



Executive Committee

**Wednesday, October 7, 2020
9:00 AM**

Henry Baker Hall, Main Floor, City Hall



OFFICE OF THE CITY CLERK

Public Agenda Executive Committee Wednesday, October 7, 2020

Approval of Public Agenda

Adoption of Minutes

Minutes of the meeting held on September 16, 2020

Administration Report

EX20-28 City of Regina Servicing Agreement Fee, Development Levy and Intensification Levy Annual Rate Review

Recommendation

Executive Committee recommends that City Council:

1. Set the 2021 Greenfield Servicing Agreement Fee and Development Levy Rates at \$299,000 per hectare for residential and commercial greenfield development and \$99,670 per hectare for industrial-zoned greenfield development and approved effective January 1, 2021.
2. Maintain the 2021 Intensification Levy Rates unchanged effective January 1, 2021:

Table 1: Intensification Levy Rate by Land Use Type

LAND USE TYPE	RATE
Residential Unit Types (rate charged per unit)	
Secondary Suite	\$4,200
Single-Detached Dwelling	\$8,700
Semi-Detached Dwelling or Duplex	\$8,400
More than Two Dwelling Units (e.g. townhouse, triplex, etc.)	\$8,100
Apartment (less than two bedrooms)	\$4,200
Apartment (two or more bedrooms)	\$6,100
Office/Commercial/Institutional (rate charged per m ²)	\$90
Industrial (rate charged per m ²)	\$40

3. Direct the City Solicitor to prepare the necessary bylaw amendment to *The Development Levy Bylaw No. 2011-16*.



OFFICE OF THE CITY CLERK

4. Approve these recommendations and consider the proposed bylaw at its October 28, 2020 meeting, following the required public notice.

Resolution for Private Session

AT REGINA, SASKATCHEWAN, WEDNESDAY, SEPTEMBER 16, 2020

AT A MEETING OF EXECUTIVE COMMITTEE

HELD IN PUBLIC SESSION

AT 2:00 PM

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 Sharron Bryce, in the Chair
Mayor Michael Fougere
Councillor Lori Bresciani (Videoconference)
Councillor John Findura (Videoconference)
Councillor Jerry Flegel (Videoconference)
Councillor Bob Hawkins (Videoconference)
Councillor Jason Mancinelli (Videoconference)
Councillor Joel Murray (Videoconference)
Councillor Mike O'Donnell (Videoconference)
Councillor Andrew Stevens (Videoconference)
Councillor Barbara Young (Videoconference)

Also in Attendance: City Clerk, Jim Nicol
Deputy City Clerk, Amber Ackerman
City Manager, Chris Holden
City Solicitor, Byron Werry
Executive Director, Citizen Experience, Innovation & Performance Louise Folk
Executive Director, Citizen Services, Kim Onrait
Executive Director, City Planning & Community Dev., Diana Hawryluk
Exec. Director, Financial Strategy & Sustainability, Barry Lacey
Director, Citizen Experience, Jill Sveinson
Legal Counsel, Chrystal Atchison
Manager, Licensing & Parking Services, Dawn Schikowski
Corporate Strategy and Performance Consultant, Ryan Gray

APPROVAL OF PUBLIC AGENDA

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

ADOPTION OF MINUTES

Councillor John Findura moved, AND IT WAS RESOLVED, that the minutes for the meeting held on August 5, 2020 be adopted, as circulated.

ADMINISTRATION REPORTS

EX20-27 Residential Short Term Accommodation (Homestay)

Recommendation

The Executive Committee recommends that City Council:

1. Approve the following regulatory changes:
 - (a) amendments to *The Regina Zoning Bylaw, 2019*, effective January 1, 2021, to change Service Trade, Homestay from a discretionary use to a permitted use in all zones where it is currently discretionary and related amendments to facilitate the establishment of the licensing program as further described in this report;
 - (b) amendments to *The Licensing Bylaw* to establish a licensing and regulatory regime for all residential short term accommodations as further detailed in Appendix A of this report;
 - (c) an amendment to *The Regina Appeal Board Bylaw* to enable the Regina Appeal Board, which hears appeals related to business licences, to hear licensing appeals for short term accommodation licences.
2. Remove EX19-49 from the outstanding items list for the Executive Committee.
3. Direct the City Solicitor to prepare the necessary bylaws to implement the licensing and regulatory scheme for residential short term accommodation and the amendments to *The Regina Zoning Bylaw, 2019* described in this report to the meeting of City Council one month following the approval of the recommendations described in this report.
4. Approve these recommendations at the September 30, 2020 meeting of City Council.

The following addressed the Committee:

- Tracy Fahlman, Regina Hotel Association
- Brett Ackerman
- Nathan Rotman, Airbnb

Mayor Michael Fougere moved that the recommendations contained in the report be concurred in.

Mayor Michael Fougere moved in amendment, AND IT WAS RESOLVED, that Administration report back to City Council on an annual basis on the operation of Short Term Accommodation (Homestay).

The Clerk called the vote on Mayor Fougere's amendment.

Mayor Michael Fougere	Yes
Councillor Barbara Young	Yes
Councillor Bob Hawkins	Yes
Councillor Andrew Stevens	Yes
Councillor Lori Bresciani	Yes
Councillor John Findura	Yes
Councillor Joel Murray	Yes
Councillor Mike O'Donnell	Yes
Councillor Jason Mancinelli	Yes
Councillor Jerry Flegel	Yes
Councillor Sharron Bryce	Yes

Councillor Barbara Young moved, in amendment that:

- 1. The percentage limit in a multi-unit dwelling be set at 35%; and**
- 2. A cap on licenses if vacancy rate drops below 3% be applied.**

(Mayor Fougere requested that each of the points be voted on separately.)

