8% who are "very satisfied".

SECTION SEVEN: ATTITUDES ABOUT NEIGHBOURHOODS & GROWTH

Residents view growth of the City as important and close to **eight-in-ten (79%) believe a top priority at the City of Regina should be maintaining infrastructures such as roads, parks, and pipes, within existing neighborhoods**. Similarly, residents believe that a top priority at the City of Regina should be planning for growth (63%). Attitudes towards growth are positive, and **less than half (47%) believe we need to be more cautious with how fast the city is growing.**

A strong majority of residents agree living in a house is better for raising a family than living in an apartment or condominium building (70%). Compared to this statement, agreement about other characteristics of neighborhoods does not elicit the same level of agreement. 35% of residents agree that living in a neighborhood that is in walking distance from grocery stores, restaurants, and other types of retailers is important to me, 37% agree they know their neighbours well, and more people disagree (34%), than agree (33%), that they will stay in their neighbourhood for the rest of their life.

Only 28% of residents agree that owning my ideal type of residence just isn't possible in a housing market like Regina's, and 26% agree the size of your home and the neighbourhood where you live says a lot about how well you are doing in life.

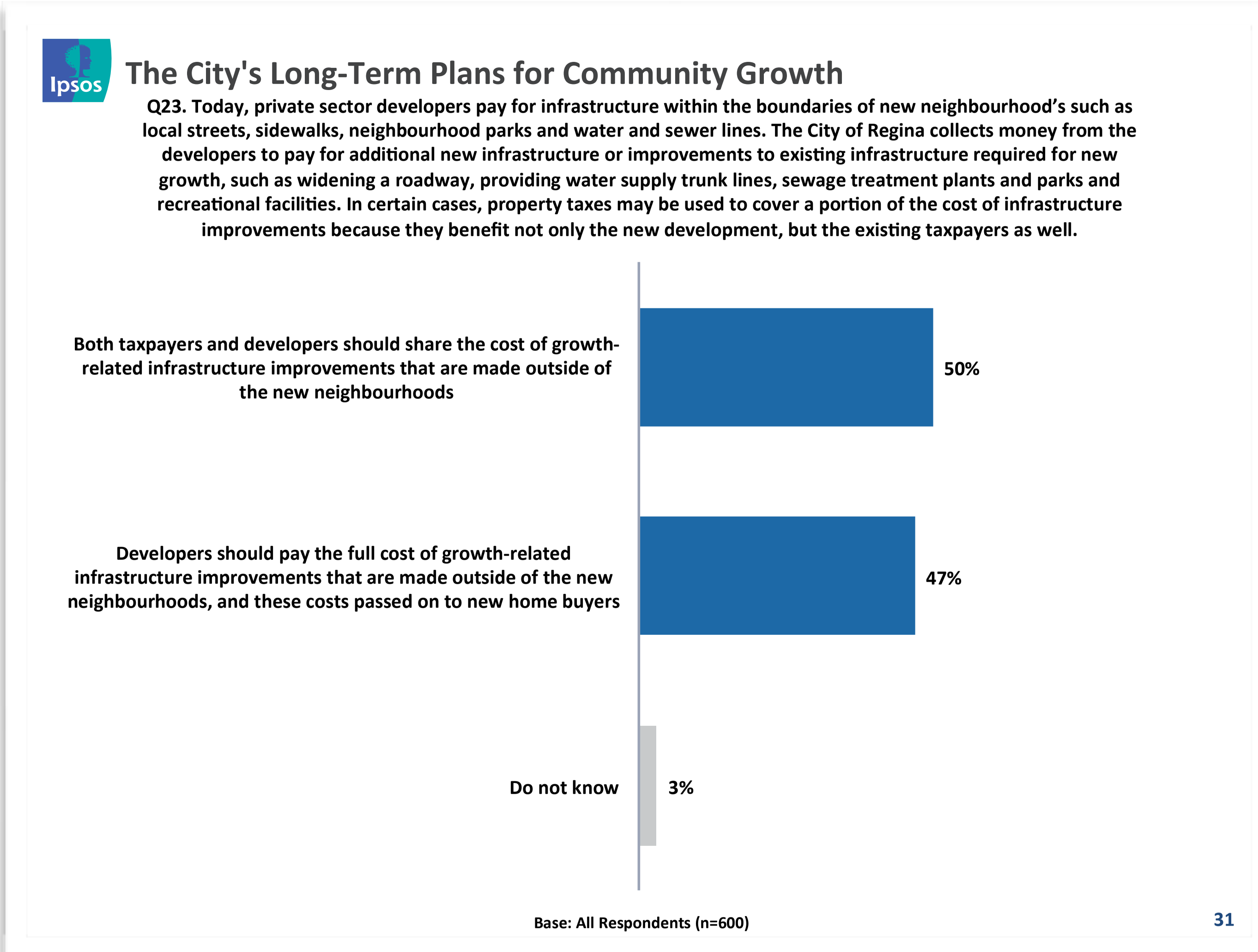


SECTION EIGHT: PAYING FOR GROWTH

Residents of Regina are split on the issue of the City's long-term plans for community growth. **By 3 points, more residents of Regina believe both taxpayers and developers should share the cost of growth-related infrastructure improvements that are made outside of the new neighbourhood's (50%).** Whereas the other **47% of residents believe developers should pay the full cost of growth-related infrastructure improvements** that are made outside of the new neighbourhood's, and these costs passed on to new home buyers.

Over half of residents (60%) agree that the City of Regina should focus on investing to help maintain existing areas of the city, while only 32% agree the City of Regina should focus on investing in growth. More people disagree (21%), than agree (17%) that growing Regina is important and the City should take on more debt to finance costs.

Residents are split on the statement: maintaining existing infrastructure is more important than growing the city, with 46% in agreement. Fewer residents (30%) believe that the property taxes of those who live in existing neighbourhoods should be used to pay for growth-related infrastructure improvements that will benefit not only the new population, but existing taxpayers as well.

