Executive Committee

Wednesday, April 21, 2021
9:00 AM

Henry Baker Hall, Main Floor, City Hall

OFFICE OF THE CITY CLERK

Public Agenda
Executive Committee
Wednesday, April 21, 2021

Approval of Public Agenda

Minutes Approval

Minutes from the meetings held on March 17 and April 7, 2021

Administration Reports

EX21-32 The Regina Property Tax Bylaw 2021 & School Division Property Tax Bylaw 2021

Recommendation

The Executive Committee recommends that City Council:

1. Instruct the City Solicitor to prepare the necessary property tax bylaws for consideration by City Council that include the municipal mill rate, the other taxing authorities' mill rates, and the business improvement districts' mill rates as outlined in Appendix A.

2. Approve these recommendations at its April 28, 2021 meeting.

EX21-33 Servicing Agreement Fee and Development Levy Policy Review

Recommendation

The Executive Committee recommends that City Council:

1. Approve the *Development Charges Policy (Schedule A to The Development Levy Bylaw, 2011)* attached as Appendix A.
2. Instruct the City Solicitor to prepare the necessary bylaw to give effect to the recommendations, to be brought forward to the meeting of City Council following approval of the recommendations by Council and the required public notice.
3. Authorize Administration to update the name of this Policy wherever it appears in other City policies or bylaws.
4. Approve these recommendations at its meeting on April 28, 2021.

OFFICE OF THE CITY CLERK

EX21-34 Intensification Incentive Discussion Paper

Recommendation
The Executive Committee recommends that City Council:

1. Authorize Administration to proceed with stakeholder consultation by the end of Q3 on the following options as outlined in this report and Appendix A:
   - Development Charge Rebate;
   - Choice of Tax Increment Equivalent Grant or Tax Exemption; and
   - Annual Tax Increment Equivalent Grants Covering Eligible Project Costs.

2. Instruct Administration to bring a report to City Council by the end of Q4, 2021 that provides the results of stakeholder consultation, further financial analysis and a recommended incentive policy for adoption.

3. Approve these recommendations at its meeting on April 28, 2021.

EX21-35 Economic Development Regina Inc. (EDR) - Annual Submittals 2020

Recommendation
Executive Committee recommends that City Council:

1. Authorize the Executive Director, Financial Strategy & Sustainability, as the City's proxy, to exercise the City of Regina's voting rights at the upcoming Economic Development Regina Inc. (EDR) Annual General meeting as follows:

   a. Approve the audited financial statements for the 2020 operating year (Appendix A);

   b. Approve the 2020 Annual Report (Appendix B);

   c. Approve the 2021 Operating Budget (page 12 of Appendix C); and

   d. Appoint MNP LLP as the auditor of EDR for the 2021 financial statement year, pursuant to section 149 of *The Non-profit Corporations Act, 1995 (Saskatchewan)*.

2. Approve this report at its April 28, 2021 meeting.

OFFICE OF THE CITY CLERK

EX21-36 Regina Exhibition Association Limited (REAL) 2020 Annual Report

Recommendation
The Executive Committee recommends that City Council:

1. Authorize the Executive Director, Financial Strategy & Sustainability, as the City's proxy, to exercise the City of Regina's voting rights at the upcoming Regina Exhibition Association Limited (REAL) Annual General meeting (AGM) as follows:

    a) Approve the Annual Report and Audited Financial Statements for the 2020 operating year (Appendix A)

    b) Approve the 2021 Operating Budget (Appendix B)

    c) Appoint MNP LLP as auditor for REAL for the 2021 financial statement year, pursuant to section 149 of *The Non-profit Corporations Act, 1995* (Saskatchewan).

2. Approve this report at its April 28, 2021 meeting.

Resolution for Private Session

AT REGINA, SASKATCHEWAN, WEDNESDAY, MARCH 17, 2021

AT A MEETING OF EXECUTIVE COMMITTEE

HELD IN PUBLIC SESSION

AT 9:00 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 Bob Hawkins, in the Chair Mayor Sandra Masters Councillor Lori Bresciani Councillor Dan LeBlanc Councillor John Findura Councillor Jason Mancinelli (Videoconference) Councillor Landon Mohl Councillor Terina Shaw (Videoconference) Councillor Cheryl Stadnichuk Councillor Andrew Stevens Councillor Shanon Zachidniak
Also in Attendance:	City Clerk, Jim Nicol Deputy City Clerk, Amber Ackerman City Manager, Chris Holden City Solicitor, Byron Werry (Videoconference) Executive Director, Citizen Experience, Innovation & Performance Louise Folk Executive Director, Citizen Services, Kim Onrait Executive Director, City Planning & Community Dev., Diana Hawryluk Executive Director, Financial Strategy & Sustainability, Barry Lacey Director, Assessment & Property Revenue Services, Deborah Bryden Director, Land, Real Estate & Facilities, Shauna Bzdel (Videoconference) City Assessor, Steve Ward

APPROVAL OF PUBLIC AGENDA

Councillor Lori Bresciani moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, as submitted, at the call of the Chair.

ADOPTION OF MINUTES

Councillor Landon Mohl moved, AND IT WAS RESOLVED, that the minutes for the meeting held on March 3, 2021 be adopted, as circulated.

Councillor Bob Hawkins moved that item EX21-25 COVID-19 Emergency be added to the agenda.

The Clerk called the vote on Councillor Hawkin's motion.

	In Favour	Against
Councillor Cheryl Stadnichuk	✓	
Mayor Sandra Masters	✓	
Councillor Landon Mohl	✓	
Councillor Jason Mancinelli	✓	
Councillor Shanon Zachidniak	✓	
Councillor Terina Shaw	✓	
Councillor Dan LeBlanc	✓	
Councillor John Findura	✓	
Councillor Lori Bresciani	✓	
Councillor Andrew Stevens	✓	
Councillor Bob Hawkins	✓	
	11	**0**

The motion was put and declared CARRIED UNANIMOUSLY.

Councillor Hawkins stepped down from the chair to enter the debate.

Councillor Stevens took the chair.

EX21-25 COVID-19 Emergency

Recommendation
The Executive Committee recommends that:

1. Waive notice so that this motion may be heard on an immediate emergency basis; and

2. Recommends that Regina City Council:

    a. Suspend and replace all in-person Regina City Council and Committees of Council meetings with virtual meetings, with the exception of only the meeting chair and strictly essential staff present in Henry Baker Hall effective close of business Wednesday, March 17, 2021;

    b. Adopt that these provisions continue in effect until April 30, 2021; and

    c. Approve these recommendations at its meeting on March 31, 2021.

Councillor Bob Hawkins moved that the recommendations contained in the report be concurred in.

The Clerk called the vote on Councillor Hawkin's motion.

	In Favour	Against
Councillor Bob Hawkins	✓	
Councillor Landon Mohl	✓	
Councillor Jason Mancinelli	✓	
Councillor Shanon Zachidniak	✓	
Councillor Terina Shaw	✓	
Councillor Dan LeBlanc	✓	
Councillor John Findura	✓	
Councillor Lori Bresciani	✓	
Councillor Andrew Stevens	✓	
Councillor Cheryl Stadnichuk	✓	
Mayor Sandra Masters	✓	
	11	**0**

The motion was put and declared CARRIED.

Councillor Hawkins returned to the chair.

ADMINISTRATION REPORTS

EX21-19 Appointment of Integrity Commissioner

Recommendation
The Executive Committee recommends that City Council:

1. Delegate authority to the City Solicitor, subject to the concurrence of the Clerk, to negotiate and engage the services of an integrity commissione commissioners as outlined in this report for a period of up to four years retainer basis, on an *ad hoc* interim basis or jointly with other municipalit if feasible.

2. Authorize the City Clerk to execute the necessary agreements after revi and approval by the City Solicitor.

3. Approve these recommendations at its meeting on March 31, 2021.

Councillor Shanon Zachidniak moved that the recommendations contained in the report be concurred in.

The Clerk called the vote on Councillor Zachidniak's motion.

	In Favour	**Against**
Councillor Shanon Zachidniak	✓	
Councillor Cheryl Stadnichuk	✓	
Councillor Andrew Stevens	✓	
Councillor Lori Bresciani	✓	
Councillor John Findura	✓	
Councillor Dan LeBlanc	✓	
Councillor Terina Shaw	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Mayor Sandra Masters	✓	
Councillor Bob Hawkins	✓	
	11	**0**

The motion was put and declared CARRIED.

EX21-20 Boundary Alteration - 2021 Property Tax Exemptions

Recommendation
The Executive Committee recommends that City Council:

1. Approve the property tax exemptions as listed in Appendix B subject to the Government of Saskatchewan approving the exemption or partial exemption of the education portion of the taxes for amounts that are $25,000 or greater.

2. Instruct the City Solicitor to bring forward the necessary bylaw to provide for the property tax exemptions listed in Appendix B.

3. Authorize the Executive Director Financial Strategy & Sustainability or delegate to apply to the Government of Saskatchewan on behalf of property owners for any exemption of the education portion of the taxes that is $25,000 or greater as outlined in Appendix B.

4. Approve these recommendations at its March 31, 2021 meeting.

Councillor Lori Bresciani moved that the recommendations contained in the report be concurred in.

Councillor Dan LeBlanc moved that the Committee meet *in camera* to receive confidential legal advice from the City Solicitor.

The Clerk called the vote on Councillor LeBlanc's motion.

	In Favour	Against
Councillor Dan LeBlanc	✓	
Councillor John Findura	✓	
Councillor Lori Bresciani	✓	
Councillor Andrew Stevens	✓	
Councillor Cheryl Stadnichuk	✓	
Councillor Terina Shaw	✓	
Councillor Shanon Zachidniak	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Mayor Sandra Masters	✓	
Councillor Bob Hawkins	✓	
	11	**0**

The motion was put and declared CARRIED.

The Committee went *in camera*.

Councillor Hawkins reported that Committee had met *in camera* to receive confidential legal advice from the City Solicitor. The Committee acknowledged the information but made no recommendation.

The Committee resumed public session.

The Clerk called the vote on Councillor Bresciani's motion.

	In Favour	Against
Councillor Lori Bresciani	✓	
Councillor John Findura	✓	
Councillor Dan LeBlanc	✓	
Councillor Terina Shaw	✓	
Councillor Shanon Zachidniak	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Councillor Cheryl Stadnichuk	✓	
Councillor Andrew Stevens	✓	
Mayor Sandra Masters	✓	
Councillor Bob Hawkins	✓	
	11	**0**

The motion was put and declared CARRIED.

EX21-21 Regina Economic Recovery Grant (RERG) Phase 1 Update

Recommendation
The Executive Committee recommends that City Council:

1. Recommend the request from the Regina Downtown Business Improvement District for economic recovery support be considered by the Regina Recovery and Efficiency Task Force in the development of opportunities for economic and community recovery and that the Task Force provide recommendations related to the request for Council's consideration before the end of Q2 of 2021.

2. Recommend the request from the Regina Warehouse Business Improvement District for economic recovery support be considered by the Regina Recovery and Efficiency Task Force in the development of opportunities for economic and community recovery and that the Task Force provide recommendations related to the request for Council's consideration before the end of Q2 of 2021.

3. Recommend the request from the Regina Hotel Association for a one-year, 25 per cent partial tax exemption for hotels and motels be considered by the Regina Recovery and Efficiency Task Force in the development of opportunities for economic and community recovery and that the Task Force provide recommendations related to the request for Council's consideration before the end of Q2 of 2021.

4. Remove item CR20-68 from the Outstanding Items List for City Council.

5. That this report be forwarded to the March 31, 2021 meeting of City Council for approval

The following addressed the Committee:

- Tracy Fahlman, Regina Hotel Association
- Judith Veresuk, Regina Downtown Business Improvement District
- Lease Gibbons, Regina Warehouse Business Improvement District

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 11:19 a.m.

The Committee reconvened at 11:35 a.m.

Councillor Andrew Stevens moved that all requests for economic support be considered by the Regina Recovery and Efficiency Task Force subject to:

1. **The Task Force meeting to establish its objectives and criteria respecting applications;**
2. **The Task Force outlining the information that all applicants are required to include in their application; and**
3. **The Task Force providing recommendation to City Council by the end of Q3 of 2021.**

The Clerk called the vote on Councillor Stevens' motion.

	In Favour	Against
Councillor Andrew Stevens	✓	
Councillor John Findura	✓	
Councillor Dan LeBlanc	✓	
Councillor Terina Shaw	✓	
Councillor Shanon Zachidniak	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Councillor Cheryl Stadnichuk	✓	
Councillor Lori Bresciani	✓	
Mayor Sandra Masters	✓	
Councillor Bob Hawkins	✓	
	11	**0**

The motion was put and declared CARRIED.

EX21-22 City Centre Core Partnership Framework and Action Plan; and
EX21-24 Heritage Conservation - Interim Policy

Councillor Lori Bresciani moved, AND IT WAS RESOLVED, that items EX21-22 City Centre Core Partnership Framework and Action Plan and EX21-24 Interim Heritage Conservation Processes be tabled to the next Executive Committee meeting.

RECESS

Councillor John Findura moved, AND IT WAS RESOLVED, that the Committee recess for five minutes.

The Committee recessed at 12:05 p.m.

The Committee reconvened at 12:14 p.m.

EX21-23 2021 Revaluation Update and Tax Policy

Recommendation
The Executive Committee recommends that City Council:

1. Adopt the following principles in establishing mill rate factors for 2021:

    a. That the relative share of property taxes between the Residential and Non-Residential Properties does not change due to revaluation.
    b. That long-term stability be considered in establishing tax policies for mill rate factors.

2. Continue the subclass for Golf Courses and the mill rate factor set so that the effective tax rate is equal to 65 per cent of the effective commercial tax rate.

3. Establish the following classes and subclasses of property along with the following mill rate factors for the group of residential classes of properties and the group of non-residential properties such that the above recommendations are applied, and the mill rate factors be set at:

CLASS	SUBCLASS	MILL RATE FACTOR
Residential	Residential (including condominiums)	0.91034
	Multi-Family Residential	0.91034
Commercial/Industrial	Commercial and Industrial	1.2495
	Railway and Pipeline	1.2495
	Resource	1.2495
	Golf Courses	0.81197
Agricultural	N/A	1.2495

4. Implement a phase-in of property tax changes for the non-residential properties for changes in property taxes as a result of the 2021 revaluation, whereby the phase-in shall be revenue-neutral by phasing in decreases and increases, with decreases and increases applied as follows:

    - 2021 increases and decreases limited to 1/3 of the property tax change.
    - 2022 increases and decreases limited to 2/3 of the property tax change.
    - 2023 the full increase or decrease would be applied.

5. Instruct the City Solicitor to prepare the necessary bylaws needed to implement the above recommendations in spring 2021 once the City receives the education mill rate from the Government of Saskatchewan and approves the mill rates for the Business Improvement Districts.

6. Remove item CR20-58(1) from the Outstanding Items List for City Council.

Councillor Landon Mohl moved that the recommendations contained in the report be concurred in.

Councillor Dan LeBlanc moved, in amendment that City Council direct Administration to implement a phase-in of property tax changes to multi-family residential properties for changes in property taxes as a result of the 2021 revaluation, subject to three conditions being met: the property is multi-family residential, the property is owned and operated by a non-profit entity, and the property saw more than a 100% increase in its municipal property taxes as a result of the 2021 revaluation. The phase-in shall be applied as follows:

1. **2021 increase limited to 1/3 the of the property tax change**
2. **2022 increase limited to 2/3 of the property tax change**
3. **2023 the full increase would be applied.**

The Clerk called the vote on Councillor LeBlanc's motion.

	In Favour	Against
Councillor Dan LeBlanc	✓	
Councillor Terina Shaw	✓	
Councillor Shanon Zachidniak	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Councillor Cheryl Stadnichuk	✓	
Councillor Andrew Stevens	✓	
Councillor Lori Bresciani	✓	
Councillor John Findura	✓	
Mayor Sandra Masters	✓	
Councillor Bob Hawkins	✓	
	11	0

The motion was put and declared CARRIED.

Councillor Dan LeBlanc moved, in amendment, that City Council direct Administration to provide information on the removal of the mill rate subclass for Golf Courses and instead tax Golf Courses according to the effective commercial tax rate as part of the “Property Tax Review report” that is to come forward to the Executive Committee in Q3 of 2021.

The Clerk called the vote on Councillor LeBlanc's motion.

	In Favour	Against
Councillor Dan LeBlanc	✓	
Councillor John Findura	✓	
Councillor Lori Bresciani	✓	
Councillor Andrew Stevens		✓

Councillor Cheryl Stadnichuk	✓	
Councillor Terina Shaw	✓	
Councillor Shanon Zachidniak	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Mayor Sandra Masters	✓	
Councillor Bob Hawkins	✓	
	10	**1**

The motion was put and declared CARRIED.

The Clerk called the vote on the main motion, as amended.

	In Favour	**Against**
Councillor Landon Mohl	✓	
Councillor Jason Mancinelli	✓	
Councillor Shanon Zachidniak	✓	
Councillor Terina Shaw	✓	
Councillor Dan LeBlanc	✓	
Councillor John Findura	✓	
Councillor Lori Bresciani	✓	
Councillor Andrew Stevens	✓	
Councillor Cheryl Stadnichuk	✓	
Mayor Sandra Masters	✓	
Councillor Bob Hawkins	✓	
	11	**0**

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

RESOLUTION FOR PRIVATE SESSION

Councillor Andrew Stevens moved, AND IT WAS RESOLVED, that in the interest of the public, the remaining items on the agenda be considered in private.

RECESS

Councillor Stevens moved, AND IT WAS RESOLVED, that the Committee recess for five minutes.

The Committee recessed at 12:55 p.m.

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Chairperson Secretary

AT REGINA, SASKATCHEWAN, WEDNESDAY, APRIL 7, 2021

AT A MEETING OF EXECUTIVE COMMITTEE

HELD IN PUBLIC SESSION

AT 9:00 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 Bob Hawkins, in the Chair Mayor Sandra Masters Councillor Lori Bresciani (Videoconference) Councillor Dan LeBlanc (Videoconference) Councillor John Findura (Videoconference) Councillor Jason Mancinelli (Videoconference) Councillor Landon Mohl (Videoconference) Councillor Terina Shaw (Videoconference) Councillor Cheryl Stadnichuk (Videoconference) Councillor Andrew Stevens (Videoconference)
Regrets:	Councillor Shanon Zachidniak
Also in Attendance:	City Clerk, Jim Nicol Deputy City Clerk, Amber Ackerman City Manager, Chris Holden City Solicitor, Byron Werry (Videoconference) Executive Director, Citizen Experience, Innovation & Performance, Louise Folk (Videoconference) Executive Director, Citizen Services, Kim Onrait (Videoconference) Executive Director, City Planning & Community Dev., Diana Hawryluk A/Executive Director, Financial Strategy & Sustainability, Shauna Bzdel Manager, Real Estate, Keith Krawczyk (Videoconference)

(The meeting commenced in the absence of Councillor Stadnichuk)

APPROVAL OF PUBLIC AGENDA

Councillor Lori Bresciani moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved.

MINUTES APPROVAL

Councillor Terina Shaw moved, AND IT WAS RESOLVED, that the minutes for the meeting held on March 22, 2021 be adopted, as circulated.

ADMINISTRATION REPORTS

EX21-26 2022 Saskatchewan Winter Games

Recommendation
The Executive Committee recommends that City Council:

1. Support the 2022 Saskatchewan Winter Games (the Games) with an in-kind donation of facility rental fees, valued up to $50,000, for City-owned facilities used by 2022 Saskatchewan Winter Games Regina Inc. during the Games, including fees charged by City-operated facilities and City-owned facilities that are operated by Regina Exhibition Association Limited.

2. Provide the above support subject to the following conditions:
   a) 2022 Saskatchewan Winter Games Regina Inc. demonstrates the ability to plan and host the event through a comprehensive budget and event plan.
   b) Completion of a Contribution Agreement with 2022 Saskatchewan Winter Games Regina Inc. outlining relationships, accountabilities, roles and responsibilities of the City of Regina as funder and 2022 Saskatchewan Winter Games Regina Inc.as event organizer.
   c) Recognition that the City of Regina accepts no obligations for deficits, loans, or guarantees for the 2022 Saskatchewan Winter Games.
   d) A commitment by 2022 Saskatchewan Winter Games Regina Inc.to provide a follow up report that identifies how the City of Regina’s funding was utilized in the hosting of the event.

3. Delegate the authority to negotiate and approve the terms of the Contribution Agreement and Venue Agreement between the City of Regina and 2022 Saskatchewan Winter Games Regina Inc.to the Executive Director, City Planning & Community Development.

4. Authorize the City Clerk to execute the Agreement on behalf of the City of Regina after review by the City Solicitor.

5. Approve funding up to $50,000 in support through the annual Events, Conventions and Tradeshows attraction budget.

6. Approve these recommendations at its meeting on April 14, 2021.

Valerie Sluth, Crystal Longman and Leanne Schellenberg, representing 2022 Saskatchewan Winter Games addressed the Committee.

Councillor Lori Bresciani moved that the recommendations contained in the report be concurred in.

The Clerk called the vote on Councillor Bresciani's motion.

	In Favour	Against
Councillor Lori Bresciani	✓	
Councillor Andrew Stevens	✓	
Councillor John Findura	✓	
Councillor Dan LeBlanc		✓
Councillor Terina Shaw	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Mayor Sandra Masters	✓	
Councillor Bob Hawkins	✓	
	8	**1**

The motion was put and declared CARRIED.

EX21-27 Regina Airport Authority and City of Regina Memorandum of Understanding

Recommendation
The Executive Committee recommends that City Council:

1. Approve the Memorandum of Understanding between the City of Regina and Regina Airport Authority as outlined in Appendix A.

2. Authorize Mayor Sandra Masters to execute the Memorandum of Understanding on the City's behalf at a future event.

3. Authorize the City Clerk to execute the Memorandum of Understanding, after review and approval of the City Solicitor.

4. Approve these recommendations at its meeting on April 14, 2021.

James Bogusz and John Aston, representing the Regina Airport Authority addressed the Committee.

Councillor John Findura moved that the recommendations contained in the report be concurred in.

The Clerk called the vote on Councillor Findura's motion.

	In Favour	Against
Councillor John Findura	✓	
Councillor Dan LeBlanc	✓	
Councillor Terina Shaw	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Councillor Andrew Stevens	✓	

Councillor Lori Bresciani	✓	
Mayor Sandra Masters	✓	
Councillor Bob Hawkins	✓	
	9	**0**

The motion was put and declared CARRIED.

EX21-28 Pattison Outdoor Billboard Leases

Recommendation
The Executive Committee recommends that City Council:

1. Approve the lease of City-owned property to Pattison Outdoor Advertising LP, as identified in Appendix A, consistent with the terms and conditions stated in this report.

2. Delegate authority to the Executive Director, Finance Strategy & Sustainability or his or her designate, to negotiate and approve a Lease Agreement between The City of Regina and Pattison Outdoor Advertising LP to operate their advertising billboards on City land as further described in this report, as well as any amendments to the Agreement that do not substantially change what is described in this report and any ancillary agreements or documents required to give effect to the Agreement.

3. Authorize the City Clerk to execute the Lease Agreements upon review and approval by the City Solicitor.

4. Instruct the City Solicitor to prepare the necessary bylaw to give effect to the recommendations, to be brought forward to the meeting of City Council following approval of these recommendations by City Council.

5. Approve these recommendations at its meeting on April 14, 2021.

Councillor Jason Mancinelli moved that the recommendations contained in the report be concurred in.

The Clerk called the vote on Councillor Mancinelli's motion.

	In Favour	**Against**
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Councillor Terina Shaw	✓	
Councillor Dan LeBlanc	✓	
Councillor John Findura	✓	
Councillor Lori Bresciani	✓	
Councillor Andrew Stevens	✓	
Mayor Sandra Masters	✓	

Councillor Bob Hawkins	✓	
	9	**0**

The motion was put and declared CARRIED.

EX21-29 Arena Planning Strategy Committee - Brandt Centre 2.0: Exploring the Future

Recommendation
The Executive Committee recommends that City Council endorse:

1. the APSC's final report "Brandt Centre 2.0: Exploring the Future" which is attached as Appendix A; and

2. APSC to proceed to the next phase of exploring a replacement for the Brandt Centre.

Tim Reid, Wayne Morsky and Tiffany Stephenson, representing Regina Exhibition Association Limited made a power-point presentation to the Committee. A copy of the presentation is on file in the Office of the City Clerk.

(Councillor Stadnichuk joined the meeting.)

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 11:00 a.m.

The Committee reconvened at 11:25 a.m.

Councillor Terina Shaw moved that the recommendations contained in the report be concurred in.

Councillor Bresciani moved, in amendment that the Arena Planning Strategy Committee consider in their location planning and recommendations the other major facilities: Pool, Multi-Purpose Event Centre, Ball Diamond and Library.

Councillor Stevens moved, in amendment to the amendment that Administration provide a report in conjunction with the Brandt 2.0 study that considers other recreational, entertainment, and cultural infrastructure priorities.

The Clerk called the vote on Councillor Stevens' amendment to the amendment.

	In Favour	**Against**
Councillor Andrew Stevens	✓	
Councillor Cheryl Stadnichuk	✓	

Councillor Lori Bresciani		✓
Councillor John Findura		✓
Councillor Dan LeBlanc		✓
Councillor Terina Shaw		✓
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Mayor Sandra Masters		✓
Councillor Bob Hawkins	✓	
	5	**5**

The motion was put and declared LOST due to a tie vote.

The Clerk called the vote on Councillor Bresciani's amendment.

	In Favour	**Against**
Councillor Lori Bresciani	✓	
Councillor John Findura	✓	
Councillor Dan LeBlanc	✓	
Councillor Terina Shaw	✓	
Councillor Jason Mancinelli		✓
Councillor Landon Mohl	✓	
Councillor Cheryl Stadnichuk		✓
Councillor Andrew Stevens	✓	
Mayor Sandra Masters	✓	
Councillor Bob Hawkins	✓	
	8	**2**

The motion was put and declared CARRIED.

The Clerk called the vote on the main motion, as amended.

	In Favour	**Against**
Councillor Terina Shaw	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Councillor Dan LeBlanc	✓	
Councillor John Findura	✓	
Councillor Lori Bresciani	✓	
Councillor Andrew Stevens	✓	
Councillor Cheryl Stadnichuk	✓	
Mayor Sandra Masters	✓	
Councillor Bob Hawkins	✓	
	10	**0**

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

EX21-30 Regina Downtown Business Improvement District - 2021 Budget

Recommendation
The Executive Committee recommends that City Council:

1. Approve Regina Downtown Business Improvement District's 2021 budget attached as Appendix A to this report.

2. Instruct the City Solicitor to prepare the necessary property tax bylaws to implement the above approved mill rate at the April 28, 2021 meeting.

3. Approve the proposed 2021 levy for the Regain Downtown Business Improvement District of 0.7233 mills at its April 14, 2021 meeting.

Judith Veresuk, representing Regina Downtown Business Improvement District addressed the Committee.

Councillor Andrew Stevens moved that the recommendations contained in the report be concurred in.

The Clerk called the vote on Councillor Stevens' motion.

	In Favour	**Against**
Councillor Andrew Stevens	✓	
Councillor Cheryl Stadnichuk	✓	
Councillor Lori Bresciani	✓	
Councillor John Findura	✓	
Councillor Dan LeBlanc	✓	
Councillor Terina Shaw	✓	
Councillor Jason Mancinelli	✓	
Councillor Landon Mohl	✓	
Mayor Sandra Masters	✓	
Councillor Bob Hawkins	✓	
	10	**0**

The motion was put and declared CARRIED.

EX21-31 Regina Warehouse Business Improvement District - 2021 Budget

Recommendation
The Executive Committee recommends that City Council:

1. Approve the Regina Warehouse Business Improvement District's (RWBID) 2021 budget attached as appendix A to this report at its April 14, 2021 meeting.

2. Instruct the City Solicitor to prepare the necessary property tax bylaws to implement the above approved mill rate for the April 28, 2021 meeting.

3. Approve the proposed 2021 levy for RWBID of 0.54573 mills to be applied to current commercial property within the improvement district at its April 14, 2021 meeting.

Leasa Gibbons, representing Regina Warehouse Business Improvement District addressed the Committee.

Councillor Andrew Stevens moved that the recommendations contained in the report be concurred in.

The Clerk called the vote on Councillor Stevens' motion.

	In Favour	Against
Councillor Andrew Stevens	✓	
Councillor Landon Mohl	✓	
Councillor Jason Mancinelli	✓	
Councillor Terina Shaw	✓	
Councillor Dan LeBlanc	✓	
Councillor John Findura	✓	
Councillor Lori Bresciani	✓	
Councillor Cheryl Stadnichuk	✓	
Mayor Sandra Masters	✓	
Councillor Bob Hawkins	✓	
	10	**0**

The motion was put and declared CARRIED.

RESOLUTION FOR PRIVATE SESSION

Councillor Lori Bresciani moved, AND IT WAS RESOLVED, that in the interest of the public, the remaining items on the agenda be considered in private.

RECESS

Councillor Lori Bresciani moved, AND IT WAS RESOLVED, that the Committee/Board recess for 30 minutes.

The Committee recessed at 12:15 p.m.

Chairperson Secretary

The Regina Property Tax Bylaw 2021 & School Division Property Tax Bylaw 2021

Date	April 21, 2021
To	Executive Committee
From	Financial Strategy & Sustainability
Service Area	Assessment & Property Revenue Services
Item No.	EX21-32

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Instruct the City Solicitor to prepare the necessary property tax bylaws for consideration by City Council that include the municipal mill rate, the other taxing authorities' mill rates, and the business improvement districts' mill rates as outlined in Appendix A.

2. Approve these recommendations at its April 28, 2021 meeting.

ISSUE

City Council is required to pass a bylaw annually setting the mill rates for the City of Regina, Regina Public Library, Regina Downtown and Warehouse Business Improvement Districts, the property subclasses as well as set the mill rate factors for the City or Regina and Regina Public Library taxes. Council also passes a bylaw annually that allows it to levy and collect the taxes on the mill rates set by the Government of Saskatchewan.

IMPACTS

The Regina Property Tax Bylaw, 2021 sets the mill rates to be levied on all taxable assessments in the city to raise the money required by the City of Regina, Regina Public Library and the business improvement districts for 2021.

The City of Regina enacts a separate *Education Property Tax Bylaw, 2021* which authorizes the City of Regina to levy and collect taxes on a property's taxable assessment on behalf of the Government of Saskatchewan and a separate school division where the separate school division has passed a bylaw to determine their own separate school division tax.

In 2021 the estimated net property tax levy is $269,373,000.

There are no environmental, policy and/or strategic or other implications or considerations.

OTHER OPTIONS

None with respect to this report.

COMMUNICATIONS

A copy of this report has been provided to Regina Downtown Business Improvement District, Regina's Warehouse Business Improvement District and the Regina Public Library. Property owners receive a personalized tax notice by mail in late May/early June.

DISCUSSION

The purpose of this report is to collect and submit for approval the information to be used in preparing *The Regina Property Tax Bylaw, 2021* and *The Education Property Tax Bylaw, 2021.* Appendix A outlines the mill rates for each taxing authority. Appendix B outlines the classes/subclasses and mill rate factors, approved by Council on March 31, 2021.

<u>Municipal Mill Rate</u>
The proposed 2021 municipal mill rate was tabled with City Council on March 24, 2021 in report CM21-3 2021 General and Utility Operating Budget and 2021 - 2025 General and Utility Capital Plan. Council approved a municipal mill rate of 9.45130 for 2021.

This represents a 2.34 per cent increase for all programs and services. The proposed 2.34 per cent mill rate increase includes a zero percent mill rate increase for civic operations but allows for the continuation of the previously approved dedicated mill rates for Mosaic Stadium (0.45 per cent) and the Recreation Infrastructure Program (0.5 per cent), plus added investment in the Regina Police Service.

<u>Regina Public Library Mill Rate</u>
At the March 24, 2021 meeting of City Council, the Regina Public Library budget, as reported in CM21-3, was approved. The 2021 Library mill rate will be set at 0.85098 pursuant to *The Public Libraries Act*, which represents a 2.9 per cent increase over 2020.

<u>Regina's Warehouse Business Improvement District</u>
At the April 14, 2021 meeting of City Council, the Regina Warehouse Business Improvement District budget, as reported in CR21-67, was approved. The 2021 Regina

Warehouse Business Improvement District mill rate will be set at 0.54573, which represents no increase over 2020.

Regina Downtown Business Improvement District

At the April 14, 2021 meeting of City Council, the Regina Downtown Business Improvement District budget, as reported in CR21-66, was approved. The 2021 Regina Downtown Business Improvement District mill rate will be set at 0.7233, which represents no increase over 2020.

Education Mill Rate

Provincial education property tax rates are set by the Government of Saskatchewan. Typically, the rates are set with the provincial budget. The Provincial Government has advised that the mill rates are set as outlined in Appendix A, Table 2: Education Property Tax Mill Rates by Property Class.

The Education Property Tax Act permits separate school divisions to pass a bylaw and to determine their own separate school division tax. This has been enacted by the Regina Roman Catholic Separate School Division No. 81 for 2021. 2021 separate school rate are shown in Table 4: Separate Education Property Tax Mill Rates by Property Class in Appendix A, Table 2: Education Property Tax Mill Rates by Property Class.

DECISION HISTORY

On March 24, 2021, Council approved CM21-3 2021 General and Utility Operating Budget and 2021 - 2025 General and Utility Capital Plan, which established the municipal and library mill rates for 2021.

On March 31, 2021, Council approved CR21-51 2021 Revaluation Update and Tax Policy which established property classes and subclasses and applicable mill rate factors for 2021.

On April 14, 2021 Council approved CR21-67 and CR21-66 which established the mill rates for the Regina Warehouse and Regina Downtown Business Improvement Districts.

The recommendations contained within this report require City Council approval.

Respectfully Submitted,

Deborah Bryden, Director, Assessment & Property Revenue Services 4/15/2021

Respectfully Submitted,

Barry Lacey, Exec. Director, Financial Strategy & Sustainability 4/16/2021

Prepared by: Tanya Mills, Manager, Assessment & Property Systems

ATTACHMENTS

Appendix A - 2021 Mill Rates
Appendix B - 2021 Mill Rate Factors

Appendix A

Table 1: Mill Rates by Taxing Authority	
Taxing Authority	**Mill Rate**
Municipal	9.45130
Library	0.85098
Regina's Warehouse Business Improvement District	0.54573
Regina Downtown Business Improvement District	0.7233

Table 2: Education Property Tax Mill Rates by Property Class		
	Public	**Separate**
Agricultural Property Class	1.36	1.36
Residential Property Class	4.46	4.46
Commercial and Industrial Property Class	6.75	6.75
Resource Property Class	9.79	9.79

Appendix B

Table 3: Mill Rate Factors by Subclass		
Property Class	**Property Subclass**	**Mill Rate Factor**
Residential	Residential (including condominiums)	0.91034
	Multi-Family Residential	0.91034
Commercial/Industrial	Commercial and Industrial	1.2495
	Railway and Pipeline	1.2495
	Resource	1.2495
	Golf Courses	0.81197
Agricultural	N/A	1.2495

Servicing Agreement Fee and Development Levy Policy Review

Date	April 21, 2021
To	Executive Committee
From	City Planning & Community Development
Service Area	Planning & Development Services
Item No.	EX21-33

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve the *Development Charges Policy (Schedule A to The Development Levy Bylaw, 2011)* attached as Appendix A.
2. Instruct the City Solicitor to prepare the necessary bylaw to give effect to the recommendations, to be brought forward to the meeting of City Council following approval of the recommendations by Council and the required public notice.
3. Authorize Administration to update the name of this Policy wherever it appears in other City policies or bylaws.
4. Approve these recommendations at its meeting on April 28, 2021.

ISSUE

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 provided for in *The Planning and Development Act, 2007* (the Act).

The *Administration and Calculation of Servicing Agreement Fees and Development Levies Policy* and the *Administration of Servicing Agreements and Development Levy Agreements Policy* (development charges policies) both provide direction from Council on how to collect, spend and financially manage the development charges collected to provide for investment in infrastructure required for growth.

Administration has conducted a policy review with input from internal and external stakeholders and proposes amendments based on risk, clarity and stakeholder feedback.

IMPACTS

Financial Impact
Although the content related to the policy can have significant implications to the City finances, the proposed changes only provide for minor impacts.

The most impactful are the changes to the 10-year time limit for the Intensification Levy credit, which may result in less revenue collected by the Intensification Levy. The proposed policy will result in more credits being applied to development in the Established Area. The reason for the recommended change is to be fair and consistent as the original development did, at some point, pay a fee. In addition, it will lift a potential barrier to intensification.

Environmental Impact
City Council set a community goal for the City of Regina of achieving net zero emissions and sourcing of net zero renewable energy by 2050. In support of this goal, City Council asked Administration to provide energy and greenhouse gas implications of recommendations so that Council can evaluate the climate impacts of its decisions. The report has limited direct impacts on energy consumption and greenhouse gas emissions.

Policy/Strategic Impact
Adopting the proposed policy will consolidate and replace both the *Administration and Calculation of Servicing Agreement Fees and Development Levies Policy* and the *Administration of Servicing Agreements and Development Levy Agreements Policy*. The intention is to create a single policy that will clarify all related matters of Servicing Agreements and Development Levy Agreements.

The proposed *Development Charges Policy (Schedule A to The Development Levy Bylaw, 2011)* (Policy) results in a more general alignment with all sections of *Design Regina: The Official Community Plan Bylaw 2013-48* (OCP). The current *Administration and Calculation of Servicing Agreement Fees and Development Levies Policy* directly refers to Section B, Financial Policies, Goal 4 Revenue Sources section 1.16, which is:

- 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; and*
- *1.16.5 Achieving balance of employment and residential lands*

This section is highlighted as it is related to the express requirement in The Act that development charges may only be imposed by bylaw if Council has adopted an OCP that authorizes them to be utilized. Stakeholders have provided feedback that many other sections of the OCP apply and would prefer to see within the Policy these other references as well.

The proposed policy will allow for consideration of the other applicable sections of the OCP. In addition to the above reference, the proposed policy will also refer to Section B that contains Goal 2 Sustainable Services and Amenities and Goal 3 Financial Planning, both of which have relevant sections pertaining to this policy. Goal 2 Sustainable Services and Amenities section 1.4 states:

- 1.4 *Develop infrastructure in accordance with the phasing and financing policies adopted in Section E, Goal 5 of this Bylaw and Map 1b - Phasing of New Neighbourhoods.*

Goal 3 Financial Planning states:

- 1.7 *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 the phasing and financing policies adopted in Section E, Goal 5 of this Bylaw and Map 1b - Phasing of New 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 the phasing and financing policies adopted in Section E, Goal 5 of this Bylaw and Map 1b - Phasing of New Neighbourhoods;*
        - *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.*

Many other sections of the OCP can be related to the proposed Policy, notably Section C of the OCP that contains the Growth Plan and Section E: Realizing the Plan that contains specific guidance for the phasing and financing of growth.

The City's growth is a complex, risk-taking enterprise and is not singularly represented by a standalone section of the OCP. All these sections of the OCP considered together drive the need for the proposed policy and provide the content's direction to develop a complete functional community.

Risk/Legal Impact

The City Solicitor's Office has been involved in the Policy review. The proposed Policy is incorporated in and adopted as part of *The Development Levy Bylaw, 2011.* The documents consider the various legal and risk related components of development and, together, are intended to establish how and when development charges are to imposed and to satisfy the legislative requirements of the Act Generally, the changes to the proposed Policy provide further clarity in its application and ensure that its application is appropriate and in accordance with the legislation.

The most impactful proposed change is the establishment of revised requirements imposed on Developers related to financial assurances for performance of work found in Section 7.B.3 of the proposed *Development Charges Policy (Schedule A to The Development Levy Bylaw, 2011)* which is attached as Appendix A. As noted in the discussion, these proposed changes will alter how the City manages risk-related performance securities. In general, the value of securities required will be more for higher risk Developers and less for lower risk Developers as determined by the City.

All other proposed modifications were considered low in terms of risk to the City or are simply intended as clarifications of existing policy.

OTHER OPTIONS

Based on the review and resulting revisions to the development charges policies, Administration intends to create new operating procedures to support these changes, in accordance with the Act.

Alternative options that Council can consider are:

1. Direct Administration to reconsider some or all the updates made to the development charges policies and refer back with a report on the related findings.
2. Deny the proposed Policy.

Alternative option 1 would have variable impacts depending on the related Council direction. It would require that the existing policies be utilized until the tasks are completed for Council.

Alternative option 2 would require that Administration continue to utilize the existing policies related to SAFs and DLs.

COMMUNICATIONS

The City's engagement objective was to work collaboratively with the development community and related stakeholders to explore changes to both *Administration and Calculation of Servicing Agreement Fees and Development Levies Policy* and the *Administration of Servicing Agreements and Development Levy Agreements Policy*. A Working Group, comprised of development community members and interested related business representatives, supported by City staff, was established early in 2020 to work through proposed policy changes (Appendix B) collectively.

The Working Group met virtually for seven 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.

In addition to the primary engagement, a focus group was established through Regina and Region Home Builders' Association that concentrated on the Infrastructure Tables shown in Appendix B of the *Administration and Calculation of Servicing Agreement Fees and Development Levies Policy*. These sessions were focused on financial modelling of options for infrastructure investment and resulted in no changes to the policy but lead to a better collaborative and collective understanding of how the financial model works.

This process has enabled continued engagement with stakeholders on the content and application of the policies. The engagement provided for a common understanding and clarity on applying the policies resulting in greater certainty for stakeholders and Administration.

Recommendations within this report as well as planned City Council dates were provided to stakeholders in advance. 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. Public notice of the public hearing required to be conducted upon consideration of the proposed bylaws will also be given in accordance with *The Public Notice Policy Bylaw, 2020*.

DISCUSSION

A city's growth can offer benefits such as supporting and attracting local business, creating population thresholds necessary to support arts and culture, promoting community vibrancy and fostering services such as transit and recreation.

Growth requires an investment in services and infrastructure. As growth occurs, demands on the system-wide infrastructure increase for services such as water, wastewater, stormwater, transportation, parks and recreation. New neighbourhoods and employment areas require expanded or new infrastructure system upgrades for services. For example, an upgrade to the Wastewater Treatment Plant may be required and without it, the City may not have the ability to sustain growth.

The City applies development charges such as Servicing Agreement Fees (SAF) and Development Levies (DL) to collect money to offset these new or expanded infrastructure costs. Servicing Agreement Fees are applied in new subdivisions. The City charges Development Levies when the changes in the land-use intensity result in more residential units or an increase in the area of commercial, industrial, institutional or office space resulting from a new development.

The Act authorizes municipalities to charge development levies and servicing agreement fees. Pursuant to this authority, and as required by *The Act,* Council has adopted *The Development Levy Bylaw, 2011*. The bylaw also incorporates and is intended to work in tandem with both *Administration and Calculation of Servicing Agreement Fees and Development Levies Policy* and the *Administration of Servicing Agreements and Development Levy Agreements Policy.*

These policies provide for the methodology required to be used by the City in calculating and imposing Servicing Agreement Fees and Development Levies, including administrative policies for:

- Recovering costs associated with growth and renewal by collecting Servicing Agreement Fees and Development Levies.
- Managing the expenditure and collection of Servicing Agreement Fees, Development Levies and Intensification Levies through formal agreements.
- Planning and phasing major infrastructure required for growth and renewal.
- Managing financial risk through responsible debt management, annual reporting, and growth analysis.

In early 2020, Administration began the process of a major review of both development charges policies. Early in the project, the City established a Working Group to reflect various stakeholders' perspectives affected by any policy changes. The members of this Working Group included the Regina and Region Home Builders' Association (RRHBA), residential, commercial, industrial 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 principles of the policy;
- Ensure that concerns and ideas are consistently understood and considered when developing the recommended Development Charges Policy, and;
- Understand the implications of updating the policy.

Administration developed the final recommendations in consideration of the Working Group's feedback through the project. Administration evaluated all decisions related to proposed policy changes for legal, financial and operational risks.

Key Considerations, Findings and Proposed Changes
The review process resulted in proposed changes to the Bylaw and related policies. The changes are intended to clarify the policy framework and ensure that it is interpreted and applied consistently.

The Working Group proposed that the existing two policy documents be combined to remove redundancies. Generally, related sections were combined and reformatted with attention to ease of use, clarity, brevity and redundancy removal.
Administration checked the definitions for correct context within the policy and consistency with other City documents. Business practices that were already in effect were incorporated where it was appropriate. A summary of changes can be found in Appendix B. Specific changes to the policy are found in Appendix C, noting the original policy section, the new policy section and the rationale for the change, modification or deletion.

Key areas of focus within the policy that resulted in more significant changes are outlined below:

Policy Exemptions:
The sections on policy exemptions are intended to provide a clear policy framework that identifies lands that would be exempt from the collection of SAFs or DLs. The provision of exemptions within the policy allows for the specific listing of lands or development that the City considers to have very little impact on the supporting infrastructure required for growth. Examples of the proposed changes to the exemptions are:

- parcels of land dedicated as Municipal Utility and used for City infrastructure
- parcels of land utilized for power and gas facilities that do not have an occupied building on them.

To provide consistent application and interpretation of this section of the policy, modifications are proposed. The proposed changes are supported by industry stakeholders and Administration and were found to have no significant financial impact on the City. The proposed policy language can be found in Section 7A for the Greenfield Area Exemptions and 8.A.1 for the Established Area Exemptions of the proposed policy attached as Appendix A.

Intensification:
Specific feedback received from the Working Group related to intensification called for some minor changes to definitions and related sections that would result in clarity of application. The general discussion was about providing proposed changes that would reduce the financial impact of charges imposed within the Established Area.

The proposed changes would allow Developers within the Established Area to apply a credit to the development site for the last legal use without risking losing that credit after 10 years. The 10-year limit can discourage the development of underutilized lands that have been dormant for a substantial period. Removal of the limit will reduce the regulatory barrier for property owners who wish to develop existing sites within the Established Area. The proposed policy language can be found in Section 8.A.2 of the proposed policy attached as Appendix A.

Deferred Payments of SAF's and DL's
When entering into a Servicing Agreement or Development Levy Agreement, Developers currently can defer SAFs and DLs' payments valued over $50,000 throughout the course of their development. This option is exercised in almost all cases. To exercise this option, Developers must agree to a set of scheduled payments within the agreements. These future payments are secured by letters of credit.

Deferred payments provide Developers with more options to manage their cash flows during construction. Deferred payments for SAF currently occur in two separate payments at nine months and 18 months after the agreement's execution.

The Working Groups' feedback requested that Administration consider allowing more time for these payments to occur within the agreement. Administration considered deferred payment timings within the context of risk to the City and found that increasing the payment timing was a low financial risk to the City as the Developers already insured the payments with a letter of credit. The proposed policy now allows for payment of Infrastructure assessments at 30 per cent initially, 40 per cent at 12 months and the remaining 30 per cent at 24 months instead of the previous nine months and 18 months.

Similarly, the proposed policy allows for payment of Parks and Recreation assessments at 50 per cent at 18 months and the remaining 50 per cent at 24 months instead of the previous 12 months and 24 months. The proposed policy language can be found in Section 7.B.2 for development in the Greenfield Area and Section 8.B.2 for development in the Established Area attached as Appendix A.

Financial Assurances for Completion of Work
The City collects and holds performance securities from Developers to ensure that they construct the subdivision or development as planned. The amount of these securities is typically based on a submission provided by the Developer called the Engineering Submission. This submission typically includes engineering drawings, modelling, calculations, and estimates to support the development's infrastructure. The Developer's Engineer estimates this infrastructure's total costs to support the development's required security and bonding.

Securities are called upon by the City when the Developer is in default of the conditions of the Servicing Agreement or Development Levy Agreement. A default will generally occur when any of the agreement's terms aren't met. In the event of a default, the City can use performance security to complete the development according to the risk to the City or secure the area and prevent further development. Completion of the development related to City risk is not the same as completing the development. The City will act to secure our risks related to infrastructure and to ensure that the development site will have limited impacts on taxpayers. When securities are collected, the City needs to balance protecting itself against the risk of Developer default and not holding excessive-performance security.

Most of the performance securities held by the City are in the form of performance bonds. The City does not have a substantial history of servicing agreements entering default. The City also does not have a history of needing to call on performance securities to complete the work. According to a record search that Administration conducted over 30 years, no City records were found using performance securities in the context of servicing or development agreement-related work. This included a record search for both landscaping and infrastructure work. Over this same time period, there are records of the City placing a few agreements into default notice. However, in all these instances, the Developer had managed to refinance or reconcile the default conditions and continue the development.

During the policy review, Administration compiled best practices research on the use of performance securities in Calgary, Edmonton, Saskatoon, Lethbridge, Kelowna, and London. The Working Group noted that the cities of Calgary and Edmonton conduct business with a tiered performance security system. There was interest from the Working Group to explore a Regina option for tiering performance security requirements. Tiered systems can help cities balance risk management and overall development costs in terms of performance bonds. Both the cities of Edmonton and Calgary allow for a lower value of securities held for Developers that have a good record of completed agreements without issue and increase the amounts required for Developers with poor performance, have been placed in default of the contract or that may not have an established record of Development.

A tiered system is proposed in the new policy that emulates the City of Edmonton and the City of Calgary policies. Similarly, the proposed tiering would help the City of Regina more appropriately assign and manage the risk between high-risk Developers and low-risk Developers.

In this system, the City would first categorize a Developer based on the Developer's experience on prior projects, either with the City or other jurisdictions, and their performance on those projects. Once the Developer category is determined, the amount of security is assessed based on a percentage of the estimated construction cost.

Developers with low risk and good category ranking would be required to provide less performance security. Developers with a higher risk and poor category ranking would be required to provide more performance security determined by the risk. The tiering system provides for clear criteria for determining the risk and this criteria forms part of the proposed policy. There is a risk that a system such as this would be perceived as unfair to new Developers with no relevant land development experience. The additional cost for the securities, in these cases, would not be prohibitive for the development but meant to offset the additional risk to the City dealing with Developers with an unknown track record. Developers that have not completed development within Regina would be required to submit reference developments from other jurisdictions to support a lower risk classification.