The Clerk called the vote on #1.

Councillor Barbara Young	Yes
Councillor Bob Hawkins	Yes
Councillor Andrew Stevens	Yes
Councillor Lori Bresciani	Yes
Councillor John Findura	Yes
Councillor Joel Murray	Yes
Councillor Mike O'Donnell	Yes
Councillor Jason Mancinelli	Yes
Councillor Jerry Flegel	Yes
Mayor Michael Fougere	Yes
Councillor Sharron Bryce	Yes

The motion was put and declared CARRIED.

The Clerk called the vote on #2.

Councillor Barbara Young	Yes
Councillor Bob Hawkins	Yes
Councillor Andrew Stevens	Yes
Councillor Lori Bresciani	Yes
Councillor John Findura	Yes

Councillor Joel Murray	Yes
Councillor Mike O'Donnell	Yes
Councillor Jason Mancinelli	Yes
Councillor Jerry Flegel	Yes
Mayor Michael Fougere	No
Councillor Sharron Bryce	Yes

The motion was put and declared **CARRIED**.

The Clerk called the vote on the main motion.

Councillor Barbara Young	Yes
Councillor Bob Hawkins	Yes
Councillor Andrew Stevens	Yes
Councillor Lori Bresciani	Yes
Councillor John Findura	Yes
Councillor Joel Murray	Yes
Councillor Mike O'Donnell	Yes
Councillor Jason Mancinelli	Yes
Councillor Jerry Flegel	Yes
Mayor Michael Fougere	Yes
Councillor Sharron Bryce	Yes

The main motion, as amended, was put and declared **CARRIED**.

RESOLUTION FOR PRIVATE SESSION

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

RECESS

Pursuant to the provisions of Section 34 (13.1) of City Council's Procedure Bylaw No. 9004, a 15 minute recess was called.

The Committee recessed at 3:40 p.m.

Chairperson

Secretary

City of Regina Servicing Agreement Fee, Development Levy and Intensification Levy Annual Rate Review

Date	October 7, 2020
To	Executive Committee
From	City Planning & Community Development
Service Area	Office of Executive Director (City Planning & Community Development)
Item No.	EX20-28

RECOMMENDATION

Executive Committee recommends that City Council:

1. Set the 2021 Greenfield Servicing Agreement Fee and Development Levy Rates at \$299,000 per hectare for residential and commercial greenfield development and \$99,670 per hectare for industrial-zoned greenfield development and approved effective January 1, 2021.
2. Maintain the 2021 Intensification Levy Rates unchanged effective January 1, 2021:

Table 1: Intensification Levy Rate by Land Use Type

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Industrial (rate charged per m ²)	\$40

3. Direct the City Solicitor to prepare the necessary bylaw amendment to *The Development Levy Bylaw No. 2011-16*.

4. Approve these recommendations and consider the proposed bylaw at its October 28, 2020 meeting, following the required public notice.

ISSUE

The City uses Servicing Agreement Fees and Development Levies (SAF/DL) and Intensification Levies (IL) to fund major infrastructure required for new growth and development for servicing a population of 300,000, as per *The Planning and Development Act, 2007* (Act) and described in the *Administration and Calculation of Servicing Agreement Fee and Development Levy Policy* (Policy).

SAF/DL and IL rates are reviewed and set annually to apply the most current information to the calculations. A 2021 greenfield SAF/DL rate of \$361,000 per hectare was approved by City Council in November 2019 (Report CR19-96), with a commitment that a new 2021 rate would be brought forward if the calculated rate varied by more than five per cent from the approved rate. The new proposed 2021 greenfield SAF/DL rate of \$299,000 per hectare is a decrease of 17.2 per cent from the currently Council-approved rate.

IMPACTS

Financial Impact

Establishing SAF/DL and IL rates is an annual process that manages cash flow for the delivery of growth-related infrastructure funded through servicing agreement fees, development levies, and intensification levies.

It is expected that the SAF Reserve Fund will be in a deficit position by 2022. However, the model when created and approved by Council in 2015, had taken into account a \$50 million deficit. This will be caused by lower-than-average revenue from land development and a need to complete projects in preparation for growth; in particular, the Eastern Pressure Solution which is required to restore level of service for the water distribution system. The SAF Reserve Fund deficit is predicted to be between \$30 million and \$50 million for 15 years and return to a zero balance at the end of the model in the current 21-year term. There are risks to carrying a deficit.

- Future SAF fees may not recover this deficit if growth slows or stops. There is some risk that taxpayers may bear this cost in the future; however, this is considered a low risk as it is not anticipated growth will stagnate indefinitely.
- The intent of the \$50 million limit was to strike a balance between these risks and the fact that it is difficult to deliver growth projects without some SAF Reserve deficit.
- To carry a deficit, the City may need to finance SAF projects by taking on debt, with Council approval. The cost of borrowing this debt is calculated in the SAF model and applied to the SAF annual rate. However, increased debt-financing has the potential to reduce investment returns and increase the need to debt-finance other City projects. The City's debt limit is \$450 million and there are several potential future projects that, if approved, will likely need to be funded by debt. These projects will

need to be prioritized.

Anticipated revenue and expenditures are balanced over the life of the SAF financial model. The annual review of the model and projects within it provide the opportunity for updates with the most current information and adjust as necessary due to any change in the pace of growth or economic conditions. This review process will see the rate lower and raise based on the review and factors which attribute to it.

