



# Servicing Agreement Fees Reference Sheet

## 1.0 General

The Servicing Agreement Fee model is

- A financial tool used to fund major infrastructure investments required for growth and development to support a population of 300,000, as per *Design Regina: The Official Community Plan Bylaw No. 2013-48 (OCP)*.
- Managed by the Council-approved SAF Policy consistent with the 'growth pays for growth' OCP policy.
- Governed by Government of Saskatchewan's *Planning and Development Act, 2007 (Act)*, which dictates what kinds of costs can be charged as SAFs.

## 2.0 Project Criteria

Servicing Agreement Fees:

*Can (as per the Act):*

- Be used to fund growth-related capital infrastructure projects.
- Involve providing, altering, expanding or upgrading services that directly or indirectly serve a development.
- Include cost of providing construction, planning, engineering and legal services for projects.
- Include infrastructure projects related to:
  - Water, wastewater, storm water
  - Transportation
  - Parks and recreation

*Cannot (as per the Act):*

- Include costs associated with operations, maintenance or renewal of infrastructure.
- Be used for other growth-related costs, such as those for police, transit or firehalls.

*Within the constraints of the Act,*

- Municipalities have flexibility to determine which projects to fund through SAFs or some other source (e.g. taxes or the utility).

City of Regina's current policy directs:

- SAFs to be used to fund infrastructure that serves more than one development area (e.g. Widening Saskatchewan Drive or the Wastewater Treatment Plant improvements).
- Projects that only directly benefit a single area are now required to be paid by developers of that area directly and not by SAFs (e.g. lift stations).

### 3.0 Process

- Projects are identified for inclusion in the SAF Project Lists through Master Plans as well as technical infrastructure studies (e.g. Transportation Master Plan, Functional Studies).
- Project timing is identified to meet requirements, while considering the cash flow and distributing costs over the life of the 25-year model in a way that does not result in a significant deficit.
- Project costs are allocated between greenfield and intensification-related growth:
  - Projects that support greenfield development are allocated 100 per cent to greenfield SAFs.
  - Projects that support intensification are allocated 100 per cent to intensification (e.g. infill parks).
  - Projects that support growth in general (i.e. city-wide growth) are allocated to both greenfield (70 per cent) and intensification (30 per cent), as per the growth split identified in the OCP.

### 4.0 Factors in Determining Project Funding

When a capital project is identified, the following factors are considered in determining how it should be funded.

FACTOR	If so...	If not...
1. Would the project be built regardless of growth?	...it is likely needed for maintenance or operations and thus not funded by SAFs.	...the project could be funded by SAFs if its purpose is largely required for growth.
2. Does the project benefit growth in more than one area (e.g. Wastewater Treatment Plant)?	...the project could be funded by SAFs.	...the project would be directly funded by the developer (e.g. lift stations).
3. Does the project benefit new residents (i.e. growth) and existing residents (e.g. dog park)?	...the project costs would be allocated to the City (taxpayer) (70 per cent) and to growth (30 per cent) (e.g. dog park as there is an existing service deficiency).	If not, the project would only be allocated to SAFs.
4. Does the project benefit greenfield and intensification-related growth?	...the project cost would be allocated 70 per cent to greenfield and 30 per cent to intensification.	...and it largely benefitted greenfield development (e.g. arterial road in suburban areas - e.g. Pinkie Road), it would be allocated 100 per cent to greenfield.  ...and it largely benefitted intensification only, it would be allocated 100 per cent to intensification (e.g. infill parks).