FINANCE AND ADMINISTRATION COMMITTEE

Tuesday, February 9, 2016
4:00 PM

Henry Baker Hall, Main Floor, City Hall

Public Agenda
Finance and Administration Committee
Tuesday, February 9, 2016

Appointment of Chairperson

Approval of Public Agenda

Minutes of the meeting held on December 1, 2015

Administration Reports

FA16-1 Servicing Agreement Fees Exemption for New Baseball Park Subdivision

Recommendation

1. That the subdivision application submitted to create the land parcel intended for the development of a new baseball park in southeast Regina be exempt from Service Agreement Fees; and

2. That this report be forwarded to the February 29, 2016 City Council meeting for approval.

FA16-2 Tax Exemption - 176 and 180 St. John Street

Recommendation

1. That a five-year, 100 per cent tax exemption be provided for the affordable rental properties at 176 and 180 St. John Street commencing January 1, 2016.

2. That the City Solicitor be directed to prepare the necessary Bylaw to exempt these properties.

3. That this report be forwarded to the February 29, 2016 City Council meeting for approval.

Adjournment

AT REGINA, SASKATCHEWAN, TUESDAY, DECEMBER 1, 2015

AT A MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE
HELD IN PUBLIC SESSION

AT 4:00 PM

Present:	Councillor Bob Hawkins, in the Chair Councillor Bryon Burnett Councillor Shawn Fraser Councillor Barbara Young
Regrets:	Councillor Wade Murray
Also in Attendance:	Council Officer, Ashley Thompson Legal Counsel, Jana-Marie Odling City Manager, Ed Archer Chief Finanacial Officer, Ian Rea Chief Legislative Officer & City Clerk, Jim Nicol Executive Director, City Services, Kim Onrait Director, Communications, Chris Holden Manager of Community Development, Laurie Shalley Branding Manager, Nathan Morrison

APPROVAL OF PUBLIC AGENDA

Councillor Barbara Young 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 Shawn Fraser moved, AND IT WAS RESOLVED, that the minutes for the meeting held on November 3, 2015 be adopted, as circulated.

ADMINISTRATION REPORTS

FA15-35 Regina Regional Opportunities Commission – Regina Advantage

Recommendation

The Community Services Department recommends that a grant of $125,000 be approved for Regina Regional Opportunities Commission (RROC) to further implement the 'Regina Advantage' strategy.

The following addressed the Committee:

- John Lee, David Froh, Al Nicholson, and Lisa Mitchel, representing Regina Regional Opportunities Commission.
- Dale Eisler, representing the University of Regina and Dick Graham, representing the Regina Airport Authority.

Councillor Barbara Young moved, that the recommendation contained in the report be concurred in.

The Chair, Councillor Bob Hawkins abstained from voting on the item, but declared the motion CARRIED with a two to one vote in favour.

FA15-36 Saskatchewan Science Centre – Building Connections

Recommendation
That the request for $85,000 from the 2015 Economic and Promotional Initiatives Fund not be approved for the Saskatchewan Science Centre to sponsor the Building Connections exhibition.

Sandy Baumgartner, representing the Saskatchewan Science Centre, addressed the Committee.

Councillor Shawn Fraser moved, that the remaining $80,000 from the 2015 Economic and Promotional Initiatives Fund be allocated into this project.

The motion was put and declared LOST.

Councillor Bryon Burnett moved, AND IT WAS RESOLVED, that the Finance and Administration Committee provide $25,000 to support the Building Connections exhibit.

FA15-37 Municipal Election Expense Sharing Agreement

Recommendation

1. The Chief Legislative Officer and City Clerk be authorized to negotiate and enter into an agreement with The Board of Education of the Regina School Division No. 4 of Saskatchewan (Public School Board) and The Board of Education of the Regina Roman Catholic Separate School Division No. 81 of Saskatchewan (Separate School Board) regarding a municipal election expense sharing agreement.

2. That Bylaw #8073 A Bylaw of the City of Regina to Authorize the Execution of a Certain Agreement Between the City of Regina and the Board of Education of the Regina School Division No. 4 of Saskatchewan and the Board of Education of the Regina Roman Catholic Separate School Division No. 81 of Saskatchewan and the associated agreement be repealed.

3. That, after review by the City Solicitor, the City Clerk sign the agreement on behalf of the City of Regina.

4. That this report be forwarded to the December 21, 2015 meeting of City Council for approval.

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

PROCEDURAL POINT OF ORDER

The City Clerk addressed the Chair on item FA15-35, advising that procedurally, when a member abstains from voting, the vote is considered a negative, therefore, the original vote on the motion would be tied, which means the motion is LOST.