As Developers finish servicing agreements with the City, the City would apply the results to their next application. This would allow for recategorizing Developers based on their performance in agreements. The proposed policy language can be found in Section 7.B.3 of the proposed policy is attached as Appendix A.

DECISION HISTORY

The initial release of these complimentary policies was in 1996 with CR96-311. The policy was amended in 1997 with CR97-81 with minor changes. It was further amended with changes in 2010 with CR10-105.

In 2015 Council amended the policy with provisions to support a transition to a new phasing and financing plan with CM15-14. In 2017 the calculation methodology for SAF's and DL's was added with CR17-121 to allow for the industrial lands exemptions and Endeavour to Assist.

In 2018, Council approved further amendments with CR18-40 and CR18-55 that provide further clarity on the application of endeavour to assist with respect to lift stations and added the Intensification Levy. In 2020, Council approved further revisions to the policy related to Endeavour to Assist to allow for further clarity of interpretation and consistency of application.

The recommendations contained within this report require City Council approval.

Respectfully Submitted,

Dustin McCall, Manager, City Projects 4/7/2021

Respectfully Submitted,

Diana Hawryluk, Executive Director, City Planning & Community Dev. 4/14/2021

Prepared by: Dustin McCall, Manager, City Projects

ATTACHMENTS

Appendix A - SAF and DL Policy
Appendix B Summary Change Log
Appendix C Detailed Change Log

City of Regina

City Policy

Approved By City Council: 2021/04/28	**Policy Number:** 2021-OCC-P0002
Council Report: CR(report number)	
Effective Date: Date of Bylaw Approval	**Recommended by:** Executive Committee 2021/04/21
Next Review: 2026/05/26	
Policy Owner: Office of the Executive Director of City Planning & Community Development	
Title: Development Charges Policy (Schedule A to *The Development Levy Bylaw, 2011*)	

1.0 Policy Statement

As authorized by Section B, Goal 4 of *Design Regina: Official Community Plan Bylaw,* Council intends to support growth and renewal in the City by collecting servicing agreement fees and development levies and responsibly managing and investing these funds into infrastructure to serve all current and new generations.

2.0 Purpose

The purpose of this policy is to provide for the orderly administration of growth and Intensification in Regina by establishing policies and procedures with respect to or to be applied in relation to:

- Recovering costs associated with growth and renewal by collecting servicing agreement fees and development levies.
- Managing the imposition, collection and expenditure of servicing agreement fees, development levies and intensification levies and establishing standard terms and conditions of servicing agreements and development levy agreements, where such agreements are required;
- Planning and phasing major infrastructure required for growth and renewal; and
- Managing financial risk through responsible debt management, annual reporting, and growth analysis.

3.0 Scope

This Policy and the provisions herin generally apply to both servicing agreement fees and development levies and to Servicing Agreements and Development Levy Agreements, except as specifically noted otherwise.

This Policy provides direction to the Administration on the following topics:

4.0 Definitions

Act: The Planning and Development Act, 2007.

Administration: The collective workforce who works under the authority and direction of the City Manager, Mayor, and City Council.

Arterial Street: A road with controlled access that carries major traffic flows to and from major trip generators and communities. Generally, it provides connections between collector streets and expressways.

Bylaw: The Development Levy Bylaw, 2011 (being Bylaw No. 2011-16), as may be amended from time to time or any succeeding bylaw;

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

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

Capital Project List: A compilation of proposed Capital Projects with their associated Capital Costs, project name, anticipated timing, and proposed funding sources.

Catchment Area: A geographical area of land to which Infrastructure Work can provide services

City: The City of Regina.

City Clerk: The person appointed by Council to the position of City Clerk pursuant to section 85 of *The Cities Act*.

Collector Street: A road designed to intercept, collect and distribute traffic between local and arterial streets. Direct access to abutting properties is permitted.

Commercial Development: Development or land use, including any accessory use, is neither a Residential Development nor Industrial Development.

Community Contributions: 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.

Construction Completion Certificate # 1: A certificate issued by the City to the Developer when the Infrastructure Services have been completed in accordance with the requirements of the Agreement.

Construction Completion Certificate # 2: A certificate issued by the City to the Developer when the Landscaping Services have been completed in accordance with the requirements of the Agreement.

Construction Completion Inspection: The quality assurance inspection that occurs in relation to Infrastructure Services or Landscape Services provided through Servicing Agreements and Development Levy Agreements.

Contiguous New Development(s): A subdivision or development adjacent to existing development

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

Current Contributions: Contributions made towards capital projects where the funding sources are derived through City generated revenue, typically taxation or fees for services.

Dedicated Lands: As ascribed in *The Planning and Development Act, 2007*.

Development: As ascribed in *The Planning and Development Act, 2007*.

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

Development Area: The area shown for construction or development in schedules to a Development Levy Agreement or a Servicing Agreement or based on the plans submitted with an application.

Development Boundaries: Either the outside boundaries or limits of a plan of subdivision and as identified within a Servicing Agreement; or the outer boundaries of a parcel of land and as specified within a Development Levy Agreement.

Development Charge: Servicing Agreement Fees and Development Levies as defined in *The Planning and Development Act, 2007.*

Development Charges Financial Cash Flow Model (SAF Model): 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, Development Levy rate, and Intensification Levy rates.

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

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

Development Levy Agreement: A development levy agreement as defined in the Act.

Development Levy Bylaw: The Council approved bylaw (#2011-16) describing when and how Development Levies are imposed.

Development Permit: A document authorizing a development issued pursuant to a zoning bylaw.

Developer: 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 sections 169 and 171 *of The Planning and Development Act, 2007*.

Dwelling Unit: A self-contained living unit of one or more rooms containing cooking facilities, sanitary facilities, living quarters or sleeping quarters

Environmental Reserve: Has the meaning ascribed to such term in the Act.

Endeavour to Assist Agreement: The portion of the Servicing Agreement or Development Levy Agreement that addresses the methods by which the Initial Developer can recoup a portion of the costs relating to Excess Infrastructure Capacity.

Endeavour to Assist Payments: The portion of the costs relating to Excess Infrastructure Capacity that is 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: Either a detailed engineering drawing submission as per the requirements outlined in the applicable sections of the City of Regina Design Standards or all studies, electronic models and modelling results, analysis and calculations required for the design of roadways and related infrastructure, waterworks, sanitary sewer works, drainage works, parks and recreational facilities in an acceptable format outlined in the City of Regina Design Standards or otherwise deemed acceptable to the City.

Established Area: The area identified as the "Established Area" on the map in Appendix B to indicate where the Intensification Levy and associated Policy is applied.

Executive Director: The Executive Director of City Planning and Community Development or the delegate or successor in title.

Excess Infrastructure Capacity: The portion of Infrastructure Work the Initial Developer constructs that provide capacity in excess of that required for the lands being developed by the Initial Developer or which will service or provide a benefit to Future Benefitting Lands of a Future Developer.

Final Acceptance Certificate # 1: A certificate issued by the City to the Developer when the warranty period for the Infrastructure Services has been completed in accordance with the requirements of the Agreement. Upon issuance, the services to which the certificate relates shall be dedicated to public use and maintained, operated and replaced by the City.

Final Acceptance Certificate # 2: A certificate issued by the City to the Developer when the warranty period for the Landscaping Services has been completed in accordance with the requirements of the Agreement. Upon issuance, the services to which the certificate relates shall be dedicated to public use and maintained, operated and replaced by the City.

Funding Splits: The apportioning of costs between a Developer, the City, and the Servicing Agreement Fee Reserve Fund.

Future Benefitting Lands: Lands to be developed or subdivided in the future that will directly benefit from Excess Infrastructure Capacity constructed by the Initial Developer. The total Excess Infrastructure Capacity is calculated over a defined Catchment Area.

Future Developer: The subsequent Developer or landowner who will develop the Future Benefitting Lands.

Greenfield Area: The area identified as "Greenfield Area" on the map in Appendix B to indicate where greenfield rates and Policy apply.

Greenfield Development: Any Development that occurs within the Greenfield Area or outside of the Intensification Boundary.

Gross Floor Area (GFA): The total floor area in a building or structure measured between the exterior faces of the exterior walls of the building or structure at the level of each storey:

- at and above grade, in the case of dwellings in residential zones or below, at and above grade, in the case of all other uses;
- excludes the area used for off-street unloading and parking

Grade Separation(s): Any classification of the road required to either be constructed over or under an obstacle, including but not limited to another road, railway, pipeline or building.

Grants: Funding received from sources outside of the City of Regina Current Contributions such as the Provincial or Federal Government.

Indexing: The cost inflation adjustment as calculated specifically to Regina by an independent source to be used in the Development Charges Financial Cash Flow Model calculations.

Industrial Development: Development of land or land use with an Industrial Zoning designation per *Regina Zoning Bylaw 2019.*

Infill Development: Refers to any Development that occurs within the Established Area.

Infrastructure Work or Infrastructure Services: Has the meaning ascribed to the term "Infrastructure Services" in the Standard Conditions 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: The Developer who constructs the Excess Infrastructure Capacity that benefits other Future Benefitting Lands as part of the Infrastructure Work.

Intensification: The construction of new buildings or alterations to existing buildings within the Established Area resulting in a higher intensity of use.

Intensification Boundary: The boundary set by Council separating the Greenfield Area and the Established Area.

Intensification Levy: The Development Levy charged for Infill Development resulting in Intensification.

Interchanges: A junction of two or more traffic flows incorporating a system of Grade Separations that permit traffic to pass from one to another without crossing traffic streams.

Interest Rate: The City of Regina's indicative pricing rate plus two per cent at the effective date of the Endeavour to Assist Agreement.

Interim Services: Any provisional or temporary municipal services provided by the Developer to allow for the development to occur without the permanent municipal service in place.

Intersection(s): Any at grade junction of two or more traffic flows.

Institutional Development: Development or land use, including any accessory use, that is either within an Institutional Zone or provides for a facility that is intended for institutional, community or public service in nature.

Landscape Drawing Submission: A detailed landscape drawing to be submitted as per the requirements outlined in the City Design Standards, including dimensioned recreational facilities and elements within park space.

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

Letter of Credit: A letter issued by a financial institution, in a form acceptable to the City's discretion, guaranteeing the financial obligations of the Developer.

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

Lift or Pump Station: Mechanical/hydraulic devices used to solve flow problems that standard gravity methods cannot solve. Lift stations lift fluids to a gravity system.

Local Roads: Is per the definition within the City of Regina Transportation Master Plan and includes all constructed components required by the City of Regina's Design Standards, Construction Specifications or as directed by the Executive Director.

Master Plans: Infrastructure plans that consider the capital, operating, maintenance and replacement costs of municipal infrastructure over a period in support of the Official Community Plan.

Major Sanitary Storage, Conveyance or Treatment Facilities: The components of the City's existing sanitary collection and treatment system that serves 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: The components of the City's existing water treatment and distribution system that serve multiple existing and future new developments external to a new subdivision or development boundaries. 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.

Mixed-use Development: A development that contains both dwelling and non-dwelling principle land uses.

Models: Electronic computer-aided simulations utilized by the City to plan for growth and review of development applications for transportation, water, wastewater, stormwater, parks and recreational facilities.

Multi-Use Pathways: 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 refer to an asphalt pathway surface within a landscaped area and provide a protected route for walking or cycling.

Municipal Buffer: As ascribed in *The Planning and Development Act, 2007*.

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.

Municipal Reserve: As ascribed in *The Planning and Development Act, 2007*.

Municipal Utility: A municipal utility parcel designated as such by the City in accordance with section 172.1 of the Act.

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.

Office Development: Development or land use, of which the principle use of each type is business, administrative or managerial space for various work activities. It includes *The Regina Zoning Bylaw, 2019* definition of Industry Office and Professional Office land use.

On-Street Bikeways: A lane within a road right-of-way specifically intended for bicycle traffic movement 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: Designing and constructing an infrastructure facility to a greater capacity than servicing a new subdivision or development requires unto itself to meet City Design Standards. The amount of oversizing is based upon design assumptions for servicing of a land area greater than the extent of the subdivision or development itself.

Parking Structure: An indoor land use where motor vehicles that are registered, insured, and working order are parked indoors or in primarily enclosed areas for temporary intervals.

Phase(s) or Phased Development**:** The registration and development of a portion only of an approved subdivision.

Public Work: As per the definition within *The Planning and Development Act, 2007*.

Regional Infrastructure: Infrastructure constructed for the purpose of serving a Neighbourhood or multiple neighbourhoods.

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

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

Residential Development: Development or use of land, including any accessory use that serves as a Dwelling Unit(s).

Residential Group Care Home: A care home that has ten or less beds, or five or less bedrooms within a single building with shared cooking and washroom facilities.

Residential Unit Type: The types of Dwelling Units into which the Intensification Levy rates are divided.

Road: The public right-of-way comprises a thoroughfare that has been paved or otherwise improved to allow travel by some form of conveyance.

Sanitary Sewer Main: A pipe that receives flows from service connections and conveys these flows to a trunk sewer. The minimum size is 200 millimetres in diameter.

Sanitary Trunk Main: A large pipe generally serves 65 hectares or more and 300 millimetres or larger in diameter.

Sanitary Service Connection: A pipe that extends from the building and conveys flow to a sanitary sewer main.

Secondary Suite: A subordinate, self-contained Dwelling, Unit within
a building or portion of a building that contains a principal Dwelling, Unit, and where both dwelling units constitute a single real estate entity.

Semi-Detached: A building divided vertically or horizontally into two Dwelling Units by a common wall.

Standard Conditions: Are intended for use in conjunction with servicing agreements entered into between the City of Regina and applicants for subdivision approval and developments, pursuant to section 172 of the Act.

Servicing Agreement: 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 changes as circumstances or subdivision or development application require and as may be approved or directed by Council.

Servicing Agreement Fee(s), Servicing Fee, SAF, or Development Levy(ies): The charges or levies adopted by Council from time to time pursuant to Part VIII of *The Planning and Development Act, 2007*.

Servicing Agreement Fee Rate, Development Levy Rate: The fees adopted by Council pursuant to section 169 and 172(3)(b) of *The Planning and Development Act, 2007*, that apply to development.

Servicing Agreement Fee Reserve Fund or SAF Reserve Fund: 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.

Single-Detached: A building that contains only one Dwelling Unit. Where a Secondary Suite is a Permitted Use in a zone, a detached Dwelling Unit in that zone may also contain a Secondary Suite which, for this Policy, is considered a Second Dwelling Unit.

Site Detention: The requirements for individual developments to detain a portion of the rainfall within the development site's property lines and release the water at a controlled rate into the stormwater collection system.

Site Specific Infrastructure: Infrastructure constructed to service a single subdivision or development.

Storm Water Collection System: A pipe greater than 200 mm in diameter, pump station, detention facility, retention facility or channel that manages stormwater.

Storm Channel: A receiving stream constructed to convey stormwater and a Major Drainage System element.

Stormwater Detention Facility: A stormwater detention facility does not permanently retain a portion of the facility's collected stormwater runoff. Water is contained in the facility for only a short period. The storage in the facility attenuates the inflow peak flow resulting in a smaller outflow peak. The Stormwater Detention Facility is commonly referred to as a dry pond. A major system element.

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

Stormwater Retention Facility: A stormwater retention facility retains a portion of the stormwater runoff permanently in the facility. Stormwater Retention Facilities are commonly referred to as a wet pond. A major system element.

Streetscaping: Landscaped visual elements of a street, including street furniture, trees and boulevard treatments.

Study: Studies undertaken by the City on a citywide or area basis to determine long-range infrastructure required as a result of growth, including but not limited to transportation studies, wastewater studies, water studies, drainage studies, parks and recreation studies, and serviceability studies.

Subdivision: The definition within *The Planning and Development Act, 2007*.

Site Access Driveways and Crossings: Is per the definition within the City of Regina Design Standards and includes all requirements and components as required by the Transportation Design Standard, Construction Specifications or as directed by the Executive Director or delegate.

Total Construction Value: The sum of costs attributed to the construction of Infrastructure or Landscaping Services that include the expense of design, labour and materials.

Traffic Signals: 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.

Trunk Watermain (or trunkmain): A pipe over 450 millimetres nominal diameter that delivers potable water within the distribution system network. Service connections to trunkmains are not permitted.

Upgrades: Upgrades required to provide additional capacity to a service to accommodate the additional demands placed on the infrastructure due to growth. Upgrades do not include projects resulting from a regulatory change or level or service improvement not previously identified within the calculation of previous Servicing Agreement Fees or Development Levy.

Utility Service Provider: A provider of systems for distributing, storing, or transmitting electricity or natural gas and oil. It also includes providers of systems for providing telecommunications.

Water Service Connection: A service connection extends from the connection point of the watermain to the property line.

Distribution Water Main: Is a pipe between 150 millimetres and 250 millimetres that delivers potable water within the distribution system network.

Feeder Water Main: Or *feedermain* is a pipe between 300 millimetres and 450 millimetres that delivers potable water within the distribution system network.

Water Pump Station & Reservoir: 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: Permanent or temporary devices or infrastructure utilized to capture sediments or other non-desirable contaminants before runoff and discharge into the City storm sewer collection system.

Zone Level Parks and Facilities: Zone parks are larger in size than neighbourhood parks and serve a broader purpose. The athletic facilities provided are of higher quality and will allow for higher-tiered athletics.

5.0 Legislative Authority

The Planning and Development Act, 2007 authorizes municipalities to charge development levies and servicing agreement fees. In relation to development levies, this authority requires that the City authorize the use of such fees in its official community plan and that the fees be established by bylaw.

Pursuant to this authority, Council has adopted *Design Regina: The Official Community Plan Bylaw 2013-48* commonly referred to as the OCP.
Section B of the OCP contains our Financial Policies. This section aims to achieve direction on the capital infrastructure investments, growth infrastructure budgeting, and growth financing. Section C of the OCP contains the Growth Plan, which establishes our community's goals and growth initiatives. This Section includes direction for intensification targets and long-term growth initiatives. Section E, Goal 5 of the OCP contains specific guidance for the phasing and financing of growth. This section further defines the intensification targets and long-term growth initiatives and provides criteria to achieve orderly development. All of these sections considered together drive the need for this policy and provide the direction of the content.

Council has also adopted *The Development Levy Bylaw, 2011* pursuant to section 169 of *The Planning and Development Act, 2007* which establishes the development levies and servicing agreement fees to be imposed to recover all or part of the City's capital costs directly or indirectly related to a proposed development. This Policy is incorporated in and forms part of the Bylaw.

6.0 General Policy

6A Delegated Authority

The Executive Director is authorized to:

- prepare and approve Servicing Agreements and Development Levy Agreements in accordance with Standard Conditions adopted by Council from time to time, and arrange for the execution of these agreements by the City Clerk;
- administer Servicing Agreements and Development Levy Agreements; and
- determine the Capital Projects that are to be included in the Servicing Agreement Fee/Development Levy rate all in accordance with the Bylaw and the provisions of this Policy.

6B Application of Servicing Agreement Fees and Development Levies

The City of Regina differentiates between greenfield development and infill development. The map in Appendix B illustrates the geographic areas used to determine what rates shall be applied to the development. Development applications on lands outside the Intensification Boundary (Greenfield Area) shall be charged the greenfield rate. In contrast, development applications on lands inside the Intensification Boundary (Established Area) shall be charged the intensification rate. The map is provided to illustrate where the boundary is generally located. For specific details or clarifications, the City maintains a Geographic Information System (GIS) map that it will utilize to confirm where the lands are located, such determination shall remain at the City's sole discretion.

These development charges are imposed and collected in accordance with the Act, and are in the form of:

<u>Servicing Agreement Fees</u> – These are fees required to be paid by an applicant where proposed development involves the subdivision of land pursuant to section 172 of *The Planning and Development Act, 2007.*

Servicing Agreement Fees are established by Council and set annually.

<u>Development Levies</u> – These are fees required to be paid by an applicant where proposed development does not involve the subdivision of land pursuant to section 169(1) of *The Planning and Development Act, 2007.*

Applicants shall pay a Development Levy established by Council 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.

7.0 Greenfield Area Policy

7A Greenfield Area Development Charges

All lands in Regina are subject to the rates set forth by Council and in *The Development Levy Bylaw, 2011* and subject to the applicable Servicing Agreements Fees and Development Levies unless deemed exempt by this Policy or by Council.

No refunds or reimbursements will be issued for Servicing Agreement Fees or Development Levies paid, but no development occurs. In these cases, the City would issue a credit in the applicable units to be registered on the affected property title.

The amounts of the Servicing Agreement Fees and Development Levies are determined as follows:

- for Development Levy, the date of the application of the development permit; and
- for Servicing Agreements, the date that the City confirms the formal submission requirements as per Section 7.B.1 of this policy.

If the Development Levy Agreement or Servicing Agreement expires, and the development is not completed, new fees will be assessed when the agreement is renewed or reissued.

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With respect to any Development on lands located outside of the intensification boundary, the City shall impose Servicing Agreement Fees or Development Levies, as the case may be, determined based on the following formula:

$$\begin{aligned}&\mathit{Net\ Development\ Area}\ (\mathit{Hectares})\\&\times \mathit{Approved\ Rate}\ (\mathit{Dollars\ per\ Hectare})\ \mathit{per\ Applicable\ Infrastructure\ Type}\\&= \mathit{Total\ Development\ Charges}\ (\mathit{Dollars})\end{aligned}$$

Where:

$$\begin{aligned}&\mathit{Net\ Development\ Area}\ (\mathit{Hectares})\\&\qquad = \mathit{Gross\ Development\ Area}\ (\mathit{Hectares}) - \mathit{Total\ Exempt\ Area}\ (\mathit{Hectares})\end{aligned}$$

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" pursuant to Section 168, 169 and 172 of *The Planning and Development Act, 2007*.

With respect to any Development on lands located outside the intensification boundary, the City shall impose Servicing Agreement and Development Levy Administration Fees, determined based on the following formula:

$$Gross\ Development\ Area\ (Hectares) \times Approved\ Administration\ Fee\ (Dollars\ per\ Hectare) = Total\ Administration\ Fee\ Charges\ (Dollars)$$

Goods and Services Tax (GST) applies to these charges.

7.A.1 Exemptions

Servicing Agreements Fees and Development Levies apply to development in all areas of the City except for the following, which are exempt:

- lands designated as Environmental Reserves;
- lands dedicated as road right of way and designated for freeways, expressways, and grade separations;
- natural lakes or rivers;
- Development on lands that were previously subjected to servicing agreement fees and where no development has occurred, unless the City will incur additional capital costs as a result of the proposed development;
- lands designated as Municipal Utility;
- lands dedicated as Municipal Buffer;
- Development related to or associated with any Public Work, but only to the extent that such Public Work does not include a building or structure intended for occupancy or habitation;

7.A.2 Deferrals

Servicing Agreements Fees and Development Levies apply to development in all areas of the City except for the following, which may be partially deferred:

- where the City permits development that is not required to connect to the City's water service at the time of initial development, payment of the water infrastructure portion of the Servicing Agreement Fees or Development Levies related to the development may be deferred; and
- where the City permits development that is not required to connect to the City's wastewater service at the time of initial development, the wastewater infrastructure portion of the Servicing Agreement Fees or Development Levies related to the development may be deferred;

provided that, at such time as the development applies or is required to connect to the City water or wastewater services, the landowner shall be required to pay a fee equal to the water or wastewater portion of the Servicing Agreement Fees or Development Levies that are in effect at that time of application for such connection.

The City shall register an interest against the affected title(s) of the lands related to developments that have deferred the payment of fees in accordance with this section at the time of development approval. The registered interest shall identify the type of infrastructure, the total amount owing in hectares and the landowner's obligation to make payment of the deferred fees to the City before obtaining any connection to infrastructure services that are owing.

Unless stated in the previous Section 7.A.1, development shall not be exempt from or be permitted to defer the payment of the transportation, parks & recreation or the administration portions of the Servicing Agreement Fees or Development Levies.

7.A.3 Reductions Applicable to Industrial Land

Industrial Development within the Greenfield Area will be eligible for a 2/3 reduction of any applicable Servicing Agreement Fees or Development Levies, provided that as a condition of any application to rezone the lands related to the Development which would result in a zoning designation other than industrial, the applicant or landowner shall be required to pay the reduced portion of the applicable fees or levies.

The City shall register an interest against the affected title(s) related to any development that has had a reduction applied in accordance with this section. The registered interest shall identify the obligation to make payment to City of the reduced portion of the applicable fees or levies in the event the zoning designation changes to a zone other than industrial.

7B Greenfield Area Agreements

Lands in Regina that are subject to Servicing Agreements Fees and Development Levies may be required to enter into a Servicing Agreement or Development Levy Agreement.

Requirements for the Servicing Agreement are subject to the terms of section 21 of *A Bylaw of The City of Regina to Regulate and Control the Subdivision of Land.*

7.B.1 Application Requirements

Before the issuance of a Servicing Agreement number, the Developer must make the following submissions to the satisfaction of the City:

- Secondary Plan or Concept Plan approval if deemed required per 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;

- a formal written request to enter into a servicing agreement or development levy agreement.

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

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

The Developer will have six months from the date the Servicing Agreement number is assigned to execute the Agreement with the City of Regina.

If the Developer fails to enter into a Servicing Agreement or Development Levy Agreement within six months from the date that the application number is assigned, the associated Agreement will be deemed invalid and cancelled.

7.B.2 Payment of Servicing Agreement Fees and Development Levies

Servicing Agreement Fees must be paid at the time of execution of the agreement. The City will accept instalment payments on Servicing Agreement Fees and Development Levies that have a total payment value greater than $50,000.

Instalment payments shall be as follows:

- for assessments concerning Servicing Agreement Infrastructure:
  - 30 per cent upon execution of the Servicing Agreement;
  - 40 per cent upon the earlier of the issuance of a Certificate of Completion for Infrastructure Work; or twelve (12) months from the date of the Servicing Agreement;
  - 30 per cent upon the earlier of the issuance of a Financial Acceptance Certificate for the Infrastructure Work; or twenty-four (24) months from the date of the Servicing Agreement.

- for assessment concerning Servicing Agreement Parks and Recreation Facilities:
  - 50 per cent upon the earlier the issuance of a Certificate of Completion for Landscaping Work or eighteen (18) months from the date of the Servicing Agreement;
  - 50 per cent upon the issuance of Final Acceptance Certificate for the Landscaping Work or twenty-four (24) months from the Servicing Agreement's date.

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 installment or payment of the Servicing Agreement Fees' balance or as may be otherwise set out in the Servicing Agreement.

7.B.3 Financial Assurances for Completion of Work

The performance of all work required to be installed or constructed by a Developer as a term of any Development Levy Agreement or Servicing Agreement, shall be required to be secured by security satisfactory to the City in accordance with the City's Standard Conditions. The Developer shall deliver such securities to the City upon entering into the respective agreement, in an approved form and in the amount determined by the performance category the City has assigned to the Developer.

The City, in its sole discretion, will categorize the Developer based on its history with respect to any of the following:

- Servicing Agreements with the City of Regina
- Development Levy Agreements with the City of Regina
- Development Agreements with other municipalities through the provision of references

The amount of security required to be provided further to this section is to be assessed based on a percentage of the estimated total construction cost of the work to be completed further to the related agreement. The required security is the percentage of Total Construction Costs. Estimated Total Construction Costs must be submitted by a professional engineer licensed to practice in Saskatchewan. Total Construction Costs can be calculated as follows:

$$\begin{aligned} &\mathit{Total\ Construction\ Costs} \\ &\qquad = \mathit{Total\ Park\ and\ Landscaping\ Work\ Costs} \\ &\qquad + \mathit{Total\ Infrastructure\ Work\ Costs} + \mathit{Engineering\ and\ Testing\ Costs} \end{aligned}$$

Where:

$$\begin{aligned} &\mathit{Engineering\ and\ Testing\ Costs} \\ &\qquad = 0.135 \times (\mathit{Total\ Park\ and\ Landscaping\ Work\ Costs} \\ &\qquad + \mathit{Total\ Infrastructure\ Work\ Costs}) \end{aligned}$$

The table below provides the applicable percentages based on developer categorization:

Category	Criteria	Required Security

A	• two (2) or more Servicing Agreements that have received Final Acceptance Certificates within the last seven (7) years with the City of Regina where:
	  ○ all Construction Completion Certificates were issued within the timelines of the agreement;
	  ○ all deferred payments were made on time; or
	• references from another municipality certifying the completion of two (2) or more Development Agreements in the past seven (7) years where:
	  ○ all Construction Completion Certificates were issued within the timelines of the agreement;
	  ○ the aggregate Total Construction Value of the reference agreements shall be a minimum of $2,000,000.
		25%

B	• one (1) or more Servicing Agreements that have received Final Acceptance Certificates within the last seven (7) years with the City of Regina where:
	  ○ all Construction Completion Certificates were issued within the timelines of the agreement;
	  ○ all deferred payments were made on time; or
	• references from another municipality certifying the completion of one (1) or more Development Agreements in the past seven (7) years where:
	  ○ all Construction Completion Certificates were issued within the timelines of the agreement;
	  ○ the aggregate Total Construction Value of the reference agreements shall be a minimum of $2,000,000.
		50%

C	• no previous Servicing Agreements with the City of Regina in the past seven (7) years or Development Agreements with other municipalities in the past seven (7) years; or • entered into agreements where not all Construction Completion Certificates have been issued in order to qualify as Category B.	**75%**
D	• a developer who has been involved in a **major breach** of the terms and conditions of previous Servicing Agreements with the City of Regina and has not provided a remedy.	**100%**

The categorization of a developer may be adjusted based on positive performance as follows:

- a developer will be re-categorized from Category C to Category B once Category B's criteria have been met, as per the table.
- a developer will be re-categorized from Category B to Category A once the Category A criteria have been met, as per the table.
- a developer will be re-categorized from Category D to Category C once the conditions of the Servicing Agreement for which the developer was held in default are met or at the discretion of the Executive Director.

A developer who is re-categorized from Category D to Category C will not be able to be re-categorized for positive performance for a minimum of two years.

The categorization of a developer may be adjusted based on negative performance as follows:

- a developer will be re-categorized from Category A to Category B or from Category B to Category C for repeated minor breaches of the terms of a Servicing Agreement(s).
- a developer will be re-categorized from Category A, Category B or Category C directly to Category D for a major breach of the terms of a Servicing Agreement.

In considering a Developer’s past performance, the following items are considered a minor breach:

- commencing construction before the required regulatory approvals have been obtained.
- failure to notify the City of contractual changes that result in a significant change to the Total Construction Costs or change to the approved design drawings.
- any non-compliance order that is issued to the City by a Provincial or Federal regulator in relation to work which the Developer (or its contractors) is responsible for.

In considering a Developer’s past performance, the following items are considered a major breach:

- commencing construction before the approval of Engineering Drawings or without a signed servicing agreement.
- failure to complete construction with the timelines set out in the applicable Agreement.

- failure to provide for any deferred payments or other payments set out in the applicable Agreement.
- failure to renew performance securities in accordance with the terms of the applicable agreement.

Upon the completion of the Infrastructure Services and the issuance of a Construction Completion Certificate to such effect, the security required pursuant to this section may be reduced to an amount equaling:

- 10 per cent of the total estimated cost of the Infrastructure Services;
- plus the full per cent value of the required security for the total estimated cost of all remaining Landscaping Services;
- plus the estimated cost to remedy any Infrastructure Services deficiencies listed in the Construction Completion Inspection; and
- provided that the amount of the security as varied in accordance with this clause shall not exceed the original amount of security provided at the time of entering into the applicable Agreement, nor shall the security be reduced to an amount less than the aggregate of 10 per cent of the total cost of the Infrastructure Services and 10 per cent of the total cost of the Landscaping Services.

Upon completion of the Landscaping Services and the issuance of a Construction Completion Certificate to such effect, the security required pursuant to this section may be further reduced to and amount equaling:

- 10 per cent of the total estimated cost of the Infrastructure Services;
- plus 10 per cent of the total estimated cost of the Landscaping Services;
- plus, the estimated cost to remedy any Infrastructure Services deficiencies listed in the Construction Completion Inspection; and
- plus, the estimated value to remedy any Landscaping Services deficiencies listed in the Construction Completion Inspection.

Upon delivery of the Final Acceptance Certificate of the Infrastructure Services to the City, the security required pursuant to this section may be further reduced to:

- 10 per cent of the total estimated cost of the Landscaping Services;
- plus, the estimated cost to remedy any Landscaping Services deficiencies listed in the Construction Completion Inspection;
- this security reduction assumes that the Completion Certificate for the Landscaping Services has been issued. If no Completion Certificate for the Landscaping Services has been issued, the full per cent value of the required security for the total estimated cost of all remaining Landscaping Services is required.

Upon delivery of the Final Acceptance Certificate of the Landscaping Services to the City, the security required pursuant to this section may be released in its entirety provided that a Final Acceptance Certificate of the Infrastructure Services has also been issued.

The provisions of this section apply to all Servicing Agreements and Development Levy Agreements unless otherwise approved by City Council.

7.B.4 Endeavour to Assist

Where pursuant to a Servicing Agreement or Development Levy Agreement, an Initial Developer provides Excess Infrastructure Capacity, and upon application of the Initial Developer, the City may agree to include Endeavour to Assist provisions to apply concerning Benefitting Lands within the Catchment Area serviced by this Excess Infrastructure Capacity.

The City will review all applications relating to Endeavour to Assist in accordance with its policies and development standards then in effect. It will work with the Initial Developer to detail any arrangements in an Endeavour to Assist Agreement to be included within the Servicing Agreement or Development Levy 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 Endeavour to Assist, the City will agree to endeavor to collect additional levies or fees from Future Developers and to reimburse the Initial Developer the amounts collected for the value of the Excess Infrastructure Capacity 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, the City will require collection of all amounts payable relating to the full value of Excess Infrastructure Capacity built (or paid for) for the initial Developer from the Future Developer. This value of Excess Infrastructure Capacity shall be payable by the Future Developer as part of the first Servicing Agreement related to the subdivision containing the Future Benefitting Lands.

The Future Developer will be required to pay the City or Initial Developer for the full amount of Excess Infrastructure Capacity associated with all remaining Future Benefitting Lands.

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

Costs related to the Excess Infrastructure Capacity shall be calculated based on a proportionate land area of the benefitting lands unless indicated otherwise.

The Excess Infrastructure Capacity's value relating to Endeavour to Assist Payments shall be based on the actual unit costs 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 Payments:

- sanitary pump (or lift) stations;
- sanitary mains;
- water mains;
- stormwater collection systems;
- traffic signals;
- intersections;
- roads that require more than a 22.0 metre dedicated right-of-way.

Sanitary mains with lateral connections are cost-shared proportionately to the areas provided with a direct service. Mains intended for conveyance are cost-shared by proportionate land area for the entire benefitting land catchment area.

Stormwater systems with lateral connections are cost-shared proportionately to the areas provided with a direct service. Systems intended for conveyance, detention or retention are cost-shared by proportionate land area for the entire benefitting land catchment area.

Traffic signals warranted through the development and share an intersection with both the Initial Developer and Future Benefitting Lands are eligible to be valued as Excess Infrastructure Capacity within this Policy.

Roads that are greater than 22.0 metres in dedicated right-of-way width are eligible to be valued as Excess Infrastructure Capacity within this Policy. The eligible cost shall be determined by the roadway's actual cost, less the average cost of a typical collector roadway (22.0 metres). Benefitting Lands that are within 200 metres of a lateral intersecting road are included in the contributing catchment area. Lands that require the extension of the same road within them would not be eligible for cost-sharing.

A Road less than 22.0 metres right-of-way that exists on two properties is cost-shared by both landowners. Intersections that share at least one point of intersect between the initial Developer and future Developer are eligible within this Policy. Both at-grade or grade-separated intersections are eligible. Grade separated intersections shall be calculated based on a proportionate land catchment area of the benefitting lands unless indicated otherwise.

The Executive Director is authorized to determine the allocation of costs relating to Excess Infrastructure Capacity amongst the Initial Developer and the Future Developer. Generally, the City shall allocate costs associated with all Excess Infrastructure Capacity defined in the Endeavour to Assist Agreement over a proportionate Catchment Area.

The Endeavour to Assist Payments shall be escalated at a rate of interest equal to the Interest Rate defined within the Policy.

The maximum term of an Endeavour to Assist Agreement shall be for 20 years; however, it will expire once all Endeavour to Assist Payments have been received. The Endeavour to Assist Agreement may be renewed by the mutual Agreement between the City and the Initial Developer before its expiry, as initiated by the Initial Developer. No payment shall be made to the Initial Developer or required of the Future Developer after the Endeavour to Assist Agreement has expired. 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 if Future Benefitting Lands do not develop within the term of the Endeavour to Assist Agreement.

Upon execution of an Endeavour to Assist Agreement, the City shall register an interest on the title against the Future Benefitting Lands in favour of the City specifying that those lands' development is subject to Endeavour to Assist payment.

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.

If the capacity of infrastructure originally intended for the Future Benefitting Lands is no longer available due to development that has occurred, then the City shall not collect funds from the Future Developers to contribute to the Initial Developer’s costs for that infrastructure.

The City may require additional Infrastructure Services when the Future Benefitting Lands develops. The Future Developer will be responsible for all such costs relating to the Future Benefitting Lands as applicable at that time.

8.0 Established Area Policy

8A Established Area Development Charges

All lands in Regina are subject to the rates set forth by Council and in *The Development Levy Bylaw, 2011* and subject to the applicable Servicing Agreements Fees and Development Levies unless deemed exempt by this Policy or by Council.

No refunds or reimbursements will be issued for Servicing Agreement Fees or Development Levies paid, but no development occurs. In these cases, the City would issue a credit in the applicable units to be registered on the affected property title.

The amounts of the Servicing Agreement Fees and Development Levies are determined as follows:

- for Development Levy, the date of the application of the development permit; and
- for Servicing Agreements, the date that the City confirms the formal submission requirements as per Section 7.B.1 of this policy.

If the Development Levy Agreement or Servicing Agreement expires, and the development is not completed, new fees will be assessed when the agreement is renewed or reissued.

With respect to any Development on lands located within the Established Area, the City shall impose an Intensification Levy as determined by the rates set forth in *The Development Levy Bylaw, 2011*.

To determine the amount to be paid for Intensification Development, credit for existing development (Section 6.B.5) is subtracted from the Intensification Levy.

$$\begin{aligned} &Required\ Payment\ of\ Intensification\ Levy \\ &\qquad = Intensification\ Levy - Credit\ for\ Existing\ Development \end{aligned}$$

If the required payment is a negative amount, no Intensification Levy would be charged.

For subdivisions that occur within the Established Area, the Intensification Levy can be charged using the hectarage rates set forth in *The Development Levy Bylaw, 2011*.

Otherwise, the Intensification Levy shall be calculated on the development lands based on the proposed development's land use. These land uses are residential, office, commercial, institutional and industrial.

The area is considered Gross Floor Area per the definition of this policy in all the required calculations.

For Residential Development, the Intensification Levy is calculated as:

$$\begin{aligned} &Residential\ Intensification\ Levy \\ &\qquad = Number\ of\ Residential\ Units\ \times Rate\ for\ Residential\ Unit\ Type \end{aligned}$$

For Commercial, Office or Institutional Development, the Intensification Levy is calculated as:

$$Commercial\ Intensification\ Levy = Area\ (square\ metres) \times Commercial\ Rate$$

For Industrial Development, the Intensification Levy is calculated as:

$$Industrial\ Intensification\ Levy\ = Area\ (square\ metres) \times Industrial\ Rate$$

For mixed-use Residential and Commercial Development, the Intensification Levy is calculated as:

$$\begin{aligned} &Mixed - Use\ Intensification\ Levy \\ &\qquad = (Number\ of\ Residential\ Units \times Rate\ for\ Unit\ Type) \\ &\qquad + (Area\ (square\ metres) \times Commercial\ Rate) \end{aligned}$$

For mixed-use Residential and Industrial Developments:

$$\begin{aligned} &Mixed - Use\ Intensification\ Levy \\ &\qquad = (Number\ of\ Residential\ Units \times Rate\ for\ Unit\ Type) \\ &\qquad + (Area\ (square\ metres) \times Industrial\ Rate) \end{aligned}$$

The credit for existing development shall be calculated on the development lands based on the proposed development's land use. These land uses are residential, office, commercial, institutional and industrial.

For Residential Development, the credit for existing Development is calculated as:

$$\begin{aligned} &Residential\ Credit\ for\ Existing\ Development \\ &\qquad = Number\ of\ Residential\ Units\ \times Rate\ for\ Residential\ Unit\ Type \end{aligned}$$

For Commercial, Office or Institutional Development, the credit for existing development is calculated as:

$$\begin{aligned} &Commercial\ Credit\ for\ Existing\ Development \\ &\qquad = Area\ (square\ metres) \times Commercial\ Rate \end{aligned}$$

For Industrial Development, the credit for existing Development is calculated as:

$$\begin{aligned} &Industrial\ Credit\ for\ Existing\ Development \\ &\qquad = Area\ (square\ metres) \times Industrial\ Rate \end{aligned}$$

For mixed-use Residential and Commercial Development, the credit for existing Development is calculated as:

$$Mixed - Use\ Credit\ for\ Existing\ Development = (Number\ of\ Residential\ Units \times Rate\ for\ Unit\ Type) + (Area\ (square\ metres) \times Commercial\ Rate)$$

For mixed-use Residential and Industrial Developments, the credit for existing Development is calculated as:

$$Mixed - Use\ Credit\ for\ Existing\ Development = (Number\ of\ Residential\ Units \times Rate\ for\ Unit\ Type) + (Area\ (square\ metres) \times Industrial\ Rate)$$

8.A.1 Exemptions

For development within the Established Area, Servicing Agreement Fees and Development Levies shall be imposed as an Intensification Levy. Generally, the following exemptions shall apply:

- Development on lands that were previously subjected to servicing agreement fees and where no development has occurred, unless the City will incur additional capital costs as a result of the proposed development;
- Development related to or associated with any Public Work, but only to the extent that such Public Work does not include a building or structure intended for occupancy or habitation;

The following designated categories of use are exempt from imposition of the Intensification Levy:

Residential Development:

- where the only effect of the development is to allow an alteration or addition to an existing Dwelling Unit without increasing the number of Dwelling Units on a property.

Commercial and Industrial Development:

- where the only effect of the development permit is to physically modify the space within the structure's existing Gross Floor Area and there are no changes to use;
- where the only effect of the development is to allow for an addition or alteration to an existing structure of less than 14 square metres.
- Development of parking structures; and
- all development of temporary structures that do not require connection to municipal water or wastewater services.

8.A.2 Credits for Existing Development

If a development involves the demolition, replacement or change of use of an existing building or structure a credit shall be calculated based on the existing building or structure, equivalent to:

- the number of legally-existing Dwelling Units, multiplied by the applicable residential Intensification Rate in place at the time the fee is payable; or
- the Gross Floor Area of any legally-existing non-residential building, multiplied by the current Intensification Rate for that non-residential use in place at the time the fee is payable

and the credit shall be applied against any Intensification Levy imposed against the development.

When determining the credit, the most recent use on the subject lands is to be used. The Developer is required to provide evidence satisfactory to the City to establish the most recent legally existing land use on the subject lands when submitting the development permit application.

If the credit determined in accordance with this section exceeds the Intensification Levy, the remaining credit shall be available to be applied against any subsequent Intensification Levies imposed against future development on the same site only. The Developer is required to provide evidence satisfactory to the City of the remaining credit when submitting any subsequent development applications.

If the parcels of an existing development are subdivided, the credit determined in accordance with this section will be divided proportionately to all new parcels.

Credits calculated in accordance with this section are applicable only to development on the same land parcels(s) as the existing building or structure they are based on relates to. Credits have no other legal value and may not be transferred to any other land parcels, unless the original parcel is converted to Dedicated Lands or as may otherwise be approved by Council.

8B Established Area Agreements

Lands in Regina that are subject to Servicing Agreements Fees and Development Levies may be required to enter into a Servicing Agreement or Development Levy Agreement.

Requirements for the Servicing Agreement are subject to the terms of section 21 of *A Bylaw of The City of Regina to Regulate and Control the Subdivision of Land.*

8.B.1 Application Requirements

The Developer must adhere to all requirements and conditions that form part of the Development Permit approval. Condition or requirements may form part of the Development Levy Agreement.

8.B.2 Payment of Servicing Agreement Fees and Development Levies

Development Levies imposed on development within the Established Area must be paid at the time of issuance of a building permit utilizing a development agreement. Payment through a development agreement shall be made a condition of issuance of a Development Permit.

The City will accept instalment payments on Servicing Agreement Fees and Development Levies that have a total payment value greater than $50,000.

Instalment payments shall be as follows:

- for assessments concerning Development Levies:
    - 30 per cent upon execution of the Servicing Agreement;
    - 40 per cent twelve (12) months from the date of the Servicing Agreement;
    - 30 per cent twenty-four (24) months from the date of the Servicing Agreement.

Payment of the unremitted portion(s) of 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 installment or payment of the Servicing Agreement Fees' balance or as may be otherwise set out in the applicable Agreement.

9.0 Capital Projects

Many required Infrastructure Services are excluded from the calculation of Servicing Agreement Fees and Development Levies. These include Infrastructure Services that a Developer must install or construct under a Servicing Agreement as provided in section 172(3)(a) of *The Planning and Development Act, 2007.* Services that provide for Excess Infrastructure Capacity may be eligible for inclusion within the Endeavour to Assist Agreement as per Section 6.D.4 of this Policy.

The detailed list of projects the costs of which are 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 the criteria established in this Policy.

9A Costs Eligible for Payment with Development Charges

Appendix A outlines projects that are eligible for payment with Servicing Agreement Fees and Development levies.

The Funding Criteria and Summary Charts within Appendix A 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 the Developer may encounter which are either not funded or funded in whole or in part by Servicing Agreement Fees or Development Levies.

Infrastructure projects, studies, designs and models that are not outlined in Appendix A are not funded by Servicing Agreement Fees or Development Levies unless determined by the Executive Director or delegate and subject to compliance with the requirements of section 169 and 172(3)(b) of the Act.

Infrastructure projects, studies, designs and models that are not outlined in Appendix A that are required for subdivision and development as determined by the Executive Director or delegate, for, within, adjacent to or extending to the subdivision or development boundaries shall be assumed to be funded 100 per cent by the Developer.

Infrastructure projects, studies, designs and models not outlined in Appendix A that are not required for one or more specific development or overall growth of the City shall be assumed to be funded 100 per cent by the City.

Infrastructure projects required for subdivision and development but are deemed interim services until a permanent solution is constructed and in operation shall be funded 100 per cent by the Developer, including the interim services' ongoing operational and maintenance costs unless determined otherwise by the Executive Director or delegate. Construction of interim services does not preclude the Developer from making a financial contribution to a permanent servicing solution.

Upgrades constructed within, adjacent to or extending to the development boundaries to provide service shall be 100 per cent funded by the Developer.

9B Determining Cost Share

For each Capital Project, the Administration must allocate eligible costs between the Greenfield Area development and development within the Established Area that results in Intensification. Capital Projects can be allocated based on:

- the expected share of development in the Greenfield Area and to Intensification within the Established Area;
- attributed 100 per cent to the development of the Greenfield Area; or
- attributed to 100 per cent to Intensification of the Established Area.

The Executive Director is authorized to determine how Capital Projects are allocated, applying the following criteria:

- projects that primarily facilitate the development of the Greenfield Area should be allocated 100 per cent to Greenfield Development.
- projects that primarily facilitate Intensification within the Established Area should be allocated 100 per cent to Intensification.
- projects required to facilitate growth in general and provide a citywide benefit should be allocated to both development of the Greenfield Area and Intensification within the Established Area based on their share of growth.

Capital Projects are considered to provide a citywide benefit if they meet any of the following criteria:

- projects that serve the broader city population, such as, but not limited to, a water treatment plant or wastewater treatment plant;
- studies or plans that consider the City as a whole instead of a specific area, such as a neighbourhood;
- transportation projects that add capacity and are within the area bound by the expressway portions of Lewvan / Pasqua and the Ring Road / 9th Avenue North or as determined by the Executive Director but not including projects ‘on’ the expressway portions of Ring Road or Lewvan Drive / Pasqua Street (as shown in Appendix B); or
- parks and recreation projects that provide new municipal level services, serving most areas of the City, including Greenfield Areas and Established Areas.

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

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

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

$$Greenfield\ Share = 100\ Per\ Cent - Intensification\ Share$$

9C Estimate of Costs

The Administration shall project capital costs associated with projects funded by Servicing Agreement Fees and Development Levies for 25 years into the future. If an individual development requires a Capital Project in advance of the project being triggered or planned for by the City to accommodate overall growth, funding of the project either in whole or in part, including land acquisition, shall become 100 per cent funded by the Developer.

9.C.1 Infrastructure

Costs of the infrastructure shall be determined by using values expressed in studies or reports. Costs will be inflated annually using the same inflation rate determined in the Development Charges Financial Cash Flow Model. Costs will assume a rate of 13.5 per cent for consulting services when they are assumed as part of the project estimate.

Grants for capital projects shall be addressed as follows:

$$Net\ Project\ Cost = Total\ Project\ Cost - Confirmed\ Grant\ Amount$$

- Net Project Cost is used in determining Servicing Agreement Fees or Development Levies.
- if the grant amount is unknown or not confirmed, 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 amount, the Net Project Cost is used in determining Servicing Agreement Fees or Development Levies.

Alternative funding sources for capital projects shall be addressed as follows:

$$Net\ Project\ Cost = Total\ Project\ Cost - Alternative\ Funding\ Amount$$

- If a regional service partner has agreed to pay for a portion of the capital costs of a project, the Net Project Cost is used in determining Servicing Agreement Fees or Development Levies.
- Community Contributions are considered a City general fund contribution, not an alternative funding amount.

9.C.2 Land

Cost of the land 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 per cent funded by the Developer.

All lands required for Capital Projects that directly or indirectly support the City's growth shall be 100 per cent funded by the Servicing Agreement Fees or Development Levies.

Land value shall be determined by a Professional Appraiser as defined by the Appraisal Institute of Canada.

