

April 18, 2018

To: Members  
Executive Committee

Re: Endeavour to Assist Amendment to Servicing Agreement and Development Levy  
Agreement Policy

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**RECOMMENDATION**

1. That Appendix A, the *Administration of Servicing Agreement and Development Levy Agreement Policy*, be effective immediately upon approval by City Council.
2. That the City Solicitor be directed to prepare the necessary bylaw to amend *The Development Levy Bylaw No. 2011-16* to reflect the changes in Part D of Schedule D, in the manner set out in this report and Appendix A to this report, entitled *Administration of Servicing Agreement and Development Levy Agreement Policy*.
3. That this report be forwarded to the April 30, 2018 City Council meeting for approval.

**CONCLUSION**

City of Regina (City) Administration recommends that Part D - Endeavour to Assist of the *Administration of Servicing Agreement and Development Levy Agreement Policy* be approved, in accordance with the modifications identified in this report and in Appendix A. The amendment to the *Administration of Servicing Agreement and Development Levy Agreement Policy* will provide the clarification required with respect to sanitary pump and lift stations.

**BACKGROUND**

The City uses Servicing Agreement Fees (SAFs) and Development Levies (DLs) to fund major infrastructure investments required for new growth and development in accordance with *The Planning and Development Act, 2007*.

In 2014-2015, a major SAF/DL policy review was undertaken that resulted in a significant policy shift to focus SAF/DL on funding major infrastructure system improvements. This decision, aligned with the community priority to ensure long-term financial viability, changed the funding source of some projects that had been funded by SAF/DL to be funded by developers directly as they benefitted one geographic area of development instead of the broader infrastructure network systems. To help manage this change, Part D – Endeavour to Assist was enacted within the *Administration of Servicing Agreement and Development Levy Agreement Policy* to help initial (i.e. first-in) developers recapture costs for these projects that needed to be built at the first development stage that would also benefit future developers in the surrounding area.

## DISCUSSION

When attempting to use the Endeavour to Assist provisions, City Administration and developers discovered that each had differences in interpretation of its application to the various infrastructure types.

To resolve this issue, City Administration convened a stakeholder group to work through a process to clarify how to apply Endeavour to Assist provisions. Collectively, there was a mutual agreement to focus on how to apply the Endeavour to Assist provisions to sanitary pump and lift stations as the first step, recognizing that other infrastructure types also required examination. Sanitary pump and lift stations were prioritized as this type of infrastructure is required in several servicing agreements in areas of the Phase 1 of *Design Regina: The Official Community Plan Bylaw No. 2013-48* (OCP) Phasing Plan and as such, it is in the most urgent need of clarification.

The Endeavour to Assist provisions form the basis for contractual terms and conditions that are included in Servicing Agreements and DL Agreements. In addition, they are a tool that supports an organized approach to development and fosters the efficient provision of infrastructure that anticipates and supports future contiguous growth as per the Phasing Plan in the OCP. At the time of the *Administration of Servicing Agreement and Development Levy Agreement Policy* approval in 2015, there was unanimous stakeholder support for the Endeavour to Assist provisions; however, in working to apply this, it was determined that there were differences in interpretation within City Administration and the development community.

The basis of the Endeavour to Assist provisions is the term “excess or extended services”. This term is used to describe when the City requires the initial developer to build infrastructure with more capacity than is required to service their portion of the development. The intent of the request for the additional capacity is to maximize efficiency of the service and support growth of surrounding areas. Dividing this cost into portions associated with what is required for the initial development and that which is considered to be ‘excess and extended’ for sanitary pump or lift stations is challenging, as these infrastructure types are typically sized to service a catchment area versus simpler incremental infrastructure, such as increasing a pipe size. As a result, determining the design required to service a smaller area, what the initial developer is to develop would take a similar level of effort (and cost) as it would take to determine the overall design required for the broad catchment area. Given that instituting an incremental approach of this nature would not be acceptable to the City from an efficiency of servicing perspective, City Administration and stakeholders questioned the value of the exercise and identified the need for a more reasonable and easy approach to administer.

To find this new approach, City Administration collaborated with a small group of stakeholders representing the Regina and Region Homebuilders’ Association members (RRHBA ) (i.e. Small Working Group) and as a result, City Administration recommends that overall costs associated with sanitary pump or lift stations, be applied and divided over a land catchment area and charged to surrounding benefitting lands as an area rate. To meet this need, the following

amendments are proposed in Part D – Endeavour to Assist of the *Administration of Servicing Agreements and Development Levy Agreements Policy* (as identified in Appendix A to this report) and Schedule D to the *Development Levy Bylaw No.2011-16*:

- Within the infrastructure types that may be eligible for Endeavour to Assist, clarifying that sanitary pump (or lift) stations may be eligible.
- Adding the following sentence to provide clarity on how the cost allocation would be undertaken for sanitary pump or lift stations:

“For sanitary pump or lift stations, the costs for the common components shall be allocated over a proportional land area basis that includes both the Initial Developer’s Lands and Future Benefitting Lands”.
- Adding the following sentence to provide clarity on what would happen if the infrastructure capacity is consumed before the Future Benefitting Lands it was intended to serve are developed:

“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 endeavour to collect funds from the Future Developers to contribute to the Initial Developer’s costs for that infrastructure”.

City Administration has discussed this approach with stakeholders from the development community and has received support for this proposed amendment as a first step to resolving issues relating to the application of the Endeavour to Assist provisions.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

None with respect to this report.

### Environmental Implications

None with respect to this report.

### Policy and/or Strategic Implications

The proposed policy amendment supports implementation of the OCP ‘growth pays for growth’ policy through supporting the direction for SAF/DL to fund major infrastructure, while providing clarity in applying the Endeavour to Assist provisions to sanitary pump or lift station projects funded directly by developers. This amendment will provide clarity to the initial developer on how the amounts payable for these infrastructure types will be allocated to the benefitting land base, including lands to be developed in the future.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

Over the last year, the Small Working Group (comprised of development community members representing the RRHBA and City Administration) has sought to resolve challenges in the interpretation and application of the Endeavour to Assist provisions to various infrastructure components. This Small Working Group prioritized pursuing an amendment for sanitary pump or lift stations as they need to be constructed by multiple developers with land in Phase 1 of the OCP Phasing Plan.

While not all members of the initial Stakeholder Working Group on the *Administration of Servicing Agreement and Development Levy Agreement Policy* have been directly consulted on this policy change, they will all be provided with a copy of this report, including the attached policy, as well as a copy of the Standard Operating Procedures that City Administration developed to guide the implementation of the *Administration of Servicing Agreement and Development Levy Agreement Policy*.

Public Notice related to the proposed amendments to *Development Levy Bylaw No.2011-16* will be conducted on April 14 and 21, 2018 in preparation for the bylaw amendments to be brought forward to City Council.

DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval.

Respectfully submitted,



Shauna Bzdel, Director  
Planning

Respectfully submitted,



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City Planning & Development