

December 16, 2013

To: His Worship the Mayor
and Members of City Council

Re: Update on the Strategy for Optimizing Regional Economic Growth Opportunities

RECOMMENDATION

- 1) That pursuant to the Memorandum of Understanding between the City of Regina and the RM of Sherwood, City Council appoint two members of Council to serve on the Sherwood Regina Regional Development Committee and further, that a third member of Council be appointed to serve as an alternate member as required.
- 2) That the staffing of three new positions as outlined in the body of the report to implement the City's commitment to the regional strategy be referred to the 2014 budget process.

CONCLUSION

The City needs to position itself for the successful sustainable economic growth of both the City and the region. A regional growth strategy has been developed in conjunction with the completion and approval of the *Design Regina* Official Community Plan (OCP) in order to accommodate the City's urban growth needs and to plan for the further successful economic growth of the region. The regional growth strategy was approved by Council on April 29, 2013 as the *Strategy for Optimizing Regional Economic Growth Opportunities*.

This report provides a status update on the *Strategy for Optimizing Regional Economic Growth Opportunities*. The Strategy includes initiatives designed to facilitate the City's urban growth needs and further economic development of the region. The Strategy consists of three (3) interrelated objectives that include: building strong regional partnerships; facilitating economic growth and sustainability; and capturing opportunities for regional infrastructure and servicing.

The City has made significant progress on initiatives designed to achieve the objectives of the Strategy including:

- Becoming a full member municipality with the White Butte Regional Planning Committee and working with regional partners on the Committee to implement regional actions;
- Building strong regional relationships through the Moose Jaw-Regina Industrial Corridor Stakeholder Committee;
- Establishing a Joint Planning Area and agreeing on a joint planning framework with the Rural Municipality of Sherwood (RM) to address issues of mutual concern under the guidance of the MOU and complementary joint planning policies in the regional policy sections of each OCP for the City and RM;
- Securing the future growth of the City through boundary alteration, which included a complimentary supportive resolution from the RM of Sherwood. The boundary alteration was approved by the Province on November 27, 2013. Administration has begun preparing an implementation plan for the operation of services to additional lands. A separate report on boundary alteration implementation is included on this Council agenda;

- Organizing and hosting “*The Regional Planning for Growth Summit*” on November 4 and 5, 2013 in Regina. The Summit hosted 220 delegates and elevated regional cooperation as a priority among provincial and municipal decision makers. A separate report detailing the Summit is included on this Council agenda;
- Delivering a White Paper entitled “*Plan to Grow: Ensuring Saskatchewan’s Potential through Regional Economic Development*” which provides a research based foundation for regional initiatives as they progress and evolve in 2014. A separate report detailing the White Paper is included on this Council agenda;
- Achieving milestones on the Regina and Region Water and Wastewater Study (RRWW) which identifies opportunities for the cooperative provision of water and waste water services at the regional level.
- Completing a stakeholder engagement strategy throughout the region to assess opportunities for greater regional cooperation.

BACKGROUND

City Council considered report CR13-66 on April 29, 2013 wherein Council endorsed the Strategy for Optimizing Regional Economic Growth Opportunities.

This report provides an update on the progress that administration has made in implementing that Strategy.

DISCUSSION

Coordinated inter-municipal planning achieves a net gain to the overall region and ensures that the municipalities involved have mutually supportive growth plans and regional servicing strategies that create sustainable development. A solid regional plan would ultimately increase regional competitiveness and make us more investment ready. The City of Regina will continue working to foster co-operative regional planning efforts to address economic growth opportunities and challenges, which aligns with the Government of Saskatchewan’s *Plan for Growth*.

An integrated and strategic approach to planning for future growth in the region ensures that overall development patterns and key future infrastructure investments are identified that best complement existing infrastructure, services and land uses in the region which maximizes benefits to region residents. Decisions that are coordinated through strong governance structures and decision-making processes sustain economic growth and ensure strong communities. The City of Regina wants to continue working with other municipalities in the region to help ensure all area residents are benefiting from growth by planning for it in a mutually-beneficial and sustainable manner.