Councillor Fraser moved, AND IT WAS RESOLVED, that item FA15-35 be reconsidered.

FA15-35 Regina Regional Opportunities Commission – Regina Advantage

Recommendation
The Community Services Department recommends that a grant of $125,000 be approved for Regina Regional Opportunities Commission (RROC) to further implement the 'Regina Advantage' strategy.

Councillor Barbara Young moved, that the recommendation contained in the report be concurred in.

After reconsideration, the motion was LOST.

ADJOURNMENT

Councillor Bryon Burnett moved, AND IT WAS RESOLVED, that the meeting adjourn.

The meeting adjourned at 6 p.m.

Chairperson Secretary

February 9, 2016

To: Members,
Finance and Administration Committee

Re: Servicing Agreement Fees Exemption for new Baseball Park Subdivision

RECOMMENDATION

1. That the subdivision application submitted to create the land parcel intended for the development of a new baseball park in southeast Regina be exempt from Service Agreement Fees; and

2. That this report be forwarded to the February 29, 2016 City Council meeting for approval.

CONCLUSION

Due to the construction of the Regina Bypass, the City of Regina (City) owned baseball facility commonly known as “Pacer Park” was displaced when the site it was located on at Tower Road and Highway 33 was expropriated by the Government of Saskatchewan. The City is in the process of acquiring a new site for the relocation and development of the baseball park to a land parcel to be subdivided from a portion of NW 13-17-19 W2, approximately 2.5 kilometers north of the existing location. The site for the new baseball park will be dedicated as Municipal Reserve.

Typically, Service Agreement Fees (SAF) apply to subdivision applications that include the creation and dedication of Municipal Reserve spaces on previously undeveloped lands. Based on the approved SAF structure for 2016, and as a condition of subdivision approval, the City, as the land owner and applicant, would be required to pay an SAF amount of at least $6,232,000 to allow the proposed development to proceed. However, since the baseball park site is a relocation of an existing facility and is not expected to lead to an increased demand on City infrastructure systems, Administration recommends that the application for subdivision of the new site be exempt from paying SAFs. The redevelopment of the existing park site will be subject to fees.

BACKGROUND

Since approximately 1999, the City has owned a baseball park, commonly known as “Pacer Park”, located at the intersection of Highway 33 and Tower Road. Pacer Park, as it existed until the end of the 2015 baseball season, consisted of 13 full baseball diamonds and one partial diamond and was used by players aged five to adult. The site had facilities to support the operation of the park, which included a building for the concession, washrooms, officials change rooms and lockers, irrigation pump and meeting space. Other support facilities included three storage and maintenance buildings.

In the fall of 2015, the Government of Saskatchewan began construction of the Regina Bypass, impacting the current Pacer Park location as much of the site was expropriated to accommodate the new highway infrastructure. In order to maintain a comparable baseball facility in southeast Regina, the park needs to be relocated. The City has concluded negotiations for land compensation with the Government of Saskatchewan and has purchased a new site parcel, conditional on the subdivision application to create the said parcel being completed. The new baseball park will be situated on a portion of NW 13-17-19 W2 and is approximately 2.5 kilometers north of the existing location on the east side of Tower Road.

DISCUSSION

Beginning January 1, 2016, the City implemented a new SAF policy and fee structure. Under the SAF policy, all new greenfield developments (including Municipal Reserve and parks) must pay a per hectare fee in order to be developed. SAFs collected are used to pay for new city-wide infrastructure improvements necessitated by growth (e.g. roadway widenings, increases to waste water conveyance and treatment capacity).

A subdivision application has been submitted by the City to create the parcel proposed for the new baseball park. The new baseball park site, located on a portion of NW 13-17-19 W2, will be a minimum of 40.5 acres (16.4 hectares) in size and will be designated as Municipal Reserve. In accordance with the 2016 300k SAF rate of $380,000 per hectare, unless waived, approval of the subdivision would be subject to payment of at least $6,232,000 for the proposed 16.4 hectare site. If the size of the new site is increased, which is still under consideration, the SAF charge that would apply to the subdivision application would increase accordingly. As the landowner and developer, the City would be responsible for payment of these fees before the new park development could proceed.