10.0 Fund Management

In accordance with the Act, the City maintains multiple Servicing Agreement Fee/Development Levy deferred revenue accounts. The accounts record revenue and expenditures for three specific areas, Utility, Roads, Parks and Administration. Utility related fees include, but are not limited to, water, wastewater and drainage projects. The Administration costs are recognized annually based on confirmed actual expenditures. These accounts are kept separate and apart from other funds. These amounts will be recognized as revenue once earned as determined by Public Sector Accounting Board standards.

Interest is calculated annually on the combined balance of the Servicing Agreement Fee/Development Levy deferred revenue accounts in accordance with principles as provided in Section 6.G.1 of this Policy. The Administration shall include the repayment plus interest terms of external and internal borrowing in calculating the rate.

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

10A Development Charges Financial Cash Flow Model

To ensure the most effective, efficient and economical use of available cash, the City operates a cash flow model. The model supports the planning and forecasting of available funding for Capital Projects. The model incorporates the impacts of interest on reserves, inflation on Capital Projects and expenditures and revenue projections related to growth trends.

The City will prepare an annual report indicating the reconciliation of completed Capital Projects within the Development Charges Financial Cash Flow Model. This report shall be shared publicly and made available to developers.

The Development Charges rates set forth by Section 6.G.5 of the Policy are reviewed from time to time and presented to Council for approval.

The review will include:

- consultation with development industry members;
- review of the current Servicing Agreement Fee balance and interest due;
- determination of pace of development to establish the Capital Projects list and developable area;
- the current population and population projections to calculate appropriate funding splits for new projects added to the list;
- review of intensification development Capital Projects to calculate the Intensification Levy rate;
- review of greenfield development Capital Projects to calculate the greenfield rate;
- review of citywide development Capital Projects to ensure cost estimates, capacity and timing are accurate to calculate both the greenfield and intensification levy rates;
- review for alignment to Master Plans and OCP Growth Phasing
- adjustment, addition, and removal of Capital Projects projected over the 25-year time horizon; and
- indexing for inflation.

10.A.1 Inflation Rates and Interest Rates

The City determines the inflation rate that will be applied to project costs at least every two years. If the City does not have the expertise to determine the inflation rate, an external consultant will be contracted, and a report will be commissioned.

This inflation rate will be applied to inflate capital project costs over time and inflate Servicing Agreement Fees and Development Levies over time. This rate will also index Servicing Agreement Fee rates and Development Levy rates in years between the commissioned report.

The City will determine the assumed interest rate for the interest generated and paid based on the City of Regina Debt Management Policy and supporting procedures. The rate will accurately reflect the repayment plus interest terms of any external and internal borrowing for capital projects and will be included in calculating the rate.

10.A.2 Opening Balance

The Administration shall set the opening balance within the Model by referencing the year-end cash balance from the accounts referenced in Section 6F. If a regional partner has agreed generally to pay Servicing Agreement Fees, in whole or in part, the opening balance will reflect the revenue from the regional partner for future rate calculations.

The result is utilized as the 'Opening Balance' for the Servicing Agreement Fee and Development Levy rate calculation.

10.A.3 Revenue Projections

The City shall establish 25-year projections for the Intensification of the Established Area and development of the Greenfield Area. These trends should be based on recent growth estimates and detailed growth studies, and growth policy.

To estimate the revenue from Industrial Development, the calculation model will use the projected Industrial growth divided by three (3) to reflect the exemption in Industrial Development fees.

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. The cash flow model represents these expected revenues as annual payments in the year in which the payments are due. These scheduling of these payments are subject to Section 6.D.2 of this Policy.

10.A.4 Expense Projections

The City shall establish 25-year projections for the expected expenditures related to the delivery of growth-related Capital Projects listed in the model. The existing Capital Project List for each infrastructure type shall be reviewed and updated as per Section 6E of this Policy.

The adjustments should reflect new information based on updated studies, master plans, updated current year cost estimates and the timing required to allocate capital project funding as influenced by the pace of growth and other factors. Cost allocations for any projects added must conform to the criteria detailed in Appendix A of this Policy.

The sum of total projected costs allocated to Greenfield growth and Intensification should be quantified separately and based on the cost-share determined by Section 6.E.2 of this Policy.

10.A.5 Servicing Agreement Fees and Development Levy Rate Calculation

The City imposes Servicing Agreement Fees and Development Levies in accordance with Section 6C of the Policy. These fees are collected to offset the Capital Project List costs for both the greenfield and the established areas of the City.

10.A.5.1 Greenfield Rate

The estimated per hectare Servicing Agreement Fee and Development Levy rate for the Greenfield Areas shall be calculated as follows:

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

Total Greenfield Costs are determined by the sum of the projected costs for greenfield areas as per Section 6.E.2. Total Greenfield Hectares is the sum of the hectares for the remaining unsubdivided Greenfield Area.

The final greenfield rate shall be rounded to the nearest one thousand dollars ($1,000).

10.A.5.2 Intensification Rate

The estimated per person equivalent Servicing Agreement Fee and Development Levy rate for Intensification within the Established Areas can be calculated as follows:

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

Where Total Intensification Costs are determined by the sum of the projected costs for Intensification within the established areas as per Section 6.E.2 Total Intensification Equivalent Population Growth is the calculated equivalent population growth as per the following equation:

$$\begin{aligned} &Total\ Intensification\ Equivalent\ Population\ Growth \\ &\qquad = Total\ Population\ in\ Established\ Area \\ &\qquad + Employment\ Growth\ Population\ Equivalent \end{aligned}$$

Where:

$$\begin{aligned} &Employment\ Growth\ Population\ Equivalent \\ &\qquad = \ Total\ Equivalent\ Population\ Per\ Job\ \times Total\ Infill\ Job\ Growth \end{aligned}$$

Where:

$$Total\ Equivalent\ Population\ Per\ Job = \frac{Total\ Population\ Working}{Total\ Population\ of\ Eligible\ Workforce}$$

And:

$$\begin{aligned} &Total\ Infill\ Job\ Growth \\ &\qquad = Estimated\ Total\ Number\ of\ Jobs\ Available\ as\ Employment\ Positions \end{aligned}$$

The estimated rates are then adjusted using a common factor to ensure that the cash flow model shows a zero-dollar balance in the model's final year. This adjustment is necessary to account for the time-value of money and any delays in the collection of Servicing Agreement Fee and Development Levy payments, as well as the current state of Servicing Agreement Fee reserves and payments due.

Intensification Rate is based on a per person equivalent. The rate is determined for various development types in the Established Area and is used to develop the fees associated with land use established by Council.

- The Residential Unit Intensification Rate is based on Dwelling Unit type:
    - Secondary Suite
    - Single-Detached
    - Semi-Detached or duplex
    - more than two Dwelling Units
    - apartment, less than two bedrooms
    - apartment, two or more bedrooms
    - Residential Group Care Homes

The rate is calculated using census data for the Regina CMA and the following equation:

$$\begin{aligned} &Residential\ Unit\ Intensification\ Rate \\ &\qquad = Average\ People\ per\ Residential\ Dwelling\ Unit \\ &\qquad \times Dwelling\ Unit\ Per\ Person\ Equivalent \end{aligned}$$

Secondary Suite dwelling types are not reported through the Regina CMA census data. The ratio for these will be assumed to be the same as the apartment, less than two bedrooms dwelling type.

The Commercial Unit Intensification Rate is calculated using an equivalent servicing impact ratio that is provided in people per square metres and the following equation:

$$\begin{aligned} &Commercial\ Unit\ Intensification\ Rate \\ &\qquad = Equivalent\ Servicing\ Impact\ Ratio\ \times Commercial\ Per\ Person\ Equivalent \end{aligned}$$

The Industrial Unit Intensification Rate is calculated using an equivalent servicing impact ratio that is provided in people per square metres and the following equation:

$$\begin{aligned} &Industrial\ Unit\ Intensification\ Rate \\ &\qquad = Equivalent\ Servicing\ Impact\ Ratio\ \times Industrial\ Per\ Person\ Equivalent \end{aligned}$$

The ratios for the average people per Residential Dwelling Unit and the Commercial and Industrial Servicing Impact Ratios will be confirmed at the time of rate-setting by the City.

The final Intensification Rates for Residential unit types shall be rounded to the nearest one hundred dollars ($100). The final Intensification Levy for Commercial and Industrial units shall be rounded to the nearest ten dollars ($10).

10.A.5.3 Administration Rate

The Administration costs associated with subdivision and development is estimated with the following formula:

$$Estimated\ Annual\ Administration\ Costs = \frac{Total\ SAF\ Administration\ Costs}{Estimated\ Annual\ Amount\ of\ Development}$$

The administration costs are recognized annually based on confirmed actual expenditures.

11.0 Policy Review

This Policy is to be reviewed once every five years. The Administration may also review it upon request by Council or as directed by the Executive Director.

12.0 Reviews

Date of Policy Owner's Review	High-Level Description
1996/12/16	Initial Release (Report CR96-311).
1997/03/24	Revised by Resolution of City Council (Report CR97-81).
2010/11/29	Revised by Resolution of Council (Report CR10-105).
2015/12/14	Revised by Resolution of City Council to add 6.15 and 6.16 (Report CM15-14).
2017/11/27	Revised by Resolution of Council to add Appendix A (Report CR17-121).
2020/02/26	Revised to update Endeavour to Assist (Report CR20-12).
2021/04/28	Revised by Resolution of Council (Report XX-XX)

13.0 Amendments

Date of Council Decision	Council Report #	Main Committee	Date of Main Committee Review	Description
2018/04/30	CR18-40	Executive Committee	2018/04/18	Clarified application of Endeavour to Assist Policy to sanitary pump or lift stations.
2018/06/25	CR18-55	Executive Committee	2018/06/13	Revised to reflect terms for collecting intensification levies.

14.0 Appendix A: 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 do not supersede any previous arrangements for Capital Projects that have been agreed to in writing by the City and the Developer before the Policy's effective date.

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

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

(4) **City** refers to the funding percentage share of funding infrastructure work through general or utility capital allocations through the budget process. In this case, City does not refer to funding percentage share by the City where the City is acting as a developer.

(5) Applicability of per cent 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 demonstrated a project has been deferred and subsequently growth has deteriorated the current 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 a 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 per cent.
   e. In the absence of any substantiated population actuals or estimates, the administration may utilize a default placeholder funding split share of 30 per cent SAF/DL Funding, 70 per cent City Funding in the interim to calculate a SAF/DL Rate.

(6) Upgrades to existing Arterial Roads, Intersections and Traffic Signals shall deduct the rehabilitation cost from the gross cost if rehabilitation is warranted within three (3) years from the time the capacity increases are triggered to maintain a targeted level of service.

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 serve 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 serve 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 serve one new development. 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 serve 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 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 is 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%

Sanitary Sewer Infrastructure Projects(1)					
Description	**Location**	**Funding Split (%)**			**Comments**
		SAF / DL(2)	**Dev. (3)**	**City (4)**	
New Sanitary Pump Stations (with or without storage)	Internal / External to development boundaries, and not intended to serve 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 is 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 serve 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 serve 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 serve 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 serve 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 serve 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 serve one new development. 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 serve 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 the development of additional new development.	0%	100%	0%	
New Water Pump Stations & Reservoirs	Internal / External to development boundaries where a station is 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%

Water Infrastructure Projects[1]					
Description	**Location**	**Funding Split (%)**			**Comments**
		SAF / DL[2]	**Dev. [3]**	**City [4]**	
New Water Pump Stations & Reservoirs	Internal / External to development boundaries, and not intended to serve 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 is 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 serve 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 serve 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%

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 Site-Specific 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 Regional Storm Sewer Trunk Main, Lift Station or Channel	Internal/External to development boundaries, and intended to serve land outside the internal boundary by conveying existing and future regional stormwater flows to accommodate overall growth and improve existing residents' service levels.	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 is 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 serve one or more contiguous specific new developments but required to accommodate overall growth and improve existing residents' service levels.	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 the 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%	

Storm Sewer Infrastructure Projects[1]					
Description	Location	Funding Split (%)			Comments
		SAF / DL[2]	Dev. [3]	City [4]	
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 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 serve one or more contiguous specific new developments but required to accommodate overall growth and improve existing residents' service levels.	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 serve 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 Intersections - Immediate	External to development boundaries where the intersection does not provide direct access into development boundaries but is warranted at the time of development.	0%	100%	0%	[6]
New or Upgrades to Existing Intersections – as warranted	External to development boundaries where the intersection does not provide direct access into a development boundary and is not warranted at the time of development. Project completed as capacity warrants.	100%	0%	0%	[6]

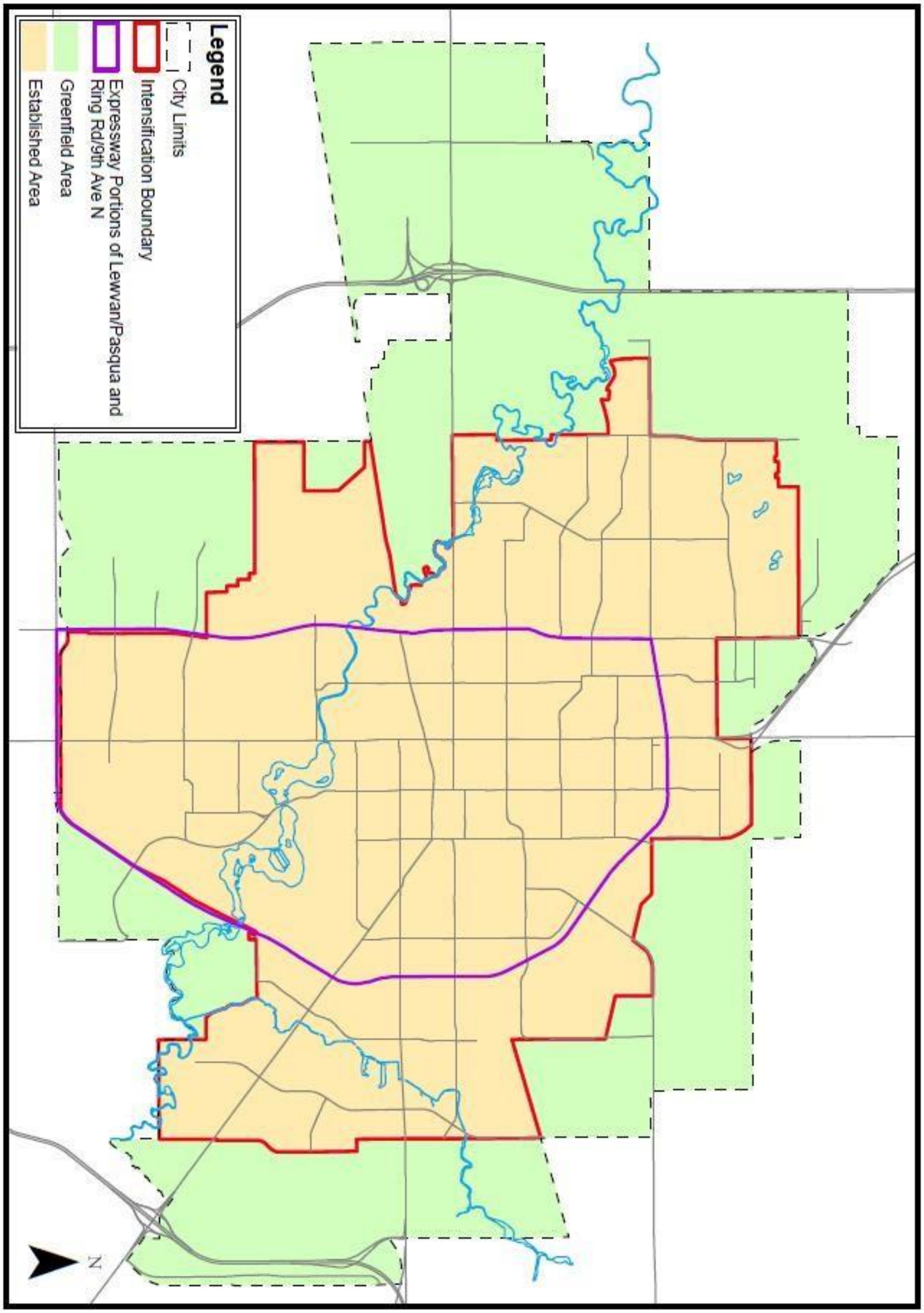
Transportation Infrastructure Projects[1]					
Description	**Location**	**Funding Split (%)**			**Comments**
		SAF / DL[2]	**Dev. [3]**	**City [4]**	
New Traffic Signals - Immediate	Internal / External to development boundaries. External is where the intersection provides access into the development boundaries.	0%	100%	0%	
New Traffic Signals - Immediate	External to development boundaries where the intersection does not provide direct access into a development boundary but is warranted at the time of development.	0%	100%	0%	
New Traffic Signals – as warranted	Internal / External to development boundaries where new signals are not warranted at the time of 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 development. Project completed as capacity warrants.	100%	0%	0%	
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 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%	

Transportation Infrastructure Projects[(1)]					
Description	**Location**	**Funding Split (%)**			**Comments**
		SAF / DL[(2)]	**Dev. [(3)]**	**City [(4)]**	
Streetscaping – as warranted.	External to development boundaries, and not intended to serve 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 extend 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 service level 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, Modelling, Design Standards, Policy or Specifications					
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 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 guide developers and their consultants, either new or updates to existing as the documents pertaining to water, sanitary sewer system, storm sewer system or parks and open space or recreational facilities design.	100%	0%	0%	

15.0 Appendix B: SAF and DL Boundaries



2020 Servicing Agreement Fee and Development Levy Policy Summary Changes

Notable changes by Section

Index	Old Policy Section Reference	New Policy Section Reference	Description
1	N/A	1.0 Policy Statement	**New:** As a result of incorporating the old policies into the new corporate policy template. The statement was created using the OCP and primary intent of the policy. Statement reflects Section B, Goal 4 of Design Regina as a legislative requirement.
2	A&C Section 1, AoS Section 1.0	2.0 Purpose	**Combined:** All policy sections were combined into one. The corporate policy format dictated the contents of this section.
3	A&C Section 2, AoS Section 2.0	3.0 Scope	**Combined:** Section will be electronically linked in a table of contents style to allow for ease of use when using the PDF version.
4	A&C Section3, A&C Appendix B Section 3, AoS Section 3.0	4.0 Definitions	**Combined:** Definitions were combined to remove redundancies and allow for clarity. **Modified**: All definitions were modified to match existing definitions in Master Plans or Bylaws. **New:** Infill Development definition added. **New**: Municipal Reserve, Municipal Buffer, Municipal Utility definitions added. **New**: Dedicated Lands definition added. **New**: Development Charge definition added. **New**: Utility Service Provider definition added. **New**: Office Development Definition added. **New**: Institutional Development Definition added. **Modified**: Gross Floor Area definition to allow for ease of application of the policy. **New**: Residential Group Care Home definition added. **New**: Public Work definition added.
5	A&C Section 4.1, 4.12, AoS Section 4.0	5.0 Legislative Authority	**Combined:** All references to the P&D Act and the Development Levy Bylaw. **New:** Added reference to all sections within the OCP that provide this policy direction.

Index	Old Policy Section Reference	New Policy Section Reference	Description
6	A&C Section 4.1, 4.12, AoS Section 4.0, Section 5.0	6A Delegated Authority	**Combined:** All sections related to Delegation of Authority by Council to the Executive Director were combined into one section that is applicable to the entire policy under General Policy.
7	A&C Section 4.1	6B Application of SAF and DLs	**Modified:** Section was modified to provide clarity on where the Greenfield Rates would apply and where the Intensification Levy would apply. Referenced the Map in the appendix section. **New:** Added clause to provide clarity that for specific details on a location that the City maintains a GIS map of the boundary and this information is available to use for clarification.
8	A&C Various Sections	7A Greenfield Area Development Charges	**Modified:** Create a development charges section specifically for greenfield applications. **New:** Added clarity on how reimbursements and refunds were being dealt with to match actual practice. **New**: Added the formula for calculating Servicing Agreement fees. This formula was already reflected in all standard agreements and imbedded in the Development Levy Bylaw.
9	A&C Section 4.8	7.A.1 Exemptions	**Modified:** Clarity for the exemptions for Environmental Reserves, freeways, expressways, grade separations. **Modified:** Lands that were previously subjected to servicing agreements fees. **New**: Added Municipal Utility and Municipal Buffer as exempted lands. **New**: Added lands utilized for Public Works as per P&D Act Definition. This allows for exemptions to be considered for all related public works. Placed provisions related to occupied structure.
10	A&C Section 4.8	7.A.2 Deferrals	**Modified**: Clarification of the interest to be registered on the title of the impacted property. **New:** Outlined the requirements of the registered interest.
11	A&C Section 4.9	7.A.3 Reduction Applicable to Industrial Land	**Modified:** Clarification of the interest to be registered on the title of the impacted property.

Index	Old Policy Section Reference	New Policy Section Reference	Description
12	AoS Various Sections	7B Greenfield Area Agreements	**Combined**: Various sections that result in a short introductory paragraph to Greenfield Agreements.
13	AoS Part E	7.B.1 Application Requirements	**Modified:** Clarification related to the issuance of a servicing agreement number.
14	AoS Part B and Part C	7.B.2 Payment of Servicing Agreement Fees and Development Levies	**Combined**: Both sections pertaining to payments were combined to create a section specific to Greenfield Area. **Modified**: The time periods in which the payment amounts are due was changed. Generally, they were extended. **Modified**: The percentage of payments were changed to be the same for greenfield and intensification. The 30/40/30 split was adopted for Infrastructure. **Modified**: Removed the 2-hectare and 0.75-hectare limits. **Modified**: adopted the $50,000 limit for all fee types which are servicing agreement fees and development levies.
15	AoS Part A	7.B.3 Financial Assurances for Completion of Work	**Modified**: The section was modified for language clarity. **New**: The section was modified to incorporate policy that would support a tiered security section like that of Edmonton, Alberta.
16	AoS Part D	7.B.4 Endeavour to Assist	**Modified**: The section was modified for language clarity. **Modified**: Definitions that were related to this section were generalized and the specific content moved into this section.
17	A&C Various Sections	8A Established Area Development Charges	**Modified**: Consolidated statements in several sections into one representing Established Area. **New**: Added clarity related to reimbursements to match actual practice. **New:** Added clarity around the rates to be utilized for subdivision in the established area within the development levy bylaw. **New:** Clarified that Gross floor area is to be used for all Established area calculations.
18	A&C Section 4.10	8.A.1 Intensification Exemptions	**Modification**: Modified exemptions related to adaptive reuse from commercial to residential is not exempt.
19	A&C Section 4.11	8.A.2 Credits for Existing Development	**Modified**: Removed the 10-year credit limit. **New**: Added clarity that credits cannot be transferred from site to site.

Index	Old Policy Section Reference	New Policy Section Reference	Description
20	AoS Various Sections	8B Established Area Agreements	**New**: Created a section specific to Established Area Agreements
21	AoS Part B and Part C	8.B.2 Payment of Servicing Agreement Fees and Development Levies	**Combined**: Both sections pertaining to payments were combined to create a section specific to the Established Area. **Modified**: Clarity provided reflecting actual practice of when an intensification development levy is collected. **Modified**: The percentage of payments were changed to be the same for greenfield and intensification. The 30/40/30 split was adopted for Infrastructure. **Modified**: Removed the 2-hectare and 0.75-hectare limits. **Modified**: changed the $50,000 limit for all fee types which are servicing agreement fees and development levies.
22	A&C Section 4.3	9.0 Capital Projects	**Modified**: To include recognition of Endeavour to Assist.
23	A&C Appendix B and A&C Section 4.3	9A Costs Eligible for Payment with Development Charges	**Combined**: Both sections pertaining to eligible payments were combined. **Modified**: The section was modified for language clarity.
24	A&C Appendix B, A&C Appendix A 4.7	9B Determining Cost Share	**Combined**: Both sections pertaining to determining the cost share for capital projects were combined. **Modified**: The section was modified for language clarity.
25	A&C Appendix B	9C Estimate of Costs	**Combined**: Section was created by combining paragraphs from existing policy.
26	A&C Appendix B	9.C.1 Infrastructure	**Combined**: Combined sections on Grants, regional and community contributions. **New**: Formula added for alternative funding sources. **New**: Added assumption for consulting fees to be applied to projects that assume consulting services as part of the total estimate.

Index	Old Policy Section Reference	New Policy Section Reference	Description
27	A&C Appendix B Section 6	9.C.2 Land	**Modified**: The section was modified for language clarity. **New**: Added that determination of the lands value shall be determined by a Professional Appraiser as defined by AIC.
28	A&C Section 4.6, A&C Appendix A Section 4.1	10.0 Fund Management	**Modified**: The section was modified based on current accounting practices, the Cities financial policies and our current practice within the model. **Combined**: Relevant portions of each section pertaining to general information on the fund management.
29	A&C Section 4.13 and 4.14	10A Development Charges Financial Cash Flow Model	**New**: Changed the name to reflect the collection of development levies and servicing agreement fees. **Modified**: This section was modified for language clarity. **New**: Added Capital projects adjustments for timing and accuracy. **New**: Added review of Masterplans and OCP Growth Phasing
30	A&C Appendix A Section 4.1	10.A.1 Inflation Rates and Interest Rates	**Modified**: Updated based on actual practice.
31	A&C Appendix A Section 4.2, A&C Appendix B Section 9	10.A.2 Opening Balance	**Combined**: Relevant portion of each section pertaining to the opening balance were combined. **Modified**: This section was modified for language clarity.
32	A&C Various Sections	10.A.3 Revenue Projections	**Combined**: Relevant portions of each section pertaining to revenue were combined. **Modified**: This section was modified for language clarity.
33	A&C Various Sections	10.A.4 Expense Projections	**Combined**: Relevant portions of each section pertaining to expense projections were combined. **Modified**: This section was modified for language clarity.

Index	Old Policy Section Reference	New Policy Section Reference	Description
34	N/A	10.A.5 Servicing Agreement Fees and Development Levy Rate Calculation	**New**: Section Created to allow for consolidation of the rate calculations for Greenfield and Intensification.
35	A&C Appendix A Section 4.9 and 4.14	10.A.5.1 Greenfield Rate	**Modified**: This section was modified for language clarity. **Combined**: Relevant portions of each section pertaining to Greenfield Rate Calculations were combined.
36	A&C Appendix A Section 4.9 and 4.14	10.A.5.2 Intensification Rate	**Modified**: This section was modified for language clarity. **Combined**: Relevant portions of each section pertaining to Intensification Rate Calculations were combined. **New**: Added Equivalent Servicing Impact Ratios formulas **Removed**: Specific reference to values for Equivalent Servicing Impact Ratios **New**: Added Section to ensure that the Equivalent Servicing Impact Ratios are considered during rate setting by the City.
37	A&C Appendix A Section 4.14	10.A.5.3 Administration Rate	**Modified**: To reflect actual accounting practices. **Modified**: This section was modified for language clarity.
38	A&C Section 4.15	11.0 Policy Review	**New**: Added that the policy can be reviewed as directed by the Executive Director.
39	N/A	12.0 Reviews	**New**: Updated based on past and current reviews.
40	N/A	13.0 Amendments	**New**: Updated based on past and current amendments.

Index	Old Policy Section Reference	New Policy Section Reference	Description
41	A&C Appendix B	14 Appendix A	**Removed**: All sections that could be merged into section bodies in the main policy and that did not specifically refer to the contents of the appendices. **Modified**: This section was modified for language clarity. **Modified**: Section headers to repeat on pages. **Modified**: Added language to differentiate between Regional and Site-specific infrastructure related to Stormwater Trunk Sewers, lift stations and channels.
42	A&C Appendix C	15.0 Appendix B	**Removed**: The description paragraph and merged it into the section body of the policy. **Modified**: Referenced new OCP Map.
43	A&C Section 4.15	8A Established Area Development Charges & 7A Greenfield Area Development Charges	**Modified**: moved to each new section respective of Greenfield and Established Area.

A&C is the abbreviated form of the *Administration and Calculation of Servicing Agreement Fees and Development Levies Policy*

AoS is the abbreviated form of the *Administration of Servicing Agreements and Development Levy Agreements Policy*

Appendix C

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
1	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	1 Purpose	2.0 Purpose	N/A	The purpose was realigned and merged between the two policies. The administration reconsidered it based on the City of Regina policy template and the content of the policy. The policy's common purpose is to provide direction concerning the use, management, collection of Servicing Agreement Fees and Development Levies.	Administration wrote the section with the intent of providing an overview of the purpose of the policy.
2	Administration of Servicing Agreements and Development Levy Policy	1.0 Purpose	2.0 Purpose	N/A	The purpose was realigned and merged between the two policies. Administration reconsidered it based on the City of Regina policy template and the content of the policy. The policy's common purpose is to provide direction concerning the use, management, collection of Servicing Agreement Fees and Development Levies.	Administration wrote the section with the intent of providing an overview of the purpose of the policy.
3	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	2 Scope	3.0 Scope	N/A	All sections related to scope were merged into one. Administration adapted the scope to be inclusive of the merge, and it also considered the City of Regina policy template. Administration wrote the section in a table of contents style format to allow the digital version to be hyperlinked to sections.	Administration wrote the section to provide a general scope and a digital table of contents of the policy.
4	Administration of Servicing Agreements and Development Levy Policy	2.0 Scope	3.0 Scope	N/A	All sections related to scope were merged into one. Administration adapted the scope to be inclusive of the merge, and it also considered the City of Regina policy template. Administration wrote the section in a table of contents style format to allow the digital version to be hyperlinked to sections.	Administration wrote the section to provide a general scope and a digital table of contents of the policy.
5	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	3 Definitions and General Interpretation	4.0 Definitions	N/A	The new definition section was written into the City Policy Format, following the City Policy Manual. All sections related to definitions were merged into one section. Administration removed duplicate definitions. Administration updated definitions based on existing definitions within the OCP, Master Plans, bylaws and other related policy documents to provide interpretation consistency. The definitions also require to be updated based on the Zone Forward Project results and the newly approved *Regina Zoning Bylaw 2019.*	Administration wrote the section to consolidate definitions and allow for consistency of application and ease of interpretation.

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
6	Administration of Servicing Agreements and Development Levy Policy	3.0 Definitions	4.0 Definitions	N/A	The new definition section was written into the City Policy Format, following the City Policy Manual. All sections related to definitions were merged into one section. Administration removed duplicate definitions. Administration updated definitions based on existing definitions within the OCP, Master Plans, bylaws and other related policy documents to provide interpretation consistency. The definitions also require to be updated based on the Zone Forward Project results and the newly approved *Regina Zoning Bylaw 2019*.	Administration wrote the section to consolidate definitions and allow for consistency of application and ease of interpretation.
7	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A Servicing Agreement and Development Levy Calculation Methodology 3 Additional Definitions	4.0 Definitions	N/A	The new definition section was written into the City Policy Format, following the City Policy Manual. All sections related to definitions were merged into one section. Administration removed duplicate definitions. Administration updated definitions based on existing definitions within the OCP, Master Plans, bylaws and other related policy documents to provide interpretation consistency. The definitions also require to be updated based on the Zone Forward Project results and the newly approved *Regina Zoning Bylaw 2019*.	Administration wrote the section to consolidate definitions and allow for consistency of application and ease of interpretation.
8	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix B Servicing Agreement Fee and Development Levy Funding Criteria and Summary Chart 3 Additional Definitions	4.0 Definitions	N/A	The new definition section was written into the City Policy Format, following the City Policy Manual. All sections related to definitions were merged into one section. Administration removed duplicate definitions. Administration updated definitions based on existing definitions within the OCP, Master Plans, bylaws and other related policy documents to provide interpretation consistency. The definitions also require to be updated based on the Zone Forward Project results and the newly approved *Regina Zoning Bylaw 2019*.	Administration wrote the section to consolidate definitions and allow for consistency of application and ease of interpretation.
9	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.1 Application of Servicing Agreement Fees and Development Levies	6.0 General Policy 6B Application of Servicing Agreement Fees and Development Levies	N/A	This section was moved to the related section in the new policy. Administration added the additional context to allow for how the City differentiates between Greenfield and Infill Development. Reference was made to the appended map that shows the Intensification Boundary. Recognition is made to the limitation of the map shown in the proposed policy, and an order of precedence is set, allowing the Geographic Information System to precedence over discrepancies.	Administration wrote the section to provide an overview of where Servicing Agreement Fees and Development Levies are charged in Regina.

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
10	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.2 Transition to Charging for Development within Established Areas (i.e. Intensification)	N/A	N/A	This specific section of the policy was introduced to ensure that there were clear transition timelines to introduce the development levy for intensification. The section is now redundant as all subdivision and development levy applications within the Established Area are expected to pay the intensification rates.	This section has been removed as it is no longer required.
11	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.3 Capital Projects Recoverable through Servicing Agreement Fees and Development Levies	9.0 Capital Projects 9A Costs Eligible for Payment with Development Charges	N/A	The Administration used portions of this section to create the introductory section related to Capital Projects in section 9.0. Specific reference to Appendix A, the Policy retained the Infrastructure Tables in section 9A. Generally, the Policy retained this section's content, just assigned to the separate sections as required.	This section has been modified with the end-user in mind. Administration reassigned the content to the appropriate section in the new policy to allow for good policy flow.
12	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.4 Capital Projects required through Servicing Agreements and Development Levy Agreements	9.0 Capital Projects	N/A	This section was retained and used for the introductory section of the Capital Projects.	This section has been modified with the end-user in mind. Administration reassigned the content to the appropriate section in the new policy to allow for good policy flow.
13	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.5 Administration Fees for Servicing Agreements and Development Levy Agreements	10.0 Fund Management	June 15, 2020	This section was merged with Fund Management into section 10.0. Administration modified the section to reflect our current accounting practices related to these accounts. The Working Group determined no suggestions or changes.	This section has been modified to ensure transparency of our current practices with the management of funds related to Servicing Agreement Fees and Development Levies.
14	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.6 Fund Management	10.0 Fund Management	N/A	This section was merged with the Administration Fees into section 10.0. Administration modified the section to reflect our current accounting practices related to these accounts.	This section has been modified to ensure transparency of our current practices with the management of funds related to Servicing Agreement Fees and Development Levies.

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
15	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.7 Calculation of Servicing Agreement Fees and Development Levy Rates	10 Fund Management 10.A.5	N/A	This section only refers to Appendix A from the main policy and is no longer required.	This section has been removed as it is no longer required.
16	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.8 Application of Servicing Agreement Fees and Development Levies	7.0 Greenfield Area Policy 7A Greenfield Area Development Charges 7.A.1 Exemptions 7.A.2 Deferrals	May 25, 2020	This section speaks to general exemptions for servicing agreement fees and development levies and deferrals. The section was divided to provide clarity between these two items. The Working Group identified that the Administration could modify much of this section for consistency of application. Administration provided clarity to exemptions related to dedicated lands, previously subjected to servicing agreements, pipeline corridors and electrical transmission lines. The proposed Policy negated most of the Working Groups' concerns with the proposed introduction of the definition of public work.	The section is intended to provide consistency in the application of the policy. Logistically, the section was located with the end-user in mind to create a "tear-out" section of policy related to Greenfield development.
17	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.9 Greenfield Industrial Development Rate	7.0 Greenfield Area Policy 7A Greenfield Area Development Charges 7.A.3 Reductions Applicable to Industrial Land	June 15, 2020	This section speaks to the exemptions related to industrial land use. Administration modified the section to ensure clarity on the policy's application in terms of the interest registered on the title of properties to enact this section. The Working Group determined no additions, deletions or modifications.	The section is intended to provide consistency in the application of the policy. Logistically, the section was located with the end-user in mind to create a "tear-out" section of policy related to Greenfield development.
18	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.10 Intensification Levy Rate	8.0 Established Area Policy 8A Established Area Development Charges 8.A.1 Exemptions	September 14, 2020	This section speaks to the exemptions related to the application of development charges in the Established Area. This section was retained and used for the new exemptions section related to the Established Area. Administration modified the section to clarify the policy's application in terms of adaptive reuse of a site. Commercial and Industrial development that modify the building's internal layout without changing the floor area of the building and the use of the building would be exempt. Industrial or Commercial development that modifies that space, but changes the use to residential, are not exempt. The Working Group determined no additions, deletions or modifications.	The section is intended to provide consistency and clarity in the application of the policy. Logistically, the section was located with the end-user in mind to create a "tear-out" section of policy related to Infill development.

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
19	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.11 Credits for Existing Development within Established Areas	8.0 Established Area Policy 8A Established Area Development Charges 8.A.2 Credits for Existing Development	September 14, 2020	This section is intended to allow for the application of credits for existing development within the Established Area. Credits are the City's way of recognizing that the City planned the existing use to utilize the infrastructure capacity in some regard. Logistically the section was just moved and modified for clarity to the new section of the policy. When Administration initially developed the intensification policy, the Policy provided a 10-year time limit for the credit application. The thought behind this was to allow the time limit to act as an incentive to promote a redevelopment within that time. The 10-year time limit has been removed, allowing a Developer to provide evidence and work with the City to apply a credit to a Development within the Established Area. Administration modified the definition of Gross Floor Area to allow the submission to be more flexible. The old definition required the removal of stairwells, mechanical rooms, and shafts. The modified definition has removed these and only excludes areas used for off-street loading and parking. The Working Group determined no additions, deletions or modifications.	The section changes are intended to allow for intensification credits to be applied unrestrictedly concerning time and generally apply to all developments that may have had a pre-existing legal use. The section changes related to Gross Floor Area are intended to calculate an applied Credit easier for the Developer and the Administration to determine.
20	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.12 Delegated Authority	6.0 General Policy 6A Delegated Authority	N/A	This section was merged with other like sections to provide brevity and consistency of language.	The section changes are intended to provide one section related to Delegated Authority to allow for transparency and clarity of the Executive Director's authority.
21	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.13 Servicing Agreement Fee Rate and Development Levy Review	10.0 Fund Management 10A Development Charges Financial Cash Flow Model	June 1, 2020	Administration modified this section to introduce the new term "Development Charges Financial Cash Flow Model." Historically, the City has referred to this as the SAF Model. The modification recognizes that the cashflows in the model represent both Servicing Agreement Fees and Development Levies. Generally, Administration modified the section for language clarity. The Working Group had identified that the section related to the annual review needed to recognize additional items. The first was recognizing the citywide Capital Projects and providing language that ensures that cost estimates, timing, and context concerning growth are provided. The second was that the review recognizes and aligns with any new master plans and OCP amendments. The section was amended to provide for the recognition of both during the annual review.	The section changes are intended to provide transparency of the administration's process and accountability during the annual review process.

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
22	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.14 Annual Reporting	10.0 Fund Management 10A Development Charges Financial Cash Flow Model	June 1, 2020	This section was merged with others to allow for consistency and brevity. The Working Group determined no additions, deletions or modifications.	This section was merged with others to allow for consistency and brevity.
23	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	4 Policy 4.15 Policy Review	11.0 Policy Review	N/A	The discussion around this section was related to the timing of the policy review. Administration found that the minimum required timing of 5 years was sufficient to allow for changes. To allow flexibility within this time period to external factors, Administration modified the section to allow for the Executive Director to direct a review if required.	Administration modified the section to allow flexibility in timing if required by unforeseen circumstances or impacts from other City policies.
24	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 1 Purpose	2.0 Purpose	N/A	Administration found this section to be redundant. The new purpose section allows for the deletion of this section.	Administration deleted the section as Administration found it to be redundant.
25	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 2 Scope	3.0 Scope	N/A	Administration found this section to be redundant. The new purpose section allows for the deletion of this section.	Administration deleted the section as Administration found it to be redundant.
26	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology	10.0 Fund Management	N/A	Administration found this section to be redundant. The new purpose section allows for the deletion of this section.	Administration deleted the section as Administration found it to be redundant.

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
27	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.1 Establish Inflation Rate and Interest Rates	10.0 Fund Management 10A Development Charges Financial Cash Flow Model 10.A.1 Inflation Rates and Interest Rates	June 1, 2020	Administration modified this section for brevity, clarity and to reflect actual practice. The Working Group discussions were related to determining the interest rate, timing and who determines the rate. The City retains an Economist on staff to provide the calculation of the inflation rate. Administration determined that Administration would modify the policy to reflect the actual practice of the Economist completing the inflation rate calculation. The proposed policy also considers if this position is vacant, then the City can proceed with a consultant to provide these services.	The proposed changes are intended to provide clarity and transparency of actual practices concerning inflation and interest rates.
28	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.2 Set the Opening Servicing Agreement Fee / Development Levy Reserve Cash Balance	10.0 Fund Management 10A Development Charges Financial Cash Flow Model 10.A.2 Opening Balance	N/A	Administration modified this section for language clarity. Related sections were merged to create consistency throughout the document related to the opening balance of the Model.	The proposed changes are intended to provide clarity, brevity and transparency of actual practices about the opening balance.
29	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.3 Calculate Outstanding Servicing Agreement Fees and Development Levies to be Collected	10.0 Fund Management 10A Development Charges Financial Cash Flow Model 10.A.3 Revenue Projections	N/A	Administration modified this section for language clarity. Related sections were merged to create consistency throughout the document related to the revenue represented in the Model.	The proposed changes are intended to provide clarity, brevity and transparency of actual practices about the collected revenues within the Model.

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
30	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.4 Establish Development Projections for Intensification & Greenfield	10.0 Fund Management 10A Development Charges Financial Cash Flow Model 10.A.3 Revenue Projections	June 1, 2020	Administration modified this section for language clarity. Related sections were merged to create consistency throughout the document related to the revenues represented in the Model. The Working Group discussion was related to the timing of the 25-year projections and moving to a rolling model. Administration can accomplish the movement to rolling model calculations in the current policy. However, it was limited by the amount of information on the infrastructure required beyond the 25 years. The discussion related to this section was also related to feedback utilized for the annual report structure but resulted in no changes to the policy. The Working Group had no proposed additions, deletions or modifications to this section.	The proposed changes are intended to provide clarity, brevity and transparency of actual practices about the collected revenues within the Model.
31	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.5 Establish Payment Schedule for Servicing Agreement Fees / Development Levies	10.0 Fund Management 10A Development Charges Financial Cash Flow Model 10.A.4 Expense Projections	N/A	Administration modified this section for language clarity. Related sections were merged to create consistency throughout the document related to the expense projections of the Model.	The proposed changes are intended to provide clarity, brevity and transparency of actual practices about the projected short-term and long-term expenses within the Model.
32	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.6 Update Capital Project List	9.0 Capital Projects	June 15, 2020	Administration modified this section for clarity. The language-related to Endeavour to assist was added to ensure the proposed Policy established the relationship between the sections. The Working Group discussion was related to the annual reporting on the Capital Project List. Generally, there was a request for more information on how projects are placed on the list, commitments to completion of these projects and rationale of the project supporting growth. The Working Group determined no additions, deletions or modifications.	The proposed changes are intended to clarify and link this section to other related sections within the policy. Administration created the section to provide a single location for Capital Projects within the Policy.

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
33	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.7 Establish the Share of Costs Attributed to Greenfield Growth and the Share of Costs Attributed to Intensification for Each Capital Project	9.0 Capital Projects 9B Determining Cost Share	June 15, 2020	Administration modified this section for language clarity. Related sections were merged to create consistency throughout the document related to the determining cost shares for growth Capital Projects. The Working Group determined no additions, deletions or modifications.	The proposed changes are to provide clarity. Administration created the section to provide a single location for Capital Projects within the Policy.
34	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.8 Calculate the Share of Total Capital Costs Allocated to Intensification and Greenfield Development	10.0 Fund Management 10A Development Charges Financial Cash Flow Model 10.A.4 Expense Projections	N/A	Administration modified this section for language clarity. Related sections were merged to create consistency throughout the document related to the expense projections of the Model.	The proposed changes are intended to provide clarity, brevity and transparency of actual practices about the projected expenses within the Model.
35	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.9 Calculate Estimated Servicing Agreement Fee / Development Levy Rates for Intensification & Greenfield Based on the Cash-Flow Model	10.0 Fund Management 10A Development Charges Financial Cash Flow Model 10.A.5 Servicing Agreement Fees and Development Levy Rate Calculation	N/A	The sections were divided into the related Greenfield Rate (10.A.5.1) and Intensification Rate (10.A.5.2). The Greenfield section was merged with other section content to provide consistency and clarity of the policy's interpretation. Administration added definitions within the section. The Intensification Rate section was merged with other section content to provide consistency and clarity of the policy's interpretation. Administration expanded the formula for Total Intensification Equivalent Population growth for transparency.	The proposed changes are intended to provide clarity, brevity, and transparency of actual practices concerning the policy's rate calculation sections.

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
36	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.10 Calculate the Servicing Agreement Fee and Development Levy Rates for Intensification & Greenfield Based on the Cash-Flow Model	10.0 Fund Management 10A Development Charges Financial Cash Flow Model 10.A.5 Servicing Agreement Fees and Development Levy Rate Calculation	September 14, 2020	The sections were divided into the related Greenfield Rate (10.A.5.1) and Intensification Rate (10.A.5.2) . Administration modified the Intensification Rate section to remove specific reference to equivalency factors for commercial and industrial. Administration replaced the factors with the generic formulas for the same calculation. The Working Group determined no additions, deletions or modifications.	The proposed changes are intended to provide clarity, brevity, and transparency of actual practices concerning the policy's rate calculation sections.
37	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.11 Calculate the Fee to be Charged for Intensification Development	8.0 Established Area Policy 8A Established Area Development Charges	September 14, 2020	Administration modified this section for language clarity. The sections related to calculating the development charges and credits were merged to create consistency throughout the Established Area document. Administration added a section to inform that refunds or reimbursements would not be issued if no development occurs. Instead, a credit would be applied on the applicable lands and registered on the title. The Working Group determined no additions, deletions or modifications.	The proposed changes are to provide clarity. Administration created the section to provide a single location for established area development charges and credits within the Policy.
38	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.12 Calculate the Credit for Existing Development	8.0 Established Area Policy 8A Established Area Development Charges	September 14, 2020	Administration modified this section for language clarity. The sections related to calculating the development charges and credits were merged to create consistency throughout the Established Area document. Administration added a section to inform that refunds or reimbursements would not be issued if no development occurs. Instead, a credit would be applied on the applicable lands and registered on the title. The Working Group determined no additions, deletions or modifications.	The proposed changes are to provide clarity. Administration created the section to provide a single location for established area development charges and credits within the Policy.
39	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.13 Calculate the Total Amount Owing for Development Within Established Area	8.0 Established Area Policy 8A Established Area Development Charges	June 1, 2020 September 14, 2020	Administration modified this section for language clarity. The sections related to calculating the development charges and credits were merged to create consistency throughout the Established Area document. Administration added a section to inform that refunds or reimbursements would not be issued if no development occurs. Instead, a credit would be applied on the applicable lands and registered on the title. The Working Group determined no additions, deletions or modifications.	The proposed changes are to provide clarity. Administration created the section to provide a single location for established area development charges and credits within the Policy.

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
40	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.14 Calculate the Administration Servicing Agreement Fee / Development Levy	7.0 Greenfield Area Policy 7A Greenfield Area Development Charges	June 1, 2020	Administration modified this section for language clarity. The sections related to calculating the development charges and admin fees were merged to create consistency throughout the Greenfield Area document. The Working Group had no proposed additions, deletions or modifications to this section.	The proposed changes are to provide clarity. Administration created the section to provide a single location for Greenfield Area development charges and admin fees.
41	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix A 4 Methodology 4.15 Charge Servicing Agreement Fees / Development Levy	8.0 Established Area Policy 8A Established Area Development Charges 7.0 Greenfield Area Policy 7A Greenfield Area Development Charges	June 1, 2020 September 14, 2020	Administration added the section to both the Greenfield Area and the Established Area sections of the policy. The Working Group had no proposed additions, deletions or modifications to this section.	The proposed changes are to provide clarity.
42	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix B 1 Purpose	2.0 Purpose	N/A	The purpose was realigned and merged between the two policies. Administration reconsidered it based on the City of Regina policy template and the content of the policy. The policy's common purpose is to provide direction concerning the use, management, collection of Servicing Agreement Fees and Development Levies.	Administration wrote the section with the intent of providing an overview of the purpose of the policy.
43	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix B 2 Scope	3.0 Scope	N/A	All sections related to scope were merged into one. Administration adapted the scope to be inclusive of the merge, and it also considered the City of Regina policy template. Administration wrote the section in a table of contents style format to allow the digital version to be hyperlinked to sections.	Administration wrote the section to provide a general scope and a digital table of contents of the policy.
44	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix B 4 General Principles	9.0 Capital Projects 9A Costs Eligible for Payment with Development Charges	June 1, 2020 June 15, 2020	Administration modified this section for language clarity. Related sections were merged to create consistency throughout the document related to the eligible costs to receive payments with Development Charges for growth Capital Projects. The Working Group had no proposed additions, deletions or modifications to this section.	The proposed changes are to provide clarity and brevity. Administration created the section to provide a single location for Capital Projects within the Policy.

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
45	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix B 4 Interim Services	9.0 Capital Projects 9A Costs Eligible for Payment with Development Charges	June 1, 2020 June 15, 2020	Administration modified this section for language clarity. Related sections were merged to create consistency throughout the document related to the eligible costs to receive payments with Development Charges for growth Capital Projects. The Working Group had no proposed additions, deletions or modifications to this section.	The proposed changes are to provide clarity and brevity. Administration created the section to provide a single location for Capital Projects within the Policy.
46	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix B 4 Lands	9.0 Capital Projects 9C Estimate of Costs 9.C.2 Land	June 1, 2020 June 15, 2020	Administration modified the section for language clarity. A section was added related to transparency for determining the value of the land. A Professional Appraiser is required to provide a valuation of the land. The Working Group had no proposed additions, deletions or modifications to this section.	The proposed changes are to provide clarity and transparency.
47	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix B 7 Timing	9.0 Capital Projects 9C Estimate of Costs	June 1, 2020 June 15, 2020	Administration modified this section for language clarity. Related sections were merged to create consistency throughout the document related to the eligible costs to receive payments with Development Charges for growth Capital Projects. The Working Group had no proposed additions, deletions or modifications to this section.	The proposed changes are to provide clarity and brevity. Administration created the section to provide a single location for Capital Projects within the Policy.
48	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix B 8 Grants and Community Contributions	9.0 Capital Projects 9C Estimate of Costs 9.C.1 Infrastructure	June 1, 2020	Administration modified the section for language clarity. Administration added new formulas for alternative funding sources. Administration added a reference to a rate for consulting fees to ensure consistency when estimating. The Working Group had no proposed additions, deletions or modifications to this section.	The proposed changes are to provide clarity and transparency for estimating infrastructure.
49	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix B 9 Regional Service Contributions	9.0 Capital Projects 9C Estimate of Costs 9.C.1 Infrastructure	October 19, 2020	Administration modified the section for language clarity. Administration added new formulas for alternative funding sources. Administration added a reference to a rate for consulting fees to ensure consistency when estimating. The Working Group had no proposed additions, deletions or modifications to this section.	The proposed changes are to provide clarity and transparency for estimating infrastructure.