Policy/Strategic Impact

The review of rates is in accordance with Section 4.13 Servicing Agreement Fee Rate and Development Levy Review in both the Policy and *The Development Levy Bylaw No. 2011-16* Schedule B:

- 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 intensification development Capital Projects for the purpose of calculating the Intensification Levy 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 intensification levy rates;
 - Adjustment, addition, and removal of Capital Projects over the 25-year time horizon;
 - Indexing for inflation.

The purpose of the 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* in Section B Financial Policies Goal 4 – Revenue Sources:

- 1.16 *Ensure that growth pays for growth by*
 - 1.16.1 *Ensuring Servicing 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 Service 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 policy and intent of this Plan;*
- *1.16.5 Achieving balance of employment and residential lands*

OTHER OPTIONS

Based on the annual review and resulting revisions to the growth-related capital project list, the proposed 2021 rate has been calculated in accordance with the Act and Council approved policy and direction. An alternative option is for Council to direct the Administration to reconsider some or all of the updates made to the model.

COMMUNICATIONS

Recommendations within this report as well as planned City Council dates were provided to stakeholders in advance. Stakeholders were also identified as interested parties in the report process.

Stakeholders and other interested parties will receive a copy of the report and notification of the meeting to appear as a delegation in addition to receiving a written notification of City Council's decision. The rates will also be posted on Regina.ca.

DISCUSSION

Growth of a city can offer benefits such as supporting and attracting local business, creating population thresholds necessary to support arts and culture, promoting community vibrancy and fostering the development of services such as transit and recreation.

Growth requires an investment in services and infrastructure. New neighborhoods and employment areas require expanded or new infrastructure for services such as water and wastewater. The Policy assigns developers responsible for capital requirements internal to or triggered directly by new developments, while SAF/DL and IL are used to fund infrastructure upgrades to the city systems due to overall growth of the city.

The City's primary tools to fund these system upgrades are SAFs in new subdivisions, DL in areas where no subdivision is occurring but a change in intensity of land use is taking place, and IL within established areas where there is an intensification of use generating an increase in demand for services. The Policy, guided by the Act, and approved by City Council outlines the calculation of these fees. The Act allows for the following categories of growth-related capital projects to be eligible for SAF/DL and IL funding:

- Roads and transportation infrastructure;
- Utility infrastructure, including water, wastewater and stormwater (drainage); and
- Parks and recreation infrastructure.

These projects cannot include costs associated with operations, maintenance or renewal of

infrastructure, nor can they be used for other growth-related costs, such as those for police, transit, landfill, libraries or firehalls.

Annual Review Process

The SAF/DL and IL rates are determined annually as part of the update to the SAF financial model. This includes updating growth projections (both in the amount of greenfield land remaining to be developed, and infill rates) and the growth-related capital project list (Appendix A). The growth-related capital project list is based on master plans and further studies, outlining projects required to service growth to 300,000 people as per *Design Regina: The Official Community Plan Bylaw No. 2013-48* (OCP).

The project list was reviewed by Administration and development industry stakeholders through a combination of communications, meetings and workshops. Feedback from the Regina and Region Home Builders' Association (Appendix B) indicated general support for the recommendation.

The SAF model is fixed to a population of 300,000 which means the current term of the model is 21 years. A five-year review of the SAF Policy is in progress.

Greenfield SAF/DL Rate Review

The proposed 2021 greenfield SAF/DL rate of \$299,000 is a decrease of 17.2 per cent from the 2020 rate of \$361,000. Much of this decrease is due to a comprehensive review of transportation projects in response to concerns raised last year by the development industry regarding the assumptions used to identify the projects and estimate project costs. Further changes may be applied next year as a result of reviews of the Transportation Master Plan and impact of the Bypass on traffic patterns.

A percentage reduction in the cost estimate was applied to the proportionate benefit of any project that accrued beyond the 300,000-population growth horizon as this growth horizon should only pay their share of the project costs. As well, committed and expected senior government funding was incorporated into project estimates where appropriate, ie. Buffalo Pound Upgrades.

Intensification Levy Rate Review

The proposed 2021 IL rates are to remain the same as the 2020 IL rates. The underlying principles for calculating the IL rate are the same as the greenfield SAF/DL rate. The cost of capital projects applies in three ways:

1. Fully attributed to greenfield growth;
2. Fully attributed to existing infrastructure (ie. infill/intensification); or
3. A proportionate share of greenfield and existing infrastructure.

Despite a review of all project and administrative costs, and a decrease in the proposed 2021 greenfield SAF/DL rate, the impact to the IL rate was negligible. In particular, the cost of one project - wastewater linear capacity upgrades - was applied only to the intensification

levy which offset decreases in other projects and administrative costs.

DECISION HISTORY

In November 2019, City Council (Report CR19-96) approved the 2021 Greenfield Servicing Agreement Fee and Development Levy Rate of \$361,000 per hectare with the recognition that new rates would be brought forward for Council approval if the calculated rate varied by more than five per cent. The newly calculated rate of \$299,000 is a decrease of 17.2 per cent.

The 2021 Intensification Levy Rates were also approved at the November 2019 meeting of Council (Report CR19-96), with the recognition that new rates would be brought forward for Council approval if the calculated rate varied by more than five per cent. The newly calculated rate for 2021 varied negligibly from the Council-approved rate, so no change is recommended at this time.

The recommendations in this report require City Council approval.

Respectfully submitted,

Respectfully submitted,



Michelle Forman, Manager, Integration & Stakeholder Relationships

9/24/2020



Diana Hawryluk, Executive Director, City Planning & Community Dev.