On April 29, 2013 City Council endorsed the Strategy for Optimizing Regional Economic Growth Opportunities which includes the following three objectives:

- A. Strong Regional Partnerships
- B. Regional Economic Growth and Sustainability
- C. Opportunities for Regional Infrastructure and Servicing

Since that time, the City has made significant progress to improve the conditions for regional economic development. The City has undertaken a number of initiatives in order to meet the

objectives of the Strategy, which are described in more detail below. Each initiative is described below in terms of what it is intended to deliver on behalf of the objectives of the Strategy, and what progress has been made to date.

A. Strong Regional Partnerships

1. White Butte Regional Planning Committee

The purpose of the White Butte Regional Planning Committee (White Butte Committee) is to provide an inter-municipal forum to communicate on regional issues and to advise the councils of member municipalities on matters of regional significance. The White Butte Committee meets monthly and works to oversee and direct the implementation of a joint action plan on shared priorities to achieve a regional vision of success.

The City had been in an observer role on the White Butte Committee since the fall of 2011. A motion of the committee was passed in early January 2013 to amend the committee Memorandum of Agreement (MOA) to enable the City of Regina to participate as a full member of the committee. Regina City Council appointed Mayor Fougere and Councillor Bryce as the elected officials to represent the City on the White Butte Committee in late February. Becoming a full member is a positive step towards collaborative discussions around regional partnerships for water, wastewater, fire services, recreation and shared-service delivery opportunities. The committee now includes the formal membership of the City of Regina, the RM of Edenwold, White City, Balgonie, the Village of Edenwold, Pilot Butte and is formalizing the inclusion of the RM of Sherwood.

Advancements have been made toward greater regional cooperation for the sustainable long term servicing and development of the region. The White Butte Committee has developed communications and branding material to raise the profile of the White Butte Committee's efforts among area residents and is planning to create a renewed strategic plan in early 2014.

Key successes of the White Butte Committee to date include:

- successful advocacy for improvements to the regional transportation network;
- planning for a shared bylaw enforcement officer;
- exploring an opportunity for consistent development levy's throughout the region to create a predictable, stable investment climate;
- forming a joint fire commission for the collaborative regional provision of fire suppression services (meets bi-monthly);
- establishing a recreation sub-committee that is developing a regional recreation plan (meets monthly.);
- establishing a land use committee (meets monthly.); and
- establishing an administration committee (meets monthly)

2. Moose Jaw-Regina Industrial Corridor Stakeholder Committee

The Moose Jaw-Regina Industrial Corridor Stakeholder Committee (Corridor Committee), established in 2010 by the regional economic development agencies, is a volunteer group made up of eight municipalities, including the cities of Moose Jaw and

Regina. The Corridor Committee meets monthly and has been working cooperatively to develop mutually-beneficial regional economic development strategies that build on the economic assets, opportunities and infrastructure that adjoin the cities of Regina and Moose Jaw. The vision of the corridor is to facilitate growth and development on regional competitive advantages, this includes heavy industry at the industrial centre in the RM of Pense, logistics, distribution, and light industrial in Regina, and light industrial in Moose Jaw.

Since 2010, the City has maintained an active role in the Corridor Committee and continues to build positive regional relationships to ensure a balance between economic development and sustainable regional growth. The Corridor Committee has provided a forum for communication on regional issues and an advisory body to inform administrations and councils of opportunities and challenges in development and planning in the region.

The Corridor Committee completed a revised strategic plan in May 2013 and has developed an operational budget for the administration of the committee and sub-committees for implementation of its plan. The Corridor Committee is also nearing the completion of a marketing plan and associated website for the Moose Jaw-Regina Industrial Corridor.