Two options exist regarding the application of SAFs to the Baseball Park Relocation Project:

Recommended Option: Exempt the new baseball park site from SAFs
Exempting the subdivision application for the new park site from SAFs is based on the fact that the new baseball park site will not represent an intensification of use as compared to the previous Pacer Park site. That is to say, unlike other new developments, the relocation of a comparable baseball park facility from one site to another site relatively close in proximity should not create an increased demand on city-wide infrastructure systems. Since SAFs are charged in order to pay for the new infrastructure / infrastructure upgrades necessitated by growth, and the new baseball park is not expected to lead to new infrastructure demands there is not a strong rationale to apply SAFs to the application submitted to create and develop the new site.

Furthermore, this relocation is occurring due to expropriation by a third party, and has become necessary due to factors beyond the control of both the Pacers and the City. As part of the financial arrangements and negotiations with the Government of Saskatchewan surrounding the expropriation and damages related to relocation of the baseball park, the Government of Saskatchewan has indicated that they will not pay for SAFs associated with the new site. As a result, if the application for creation of the new site is not exempted from application of SAFs, the City will be responsible for paying the SAFs. Given these circumstances—that is that the City did not choose voluntarily or create the cause making it necessary to relocate the baseball park, but will otherwise be responsible for paying the SAFs—there is further rationale to exempt the project from SAFs.

Finally, exempting the new baseball park site from SAFs will not have an impact on SAFs charged to other developers during the current planning horizon. The new park site is currently outside of the 300k horizon and as a result, it does not decrease the amount of land that the City planned to collect SAFs from over the next 25 years. Since some of the former Pacer Park site will potentially be available for re-development in the future and will have SAFs collected at the time of redevelopment, the relocation of the baseball park may in fact increase the amount of land available in the 300k growth scenario—the impacts of this on the SAF rate and SAF project list will be studied in future updates to the SAF model based on development proposals and infrastructure master plans.

Option 2: Charge SAFs to the new baseball park site
Even though development of the new baseball park does not represent an intensification of use, there is some rationale for charging SAFs to the site, including:

- Municipal Reserve spaces and parks within other developments are not exempt from paying SAFs.
    - **Consideration:** Other Municipal Reserve spaces and parks are components of new communities and are required under *The Planning and Development Act*; they are provided to meet the recreational needs of those new communities. SAFs are charged to these Municipal Rerserve spaces as part of the charge applied to the entire new development area.

- If the application for creation of the new park site is made exempt from SAFs, other developers may ask for exemptions in situations where provincial expropriation leads to relocation / redevelopment / new development.
    - **Consideration:** This is not a common situation and the City can approach other similar situations on a case by case basis.

- SAFs were not paid at the time of development of the current Pacer Park as, at that time, it was outside of the City's municipal boundaries. Accordingly, this may be the City's only opportunity to collect SAFs associated with development of the baseball park.
    - **Consideration:** Other sites have also not paid SAFs in the past. The infrastructure required to support a baseball park in this area has been built and paid for already. No new city-wide infrastructure requirements are expected to result from the relocation of the baseball park.

If Council decides not to exempt the subdivision application for creation of the new park site from payment of SAFs, the City, as the landowner and developer will ultimately be responsible for paying the SAFs. The funding for this would need to come from general tax revenue from the General Fund Reserve.

RECOMMENDATION IMPLICATIONS

Financial Implications

Since the subdivision application under consideration involves the development of a baseball park that is comparable to an existing baseball park which it is replacing / relocating, Administration believes that there should not be an increased use of City infrastructure as a result of the development of the new park. As a result there should be no financial implications with respect to the provision of city-wide infrastructure related to the development of the new baseball park site. However, if the relocation of the park does lead to increased city-wide infrastructure costs to the City this would ultimately either have to be reflected through increased SAFs to all other developers and / or using other City revenues to pay for the required infrastructure upgrades.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

Exempting the new baseball park site from SAFs may lead other developers to ask for SAF exemptions in situations where provincial expropriation leads to relocation / redevelopment / new development. It is expected that these situations should be limited and that they can be dealt with on a case-by-case basis as they arise.

SAFs typically apply on all greenfield subdivided land used for development, regardless if they receive Municipal Reserve designation or not. This decision may prompt other developers to request exemptions for municipal reserves. The development of this new baseball park is unique—it is replacing an existing, similar in nature baseball park—and as a result there is reason to exempt this subdivision, and this reasoning would not apply in other typical development situations.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

None with respect to this report.

DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval.

Respectfully submitted,

Shauna Bzdel, Director
Planning Department

Respectfully submitted,

Diana Hawryluk, Executive Director
City Planning and Development

Report prepared by: Graham Haines, Senior Policy and Research Analyst

February 9, 2016

To: Members,
Finance and Administration Committee

Re: Tax Exemption – 176 and 180 St. John Street

RECOMMENDATION

1. That a five-year, 100 per cent tax exemption be provided for the affordable rental properties at 176 and 180 St. John Street commencing January 1, 2016.