10/1/2020

Prepared by: Jason Barnhart, Economist

ATTACHMENTS

Appendix A: Growth-Related Capital Project List

Appendix B: RRHBA Ltr to City Council on 2021 SAF Rate Recommendation

SAF Model Assumptions

September 2020

Calculated Greenfield SAF Rates (\$/hectare)

	2021 SAF Rate	Transportation	Water	Wastewater	Drainage	Parks	Admin
Greenfield Residential & Commercial	\$299,000	\$123,000	\$90,000	\$37,000	\$0	\$12,000	\$37,000
Industrial Zoning	\$99,670	\$41,000	\$30,000	\$12,330	\$0	\$4,000	\$12,330

SAF Policy Variables

Numbers updated from previous models; treatment of discipline-specific inflation rates new for this year

Inflation Rate	1.99%	<i>This affects future project costs</i>
Interest Rate (Debt)	3.78%	<i>This affects interest on SAF reserve debt</i>
Interest Rate (Cash)	2.17%	<i>This affects interest on positive SAF reserves</i>

Growth Projections

Numbers updated from previous models; methodology unchanged

City Population (2016 base year)	215,106	<i>Based on 2016 Census data</i>
City Population Growth (per year)	3,954	<i>Growth projections based on Census data</i>
Expected Year at 300,000 Population	2038	
Expected Year at 310,000 Population	2040	
Greenfield Hectares Remaining	1,612	<i>Includes 120 hectares from West Harbour Landing</i>
Greenfield Hectares to be Developed (per year)	79.8	<i>Average to the model-end year of 2040</i>

Model Calculation Assumptions

Numbers and methodology unchanged

- Model end year 2040 (for expenditures) and 2042 (for revenue)
- Two years to collect on SAF Fees (derived from 30%/40%/30% payment schedule)
- Estimated year of construction based on best guess of development triggers
- Projects removed once construction begins; funding reduced each year for multi-year projects
- Senior government funding applied to estimates, where applicable
- Regional contributions applied to the cost estimates, where applicable
- Select Transportation projects reduced by 20% where benefit accrues beyond 300K population
- Transportation projects without a recent estimate update reduced by 20%
- Funding split for projects determined as per policy 2017-2-CPD
- Greenfield/Infill growth fixed at 70%/30%
- The model is designed to have \$0 balance at the end
- Final SAF Rate rounded to the nearest \$1000

2021 Service Agreement Fee (SAF) Model Summary - TRANSPORTATION PROJECTS

*Note: The right-most cost estimate for each project is applied to the model

#	Category and Project Description	Source(s)	Cost Estimate (\$2020)	Cost Estimate (\$2020) Less Deductions	Cost Estimate (\$2020) Less 20% +300K Benefit	SAF Share	City Share	SAF Cost	City Cost	Infill?	Infill Share	Change Notes
3	9th Ave N & West leg of Regina Bypass Interchange	TMP, Regina Bypass Project	\$7,700,000			100%	0%	\$7,700,000	\$0	No	0%	No changes
10	ANNUAL roadways completion (unused funds capped at \$100k) (Annual cost of \$50k)	Estimated value of growth driven new development corrections based on Lessons Learned through Servicing Agreement Outcomes	\$1,050,000			100%	0%	\$1,050,000	\$0	No	0%	No changes
11	ANNUAL Traffic Signal Installation Program	TMP	\$16,800,000	\$13,440,000		100%	0%	\$13,440,000	\$0	Yes	29%	Adjusted estimate from \$17.6M to \$16.8M to maintain estimate of four signal installations per year (less 20%) allocation
20	Courtney St Extension (Sherwood Dr to 1st Ave N - west side)	TMP	\$3,000,000			100%	0%	\$3,000,000	\$0	No	0%	Adjusted estimate from \$3.47M
21	Courtney St Flyover at CP Mainline	TMP	\$11,000,000	\$10,625,000	\$8,500,000	100%	0%	\$8,500,000	\$0	No	0%	Adjusted cost from \$20M to \$11M with a further reduction to \$8.5M to incorporate regional contributions and represent the benefit of this asset accruing to the 300K+ growth horizon
25	Dewdney Ave twinning (Pinkie Rd to Fleming Rd)	TMP, Regina Bypass Project	\$12,600,000	\$9,600,000	\$7,680,000	100%	0%	\$7,680,000	\$0	No	0%	Adjusted cost from \$12.6M to \$7.68M to incorporate regional contributions and reduced by 20% to represent the benefit of this asset accruing to the 300K+ growth horizon
32	Hill Ave and West Regina Bypass	TMP, Regina Bypass Project	\$2,800,000			100%	0%	\$2,800,000	\$0	No	0%	No changes
38	McDonald St Widening (Kress St to Fleet St)	TMP, Fleet St Business Park Secondary Plan	\$3,470,000	\$2,776,000		100%	0%	\$2,776,000	\$0	No	0%	No changes
41	Pasqua St & Ring Rd Interchange Ramps	TMP, Pasqua Street at 9th Avenue N & Ring Road Interchange and Corridor Value Engineering Study (MMM, 2010)	\$10,500,000	\$8,400,000		100%	0%	\$8,400,000	\$0	No	0%	Adjusted project timeline
42	Pasqua St & Ring Rd Interchange	TMP	\$25,000,000		\$20,000,000	100%	0%	\$20,000,000	\$0	No	0%	Adjusted cost from \$31.5M to \$25M and a further 20% reduction to \$20M to represent the benefit of this asset accruing to the 300K+ growth horizon
45	Pasqua St Widening (Ring Rd to Rochdale Blvd)	TMP, Pasqua Street at 9th Avenue N & Ring Road Interchange and Corridor Value Engineering Study (MMM, 2010)	\$4,100,000	\$3,280,000		100%	0%	\$3,280,000	\$0	No	0%	No changes
46	Pasqua St Widening (Ring Rd to Sherwood Dr)	TMP, Pasqua Street at 9th Avenue N & Ring Road Interchange and Corridor Value Engineering Study (MMM, 2010)	\$4,100,000	\$3,280,000		100%	0%	\$3,280,000	\$0	No	0%	Adjusted cost from \$6.65M to \$4.1M less 20%
51	Pinkie Rd New (Sherwood Dr to Dewdney Ave)	TMP	\$12,000,000	\$11,890,000	\$9,512,000	100%	0%	\$9,512,000	\$0	No	0%	Combined with #T50 Pinkie Rd New (9th Ave N to south of Wascana Creek) and adjusted scope from "South of Wascana Creek to Dewdney Ave" to "Sherwood Dr to Dewdney Ave"; adjusted combined cost from \$21M to \$12M with a further reduction to \$9.512M to incorporate regional contributions and represent the benefit of this asset accruing to the 300K+ growth horizon
54	Prince of Wales Dr Twinning (Dewdney Ave to Jenkins Dr)	TMP, Fleet St Business Park Secondary Plan	\$3,470,000	\$2,776,000		100%	0%	\$2,776,000	\$0	No	0%	No changes
57	Prince of Wales Widen & Pave - (Jenkins to Highway 46) - Construction	TMP, Fleet St Business Park Secondary Plan	\$8,000,000			100%	0%	\$8,000,000	\$0	No	0%	Adjusted distance to Highway 46 (adjusted name accordingly); increased cost from \$2.31M to \$8M (total cost of #T57 and #T58 is estimated at \$9M)
58	Prince of Wales Widen & Pave - (Jenkins to Highway 46) - Design	TMP, Fleet St Business Park Secondary Plan	\$1,000,000			100%	0%	\$1,000,000	\$0	No	0%	Adjusted distance to Highway 46 (adjusted name accordingly); increased cost from \$300,000 to \$1M (total cost of #T57 and #T58 is estimated at \$9M)
63	Ring Rd Widening (Albert St to McDonald St) Construction	TMP	\$8,100,000	\$6,480,000		100%	0%	\$6,480,000	\$0	No	0%	Will not occur until after the Eastern Pressure Solution Project - adjusted project timeline
64	Ring Rd Widening (Albert St to McDonald St) Design	TMP	\$800,000	\$640,000		100%	0%	\$640,000	\$0	No	0%	Will not occur until after the Eastern Pressure Solution Project - adjusted project timeline
65	Ring Rd Widening (Ross Ave to Dewdney Ave)	TMP	\$2,500,000	\$2,000,000		100%	0%	\$2,000,000	\$0	No	0%	No changes
66	Ring Rd Widening (Ross Ave to Dewdney Ave) Design	TMP	\$400,000	\$320,000		100%	0%	\$320,000	\$0	No	0%	No changes