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
50	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix B 10 Funding Criteria and Summary Sheets	14.0 Appendix A: Funding Criteria and Summary Charts	May 25, 2020 June 1, 2020 September 24, 25, 28, 2020	Administration modified the section for language clarity. The section related to Storm Sewer Trunk Mains, Lift Stations or Channels was modified to clarify the difference between Site-specific and Regional systems. The Working Group determined no additions, deletions or modifications . The Focus Group determined minor modifications regarding clarity for site-specific and regional storm trunk mains.	The proposed changes are to provide clarity to the policy.
51	Administration and Calculation of Servicing Agreement Fees and Development Levies Policy	Appendix C Servicing Agreement	15.0 Appendix B: SAF and DL Boundaries	October 19, 2020	The administration removed the text related to the map, and the map section was made larger. The Working Group had no proposed additions, deletions or modifications to this section.	Administration made no significant changes.
52	Administration of Servicing Agreements and Development Levy Agreements Policy	4.0 Policy Part A – Financial Assurance for Completion of Work	7.0 Greenfield Area Policy 7B Greenfield Area Agreements 7.B.3 Financial Assurances for Completion of Work	May 25, 2020	Administration modified the section for language clarity. Administration modified the section to ensure that the amounts for deficient infrastructure identified during Construction Completion Inspection were considered during bond reduction. Practices of other Cities were explored for this section in April 2020 and presented to the Working Group. The Working Group expressed interest in exploring a Tiered System like that of Edmonton or Calgary. The tiered system was researched and modified for Regina and implemented into this policy.	The proposed changes are to provide clarity and better risk management for the City and Developers.

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
53	Administration of Servicing Agreements and Development Levy Agreements Policy	4.0 Policy Part B – Payment of Servicing Agreement Fees	7.0 Greenfield Area Policy 7B Greenfield Area Agreements 7.B.2 Payment of Servicing Agreement Fees and Development Levies 8.0 Established Area Policy 8B Established Area Agreements 8.B.2 Payment of Serving Agreement Fees and Development Levy Policies	May 25, 2020	Administration combined the section content into two sections: greenfield and one related to the established area. Administration modified it for language clarity. The language limiting the installed payments to 2 or more hectares and 0.75 hectares or more was eliminated and replaced with the $50,000 limit. The difference between the established and greenfield area percentage split for installed payments was eliminated and made the same at 30% for initial, 40% for second and 30% for final payment. The Working group requested that the payment timings be modified to allow for more time for the second and final payments. Administration completed Administration modified a financial risk analysis and the payment timings for the second and final payments for Infrastructure and Landscaping.	The proposed changes are to provide clarity, brevity and to remove end-user confusion. The proposed changes provide better cash flows for developers at a negligible financial risk to the City.
54	Administration of Servicing Agreements and Development Levy Agreements Policy	4.0 Policy Part C – Payment of Development Levies	7.0 Greenfield Area Policy 7B Greenfield Area Agreements 7.B.2 Payment of Servicing Agreement Fees and Development Levies 8.0 Established Area Policy 8B Established Area Agreements 8.B.2 Payment of Serving Agreement Fees and Development Levy Policies	May 25, 2020	Administration combined the section content into two sections: greenfield and one related to the established area. Administration modified it for language clarity. The language limiting the installed payments to 2 or more hectares and 0.75 hectares or more was eliminated and replaced with the $50,000 limit. The difference between the established and greenfield area percentage split for installed payments was eliminated and made the same at 30% for initial, 40% for second and 30% for final payment. The Working group requested that the payment timings be modified to allow for more time for the second and final payments. Administration completed Administration modified a financial risk analysis and the payment timings for the second and final payments for Infrastructure and Landscaping.	The proposed changes are to provide clarity, brevity and to remove end-user confusion. The proposed changes provide better cash flows for developers at a negligible financial risk to the City.
55	Administration of Servicing Agreements and Development Levy Agreements Policy	4.0 Policy Part D – Endeavour to Assist	7.0 Greenfield Area Policy 7B Greenfield Area Agreements 7.B.4 Endeavour to Assist	N/A	Administration modified this section for language clarity. Administration moved content from the definitions section that was more appropriate for the policy section. Due to the recent review of this section in 2019 and 2020, Administration considered changes or alterations to this section's intent out of scope.	The proposed changes are to provide clarity.

Index	Current Policy Name	Current Policy Section	Proposed Policy Section	Policy Workshop Date	Summary	The Intent of Proposed Change
56	Administration of Servicing Agreements and Development Levy Agreements Policy	4.0 Policy Part E – Application Requirements	7.0 Greenfield Area Policy 7B Greenfield Area Agreements 7.B.1 Application Requirements	October 19, 2020	Administration modified this section for language clarity. The language-related to timing was changed to "before the issuance of a Servicing Agreement number" as the Servicing Agreement itself is a negotiated contract and not necessarily issued. The Working Group had no proposed additions, deletions or modifications to this section.	The proposed changes are to provide clarity.
57	Administration of Servicing Agreements and Development Levy Agreements Policy	5.0 Roles & Responsibilities	N/A	N/A	Administration removed this section. Administration will supply the content in standard operating material for administrative use.	Administration deleted the section and found it to be more appropriate for a standard operating procedure.
58	Administration of Servicing Agreements and Development Levy Agreements Policy	6.0 Revision History	12.0 Reviews and 13.0 Amendments	N/A	This section was divided between full reviews and amendments to the policy.	The proposed changes provide transparency and clarity on changes and the ability to find a related report.

Intensification Incentive Discussion Paper

Date	April 21, 2021
To	Executive Committee
From	City Planning & Community Development
Service Area	Office of Executive Director (City Planning & Community Development)
Item No.	EX21-34

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Authorize Administration to proceed with stakeholder consultation by the end of Q3 on the following options as outlined in this report and Appendix A:
   - Development Charge Rebate;
   - Choice of Tax Increment Equivalent Grant or Tax Exemption; and
   - Annual Tax Increment Equivalent Grants Covering Eligible Project Costs.

2. Instruct Administration to bring a report to City Council by the end of Q4, 2021 that provides the results of stakeholder consultation, further financial analysis and a recommended incentive policy for adoption.

3. Approve these recommendations at its meeting on April 28, 2021.

ISSUE

Since 2015, the City of Regina (City) has seen modest cumulative intensification and City Centre growth rates and has observed 752 underutilized sites throughout the city in the Underutilized Land Inventory Analysis conducted in 2018. Communication with stakeholders has identified barriers to growth in the intensification area and core. An Intensification Incentive Discussion Paper (Discussion Paper) was completed to explore options and implications for an intensification-based incentive that would support intensification and development on underutilized sites while minimizing the financial impact on taxpayers.

IMPACTS

Financial Impact

There is no direct impact with this report. Further analysis of financial implications will be undertaken prior to the development of a recommended incentive policy.

Municipal Tax Increment

A municipal tax increment can be described as the difference between the municipal portion of taxes on a property before new development and the taxes after new development. Each of the three incentive options recommended for stakeholder consultation (Appendix B) use municipal tax increments to fund incentives to lessen the financial impact on taxpayers. The municipal tax increment is calculated by subtracting the pre-development amount of municipal taxes on a property from the post-development amount. This calculation ensures that only the portion of municipal taxes attributable to new development is used to fund incentives. The remaining portion of municipal taxes (i.e. the pre-development amount) is directed to the City's general tax revenue accounts to keep the tax base whole, subject to the risk noted below.

Before adopting an incentive policy funded through municipal tax increments, further financial analysis will be needed to understand how re-directing tax revenue growth on a property (i.e. municipal tax increments) from general tax revenue accounts to an incentive program reserve may impact the mill rate. Yearly tax revenue growth is needed to fund municipal services. By re-directing tax revenue growth, there is a risk that the City would not receive the level of additional tax revenue growth it otherwise would, which may put pressure on the mill rate. However, the amount of tax revenue growth re-directed to fund an incentive program would be limited to properties within the program target area (Appendix C).

There is no financial impact on the education portion of property taxes. Education property taxes are collected by municipalities on behalf of the Government of Saskatchewan (Province) and paid to the provincial government's General Revenue Fund. The tax increment that is intended to fund incentive programs or repay incentive amounts into a program reserve, is based on the municipal portion of property taxes only.

Resources

It is anticipated that Option #2 will require minimal resources to administer. Anticipated program administration entails issuing a rebate equal to the paid Intensification Levy out of the program reserve. Paying the rebates back into the program reserve through municipal tax increments would be a new practice for the City, which would require an additional level of effort to establish procedures for this new practice.

Option #5 and Option #7 require more resources to administer. Anticipated resources to administer each of these options are estimated to be 0.5 of a full-time equivalent (FTE) from the City Planning & Community Development Division and 0.5 of an FTE from the Financial Strategy & Sustainability Division. The estimated resources are slightly less than those needed to administer the Housing Incentive Policy (HIP), as uptake for the future incentive is not anticipated to exceed that of the HIP.

Policy and or/ Strategic Impacts
The Discussion Paper aligns with Strategic Action 3-3, under Goal 3 – Financial, from the 2019 Underutilized Land Improvement Strategy (ULIS):

- 3-3 – Review incentive program options identified in the Underutilized Land Study [and others…], research their effectiveness, applicability to our community, and other considerations to inform incentive programs for defined areas, specific types of underutilized lands, or city wide.

Incentives to encourage intensification in targeted established areas of the city is supported by several policies from *Design Regina: The Official Community Plan Bylaw No. 2013-48* (OCP), related to long-term growth, intensification, City Centre growth and sustainability and others. Some of the key policies from Section C – Growth Plan include:

- <u>Goal 1 – Long-Term Growth</u>
  Ensure that sufficient developable land is protected for future city growth
    - Policy 2.3 – Direct at least 30 per cent of new population to existing urban areas as the City's *intensification* target
- <u>Goal 2 – Efficient Servicing</u>
  Maximize the efficient use of existing and new infrastructure
    - Policy 2.4 – Make use of residual capacity of infrastructure in existing urban areas
- <u>Goal 3 – Intensification</u>
  Enhance the city's urban form through intensification and redevelopment of existing built-up areas.
    - Policy 2.7 – Direct future higher *density intensification* to the CITY CENTRE, existing URBAN CENTRES and CORRIDORS and adjacent INTENSIFICATION AREAS where an adequate level of service and appropriate intensity of land use can be provided
    - Policy 2.9 – Direct at least 10,000 new residents to the CITY CENTRE, which will accommodate the city's highest population and employment densities
    - Policy 2.10 – Prepare an *intensification* development strategy, which addresses the following:
        - Policy 2.10.3 – Incentives for encouraging *intensification* development

Encouraging intensified development opportunities in target areas is also consistent with economic development policy from Section D10 – Economic Development from the OCP:

- <u>Goal 2 – Economic Growth</u>
  Optimize the economic development potential of Regina, the region and the Province of Saskatchewan
    - Policy 12.5 – Establish and implement mechanisms to expand and diversify the economy, promote the attractiveness of Regina and the region as a place to live, invest, do business and visit, by:
        - Policy 12.5.1 – Identifying and leveraging opportunities to expand

existing industries
- Policy 12.5.2 – Identifying and encouraging the development of new economic opportunities

Environmental Impacts
Encouraging the remediation and redevelopment of brownfield sites helps address potential health and safety hazards presented by contaminated sites within the program's target area (Appendix C). An objective of the future incentive policy will be to encourage intensified development and development on underutilized sites, such as brownfield sites.

The City has a community goal of achieving net zero emissions and sourcing of net zero renewable energy by 2050. In support of this, City Council has asked Administration to provide energy and greenhouse gas implications of recommendations so that they can evaluate the climate impacts of their decisions. Intensification is known to have positive impacts related to energy consumption and greenhouse gas emissions as it reduces travel distances and tends to increase active transportation and use of transit.

Risk/Legal Impacts
Tax exemption-based incentives require approval from City Council. If exemptions are beyond one-year, a tax exemption agreement is required. The form of the agreement and list of properties eligible for the exemption must be approved through a bylaw.

The three recommended incentive options do not use tax increment financing in the same manner as prescribed in subsections 281.1 and 281.2 of *The Cities Act*, which would require a bylaw to be approved by City Council. Funding agreements must be established to govern the terms and conditions for the eventual incentive policy.

There are no other impacts related to this report.

OTHER OPTIONS

Alternative options include:

1. Authorize Administration to proceed with stakeholder consultation on other incentive options mentioned in the Discussion Paper. Recommended options were based on the outcome of impact/effort analysis and the goal of facilitating focused consultation. Council may direct Administration to consult on alternate options described in the Discussion Paper.
2. Refer the Discussion Paper back to Administration. If Council has specific concerns with the options described it may refer it back to Administration to consider further research or recommendations to be considered by Executive Committee or brought back directly to City Council. Referral of the report will delay consultation and development of an incentive policy for approval by Council.
3. Deny the recommendations. Should Council have concerns about development of an intensification incentive policy, it may deny the recommendations and direct

discontinuation of work on a policy.

COMMUNICATIONS

Upon Council approval, consultation with stakeholders on the three recommended incentive options will occur. Representatives from Regina's land and economic development communities, as well as the development industry will be part of the consultation process.

Stakeholder engagement is targeted to be complete by the end of Q3, 2021. The three recommended inventive options in this report will serve as a starting point for consultation; however, during engagement sessions, stakeholders may also provide incentive options or considerations that were not included in the Discussion Paper which may help form the final recommended policy.

DISCUSSION

Background

The OCP sets forth a residential intensification target that directs 30 per cent of new population growth to existing urban areas and a City Centre growth target of 10,000 new residents over the lifespan of the OCP. Since the adoption of the OCP in 2013, the cumulative residential intensification rate has been 12.2 per cent and cumulative City Centre population growth has been 74 residents.

The 2018 Underutilized Land Study (ULS) indicates that there are 752 underutilized sites in Regina. Underutilized sites are considered brownfields, bluefields (vacant institutional sites), surface parking lots and vacant sites or buildings. The Underutilized Land Inventory completed as a part of the ULS indicates that approximately 44 per cent of underutilized sites are located within the City Centre and 22 per cent in the North Central Neighbourhood. The inventory notes a distinct concentration of underutilized sites in and around the Heritage Neighbourhood. Since the start of 2021, six residential demolition permits have been approved within the North Central and Heritage neighbourhoods.

The Intensification Levy (IL) was implemented on October 1, 2019. The IL is a type of development charge mandated under the *Administration and Calculation of Servicing Agreement Fees and Development Levies Policy*. The IL requires applicants for development within established areas of the city to pay for a portion of the capital costs incurred by the City in providing the infrastructure required to support growth, including facilities and services directly or indirectly associated with a proposed development.

The process for developing the Discussion Paper involved:

- Review of incentive options available to municipalities through legislation;
- Scan of inherent standards of best practice for incentive programs with similar objectives, including case studies on notable incentive programs from across Canada; and
- Identification of eight incentive options for Regina, followed by analysis to inform the

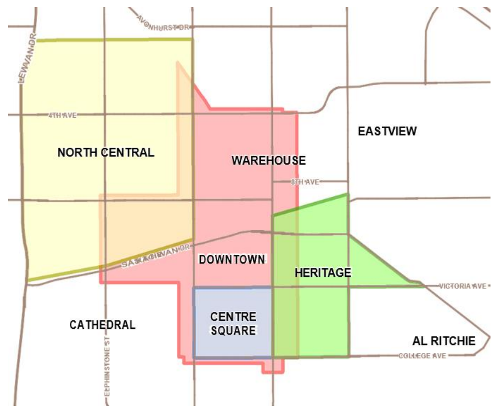
three recommend options for stakeholder engagement.

Recommended Incentive Policy Options for Stakeholder Consultation

A targeted incentive policy has the potential to fulfill the following objectives:

1. Reduce the number of underutilized sites within the City Centre area (includes: Centre Square, Downtown and portion of Warehouse neighbourhoods), North-Central and Heritage neighbourhoods;
2. Bring the City closer to the intensification target of directing 30 per cent of new population growth to existing urban areas over the lifespan of the OCP; and
3. Move the City closer to achieving the OCP target of 10,000 new residents in the City Centre over the lifespan of the OCP.

In addition to the objectives above, a targeted incentive encouraging intensification and development on underutilized sites may serve to offset the cost of the Intensification Levy and other costs specific to developing in established areas of the city.



Target Areas

The Discussion Paper recommends a program target area consisting of the City Centre area, North Central and Heritage Neighbourhoods (Appendix C). Any development within the program target area that is on an underutilized site and/or results in intensification may be eligible for an incentive. This incentive is not intended to be limited to a single land-use class such as commercial, residential or industrial. The zoning districts within the program target area will dictate which land-use classes and land-use types (e.g. Retail Store/Shop) the incentive could apply to.

Rationale for Recommended Incentive Options

The three recommended incentive options for stakeholder engagement were selected after comparing each option's levels of risk, anticipated impact on achieving desired objectives (i.e. reduction in underutilized sites) and anticipated effort to administer an incentive program. Below, the rationale behind each recommended option and specific financial impacts are detailed. Further specifics on each option can be found in the Discussion Paper or Appendix B.

Option #2- Development Charge Rebate

A rebate of the Intensification Levy (IL) may free up capital for developers while having a minimal administrative impact. Applicants would still pay the IL before their project commenced and would be provided with a rebate after their project was completed.

Option #5 – Annual Tax Increment Equivalent Grants Covering Eligible Project Costs

This option may compensate developers for eligible costs that come with developing in established areas of a city or on underutilized sites (e.g. brownfield remediation), which may encourage development on these types of sites. Issuing yearly grants over a long period may be particularly appealing for developers who wish to lease or rent space within their new development.

Option #7 – Choice of Tax Increment Equivalent Grant or Tax Exemption
Like the previous two options, the incentive may free up capital for developers. However, this option gives developers a choice of the incentive that they wish to select. Developers wishing to rent or lease their new development may find a tax exemption more attractive, while developers who wish to sell their new development may prefer a lump sum grant.

This option uses a design criteria scorecard that is based on policy objectives from the OCP to determine final incentive amounts. This means the scorecard can be customized to further incentivize developments that contain elements that link to OCP policy (e.g. extra points awarded if a development has a bike lock-up facility).

Financial Requirements

<table>
<tr><th>Option # in Discussion Paper:</th><th><u>Option #2</u>:
Development Charge Rebate</th><th><u>Option #7:</u>
Choice of TIEG or Tax Exemption</th><th><u>Option #5:</u>
Annual TIEG Covering Eligible Project Costs</th></tr>
<tr><td>Short-Term Impact to Taxpayers:</td><td>A one-time investment of $100,000</td><td>A one-time investment of $500,000</td><td>$0</td></tr>
<tr><td>Long-Term Impact to Taxpayers:</td><td colspan="2">Subsequent municipal tax increments for a property that receives an incentive are directed into the incentive program reserve each year until the full amount of the incentive is recouped.

No additional tax dollars should be required after initial one-time investment to establish the program reserve.</td><td>Through the incentive term, applicants pay full taxes each year.
Once taxes are paid, the City uses the municipal tax increment to finance the yearly TIEGs.</td></tr>
<tr><td>Impact on Tax Revenue:</td><td colspan="2">During the period in which the cost of the incentive is being recouped into the program reserve using the municipal tax increment, the portion of municipal tax revenue equal to pre-development municipal property taxes is allocated to the City’s general tax accounts. This ensures that the City receives the same amount of taxes that it did on the property before new development occurring, minimizing the impact on the City’s tax base.</td><td>The amount of tax revenue equal to the pre-development municipal taxes is directed to general tax revenue accounts, minimizing the impact on the City’s tax base.</td></tr>
<tr><td>Risks:</td><td colspan="2">Option #2 and Option #7 pose a risk if each reserve is fully expended due to substantial program uptake before program reserves can be replenished through municipal tax increments. If this occurs, additional funds over and above the initial start-up/seed investment may need to be allocated into a program reserve to cover incentive payments in the initial years of either program. Any additional budget allocations could be recouped using the municipal tax increment for projects that received the incentive after the incentive is recouped itself.

There is a risk that the City would not receive additional</td><td>There is a risk that the City will not receive additional tax revenue growth that it otherwise would have, which could put pressure on the mill rate.</td></tr>
</table>

Option # in Discussion Paper:	Option #2: Development Charge Rebate	Option #7: Choice of TIEG or Tax Exemption	Option #5: Annual TIEG Covering Eligible Project Costs
	tax revenue growth that it otherwise would have, which could put pressure on the mill rate.		

Upon Council approval, consultation with stakeholders can be initiated. Stakeholder consultation will entail asking stakeholders for feedback on the specific incentive options, which will serve as a starting point for discussion and may lead to stakeholders identifying incentive options not considered by Administration or revisions to the specifics of identified options (e.g. incentive term).

Through engagement, it is anticipated that a preferred incentive option will emerge which will help form the final recommended policy. The preferred inventive option may be one of the Discussion paper options, a new option identified by stakeholders during the consultation or a combination of an option from the Discussion paper with variations to components of the program (e.g. eligible development types), as suggested by stakeholders.

A recommended policy will be drafted based on the findings of the consultation and presented to City Council.

DECISION HISTORY

The Underutilized Land Improvement Strategy (ULIS) was approved by City Council on July 29, 2019 (CR19-72). The ULIS contains a strategic action mandating the exploration of incentive options. Actions within the ULIS that require budgetary commitment must be approved by City Council before being enacted.

The recommendations in this report require City Council approval.

Respectfully Submitted,

Michelle Forman

Michelle Forman, Manager, Integration & Stakeholder Relationships 4/8/2021

Respectfully Submitted,

Diana Hawryluk

Diana Hawryluk, Executive Director, City Planning & Community Dev. 4/14/2021

Prepared by: Luke Grazier, Coordinator, Integration & Stakeholder Relations

ATTACHMENTS

Appendix A - Intensification Incentive Discussion Paper
Appendix B - Summary of Incentive Options
Appendix C - Recommended Program Target Area

Appendix A

Intensification Incentive Discussion Paper

City of Regina | REGINA Infinite Horizons

Title	Intensification Incentive Discussion Paper
Version	March 31, 2021

Link to the Official Community Plan	The Intensification Incentive Discussion Paper provides options and recommendations for a financial incentive program to encourage intensification on underutilized lands in the City Centre and surrounding targeted areas, which directly links to the following Official Community Plan Policies:
	• Financial Planning (Goal B3, Policy 1.13)
	  ○ Ensure the financial sustainability and return on investment of financial incentives designed to further the goals and objectives of the Plan.
	• Long-Term Growth (Goal C1, Policy 2.3)
	  ○ Direct at least 30% of new population to existing urban areas as the City's intensification target.
	• Intensification (Goal C3, Policy 2.9)
	  ○ Direct at least 10,000 new residents to the City Centre, which will accommodate the City's highest population and employment densities.
	• Intensification (Goal C3, Policy 2.10.3)
	  ○ Prepare an intensification development strategy that addresses the following:
	    ▪ Incentives for encouraging intensification development.
	• City Centre (Goal D5 2, Policy 7.9)
	  ○ Explore actions necessary to convert vacant or underutilized properties to market-ready development sites to realize intensification in the City Centre.

Owner	Executive Director City Planning and Community Development Division

Executive Summary

Design Regina: The Official Community Plan Bylaw No. 2013-48 (OCP) provides policy directive to support the City's goal of accommodating at least 30 per cent of new population growth over the life of the OCP, in existing urban areas through intensification, with 10,000 in population growth occurring in the City Centre. Since the adoption of the OCP in 2013, the cumulative intensification rate and cumulative City Centre population growth sit at 12.2 per cent and 74 residents, respectively.

The OCP and the 2019 Underutilized Land Improvement Strategy (ULIS) identify an incentive as a possible means to encourage intensification, which includes brownfield site redevelopment. A ULIS recommendation is that the City reviews incentive programs, explore their effectiveness, applicability to the City and other considerations.

The Intensification Incentive Discussion Paper (Discussion Paper) provides an overview and status of intensification in the community today, as well as catalysts for an incentive such as modest cumulative intensification rate and cumulative City Centre population growth, OCP and ULIS directive and brownfield site development challenges.

The Discussion Paper provides five case studies of intensification-based incentive programs from across Canada. Based on the research, eight possible incentive options were identified for Regina, each of which had their impact, effort and risks evaluated through internal consultation across several of the City's business areas. The impact and effort evaluation weighed each incentive option's possible impact on achieving the OCP growth targets and the development of underutilized sites with the anticipated administrative effort associated with each option.

Instead of applying an incentive program to the entire City, a strategic program target area is recommended, consisting of the City Centre, North-Central and Heritage neighbourhoods. The recommended program target area is based on OCP policy directive and high volumes of underutilized sites, as identified in the City's Underutilized Land Inventory from the 2018 Underutilized Land Study. A map of the recommended program area is attached as Appendix B.

Based on the analysis of incentive options, it is recommended that the City commences stakeholder engagement based on three different incentive options, which include:

- Development Charge Rebate;
- Annual Tax Increment Equivalent Grants (TIEG) Covering Eligible Project Costs; and
- Choice of TIEG or Tax Exemption.

After stakeholder consultation and further financial analysis are completed, the City will be well-positioned to consider approval of an incentive policy.

Table of Contents

Introduction

Design Regina: The Official Community Plan Bylaw 2013-48 (OCP) establishes a residential intensification goal directing 30 per cent of new population to established urban areas. Overall, the OCP provides a framework for the growth of the City of Regina (City) to a population of 300,000 and specifically 10,000 new residents to the City Centre. The City Centre comprises of the Warehouse, Downtown and Centre Square neighbourhoods.

Since the adoption of the OCP in 2013, the cumulative intensification rate has been 12.2 per cent and cumulative population growth in the City Centre has been 74 new residents. Facilitating opportunities for intensification through incentives has been identified as an avenue for the City to exercise to progress towards the OCP population growth targets mentioned above. Intensified development can be a mutually beneficial form of development for the City and private sector investors and buyers alike. The table below summarizes some benefits and obstacles associated with intensification based on research conducted.

Benefits to the City:	• Better for the environment • Decontamination of brownfield sites • More efficient use of infrastructure already in place • Increase in tax revenue for the City • Helps the City become more compact by building up existing areas as opposed to sprawling outward • Revitalization to existing neighbourhoods • Increased employment opportunities
Benefits to developers, home purchasers/owners:	• More choice of neighbourhoods to settle in • Infill development can appreciate property values in the neighbourhood • Ability to build/upgrade a new home without having to leave your original neighbourhood • Closer proximity to City Centre than new suburban greenfield neighbourhoods, which are often located on the fringe of a city • Opportunities for mixed-use development
Barriers/obstacles to intensification:	• An abundance of serviced greenfield land • Infrastructure conditions are insufficient to support intensification • NIMBY (not in my back yard) attitudes towards intensification and general community opposition • Required environmental approvals for sites with potential contamination concerns • Infrastructure condition is unknown, meaning any associated costs may be unknown

(Haninger, Ma, & Timmins, 2014)

(United States Environmental Protection Agency, 2014)

(Rowley & Phibbs, 2012)

THE ISSUE

Possible uncertainties surrounding intensification can quell investment in this type of development. Uncertainty may be related to the regulatory process (e.g. permitting, environmental regulations), possible costs associated with upgrading infrastructure needed to support the desired development type, and actual or perceived site or building contamination; among others.

An Intensification Levy was introduced in October 2019 and applies where development within the established city increases the use or intensity of a property and as a result, a capital cost to the City, providing the additional services required to serve the new development. The Intensification Levy can serve as an additional cost for developers undertaking intensified development projects in the established city. There is an opportunity to strike a balance that recognizes the function of the Intensification Levy while offsetting some of the costs incurred as a result of the levy's imposition, as well as other intensification-related development costs.

Brownfield sites can pose an additional level of complexity to landowners and developers due to the precarious and often ambiguous nature of brownfield site remediation and redevelopment. Remediating a brownfield site can be a time-consuming, costly and overall unclear process. Development is often predicated on profit and certainty, which is why developers often prioritize greenfield development.

THE PURPOSE

To bring the City closer to meeting the OCP population growth targets, an intensification-based incentive has been identified as a potential tool to increase intensification in target areas of the City and to reduce the number of underutilized sites in those areas. Incentivizing intensification is not a new phenomenon amongst North American municipalities. There are several best practice models currently in use. Special considerations need to be examined to craft a policy to meet the specific goals, needs and objectives of the City. The Intensification Discussion Paper (Discussion Paper) has been drafted as an informational piece to guide the formation of an incentive policy; a component of a broader strategy to reduce private sector investment barriers to intensified development and development on underutilized sites. The Discussion Paper will:

- Provide background on existing efforts made by the City to increase intensification and development incentives currently offered by the City;
- Generally, identify and define different incentive types, based on qualitative research and a cross-jurisdictional review of inherent standards of best practices for intensification-related incentives;
- Examine case studies respecting innovative intensification and brownfield incentive policies and programs;
- Identify a recommend program target area; and

- Establish incentive policy options that make sense for Regina with an impact and effort analysis for each.

The objective of the Discussion Paper will be to establish a clear vision for an incentive that:

- Strategically targets key areas of the City;
- Offsets some of the financial costs incurred by developers during redevelopment projects;
- Achieves progress on OCP population growth targets; and
- Minimizes the impact on taxpayers.

METHODOLOGY

The drafting of the Discussion Paper was a three-step process. First, research of existing intensification and brownfield incentive policies and programs was conducted to determine trends, best practices and to identify possible incentive options. Second, innovative and applicable intensification incentive policies were reviewed in-depth, followed by interviews with respective program administrators and subject matter experts. Third, possible incentive options for the City were identified and scrutinized through internal stakeholder consultation within City Administration to evaluate implications associated with each option.

Background

Since the adoption of the OCP, the City has implemented initiatives and projects that support and foster intensification, such as the following:

- Corridor and Neighbourhood Sequencing Plan and subsequent neighbourhood plans;
- New Zoning Bylaw;
- Underutilized Land Study, followed by the Underutilized Land Improvement Strategy;
- Amendments to the Housing Incentive Policy;
- Heritage Incentive Policy;
- Infill Housing Guidelines;
- Water Master Plan;
- Wastewater Master Plan;
- Servicing Agreement Fee and Development Levy Policy Review;
- Intensification Levy; and
- Intensification Work Plan.

An understanding of the initiatives identified above and how they relate to an intensification incentive is paramount to creating a policy that synergizes, complements and leverages goals and objectives from existing initiatives to create harmony and consistency amongst policy, plans and strategies.

DEFINING INTENSIFICATION

The terms “intensification” and “infill development” are interrelated, however, there is an important distinction. The OCP defines “intensification” as:

> *Construction of new buildings or addition to existing buildings on serviced land within existing built areas through practices of building conversion, infill or redevelopment.*

The OCP defines “infill development” as:

> *The replacement, alteration or redevelopment of an existing building or the construction of a new building on a vacant lot in an established neighbourhood.*

The key distinction between the two terms is that the term “intensification” involves an increase in residential units or an increase in floor area for commercial, industrial and institutional development types. The term “infill development” refers to any development occurring within existing neighbourhoods, such as adding a sunroom onto a dwelling in a core neighbourhood.

DEFINING BROWNFIELD

The OCP defines the term “brownfield site” as:

> *Undeveloped or previously developed properties that may be contaminated. These are usually, but not exclusively, former industrial or commercial properties that may be underutilized, derelict or vacant.*

The Federation of Canadian Municipalities (FCM) *Getting Started on Your Brownfield Sites: Committing to Action Guidebook*, defines the term as follows:

> *An abandoned, vacant, derelict or underutilized commercial, industrial or institutional property where past actions have resulted in actual or perceived contamination threats to public health and safety, and where there is active potential for redevelopment.* (Federation of Canadian Municipalities, 2015)

A key component of the FCM definition is the wording, “past actions have resulted in actual or perceived contamination threats.” A brownfield site may not necessarily need to be fully rehabilitated, rather, contamination may just be alleged or unknown.

The terms “bluefield” and “greyfield” are used in similar contexts as the term “brownfield”. The table below outlines the differences between each type of site.

Site Type:	Greyfield	Bluefield	Brownfield
Description:	Obsolete, outdated, or vacant sites that no longer attract investment or tenants. They are not usually contaminated; however, they can contain aged buildings and infrastructure that may be deteriorating and require repair. (Wintle, 2010)	Very similar to greyfield sites, except bluefield sites are former institutional or community facility sites that are no longer in use. (V3 Companies of Canada in Association with Praxis Consulting & Trace Associates, 2018)	Undeveloped or previously developed properties that may be contaminated. These are usually, but not exclusively former industrial or commercial sites that may be underutilized, derelict or vacant. (City of Regina OCP, 2013)
Examples:	Former shopping mall, plaza, strip mall	Former hospital, school, care facility, religious institution, police station	Former gas station, dry cleaning establishment, steel mill

CURRENT INCENTIVE POLICIES

The City has implemented development-based incentive policies and programs in the past. The incentives currently in place are targeted towards achieving specific goals and objectives. During the policymaking process for the future incentive policy, a key consideration will be integration with the Heritage Incentive Policy and Housing Incentive Policy.

Housing Incentive Policy

The City provides capital grants, rebates of intensifications levies and tax exemptions through the Housing Incentive Policy to stimulate new rental and ownership units that address current housing needs. The objectives for the Housing Incentive Policy pertain to the stimulation of affordable housing options and types throughout the City, with an emphasis on development in established neighbourhoods.

The Housing Incentive Policy is jointly administered by two separate branches within the organization. The Property Revenue Branch administers the tax exemptions directly, provides customer service and property tax account maintenance and support. While the Social & Cultural Development Branch addresses the following: policy reviews, day-to-day queries, escalated decisions, capital grants, intensification levy rebates and reporting. To administer the policy, roughly 0.75 of a full-time equivalent (FTE) staff person is required from the Property Revenue Branch and is split between Property Revenue Clerk and Tax Exemption Analyst staff positions. Roughly 0.6 of an FTE from the Social & Cultural Development Branch is needed to administer the policy from their end.

The grants and intensification levy rebates from the Housing Incentive Policy are funded directly through the Social Development Reserve. The 2021 budget allocation is $2.5 million.

Heritage Incentive Policy

The City provides one-time financial assistance to rehabilitate designated heritage properties via the Heritage Incentive Policy. Under the Heritage Incentive Policy, a tax exemption may be granted to a maximum value equivalent of either 50 per cent of eligible work costs or the total property taxes payable over 10 years; whichever is lesser. Subject to the availability of funds, a municipal grant is available for designated properties that are exempt from paying property taxes on an ongoing basis (e.g. churches). The grant may cover up to 50 per cent of eligible costs work costs up to a maximum value of $50,000.

The proposed 2021 Operating Budget includes $30,000 for cash grants allocated to the Heritage Building Rehabilitation Program. The Heritage Incentive Policy is jointly administered by the Social & Cultural Development and Property Revenue Services branches. Approximately 0.15 of an FTE from the Property Revenue Services Branch is required to administer the exemptions from the policy, which includes property tax maintenance, property tax support and system processing. A full FTE from the Social & Cultural Development Branch, as well as assistance from a City Planner II staff position, is needed to administer the municipal heritage property portfolio, which includes the incentive program.

Typically, four to five incentive applications are approved yearly. The uptake for incentives under the Heritage Incentive Policy is limited as only municipal heritage properties are eligible. Currently, there are around 100 municipal heritage properties in Regina. The Heritage Incentive Policy is currently under review and a report is slated to be brought forward in Q3, 2021.

The Need for Financial Incentives

Catalysts for the Discussion Paper include OCP policy directive, modest cumulative intensification and City Centre growth rates, identified brownfield site development challenges and a high inventory of underutilized sites. The intended outcome of the Discussion Paper and future intensification incentive will be to address the four catalysts by seeing an increase in intensification throughout the City, with a specific emphasis on the City Centre, as well as by making brownfield investment more financially viable and realistic. The forthcoming subsections of the Discussion Paper examine the four catalysts.

DESIGN REGINA: THE OFFICIAL COMMUNITY PLAN BYLAW 2013-48 (OCP)

Intensification is a major theme of several policy directives from the OCP. The importance of redeveloping and intensifying already developed lands within existing areas is emphasized throughout the OCP, as demonstrated by the list of related directives below. One may notice that intensification is a topic that impacts a variety of different business areas across the organization.

Section:	Goal:	Policy:
B – Financial Policies	Goal 3 – Financial Planning	1.13 – *Ensure the financial sustainability and return on investment of* ***financial incentives*** *designed to further the goals and objectives of this Plan.*
C – Growth Plan	Goal 1 – Growth	2.2 – Direct *future growth as either i**ntensification** on or expansion into lands designated to accommodate a population of 300,000, in accordance with Map 1 – Growth Plan.* 2.3 – *Direct at least* ***30%*** *of new population to existing urban areas as the City's* ***intensification target****…*
C – Growth Plan	Goal 3 – Intensification	2.7 – Direct *future higher density* ***intensification*** *to the* ***City Centre****, existing urban centres and corridors and adjacent* ***intensification areas*** *where an adequate level of service and appropriate intensity of land-use can be provided.* 2.8 – *Require* ***intensification*** *in built or approved neighbourhoods to be compatible with the existing built form and servicing capacity.* 2.9 – Direct at least ***10,000 new residents*** to the ***City Centre***, which will accommodate the city's highest population and employment densities. 2.10 – *Prepare an* ***intensification*** *development strategy, which addresses the following ….* *2.10.3 –* ***Incentives*** *for encouraging* ***intensification*** *development.*

Section:	Goal:	Policy:
D3 – Transportation	2 – Public Transit	5.10 – *Promote **intensification** and mixed-use development along express transit corridors and at transit nodes and potential transit nodes through increased service, levels, more direct routes, express services, and competitive travel times.*
D5 – Land Use/Built Environment	2 – City Centre	7.9 – *Explore actions necessary to convert vacant or underutilized properties to market-ready development sites to realize **intensification** in the City Centre.*
D6 – Housing	1 – Housing Supply and Affordability	8.8 – *Support residential **intensification** in existing and new neighbourhoods to create complete neighbourhoods.*
D11 – Social Development	1 – Social Sustainability	13.6 – Encourage ***intensification*** *as a means to revitalize and renew neighbourhoods and existing community resources.*

INTENSIFICATION RATE AND CITY CENTRE GROWTH 2013 – PRESENT

Data available when the OCP was adopted in December 2013 indicated that between 2006 and 2011, 33 per cent of the population added during this period was attributable to intensification and infill development in established urban areas. This made an OCP target of 30 per cent attainable. The 30 per cent target came into effect at the start of 2014. While in 2014 the City did get close to its target with an intensification rate of 26 per cent, the following years saw the rate drop significantly with rates varying from 12 per cent to four per cent.

The most recent annual estimate of intensification based on 2020 residential building permits issued indicates that the intensification rate in 2020 was 4.5 per cent, a decrease from the 2019 rate of 5.4 per cent. The table below summarizes intensification and greenfield population growth since the implementation of the OCP. The cumulative intensification rate is currently 12.2 per cent. The most recent estimate of City Centre growth indicates that the City Centre grew by nine new residents in 2020, bringing cumulative City Centre growth to 74 residents.

YEAR:	**UNITS**			**POPULATION**		
	Infill (IF)	Greenfield (GF)	Annual Rate	Infill (IF)	Greenfield (GF)	Annual Rate
2014	573	1,405	29.0%	1,281	3,590	26.3%
2015	202	1,164	14.8%	386	2,886	11.8%
2016	225	1,389	13.9%	394	3,317	10.6%
2017	125	1,884	6.2%	217	4,162	5.0%
2018	22	428	4.9%	44	1,018	4.1%
2019	12	381	3.1%	53	922	5.4%
2020	51	774	6.2%	81	1,731	4.5%
Total	**1,210**	**7,425**		**2,456**	**17,626**	
Cumulative Rate	**14%**	**86%**		**12.2%**	**87.8%**	

BROWNFIELD SITE DEVELOPMENT CHALLENGES

Brownfield sites may be thought of as abandoned, vacant or underutilized properties where development or redevelopment is complicated by actual or perceived environmental contamination as a result of past commercial or industrial land-uses. Common characteristics of brownfield sites can include the following: untidy appearance, overgrown vegetation, insufficient infrastructure, abandoned buildings or structures and surface parking areas. The past use of the site can provide insight into potential contamination; however, contamination can only be verified through onsite environmental investigations.

Brownfield sites in advantageous locations may not need any type of incentive to stimulate redevelopment (e.g. corner of busy intersection). Such sites may be referred to as “positive cash value sites”, as the clean value of the land exceeds the cost of remediation. Most sites are either “neutral or negative cash value sites”, as the cost of remediation either equals the clean value of the land (neutral) or is greater (negative). Financial incentives can be used to entice property owners to consider redevelopment on neutral or negative cash value sites, where, in the absence of an incentive it would not be financially viable to proceed with redevelopment (RCI Consulting, 2016).

The actual and perceived high costs associated with brownfield sites can serve to disincentivize private sector development initiatives and reinvestment. If a site is rehabilitated and converted to a more sensitive use, such as residential, potentially costly actions would need to be undertaken before any dirt moving on the site, such as environmental site assessments, site rehabilitation, and submission of provincially required documents and records produced by a qualified environmental consultant.

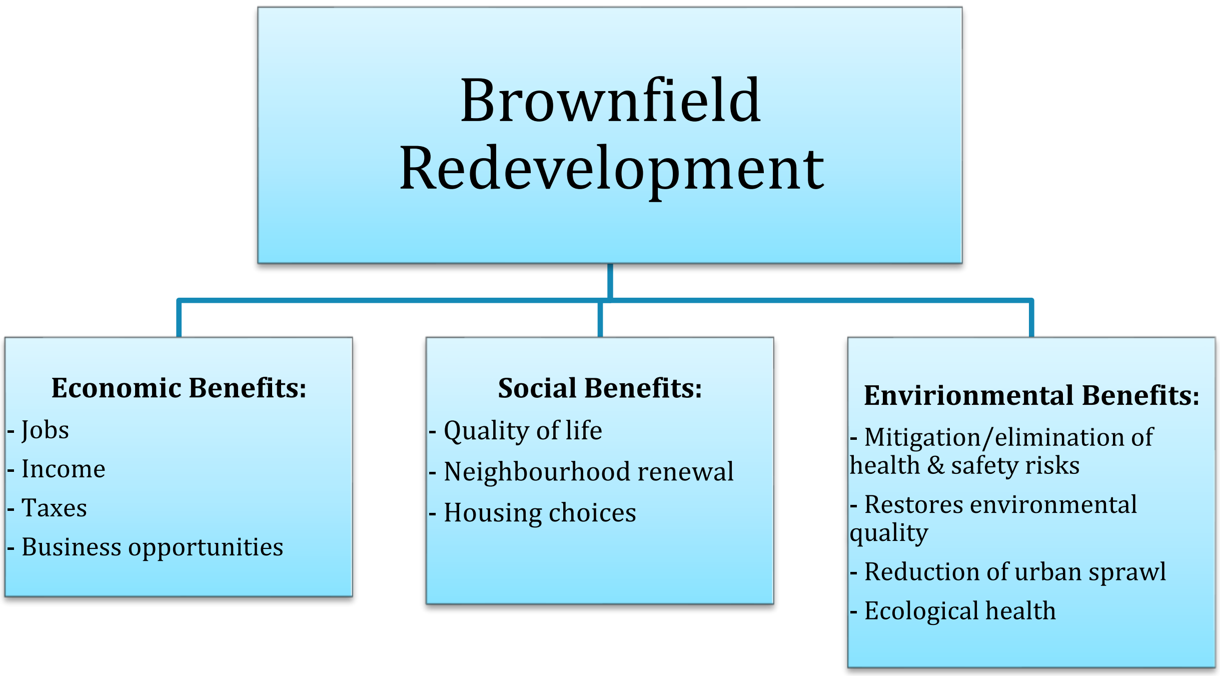
Common challenges associated with brownfield development may include:

1. Liability – lenders especially are hesitant to issue loans for brownfield redevelopment projects, as there is much uncertainty concerning final costs and the regulatory process.
2. Regulatory Uncertainty – before a project begins, the exact extent of required environmental engineering and remediation, including costs, is unknown.
3. Perception – negative perception of brownfield sites can be harmful to site redevelopment and neighbourhoods adjacent to the site (RCI Consulting, 2016).

Vacant or underutilized brownfield sites may represent lost tax revenue, lost residential accommodation opportunities and lost employment opportunities. Brownfield sites have a difficult time competing for development with greenfield sites. Although greenfield sites can have a higher land acquisition cost, the physical, legal, financial and environmental obstacles associated with brownfield sites can be collectively greater than the greenfield site acquisition costs.

The Ministry of Environment regulates the conditions of land in Saskatchewan. Brownfield site owners must abide by all applicable Saskatchewan and Canada government regulations.

Regulation of brownfield sites is a role of the Province. Therefore, during the permitting process, due diligence needs to occur between the applicant and Province to ensure that all legislated processes are followed and met. The coordination with the Province adds a layer of time and expense to the brownfield site redevelopment process.



Source: (Regional Analytics, 2002)

UNDERUTILIZED LAND INVENTORY

As a part of the 2018 Underutilized Land Study (ULS), an Underutilized Land Inventory was compiled. The inventory identified 752 underutilized sites throughout Regina, which consist of vacant lots (585), surface parking lots (130) and vacant buildings (37). Removal of sites from the inventory will be a key metric to evaluate the effectiveness of the future incentive and related initiatives aimed at encouraging intensification and development on underutilized sites. According to the 2018 Underutilized Land Inventory, approximately 44 per cent and 22 per cent of underutilized sites are located within the City Centre and North-Central neighbourhoods, respectively.

Types of Incentives and Standards of Best Practices

TAX EXEMPTION

Tax exemptions are limited by *The Cities Act* to a maximum five-year term. Section 28(a) of *The Heritage Property Act* enables the City to exceed the exemption term limit from *The Cities Act* for designated heritage properties only. Tax exemptions that the City currently provides require approval from Council. The City uses tax exemption agreements if the exemption is beyond one-year. One-year tax exemptions do not normally require an agreement, but a bylaw is still needed.

Often a tax exemption is stacked with other incentive types to entice development in target areas. The City offers tax exemptions under the Housing Incentive Policy, Heritage Incentive Policy and Community Non-Profit Tax Exemption Policy. Tax exemption incentive programs take many forms and there are many elements to consider when forming policy, which are summarized below.

Tax Exemption Term and Percentage

The maximum incentive term is limited by legislation from *The Cities Act* and *The Heritage Property Act*, as mentioned above. Some programs vary the exemption term based on construction value, project costs incurred, design guidelines, or other established criteria. The percentage of the property tax exemption does not necessarily need to be 100 per cent for the full term. The table below shows how one incentive program structures its tax exemption incentive percentage and term based on the value of construction for a project.

Value of Construction	Exemption Term and Percentage Exempt
$100,000 - $250,000	Year (Yr) 1 – 50%
$250,001 - $400,000	Yr. 1 – 75%, Yr. 2 – 50%
$400,001 - $600,000	Yr. 1 – 100%, Yr. 2 – 75%, Yr. 3 – 50%
$600,001 - $750,000	Yr. 1 – 100%, Yr. 2 – 75%, Yr. 3 – 50%, Yr. 4 – 25%
More than $750,001	Yr. 1 – 100%, Yr. 2 – 100%, Yr. 3 – 75%, Yr. 4 – 50%, Yr. 5 – 25%

Source: (RM of Lumsden No. 189, 2018)

Portion of Taxes Exempted – Improvement or Land

An exemption program may waive total property taxes or may choose to waive either the portion of property taxes associated with the land or improvement (i.e. new building). This consideration often relates to the overall objective of the tax exemption program. For example, if the goal of the municipality was to increase development on vacant lots or see significant expansion of existing developments, they may choose to offer an incentive that exempts the portion of property taxes attributed to the new improvement (i.e. new building or expansion to an existing building).

Type of Taxes Exempted – Municipal, School, Library

Municipalities in Saskatchewan may set a tax exemption policy the exempts municipal, school and/or library portions of taxation. Under clause 9(2)(b) of *The Education Property Tax Act,* a municipality must request the minister to exempt school taxes for a parcel if the amount of the exemption is over $25,000. Even with the limitations stated above, most of the municipal tax exemption programs researched choose to provide exemptions for all or a portion of total taxation, rather than just taxation from a single authority. If both municipal and school taxes are being exempted, legislation requires that the exemption percentage of each is equal.

TAX INCREMENT EQUIVALENT GRANT (TIEG)

A tax increment equivalent grant (TIEG) is a financial incentive tool observed in use in municipalities throughout the United States and Canada.

General Tax Increment Equivalent Grant Process

1. A base line municipal tax value is established (i.e. the property taxes prior to new development occurring).
2. The project is completed (applicant still pays full taxes during construction).
3. After the project is completed, it must receive satisfactory final inspections from the municipal building official.
4. The property is assessed after construction is completed to reflect the value of the new development.
5. The tax increment can be calculated by taking the post-development municipal taxes and subtracting the pre-development municipal taxes.
6. Depending on the specifics of the program, a grant equal to the increment or a percentage of the increment may be paid out, either in a lump sum or stretched out over several years.

TIEGs can be used to offset the additional taxation on a property after a project is completed for a defined period. This means that the property owner would still pay the same amount of taxes that they did before the new development was completed for a set period.

Some municipalities (e.g. Saskatoon) have programs that offer a lump sum TIEG to cover the increase in municipal taxation for a defined period. Under such an arrangement, the tax increment or a percentage of the tax increment (depending on the specifics of the program) is multiplied by a specific number of years to establish a total lump sum grant amount. This allows the applicant to get an upfront “advance” to cover future municipal taxes that will need to be paid on the property for a defined period.