2. That the City Solicitor be directed to prepare the necessary Bylaw to exempt these properties.

3. That this report be forwarded to the February 29, 2016 City Council meeting for approval.

CONCLUSION

Gabriel Housing has applied for a tax exemption for two affordable rental developments at 176 and 180 St. John Street. Based on the Housing Incentives Policy (HIP) under which they applied for tax exemption in 2015, the units are only eligible for a partial (25 per cent) exemption. However, had they applied for an exemption at project start, they would have been eligible for a full, five-year exemption under the policy in place at that time. Given these circumstances, Administration recommends a five-year tax exemption for these properties, based on Section 262 of *The Cities Act*.

BACKGROUND

Gabriel Housing, a non-profit housing provider, applied for and was approved for capital grants for two, two-unit rental buildings at 176 and 180 St. John Street in the spring of 2014. The developments were issued building permits on May 26, 2014 and received final occupancy permits on April 1, 2015. Gabriel Housing has rented these units as affordable rental units, which meet the eligibility requirements for the City's capital grant program including rental rate maximums.

In December, 2015, Gabriel Housing inquired about a tax exemption for the units. The two buildings were developed in an R1A zone. Under the policy in place when the development was planned, the project would have been eligible for a full tax exemption for both rental units. However, with subsequent changes to the HIP, a two-unit building in an R1 or R1A zone is treated as a single-detached home with a secondary suite and provided a partial tax exemption of 25 percent for five years for the secondary suite.

DISCUSSION

Given that Gabriel Housing, a non-profit housing provider, has constructed these units for long-term affordable rental (the units are also funded under the Government of Saskatchewan's Rental Development Program for affordable housing), Administration recommends a five-year, 100 per cent exemption for these units. Because a new HIP has since been approved for 2016, it is not possible to grandfather these units. It is also not possible to amend the new 2016 HIP to address this issue since the units are already complete; opening up the new 2016 policy to grandfather completed units would also have implications for other projects also completed in 2015.

Therefore, Administration proposes the approval of a five-year, 100 per cent exemption based on Section 262 of *The Cities Act*, which allows Council to approve a tax exemption for a property of up to five years. We have aligned this recommendation for tax exemption with the Housing Incentives Program Tax Exemption Bylaw, which will go before Council on February 29, 2016. Based on the requirements for capital grants, the units will be required to meet the City's rental rate maximums for at least five years and are held to additional requirements for affordability based on provincial funding.

RECOMMENDATION IMPLICATIONS

Financial Implications

The difference in exemptions between a five-year, 25 per cent exemption and a five-year, 100 per cent exemption per address are noted in the table below.

Assessed Property Value	**Total Exempt Municipal Levies per Property***	
$218,400	*5 Years, 25 per cent*	*5 Years, 100 per cent*
	$ 2,436.39	$ 9,745.69

*Note: levies are estimated using current assessment and 3 per cent mill rate increase.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

The recommendation for tax exemption meets the intention of the HIP to support below market, affordable and accessible housing options, and to stimulate below market and affordable rental housing development.

Administration will continue to monitor this issue to assess whether an amendment to the 2016 HIP may be required. Under the 2016 policy, if these units were constructed in an R2 or R3, where duplexes and semi-detached units are allowed, they would be eligible for a five-year, 100 per cent exemption for a two-unit rental building. Under the 2016 HIP, in order to ensure compatibility with the *Zoning Bylaw*, a two-unit building in an R1 or R1A zone, which is designated for single-detached development, is treated as a house with a secondary suite and offered a partial exemption for the secondary suite.

Based on past applications, most non-profits are not developing two-unit buildings due to the high cost-per-unit for construction. Also, the provincial Rental Development Program (RDP) requires projects of four units or more. Thus to be eligible for the RDP, projects must take the form of Gabriel Housing's current project in which two, two-unit buildings are developed together for a total of four units. Without RDP funding, it is unlikely that the project would be financially feasible for a non-profit.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

Gabriel Housing was provided a copy of this report and will be provided written notice of City Council's decision.

DELEGATED AUTHORITY

The recommendations contained within this report require City Council approval.

Respectfully submitted,

Shauna Bzdel, Director
Planning

Respectfully submitted,

Diana Hawryluk, Executive Director
City Planning and Development

Report prepared by:
Jennifer Barrett, Senior City Planner