#	Category and Project Description	Source(s)	Cost Estimate (\$2020)	Cost Estimate (\$2020) Less Deductions	Cost Estimate (\$2020) Less 20% +300K Benefit	SAF Share	City Share	SAF Cost	City Cost	Infill?	Infill Share	Change Notes
74	Saskatchewan Dr Extension (Lewvan Dr to Schmirler Way) plus Bridge over Wascana Creek	TMP	\$7,880,000	\$7,000,000	\$5,600,000	100%	0%	\$5,600,000	\$0	No	0%	Adjusted scope from "Lewvan to Campbell St" to "Lewvan Dr to Schmirler Way"; reduced cost from \$7.88M to \$5.6M to incorporate regional contributions and represent the benefit of this asset accruing to the 300K+ growth horizon
75	Saskatchewan Dr / 13th Ave (Schmirler Way to Courtney St) Design	TMP	\$500,000		\$400,000	100%	0%	\$400,000	\$0	No	0%	Adjusted scope from "Campbell St to Courtney St" to "Schmirler Way to Courtney St"; Reduced cost from \$500K to \$400K to represent the benefit of this asset accruing to the 300K+ growth horizon
76	Saskatchewan Dr / 13th Ave (Schmirler Way to Courtney St) N1/2 Construct	TMP	\$8,000,000		\$6,400,000	100%	0%	\$6,400,000	\$0	No	0%	Adjusted scope from "Campbell St to Courtney St" to "Schmirler Way to Courtney St"; adjusted cost from \$5.25M to \$8M then reduced by 20% to \$6.4M to represent the benefit of this asset accruing to the 300K+ growth horizon
77	Saskatchewan Dr / 13th Ave (Schmirler Way to Courtney St) S1/2 Construct	TMP	\$8,000,000		\$6,400,000	100%	0%	\$6,400,000	\$0	No	0%	Adjusted scope from "Campbell St to Courtney St" to "Schmirler Way to Courtney St"; adjusted cost from \$5.25M to \$8M then reduced by 20% to \$6.4M to represent the benefit of this asset accruing to the 300K+ growth horizon
81	Saskatchewan Drive & Lewvan Dr Flyover	TMP	\$25,000,000	\$23,150,000	\$18,520,000	100%	0%	\$18,520,000	\$0	No	0%	Adjusted cost from \$50M to \$25M and further reduced to \$18.52M to incorporate regional contributions and represent the benefit of this asset accruing to the 300K+ growth horizon
82	Transportation Master Plan - Major Updates	TMP; Best practice - Major update every 10 years	\$800,000			30%	70%	\$240,000	\$560,000	Yes	29%	Adjusted funding split from 100% SAF to 30% SAF / 70% City
83	Transportation Master Plan - Minor Updates	TMP; Best practice - Minor update every 5 years	\$400,000			30%	70%	\$120,000	\$280,000	Yes	29%	Adjusted funding split from 100% SAF to 30% SAF / 70% City
88	Victoria Ave East Widening (Prince of Wales to Tower)	TMP, Victoria Avenue East Widening Preliminary Design Report (Stantec, 2011)	\$7,880,000	\$6,304,000		100%	0%	\$6,304,000	\$0	No	0%	No changes
89	Wascana Parkway Eastbound Loop Ramp onto Hwy 1A Northbound	TMP	\$3,500,000			100%	0%	\$3,500,000	\$0	No	0%	Adjusted scope from dual lefts to a loop ramp; adjusted cost from \$550K to \$3.5M
91	Winnipeg St Realignment & New Bridge	Winnipeg Street Bridge Realignment Study Realignment Study Value Engineering Workshop Final Report (AECOM, 2013)	\$9,600,000			30%	70%	\$2,880,000	\$6,720,000	No	0%	Adjusted project timeline
100	Road Network Improvements Property Purchase Program	Consolidation of property purchase projects previously identified individually Combined: #47 - Pasqua St widening (Ring Rd to Sherwood Dr) property purchase #49 - Pinkie Rd (9th Ave N to 200m south of CPR) Property Purchase #72 - Saskatchewan Dr & Lewvan Dr Property Purchase	\$5,250,000			100%	0%	\$5,250,000	\$0	No	0%	Combined three projects with a previous cost estimate of \$10.325M; adjusted cost estimate to \$5.25M (\$250K/year to the end of the model)
102	Saskatchewan Drive Improvements	Outcome of Sask Dr Corridor Study Combined #70 - Saskatchewan Dr & Albert St Intersection (turn lanes) Construct #71 - Saskatchewan Dr & Albert St Intersection (turn lanes) Design #78 - Saskatchewan Dr Widening (Angus St to Princess St) Construct #79 - Saskatchewan Dr Widening (Angus St to Princess St) Design #80 - Saskatchewan Dr Widening (Halifax St to Quebec St) #102 - Saskatchewan Dr Improvements - McTavish to Winnipeg	\$18,000,000			50%	50%	\$9,000,000	\$9,000,000	Yes	29%	Combined five projects with previous cost estimate to the model of \$26.05M