In programs that offer an initial lump sum TIEG, the municipality allocates funds to start an initial program reserve to cover the initial lump sum TIEGs, however, after the lump sum is issued, the municipal tax increment on the property that received the grant is allocated back into the program reserve each year until the lump sum grant is paid back into the reserve. The remaining portion of municipal taxes (i.e. an amount equal to the pre-development municipal taxes) is allocated to the City's general tax revenue accounts.

Municipalities may also use a TIEG as an incentive to rebate certain eligible costs incurred during the infill development process or brownfield remediation process. A municipality may calculate the tax increment on a property and provide yearly grants equal to all or a portion of the increment until the total amount of grants equals the total amount of eligible project costs incurred by the developer or the expiration of a defined period specified in the program (e.g. 10 years).

TIEGs may be thought of as "pay as you go grants" as the property owner or developer is initially responsible for any remediation and/or development costs, upgrades to the infrastructure needed for the development and payment of full taxes each year. After the development is completed, a TIEG can be used to help reimburse the property owner or developer for these costs using the tax increment (Green, 2016).

Some municipal TIEG programs will initially offer a full or partial grant, decreasing the amount on an annual basis over the incentive term. Other policies utilize a "scorecard" or "points system" whereby eligible projects are allocated points based on considerations such as the compliance of a project with OCP policy directive or total eligible costs that a project accrues, the points calculated determine the what percentage of the tax increment that the project will receive in the form a lump sum or yearly TIEG(s).

STUDY GRANTS

Some municipalities provide funding to applicants who wish to conduct pre-screening on a property that they are interested in developing, such as an environmental site assessment or serviceability study. Municipal study grant programs promote the undertaking of studies to collect information such as required servicing or levels of contamination on site. Types of studies that many of the municipalities researched issue grants for include:

- Feasibility/serviceability studies;
- Phase one, two or three environment site assessments;
- Remedial work plans or risk assessments;
- Designated substance and hazardous material studies; and
- Others. (Green, 2016)

REDUCTION IN DEVELOPMENT CHARGES

To incentivize specific development types or development in a targeted area of a municipality, some municipalities will waive all or a portion of development charges (e.g. Servicing Agreement Fee, Development Levy). Most incentive policies researched that involve a reduction or rebate of development charges still require the applicant to pay the charge, usually before the issuance of the building permit for the project. A grant or rebate is issued back to the applicant after the project is completed, receives satisfactory final building inspections and the property receives a post-construction assessment.

TAXABLE SUB-CLASS

Per *The Cities Act*, a city council may create sub-classes of property with distinct mill rate factors to more equitably allocate the property tax burden to specific land types and to incentivize or disincentivize specific types of activity or investment. For example, a city could establish a property sub-class for privately owned aircraft carriers under a commercial and industrial property class so that privately owned hangars are taxed at the same rate as residential properties.

In Spring 2014, the City of Moose Jaw implemented a sub-class that taxed vacant industrial and commercial properties at two and a half times the rate of developed commercial or industrial property. At the time of implementation, the City of Moose Jaw noted that properties in the newly created sub-class had been assessed an average of $1,300 in annual municipal taxes. Under the new sub-class, the properties averaged $3,200 in annual municipal taxes. To be tax revenue-neutral, the added tax revenue collected was used to lower the taxes for developed commercial and industrial properties (City of Saskatoon, 2018).

In May 2017, the City of Moose Jaw abolished the vacant property tax sub-class for several reasons. The City of Moose Jaw did not find an indication that the tax sub-class had incentivized additional development on vacant properties. The City of Moose Jaw cited that issues had arisen related to the application of the policy, particularly related to the time between the demolishment of a building on a site and a new building being erected. During this period, properties continued to be taxed at higher rates as sites were considered to be vacant until a new building is deemed substantially complete, even with a building permit being in place for new construction (City of Saskatoon, 2018).

Moose Jaw City Council noted issues related to when a vacant commercial or industrial lot owned by the City of Moose Jaw was purchased for development. During the period between a developer acquiring the property and new development being constructed, the developer was taxed at a higher rate, as the property is deemed vacant until substantial construction completion (City of Moose Jaw, 2017).

Based on the City of Moose Jaw's experience using the tax sub-class in this manner, it is not recommended that the City of Regina (City) explores this option. The 2019 Underutilized

Land Improvement Strategy contains an action for the City to work with Municipalities of Saskatchewan to lobby for tax legislation changes to allow for site-specific tax measures to penalize landowners of underutilized lands who have removed the sites from the marketplace.

UTILITY/INFRASTRUCTURE UPGRADE FEES GRANT

Some municipalities may offer a rebate to developers who must replace or upgrade utilities or infrastructure as a part of their infill development or redevelopment project. Sometimes when a project proposes to increase the "intensity of use" (e.g. demolish a home, replace with four-plex) on a lot in an established neighbourhood, the infrastructure or utilities that service that lot must be replaced or upgraded to support the higher intensity of use.

EXAMPLE:

- Several houses next to one another are demolished and replaced with an apartment.
- The immediate infrastructure and utilities were historically intended to service the single-family dwellings and may be insufficient to support an apartment.
- For the apartment development to proceed, the applicant will need to up-size or upgrade the infrastructure servicing the lots so that they sufficiently provide service to the apartments and meet the City's servicing requirements.

Upsizing or upgrading utilities can be a costly endeavour to developers, which is why a partial rebate of fees paid by developers can be lucrative as it offsets some of the costs associated with making the sometimes costly upgrades to the infrastructure needed to support their development. In these types of grant programs, the developer still is required to cover the costs of making necessary upgrades. After the infrastructure upgrades (e.g. up-sized sanitary sewer line) and overall development project are completed to the satisfaction of the municipality, the municipality may provide a grant covering a portion of the costs.

TAX INCREMENT FINANCING

Subsection 281.1(1) of *The Cities Act* grants a city council the authority to establish tax increment financing (TIF) programs in designated areas of the city to encourage development or investment in those areas. Section 281.2 of *The Cities Act* states that a TIF program may allocate a portion of incremental municipal taxes coming from a designated area into a reserve fund. Funds in the reserve may be used to invest in redevelopment or a project within the designated area.

Under a TIF program, municipal property tax revenue in a designated area can be divided into two streams:

- Stream #1 – The amount equal to the assessed value before any new development; and

- Stream #2 – The amount equal to the increase in the assessed value after new development.

Stream #1 is directed to general municipal use. Stream #2 is directed to a special increment reserve to help repay the costs of the redevelopment or project undertaken. After the timeframe stipulated in a TIF program expires, full tax revenue from the designated area is directed to general municipal use (Government of Saskatchewan, 2021). A bylaw must be passed for a TIF program to be initiated.

The premise is that after a TIF project is completed, there will be an economic spinoff in the designated area that benefits from the project, stimulating new development within the designated area. Property tax revenue from this new development is used to pay back the cost of the project.

More than one-third of the City of Edmonton's new arena project was funded through a TIF program. After the location of the arena was chosen, the area that will receive the economic spin-offs from the arena was mapped out and designated. Going forward, revenue from new development (e.g. hotel, restaurant) in the designated area is used to pay down the debt of the project (Kessler, 2018).

MUNICIPAL FEES GRANT

Some municipalities provide a full or partial grant equal to any municipal fees incurred by the applicant throughout a project. Based on the research, municipal fees eligible for repayment through a grant can include: development charges, minor variance fees, development permit application fees, building permit application fees, official community plan amendments, zoning bylaw amendments, demolition permit fees and landfill tipping fees. Under municipal fee grant programs, the property owner or developer still pays the applicable fee as usual and is rebated through a one-time grant after the project is deemed completed (Green, 2016).

STACKING INCENTIVES

Many of the municipalities researched had multiple incentive programs and funding streams that allowed each respective program to be stacked with another. This effectively allows one project to receive multiple different incentives, each with its distinct function. For instance, the structure of a municipality's incentive policy could allow an applicant to receive funding for an environmental study under one grant, be compensated for remediation costs through a separate grant and have a tax exemption applied after development is completed on a property.

NON-FINANCIAL TOOLS

The incentive types and best practices mentioned above, pertain to financial tools or methods that can be used to encourage development. Financial tools are only one of many methods to encourage intensification and development on underutilized sites. A municipality can exercise regulatory (e.g. zoning changes), promotional and procedural tactics to meet growth and development objectives. The 2019 Underutilized Land Improvement Strategy (ULIS) includes several non-financial tools, which are briefly touched on below.

Regulatory

This involves looking at how regulatory frameworks (e.g. Zoning Bylaw) can impact intensification and development on underutilized sites. The ULIS outlines actions that can be undertaken within the confines of the Zoning Bylaw to support development, such as using contract zoning on contaminated sites, pre-zoning sites and exploring temporary uses for vacant lots.

Process/Procedural

A municipality can look at its internal processes when handling applications for development to ensure the process is streamlined, coordinated and predictable. This may involve looking at ways to "remove red tape" and build capacity for applicants so they know what to expect when applying for a project. Actions from the ULIS that support process and procedural improvements include prioritizing infill applications, implementing one-point of contact through the entire application process, looking at online tools to assist developers in understanding the process and others.

Promotional

Promotional tools can be used to celebrate successful projects and encourage others to explore projects on underutilized sites. It involves a culture shift that recognizes development in the established city as a realistic possibility. Actions from the ULIS that involve promoting development on underutilized sites range from exploring the creation of Infill Development Awards to undertaking a communication campaign to provide facts on the value of developing in established areas.

Case Studies

During the research process for the Discussion Paper, innovative and unique incentive policies currently in use by Canadian municipalities were identified and reviewed in detail. Summarized in the forthcoming subsections of the Discussion Paper are case studies that are intended to:

- Provide unique and innovative examples of intensification-oriented incentive policies currently in place in other jurisdictions;
- Showcase policy considerations and implications identified by other municipalities; and
- Give a general sense of the financial and administrative requirements needed to administer intensification-based incentive policies and programs.

Lessons learned as a result of each of these case studies can help guide the City towards drafting its policy.

Some of the case studies reviewed pertain to Ontario municipalities, who are subject to different planning legislation than Saskatchewan municipalities. Ontario's planning legislation provides a municipality with the authority to prepare and adopt a Community Improvement Plan (CIP) which focuses on the maintenance, rehabilitation, development and redevelopment of targeted areas of a municipality. According to *The Ontario Planning Act*, a CIP must be in place for a municipality to offer grants, loans or incentives aimed at stimulating private sector investment in targeted areas of the municipality; subject to some restrictions.

CASE STUDY #1: EDMONTON, ALBERTA

In July 2010, Edmonton City Council created the Contaminated Gas Station Task Force, comprising of five councillors and members of the administration. The focus of the task force was to fast-track remediation and redevelopment of former gas station brownfield sites, especially those located within residential neighbourhoods. The task force developed a discussion paper and presented it to Edmonton City Council. The discussion paper:

- Identified 50 former gas station sites (22 owned by a single company);
- Provided an overview of the remediation process; and
- Examined barriers to brownfield site redevelopment and provided resolutions to address barriers.

Subsequently, revisions to Edmonton's existing Brownfield Redevelopment Grant Program were made that better reflected best practices. The modifications to the program included matching grant phases with environmental site assessment (ESA) phases to make the program easier to understand and to reward incremental progress. The table at the start of the next page highlights the four current grant phases.

Grant:	Description:	Amount:
Phase 1 ESA Grant	Desktop research report of a site's history and likely contamination status. Site visits are included.	$5,000 or 80%, whichever is less.
Phase 2 ESA Grant	Testing, analysis, delineation and remediation plan tailored to the property's onsite results.	$80,000 or 80%, whichever is less.
Phase 3 ESA Grant	Remediation and/or exposure control to meet Alberta Environment legislation and City of Edmonton regulations to ready the site for its intended use.	Up to 100% remediation costs for minimum LEED Silver Certified redevelopment. Up to 50% of remediation costs for non-LEED Silver minimum redevelopment.
Phase 4 Grant	Support for sites that will not be developed for an indeterminate amount of time, but could be useful for: • interim use (e.g. pocket park); • community art; • renewable energy (e.g. solar); • other	Up to $200,000 or 80%, whichever is less.

The Phase 1, 2 and 4 Grants are funded through general tax levies, while the Phase 3 Grant is funded through the generated municipal tax increment (i.e. difference in pre- and post-development municipal taxes). All program applications are reviewed by Edmonton's Brownfield Grant Panel, whose members represent taxation, finance and environmental business areas from the City of Edmonton's Administration (City of Edmonton, 2017).

As of 2017, since the program's initiation in 2011, over 30 brownfield redevelopment projects have been either completed or are in progress. The value of the grants associated with various projects is over $10 million, the majority of which is reported to be funded through new municipal tax revenue generated from new or renewed private sector investment on brownfield sites. Edmonton's program is nationally recognized as the program has won several awards including the Canadian Urban Institute's Brownie Award for Reinvestment, the Minister's Award for Excellence for Large Municipalities and the Federation of Canadian Municipalities Sustainable Community Award for Brownfield Plans (City of Edmonton, 2017).

Figure 1 shows one of the more notable brownfield redevelopment projects in Edmonton that partook in the grant; Raymond Block. Raymond Block was a historic hotel that occupied Whyte Avenue in the early 1900s, however, the hotel would be demolished, and the space would be occupied by a gas station later in the century. In 1998, the gas station closed, but leakage from the underground tanks was observed, which took close to 20 years to remediate, during which time the site was vacant. The $50 million redevelopment project consists of a six-storey 132,000 square foot building, that includes residential, office and retail properties. The ground floor of the building has space for seven retailers, while the second floor is designated as office space. The top four floors of the building include 95 luxury apartments (Cook, 2019).

Fig. 1: Comparison of Raymond Block brownfield site pre and post-development (raymondblock.com)

Administered by one full-time equivalent (FTE) Brownfield Coordinator, Edmonton's Brownfield Redevelopment Program has made significant strides in reducing Edmonton's brownfield site inventory.

CASE STUDY #2: KINGSTON, ONTARIO

In 2005, Kingston passed a bylaw to adopt a Community Improvement Plan (CIP) to target brownfield properties within the municipality. The CIP included several incentives such as tax assistance, development charge exemptions, and grants for brownfield development projects, which include contaminated sites and buildings. In 2017, a new CIP was adopted that again emphasized brownfield redevelopment (amended in 2019). Below, some of the incentives offered under Kingston's Brownfield CIP are highlighted.

Brownfield Financial Tax Incentive Program

- The Brownfield Financial Tax Incentive Program allows the cancellation of up to 100 per cent of municipal property taxes during the site rehabilitation and redevelopment period.
- To qualify, applicants must have conducted a Phase 2 ESA on the site.
- Eligible rehabilitation costs are outlined in Kingston's Brownfield CIP.
- Property tax assistance terminates when:
  - The total tax assistance provided equals total approved rehabilitation costs;
  - On the date when an Occupancy Permit is issued for development; or
  - A period of 36 months from the date specified on the Brownfield Site Agreement expires (City of Kingston, 2017).

Tax Increment-Based Rehabilitation Grant Program

- The grant is intended to cover costs such as demolition of derelict buildings, removal of contaminated fill, placement of clean fill and grading.

- Funds issued to an applicant are provided through a tax increment equivalent grant (TIEG).
- After a project is completed, the municipal tax increment is established (i.e. difference in pre- and post-development municipal taxes).
- 80 per cent of the tax increment is issued to the applicant through yearly grants which may occur over 10 years or up to the point when eligible rehabilitation costs are paid out. The remaining 20 per cent of the tax increment is allocated into Kingston's Municipal Brownfield Reserve Fund, which provides Kingston with funds to implement their Brownfield Redevelopment Strategy (City of Kingston, 2017).

Expenses for all programs include one full-time staff equivalent (reviews and processes applications, monitors program, etc.) and promotion per Kingston's marketing strategy.

CASE STUDY #3: WINDSOR, ONTARIO

Windsor has several different incentive programs aimed at encouraging investment within key neighbourhoods. Windsor's incentives are structured through a series of community improvement plans (CIP). This means that the incentives vary based on which area of Windsor the project is located in.

Development Charge Grant Program (Olde Sandwich Town)

- The Development Charge Grant Program is intended to promote the redevelopment of commercial and mixed-use properties in target areas.
- The financial rationale for reducing the development charge in this area of Windsor directly correlates with the existing sufficiency of the infrastructure in Olde Sandwich Town (i.e. existing road, water and sewer infrastructure have adequate capacity).
- The program provides a grant equal to between 50 per cent and 100 per cent of Windsor's development charge.
- The amount of the grant depends on the level of Leadership in Energy and Environmental Design (LEED) certification that the project obtains. For instance, if no LEED certification is obtained, the grant is equal to 50 per cent of the development charge, while if LEED Platinum is obtained, the grant will be equal to 100 per cent of the development charge.
- The full amount of the development charge is due payable at the time of building permit issuance. The grant is only issued after building construction is completed and the final inspection of the building has been completed (City of Windsor, 2012).

Municipal Development Fees Grant Program (Ford City)

- Developers may receive a grant covering 100 per cent of specified municipal development fees, up to a maximum of $50,000 per property.
- The grant is only eligible for projects which result in the development, redevelopment, adaptive reuse or rehabilitation of a building or property.

- Developers still must pay the fees during the development process and are eligible for the grant upon project completion.
- The Ford City CIP area is located within Windsor's Development Charges Reduction Program Area, therefore, development charges for an eligible project in Ford City may already be reduced. The portion of the development charge not covered under the Development Charges Reduction Program may be eligible for possible funding under the Municipal Development Fees Grant Program (City of Windsor, 2018).

CASE STUDY #4: SASKATOON, SASKATCHEWAN

Saskatoon's Streamlining Downtown Development Program (SDDP) was introduced in 2018 as a combination of tactics to encourage growth in the downtown area. The SDDP originally exempted payment of servicing agreement fees in the downtown area. In 2019 the servicing agreement fee exemption area was expanded to include: all areas within Circle Drive, Sutherland, Sutherland Industrial, Forest Grove and Montgomery Place. The servicing agreement fee exemption only applies to sites that are within multiple-unit residential, commercial or mixed-use zoning districts; low density and one and two-unit residential zones are not eligible.

Under the SDDP, an additional staff position was introduced to help facilitate development downtown; the Downtown Development Coordinator (DDC). The position was approved as a part of the 2018 budget. Funding for the position is provided via building permit fees so there is no mill rate impact. The DDC is intended to act as a liaison between City of Saskatoon Administration and developers/applicants, handling communicative and procedural aspects associated with development. The DDC is meant to be the primary point of contact for developers of substantial projects (City of Saskatoon, 2019).

Other initiatives included under the SDDP that are intended to streamline processes and provide incentives for new development in target areas include:

- Identification of major infrastructure deficiencies for development and options to fund upgrades;
- Waiving complete Traffic Impact Assessments;
- Waiving on-site stormwater management requirements for new development;
- Review of certain zoning districts; and
- Looking at options to reduce detour, lane closure and temporary reserved parking fees related to new development (City of Saskatoon, 2019).

Vacant Lot & Adaptive Reuse Program

- Saskatoon's Vacant Lot & Adaptive Reuse (VLAR) Program was adopted in 2011 and is intended to incite development on vacant or brownfield sites and the reuse of vacant buildings within established areas of the City, including downtown.

- A maximum incentive amount is determined that is equivalent to the difference in the municipal portion of post-development and pre-development property taxes after completion of new development and post-construction assessment (i.e. the municipal tax increment). This amount is then multiplied by a factor of five, representative of five years.
- An earned incentive amount is established by scrutinizing the project through a scorecard system that is linked to OCP policy directive. Total points accrued dictate what percentage of the maximum incentive amount an applicant may receive, also referred to as the "earned incentive amount".

  EXAMPLE: *The municipal tax increment as a result of a multi-family development, amounts to an additional $10,000 in municipal taxes on a property. Per the policy, the tax increment is multiplied by five years to get a maximum incentive amount of $50,000. The project then receives a project evaluation based on the proposal evaluation criteria from the policy and the project scores 60 of 100 possible points. 60 per cent of the maximum incentive amount determines the earned incentive amount of $30,000.*

	Grant/Tax Abatement Calculation
Tax Increment (i.e. change in taxation as a result of development)	$10,000 x 5 years
Maximum Incentive Amount x Points (based on project evaluation)	$50,000 x 60/100 points
Earned Incentive Amount	$30,000 payment begins following project completion

- After the earned incentive amount is determined, the applicant is given a choice of assistance in the form of a five-year tax exemption equal to the earned incentive amount (incrementally spanned over five years), or a one-time lump sum cash grant equal to the earned incentive amount and not exceeding the following amounts:
  - $200,000 for commercial, industrial or mixed-use developments;
  - $75,000 for multiple unit dwellings; and
  - $15,000 for one and two-unit dwellings.
- The VLAR Program applies to the City Centre, as well as established neighbourhoods. Projects supported by the VLAR Program must either be located on a vacant site, contain a derelict principal building (i.e. intended to be demolished so the site may be redevelopment), or be a vacant building (City of Saskatoon, 2011).
- As of 2018, since the launch of the program in 2011, 65 incentive applications have been approved, including 15 in 2018. During this same timeframe, $1.7 million in incentives have been awarded to approved projects, corresponding to investments of over $180 million within the program neighbourhoods (City of Saskatoon, 2019).

CASE STUDY #5: RED DEER, ALBERTA

In February 2020, the City of Red Deer rolled out several incentives under the municipality's Downtown Economic Incentive Program. The incentives are funded through Red Deer City Council's $850,000 two-year budget commitment towards stimulating economic development (Cowley, 2020). Under the program, applicants may apply under five different incentive programs, each with its specific function. To be eligible for funding under this program, the development must be located within Red Deer's Greater Downtown Area.

Applicants may apply for funding during two intake periods, with applications prioritized using a scorecard system. During the first intake for the program, which spanned from February 15, 2020, to March 15, 2020 (Rolheiser, 2020), the City of Red Deer awarded $505,778 in grants to 26 downtown development projects, which are expected to generate at least $705,000 in supplementary private sector investment in Red Deer's Greater Downtown Area (City of Red Deer, 2020). Amounts awarded under the first intake for each program funding opportunity are as follows:

- Façade and Storefront Improvement Rebate: 25 projects, total amount of $325,868.
- Environmental Site Assessment Rebate: one project, total amount of $4,000.
- Demolition of Vacant and Derelict Properties Rebate: no applications were submitted.
- Utility Connection Fee Rebate: one project, total amount of $20,000.
- Residential and Mixed-Use Development Grant: one project, total amount of $150,000. This project added five new residential units to Red Deer's downtown area (City of Red Deer, 2020).

Each of Red Deer's five programs is briefly detailed below for reference.

Environmental Site Assessment Rebate

- The 2020 budget commitment for the Environmental Site Assessment Rebate was $50,000 (City of Red Deer, 2019).
- A partial rebate of Phase 1 or Phase 2 Environmental Site Assessment (ESA) costs is offered to property owners who wish to consider development.
- A Phase 1 ESA may receive 80% funding, to a maximum of $5,000.
- A Phase 2 ESA may receive 50% funding, to a maximum of $20,000.
- Only commercial or multi-family zoned properties within the Greater Downtown Area are eligible.
- The City of Red Deer receives a copy of all ESAs completed.

Demolition of Vacant and Derelict Properties Rebate

- The 2020 budget commitment for the Demolition of Vacant and Derelict Properties Rebate was $100,000 (City of Red Deer).
- The Demolition of Vacant and Derelict Properties Rebate offers a partial rebate to assist in demolition costs for structures that are unoccupied or no longer viable for future investment or use.

- The rebate covers up to 50 per cent of costs to demolish vacant and/or derelict buildings up to a maximum of $25,000 per project.
- Funding is only available if the project is in the Greater Downtown Area and has commercial or multi-family zoning.

Residential and Mixed-Use Grant (Tax-Offset Program)

- To fund the Residential and Mixed-Use Grant, Council approved an operating budget funding request to serve as a placeholder, as the grant will eventually be financed using the municipal tax increment generated by new development (i.e. difference in pre- and post-development municipal taxes). Any development that receives the grant, will have its tax increment reallocated back into the program reserve until the cost of the grant is recouped.
- Grants are provided based on a project's construction value.
- Projects must be a mixed-use or high-density residential development, with a minimum height of two storeys.
- To be eligible, dwelling units must have a minimum size of 600 square feet, while non-dwelling units must have a minimum size of 800 square feet.

Façade and Storefront Improvement Grant

- The 2020 budget commitment for the Façade and Storefront Improvement Grant was $100,000 (City of Red Deer, 2019).
- The grant is intended to encourage façade improvements on buildings with the program's target area. The improvements are to consist of signage or security measures.
- The first intake for Red Deer's Downtown Development Incentive Program saw the City of Red Deer award 26 projects with $325,868 in funding under the Façade and Storefront Improvement Grant. According to the City of Red Deer's website, it appears that the Façade and Storefront Improvement Grant was unavailable during the second intake of the program, "as a result of its expansion during the first intake" (City of Red Deer, 2020).

Analysis of Incentive Options for Regina

Several of the possible incentive options reviewed in preparation for the Discussion Paper could apply to Regina. Based on research, incentive options for Regina have been identified, each of which would be targeted to the City Centre and strategic surrounding neighbourhoods. Below each of the incentive options is listed.

1. Brownfield Revitalization Program – Initial Study Grants & Tax Rebate
2. Development Charge Rebate
3. Utility Upgrade Fees Grant
4. Tax Exemption
5. Annual Tax Increment Equivalent Grant – Full Coverage of Eligible Project Costs
6. Annual Tax Increment Equivalent Grant – Partial Coverage of Eligible Projects Costs
7. Choice of Tax Exemption or Lump Sum Tax Increment Equivalent Grant
8. Serviceability Study Grant

The forthcoming subsections of the Discussion Paper are intended to give an in-depth look at each possible incentive option listed above. The incentive options are flexible, along with the various components associated with each incentive (e.g. grant amount, term). Each incentive option will include an overview, impact and effort analysis and identification of possible risks to the City. The impact and effort analysis is intended to compare the anticipated resources need to administer each incentive option with the anticipated impact that each option may have on achieving the City's goals. The impact and effort analysis was conducted through interviews and discussions with members of the City's administration spanning several different business areas. The effort and impact associated with each option were rated out of 10. The scale for the ratings is as follows:

- 0/10 = extremely low impact or effort
- 1/10 = very low impact or effort
- 2/10 = low impact or effort
- 3/10 = moderately low impact or effort
- 4/10 = slightly low impact or effort
- 5/10 = moderate impact or effort
- 6/10 = slightly high impact or effort
- 7/10 = moderately high impact or effort
- 8/10 high impact or effort
- 9/10 = very high impact or effort
- 10/10 = extremely high impact or effort

Complete, impact and effort analysis and rankings may be found in Appendix A.

PROGRAM TARGET AREA

it is recommended that the incentive is offered only in a prescribed program target area. As the future incentive program advances, the program's target area can always be expanded.

Council can consider expanding the program area based on the program's uptake in the initial years of the program. It is recommended that the program area consists of the City Centre and the North Central and Heritage neighbourhoods. The inclusion of the City Centre is directly supported by policy from the OCP which mandates population and employment growth in this area, while the North Central and Heritage neighbourhoods are included as they have high numbers of identified underutilized sites in each, as demonstrated within the Underutilized Land Inventory established in 2018. A map of the recommended program target area is attached as Appendix B.

PROGRAM FUNDING

The following incentive program options, except Options #4, #5 #6, will require an initial start-up investment or "seed money". Options #2, #3 and #7 are structured so that any funds paid out to successful applicants are paid back into the program reserve by allocating the municipal tax increment generated by the new development on the property receiving funding, back into the program reserve.

After a project receives occupancy approval and a post-construction assessment is completed, the City can determine the increase in municipal taxes that is attributable to the development. The tax increment is determined by subtracting the municipal portion of pre-development taxes from the municipal portion of post-development taxes on a property.

Under this model, the City is forgoing additional municipal tax revenue that it otherwise would have received as a result of new development. However, the City still receives the same amount of municipal tax revenue as it did before the development occurring on a site. Such development may not have occurred in the absence of an incentive.

OPTION #1: BROWNFIELD REVITALIZATION PROGRAM

A brownfield revitalization incentive is envisioned as being a subset of a larger incentive program, aimed at stimulating intensification and development on underutilized sites in target areas. The number of brownfield sites across the City is unknown. However, the City has several potential interests concerning the undertaking of brownfield site studies, site reclamation and site redevelopment.

Option #1 – Proposed Program Details

- The Brownfield Revitalization Program is a multi-tiered incentive that is contingent on the completion of environmental site assessments.
- Unlike the other seven options, the Brownfield Revitalization Program is intended to be available to any site with the City, not just those within the defined program target area (see Appendix B).
- Applicants could apply for a rebate of the cost of a Phase 1 ESA equal to 80 per cent of the total cost of the ESA, to a maximum of $5,000.

- Property owners who have completed a Phase 1 ESA may subsequently apply for a rebate of the cost of a Phase 2 ESA equal to 50 per cent of the total cost of the ESA, to a maximum of $20,000.
- Applicants that have approval from the Government of Saskatchewan to conduct remediation or reclamation on a site, are eligible for a tax rebate equal to the total amount of the municipal portion of property taxes paid on the site during reclamation or remediation activities, to a maximum of two years.
- The rebate is paid upon the City receiving verified confirmation that the site was indeed reclaimed or remediated in a satisfactory manner per the governing legislation.
- Applicants receiving the ESA rebates would not necessarily have to remediate or develop the property to receive the rebate.
- Before receiving any ESA rebates, applicants would need to supply the City with a copy of the ESA completed and evidence that all environmental consultants working on the applicant's behalf have been paid.
- The ESA would then get registered on the title of the property for future reference.
- An annual budget commitment of $50,000 is recommended to fund this program.
- Applicants would be accepted and prioritized on a first-come-first-serve basis.

Option # 1 – Impact and Effort Analysis

- This program option may have a **moderate impact (5/10)** on achieving intensification and development on underutilized sites and may require **low effort (2/10)** to administer.
- IMPACT:
    - The impact is given a "moderate" rating since even with the grant, property owners may not wish to proceed with costly remediation. Some may choose to complete the environmental site assessments to build capacity but ultimately may not develop if the level of site remediation or reclamation is cost-prohibitive.
    - Grants for the site assessments may not be enough alone to make a brownfield project financially viable.
    - Many commercial real estate transactions rely on the production of a Phase 1 ESA, regardless of whether the site in question has actual or perceived contamination. Providing funding for a Phase 1 ESA that may have been completed regardless may not be the best usage of program funds. Instead, program funds could be used for Phase 2 or Phase 3 ESAs, which are not as common.
- EFFORT:
    - The administrative effort required for this option likely would be low, as the administration of the program may entail the processing of applications and issuance of grants.

Option #1 – Risks

- The City may end up issuing several grants for environmental site assessments for properties that do not end up getting remediated or developed due to high costs.
- Since applicants are required to provide the City with a copy of any ESAs completed, the City could slowly learn more about whether contamination is actual or perceived on sites.
- The intent is that any ESAs completed would get registered as an interest on the title of the property so that the conditions of the site are fully transparent to the City and future owners of the property. This would need to be a component of the grant funding agreement with the applicant.

OPTION #2: DEVELOPMENT CHARGE REBATE

It is a common practice for a municipality to incentivize prescribed development types by either waiving or rebating all or a portion of a development charge for a project in a program target area (Ontario Ministry of Municipal Affairs and Housing, 2011). The City's current development charge structure includes the following types of development charges: Servicing Agreement Fee (SAF), Development Levy (DL) and Intensification Levy (IL).

Per the *Administration and Calculation of Servicing Agreement Fees and Development Levies Policy* (SAF/DL Policy), development within the SAF/DL Policy Established Area Boundary may be charged an IL.

Option #2 – Proposed Program Details

- Any project that is located within the program target area that would be required to pay an IL under the SAF/DL Policy is eligible to receive a rebate equal to the full amount of the IL.
- Applicants still would need to pay the levy before the project commences.
- The rebate would be issued after a project is completed and issued final approvals from Building Standards.
- The key difference between waiving the fee and providing repayment through a rebate is the impact on the Servicing Agreement/Development Levy Model (SAF/DL Model).
- The rebate would not come out of the SAF/DL Reserve, rather rebates would be funded from a specified program reserve. This ensures that there are no impacts to the SAF/DL Model.
- To fund the program reserve, a one-time start-up investment of $100,000 would be required.
- Any projects that receive the rebate would have the municipal tax increment (i.e. difference in pre- and post-development municipal taxes) generated as a result of the new development allocated back into the program reserve until the cost of the rebate is fully paid back to the reserve.

- Funding for applications is prioritized using a scorecard system evaluating whether the project meets defined OCP policy directives (e.g. extra points awarded if the project has a solar component). A sample OCP design criteria scorecard is attached as Appendix C for reference.

Option # 2 – Impact and Effort Analysis

- This program option may have a **moderate impact (5/10)** on achieving intensification and development on underutilized sites and may require **moderately low effort (3/10)** to administer.
- IMPACT:
  - Providing a rebate covering the applicant's IL payment may take away from the overall intent of the IL.
  - The proposed $100,000 program budget could get used quickly and may not be enough to cover approved applications.
  - Alternatively, this program could be revised to offer the rebate to specific sectors; such as non-profits, which would help ensure that the program reserve does not get used up rapidly.
  - Applicants must pay the IL at the time of the issuance of a building permit (generally), which may dilute the incentive's impact as applicants will initially be "out of pocket" for the cost of the IL.
  - The rebate would be a "cherry on top" for many applicants, but the impact of the rebate may not be high enough to be the sole difference between a project proceeding or not.
- EFFORT:
  - Some coordination would be required among various business areas.
  - The proposed program is straightforward, if a project must pay an IL and is located within the program target area, they are eligible for this rebate.

Option #2 – Risks

- There may be such a high number of applications, that Council may need to approve additional budget allocations to support all applications.
- An applicant may want a definitive answer as to whether they are receiving the rebate before moving forward with a project.
- If this option is pursued, the program's target area would need to be re-evaluated and refined to ensure that large development lands, such as the Regina Exhibition Association Limited (REAL) lands, are excluded due to high development potential.
- Rebating the cost of the IL on these large sites would mean an extremely high cost to the City and could use up most of the program reserve with a few applications.

OPTION #3: UTILITY UPGRADE FEES GRANT

One of the key barriers identified during the stakeholder consultation for the 2018 Underutilized Land Study relates to uncertainty surrounding the availability of infrastructure to support redevelopment. Often developers will have to up-size utilities or infrastructure as a part of their redevelopment project; which can be an unexpected and costly surprise. Developers must carry out agreements with the City to facilitate any upgrades before development.

Currently, the City supports projects to renew aging infrastructure to extend the life of its assets. Specifically, three staff positions have been added to conduct studies on infrastructure renewal. This involves looking at upgrading the capacity of existing infrastructure in established areas to minimize the impact on developers who want to redevelop in that area.

Any grants offered for utility upgrades would be over and above work that the City is already doing. A utility upgrade fees grant is intended to diminish overall project costs for applications by partially covering the costs of a developer upgrading infrastructure and utilities to support their desired development type.

Option #3 – Proposed Program Details

- A grant equal to 50 per cent of the cost of any utility upgrades required by the City to support development in the program's target area, up to a maximum of $50,000 per property.
- Applicants could apply for the grant before commencing the utility upgrade, however, grants would not be released until the City has completed the necessary inspections to determine that infrastructure/upgrades were installed sufficiently.
- A one-time start-up investment of $100,000 is recommended to cover grants issued in the initial years of the program. The start-up investment could be provided through the assumed utility budget.
- The amount of any grants issued is paid back into the reserve using the municipal tax increment (i.e. difference in pre- and post-development municipal taxes) from property's that received the incentive.
- Applications would be accepted on a first-come-first-serve basis.
- Prioritization through an OCP design criteria scorecard (Appendix C) could be looked at in the future if uptake causes the total amount of the grants to exceed the $100,000 program budget.

Option #3 – Impact and Effort Analysis

- This program option may have a **slightly high impact (6/10)** on achieving intensification and development on underutilized sites and may require **low effort (2/10)** to administer.
- IMPACT:

    - The grant may act as a catalyst to push forward development projects that were previously tabled due to cost concerns related to utility upgrades needed for a specific project.
- EFFORT:
    - The administration of the program would require some coordination among the City's business areas, especially to verify the final costs incurred by an applicant when making the necessary utility upgrades.
    - If the OCP design criteria scorecard is added to the program later to prioritize applications, the level of effort to administer the program would rise.

Option #3 – Risks

- The $100,000 program budget may get used up quickly, especially if larger projects that require costly infrastructure upgrades apply for the grant.
- The program contemplates offering the grants on a first-come-first-serve basis. This means that some applicants could get turned away unless Council approves additional budget allocation.
    - To remedy this issue, a possible consideration could be to have two grant funding streams, each at $100,000, one for commercial/industrial developments and one for residential developments.

OPTION #4: TAX EXEMPTION

Currently, the City of Regina offers tax exemptions through the Housing Incentive Policy and Heritage Incentive Policy. A tax exemption can provide financial relief to property owners and developers as they do not have to pay full taxes for their property for a set length of time. A municipality often offers a tax exemption after a new development is completed on a property so that the property owner does not experience the increase in taxation attributable to the new development for several years.

Option #4 – Proposed Program Details

- Any new development on a property located within the program's target area may be eligible for a tax exemption if the project increases the property's assessed value after project completion.
- The tax exemption would be for a full five-year term, commencing the first full year after the post-construction assessment is completed.
- The tax exemption would be equal to the portion of property taxes attributable to the new development or improvement on site (e.g. new structure on vacant site, addition to an existing building).
- The exemption would be calculated by subtracting the pre-development property taxes from the post-development property taxes. This calculation ensures that the City

still receives the same amount of municipal taxes on the property that it did before new development occurring for the duration of the incentive term.

- The tax exemption would be for the municipal, school and library portions of an applicant's tax bill, with the school property tax exemption being subject to Government of Saskatchewan legislation and approval.
- Applicants may only receive a tax exemption under this policy, the exemption cannot be stacked with any exemptions from the Housing Incentive Policy or Heritage Incentive Policy due to legislative restrictions.

Option #4 – Impact and Effort Analysis

- This program option may have a **slightly low impact (4/10)** on achieving intensification and development on underutilized sites and may require **slightly low effort (4/10)** to administer.
- IMPACT:
    - Tax exemptions may work well for applicants who wish to build and rent or lease a commercial or residential development.
    - The exemption may not be as meaningful for applicants who construct a new development intending to sell it immediately.
    - While a tax exemption likely would be helpful to an applicant, it may not be impactful enough to be the sole difference between a development proceeding or not.
- EFFORT:
    - The effort required to administer this incentive option would likely be very similar to the effort and resources needed to administer the Housing Incentive Policy.
    - Since the exemption term is five-years, the exemption amount would likely need to be adjusted at least once, as the re-evaluation of property occurs every four years. This adds another level of administrative effort.

Option #4 – Risks

- Tax exemptions are offered through the Housing Incentive Policy, which means that there could be overlap among the policies.
- The City may need to put a cap on the total amount of exemptions that they issue each year.

OPTION #5: TAX INCREMENT EQUIVALENT GRANTS (FULL)

According to research, the usage of a tax increment equivalent grant (TIEG) as a development incentive is becoming quite common in many Canadian municipalities, with high usage in Ontario (Ontario Ministry of Municipal Affairs and Housing, 2011).

A TIEG incentive may be lucrative for a municipality as some may view TIEGs as having minimal impact on a municipality's finances. Under a TIEG program, an applicant still pays full taxes throughout the grant term, subsequently receiving a grant equal to the municipal tax increment (i.e. the difference in pre- and post-development municipal taxes). This arrangement ensures that the municipality still receives the same amount of municipal taxes that it did before new development occurring.

Option #5 – Proposed Program Details

- Option #5 offers yearly TIEGs over a maximum 10-year period to help applicants recoup defined eligible project costs.
- After a development project is completed and receives final inspections, an applicant may apply for funding under this program.
- The applicant would submit a list of the eligible project costs that they incurred during their project.
- Eligible project costs may include an Intensification Levy, development and building permit fees, environmental assessments or studies, site serviceability studies, costs associated with upgrading any utilities to support the development and any costs associated with environmental reclamation or remediation.
- All eligible costs must be verified before the release of any funds.
- The yearly TIEG grants would commence the first full year after the property is assessed to reflect the new construction or development.
- The amount of the TIEG would be equal to the municipal tax increment, which ensures that the City still receives the same amount of municipal taxes that it did before the new development was completed.
- An applicant may only receive a TIEG after they have paid their yearly taxes for that year. After taxes are paid, the City can issue the yearly grant.
- The TIEGs continue until the total amount of grants equals the verified total eligible project costs or until 10 TIEGs are issued to the applicant, whichever occurs first.
- Over the grant term, the grant gets issued directly to the current property owner, who may not necessarily be the original property owner, applicant or developer.
- Grants will not be issued for any property in tax arrears or with an outstanding Order to Remedy or if in contravention of any other municipal bylaws.
- There is no cap on the number of applications that could be approved in a single year.
- A start-up investment to establish a program reserve is not required as applicants are rebated through yearly grants using the tax dollars that they paid that year.

Option #5 – Impact and Effort Analysis

- This program option may have a **high impact (8/10)** on achieving intensification and development on underutilized sites and may require **moderately high effort (7/10)** to administer.

- IMPACT:
    - The grants may be helpful to applicants who construct a new development with the intention of leasing or renting units; especially if they intend on owning the new development for a long period.
    - Since the yearly grants go to the current property owner, the original party who constructed the development may not be compensated for the eligible costs that they incurred during a project. That said, if a developer wishes to immediately sell a development that received funding under this program, they may be able to use the grant as a marketing tactic when selling the property.
    - The impact may be higher if an applicant received a lump sum grant to cover all the eligible costs that they incurred.
    - The impact to the general tax base is expected to be minimal, as applicants are essentially "up-fronting" the cost of their grant.
- EFFORT:
    - Tracking and administering a grant for up to 10 years may require a great level of effort.
    - A substantial degree of effort may be required to verify eligible project costs submitted by an applicant.

Option #5 – Risks

- Applicants must keep accounts with the City current and first pay their yearly tax bill before being able to receive their yearly TIEG. This arrangement avoids a situation arising where an applicant receives the grants but is not keeping their taxes current.
- There is no cap on the number of grants that could be issued over one year.
- Analysis should be done to ensure that tax revenue needed for regular City operations is not lost as a result of this option, otherwise, additional pressure is put on the mill rate.

OPTION #6 – TAX INCREMENT EQUIVALENT GRANTS (PARTIAL)

Option #6 is identical to Option #5, except that an applicant does not receive funding based on the total eligible project costs that they incur. Rather, Option #6 utilizes an OCP design criteria scorecard (see Appendix C) to determine the portion of total eligible project costs that an applicant is eligible to be compensated for through the yearly TIEGs. The OCP design criteria scorecard is intended to reward projects who have design elements that correlate directly to policy directives from the OCP (e.g. bike lock-up facility).

Option # 6 – Proposed Program Details

- The details of Option #6 are identical to the details from Option #5, other than an OCP design criteria scorecard being used to determine what percentage of eligible project costs that an applicant may be compensated for via the yearly TIEGs.

- Project scoring dictates the percentage of total eligible costs that an applicant will be compensated for through the yearly TIEGs.
- The OCP design criteria scorecard has a total of 100 possible points. Projects automatically score 50 points by being located within the defined program target area.
    - At a minimum, an applicant would receive yearly grants until 50 per cent of eligible project costs are paid back to the applicant, or until the maximum 10-year rebate term lapses, whichever occurs first.
- Like Option #5, for an applicant to receive a yearly grant, they first must pay their tax bill for that year, as well as keep all other accounts with the City current.
- **EXAMPLE:**
    - The municipal tax increment (i.e. difference in pre-development and post-development municipal taxes) on a formerly vacant lot that had a new commercial building erected is $7,000.
    - The project incurred $50,000 in total eligible project costs.
    - The project scores 90 per cent (90/100 points) on the OCP design criteria scorecard.
    - So, the total eligible project costs that an applicant will be compensated for will equal $45,000 (90 per cent of $50,000).
    - Starting the year after the post-construction assessment, the applicant would receive a yearly grant equal to $7,000 (tax increment).
    - The applicant would receive six yearly consecutive installments of $7,000 and then in the seventh year would receive a grant equal to $3,000.

Option #6 – Impact and Effort Analysis

- This program option may have a **moderately high impact (7/10)** on achieving intensification and development on underutilized sites and may require **high effort (8/10)** to administer.
- IMPACT:
    - The impact of Option #6 would be identical to Option #5, except for a few additions.
    - The impact for Option #6 is rated slightly lower than that of Option #5 due to the OCP design criteria scorecard element which may cause an applicant to only be compensated for a portion of eligible costs incurred.
    - The scorecard component does allow the City to encourage and incentivize specific development and building types (e.g. projects with solar elements), which can help achieve prescribed policy directives.
- EFFORT:
    - The effort for this option would be almost identical to that of Option #5. However, the effort is rated slightly higher for Option #6 due to the OCP design criteria scorecard which creates an additional level of administration.

Option #6 – Risks

- Option #6 poses the same risks as Option #5.
- Option #6's scoring component gives an additional level of risk than that of Option #5.

OPTION #7: CHOICE OF TAX EXEMPTION OR LUMP SUM TAX INCREMENT EQUIVALENT GRANT

Option #7 is a blend of several of the incentive options discussed so far. Applicants are offered a choice of a five-year tax exemption or a lump sum tax increment equivalent grant (TIEG). The exemption and lump sum TIEG are based on the municipal tax increment (i.e. difference in pre- and post-development taxes) after new development is completed to keep the tax base whole. The final incentive amount is established based on project scoring on an OCP design criteria scorecard (Appendix C).

Offering a choice between the lump sum TIEG and tax exemption allows an applicant to select the type of incentive that best suits their financial needs. A developer who plans to sell their new development immediately after completion may find the one-time lump sum grant more lucrative as they receive the full benefit of the incentive all at once. Whereas an applicant who wishes to lease or rent out their new development may find the tax exemption over a five-year term more meaningful.

Option #7 – Proposed Program Details

- A maximum incentive amount is established that is equal to a property's municipal tax increment, multiplied by five.
- A final incentive amount is then established by evaluating the project using an OCP design criteria scorecard out of 100 possible points.
    - Scoring dictates what percentage of the maximum incentive amount that the applicant will be eligible to receive through the lump sum TIEG or tax exemption.
    - Projects automatically score 50 points for being located within the program's target area.
- Once the final incentive amount is determined, applicants may choose a lump sum grant equal to the final incentive amount or a five-year tax exemption of municipal taxes equal to the final incentive amount equally stretched over five-years.
- Grants are capped at $200,000 for commercial, industrial and mixed-use developments. For multiple-unit dwelling and one- or two-unit dwelling projects, grants are capped at $75,000 and $15,000 respectively.
- A one-time initial investment of $500,000 is recommended to establish a program reserve and to fund initial lump sum grants.

- Projects that receive the lump sum grant will have the municipal tax increment generated by the development reallocated back into the program reserve until the grant amount is fully paid back into the reserve.
    - Repayment would begin after a property is assessed after new construction or development is completed and continue each year until the cost of the grant is completely paid back into the reserve.
    - This arrangement ensures that during the repayment period, the City is not losing or forgoing the municipal tax revenue that it received before new development occurring.
    - After the repayment period is over, municipal tax revenue from a property that received the incentive can fully be allocated to the City's general tax accounts.

Option #7 – Impact and Effort Analysis

- This program option may have a **very high impact (9/10)** on achieving intensification and development on underutilized sites and may require **high effort (8/10)** to administer.
- IMPACT:
    - Uptake could be quite high for this program option.
    - Part of the reason for the very high impact rating on this option relates to applicants being given a choice of an incentive that best meets their needs.
- EFFORT:
    - The scoring element for this program requires additional administrative effort.
    - The self-funding component of this proposed program option would be a new financial procedure for the City; standard operating procedures would need to be established for this new process.

Option #7 – Risks

- When scoring applications there may be a chance that applicants are dissatisfied with the way their applications are scored. This can be addressed by having clear definitive scoring criteria.
- There is a risk that the City is faced with a high number of applicants that wish to receive the lump sum all at once, depleting the $500,000 project reserve before the amount of the issued grants can be repaid into the program reserve using municipal tax increments.
    - If the program reserve does get depleted before grants can be repaid into the reserve, a decision will need to be made whether to turn applicants away, defer their applications till the following year or for Council to approve additional program funds to support submitted applications.
- The risk may be somewhat minimized for the tax exemption incentive option that is included in this program due to the way the exemption amounts are calculated.

    - At most, an applicant would only be able to receive an exemption based on the property's municipal tax increment (the municipal portion of post-development taxes minus pre-development taxes); this amount may even be lower depending on how the project scores on the OCP design criteria scorecard.
    - Under this structure, at the very least, the City will still receive the same amount of taxes that it did before the new development occurring.
- There is a risk that the amount of a lump sum grant issued exceeds costs incurred by a developer.

OPTION #8: SERVICEABILITY STUDY GRANT

A significant barrier to private sector investment in intensified development and development on underutilized sites can be infrastructure uncertainty, especially in the case of vacant sites in established neighbourhoods. A property owner may wish to develop or sell their site but not know the full extent of the infrastructure servicing a site or if any infrastructure or utility upgrades would be needed to support the desired development type. Situations have been observed where a property owner starts the approval process for an intensified development (e.g. demolish dwelling, replace with four-plex), only to find out that the current utilities servicing the site are insufficient and will need to be upgraded. Sometimes this can be the difference between a project proceeding or not.

A Serviceability Study can indicate to a developer the existing servicing situation on a site, as well as servicing requirements needed to support a specific development type. If upgrades are needed, a serviceability study may provide an overview of the required upgrades and costs. Having a serviceability study completed for a site can reduce uncertainty for a property owner or the future buyer of a property, even if development is not necessarily imminent.

Option #8 – Proposed Program Details

- Property owners could apply for a grant covering 50 per cent of the costs of a site serviceability study up to a maximum amount of $20,000.
- Before the release of funds, the City would require a copy of the study and evidence that all consultants hired by the applicant are fully paid as invoiced.
- An annual budget commitment of $50,000 is recommended to fund this program.

Option #8 – Impact and Effort Analysis

- This program option may have a **slightly high impact (7/10)** on achieving intensification and development on underutilized sites and may require **low effort (2/10)** to administer.
- IMPACT:
    - Property owners and developers may see some value in receiving a grant that helps them fund a study to learn about servicing requirements on their property.