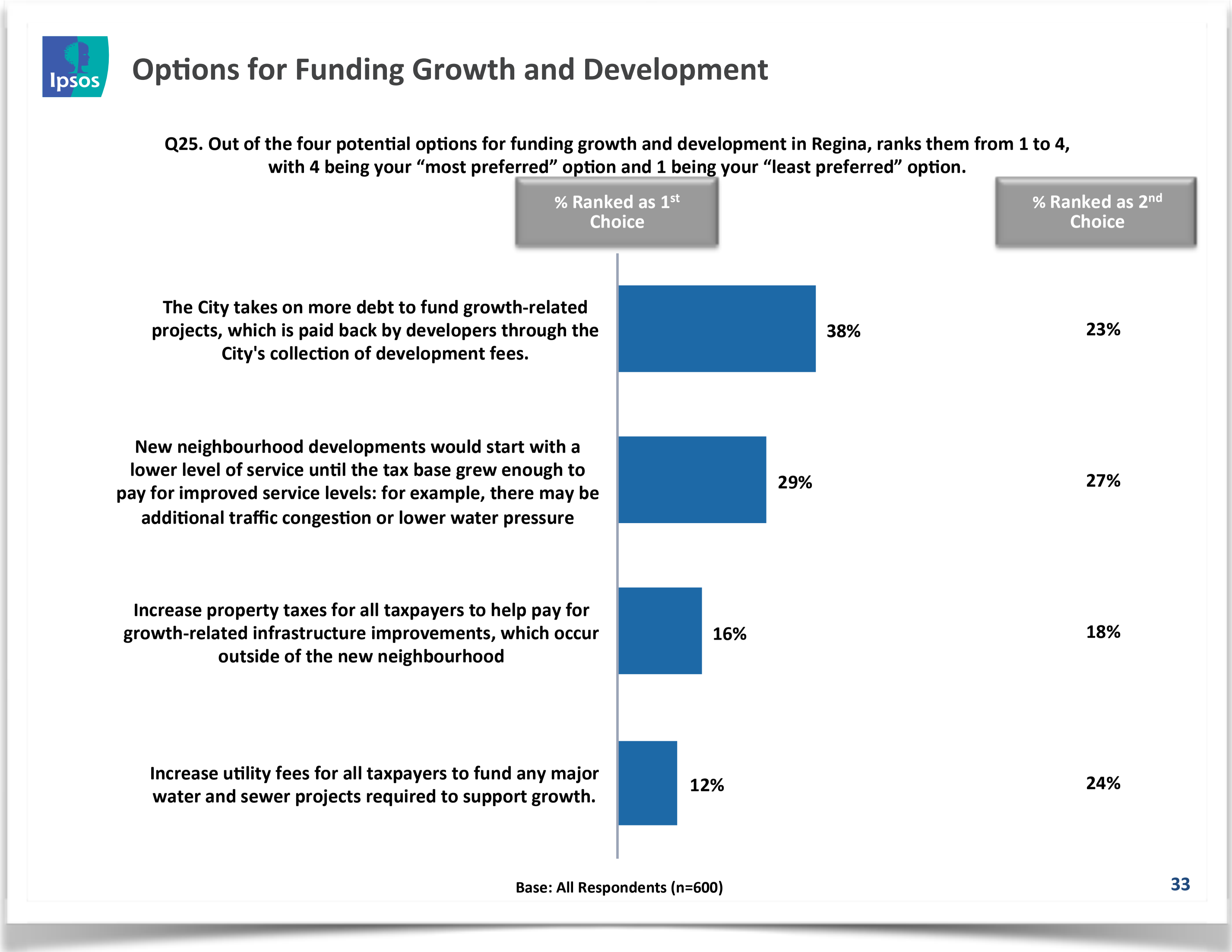


SECTION EIGHT: PAYING FOR GROWTH (continued)

When asked to rank the potential options for funding growth and development, order of selection was as follows:

- The City takes on more debt to fund growth-related projects, which is paid back by developers through the City's collection of development fees. (38%)
- New neighbourhood developments would start with a lower level of service until the tax base grew enough to pay for improved service levels: for example, there may be additional traffic congestion or lower water pressure. (29%)
- Increase property taxes for all taxpayers to help pay for growth-related infrastructure improvements, which occur outside of the new neighbourhood. (16%)
- Increase utility fees for all taxpayers to fund any major water and sewer projects required to support growth. (12%)

None of the options show a strong base of support, and the second choice selections reveal that resident's do not a strong affinity to any of the four options presented to them.



SUMMARY REPORT

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APPENDIX F

Transition to Servicing Agreement and Development Levy Agreement Application Requirements

A transition period has been identified to enable flexibility in implementation of the new policy included in the Administration of Servicing Agreements and Development Levy Agreements Policy (Appendix B) that defines application requirements. These requirements must be met prior to the City assigning a Servicing or Development Levy Agreement number, thereby locking-in the policy and rate in effect at that time.