#	Category and Project Description	Source(s)	Cost Estimate (\$2020)	Cost Estimate (\$2020) Less Deductions	Cost Estimate (\$2020) Less 20% +300K Benefit	SAF Share	City Share	SAF Cost	City Cost	Infill?	Infill Share	Change Notes
103	Intersection Improvement Program	Consolidated: #1 - 13th Ave Corridor Turn Lanes (Albert St to Pasqua St) #13 - Arcola Ave & University Park Drive Intersection Enhancement (construction) #37 - Lewvan Dr & Dewdney Ave Intersection (double turn lanes) #53 - Prince of Wales & Arcola Double Lefts #68 - Ross Ave & McDonald St Intersection (N/S left turns) #69 - Ross Ave & Winnipeg St Intersection (lengthen lefts) #84 - Victoria Ave & Park St Intersection Capacity Upgrades	\$2,100,000			100%	0%	\$2,100,000	\$0	Yes	29%	Combined seven projects with a previous cost estimate of \$6.33M
104	9th Ave N Twinning (Courtney St to Hwy 11)	Combined #4 - 9th Ave N Twinning (Courtney St to Pinkie) #6 - 9th Ave N Twinning (Pinkie to West Regina Bypass)	\$8,000,000	\$6,870,000		100%	0%	\$6,870,000	\$0	No	0%	Combined two projects with a previous estimate of \$7.98M; maintained at \$8M less regional contributions taking the cost estimate to \$6.87M
105	Southeast Regina Roadway Capacity Solution	Combined #17 - Assiniboine Ave & Hwy 1 Bypass Interchange NB On-Ramp; #90 - Wascana Parkway/Prince of Wales Dr Extension (2-lane roadway) - Construction #101 - Arcola Ave Corridor Study (College Ave to Prince of Wales Dr) - Design	\$10,300,000			100%	0%	\$10,300,000	\$0	No	0%	Combined three projects with a previous cost estimate of \$12.95M
106	Courtney St Extension (1st Ave N to Dewdney Ave)		\$21,000,000		\$16,800,000	100%	0%	\$16,800,000	\$0	No	0%	New for 2021; cost estimate reduced from \$21M to \$16.8M to represent the benefit of this asset accruing to the 300K+ growth horizon
Transportation Subtotal			\$ 274,600,000					\$213,318,000	\$16,560,000			