- The studies could be used by an applicant to understand what type of uses may be supported via the current servicing on a property and what upgrades would be needed to support specific development types (e.g. mixed-use building).
- Individually, it still may not be cost-effective for a single property to undertake a serviceability study, however, the impact may be higher if a study is collaboratively undertaken by several property owners to understand the servicing requirements for multiple contiguous properties.
- A program budget of $50,000 could get used quickly, leading to requests for additional program funding or turning applicants away.

- EFFORT:
  - The effort may be minimal, as the administration of this program would involve reviewing applications and then issuing grants.

Option #8 – Risks

- The largest risk with this program option is that several serviceability studies are undertaken only for the applicant not to go forward with any sort of development.
  - However, the proposed program is structured so that the City gets a copy of the final study completed, which may broaden the City's understanding of servicing in a specific area.
- The $50,000 program budget could get expended before the end of a year. Since applications are prioritized on a first-come-first-serve basis, there is a risk that some applicants could be turned away for funding due to budget restrictions.

Recommendation

It is recommended that Council authorizes Administration to consult the development industry on Options #2, #5 and #7. Engagement with the development industry will be an opportunity to get feedback on the possible incentive program options, as well as an opportunity for the development industry to identify any incentive options that were not covered in the Discussion Paper. After the consultation is completed, Council will be positioned to consider a subsequent report that includes an incentive recommendation, financial analysis and a summary of feedback obtained through consultation. Afterward, Council may approve and implement a new incentive policy.

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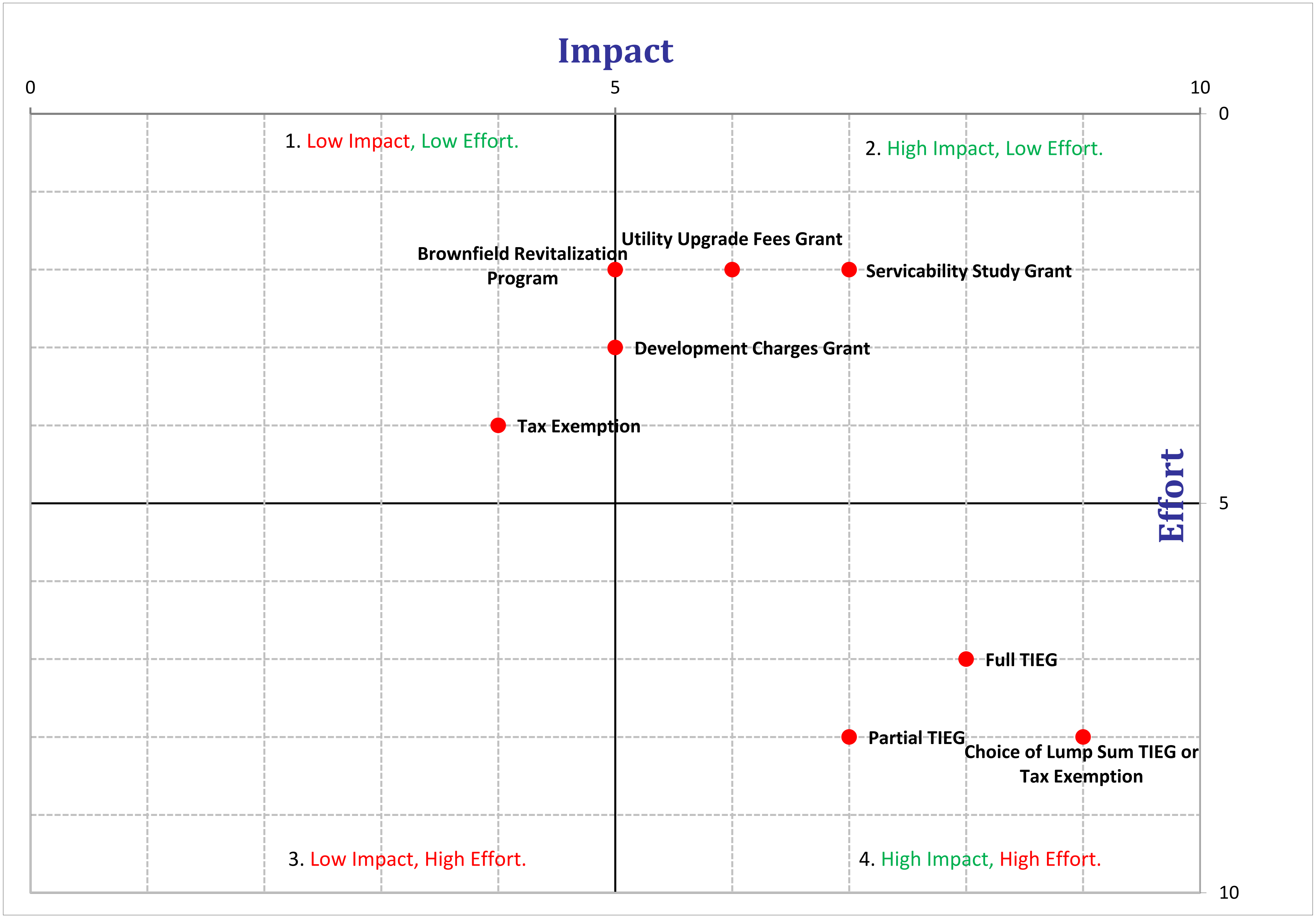
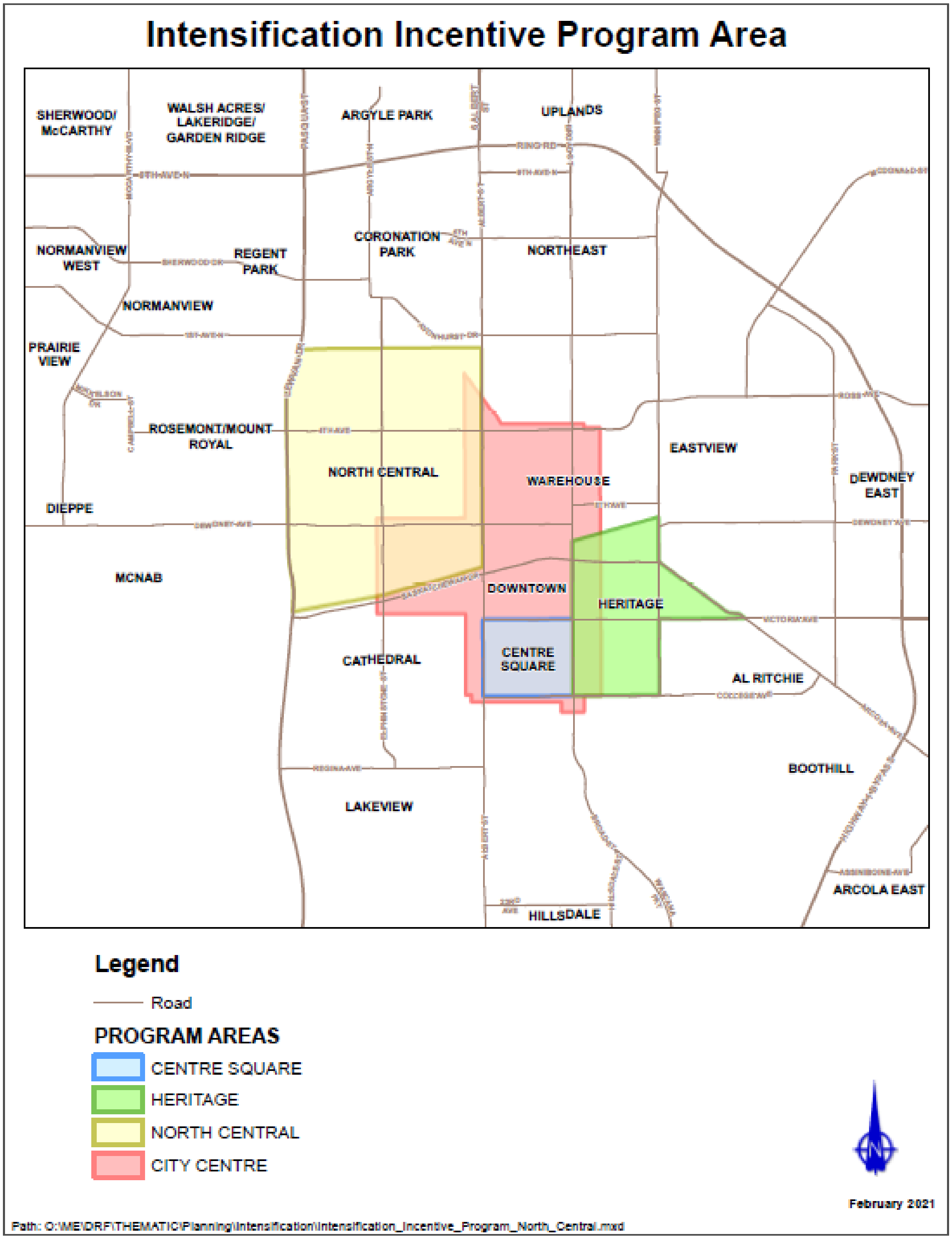
Appendix A – Impact and Effort Analysis Results

Option	Impact Rating	Effort Rating
Top of Rating Scale	***10***	***10***
Brownfield Revitalization Program	**5**	**2**
Development Charges Grant	**5**	**3**
Utility Upgrade Fees Grant	**6**	**2**
Tax Exemption	**4**	**4**
Full TIEG	**8**	**7**
Partial TIEG	**7**	**8**
Choice of Lump Sum TIEG or Tax Exemption	**9**	**8**
Serviceability Study Grant	**7**	**2**


Impact
0
5
10
0
5
10
Effort
1. Low Impact, Low Effort.
2. High Impact, Low Effort.
3. Low Impact, High Effort.
4. High Impact, High Effort.
Utility Upgrade Fees Grant
Brownfield Revitalization Program
Servicability Study Grant
Development Charges Grant
Tax Exemption
Full TIEG
Partial TIEG
Choice of Lump Sum TIEG or Tax Exemption

Appendix B – Recommended Program Target Area Map



Appendix C – Sample OCP Design Criteria Scorecard

OCP Policy:	**Criteria:**	**Points:**
2.7 – Direct future higher density intensification to the City Centre, existing urban centres and corridors and adjacent intensification areas where an adequate level of service and appropriate intensity of land use can be provided.	Development is located within Program Boundary.	50
2.9 – Direct at least 10,000 new residents to the City Centre, which will accommodate the City's highest population and employment densities.	Residential development located within one of the City Centre neighbourhoods (Centre Square, Downtown, Warehouse)	10
4.14 – Work with stakeholders to: • *4.14.1 – Promote more energy-efficient construction.* • *4.14.4 – Encourage green building design.* • *4.14.5 Encourage the reduction of greenhouse gas emissions through the use of alternative energy sources.*	Project is LEED-certified or greater. Project includes a solar energy component.	10 (LEED Certified) 15 (LEED Silver) 20 (LEED Gold) 25 (LEED Platinum) 10 (solar energy source, no LEED certification)
5.7 – Proactively and strategically promote walking, cycling, carpooling and transit choices by using City and community-led programs and organizations to provide education and promote awareness.	Development contains a dedicated secured bike parking area.	5
5.10 – Promote intensification and mixed-use development along express transit corridors and at transit nodes and potential transit nodes through increased service levels, more direct routes, express services, and competitive travel times.	Development is within 200 metres from an existing transit stop.	5
7.5 – Encourage appropriate mixed-use development and live-work opportunities within neighbourhoods, urban corridors and urban centres.	Development is mixed-use and contains at least one dwelling unit.	10
7.9 – Explore actions necessary to convert vacant or underutilized properties to market-ready development sites to realize intensification in the City Centre.	Project involves the adaptive re-use of an existing building that has been vacant for a period exceeding 12 consecutive months. Former brownfield site and/or building remediated to accommodate residential or commercial development.	20

OCP Policy:	Criteria:	Points:
7.28 – Endeavour to ensure, over the life of the Plan, that at least 80% of the total office floor area in the City, pertaining to medium office and major office development, is located within the Downtown/Central City Office Area, as identified on Map 6 – Office Areas	Development is a new medium or major office development or involves the conversion of an existing building into a medium office or major office development.	20
8.11 – Encourage developers to provide a greater mix of housing to accommodate households of different incomes, types, stages of life, and abilities in all neighbourhoods.	Development contains a dwelling unit.	10 (1 – 4 DUs) 15 (over 4 DUs) 20 (City Centre Housing greater than four storeys)
8.15 – Work with stakeholders to create and preserve barrier-free housing and housing for persons with specific needs.	Specific needs housing or development is barrier-free.	5
11.11 – Require environmental impact assessments and remediation of brownfield sites prior to development.	An environmental site assessment was completed before development.	10
13.9 – Support community gardens of public and private land.	Publicly accessible space in the form of a community garden, or other innovative publicly available space that contributes to the public realm and overall sense of place, is provided.	5

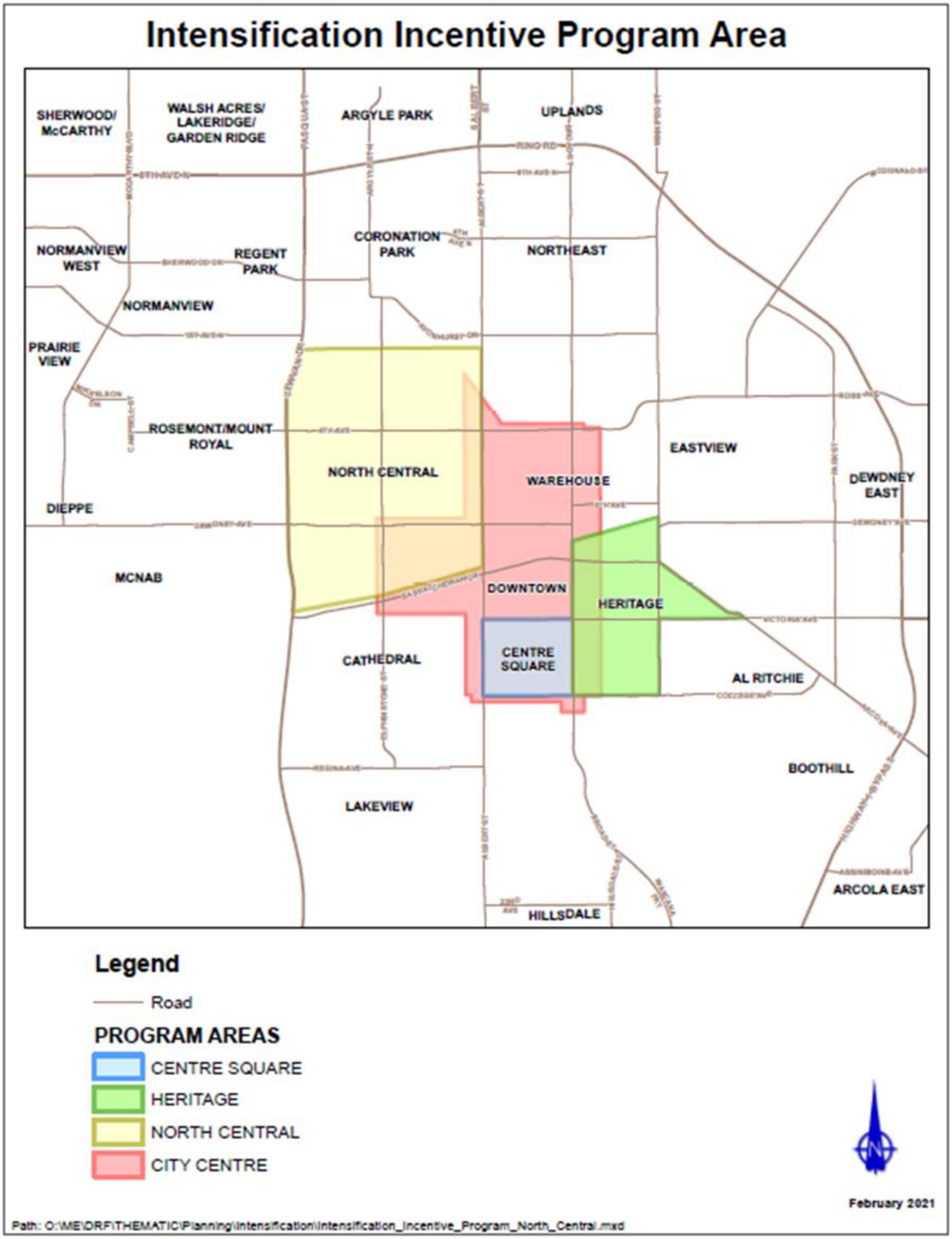
Appendix B: Summary and Examples of Recommended Incentive Options

Table 1: Summary of Incentive Options			
Option # from Discussion Paper:	Option #2: Development Charge Rebate	Option #5: Annual TIEGs Covering Eligible Project Costs	Option #7: Choice of Tax Increment Equivalent Grant (TIEG) or Tax Exemption
Eligible Project Types:	Any project that would be required to pay an Intensification Levy in the program target area.	Any project in the program targeted area that results in intensification or development on an underutilized site.	Any project in the program target area that results in intensification or development on an underutilized site.
Discussion Paper Page:	32-33	36-38	40-42
High-Level Description:	- Applicants who pay an Intensification Levy (IL) are eligible for a full rebate after a project is completed.	- After the project is completed, the property is assessed to reflect new development. - For the entire incentive term, the applicant pays full taxes to the City each year. - Annual grants equal to the municipal tax increment are paid to the applicant until total eligible project costs are paid back to the applicant or the 10-year maximum incentive term expires.	- A Max. Incentive Amount is determined based on the municipal tax increment, multiplied by five. - Applicants get a choice of a lump-sum TIEG or five-year tax exemption. - The amount of either incentive option cannot exceed the Max. Incentive Amount and depends on project scoring.
Criteria and Intake:	- Applications are accepted throughout the year and prioritized based on an OCP design criteria scorecard.	- No limit to the number of applications that can be accepted in one calendar year. - No OCP design criteria scorecard. - The incentive is applied to the property for the duration of the incentive term, regardless of property ownership changes.	- Project scoring on an OCP design criteria scorecard dictates the Final Incentive Amount. - Applicants then may choose a one-time lump sum grant or a tax exemption. - Lump-sum grants are capped at 200K for commercial and mixed-use developments, 75K for multi-unit dwellings and 15K for one- and two-unit dwellings.
Funding:	- A one-time initial start-up/seed investment of $100,000. This would be a one-time cost for taxpayers. - Any project that receives the rebate will have the future municipal tax increment allocated back into the program reserve each year until the amount of the rebate is fully recouped.	- No start-up/seed investment is required. - Applicants may only receive the yearly TIEG after they pay their tax bill for that year. - All grants are based on the municipal tax increment and cannot exceed that amount.	- A one-time initial start-up/seed investment of $500,000. This would be a one-time cost for taxpayers. - Any project that receives the lump-sum grant will have the municipal tax increment allocated back into the reserve each year until the amount of the grant is fully recouped.

Table 1: Summary of Incentive Options			
Option # from Discussion Paper:	Option #2: Development Charge Rebate	Option #5: Annual TIEGs Covering Eligible Project Costs	Option #7: Choice of Tax Increment Equivalent Grant (TIEG) or Tax Exemption
Pros:	- Administrative effort needed for this option is anticipated to be low. - Providing a rebate of the Intensification Levy in a target area will reduce overall project costs for developers.	- Developers are compensated for additional costs that they may incur as a result of undertaking development in established areas as opposed to greenfield neighbourhoods. - EXAMPLE: a brownfield site in an established area may require remediation and/or infrastructure upgrades prior to development. A greenfield site is typically “shovel ready” for development.	- Offering a choice of incentive to applicants gives flexibility for applicants to choose an incentive that best meets there needs. - By having an OCP design criteria scorecard dictate final incentive amounts, the City can award projects that include elements that advance OCP policy directives (e.g. solar infrastructure on building).
Cons:	- The $100,000 reserve could get used up quickly for large projects with high levy payments. This creates an opportunity to have the reserve fully depleted before it is replenished using municipal tax increments. - Providing rebates to cover Intensification Levy payments may take away from the overall intent of charging the levy. - If this option is advanced further, the program target area may need to be revised to exclude large development lands such as the REAL lands.	- The grants are offered over a long period, which may not be as impactful to developers who wish to build and immediately sell a new development. - Tracking and administering a grant for up to 10 years may require a high level of administration. - Standard operating procedures will need to be carefully established to help Administration verify eligible project costs submitted by an applicant.	- The $500,000 reserve could get used up quickly if there are several large grant pay-outs in the initial years of the program. This creates an opportunity to have the reserve fully depleted before it gets be replenished using municipal tax increments. - The OCP design criteria scorecard adds another level of program administration.

Table 2: Examples of Application of Incentive Options			
Option # from Discussion Paper:	Option #2: Development Charge Rebate	Option #5: Annual TIEGs Covering Eligible Project Costs	Option #7: Choice of Tax Increment Equivalent Grant (TIEG) or Tax Exemption
Scenario:	New commercial building on vacant lot.	A 14-unit residential condominium on a former gas station site.	A two-storey mixed-use development consisting of commercial space on the bottom floor and four apartment units on the top floor.
Taxes Before Development (mun. portion)	$1,563.56	$2,932.48	$2,453.19
Taxes After Development (mun. portion):	$9,882.71	$14,830.25	$14,573.89
Municipal Tax Increment:	$8,319.15	$11,897.77	$12,120.70
Incentive Received:	- The applicant paid an Intensification Levy (IL) of $7,757.60. - After the building is completed and the property receives a post-construction assessment, the cost of the IL is rebated to the applicant.	- Total eligible project costs turn out to be $153,489.45 (includes an IL payment and site remediation). - Each year after construction and subsequent post-construction assessment are completed, the applicant will pay full taxes, which now are $14,830.25. - After receiving tax payment, the City grants the applicant a TIEG equal to the tax increment, equaling $11,897.77. - This will occur for nine more years until the 10-year incentive term expires. - By the end of the incentive term, the applicant will have received $118,977.70 through TIEGs. -	- A Max. Incentive Amount of $60,603.50 is established (tax increment x 5). - The project scores 65% on the OCP scorecard, giving a Final Incentive Amount of $39,392.28. - The applicant chooses to receive a lump-payment based on the Final Incentive Amount rather than a tax exemption for that amount stretched over five years. - The City issues the $39,392.28 grant after construction and subsequent post-construction assessment are completed
Cost to Taxpayer:	- $7,757.60 would come from the program reserve which is funded via tax dollars. - In the years following the issuance of the rebate, the $8,319.15 tax increment would be used to replenish the reserve.	- No direct impact	- $39,392.28 would come from the program reserve which is funded via tax dollars. - In the next four years following the issuance of the grant, the $12,120,70 tax increment would be used each year to replenish the program reserve.

Appendix C: Recommended Program Target Area



Economic Development Regina Inc. (EDR) - Annual Submittals 2020

Date	April 21, 2021
To	Executive Committee
From	Financial Strategy & Sustainability
Service Area	Financial Services
Item No.	EX21-35

RECOMMENDATION

Executive Committee recommends that City Council:

1. Authorize the Executive Director, Financial Strategy & Sustainability, as the City's proxy, to exercise the City of Regina's voting rights at the upcoming Economic Development Regina Inc. (EDR) Annual General meeting as follows:

   a. Approve the audited financial statements for the 2020 operating year (Appendix A);

   b. Approve the 2020 Annual Report (Appendix B);

   c. Approve the 2021 Operating Budget (page 12 of Appendix C); and

   d. Appoint MNP LLP as the auditor of EDR for the 2021 financial statement year, pursuant to section 149 of *The Non-profit Corporations Act, 1995 (Saskatchewan)*.

2. Approve this report at its April 28, 2021 meeting.

ISSUE

Economic Regina Inc. (EDR) is the lead agency for economic development and tourism marketing for the Greater Regina Area. EDR is a not-for-profit public-private partnership that is governed by a volunteer Board of Directors, with the City of Regina as its sole voting member.

As the sole voting membership holder of EDR, the City must (i) appoint or waive the requirement of an auditor; (ii) approve the audited financial statements of EDR; (iii) approve the annual report; (iv) approve the budget for the following fiscal year; and (v) consider any other resolutions that may be brought forward. There are no additional resolutions to be considered.

Administration requires delegated authority from City Council in order to exercise the City's voting rights at EDR's Annual General meeting scheduled for April 29, 2021, in accordance with the direction provided by City Council.

IMPACTS

As EDR is a municipal corporation of the City of Regina, the audited financial statements of EDR will be consolidated into the City's 2021 Annual Report and Consolidated Financial Statements.

OTHER OPTIONS

None with respect to this report.

COMMUNICATIONS

None with respect to this report.

DISCUSSION

Audited Financial Statements
Pursuant to the Unanimous Membership Agreement, EDR is required to provide the City with its annual report and audited financial statements, and the audited financial statements are to be received by City Council. Administration has reviewed EDR's audited financial statements (Appendix A) and will be consolidating the information into the City's December 31, 2021 financial statements, as is required by accounting standards. Administration found no irregularities or items of concern within the financial statements.

Highlights of the audited financial statements prepared in accordance with Canadian Public Sector Accounting Standards for the year ended December 31, 2021 include:

- Surplus of approximately $115,000 on revenues in excess of $2.8 million
- An accumulated surplus of $1.08 million
- The December 31, 2020 accumulated surplus is comprised of the following:
    - $827,000 – restricted for special projects and capital improvements
    - $192,000 – unrestricted
    - $63,000 – invested in property and equipment

2020 Annual Report
EDR's 2020 Annual Report, attached as Appendix B, highlights EDR's vision, mission, goals, and role in advancing the economic prosperity and growth for the Greater Regina Area. Highlights include:
- Pivoting toward economic recovery and long-term growth
- Continued focus on a competitiveness framework for Regina
- Continuation of the Audacity Movement in support of Regina's entrepreneurs

2021 Operating Budget and Business Plan
In 2020, EDR developed an Economic Growth Plan for the Greater Regina Area. The plan includes 19 specific, achievable actions, serves as a template for recovery and growth now and into the future. In 2021, EDR will maintain its focus on recovery while working toward the vision set out in the growth plan. The EDR Board has identified the following key priorities that will have the greatest positive impact on Regina's economic recovery.
- Agriculture and Food
- Events, Conventions and Trade Shows
- Entrepreneurship
- Destination Marketing

EDR's total operating budget for 2021 is a balanced budget with expenditures of $3.1 million funded through net revenues of an equal amount, made up of $2.1 million from the City of Regina, $62,500 from Regina Hotel Association, and $940,000 from other revenue sources. The 2021 Budget for EDR was previously discussed in the public Executive Committee meeting (EX21-3) on January 6, 2021 and on March 24, 2021 (CM21-3).

The Budget detail is provided starting on page 12 of Appendix C.

Appointment of Auditor
As the sole voting member, the City must appoint or waive the requirements for an auditor for EDR pursuant to *The Non-profit Corporations Act, 1995 (Saskatchewan)*. City administration has requested that EDR use the same auditor as the City. Subsequently, EDR has engaged MNP LLP as its auditor.

DECISION HISTORY

Effective January 1, 2016, Economic Development Regina Inc. (EDR) was continued under *The Non-profit Corporations Act, 1995 (Saskatchewan)*, with the City becoming its sole voting member. This change in structure made EDR a "municipal corporation" of the City. As the sole voting membership holder of EDR, the City must exercise its voting rights at the EDR annual general meeting.

The 2021 Budget for EDR was previously discussed in public Executive Committee meeting (EX21-3) on January 6, 2021 and on March 24, 2021 (CM21-3). The Budget detail is provided in Appendix G in the March 24, 2021 report.

Respectfully Submitted,

June Schultz, Director 4/15/2021

Respectfully Submitted,

Barry Lacey, Exec. Director, Financial Strategy & Sustainability 4/16/2021

Prepared by: Jonathan Barks, Financial Business Partner

ATTACHMENTS

Appendix A - 2020 Financial Statements
Appendix B - 2020 Annual Report
Appendix C - 2021 Business Plan

ECONOMIC DEVELOPMENT REGINA INC.

FINANCIAL STATEMENTS

December 31, 2020

MNP LLP

To the Chairman and Members of the Board of Directors of Economic Development Regina Inc.:

Opinion

We have audited the financial statements of Economic Development Regina Inc. (the "Organization"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

SUITE 900, ROYAL BANK BUILDING, 2010 - 11TH AVENUE, REGINA SK, S4P 0J3
1.877.500.0780 T: 306.790.7900 F: 306.790.7990 MNP.ca

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan

March 25, 2021

MNP LLP

Chartered Professional Accountants

ECONOMIC DEVELOPMENT REGINA INC.

Statement of Financial Position

As at December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash (Note 7)	**$ 539,673**	$ 149,137
Short-term investments (Note 5)	**1,100,000**	800,000
Accounts receivable (Note 6)	**797,155**	168,226
Total financial assets	**2,436,828**	1,117,363
FINANCIAL LIABILITIES		
Accounts payable and accrued charges (Note 7)	**475,114**	170,005
Capital lease obligation (Note 8)	**22,499**	31,512
Deferred revenue (Note 9)	**963,825**	498,062
Total financial liabilities	**1,461,438**	699,579
Net financial assets	**975,390**	417,784
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	**86,101**	108,903
Prepaid expenses	**21,595**	29,790
	107,696	138,693
ACCUMULATED SURPLUS (Note 11)	**$ 1,083,086**	$ 556,477

See accompanying notes

APPROVED BY THE BOARD

____________________ **Director**

____________________ **Director**

ECONOMIC DEVELOPMENT REGINA INC.

Statement of Operations

Year Ended December 31, 2020

	2020 Budget	**2020**	2019
REVENUE			
City of Regina core funding	$ 1,848,240	**$ 1,848,240**	$ 1,812,000
Regina Hotel Association	579,000	**154,627**	687,593
Partner contributions	980,000	**658,653**	790,361
Project funding	100,000	**100,000**	224,094
Rental	78,000	**75,900**	81,840
Other income	9,000	**26,205**	32,826
	3,594,240	**2,863,625**	3,628,714
EXPENSES			
Administration (Schedule 1)	647,240	**597,972**	651,452
Enterprise (Schedule 2)	1,167,000	**1,089,307**	1,155,829
Tourism, Events, Conventions & Tradeshows (Schedule 3)	1,133,000	**778,720**	1,181,421
Corporate (Schedule 4)	647,000	**281,929**	555,015
	3,594,240	**2,747,928**	3,543,717
EXCESS OF REVENUE OVER EXPENSES	-	**115,697**	84,997
OTHER INCOME			
Canada Emergency Wage Subsidy (Note 14)	-	**394,052**	-
Canada Emergency Rent Subsidy (Note 14)	-	**16,860**	-
	-	**410,912**	-
ACCUMULATED SURPLUS, BEGINNING OF YEAR	556,477	**556,477**	471,480
ACCUMULATED SURPLUS, END OF YEAR	$ 556,477	**$ 1,083,086**	$ 556,477

See accompanying notes

ECONOMIC DEVELOPMENT REGINA INC.

Statement of Changes in Net Financial Assets

Year Ended December 31, 2020

	2020	2019
Excess of revenue over expenses	**$ 526,609**	$ 84,997
Acquisition of tangible capital assets	**(4,876)**	(23,937)
Amortization of tangible capital assets	**27,678**	28,883
	22,802	4,946
Acquisition of prepaid expenses	**(21,595)**	(29,790)
Use of prepaid expenses	**29,790**	27,232
	8,195	(2,558)
Use of inventory	**-**	1,211
INCREASE IN NET FINANCIAL ASSETS	**557,606**	88,596
NET FINANCIAL ASSETS, BEGINNING OF YEAR	**417,784**	329,188
NET FINANCIAL ASSETS, END OF YEAR	**$ 975,390**	$ 417,784

See accompanying notes

ECONOMIC DEVELOPMENT REGINA INC.

Statement of Cash Flows

Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenue over expenses	**$ 526,609**	$ 84,997
Add non-cash items:		
Amortization of tangible capital assets	**27,678**	28,883
Bad debts	**8,908**	-
Changes in non-cash working capital items:		
Accounts receivable	**(637,837)**	40,182
Prepaid expenses	**8,195**	(2,558)
Accounts payable and accrued charges	**305,109**	(65,999)
Inventory	**-**	1,211
Deferred revenue	**465,763**	110,452
Cash provided by operating activities	**704,425**	197,168
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	**(4,876)**	(23,937)
Cash applied to capital activities	**(4,876)**	(23,937)
FINANCING ACTIVITIES		
Repayment of capital lease obligation	**(9,013)**	(9,013)
Cash applied to financing activities	**(9,013)**	(9,013)
INVESTING ACTIVITIES		
Purchase of short-term investments	**(1,700,000)**	(1,650,000)
Proceeds from disposal of short-term investments	**1,400,000**	1,300,000
Cash applied to investing transactions	**(300,000)**	(350,000)
NET INCREASE (DECREASE) IN CASH	**390,536**	(185,782)
CASH, BEGINNING OF YEAR	**149,137**	334,919
CASH, END OF YEAR	**$ 539,673**	$ 149,137

See accompanying notes

1. DESCRIPTION OF OPERATIONS

Economic Development Regina Inc. ("EDR") is incorporated under *The Non-Profit Corporations Act, 1995*, with the City of Regina as its sole voting member.

The mandate of EDR is to create and implement an economic development strategy to grow and sustain prosperity in the Regina region.

2. BASIS OF ACCOUNTING

The financial statements of EDR have been prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS"), as recommended by the Chartered Professional Accountants of Canada ("CPA"). The financial statements are included in the consolidated financial statements of the City of Regina.

3. SIGNIFICANT ACCOUNTING POLICIES

EDR's significant accounting policies are as follows:

a) Measurement uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards ("PSAS") requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the amortization of tangible capital assets.

b) Significant Event

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on the economy through restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. EDR's operations were impacted by COVID-19 including changes in revenue and the lay-off of employees. At this time, it is unknown the extent of the impact COVID-19 may have on EDR's business and financial condition as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence.

c) Tangible capital assets

Tangible capital assets are recorded at cost. Amortization has been provided using the straight-line method over the following years:

Furniture and equipment	10 years
Computer hardware	5 years
Computer software	2-3 years
Leasehold improvements	3 years

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When conditions indicate that a tangible capital asset no longer contributes to EDR's ability to provide goods or services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value an impairment loss is recognized against the cost of the tangible capital asset and an expense is recognized in the Statement of Operations.

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases and recorded as tangible capital assets. Assets under capital lease are amortized on a straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

d) Revenue recognition

Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. Government transfers with eligibility criteria but without stipulations are recognized as revenue when the transfer is authorized and all eligibility criteria have been met. Government transfers with or without eligibility criteria but with stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability.

Value in kind revenue is recorded at fair market value on the date of the contribution if fair value can be reasonably measured.

Grant revenue is recognized in the period in which the funds are received unless the grant is restricted. If the grant is restricted by the contributor, the revenue is deferred and recognized when the conditions of the grant have been met.

Partner contributions, including Regina Hotel Association contributions, are recognized as they become receivable under the terms of applicable agreements. Contributions received under arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt. If the contributions are restricted by the partner, the revenue is deferred and recognized when the conditions of the agreement have been met.

Government assistance, including the Canada Emergency Wage Subsidy and Canada Emergency Rent Subsidy, is recognized in the period EDR has met the conditions to qualify for the assistance and the amount can be reasonably measured.

Rental revenue is recognized over the rental term.

e) Financial instruments

All financial instruments are initially recognized at fair value. The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received.

All financial instruments are subsequently measured at cost. Losses on financial instruments are written down to reflect other than temporary declines in value and are included in the Statement of Operations.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Currency risk

EDR is not exposed to significant foreign currency risk.

b) Interest rate risk

EDR is not exposed to significant interest rate risk.

c) Credit risk

EDR's credit risk is primarily attributable to its accounts receivable. The amounts disclosed in the Statement of Financial Position are net of allowance for doubtful accounts.

d) Liquidity risk

EDR's objective is to have sufficient liquidity to meets its liabilities when due. EDR manages liquidity risk through cash flow forecasting and regular monitoring of cash requirements to ensure that it has sufficient funds to fulfill its obligations.

5. SHORT-TERM INVESTMENTS

Short-term investments consist of a $600,000 redeemable term deposit with an interest rate of 1.9% maturing on March 5, 2021, a $400,000 non-redeemable term deposit with an interest rate of 1.95% maturing on March 5, 2021, and a $100,000 redeemable term deposit with an interest rate of 1.7% maturing on April 2, 2021 (2019 - $500,000 redeemable term deposit with an interest rate of 2.4% and $300,000 redeemable term deposit with an interest rate of 2.6%).

6. ACCOUNTS RECEIVABLE

Accounts receivable includes the following:

Item	**2020**	2019
Western Economic Diversification Canada project claims	**$ 272,154**	$ 32,687
CanExport Community Investments project claim	**62,500**	37,998
Canada Revenue Agency GST refund	**17,864**	25,528
Canada Emergency Wage Subsidy	**394,052**	-
Canada Emergency Rent Subsidy	**16,860**	-
Interest accrual	**17,105**	15,557
Miscellaneous customer receivables	**16,620**	56,456
	$ 797,155	$ 168,226

7. ACCOUNTS PAYABLE AND ACCRUED CHARGES

Accounts payable and accrued charges includes the following:

Item	2020	2019
Tourism Saskatchewan regional support	**$ 227,989**	$ -
Payroll liabilities and accrued charges	**135,685**	126,802
Miscellaneous vendor payables and accrued charges	**111,440**	43,203
	$ 475,114	$ 170,005

On behalf of Tourism Saskatchewan, EDR agreed to administer funding to regional destination marketing organizations and tourism partners to develop coordinated marketing campaigns to drive visitation. On August 5, 2020, an agreement was executed to administer $365,000 in funding of which $227,989 remains to be adjudicated. Tourism Saskatchewan assumes responsibility for the oversight and appropriate adjudication of each destination marketing organization / industry association's program use. The $227,989 remaining to be adjudicated is included in cash and is restricted for this specific use.

8. CAPITAL LEASE OBLIGATION

EDR has a 5-year furniture lease with Path Cowork. EDR will take ownership of the furniture at the end of the lease term.

The lease is interest free and the future minimum lease payments under the capital lease over the next three years are as follows:

Year	Principal
2021	$ 9,013
2022	9,013
2023	4,473
	$22,499

9. DEFERRED REVENUE

Deferred revenue represents unspent resources externally restricted for specific projects.

EDR managed several projects during the year which were funded by various governments and other parties. At the year end, not all funds received were expended on the related projects. These amounts will be included in income as the related expenses are incurred.

9. DEFERRED REVENUE (CONTINUED)

Changes in the deferred revenue balances are as follows:

	Balance, beginning of year	Amounts received	Amounts recognized as revenue	**Balance, end of year**
Think Big / CMC	$ 29,852	$ -	$ -	**$ 29,852**
Special Event	7,500	7,500	(7,500)	**7,500**
Investment Partnership Program	449,549	125,000	-	**574,549**
City of Regina RCMP Heritage Centre	-	15,000	(12,500)	**2,500**
City of Regina Economic Growth Plan	6,161	-	(6,161)	**-**
WESK Tech Mentorship	5,000	-	(5,000)	**-**
Tourism Saskatchewan Recovery Grant	-	330,000	(107,728)	**222,272**
Audacity Future Event	-	2,152	-	**2,152**
City of Regina Competitiveness Framework	-	25,000	-	**25,000**
City of Regina Canada Water Agency	-	100,000	-	**100,000**
2020	**$ 498,062**	**$ 604,652**	**$ (138,889)**	**$ 963,825**
2019	$ 387,610	$ 452,500	$ (342,048)	$ 498,062

10. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	Net Book Value **2020**	Net Book Value 2019
Leasehold improvements	**$ 6,935**	$ 11,559
Furniture and equipment	**16,127**	22,437
Computer hardware	**24,668**	30,648
Computer software	**206**	617
Leased asset - copier	**4,365**	5,335
Leased asset - furniture	**33,800**	38,307
	$ 86,101	$ 108,903

For additional information, refer to Schedule 5.

11. ACCUMULATED SURPLUS

	Unrestricted	Invested in Tangible Capital Assets	Restricted Surplus Capital Improvements	Restricted Surplus Special Projects	Restricted Surplus Tourism Recovery	Restricted Surplus Ag & Food	2020	2019
Balance, beginning of the year	$ 151,699	$ 77,391	$ 105,966	$ 221,421	$ -	$ -	**$ 556,477**	$ 471,480
Excess (deficiency) of revenue over expenses	554,287	(27,678)	-	-	-	-	**526,609**	84,997
Tangible capital assets investment	(13,889)	13,889	-	-	-	-	**-**	-
Transfer of surplus from operations	(500,000)	-	-	(50,000)	300,000	250,000	**-**	-
Balance, end of the year	**$ 192,097**	**$ 63,602**	**$ 105,966**	**$ 171,421**	**$ 300,000**	**$ 250,000**	**$ 1,083,086**	$ 556,477

a) *Capital Improvements*

The purpose of the Capital Improvements internally restricted surplus is to update old equipment and furniture for EDR's office and other capital requirements, subject to a Board approved budget.

b) *Special Projects*

The purpose of the Special Projects internally restricted surplus is for Special Project initiatives that would advance EDR's strategic business plan, subject to a Board approved project business case and budget. At year-end, the Board approved the transfer of $100,000 from unrestricted net assets to Special Projects internally restricted surplus.

c) *Tourism Recovery*

At year-end, the Board approved the transfer of $300,000 from unrestricted net assets to establish the Tourism Recovery internally restricted surplus. The purpose of the Tourism Recovery internally restricted surplus is for initiatives that would enhance the recovery of the tourism, events, conventions and tradeshows sectors, subject to a Board approved project business case and budget.

d) *Ag & Food*

At year-end, the Board approved the transfer of $100,000 from unrestricted net assets to establish the Ag & Food internally restricted surplus. The purpose of the Ag & Food internally restricted surplus is for initiatives that would advance the Ag & Food cluster strategy, subject to a Board approved project business case and budget. An additional $150,000 from the Special Projects internally restricted surplus had been approved by the Board on June 11, 2020 for this purpose and has been transferred to the Ag & Food internally restricted surplus.

12. COMMITMENTS

Effective July 15, 2018, EDR signed a 5-year lease for space located within Path Cowork on Broad Street, with an option to extend for two additional terms. The minimum annual lease payment is $199,200 including common area costs, plus applicable taxes, paid monthly.

On January 29, 2020, EDR and the City of Regina jointly committed $25,000 towards the development of a business case for the future strategic direction of the RCMP Heritage Centre, of which $12,500 has been disbursed as at December 31, 2020. An agreement is in place for the remaining contribution of $12,500 to be paid by EDR in 2021.

13. CONTRACTUAL RIGHTS

Effective July 15, 2018, EDR signed a 5-year sub-lease with each of Regina Hotel Association and Women Entrepreneurs of Saskatchewan for sublet space located within EDR's leased space at Path Cowork. The annual lease collections are $35,880 and $33,720 respectively, including common area costs, plus applicable taxes, invoiced monthly.

EDR has signed agreements with various organizations and companies who contribute to the Investment Partnership Program. Future collections from contributors to the Investment Partnership Program are as follows:

Year	Amount
2021	$ 245,000
2022	120,000
2023	25,000

14. GOVERNMENT ASSISTANCE

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy (CEWS) program. CEWS provides a wage subsidy on eligible remuneration to eligible employers based on certain criteria. This subsidy is retroactive to March 15, 2020. EDR has determined that it has qualified for the CEWS and has applied for and expects to receive government assistance in the amount of $394,052 which has been reflected in income and is included in accounts receivable at December 31, 2020.

Additionally, the Government of Canada announced the Canada Emergency Rent Subsidy (CERS) program. CERS provides financial assistance in the form of non-repayable subsidies for rent to eligible Canadian businesses, charities and non-profits based on certain criteria. This subsidy is retroactive to September 27, 2020. EDR has determined that it has qualified for the CERS and has applied for and expects to receive government assistance in the amount of $16,860 which has been reflected in income and is included in accounts receivable at December 31, 2020.

ECONOMIC DEVELOPMENT REGINA INC.

Schedule 1 - Administration

Year Ended December 31, 2020

	2020 Budget	**2020**	2019
Salaries & benefits	$ 205,240	**$ 179,724**	$ 183,538
Occupancy	269,500	**251,067**	263,222
General & administration	85,000	**90,260**	94,328
Professional services	27,500	**37,278**	30,769
Conference, seminar & staff development	20,000	**24,649**	41,072
Meetings & promotion	18,500	**5,572**	21,655
Board & committee	7,500	**4,947**	4,245
Staff travel	14,000	**4,475**	12,623
	$ 647,240	**$ 597,972**	$ 651,452

ECONOMIC DEVELOPMENT REGINA INC.

Schedule 2 - Enterprise

Year Ended December 31, 2020

	2020 Budget	**2020**	2019
Salaries & benefits	$ 660,000	**$ 593,664**	$ 614,036
Sector development	50,000	**18,123**	14,170
Investment attraction	35,000	**17,985**	37,997
Audacity, entrepreneurship & business services	120,000	**138,479**	132,097
Regional industrial land initiative	12,000	**34,682**	9,438
Ag and food cluster activation	193,000	**184,889**	149,163
Square One program	62,000	**61,848**	62,000
Saskatchewan Immigrant Nominee program	-	**-**	92,171
Strategic & competitive intelligence	35,000	**39,637**	44,757
	$ 1,167,000	**$ 1,089,307**	$ 1,155,829

ECONOMIC DEVELOPMENT REGINA INC.

Schedule 3 - Tourism, Events, Conventions & Tradeshows

Year Ended December 31, 2020

	2020 Budget	**2020**	2019
Salaries & benefits	$ 488,000	**$ 438,227**	$ 452,012
Tourism destination marketing & product	190,000	**149,658**	221,327
Events, conventions & tradeshows	345,000	**117,251**	440,869
Tourism stakeholder engagement	40,000	**39,525**	35,777
Activation & visitor services	70,000	**25,151**	31,436
Bad debts	-	**8,908**	-
	$ 1,133,000	**$ 778,720**	$ 1,181,421

ECONOMIC DEVELOPMENT REGINA INC.

Schedule 4 - Corporate

Year Ended December 31, 2020

	2020 Budget	**2020**	2019
Salaries & benefits	$ 235,000	**$ 212,064**	$ 219,723
Stakeholder & partnership engagement	22,000	**2,912**	13,921
Strategic planning	60,000	**20,897**	128,933
Corporate communications and marketing	20,000	**9,140**	12,782
Regina advantage business to business	230,000	**36,916**	100,213
Funding & investment model	20,000	**-**	4,055
Investment partnership program servicing	35,000	**-**	5,375
Opportunities assessment	25,000	**-**	7,513
Post traumatic stress disorder initiative	-	**-**	62,500
	$ 647,000	**$ 281,929**	$ 555,015

ECONOMIC DEVELOPMENT REGINA INC.

Schedule 5 - Tangible Capital Assets

As at December 31, 2020

Tangible capital asset cost:

	December 31, 2019	Additions	Disposals and write downs	December 31, 2020
Leasehold improvements	$ 13,871	$ -	$ -	$ 13,871
Furniture and equipment	120,414	-	-	120,414
Computer hardware	113,141	4,876	-	118,017
Highway turnout	21,049	-	-	21,049
Computer software	61,661	-	-	61,661
Leased asset - copier	9,700	-	-	9,700
Leased asset - furniture	45,067	-	-	45,067
Balance, end of year	$ 384,903	$ 4,876	$ -	$ 389,779

Accumulated amortization:

	December 31, 2019	Amortization charged during year	Disposals and write downs	December 31, 2020
Leasehold improvements	$ 2,312	$ 4,624	$ -	$ 6,936
Furniture and equipment	97,977	6,310	-	104,287
Computer hardware	82,493	10,856	-	93,349
Highway turnout	21,049	-	-	21,049
Computer software	61,044	411	-	61,455
Leased asset - copier	4,365	970	-	5,335
Leased asset - furniture	6,760	4,507	-	11,267
Balance, end of year	$ 276,000	$ 27,678	$ -	$ 303,678
Net book value	$ 108,903			$ 86,101

Appendix B - 2020 Annual Report

REGINA Infinite Horizons | Economic Development Regina Inc.

Tourism Regina

2020 Annual Report

See Further Grow Higher

We are a catalyst for economic development and tourism for the Greater Regina Area (GRA), connecting businesses, tourism operators and entrepreneurs with opportunities to grow and prosper, contributing to an enhanced quality of life for citizens and visitors alike.

Who we are

Economic Development Regina is a not-for-profit organization with the City of Regina as its sole member.

We are home to Tourism Regina – and the lead destination marketing agency for the GRA, promoting the region as a great place to live, work, visit, play and invest. Together with a range of partners, we foster growth in Regina's visitor economy and build a vibrant entrepreneurial ecosystem through Audacity YQR. We tell Regina's amazing story so that everyone can share in the pride and opportunity.

We understand that there is a limit to what any one person (or organization) can achieve on its own. We believe in a "Team Regina" approach. We are at our best when we build partnerships that create long-term success for the regional economy and Tourism sector, brokering valuable connections in the GRA and beyond.

Together with stakeholders and partners, EDR attracts significant investments and contributions that advance our economic prosperity.

We provide critical services to support start-ups, deliver training like YQReady for Tourism operators and provide Tourism Visitor information. We also fuel powerful initiatives like Audacity YQR, which celebrates Regina's amazing entrepreneurial community.

EDR operates independently from the City of Regina and is governed by a volunteer Board of Directors comprised of community leaders who give hundreds of hours to the organization and to the community. We have a small but mighty team of enthusiastic, talented employees who are collectively inspired and motivated to make our city great. Our strong, collaborative workplace culture embraces new ideas and new ways of doing things.

About EDR

Vision

The Greater Regina Area prospers as a vibrant and diversified economy for investors, a strong destination experience for visitors, and a place of choice with a high standard and quality of life for residents.

Mission

Identify, develop and promote opportunities that advance economic prosperity for those who live, work, learn, visit and invest in the Greater Regina Area.

EDR Board of Directors

EDR's Board of Directors is comprised of leaders from across Regina's economy who volunteer hundreds of hours to the organization and the community. Beyond strategic and business acumen, Board members provide a level of passion and commitment that is shared throughout the organization and well beyond.