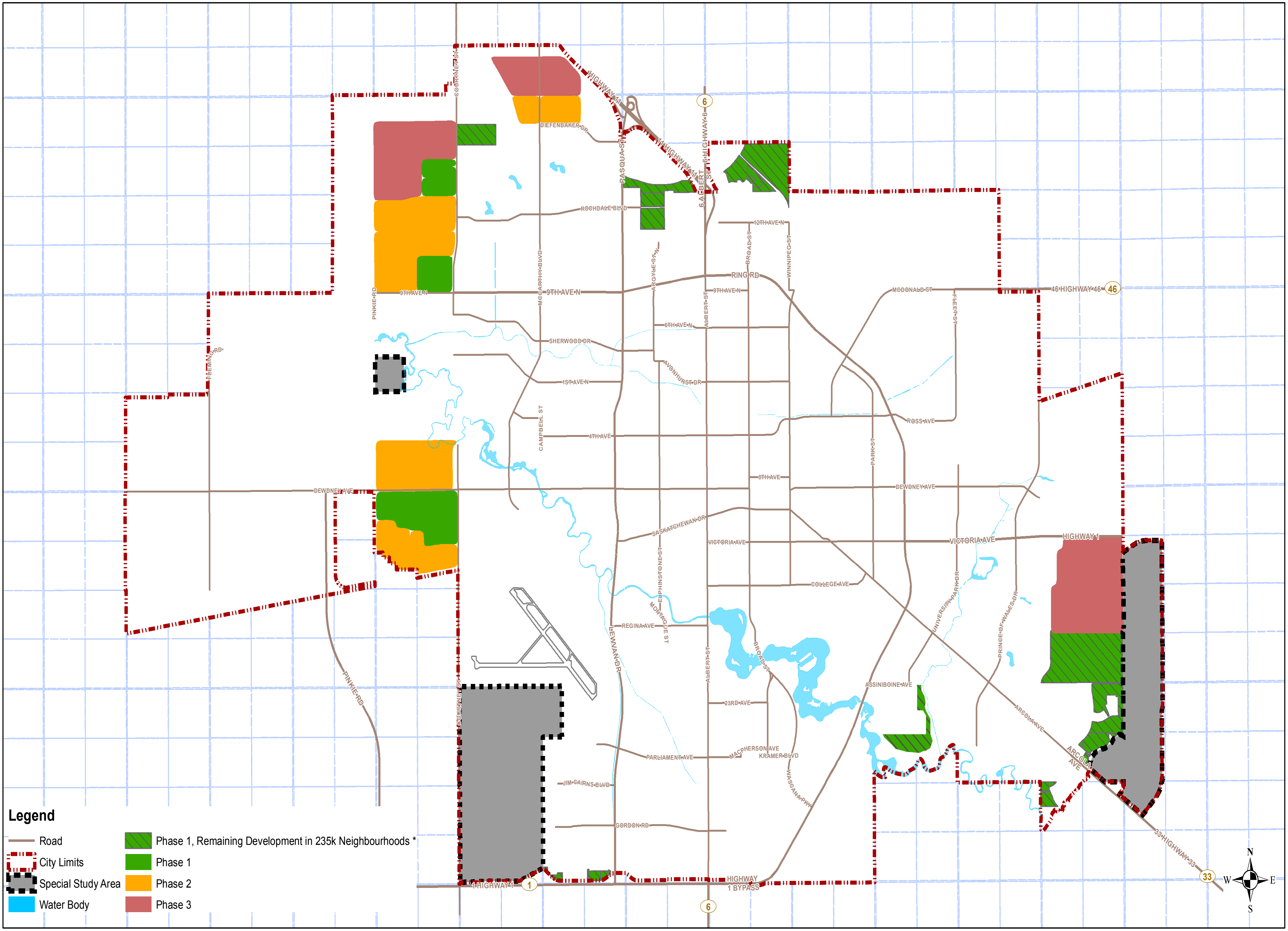
It is recommended that the following conditions be met in 2015 to transition towards use of the defined application requirements in 2016:

- Zoning applications (not approvals) need to be submitted by November 30, 2015;
- The following components are required to be submitted by December 31, 2015:
  - Application for subdivision;
  - Receipt by the City of an Engineering Submission;

    This includes:
    - A detailed engineering drawing set as per the requirements outlined in the Development Standards Manual;
    - All electronic models and modeling results, analysis and calculations required for the design of water distribution, sanitary collection, and storm water systems in an acceptable format outlined in the Development Standards Manual or otherwise deemed acceptable to the City;
    - Traffic Impact Analysis, Noise Studies or other requirements as outlined in the Concept Plan, Secondary Plan, Development Standards Manual; and
    - Other requirements that may be deemed by the City to be relevant to subdivision.
  - Receipt by the City of a Landscape Drawing Submission; and

    This includes:
    - A detailed landscape drawing set submitted as per the requirements outlined in the Development Standards Manual; including
    - Dimensioned outlines of the required recreational facilities or elements within park space.
  - Formal written request to enter into a Servicing or Development Levy Agreement.
- All Servicing Agreements or Development Levy Agreements must be executed by June 30, 2016. Failure to execute the Servicing or Development Levy Agreement by that date will result in a forfeit of the Interim Phasing and Financing Plan and a new Servicing or Development Levy Agreement will be issued based on the applicable Servicing Agreement and Development Levy Policy.

Map 1b: PHASING OF NEW NEIGHBOURHOODS and NEW MIXED-USE NEIGHBOURHOODS



*Note: These neighbourhoods formed part of the 235,000 Population Growth Scenario under the former OCP - *Regina Development Plan Bylaw 7877.*