Percentage of SAF Costs to "Cost Estimate (\$2020)" 78%

2021 Service Agreement Fee (SAF) Model Summary - WATER PROJECTS

#	Category and Project Description	Source(s)	Cost Estimate (\$2020)	SAF Share	City Share	SAF Cost	City Cost	Infill?	Infill Share	Change Notes
19	Transfer Pumping	WMP Option 2 Previously from: North Pump Station Upgrades to Pump and Piping to serve eastern pressure zone	\$ 7,300,000	100%	0%	\$7,300,000	\$0	Yes	29%	Removed "Capacity Review" from the scope of the project (not eligible for SAF funding); adjusted funding split from 75% SAF to 100% SAF since the redundancy originally intended is no longer expected
20	Buffalo Pound Water Treatment Plant Upgrade/Expansion	BPWTP Business Case, section 3-3	\$ 14,549,000	100%	0%	\$14,549,000	\$0	Yes	29%	Adjusted eligible cost to the model from \$63.744M based on total project cost adjustments
32	Twinning of 600mm Main from Farrell Pump Station with a new 750 mm Supply Main along Broad Street from Dewdney Avenue to Saskatchewan Drive	Downtown Serviceability Study (AECOM 2014) Updated from AECOM in 2019	\$ 3,675,000	50%	50%	\$1,837,500	\$1,837,500	ONLY	100%	No changes
33	Downtown Water System Upgrades - Option 2 (East-West Looping)	Downtown Serviceability Study (AECOM 2014) Updated from AECOM in 2019	\$ 8,235,000	100%	0%	\$8,235,000	\$0	ONLY	100%	No changes
50	Buffalo Pound WTP Pump Upgrades	WMP Option 2 Previously part of: Buffalo Pound Water Treatment Plant 2016-2019 Upgrades	\$ 8,750,000	100%	0%	\$8,750,000	\$0	Yes	29%	No changes
51	Eastern Pressure Solution Part 1A (storage)	WMP Option 2	\$ 40,450,000	100%	0%	\$40,450,000	\$0	Yes	29%	Adjusted estimate from \$37.05M
52	Eastern Pressure Solution Part 1B (storage)	WMP Option 2	\$ 30,150,000	100%	0%	\$30,150,000	\$0	Yes	29%	No changes
53	Eastern Pressure Solution Part 2A (mains)	WMP Option 2	\$ 34,000,000	100%	0%	\$34,000,000	\$0	Yes	29%	Adjusted estimate from \$27.25M
54	Eastern Pressure Solution Part 2B (mains)	WMP Option 2	\$ 10,730,000	100%	0%	\$10,730,000	\$0	Yes	29%	No changes
55	Eastern Pressure Solution Part 3 (pumping)	WMP Option 2	\$ 27,550,000	100%	0%	\$27,550,000	\$0	Yes	29%	Adjusted estimate from \$24M
56	Distribution Trunk Main - West Loop	WMP Option 2	\$ 9,300,000	100%	0%	\$9,300,000	\$0	No	0%	No changes
57	Distribution Trunk Main - East Loop A	WMP Option 2	\$ 10,000,000	100%	0%	\$10,000,000	\$0	No	0%	No changes
58	Distribution Trunk Main - East Loop B	WMP Option 2	\$ 10,000,000	100%	0%	\$10,000,000	\$0	No	0%	No changes
59	Distribution Trunk Mains - Other Trunk Mains	WMP Option 2	\$ 250,000	100%	0%	\$250,000	\$0	No	0%	No changes
60	WMP - Major Updates	Best practice - Major update every 10 years	\$ 400,000	30%	70%	\$120,000	\$280,000	Yes	29%	No changes
61	WMP - Minor Updates	Best practice - Minor update every 5 years	\$ 100,000	30%	70%	\$30,000	\$70,000	Yes	29%	No changes
Water Subtotal			\$215,439,000			\$213,251,500	\$2,187,500			

Percentage of SAF Costs to Total Project Costs 99%

2021 Service Agreement Fee (SAF) Model Summary - WASTEWATER PROJECTS

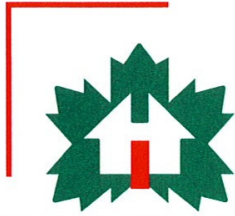
#	Category and Project Description	Source(s)	Cost Estimate (\$2020)	SAF Share	City Share	SAF Cost	City Cost	Infill?	Infill Share	Change Notes
6	Wastewater Treatment Plant - Expansion to 258K population	WWTP P3 Contract Current serves to 258k population - upgrading existing plant	\$24,500,000	30%	70%	\$7,350,000	\$17,150,000	Yes	29%	No changes
8	Downtown Wastewater System Upgrades	Downtown Serviceability Study (AECOM 2014)	\$2,775,000	30%	70%	\$832,500	\$1,942,500	Only	100%	No changes
11	WWMP - Major Updates	Best Practice - Major update every 10 years	\$400,000	30%	70%	\$120,000	\$280,000	Yes	29%	No changes
12	WWMP - Minor Updates	Best Practice - Minor update every 5 years	\$100,000	30%	70%	\$30,000	\$70,000	Yes	29%	No changes
13	WWTP Upgrade/Expansion, beyond 258K population	Existing WWTP Upgrade provides capacity to 258K; this project will provide capacity to a pop of 300K	\$35,400,000	100%	0%	\$35,400,000	\$0	Yes	29%	Adjusted estimate from \$30M
14	Wastewater Linear Replacement - Growth Portion		\$15,000,000	100%	0%	\$15,000,000	\$0	Only	100%	Re-added to the model (removed in 2019); adjusted estimate from \$22.7M
15	South Trunk Upgrades (Split from #2 "Wastewater Capacity Upgrades")	WWMP Phase 1 - recommended option 4D and provided to the WSA	\$38,900,000	30%	70%	\$11,670,000	\$27,230,000	Yes	29%	Includes costs for pre-design, design and construction Reduced remaining cost from \$40.6M
16	Linear Relief Storage (Split from #2 "Wastewater Capacity Upgrades")	WWMP Phase 1 - recommended option 4D and provided to the WSA	\$106,750,000	30%	70%	\$32,025,000	\$74,725,000	Yes	29%	Includes costs for pre-design, design and construction No changes
17	Reibling Park Storage (Split from #2 "Wastewater Capacity Upgrades")	WWMP Phase 1 - recommended option 4D and provided to the WSA	\$3,600,000	30%	70%	\$1,080,000	\$2,520,000	Yes	29%	Includes costs for pre-design, design and construction No changes
Wastewater Subtotal			Wastewater Subtotal \$ 227,425,000			\$ 103,507,500	\$ 123,917,500			