PRESIDENT & CEO

JOHN D. LEE
Economic Development Regina Inc.

CHAIR

FRANK HART
Chair
GiGn' Inc.

VICE-CHAIR

TINA SVEDAHL
Managing Director
Harvard Developments Inc.

BOARD

MURAD AL-KATIB
President and CEO
AGT Food & Ingredients Inc.

ELEAH GALLAGHER
President
JCK Engineering Inc.

KYLE JEWORSKI
President and CEO
Viterra Inc.

RACHEL MIELKE
Founder and CEO
Hillberg & Berk

ERIC DILLON
Chief Executive Officer
Conexus Credit Union

DR. GINA GRANDY
Dean, Hill-Levene
Schools of Business
University of Regina

MARK LANG
Managing Partner, Regina
KPMG LLP

RYAN URZADA
Chief Experience Officer
The Atlas Hotel

JASON DRUMMOND
Managing Partner
York Plains Investment Corp.

DARREN HOWDEN
Senior Vice-President,
Prairie Operations
Farm Credit Canada

SANDRA MASTERS
Mayor
City of Regina

Message from the CEO and Chair

Economic Development Regina is proud to be located in Treaty 4 territory, the traditional territory of the Cree, Saulteaux, Dakota, Lakota and Nakoda peoples, and the homeland of the Métis.

"Never let a good crisis go to waste."

Those wise words were spoken by Winston Churchill near the end of the Second World War. As we near the end of a global pandemic they still hold true. It goes without saying that Covid-19 changed the world. Words like "unprecedented," "challenging" and "difficult" have been used more times than we can count.

While appropriate, those words aren't where the story ends. 2020 was also a year of focus, commitment and even opportunity – words that are at the very foundation of our community. Regina is built on prairie values. Big dreams. A sense of purpose. It's why our builders dug a lake and planted hundreds of thousands of trees – all by hand. We've made a tradition out of challenging what's possible.

In the months prior to Covid, EDR and its partners developed a 10-year Economic Growth Plan for the Greater Regina Area. Led by a steering committee of key community stakeholders and approved by City Council, the Plan envisions a city that is competitive, vibrant, inclusive and welcoming, sustainable and collaborative. There's never a good time for a downturn like the one we've experienced, but the Growth Plan will serve Regina well as we work through recovery. It contains 19 specific, achievable actions that will drive economic growth and prosperity for years to come.

The Growth Plan, combined with the effects of the pandemic, led EDR's Board to sharpen its focus to four key areas, and despite the pandemic, we're on track.

- **Agriculture and technology** represents a generational, multi-sectoral opportunity for the region. 2020 gave us the opportunity to build on our already strong foundation and we expect to make significant progress in the coming year.
- With Covid measures in place, **events, conventions and tradeshows** came to a halt, but work to secure future events did not, and Regina is poised to hit the ground running as soon as it's safe.
- Despite the impact to businesses, our **entrepreneurship** strategy gained momentum in 2020. Audacity YQR is stronger than ever and we're making progress on a competitiveness framework for Regina.
- With the help of our partners, EDR and Tourism Regina continue to promote Regina as a great place to live, work, play and do business. **Destination marketing** fits atop everything we do, and we are creating a strong, competitive identity for the region.

Economic development is a team sport – a concerted effort by many stakeholders and policymakers to promote and create a high standard of living, health and prosperity for our community, for all residents.

We're fortunate to have strong relationships with community-minded organizations throughout the GRA – including our investment partners, who have contributed directly to the work we do. We're grateful for the contributions of all our partners, financial or otherwise.

We're excited that our partnerships are being recognized. In 2020 EDR received two "Be the Changemaker" awards from the Saskatchewan Economic Development Association. EDR was recognized in the Partnership and Reconciliation category for our work with FHQ Developments and in the Community Project category for our continued work to build Audacity YQR. When we truly work together and see through one lens, we can make great things happen.

EDR is appreciative of the leadership and support provided by the City of Regina, both from Mayor and Council, and City Administration. Looking forward, we see amazing opportunities for our community. Truly, Regina is a hidden gem whose time to shine has come.

We thank the board, staff, and community partners for their time and effort to keep Regina vibrant and make EDR effective during the past year.

JOHN D. LEE, PRESIDENT & CEO

FRANK HART, CHAIR

A Community Effort

This is an exciting time for EDR, and for Regina – and we know we can't achieve our ambitious vision on our own.

In 2017, the Board of Directors of Economic Development Regina Inc. created the first opportunity for private sector companies and groups to invest directly into supporting our economic growth strategy.

We were very pleased by the response of the business community to this initiative. Since then, some 24 private sector organizations have become EDR Investment Partners, providing over $1.2 million in new revenue, and becoming key stakeholders in our work. Our partners represent a broad cross-section of Regina's business community who are fully invested in our long-term growth. They are leaders who care about our community and committed to the future of the Greater Regina Area.

While our primary focus is the Greater Regina Area, our sense of community compels us to cooperate well beyond our boundaries. When we succeed, all of Saskatchewan succeeds. And when Saskatchewan succeeds, we celebrate.

To all of our investment partners, thank you.

Valued Partnership

EDR, Tourism Regina and the Regina Hotel Association (RHA) share a common vision to attract leisure and business visitors to the GRA.

Investment Partners

EDR's Investment Partnership Program provides opportunities for companies and organizations to invest directly in our long-term growth strategy. These are the partners who showed leadership and commitment to the future of the Greater Regina Area.

Founders

Premier

A Pivot Toward Recovery and Long-Term Growth

Regina's 2020–2030 Economic Growth Plan.

Together with City Council, EDR's Board had the foresight to develop a thoughtful long-term plan for Regina's economy. Work on the plan began well before the pandemic, and it gives Regina a strong head-start on recovery and growth.

The plan is a result of extensive engagement and thorough research. Over 200 residents participated in roundtables and focus groups providing important insights that helped shape the strategic direction of the plan. An online survey completed by over 1,400 Regina residents captured the thoughts of our community. The plan outlines 19 specific, achievable actions that will make Regina one of Canada's most vibrant, collaborative, inclusive & welcoming, competitive and environmentally sustainable cities.

2021 Strategic Priorities

While it provides a blueprint for growth over the next ten years, Regina's Economic Growth Plan also forms the foundation for economic recovery in the near term. EDR's Board of Directors has identified four strategic priorities for 2021 that will have the greatest positive impact on Regina's economic recovery. EDR will focus its efforts on these areas, while adopting an agile approach to its work, which will allow it to remain on course through these rapidly changing times.

As the agency responsible for Tourism Regina, EDR believes that each of these priorities will play an important role in driving Regina's visitor economy. As each of these priority areas flourish, they will create greater opportunities for business and leisure travel to Regina.

EDR VISION

The Greater Regina Area prospers as a vibrant and diversified economy for investors, a strong destination experience for visitors, and a place of choice with a high standard and quality of life for residents.

AGRICULTURE & FOOD

Regina will be a world leader in plant-based food, fuel and fibre.

EVENTS, CONVENTIONS & TRADESHOWS

Regina will be a year-long festival and event city that is known as the best host for events, conventions and tradeshows in Canada.

ENTREPRENEURSHIP

Regina will be a top place in Canada to start and grow a business.

DESTINATION MARKETING

Regina will have a strong, competitive identity.

Regina's 2030 Economic Growth Plan identifies key opportunities to increase the city's prosperity and economic potential for the next 10 years.

Economic Year in Review

The arrival of Covid-19 at the beginning of this year will have a lasting effect on the local, provincial, national and international economies. The pandemic has brought on a recession that is unlike any other we have seen, and it continues to impact us in ways that, only a few years ago, would have seemed impossible.

Since March 2020, we have seen how the virus has affected our lives, but it has also shown us that our economic recovery will be two-tiered. In other words, this recession has affected parts of our economy differently, allowing some industries to restart and carry on while others must slow down.

Over the summer months as restrictions were lifted, the local, provincial and national economies bounced back relatively quickly. But the bounce-back did not affect every industry equally. In 2008, the recession impacted manufacturing, finance, and real estate sectors hard, and that impact rippled through the economy. The recession caused by Covid-19, has disproportionately affected travel, hospitality, restaurant, arts and entertainment over other sectors. As the economy reopened, consumer spending recovered, but not in these industries, as they remained under restrictions put in place to control the spread.

Overall retail spending in Saskatchewan increased 4.7% for October 2020 compared to the previous year. However, this spending did not impact other affected areas of the economy. With the rise in new cases at the end of 2020 and into 2021, new restrictions were announced and early indications by the Royal Bank of Canada show that overall holiday spending in Canada decreased by 1.4% from the previous year.

This pent-up spending combined with the economic shutdown resulted in a flurry of demand for housing and renovations in Regina. With displaced disposable income and more time at home, many people chose to reinvest in their homes.

Another bright spot in 2020 was the advancement and expansion of agri-value processing in our region. Avena Foods is expected to open a new oat processing facility in 2021, and Raven Industries has announced plans to open a 21,000 square-foot manufacturing facility for the Raven Dot® Power Platform. These are pivotal investments as our economy continues to diversify into new value-added industries.

Moving through 2021, our economic success will depend greatly on our ability to control the spread of Covid-19 and the rollout of vaccines. By working together, we can limit the spread of the virus, move our spending into local business, and help those affected get back into the workforce – all while making 2021 the rebound year we are projecting it to be.

In 2015, Brianne Urzada opened Arthouse, a local arts business, where she works primarily as an artist, but also offers corporative arts-based team building and private painting lessons. Brianne offers free therapeutic art classes to cancer patients and survivors.

EDR Priorities

MAKING AN IMPACT

It's not always obvious what an economic development or Tourism agency does – sometimes it means having an "invisible" role in some pretty big results for our community.

Through it all, there are some common themes. We're a collaborator. We play the role of catalyst and broker to achieve critical outcomes. We are the facilitators that help to smooth the path to success. And with the support of our partners, we put plans into action.

EDR Priority

Entrepreneurship

Milton Rebello and his wife Louise Lu run Skye Bistro & Café, an environmentally sustainable seed-to-plate restaurant along the banks of Regina's Wascana Lake, inside the Saskatchewan Science Centre.

Regina provides a natural environment for entrepreneurial success. It's home to academics, government, business leaders, sources of capital and audacious entrepreneurs – all the necessary ingredients for success in a community that's small enough to get things done – and done quickly. In the next generation economy, that level of connectedness and agility will be a massive competitive advantage.

"When EDR created the Council for Entrepreneurship Growth, we weren't sure what the outcome would be. What we got was a group of passionate people with a goal to inspire and motivate entrepreneurs and citizens at large to do great things – and this is just the beginning"

Jason Drummond
Chair, Council for Entrepreneurship Growth

An entrepreneurial ecosystem isn't built overnight. And it isn't built by accident. EDR is working with key players across our economy to understand the conditions needed to advance business creation, retention, expansion, and attraction in Regina. When a community fully understands the issues, obstacles and assets in front of it, it can develop the tools, initiatives and policies that create success.

Key Highlights

Creating an environment where entrepreneurs thrive

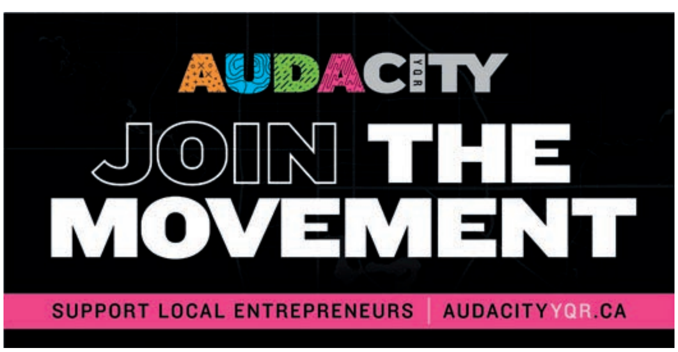
- Audacity YQR (**50+ Regina businesses** featured)

Knowledge and resources for business

- Supported **289 entrepreneurs** through Square One
- **22,000+ visitors** to EDRs Covid-19 Resource Hub
- More than **430 attendees** to Business Resilience Webinars
- **24 matches** through the Audacity Mentorship Program

Gaining Momentum

- In addition to a growing social audience, Audacity YQR is gaining recognition well beyond the city limit. Audacity is the recipient of a Saskatchewan Economic Development Association (SEDA) award in the Community Project Award Category for the Audacity YQR movement and the overall winner of the Economic Development Association of Canada's Marketing Awards.



Impact Dashboard

50+ Regina businesses featured on Audacity YQR channels in 2020

Marketing

5,188
TOTAL SOCIAL AUDIENCE

+400
FOLLOWERS

62%
INCREASE IN SOCIAL AUDIENCE

LINKEDIN CHANNEL LAUNCHED IN OCTOBER

796,652 IMPRESSIONS

1,073 unique clicks and 500,000 total plays from Paid Awareness billboard campaign

3,833
WEBSITE PAGE VIEWS IN 2020

average time spent on the page of 61 seconds, aligning with industry benchmark of 62 seconds.

74%
INCREASE IN EMAIL SUBSCRIBERS

average open rate of 44% and click rate of 9%, compared to industry average of 21% open rate and 3% click rate

"We're so excited to be in Regina. It's a great community, there's a lot of good talent there. It's a city we can attract talent to. We're happy to be part of EDR and part of the community."

Brian Meyer, Vice-President
Raven Applied Technology

EDR Priority

Investment Attraction

EDR works closely with companies from around the world exploring Regina as a possible location. We work with decision-makers to help companies navigate through the options and requirements for locating in the region.

At the same time, we work with all levels of government to identify and address infrastructure and regulatory needs. It's the quality of these relationships that creates success. Alongside our employees, members of our Board of Directors invest hundreds of volunteer hours every year to attract investment – and businesses – to the region. It's a long-term play, but the rewards for Regina are significant. Businesses located in the GRA support Regina businesses, and their employees buy homes, cars, insurance, groceries and visit local restaurants and attractions.

Key Highlights

The value of partnership

- EDR works closely with its Board of Directors, the City of Regina and community and business leaders to ensure Regina is an attractive, competitive location for businesses to relocate, start, grow and prosper.

Attracted the Canadian Head office of Raven Industries, including

- **50+ quality jobs**
- **$75,000 investment** into EDR's Investment Partner Program
- National media coverage for Regina valued at more than **$1.3M**

Raven Applied Technology helps create, define and redefine precision agriculture. In 2020, Raven announced it was establishing its Canadian Head Office in the GRA.

CASE STUDY

The Value of Investment Attraction

Regina is poised to transform an already strong agricultural economy by placing greater focus on value-added processing that utilizes every part of the crop.

1,000
EMPLOYEE HOURS

10+
HIGH-QUALITY JOBS

+$47 M
INVESTED

- In 2018, EDR invested more than **1,000 employee hours** to attract the head office of Protein Industries Canada (PIC) to Regina.
- PIC's head office brought **10+ high-quality jobs** to Regina, generating opportunities for local businesses who serve PIC and its employees.
- In 2020 alone, PIC and its partners invested more than **$47 million** into projects led by Regina-based agriculture and technology companies, creating new growth opportunities, multiplying the benefit for the region and enhancing the region's agriculture and innovation economy.

EDR Priority

Telling Regina's Story

Bordered by historic Victoria Park, Regina Farmer's Market is the place to be on a sunny Saturday morning.

Destination marketing – or telling Regina's amazing story – is a strategic priority for EDR. It's a vital part of everything we do. Regina is already an entrepreneurial city, world-class host of events and an agriculture innovation hub. Our opportunity is to tell the world.

Regina has a great story to tell. As the lead destination marketing organization for the city, our job is to position Regina as a great place to live, work, play and invest.

In 2020, our efforts became more important than ever as we shifted to supporting local business struggling due to the pandemic. By prioritizing marketing and coordinating our efforts with economic development initiatives, our work can drive new investments and grow our visitor economy.

We've only begun to shape our brand as a community, and in 2021 we'll work with partners to advance a strong destination marketing strategy. Ultimately, our role is to create a strong, competitive identity for the city by sharing a strong, consistent story through Audacity YQR, Tourism Regina and EDR. Whether it's online, through the media or by other means, we're getting results.

Summer or winter, Regina provides amazing opportunities for residents and visitors alike to enjoy the outdoors.

Impact Dashboard

Marketing

45,000+
SOCIAL MEDIA FOLLOWERS

850,000+
TOTAL POST REACH

40+
BLOG POSTS

185,977
TOTAL UNIQUE WEBSITE VISITS

Media Relations

$3.2M
EARNED MEDIA VALUE

577 ARTICLES GENERATED

EDR Priority

Tourism Regina

Supporting the hardest hit sector

It's no secret that the visitor economy is among the heaviest hit by the pandemic. In the days and weeks after the pandemic took hold, EDR provided resources to help local businesses survive the effects of the downturn.

That includes an online resource hub and business webinar series, both designed to connect business owners and tourism operators with the resources and knowledge they need to survive – and successfully reopen. We also hosted our third annual (and first ever virtual) Collaborate and Connect Conference to support those in the visitor economy, and provided front-of-house training in customer service specific to Regina through the YQReady training program.

In addition, we launched the Audacity Mentorship Program, which connects entrepreneurs with local, purpose-driven leaders to help solve problems. And we continued to provide business support through Square One.

We're proud of the partnerships we've built to boost survival and recovery efforts. Those partnerships will deliver benefits long after Covid-19 is in the rear-view mirror.

Impact Dashboard

Engagement

500+
POTENTIAL VISITOR INQUIRY REQUESTS RESPONDED TO VIRTUALLY

100
TOURISM STAKEHOLDERS ATTENDED THE VIRTUAL COLLABORATE AND CONNECT CONFERENCE

500,000+
VIEWS OF THE YOU GOTTA TRY THIS VIDEO SERIES

13,000+
SKATERS USING ICEVILLE AT MOSAIC STADIUM

> "In times like this, partnerships are absolutely critical. We value our collaboration with Tourism Regina/EDR – not just on destination recovery, but also as we grow Regina's visitor economy in the years to come."
>
> Tracy Fahlman, President and CEO
> Regina Hotel Association

Key Highlights

Visitor supports revisited

While the pandemic made in-person support impossible, Tourism Regina responded to more than 500 individual potential visitor inquiry requests, virtually.

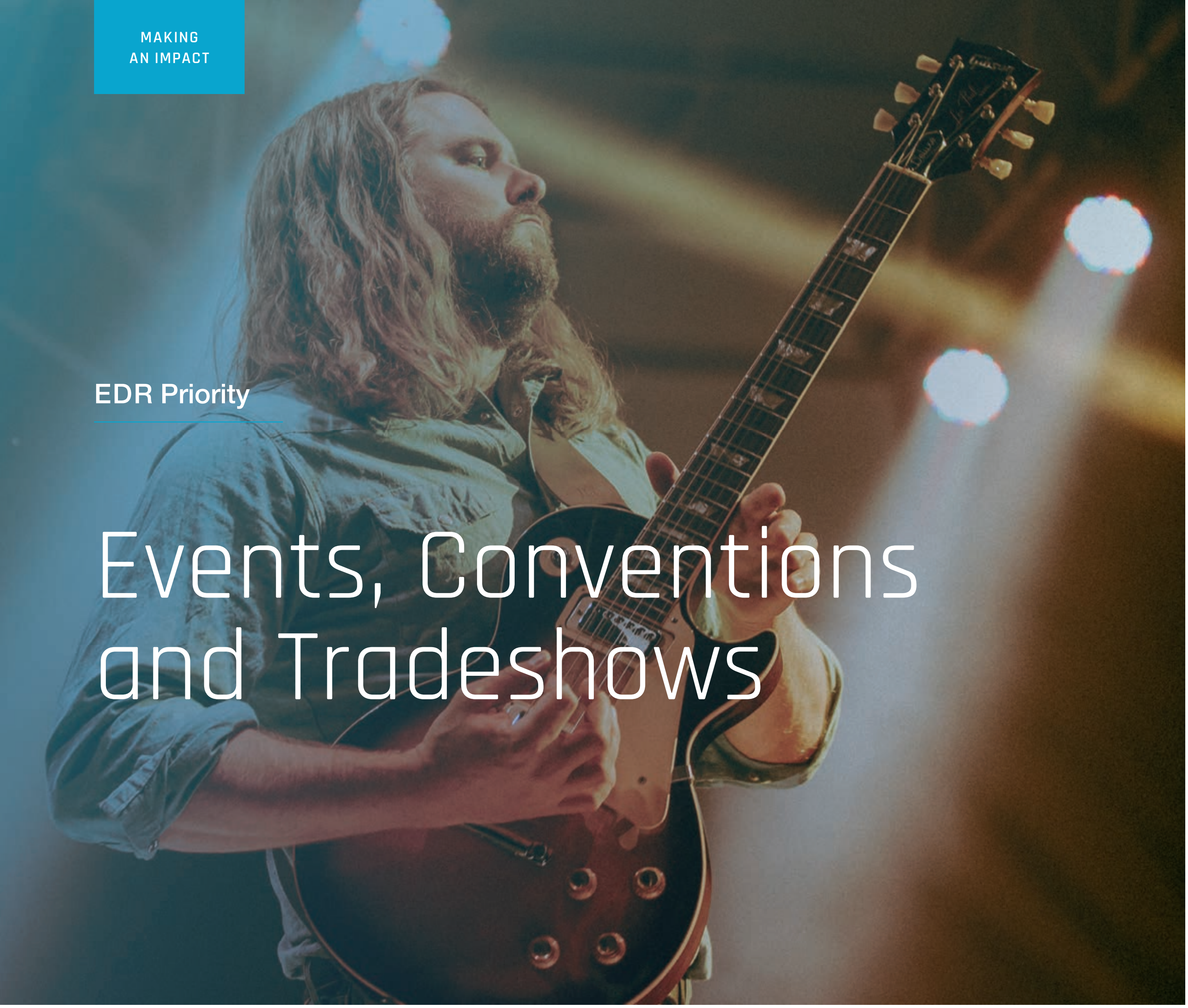
Timely, vital information for tourism businesses

Whether it's through training and networking opportunities, economic insights or business resources, EDR and Tourism Regina connect tourism businesses with the information they need.

A local approach

Amid the impact of the pandemic, Tourism Regina and its partners had remarkable success creating and marketing memorable experiences for Regina and area residents.

Key successes include the You Gotta Try This and Try Winter campaigns, KrugoFest, Iceville, Rider Rewards Program, Saskatoon/Regina Influencer swap and others.



EDR Priority

Events, Conventions and Tradeshows

Regina's Events, Conventions and Tradeshow (ECT) sector contributes hundreds of millions of dollars to our local economy every year, employs more than 8,000 people and makes Regina a better place to live for its citizens. Regina is known across Canada as an outstanding host. As with other cities, Covid had a negative impact on Regina's ECT sector, affecting the city both economically and socially.

After reviewing nearly 10 million online conversations from 500,000 digital sources over 2019, we know that our festivals and events and ability to host set us apart from other destinations and reinforces our important role in welcoming visitors to Regina.

KrugoFest delivered a highly entertaining and safe rooftop concert experience in the summer of 2020.

Key Highlights

A high-impact sector

Estimates suggest the GRA has suffered a loss, at minimum, of **$395.3 million** in economic impact because of measures taken to slow the spread of the Covid-19 virus as of June 1, 2020.

A strong commitment to the future

Worked closely with the ECT Alliance and Regina City Council to secure the **$375,000 event fund**, significantly enhancing the Alliance's ability to pursue and secure future events.

Recognized know-how and enthusiasm

NHL Heritage Classic was nominated for the **STC Canadian Sport Event of The Year Award** finalist for events greater than $1 million.

"It's no surprise that Regina is becoming an event destination of choice. The close collaboration among alliance partners ensures we have the right people doing the right things at the right time."

Tim Reid, President and CEO
Regina Exhibition Association Ltd

CASE STUDY

Regina's Event, Convention and Tradeshow (ECT) Alliance

EDR founded Regina's ECT Alliance to ensure we have the right people at the table when it comes to attracting events to our city.

The Alliance is a consortium of local organizations committed to advancing Regina as a destination of choice for events. It's comprised of The City of Regina, EDR, Tourism Regina, Tourism Saskatchewan, the Regina Hotel Association and Regina Exhibition Association Ltd.

As a result of the work of the Alliance, Regina has been able to swing above its weight and not just win – but excel at hosting world-class events that are noticed across the country.

While the immediate future remains cloudy due to Covid, the ECT Alliance remains committed to pursuing conventions and tradeshows for future years, developing a strength-based events recovery strategy, and working with the Regina Exhibition Association on an event hub concept.

City of Regina | REGINA Infinite Horizons

REGINA Infinite Horizons | Economic Development Regina Inc.

TOURISM Saskatchewan CANADA

Regina Hotel ASSOCIATION

REAL ESTABLISHED 1884 REGINA EXHIBITION ASSOCIATION LIMITED

Tourism Regina

Financial Statement

Statement of Operations
Year Ended December 31, 2020

Revenue

	2020 BUDGET	2020	2019
City of Regina core funding	$ 1,848,240	$ 1,848,240	$ 1,812,000
Regina Hotel Association	579,000	154,627	687,593
Partner contributions	980,000	658,653	790,361
Project funding	100,000	100,000	224,094
Rental	78,000	75,900	81,840
Other income	9,000	26,205	32,826
	$ 3,594,240	**$ 2,863,625**	**$ 3,628,714**

Expenses

Administration	$ 647,240	$ 597,972	$ 651,452
Enterprise	1,167,000	1,089,307	1,155,829
Tourism, Events, Conventions & Tradeshows	1,133,000	778,720	1,181,421
Corporate	647,000	281,929	555,015
	$ 3,594,240	**$ 2,747,928**	**$ 3,543,717**
Excess of Revenue over Expenses	**$ –**	**$ 115,697**	**$ 84,997**

Other Income

Canada Emergency Wage Subsidy	–	$ 394,052	–
Canada Emergency Rent Subsidy	–	16,860	–
Excess of Revenue over Expenses	**$ –**	**$ 526,609**	**$ 84,997**

A portion of current year excess of revenue over expenses have been restricted for future use in a tourism and ECT recovery special project fund for initiatives that would enhance the recovery of the tourism, events, conventions and tradeshows sectors; and in an ag and food special projects fund for initiatives that would advance the ag & food cluster strategy.

Regina International Airport (YQR) is a key hub for business and tourism travel for southern Saskatchewan. While Covid-19 severely impacted travel in 2020, YQR will play a critical role in Regina's economic recovery and growth long after the pandemic is over.

Economic Development Regina Inc.
info@economicdevelopmentregina.com

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TF: 1-800-661-5099

economicdevelopmentregina.com
tourismregina.com

Tourism Regina

REGINA Infinite Horizons | Economic Development Regina Inc.

Appendix C - 2021 Business Plan

REGINA Infinite Horizons | Economic Development Regina Inc.

SEE FURTHER

GROW HIGHER

Tourism Regina

December 2020

2021 BUSINESS PLAN SUMMARY

In 2020, the world changed in the blink of an eye. COVID-19 brought about a new normal where everyone learned the term "social distancing," and home offices became more common than ever.

Heading into the pandemic, and despite a few nagging issues, Regina's economy had built some positive momentum. Entrepreneurship was growing, technology companies were growing, and Regina continued to boast one of the youngest populations in the country. Regina's 2019 unemployment rate, at 5.1%, had decreased from 5.9% in 2018. While not at the low levels we saw in 2013 and 2014, we were moving in the right direction.

And while Covid wreaked havoc with economic numbers, it's important to remember that those numbers tell us where we've been, not where we are going. Saskatchewan, and Regina, are emerging from the downturn – and all the things that made us great before the pandemic will continue to make us great after. And through it all, we've never forgotten who we are.

Since the pandemic took hold, EDR has provided resources to help local businesses and tourism operators survive and recover from the effects of the downturn. We haven't been doing that work alone. In fact, many great organizations have rolled up their sleeves to deliver key information and resources for Regina businesses. That work has been of particular importance to EDR, as it allows us to pivot from "survival" to "recovery and growth" mode.

In the months prior to Covid, EDR developed an Economic Growth Plan for the Greater Regina Area. There's never a good time for a downturn like the one we've experienced, but the Growth Plan will serve Regina well as we work through this setback. The plan, which includes 19 specific, achievable actions, serves as a template for recovery and growth now and in the years to come.

In 2021, EDR will maintain its focus on recovery while working to achieve the vision set out in our Growth Plan. EDR's Board of Directors has identified four strategic priorities that will have the greatest positive impact on Regina's economic recovery.

THOSE PRIORITIES INCLUDE:

- **Agriculture and Food;**
- **Events, Conventions and Tradeshows;**
- **Entrepreneurship; and**
- **Destination Marketing.**

2021 is a year not just to recover, but to continue in the bold direction we started in 2020 – and we have a strong, achievable plan in place. We have a vision to become better than ever. Regina is known for building great things. Our abundant natural and human resources, proximity to strategic customers and transportation routes position Regina favourably within the context of a rapidly changing global economy.

The GRA is becoming more diverse, entrepreneurial, younger and audacious. So too must EDR. The EDR Board of Directors and management are confident in achieving the ambitious objectives contained in this business plan.

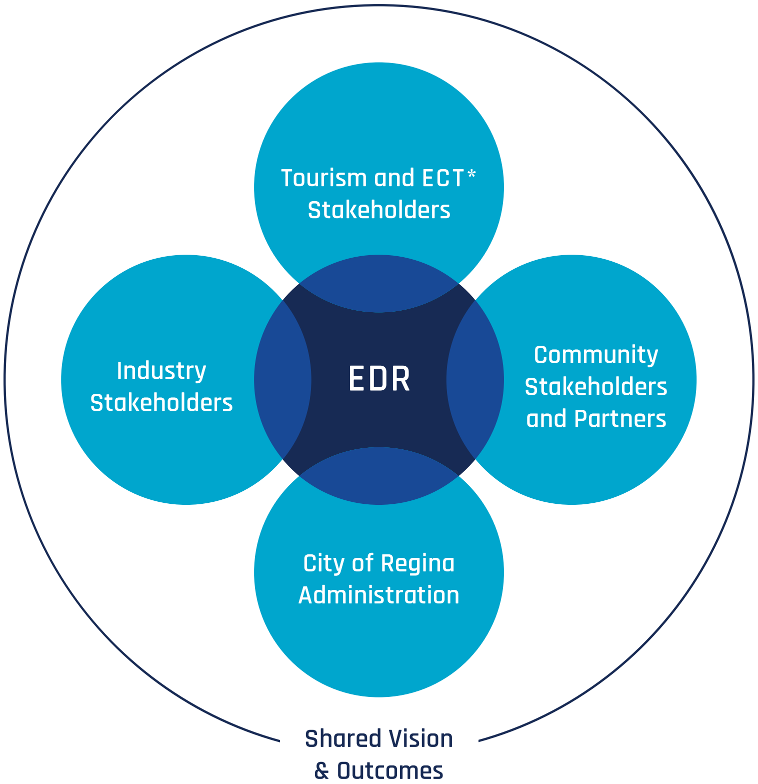
EDR VISION

The Greater Regina Area (GRA) prospers as a vibrant and diversified economy for investors, a strong destination experience for visitors, and a place of choice with a high standard and quality of life for residents.

MISSION

Identify, develop and promote opportunities that advance economic prosperity for those who live, work, learn, visit and invest in the Greater Regina Area.

BUSINESS MODEL



*Events, Conventions and Tradeshows

VALUE PROPOSITION

- EDR is a leader and catalyst for economic development in the Greater Regina Area and across southern Saskatchewan.
- We facilitate rapid advancement of strategic industry sectors.
- We connect people and resources, creating an environment where ideas are exchanged, resources are pooled and investments are leveraged.
- We provide strategic intelligence and assistance to ensure key projects are successfully implemented.
- We provide insights and ideas that help businesses identify promising and emerging opportunities and needs.

EDR BOARD OF DIRECTORS

FRANK HART, CHAIR
Chair
GiGn' Inc.

TINA SVEDAHL, VICE-CHAIR
Vice-President, Investments
Harvard Developments Inc.

MURAD AL-KATIB
President and CEO
AGT Food & Ingredients Inc.

ERIC DILLON
Chief Executive Officer
Conexus Credit Union

JASON DRUMMOND
Managing Partner
York Plains Investment Corp.

SANDRA MASTERS
Mayor
City of Regina

ELEAH GALLAGHER
President
J.C. Kenyon Engineering Inc.

DR. GINA GRANDY
Dean, Hill-Levene Schools of Business
University of Regina

DARREN HOWDEN
Senior VP, Prairie Operations
Farm Credit Canada

KYLE JEWORSKI
President and CEO
Viterra Inc.

MARK LANG
Managing Partner, Regina
KPMG LLP

RACHEL MIELKE
Founder and CEO
Hillberg & Berk

RYAN URZADA
Chief Experience Officer
The Atlas Hotel

CHRIS HOLDEN, OBSERVER
City Manager
City of Regina

PRESIDENT & CEO

JOHN D. LEE
Economic Development Regina Inc.

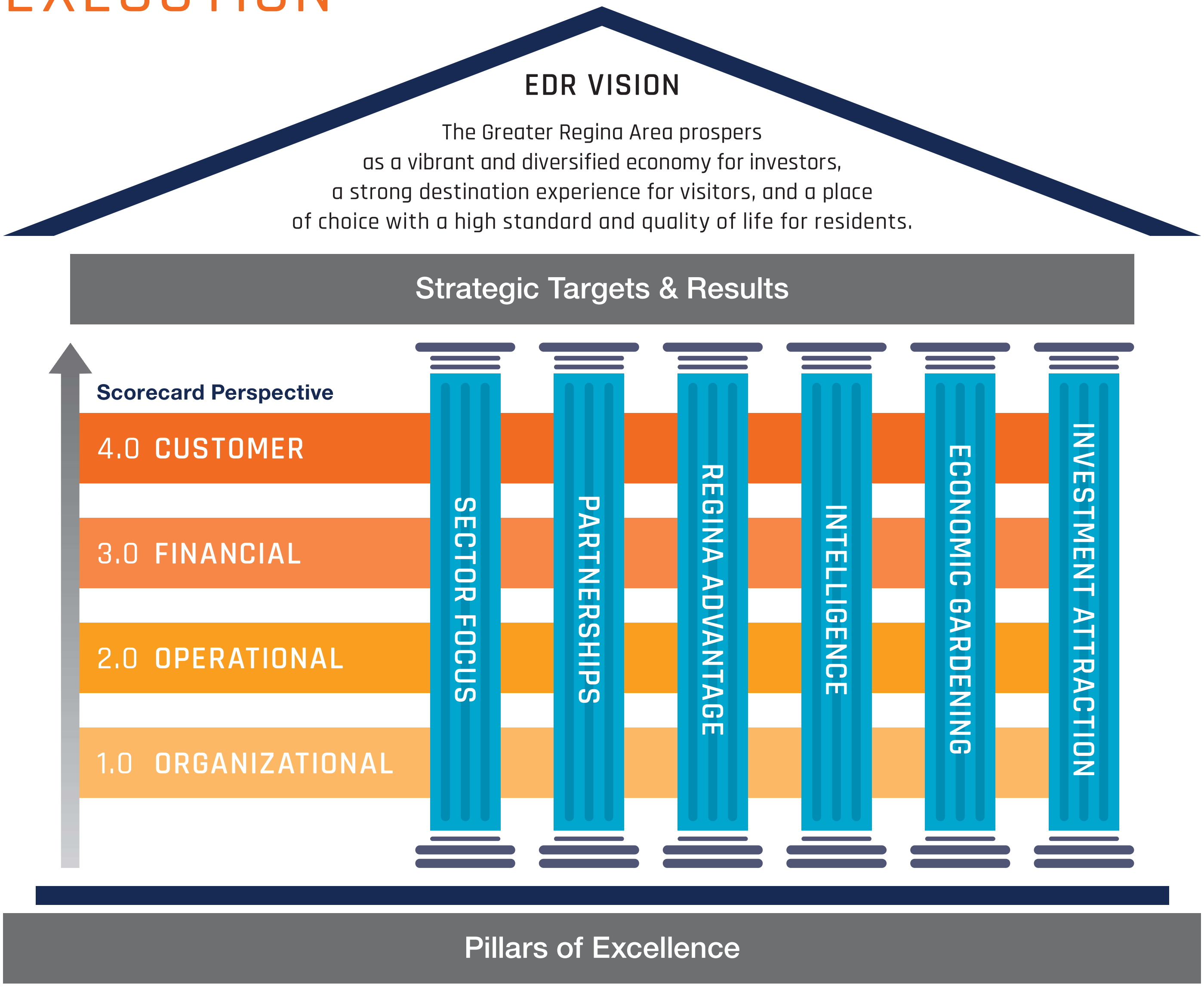
STRATEGIC INTENT

EDR is responsible for providing leadership for economic growth to the City of Regina and the community, with specific accountability for the following core functions:

- Support industry growth and diversification through retention, development and attraction of business and tourism.
- Find innovative ways to support the community in sustaining growth while effectively addressing the challenges of growth.
- Market and promote the Greater Regina Area for business and tourism.
- Ensure the Greater Regina Area prospers as a vibrant and diversified economy for investors, is a strong destination experience for visitors and a place of choice with a high standard and quality of life for residents.

EDR IS THE CATALYST FOR DRIVING ECONOMIC GROWTH AND ADVANCEMENT IN THE GREATER REGINA AREA.

STRATEGIC EXECUTION



Strategic pillars are essential strategic elements that form the foundation for a balanced scorecard. EDR sometimes uses the analogy of strategic pillars as "load-bearing" walls. They support the entire structure of your building, but their placement and design may actually dictate what you can and cannot do in terms of redesigning the layout and function. For EDR, the six strategic pillars provide structure, focus, support and boundaries for the EDR 2021 Business Plan.

The pillars apply to every part of the organization and define what major strategic thrusts EDR will pursue to achieve its vision. They affect all four of the balanced scorecard perspectives (1.0 – Organizational; 2.0 – Operational; 3.0 – Financial; and 4.0 – Customer). EDR's Board of Directors uses this scorecard structure to assess the performance of the organization.

If EDR excels at these six strategic pillars, the organization will achieve its vision and the strategic results (targets) in the balanced scorecard.

REGINA'S 2020–2030 ECONOMIC GROWTH PLAN

Regina's 2030 Economic Growth Plan identifies key opportunities to increase the city's prosperity and economic potential for the next 10 years. Our aim is to promote the Greater Regina Area (GRA) as a leading destination for visitors, talent, businesses and investment.

Our ambitious plan provides a roadmap for the GRA to thrive and to improve the lives of Reginans today and in the future. It contains 19 specific, achievable actions that will drive economic growth and prosperity for years to come.

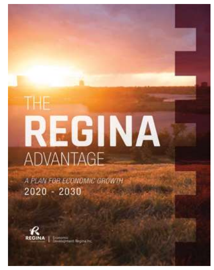
Over the next decade, the population in Saskatchewan will grow to over 1.4 million. Together with the Province, we will support a decade of growth by creating new jobs and economic opportunities to help families and communities thrive. Our plan aligns with Saskatchewan's Growth Plan, and we continue to actively seek opportunities to collaborate with the Government of Saskatchewan.

A TEMPLATE FOR ECONOMIC RECOVERY

As Regina works to recover from the effects of Covid-19, the Economic Growth Plan provides concrete steps in the right direction. In 2021, EDR will prioritize actions that deliver the greatest possible economic impact for Regina.

A COMMUNITY EFFORT

Led by a steering committee of key community stakeholders, the Plan is a result of extensive engagement and thorough research. Over 200 residents participated in roundtables and focus groups providing important insights that helped shape the strategic direction of the Plan. An online survey completed by over 1,400 Regina residents captured the thoughts of our community.



A STRONG FOUNDATION

Our city has a strong foundation of talent and infrastructure in key economic sectors that will continue to be strong drivers for Regina's economy. Those sectors include agriculture and food; events, conventions and tradeshows; finance and insurance; manufacturing; mining; oil and gas; and tourism.

A BOLD VISION FOR 2030

The Plan's steering committee identified five compelling visions for Regina's future economy, outlining their strengths and key areas of opportunity to increase prosperity and economic potential.

Competitive

The business environment is thriving. Entrepreneurs excel here, and our city is full of driven and passionate people, changing the world from right here in our backyard. Regina has a variety of supports for entrepreneurs; from coworking spaces, to incubators, and programs to ensure success. Technology and innovation drive Regina's key sectors. The city has blossomed on the world stage as a place to pilot new agriculture and food technologies.

KEY AREAS OF OPPORTUNITY FOR REGINA

- Food: The Greater Regina Area will play a key role in sustaining the growing global population that will rise to 8.5 billion people in 2030.
- Entrepreneurship: Regina is full of driven and passionate people who are creating global transformation.

Vibrant

We are a year-long festival and event city that is known as the best host for events, conventions and tradeshows in Canada. The community is full of energy with rich and lively recreational activities, music, food and shopping experiences. Regina is a place where entrepreneurs, artists and the public sector have become a trifecta of collaboration and impact. There is a vitality in the city that promotes healthy lifestyles, creativity and community well-being.

KEY AREAS OF OPPORTUNITY FOR REGINA

- Visitor Economy: If the province were to grow its visitation and expenditures by 3% per annum through to 2030, it would mean an almost 50% increase in real expenditures and jobs.

Inclusive and Welcoming

The community has built upon the strong foundation of collaboration across organizations to create a safe and accessible city. Indigenous and newcomer employment at all levels are representative of our population. Our diverse community feels at home and proud of our cultural amenities and social gathering places. There is better pathfinding for newcomers to Regina and new cultural spaces.

KEY AREAS OF OPPORTUNITY FOR REGINA

- Indigenous Engagement: Regina is dedicated to increasing employment participation, education and investment opportunities for Indigenous peoples.

Sustainable

In 2030, Regina will be a shining example of how both renewable and non-renewable resources create prosperity. Regina is recognized internationally as a smart city for its generous green space, environmentally sound building standards, sustainable operational practices, energy efficient public transportation system and best-practice waste management. As proud stewards of air, land, water and biodiversity, we will create sustainable prosperity.

KEY AREAS OF OPPORTUNITY FOR REGINA

- Energy and Resources: The Greater Regina Area is home to energy, oil and natural gas companies that are leaders in advancing technologies and will be instrumental to making the province a global energy leader.
- Renewable Energy and Green Economy: Regina will take steps to adopt new technologies, practices and policies to drive towards using and producing more responsible energy sources.

Collaborative

Community leaders have created a climate of collaboration and risk-taking, where the private and public sectors work closely together to create opportunities, policies and programs that advance the economic prosperity for the Greater Regina Area. New business clusters have emerged. Private businesses, non-profits and community organizations work together to enact innovative changes that improve economic prosperity and community.

KEY AREAS OF OPPORTUNITY FOR REGINA

- Talent and Training: Regina is creating partnerships between industry and education to develop the best home-grown talent that chooses to stay here.

A MULTI-FACETED PLAN

Regina's 2030 Growth Plan will require city-wide and region-wide collaboration to deliver. We need strong and effective partnerships with many organizations,including other levels of government, non-profit organizations, businesses and – most of all – individual citizens. It's an achievable plan that will create an amazing place to live, work, learn, play and do business.

To view the complete 2030 Economic Growth Plan, visit **economicdevelopmentregina.com/economic-data/economic-growth-plan**.

2021 STRATEGIC PRIORITIES

EDR's strategic priorities for 2021 are aligned with actions identified in the 2020–2030 Economic Growth Plan.

While it provides a blueprint for growth over the next ten years, the Plan also forms the foundation for economic recovery in the near term. As a result, EDR's Board of Directors has identified four strategic priorities for 2021 that will have the greatest positive impact on Regina's economic recovery. EDR will focus its efforts on these areas, while adopting an agile approach to our work, which will allow it to remain on course through these rapidly changing times. Pursuing those priorities will in turn contribute directly to actions identified in the Growth Plan.

As the agency responsible for Tourism Regina, EDR believes that each of these priorities will play an important role in driving Regina's visitor economy. As each of these priority areas flourish, they will create greater opportunities for business and leisure travel to Regina.

AGRICULTURE & FOOD

Regina will be a world leader in plant-based food, fuel and fibre.

EVENTS, CONVENTIONS & TRADESHOWS

Regina will be a year-long festival and event city that is known as the best host for events, conventions and tradeshows in Canada.

ENTREPRENEURSHIP

Regina will be a top place in Canada to start and grow a business.

DESTINATION MARKETING

Regina will have a strong, competitive identity.

EDR VISION

The Greater Regina Area prospers as a vibrant and diversified economy for investors, a strong destination experience for visitors, and a place of choice with a high standard and quality of life for residents.

AGRICULTURE & FOOD

Regina is poised to transform an already strong agricultural economy by placing greater focus on value-added processing that utilizes every part of the crop. This **multi-sectoral strategy** will create opportunities around our existing assets – an entrepreneurial mindset, the world's best producers, ingenuity and boldness, world-renowned agricultural suppliers and manufacturers, a robust, knowledgeable finance and insurance sector and world-class transportation and logistics infrastructure. We are positioned to be a leader in developing new technologies and techniques that transform our world-class agricultural products.

Regina will be a world leader in plant-based food, fuel and fibre.

2021 STRATEGIC IMPERATIVES:

- Execute the agriculture and food cluster strategy (including marketing, investment attraction, funding and other actions)
- Advance a strategy to establish an Ag and Food Tech Innovation Hub

EVENTS, CONVENTIONS & TRADESHOWS

In a normal year, Regina's event, convention and tradeshow (ECT) sector contributes hundreds of millions of dollars to the local economy, employs more than 8,000 people and makes Regina a better place to live for its citizens. Our city is known across the country for its passion, welcoming spirit, committed volunteers and a work ethic that allows us to thrive in markets above our weight class. EDR and its partners are working to attract and maximize high-impact events, conventions and tradeshows.

Regina will be a year-long festival and event city that is known as the best host for events, conventions and tradeshows in Canada.

2021 STRATEGIC IMPERATIVES (completed in collaboration with the ECT alliance*):

- Identify, acquire, grow and secure high-impact future ECTs
- Execute the ECT Alliance recovery and growth strategy
- Activate high-impact ECTs to increase brand awareness, visitor experience and investment opportunities

* Regina's Event, Tradeshow and Convention Alliance is a consortium of local organizations committed to advancing Regina as a destination of choice for events. The Alliance is comprised of The City of Regina, Economic Development Regina, Tourism Saskatchewan, Regina Hotel Association and Regina Exhibition Association Ltd.

ENTREPRENEURSHIP

Regina is home to a creative, innovative, bold and highly connected entrepreneurial community. Our entrepreneurial mindset helps us to nurture the collective abilities and diverse values of our business community, through an exchange of ideas, resources, connections and acceptance. There is a unique opportunity to build off pre-pandemic momentum created by successes like Cultivator powered by Conexus, PATH COWORK and Audacity YQR.

Regina will be a top place in Canada to start and grow a business.

2021 STRATEGIC IMPERATIVES:

- Grow the Audacity YQR movement through increased partnership, awareness and participation
- Implement a Competitiveness Framework (including incentives, customer experience, infrastructure and other factors) for the GRA, in collaboration with the City of Regina

DESTINATION MARKETING

According to Oxford Economics, destination marketing "fuels development across the entire economic spectrum." It is critical to building awareness, familiarity and relationships that attract visitors and investment. It also enhances a region's ability to attract strategic events, drives the development of transportation infrastructure, attracts visitors to tourist venues and raises quality of life for citizens. Regina has an opportunity to create a singular, powerful place brand that tells its story of an amazing city to live, work, play, study and do business.

Regina will have a strong, competitive identity.

2021 STRATEGIC IMPERATIVES:

- Execute a destination recovery campaign promoting Regina as a great place to live, work, play and invest
- Develop and execute a coordinated destination promotion and marketing action plan
- Create and launch a visitor and destination experience action plan, keeping in mind the GRA's strategic focus on agriculture and food

ORGANIZATIONAL

- Establish a City of Regina and EDR mobilization committee to advance the Economic Growth Plan
- Secure additional incremental funding as well as partners and resources to achieve strategic imperatives
- Transform to an agile enterprise

2021 BUDGET

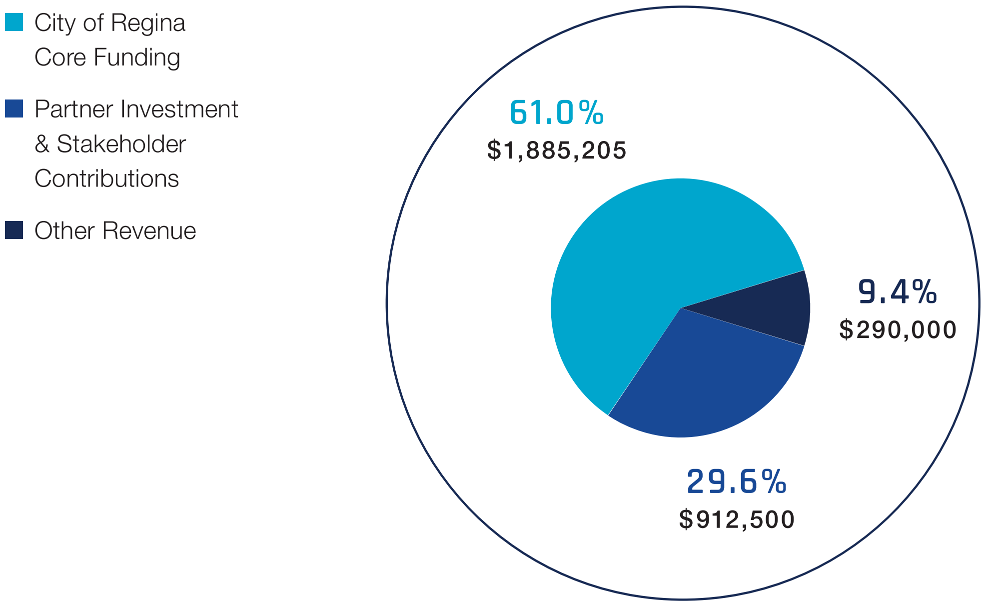
The 2021 Budget supports EDR's successful execution of the organization's balanced scorecard.

