City of Regina

# 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.<br>…and it largely benefitted intensification only, it would be allocated 100 per cent to intensification (e.g. infill parks). |