Percentage of SAF Costs to Total Project Costs 46%

2021 Service Agreement Fee (SAF) Model Summary - PARKS & RECREATION PROJECTS

#	Category and Project Description	Source(s)	Cost Estimate (\$2020)	SAF Share	City Share	SAF Cost	City Cost	Infill?	Infill Share	Change Notes
4	New Zone Level Off-leash Dog Park - SE	RMP	\$220,000	30%	70%	\$66,000	\$154,000	Yes	29%	Adjusted estimate from \$160K
5	New Zone Level Off-leash Dog Park - NW	RMP	\$220,000	30%	70%	\$66,000	\$154,000	Yes	29%	Adjusted estimate from \$160K
9	Plant Material Establishment Funding	Not a specific project, but is an extended portion of capital delivery of new assests beyond the period of the Servicing Agreements between Developers and the City	\$2,877,000	100%	0%	\$2,877,000	\$0	No	0%	Adjusted remaining cost down from \$3.014M
14	Outdoor Rink 3 - Towns South	RMP	\$700,000	100%	0%	\$700,000	\$0	No	0%	Adjusted estimate from \$600K
17	Victoria East (The Towns) Zone Level Park	RMP	\$10,000,000	100%	0%	\$10,000,000	\$0	No	0%	Adjusted cost from \$6.67 to \$10M to include two athletic fields, skateboard park, basketball court and a playground. Land purchase and servicing is also included
22	New Indoor Aquatic Facility (Lawson Civic Centre; Growth Portion)	RMP See Project #36 for the Feasibility Study	\$27,333,333	30%	70%	\$8,200,000	\$19,133,333	Yes	29%	Adjusted eligible cost to the model from \$57M based on total project cost adjustments
23	New Lit Artificial Turf Field	RMP	\$4,000,000	30%	70%	\$1,200,000	\$2,800,000	Yes	29%	No changes
34	Rec Master Plan - Minor Update	Best practice - Minor update every 5 years	\$100,000	30%	70%	\$30,000	\$70,000	Yes	29%	No changes
35	Rec Master Plan - Major Update	Best practice - Major update every 10 years	\$250,000	30%	70%	\$75,000	\$175,000	Yes	29%	Adjusted estimate from \$200K; reduced number of reviews from two to one
36	New Indoor Aquatic Facility Feasibility Study and Concept Plan (Growth Portion)	RMP; See Project #22 for the Construction Estimate	\$1,237,736	30%	70%	\$371,321	\$866,415	Yes	29%	Adjusted eligible cost to the model from \$500K
37	New Zone Level Off-leash Dog Park - N	RMP	\$220,000	30%	70%	\$66,000	\$154,000	Yes	29%	Adjusted estimate from \$160K
Parks & Recreation Subtotal			\$47,158,069			\$23,651,321	\$23,506,748			

Percentage of SAF Costs to Total Project Costs 50%



September 21, 2020

City Council
City of Regina
Queen Elizabeth II Court
Regina, SK, S4P 3C8

Subject: 2021 Service Agreement Fees & Intensification Levy

Dear City Council,

The Regina & Region Home Builders' Association would like to thank Diana Hawryluk and her team in the City Planning & Community Development Division their work and recommendation on a 2021 Servicing Agreement Fees (SAF) rate.

This new rate is a significant step in ensuring the City of Regina is competitive in residential, commercial and industrial development, which is necessary if we are going to attract the type of investment that will keep our great City growing. The recommended SAF rate of \$299,000/hectare for residential & commercial lands, \$99,670/hectare for industrial zoned lands provides security and balance which will help to protect the long-term interests of the City.

We believe the proposed rate structure aligns with the OCP and the overall goal to develop complete communities and protect affordability for young families, newcomers and individuals who call Regina home.

The 16.9% rate decrease from 2020 to 2021 validates the SAF Model works. Re-evaluating infrastructure projects and their costs should result in a more realistic costing model. Road construction costs have dropped significantly, and we are seeing major projects come in at 50% of the budget held in the SAF project list. Additionally, the rate decrease is because:

- It reflects new information contained in the infrastructure Master Plans;
- It assumes grant funding from other levels for specific major community initiatives, based on historical grant approvals; and
- It recognizes that major infrastructure projects provide benefit beyond the 25-year growth horizon.

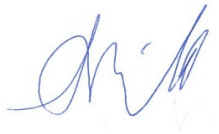
These were all items (except the decrease in construction costs) that we knew as weakness of the model in 2015, and through continued work and we are pleased to see the City incorporate these improvements.

This reduction is important and timely as the new housing sector continues to struggle to adjust to economic uncertainty, changes to qualifying clients for mortgages, increased costs from the implementation of the latest National Building Code and PST changes. These factors have conspired in 2019 and 2020 to create the largest slowdown in the new home market since mid-90's. In addition, we have seen the loss of a few thousand direct and indirect jobs in the residential construction sector.

Economic Development Regina describes Regina as "a city where you are free to be whoever you want to be, where you can be inspired to pursue your dreams and to find success in every aspect of your life". A significant component in achieving this has been the growth of our City over the last decade. We are now at the point where growth in our community and in our sector can no longer be taken for granted. We require policy development that encourages smarter growth in a transparent manner and promotes investment in our great City. We look forward to the completion of the SAF Policy review and the opportunity to continue to improve the SAF model.

The Regina & Region Home Builders' Association supports this recommendation by City Administration, and we encourage City Council to support the recommendation.

Thank You,



Stu Niebergall
President & CEO