3. Rural Municipality of Sherwood, No. 159 (RM)

The City and RM began in 2012 mediation and since that time have had comprehensive discussions regarding regional planning. The primary outcomes of those discussions are described below.

a) Memorandum of Understanding (MOU)

An MOU between the City and RM was signed by both parties on September 9, 2013 (report CR13-137). The MOU outlines a framework for inter-municipal processes for managing lands of mutual interest and intent to work collaboratively to achieve common objectives. The MOU establishes a Joint Planning Area as illustrated in Appendix A. It also outlines the terms of reference guidelines, objectives and purposes and establishes three inter-municipal working committees:

1) Sherwood-Regina Governance Committee (SRGC)

A joint governance committee made up of both Councils to focus on building an effective governance relationship and share general development information and ideas which will meet three times a year.

2) Sherwood-Regina Administrative and Technical Committee (SRATC)

A joint administrative and technical committee which will meet monthly to address and collaborate on larger issues and policy matters within the Joint Planning Area.

3) Sherwood-Regina Regional Development Committee (SRRDC)

A joint development committee with administrative & Council membership who will deliberate on significant planning applications and other matters. The committee will meet every 4 – 6 weeks.

The City and RM have agreed to a series of meeting dates in 2014 for the committees. The City and RM are starting to prepare a list of initiatives required that will establish planning processes and procedures to ensure the committees are effective. As per the recommendations section of this report, City Council must appoint two members of council and an alternate to sit on the SRRDC. It is proposed that the committee will meet on the 4th Thursday of the month beginning in February, 2014.

b) RM Official Community Plan (OCP)

The City and RM have reached agreement on collaboratively developed policies directing growth and development within the Joint Planning Area and have made changes to each respective proposed OCP over recent months to include complementary policies related to regional planning. In addition, the City and RM have agreed to a Growth Intentions Map that indicates the longer term growth interests of each municipality. The Growth Intentions Map will be integrated into each municipality's OCP.

Collaboratively developing policy and directing growth within the Joint Planning Area enables effective joint decision making for the Regina region. Within the Joint Planning Area a Collaborative Planning Area has been identified to the south east of the City as shown on the Growth Intentions Map attached as Appendix B. The intent of the work in this area is to achieve development that reflects the highest and best use of land over the long term that mutually benefits both municipalities and the region.

The Collaborative Planning Area represents unique challenges and opportunities so a new innovative approach was needed that involves a higher level of collaboration than the rest of the Joint Planning Area. The City and the RM have agreed to co-prepare a concept plan for this area which will result in the coordination of the use of land; efficient and effective servicing and transportation connections for the RM, City and Region; and will support economic development opportunities that benefit each municipality and the region.

The plan for the area will address:

- Land Use Planning;
- Transportation networks;
- Servicing;
- Tax revenue sharing;
- Capital/Recreational funding;
- Phasing of development; and
- Any other matters as the RM and the City see fit.

4. Regional Stakeholder Engagement Strategy

The City commissioned Praxis Consulting to complete a stakeholder assessment. The assessment was to provide the City more information on how our regional partners would like to work with the City. The assessment will be used to inform a revised regional work plan for administration for 2014.

B. Regional Economic Growth and Sustainability

1. Design Regina Official Community Plan

One of the actions identified in the April 29, 2013 report to Council was that a Regional Growth Strategy would be carried out in conjunction with the development of the OCP to ensure sustainable managed growth in the urban-rural fringe (now called the Joint Planning Area).

As noted above, complementary regional policies and a growth intentions map have been agreed to by both municipalities. As a result of the discussions with the RM, the City has prepared a number of proposed changes, particularly to the regional policy section of the City's proposed OCP.

A separate report detailing these changes is included on this Council agenda.

2. White Paper – *Plan to Grow: Ensuring Saskatchewan's Potential through Regional Economic Development*

The City has concluded research that examines the impact of coordinated regional planning versus a fragmented regional approach to planning and decision-making.