REVENUE	2020 BUDGET	2020 FORECAST	2021 BUDGET
City of Regina Core Funding	1,848,240	1,848,240	1,885,205
City of Regina 2021 Additional Request	–	–	200,000
Regina Hotel Association	579,000	62,500	62,500
Other Revenue	1,167,000	738,560	940,000
Total Revenue	3,594,240	2,649,300	3,087,705

EXPENSES			
Administration	647,240	611,500	576,705
Enterprise	1,167,000	1,072,000	1,315,000
Tourism and Visitors	615,000	540,000	641,000
Events, Conventions & Tradeshows	518,000	162,500	206,000
Corporate	647,000	335,500	349,000
Total Expenses	3,594,240	2,721,500	3,087,705

Net Income (Loss)	–	(72,200)	–

REVENUE ALLOCATION



GEARING RATIO

EDR has made a strategic emphasis to increase our Gearing Ratio (stakeholder and partner contributions: City core funding). The realities of the current economic climate have caused a setback, but EDR is determined to recover. For every dollar the City contributes, Partners and Third Party funders are budgeted to contribute 48 cents in 2021.

	2016	2017	2018	2019	2020 FORECAST	2021 BUDGET
City of Regina Core Funding	1,719,500	1,719,500	1,719,500	1,812,000	1,848,240	1,885,205
Partners & Third Party Funding	950,446	1,031,622	1,300,000	1,702,048	706,060	912,500
Gearing Ratio	**0.55**	**0.60**	**0.76**	**0.94**	**0.38**	**0.48**

A COMMUNITY EFFORT

This is an exciting time for EDR, and for Regina – and we know we can't achieve our ambitious vision on our own.

In 2017, the Board of Directors of Economic Development Regina Inc. created the first opportunity for private sector companies and groups to invest directly into supporting our economic growth strategy.

We were very pleased by the response of the business community to this initiative. Since then, some 22 private sector organizations have become EDR Investment Partners, providing over $1 million in new revenue, and becoming key stakeholders in our work. Our partners represent a broad cross-section of Regina's business community who are fully invested in our long-term growth. They are leaders who care about our community and committed to the future of the Greater Regina Area.

While our primary focus is the Greater Regina Area, our sense of community compels us to cooperate well beyond our boundaries. When we succeed, all of Saskatchewan succeeds. And when Saskatchewan succeeds, we celebrate.

To all of our investment partners, thank you.

VALUED PARTNERSHIP

EDR, Tourism Regina and the Regina Hotel Association (RHA) share a common vision to attract leisure and business visitors to the GRA.

Regina Hotel ASSOCIATION

INVESTMENT PARTNERS

EDR's Investment Partnership Program provides opportunities for companies and organizations to invest directly in our long-term growth strategy. These are the partners who showed leadership and commitment to the future of the Greater Regina Area.

Founders

AGT FOODS
BLUE PLATE CAPITAL
City of Regina | REGINA Infinite Horizons
the co-operators A Better Place For You
FTL FRIES TALLMAN LUMBER
HARVARD Developments Inc. A HILL COMPANY
Mosaic
Pats
phoenix group
PRAXIS RESEARCH | STRATEGY | RESULTS
RAVEN
Regina & Region Home Builders' Association
TD Asset Management
University of Regina

Premier

ASCENT
AE AVANA ENTERPRISES
CAPITAL Automotive Group
Clifton
conexus Credit Union
Deloitte.
MLT AIKINS WESTERN CANADA'S LAW FIRM
Optimum Talent
pfm CAPITAL INC.
SRA SASKATCHEWAN REALTORS ASSOCIATION

CONTACT US

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Tourism Regina

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City of Regina

Regina Exhibition Association Limited (REAL) 2020 Annual Report

Date	April 21, 2021
To	Executive Committee
From	Financial Strategy & Sustainability
Service Area	Financial Services
Item No.	EX21-36

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Authorize the Executive Director, Financial Strategy & Sustainability, as the City's proxy, to exercise the City of Regina's voting rights at the upcoming Regina Exhibition Association Limited (REAL) Annual General meeting (AGM) as follows:

    a) Approve the Annual Report and Audited Financial Statements for the 2020 operating year (Appendix A)

    b) Approve the 2021 Operating Budget (Appendix B)

    c) Appoint MNP LLP as auditor for REAL for the 2021 financial statement year, pursuant to section 149 of *The Non-profit Corporations Act, 1995* (Saskatchewan).

2. Approve this report at its April 28, 2021 meeting.

ISSUE

REAL is governed by a Board of Directors and is a not-for-profit and municipal arms-length organization that operates the property currently known as Evraz Place. The City of Regina is the owner and sole shareholder of REAL.

As the sole voting membership holder of REAL, the City of Regina (City) must exercise its voting rights at the REAL annual general meeting to (i) appoint or waive the requirement of an auditor; (ii) approve the audited financial statements of REAL; (iii) approve the annual report; (iv) approve the budget for the following fiscal year and (v) approve repealed and amended bylaws.

Administration requires delegated authority from City Council in order to exercise the City's voting rights at REAL's Annual General meeting, scheduled for April 30, 2021, in accordance with the direction provided by City Council.

IMPACTS

As REAL is a municipal corporation of the City of Regina, the audited financial statements of REAL will be consolidated into the City's financial statements.

OTHER OPTIONS

None with respect to this report.

COMMUNICATIONS

None with respect to this report.

DISCUSSION

Section 6.2 of the Unanimous Membership Agreement (UMA) sets out the following annual report and annual membership meeting requirements presented in this report.

6.2 Annual Report and Annual Membership Meeting

(a) within ninety (90) days after the end of year fiscal year, the Board of Directors shall prepare an annual report which shall be submitted by the corporate secretary of the Board of Directors to the City Manager, who shall bring the matter forward to the Executive Committee for Council approval. The Annual Report shall contain the following items:

1) any revisions to long term strategic plans or capital asset plans;
2) an operating and capital budget for the next fiscal year and an operating and capital budget projection for subsequence fiscal years contemplated in the current strategic or capital asset plans;
3) pro forma audited financial statement prepared in accordance with generally acceptable principles; and
4) accomplishments during the fiscal year along with explanations notes and information as is required to explain and account for any variance between the actual requests and the strategic plans or capital assets plans.

(b) In conjunction with the Annual Report, REAL shall conduct its annual general meeting which will:

1) elect the Board of Directors;
2) appoint the Auditor;
3) approve the financial statements; and
4) consider any other resolutions that may be brought forward.

2020 Annual Report & Audited Financial Statements

Pursuant to the (UMA), Appendix A of this report provides the 2020 Annual Report, including audited financial statements. Administration has reviewed the audited financial statements and will consolidate the information into the City's financial statements, as is required by accounting standards. Administration found no irregularities or items of concern within the financial statements.

Highlights of the audited financial statements for the year ended December 31, 2020 prepared in accordance with Canadian Public Sector Accounting Standards include:

- A $3.9 million loss in 2020 ($2.2 million loss in 2019).
- An accumulated deficit of $7.1 million compared to an accumulated deficit of $3.8 million from the previous year.

2021 Budget

REAL's operating budget for 2021 projects revenues of approximately $37.9 million and expenses of $40.0 million before interest, taxes and depreciation resulting in a 2021 Earning Before, Interest, Taxes, Depreciation and Amortization (EBITDA) of a negative $(2.1) million. In a normal year, REAL would budget capital expenditures equal to EBITDA. Due to the impact of the COVID-19 pandemic, REAL is not expecting positive EBITDA for 2021 and as such has a zero-dollar capital budget for 2021. The 2021 Budget for REAL was previously discussed at the January 6, 2021 Executive Committee meeting (EX21-3) and at Council on March 24, 2021 (CM21-3). The Budget detail is provided in Appendix B.

Appointment of Auditor

As the sole voting member, the City must appoint or waive the requirements for an auditor for REAL pursuant to *The Non-profit Corporations Act*, 1995 (Saskatchewan). The use of an auditor is best practice and required to ensure public accountability. Administration is recommending that the City and REAL use a common auditor. MNP LLP was appointed as the City's auditor for a five-year term (2017 to 2021). REAL has used MNP for 2017, 2018, 2019 and 2020 audits.

DECISION HISTORY

Effective January 1, 2014, The Regina Exhibition Association Limited ("REAL") was continued under The Non-profit Corporations Act, 1995 (Saskatchewan) (the "Act"), with the City becoming its sole voting member. This change in structure made REAL a "municipal corporation" of the City.

REAL presented its planned 2021 Budget to public Executive Committee on January 6, 2021 (EX21-3) and on March 24, 2021 (CM21-3) as information into the development of the

City’s 2021 Budget. On March 24, 2021, City Council approved $1,100,000 of grants for REAL as part of the City’s 2021 Budget. The Budget detail is provided in Appendix G in the March 24, 2021 report.”

On December 16, 2020, City Council approved an amendment to the credit facilities outlined in REAL’s loan with HSBC (CR20-96). The amendment increased REAL’s credit facilities to a maximum of $21.0 million. The outstanding balance on this loan on December 31, 2020 was $5.8 million.

Respectfully Submitted,

June Schultz, Director 4/15/2021

Respectfully Submitted,

Barry Lacey, Exec. Director,Financial Strategy & Sustainability 4/16/2021

Prepared by: Jonathan Barks, Financial Business Partner

ATTACHMENTS

Appendix A - 2020 Annual Report
Appendix B - 2021 Budget Summary

2020 ANNUAL REPORT

#REAL

OUR VISION

To be the heart of our city and province, a place where people come to live, work and play.

OUR MISSION

To deliver exceptional experiences and foster meaningful memories that make our community a better place.


BRINGING COMMUNITY TOGETHER SINCE
1884
The BAVARIAN SLIDE
industrial exhibits
CREATIVE ARTS

OUR HISTORY

It all began in ***1884*** when an enthusiastic group of people organized Regina's first-ever agricultural fair in what we know now as downtown's Victoria Park. In time, land was purchased west of Elphinstone Street and became the permanent home of the Regina Agricultural and Industrial Exhibition Association. We played host to events large and small, including the prestigious World's Grain Exhibition and Conference during the heart of the Great Depression.

We became Regina Exhibition Park, and over the years, three major events were born that we still enjoy today: Queen City Ex (formerly Buffalo Days, 1967), Canadian Western Agribition (1970) and Canada's Farm Show (1978). We are now the proud home of the Saskatchewan Roughriders, Regina Pats, Futbol Club Regina, University of Regina Cougars hockey, Hockey Regina, and many recreational sports, concerts, trade shows, conferences and conventions of all shapes and sizes.

The men and women who began all this more than 130 years ago with a vision to bring the community together could have not imagined what this park would eventually come to be. But throughout our history, one thing has stayed the same: ***we build community***, one memory at a time. Look closely and you'll see it in action—community is, and has always been, at the heart of everything we do. Whether it's family time enjoyed at Queen City Ex, cheering on the home team at Mosaic Stadium or the Brandt Centre, or scoring big to take home that sought-after tournament trophy, we create positive experiences and memories that last a lifetime.

WE'RE PROUD TO WELCOME YOU TO OUR CAMPUS.


ENTERTAINMENT
SPORTS & REC
AGRICULTURE
BUSINESS
2018 MASTERCARD MEMORIAL CUP
GENESIS
W E L C O M E
NOT OUR FIRST RODEO
ARENA

EXECUTIVE MESSAGE

For the Regina Exhibition Association Limited (REAL), 2020 was intended to be the start of a fresh year, a crisp new decade, and a launch pad for the implementation of the newly approved REAL 2.0 Strategic Plan. Fresh off a record setting year in 2019 that included two sold out Garth Brooks Concerts and the first ever neutral site non-NHL market Outdoor Hockey game in the Tim Hortons Heritage Classic, the start of a new decade was looking promising. With record setting attendance at the Queen City Exhibition in 2019 and having hosted over 20 concerts and events at the Brandt Centre, at the outset of 2020, REAL was enjoying the support of positive momentum and success.

The stage was set for a truly exceptional 2020 with a record number of confirmed concerts at the Brandt Centre, a repositioned Canada's Farm Show, a remarkable program for the annual Queen City Exhibition, and a stacked line up for summer outdoor concerts. The organization was set to make history hosting the 2020 Grey Cup Festival and Grey Cup all on one site to create the ultimate fan experience. It was a year that was positioned to be a year of impressive moments and brilliant memory making. The 136th year of operations for REAL was going to be one to remember.

January, February, and the beginning of March 2020 were performing ahead of budget, ahead of activation, and ahead of utilization. We were most definitely off to a great start. Then, with the blink of an eye, everything changed on our campus, within our City, and around the globe. The call that immediately changed our world came from our Provincial Health Authority on March 13, 2020, and it was a moment that defined the unique business of REAL as we were asked to immediately suspend all operations. From active trade shows filled with thousands enjoying the "What Women Want" event, to a full house for Professional Bull Riding at the Brandt Centre, playoffs were happening at the Co-operators Centre for hockey and ringette, the AffinityPlex was wrapping up the indoor soccer season and the turf was being groomed at Mosaic Stadium for Rider Nation. At 5pm on March 13, 2020 the business of the Regina Exhibition Association Limited was immediately suspended and the campus would become eerily still. As an organization perhaps the biggest reality was going from 3.7 M annual visitors to the silence of empty buildings and an empty car park. It was a remarkable, unprecedented and unsettling time.

As an organization that had spent 136 years creating confidence within the marketplace that large public gatherings can be safe, well organized, and positive experiences the impacts of COVID-19 were immediately devastating and recovery will be a lengthy process. As 2020 progressed, and more clarity on the impact of COVID-19 on the business of REAL became apparent, the financial

consequence of ceased operations was forecast at as much as $7 M in annual deficit. Bookings evaporated, artists and tours postponed and canceled, leagues and signature events vanished and REAL found itself with massive, costly, and empty civic buildings. Everything had changed and a path forward seemed uncertain.

As an organization immediate cost containment measures were implemented and this included the most difficult decision any organization will be forced to make, the layoff of members of an amazing team. At the peak of the pandemic, 82% of all employees at REAL were on temporary layoff, all non-essential spending had been eliminated, buildings had been sealed, annual compensation programs for staff were frozen and organizational focus shifted immediately to safety and security. With a small but dedicated team remaining, our resilient and proud Exhibition Association did what it has done for well over a century, we repositioned our business and responded to the needs our community, our neighbours, and our Province. We should remember that this was not our first global pandemic!

This is when the REAL Pivot of 2020 commenced. As an organization we went from an event hub to a COVID-19 testing hub, from field sport to a Medical Field Hospital, from festivals to flu shot clinics, but we found a way to be relevant and meet the immediate needs of our community. While we cherished our opportunity to support the Saskatchewan Health Authority and the remarkable health care professionals who worked tirelessly to keep our Province safe, we simply couldn’t resist our need to find a way to safely bring our community together. With creativity, innovation, and perseverance we found a way to host drive-thru mini-donuts, three sold out Brett Kissell concerts, fireworks shows, REAL Kids Summer Camps and Halloween Trick-or-Treat at Mosaic Stadium. We opened the AffitintyPlex and Co-operators Centre to limited attendance but full operations, we opened the VolleyBarn, and we even found a way to deliver Canada’s largest Outdoor Rink at Iceville. Inspired by our steadfast tradition and the countless examples over the past 136 years, the Regina Exhibition Association Limited once again found a way to reposition our business and our operations to meet the needs of our City in the most challenging of times. We remained resilient and relevant. We persisted.

While 2020 will not be remembered for record setting attendance numbers, glossy pictures of filled stadiums and arena facilities, selfies from the top of the Ferris wheel at QCX, or loud cheering for touchdowns by Rider Nation fans, it will nonetheless be a year to remember. It will be looked back on as the year we converted the International Trade Centre into the flagship testing facility for COVID-19 in our country, it will be remembered for the 8 person hockey practices that allowed our next generation to find a way to play, and it will be remembered for the sacrifice of hundreds of members of the REAL team that went without a shift and without a place to go to work for almost a year. It will be historically remembered as the year that physical distancing, face masks, and hand sanitizing stations became part of our normal daily routine. In the darkest of days within our community, 2020 will be remembered as the year where we, as an organization, were reminded of our REAL Heart where it has always been and always will be, at the heart of our City and Province making our community a better place.

With the remarkable support we have seen from the Government of Saskatchewan, our Owner the City of Regina, the steadfast leadership of our Board of Directors, the professionalism and dedication of the REAL Team and the unwavering support from our community, it is time to turn the page on 2020 and begin to write a new chapter in the history of the Exhibition Association. Lest we forget the sacrifice of 2020, but it is now time to reposition our thoughts to brighter days, better times, and a comeback that is going to be REAL EPIC. When it is safe and the time is right the REAL comeback will begin, and although it will be slow and take time, as an organization we will return from COVID-19 stronger, better, and bolder than ever before.

With special recognition and appreciation to ALL health care professionals and first responders we submit this annual report and bring 2020 to a close.

SASKATCHEWAN HEALTH AUTHORITY

Field Hospital

In April of 2020, the Saskatchewan Health Authority (SHA) and the Regina Exhibition Association Ltd. (REAL) worked together to create a Field Hospital as an emergency health care facility on campus. The Field Hospital would be activated at any time of increased COVID-19 cases during flu season. The strategy was to be prepared in case hospital capacity cannot meet demand. The facility is meant to serve patients that don't require the level of service offered in an acute setting, but still need ongoing service such as monitoring or oxygen. The facility plan includes 178 patient treatment areas with a contingency plan to expand to a 500-patient treatment facility if needed

In a few short weeks the following infrastructure was put in place in the International Trade Centre:

- Construction of 7 stall shower facility
- Construction of AGMP treatment area
  - Plumbed for regulated oxygen delivery of up to 10 litres per minute for 5 treatment areas
- Construction of radiology area
- Construction of internal hallways to and from patient restroom area
- IT data and phone drops to support clinical applications, phones, faxes
  - 8 nursing pods with line of sight view of every bed within clinical service area (Pod)
- Scaffolding POD dividers with internalized service corridors
  - External low-level wall construction which permits each bed space to have oxygen regulator, power outlet and cot stabilization fixtures.
  - Plumbed oxygen for 178 patient treatment areas (bed or cot)
  - Electrical outlets for 178 patient treatment areas (bed or cot)
- Exterior cement pad for oxygen tower
- 30-foot Air Liquide Oxygen storage tank and bulk transfer piping to permit regulated oxygen at 6L/minute per patient treatment area (bed or cot) with a maximum capacity of 500 beds.
- Construction of an external garage leading into Hall C to help regulate the temperature inside the facilities when the overhead doors open
  - The field hospital is 'turnkey' ready for immediate activation
  - The field hospital remains in place until the conventional system can maintain the capacity

COVID-19 Testing Site

On September 8th, 2020 SHA opened a COVID-19 Drive Thru Testing Site in Hall C of the International Trade Centre. SHA setup a 6-lane drive thru system, with three nursing stations administering tests in each lane.

From September 8th – December 31st the SHA completed a total of 53,535 tests on site

Flu Shot Clinic

On October 19th, 2020 the SHA opened an appointment-based Flu Shot Clinic which ran until December 5th, 2020 in Hall B of the International Trade Centre. SHA administered a total of 13,790 immunizations during this time.

Eventually, the Flu Shot Clinic would be transformed into the COVID Vaccine Clinic.

CORPORATE GOVERNANCE

The ***Regina Exhibition Association Limited (REAL)*** is governed by a Board of Directors ***(BOD)***. REAL is a not-for-profit and municipal arms-length organization that operates the property currently known as Evraz Place. The City of Regina is the owner and sole shareholder of the REAL. REAL operates separately and independently from the City of Regina and does not have the authority to act as an agent for the City of Regina without express permission to do so. In January 2014, REAL's governance structure underwent a major shift from a community shareholder base of over 400 shareholders to a municipal arms-length organization with the City of Regina Council becoming the owner and sole-shareholder. With significant municipal investment in the assets on the site, the City of Regina required a greater degree of control over these assets. The City of Regina realized that the assets on the exhibition grounds needed to continue to operate through an entity that allowed the flexibility to operate in the space that private business would not and that at times is an area of too much risk for a municipality to operate within.

To ensure that the operating mandate empowered REAL to have the flexibility to truly take advantage of opportunities that would see the organization flourish and bring benefits to not only the city but also the province, the City of Regina thoughtfully and purposefully outlined REAL's mandate in the Unanimous Members Agreement (UMA). It is in the spirit of this mandate, the BOD have diligently fulfilled their duties to see REAL strive to achieve financial sustainability and bring prosperity to Regina.

The mandate of REAL as per the UMA is as follows:

(a) to operate in the best interest of the community, and to enrich the quality of life for people in the community through the hosting and delivery of local, regional, national, and international events

(b) to develop, operate and maintain facilities to provide world-class hospitality for trade, agri-business, sporting, entertainment and cultural events that bring innovation, enrichment and prosperity to the community; and

(c) to operate with an entrepreneurial spirit and to pursue expanded business ventures that could generate additional revenue.

The BOD is made up of no more than fifteen (15) members and no fewer than seven (7). There are currently twelve (12) voting appointed directors and two (2) ex-officio (non-voting) directors – one appointed by the City of Regina and the other by the Ministry of Agriculture, Province of Saskatchewan.

The BOD is responsible for;

Governance: structures and processes to fulfill responsibilities, such as board skills matrix and recruitment, committee appointments, and governance policies, to name a few.

Talent: selecting, evaluating, and compensating the CEO and overseeing their performance targets in alignment with strategy.

Integrity: the ethical tenor of the company. Standards of honesty, integrity, and ethics. Adheres to regulatory compliance.

Risk: monitoring the company's strategic, operational, financial, and compliance risk exposure. Collaborates with management to set risk-tolerance levels and alignment with strategic priorities.

Performance: reviews and approves company strategy, annual operating plans, and financial plans. Monitors the execution against established budgets and alignment with the strategic objectives of the organization.

Strategy: develops strategic priorities and plans that align with the mission of the organization and in the best interest of the shareholder. Monitors the ability to execute strategy.

The BOD is assisted in performing its work by four standing committees:

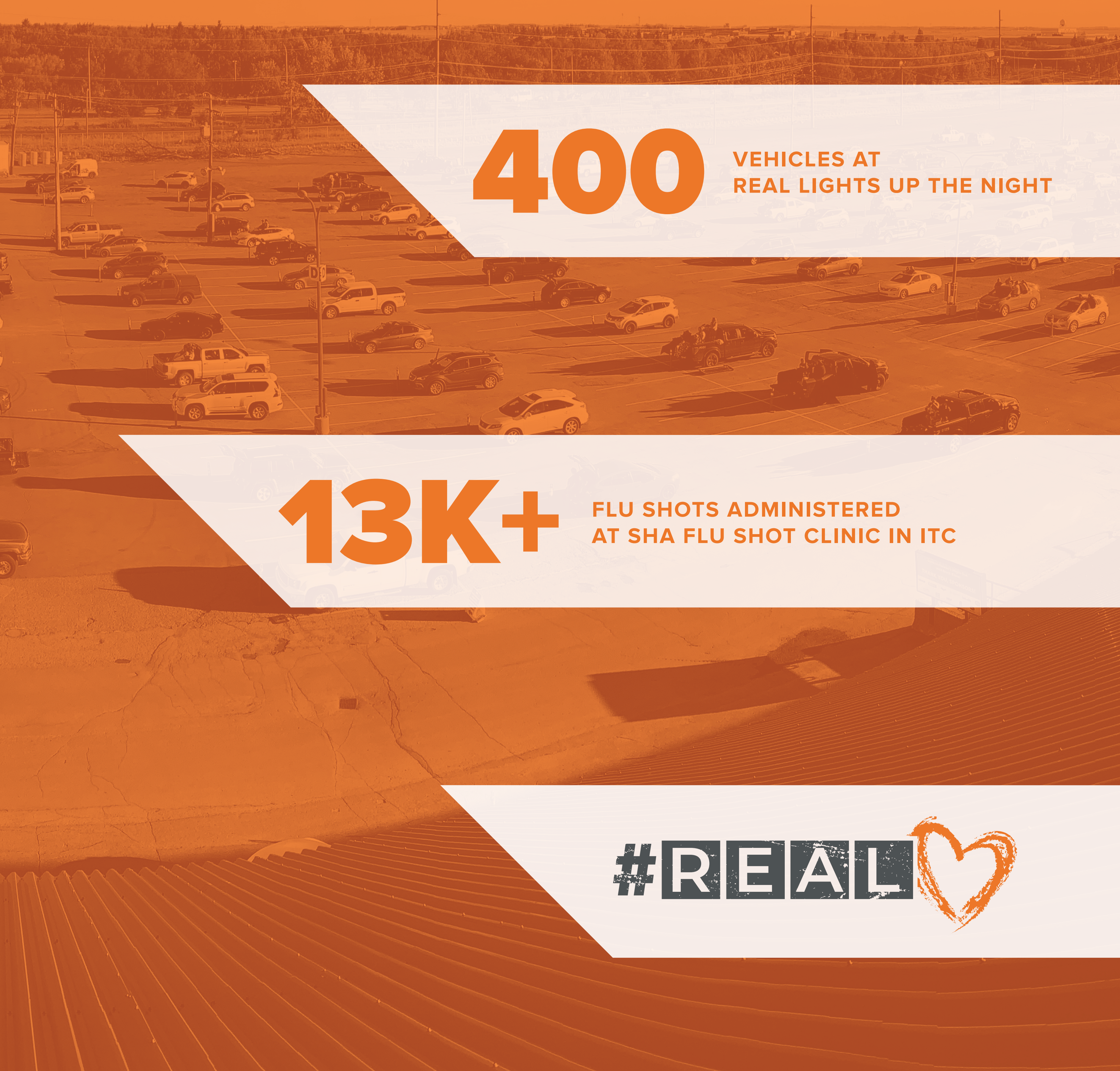
- Audit and Finance Committee
- Governance and Nominating Committee
- Human Resources Committee
- Strategic Initiatives Committee

1500 BAGS OF MINI DONUTS HANDED OUT AT TASTE OF QCX

600 VEHICLES AT 3 DRIVE-IN BRETT KISSEL CONCERTS

53K+ COVID-19 TESTS COMPLETED AT SHA DRIVE-THRU TESTING IN ITC

7.5K+ TREATS HANDED OUT AT TRICK-OR-TREAT WITH REAL



400 VEHICLES AT REAL LIGHTS UP THE NIGHT

13K+ FLU SHOTS ADMINISTERED AT SHA FLU SHOT CLINIC IN ITC

#REAL

YEAR IN REVIEW

Heading into 2020, we were certain we were heading into a new decade with a new, clear, vision. Armed, with another jam packed year of concerts and events. Ready to host another successful Canada's Farm Show with a new look and feel. We were gearing up for another stellar Queen City Ex with a stacked lineup for the Great Western Stage. The 50th Canadian Western Agribition show was all set to run on campus in November, no doubt with an exciting celebration planned. And of course, what all of Saskatchewan was waiting for, hosting the 2020 Grey Cup at Mosaic Stadium and holding the Grey Cup Festival all right here on campus throughout a number of our world-class facilities. On top of all of that, we were ready to bring forth the vision of what was to be the beginning of a new chapter for our organization, Evraz Place 2.0, 136 years in the making. Within a blink of an eye, it all changed and we were left to pivot quickly with how we could still engage with our community, in safe ways – ***and that's just what we did.***

Taste of QCX

Coming off a record setting Queen City Ex in 2019, we knew we had to do something to celebrate QCX in light of not being able to host the fair in its traditional capacity. In June, we celebrated Queen City Ex by offering a Drive-thru Mini Donut experience. This was the first event we had on campus during COVID-19 and demand was overwhelming. Mini Donuts were available for pre-order only and sold out in just over 60 minutes. On June 5, over the course of 3 hours we provided more than 18,000 donuts in 1500 bags to 293 vehicles. Dome Concessions supported the event by providing the product and labour for free as a result, all proceeds supported the Regina Food Bank, and Prairie Mobile Communications matched the donation to enable us to donate $9,000 to the Regina Food Bank.

Drive-in Concert:

In the early months of the COVID-19 pandemic, REAL brought Canadian Country artist, Brett Kissell to Regina for three sold out drive-in concerts on June 20th. Brett Kissell performed to over 2,400 attendees in 600 cars, in the first outdoor drive-in event on the REAL campus. The show aired live on YouTube to more than 4,000 viewers and has since been viewed more than 17,000 times. Concert goers were encouraged to bring donations for the Regina Food Bank and donated enough food to support 1,000 families for a week. Originally scheduled for one performance, the tickets sold out in 11 minutes so two additional shows were added to address the overwhelming demand.

REAL Kids Day Camp:

For the first time ever REAL offered day camps for children that provided a range of sport, physical activities and group games that brought a much needed break to isolation during pandemic restrictions. REAL welcomed 29 children in August to participate in the inaugural REAL Kids Day Camp that has developed into an annual program. REAL engaged with five different community partners to offer unique camp programming: Football Sask, Futbol Club Regina, Regina Ultimate, Basketball Saskatchewan and Regina Youth Flag Football.

Fireworks – REAL Lights up the Night

On a historically busy weekend on the REAL campus, Labour Day 2020 looked very different during COVID-19. In the absence of public gatherings REAL found a way to bring the community together on the REAL campus to recognize Labour Day and provide a much deserved celebration. REAL welcomed 400 vehicles to the grounds to celebrate and experience a fireworks display from the safety of their vehicles. Building off the success of the Brett Kissell Drive in Concert, community members were able to pre-register to watch the fireworks display from the comfort of their vehicles, REAL's commitment to creating memorable experiences continued to be delivered to the community through the pandemic.

Trick-or-Treat with REAL

In the uncertain times of COVID-19 and the safety unknowns for parents having their children go trick-or-treating, REAL brought together 24 community groups, partners and sponsors to provide a COVID safe trick-or-treating experience for the children of Regina. Utilizing the large concourse of Mosaic Stadium, over 1500 children dressed up in costume to fill their buckets and bags with more than 75,000 treats on Halloween. Demand for this event was so overwhelming the registration system could barely keep up with over 20,000 people trying to register, resulting in all time slots filling up in 45 minutes.

Sport and Rec:

Throughout the pandemic, working with Saskatchewan Health Authority (SHA), REAL continued to offer sport and recreation programs while providing space for community sport groups to operate in a COVID safe environment. In partnership with SHA, REAL developed cleaning and operating protocols that allowed thousands of local community members through our community leagues and programs (Hockey Regina, Regina Ringette, Regina Skate Association, FCR and many more) stay active and remain training at high levels in a much needed time of physical activtiy. Even with restrictions on sport and rec delivery, REAL continued to provide the opportunity for the community to stay active, interact with friends and battle the isolation of the pandemic.

Volleybarn

REAL's continual growth includes the development of the Volleybarn in the Canada Centre Show Sale Arena. Working with local volleyball association, ICP Sports Management Group, a multi-court volleyball development centre was created to fill a need in local sport community. Hundreds of local young athletes participate in volleyball development, training and competition programs with the addition of the Volleybarn on the REAL campus.

FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of The Regina Exhibition Association Limited operating Evraz Place have been prepared by the Association's management in accordance with Canadian public sector accounting standards and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The Board of Directors have reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, MNP LLP, and their report is presented separately.

March 26, 2021

Tim Reid
President and CEO

Wayne Morsky
Acting Chair of the Board

The Regina Exhibition Association Limited
Financial Statements
December 31, 2020

To the Directors of The Regina Exhibition Association Limited:

Opinion

We have audited the financial statements of The Regina Exhibition Association Limited (the "Organization"), which comprise the statement of financial position as at December 31, 2020, and the statements of loss, changes in net (deficit) assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, and the results of its operations, changes in its net (deficit) assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises of the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained the Annual Report prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan

MNP LLP

March 24, 2021

Chartered Professional Accountants

The Regina Exhibition Association Limited
operating Evraz Place
Statement of Financial Position
As at December 31, 2020

	2020	2019
	$	$
Assets		
Current assets		
Cash	1,007,925	540,740
Accounts and grants receivable	1,761,643	2,222,353
Inventories	268,962	412,696
Supplies and prepaid expenses	210,703	258,250
	3,249,233	3,434,039
Capital assets (note 4)	88,101,748	93,745,026
	91,350,981	97,179,065
Contractual rights (note 14)		
Liabilities and Net (Deficit) Assets		
Current liabilities		
Bank indebtedness (note 3)	-	1,346,524
Accounts payable and accrued liabilities	4,887,181	4,858,761
Deferred revenue and deposits	5,434,367	1,013,368
Current portion of term loans due on demand (note 5)	1,351,295	1,320,340
	11,672,843	8,538,993
Term loans due on demand (note 5)	3,690,275	4,863,135
	15,363,118	13,402,128
Deferred grants and other contributions (note 6)	78,281,037	82,121,750
	93,644,155	95,523,878
Contractual obligations (note 15)		
Commitment (note 16)		
Significant event (note 17)		
Share capital (note 8)	10	10
Investment in capital assets	4,779,140	5,439,800
Accumulated deficit	(7,072,324)	(3,784,623)
Net (deficit) assets	(2,293,174)	1,655,187
	91,350,981	97,179,065

The accompanying notes are an integral part of these financial statements.

Approved by the Board:

Wayne Morsky

Director

Sinclair

Director

The Regina Exhibition Association Limited
operating Evraz Place
Statement of Loss
For the year Ended December 31, 2020

	2020	2019
	$	$
Revenue		
External funding (note 11)	2,711,281	2,884,449
Event sales and recoveries	5,235,484	15,064,681
Rental and lease revenue	5,083,566	10,053,547
Sponsorship sales	344,790	2,524,801
Food and beverage	2,182,185	13,916,046
	15,557,306	44,443,524
Expenses		
Contracted labour	270,422	2,302,651
Cost of goods sold	881,228	4,960,660
Repairs and maintenance	1,559,097	2,047,753
Administration, supplies, and services	4,059,022	12,287,506
Utilities	3,062,509	3,552,678
Wages and employee benefits	11,378,939	19,128,199
	21,211,217	44,279,447
(Loss) earnings from operations	(5,653,911)	164,077
Government COVID-19 assistance (note 18)	4,066,855	-
(Loss) earnings before amortization and interest	(1,587,056)	164,077
Amortization	5,987,439	5,960,527
Interest on term loans due on demand	214,602	278,660
Loss before contributed capital and interest earned	(7,789,097)	(6,075,110)
Contributed capital and interest earned	3,840,736	3,879,393
Net loss for the year	(3,948,361)	(2,195,717)

The accompanying notes are an integral part of these financial statements.

The Regina Exhibition Association Limited

operating Evraz Place
Statement of Changes in Net (Deficit) Assets
For the year ended December 31, 2020

	Share capital $	Investment in capital assets $	Accumulated (deficit) $	2020 $	2019 $
Balance, beginning of year	10	5,439,800	(3,784,623)	1,655,187	3,850,903
Net loss for the year	-	-	(3,948,361)	(3,948,361)	(2,195,716)
Amortization	-	(5,987,439)	5,987,439	-	-
Capital contributions recognized	-	3,840,713	(3,840,713)	-	-
Investment in capital assets during the year	-	344,161	(344,161)	-	-
Net change in term loans due on demand	-	1,141,905	(1,141,905)	-	-
Balance, end of year	10	4,779,140	(7,072,324)	(2,293,174)	1,655,187

The accompanying notes are an integral part of these financial statements.

The Regina Exhibition Association Limited

operating Evraz Place
Statement of Cash Flows
For the year ended December 31, 2020

	2020	2019
	$	$
Operating activities		
Net loss for the year	(3,948,361)	(2,195,716)
Items not affecting cash		
Amortization	5,987,439	5,960,527
Deferred capital contributions recognized	(3,840,713)	(3,847,498)
	(1,801,635)	(82,687)
Net increase in non-cash working capital balances related to operations (note 7)	5,079,751	663,837
Net cash generated through operating activities	3,278,116	581,150
Financing activities		
Advance of term loans due on demand	-	1,000,000
Repayment of term loans due on demand	(1,141,905)	(1,418,110)
Repayment of bank indebtedness	(1,346,524)	(249,825)
Contributions received	21,659	600,000
Net cash utilized through financing activities	(2,466,770)	(67,935)
Investing activities		
Purchase of capital assets	(344,161)	(575,092)
Increase (decrease) in cash during the year	467,185	(61,877)
Cash, beginning of year	540,740	602,617
Cash, end of year	1,007,925	540,740

The accompanying notes are an integral part of these financial statements.

The Regina Exhibition Association Limited

Operating Evraz Place
Notes to the Financial Statements
For the year ended December 31, 2020

1. Description of operations

The Regina Exhibition Association Limited (the Association) is a not-for-profit organization that operates the 100-acre Evraz Place property in the City of Regina. The Association was incorporated in 1907 by "An Act to incorporate The Regina Exhibition Association Limited", being Chapter 41 of the Statutes of Saskatchewan, 1907. The Association transitioned to The Non-profit Corporations Act, 1995 (Saskatchewan), on January 1st, 2014 under an Order in Council approving the Association's Articles of Continuance, which were passed by a special resolution of the shareholders on May 1, 2012. Since the Association is a not-for-profit organization it is not subject to federal or provincial income taxes.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Public Sector Accounting standards for government not-for-profit organizations.

Preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. These estimates are reviewed periodically and adjustments as necessary are reported in the period of review. Significant areas requiring the use of management estimates is the useful life of long-lived assets and allowance for doubtful accounts.

a) Inventories

Inventory is valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business. Inventory consists of merchandise, food and beverages.

b) Capital assets

Capital assets are recorded at cost. Amortization is recorded over the estimated useful life of the assets as follows:

Buildings	-straight-line over 10 to 30 years
Equipment	-straight-line over 3 to 20 years

c) Long-lived assets

Long-lived assets consist of buildings and equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. If the carrying amount is not recoverable, impairment is then measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in earnings for the year.

d) Revenue recognition

Event sales and recoveries, rental and lease revenue as well as food and beverage are recognized as services are provided. Sponsorship and external funding is recognized based on the terms of the contract.

2. Significant accounting policies *(continued from previous page)*

The Association recognizes government assistance when there is a reasonable assurance that it will comply with the conditions required to qualify for the assistance and that the assistance will be received.

e) External funding

External funding received by the Association is accounted for as follows:

i) External funding to assist with the financing of capital asset additions are recorded as deferred capital contributions (note 6). The portion of the external funding equivalent to the annual amortization expense of the related asset is recognized annually as external funding.

ii) External funding that are restricted and not specifically intended for capital asset additions are recorded in revenue in the period the related expenses are incurred.

iii) Contributed materials and services are measured at fair value at the date of contribution if fair value can be reasonably estimated.

f) Financial instruments

All financial instruments are initially recognized at fair value. The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received.

All of the Association's financial instruments are measured at amortized cost following initial recognition.

When an impairment is indicated, and when actual impairment has occurred, the financial instrument's carrying amount is reduced to its realizable value.

3. Bank indebtedness

The Association has an authorized line of credit with HSBC Bank Canada for $6,788,661 (2019 - $3,000,000) at a rate of prime - 0.25%. At December 31, 2020 there is no amount outstanding on the line of credit (2019 - $1,346,524).

4. Capital assets

	Cost		Accumulated amortization		Net book value	
	2020	2019	2020	2019	2020	2019
	$	$	$	$	$	$
Buildings	123,840,674	123,589,724	39,316,888	34,560,202	84,523,786	89,029,522
Equipment	8,776,859	8,752,241	5,198,897	4,036,737	3,577,962	4,715,504
	132,617,533	132,341,965	44,515,785	38,596,939	88,101,748	93,745,026

5. Term loans due on demand

	2020	2019
	$	$
Term demand loan up to $5,000,000 payable to HSBC Bank Canada with 1 (one) annual principal payment of $1,000,000. Interest is paid monthly at prime - 0.25%. Due in May, 2023.	2,900,000	3,900,000
Term demand loan up to $4,000,000 payable to HSBC Bank Canada in 5 (five) annual principal payments of $280,000 based on the 10-year repayment period. Interest is paid monthly at prime - 0.25%. Due in May, 2023.	1,931,340	2,211,340
Term demand loan payable to RCAP Leasing in monthly payments of $3,617 including interest at 5.7%. Secured by the equipment. Due in September, 2021.	31,796	72,135
Term demand loan payable to RCAP Leasing in monthly payments of $948 including interest at 5.6%. Secured by the equipment. Due in October, 2023.	29,739	-

5. **Term loans due on demand** (continued from previous page)

Term demand loan payable to CWB National Leasing in monthly payments of $3,045 including interest at 5.1%. Secured by the equipment. Due in August, 2025.	148,695	-
Total Term loans due on demand	5,041,570	6,183,475
Less: current portion	1,351,295	1,320,340
	3,690,275	4,863,135

The City of Regina has guaranteed all credit facilities with HSBC Bank Canada. During the year, the City of Regina approved to increase the total authorized debt and guarantee to an amount not to exceed $21,000,000 (2019 - $13,000,000).

The terms of the term loans due on demand with HSBC Bank Canada requires that a debt service coverage covenant be met. As at December 31, 2020, the Association was in violation of this covenant.

The estimated principal payments in the next five years are as follows:

2021	1,351,295
2022	1,321,607
2023	2,313,264
2024	34,375
2025	21,029
	5,041,570

6. **Deferred grants and other contributions**

	2020 $	2019 $
Opening deferred grants and other contributions	82,121,750	85,912,623
Amounts received in year	21,659	600,000
Amounts transferred from deferred revenue and deposits	(21,659)	(543,375)
Amounts recognized in year	(3,840,713)	(3,847,498)
	78,281,037	82,121,750

7. **Net increase in non-cash working capital balances related to operations**

	2020 $	2019 $
Accounts and grants receivable	460,710	6,453,677
Inventories	143,734	124,045
Supplies and prepaid expenses	47,547	(41,560)
Accounts payable and accrued liabilities	6,761	(5,073,856)
Deferred revenue, deposits, grants and other contributions	4,420,999	(798,469)
	5,079,751	663,837

8. **Share capital**

	2020 $	2019 $
Issued - 1 share (2019 - 1 share)	10	10

9. **Financial risk management**

The Association has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Association is exposed are as follows:

Currency risk
The Association is not exposed to significant foreign currency risk.

9. Financial risk management (continued from previous page)

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk on the accounts receivable from its customers.

In order to reduce its credit risk, the Association has adopted credit policies, which include the review of a new customer's credit history and financial position before extending credit and conducting regular reviews of its existing customers' credit performances to reflect the Association's credit policies. The amounts disclosed in the Statement of Financial Position are net of allowance for doubtful accounts.

Liquidity risk
The Association's objective is to have sufficient liquidity to meet its liabilities when due. The Association manages liquidity risk through cash flow forecasting and regular monitoring of cash requirements to ensure that it has sufficient funds to fulfill its obligations.

The COVID-19 pandemic has had a significant impact on the Association's events sales and recoveries revenue, sponsorship sales and food and beverage revenue. The operating restrictions the Association has been forced to abide by, from Public Health Orders, has had a significant negative impact on the Association's ability to operate its business and has forced the Association to rely on its operating credit line and Government funding programs.

The Association has implemented a rolling 24 month detailed cash flow and monthly EBITDA forecasting tool to manage its liquidity risk. In addition, the Association established a new loan credit guarantee as approved by the City of Regina.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of the other financial assets and liabilities, known as price risk. The Association is exposed to interest rate cash flow risk with respect to its line of credit, which is subject to a floating interest rate (note 3) and on certain term loans due on demand (note 5). The Association is exposed to price risk on certain term loans due on demand (note 5).

10. Financial instruments

The Association's recognized financial instruments consist of cash, accounts and grants receivable, accounts payable and accrued liabilities, and term loans due on demand. The fair value of cash, accounts and grants receivable, accounts payable and accrued liabilities approximates carrying value given the short-term nature of the amounts. The fair value of term loans due on demand approximates carrying value based on the terms of the debt agreements.

11. External funding

On November 22 1997, the Association ceased operating its casino. In accordance with an agreement between the Association and the Province of Saskatchewan, a 30 year agreement was entered into whereby the Association will receive $2,600,000 annually to maintain its earnings.

12. Contingencies

The Association is subject to certain legal matters arising in the normal course of business, none of which are expected to materially affect the financial results of the Association.

13. Related parties

During the year the Association conducted business with the City of Regina in the normal course of operations and at prices equivalent to unrelated purchases, as follows:

	2020	2019
	$	$
Revenue for the year:		
External funding	1,295,805	1,495,805
Event sales and recoveries	3,610,361	4,462,240
Rental and lease revenue	1,772,742	1,814,466
Food and beverage	246,239	58,432
Expenses for the year:		
Contracted labour	-	115,623
Administration, supplies, and services	445,435	446,985
Utilities	206,090	267,452
Accounts receivable	-	52,968
Accounts payable	113,989	192,379

The buildings and other facilities of the Association are located on the land that belongs to the City of Regina. Such land is being used by the Association at no consideration.

14. Contractual rights

Effective April 11, 2018, the Association entered into a 3 (three) year and 9 (nine) month Operating & Maintenance agreement with the City of Regina for Mosaic Stadium. The contract includes a renewal term for 5 (five) consecutive terms of 5 (five) years each. The Association is paid an annual base building fee to operate and maintain the stadium as well as a game day fee to provide services to the Saskatchewan Roughrider Football Club.

The Association has signed agreements with various other organizations and companies that provide the Association with the contractual right to future revenue streams.

Future collections from the stadium Operating & Maintenance agreement with the City of Regina and other funding and sponsorship agreements are estimated as follows:

Year	Amount
2021	6,737,679
2022	5,944,827
2023	5,973,185
2024	6,014,593
2025	5,744,069

15. Contractual obligations

Effective April 11, 2018, the Association entered into a 3 (three) year and 9 (nine) month Operating & Maintenance agreement with the City of Regina for Mosaic Stadium. The contract includes a renewal term for 5 (five) consecutive terms of 5 (five) years each. Under the terms of this agreement, the Association has the exclusive right and license to provide food and beverage services. The Association has agreed to repay the City of Regina for the funding required to complete the food and beverage areas. The repayment is an annual fee of $300,000.

Year	Amount
2021	300,000
2022	300,000
2023	300,000
2024	300,000
2025	300,000

16. Commitment

As at December 31, 2020, the Association has a funding commitment of $4,008,000 to the City of Regina towards the construction of Food & Beverage assets in Mosaic Stadium.

17. Significant event

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact which the COVID-19 outbreak may have on the Association is unknown, as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

18. Government COVID-19 assistance

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy (CEWS) program in April, 2020. CEWS provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as a result of COVID-19. This subsidy is retroactive to March 15, 2020. The qualification and application of the CEWS is assessed over multiple four-week application periods. The Association has applied for and received government assistance related to the CEWS in the amount of $3,741,855 which has been reflected in revenue. The Association expects to continue to receive the subsidy after year-end.

The Association also applied, was approved and received funding from the Provincial Government of Saskatchewan as part of their COVID-19 relief programs. A total value of $325,000 was received and recorded as revenue.

19. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.


BEST WESTERN ARENA

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Appendix B - 2021 Budget Summary

Regina Exhibition Association Limited
operating **Evraz Place**
Total Business Overview

Total Business
EBITDA

	January	February	March	April	May	June	July	August	September	October	November	December	2021 Budget
	$	$	$	$	$	$	$	$	$	$	$	$	$
Revenues													
External Funding	217,307	216,666	616,667	216,667	216,666	216,667	216,667	244,666	216,667	216,667	216,666	216,667	3,028,640
Event Sales & Recoveries	478,110	481,237	532,906	674,274	1,069,194	1,151,460	4,050,135	2,418,988	1,086,812	868,744	1,462,318	750,630	15,024,808
Rental & Lease Revenue	708,941	690,374	814,918	447,048	647,106	1,565,021	359,973	470,201	692,590	802,653	821,117	676,109	8,696,051
Sponsorship Sales	105,757	105,344	117,277	89,100	89,103	526,108	93,309	448,243	159,917	155,374	138,708	94,921	2,123,161
Food & Beverage	320,642	303,535	414,468	329,658	330,537	1,042,422	1,390,807	1,009,027	1,178,519	1,000,286	1,141,454	575,995	9,037,349
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,830,757	1,797,156	2,496,236	1,756,746	2,352,606	4,501,678	6,110,891	4,591,125	3,334,505	3,043,724	3,780,263	2,314,322	37,910,009
Cost of Sales													
Event Sales & Recoveries	1,455	1,455	1,455	1,455	35,391	21,583	274,427	1,455	35,455	23,519	32,975	14,223	444,848
Sponsorships & Naming Rights Cost	32,100	2,100	2,100	2,100	2,100	152,100	2,100	52,100	52,100	2,100	2,100	2,100	305,200
Food & Beverage Cost	116,689	109,263	147,364	117,704	125,700	340,673	462,769	372,143	393,822	326,244	423,693	205,392	3,141,456
	150,244	112,818	150,919	121,259	163,191	514,356	739,296	425,698	481,377	351,863	458,768	221,715	3,891,504
Expenses													
Utilities	379,400	376,250	340,750	262,600	240,000	222,300	217,800	263,600	249,550	290,000	358,250	349,360	3,549,860
In-Scope Labour	555,386	546,366	636,371	651,955	679,552	920,786	727,652	782,456	788,807	767,531	988,259	781,922	10,575,824
Out-of-Scope Labour	393,361	393,361	393,361	401,236	437,628	428,753	428,753	428,753	428,753	428,753	443,753	428,753	5,987,961
Employee Benefits	186,060	183,796	200,263	207,176	215,163	258,756	227,247	238,051	239,088	233,696	276,766	235,460	-
Contracted Labour	56,705	56,705	42,585	48,881	33,483	216,474	381,892	222,420	130,505	131,665	72,365	46,830	1,440,510
Other Non-Labour Costs	672,132	385,359	683,888	498,532	785,296	1,435,417	3,390,025	2,285,383	808,010	758,978	636,180	- 631,490	12,970,690
Repairs & Maintenance	85,928	87,678	117,028	174,548	249,598	261,748	109,748	191,428	88,328	108,978	69,828	54,732	1,599,570
	2,328,972	2,029,515	2,414,246	2,244,929	2,640,721	3,744,234	5,483,117	4,412,090	2,733,041	2,719,601	2,845,402	2,528,546	36,124,415
EBITDA	(648,459)	(345,177)	(68,929)	(609,441)	(451,306)	243,088	(111,522)	(246,664)	120,087	(27,740)	476,093	(435,939)	(2,105,910)