

September 21, 2020

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

Subject: 2021 Service Agreement Fees & Intensification Levy

Dear City Council,

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

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

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

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

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

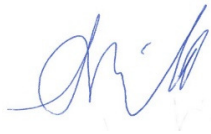
These were all items (except the decrease in construction costs) that we knew as weakness of the model in 2015, and through continued work and we are pleased to see the City incorporate these improvements.

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

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

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

Thank You,



Stu Niebergall
President & CEO