The White Paper examines how the Saskatchewan economy is transforming, the critical role of municipalities in the new economy, and the important role the region plays in the provincial economy. The White Paper provides a foundation for the region's planning efforts and is entitled "*Plan to Grow: Ensuring Saskatchewan's Potential through Regional Economic Development.*"

The purpose of the Paper is to set the foundation of the issues facing regional planning in Saskatchewan and the discussions that will need to be had with other municipalities and the Provincial Government. It will serve as a foundation piece to formulate the content of the next regional planning summit and will be utilized as one of the documents which will inform the regional planning strategy work plan.

A separate report detailing the White Paper is included on this Council agenda.

3. Regional Planning Summit

The City jointly planned and hosted a Regional Planning Summit held in Regina on November 4 & 5, 2013 entitled "*Regional Planning for Growth: The Economic Case for Regional Cooperation.*" The Summit elevated the priority and understanding of regional planning in Saskatchewan by delivering keynote presentations by leading expert speakers, lessons learned by leadership from other growing regions, and interactive

workshops on the themes of infrastructure, regional planning for growth, and governance. The Summit received significant media coverage and hosted over 200 delegates from throughout southern Saskatchewan, thus generating further inter-municipal communication and the creation of innovative new ideas and approaches to regional cooperation in the Province. The Mayor has announced that another Summit will be held in 2014.

A separate report detailing the regional planning summit is included on this Council agenda.

C. Opportunities for Regional Infrastructure and Servicing

1. Regina and Region Water and Wastewater Study

The City is undertaking a study to identify opportunities for the cooperative provision of water and wastewater services at a regional level. Through coordinated efforts, the potential exists to provide higher quality and more affordable service delivery, and to support a more sustainable framework for regional economic growth and development.

The City funded study will identify: existing servicing assets and infrastructure across the study area, issues with accommodating current and anticipated growth, and regional servicing options, including funding and governance models. The study area comprises the Census Metropolitan Area and main “commuter shed”. The study is to be completed and the final report expected early in the spring of 2014. To date there have been individual site visits with each municipal stakeholder and relevant government agencies as well as two group workshops to confirm the existing conditions and to identify appropriate long-term solutions for further study.

Additional area based workshops are scheduled for mid-December to confirm long-term growth plans and population projections, and to further refine servicing options. Work is being documented in a series of technical memos culminating in the completion of the final report.

In addition, as an interim measure prior to considering implementation of any regional servicing strategy, the City has initiated the review of the 75% surcharge currently applied to extra-municipal water accounts.

2. Annexation Strategy

Through mediation, the City and RM arrived at complementary resolutions for boundary alteration, and resolutions were passed at the November 6, 2013 joint meeting of Councils of the City and RM.

On November 27, 2013 the Province approved the City of Regina 2013 Application for Municipal Boundary Alteration. The change in boundary takes effect January 1, 2014. The land will accommodate residential and employment growth to a population of approximately 380,000. In addition, complementary regional policies in the City and RM OCPs note the City’s growth intentions beyond the annexation area to approximately 500,000 population. The City will pay to the RM a tax loss compensation of 15 times the

RM's 2013 taxes on the annexed lands, and the City will assume the RM's debt related to Tower Road (report CM13-14).

A separate report on the implementation plan for boundary alteration is included on this Council agenda.

D. Emerging Regional Commitments

The regional portfolio emerged as a set of extra-municipal issues increasingly impacting the City, and new opportunities for greater regional economic development (report CR12-66). Commitments and initiatives required under the regional program are becoming increasingly significant and immediate. Regional commitments originate from efforts to foster greater regional planning; the *Design Regina* Official Community Plan (OCP); the need for a regional servicing strategy due to greatly increased regional development (RRWW) and the implementation of a Memorandum of Understanding (MOU) for a Joint Planning Area with the RM. These initiatives will take place in concert with, and as components of, the regional strategy as a whole. Examples of imminent regional commitments emerging from these new arrangements include but are not limited to:

- collaborating on a regional plan to guide long term sustainable development and growth (OCP);
- exploring regional economic strategies (OCP);
- exploring regional open space and recreation strategies (OCP);
- creating an integrated servicing strategy (RRWW/OCP);
- developing regional servicing models and potentially implementing servicing solutions (RRWW);
- aligning regional servicing to regional planning (RRWW);
- exploring planning, development and finance tools in the Joint Planning Area (OCP/MOU);
- creating requirements for new development applications in the Joint Planning Area (OCP/MOU);
- defining and managing compatible land uses for City and RM in the Joint Planning Area corresponding to the long term growth objectives of the City (OCP/MOU);
- identifying and protecting future road corridors and gateways in the Joint Planning Area (OCP/MOU);
- identifying Special Servicing Areas in the Joint Planning Area that correspond to strategic nodes and corridors (OCP/MOU); and
- developing servicing standards in the Joint Planning Area that are compatible with City standards for roads, water, wastewater and hauled liquid waste (OCP/MOU).

These are a few examples of commitments the City will be required to evaluate over the coming years in addition to the committee work generated by the White Butte Regional Planning Committee, the Moose Jaw Regina Industrial Corridor Committee and the committees established through the MOU with the RM of Sherwood.

These new initiatives are a new line of business for the City. As development pressures continue within the City with the implementation of the OCP, resources are stretched to meet the demands of current and long range planning, as such regional planning has been

completed side of desk. As concept planning advances on green field development, it is important that we effectively manage and balance work loads in order to meet our new regional obligations as well as our development community's needs. It has been determined that an additional manager position and two senior engineer positions should be allocated to a new regional planning branch, existing planning resources will be reassigned to this branch. It is recommended that these positions be deliberated in the 2014 budget process.

RECOMMENDATION IMPLICATIONS

Financial Implications

In order to facilitate greater inter-municipal cooperation and increased regional economic development, the City of Regina has made significant financial commitments to the Strategy totaling \$985,000.

In order to successfully meet regional commitments it has been determined that three positions be created as part of a new regional planning branch alongside existing resources reassigned to that branch. It is recommended that these positions be deliberated in the 2014 budget process. It is expected that a manager and two senior engineers base wage rates would range from \$248,354 to \$318,212. Plus additional costs of benefits, computers, phones, etc estimated at an additional \$50,000 to \$60,000 would be an increase of total budget of \$298,354 to \$378,212.

Additionally, tax loss compensation to the RM will cost the City an estimated \$4.8M and the debt related to Tower Road is \$700,000, as per the November 6, 2013 special meeting of council (report CM13-14). A separate report detailing the costs of boundary alteration implementation is included on this Council agenda.

Environmental Implications

There are no direct environmental implications with respect to the regional planning initiatives outlined in this report.

However, there are environmental impacts of unrestrained growth, which is a primary reason for sustainable and orderly regional planning, in cooperation and coordination with neighbouring municipalities.

Policy and/or Strategic Implications

- 1) The Regional Strategy and initiatives presented in this report are consistent and align with the draft *Design Regina* OCP regarding regional cooperation.
- 2) The work program and initiatives strategically align with the Government of Saskatchewan's desire for continuing economic development and growth through regional planning partnerships as outlined in the Statements of Provincial Interest (SPI).
- 3) The work program and initiatives are also consistent with the Saskatchewan *Plan for Growth – Vision 2020 and Beyond*, which recognizes the importance of planning initiatives at the provincial, regional and municipal levels to ensure infrastructure investments are co-ordinated and aligned with future population growth and private-sector economic growth.

Other Implications

The City has made significant commitments to enable and facilitate greater inter-municipal cooperation and regional economic development. Emerging regional commitments and initiatives will require significant internal personnel and other resources in order to meet our obligations. Administration will be preparing a new regional work plan in early 2014.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

Copies of this report as well as copies of “*Plan to Grow: Ensuring Saskatchewan’s Potential through Regional Economic Development*” will be provided to the regional partners from the Rural Municipality of Sherwood, White Butte Committee and Moose Jaw-Regina Industrial Corridor Stakeholder Committee and other regional partners.

DELEGATED AUTHORITY

The disposition of this report requires City Council approval.

Respectfully submitted,



Diana Hawryluk, Director
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Respectfully submitted,



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