



Finance and Administration Committee

**Wednesday, February 12, 2020
9:00 AM**

Henry Baker Hall, Main Floor, City Hall



OFFICE OF THE CITY CLERK

**Public Agenda
Finance and Administration Committee
Wednesday, February 12, 2020**

APPOINTMENT OF CHAIRPERSON AND VICE-CHAIRPERSON**APPROVAL OF PUBLIC AGENDA****ADOPTION OF MINUTES**

Minutes from the meeting held on January 15, 2020

ADMINISTRATION REPORTS

FA20-3 Endeavour to Assist Amendment to Servicing Agreement and Development Levy Policy

Recommendation

That the Finance and Administrative Committee recommend that City Council:

1. Approve the *Administration of Servicing Agreement and Development Levy Agreement Policy*, which is attached as Appendix A to this report.
2. Direct the City Solicitor to prepare the necessary bylaw to amend *The Development Levy Bylaw No. 2011-16* to reflect the changes set out and approved by this report and, specifically the changes to *Administration of Servicing Agreement and Development Levy Agreement Policy* and to give requisite public notice of Council's intention to consider such bylaw.
3. Approve these recommendations at its February 26, 2020 meeting.

FA20-4 Property Tax Exemption Request - 600 Pinkie Road

Recommendation

The Finance and Administration Committee recommends that City Council:

1. Exempt the property leased by Kenneth Harle at 600 Pinkie Road from property taxes in accordance with the percentages outlined in Option 1 of Appendix C of this report.



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2. Direct the City Solicitor to prepare the necessary bylaw to provide for the additional tax exemptions described in recommendation 1.
3. Approve these recommendations at its February 26, 2020 meeting.

FA20-5 Maple Leaf Pool Construction Update

Recommendation

That the Finance and Administration Committee recommends that City Council:

1. Approve an additional \$880,000 from the Recreation/Culture Capital Program for the construction of Maple Leaf Pool.
2. Approve this recommendation at its meeting on February 26, 2020.

ADJOURNMENT

AT REGINA, SASKATCHEWAN, WEDNESDAY, JANUARY 15, 2020
AT A MEETING OF FINANCE AND ADMINISTRATION COMMITTEE
HELD IN PUBLIC SESSION

AT 9:00 AM

These are considered a draft rendering of the official minutes. Official minutes can be obtained through the Office of the City Clerk once approved.

Present: Councillor Joel Murray, in the Chair
Councillor Lori Bresciani
Councillor Barbara Young

Regrets: Councillor Sharron Bryce
Councillor Jason Mancinelli

Also in Attendance: Council Officer, Ashley Thompson
Legal Counsel, Paul Wagner
Exec. Director, Financial Strategy & Sustainability, Barry Lacey
Director, Financial Services, June Schultz
Director, Parks, Recreation & Cultural Services, Laurie Shalley

APPOINTMENT OF CHAIRPERSON AND VICE-CHAIRPERSON

Councillor Barbara Young moved, AND IT WAS RESOLVED, that the nominations of Chairperson and Vice-Chairperson, be deferred to the February 12, 2020 Finance and Administration Committee meeting and that Councillor Joel Murray take the Chair for the meeting.

APPROVAL OF PUBLIC AGENDA

Councillor Lori Bresciani moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, as submitted.

ADOPTION OF MINUTES

Councillor Barbara Young moved, AND IT WAS RESOLVED, that the minutes for the meeting held on December 2, 2019 be adopted, as circulated.

ADMINISTRATION REPORTS

FA20-1 20-HBRP-01 1401 Robinson Street (Albert Library)

Recommendation

Finance and Administration Committee recommends that City Council:

1. Approve a cash grant for the property known as Albert Library located at 1401 Robinson Street (as shown in Appendix A), in an amount equal to

the lesser of:

- a) 50 per cent of eligible costs for the work described in Appendix C;
or
 - b) \$50,000.
2. Instruct the City Solicitor to prepare an authorizing bylaw and agreement with the following conditions:
- a) That the property possesses and retains its formal designation as a Municipal Heritage Property in accordance with *The Heritage Property Act*.
 - b) That the property owner submits detailed written documentation of payments made for the actual costs incurred (i.e. itemized invoices and receipts) in the completion of the identified conservation work
 - c) That work completed and invoices submitted by December 15, 2020, would be eligible for the cash grant for up to 50 per cent of the cost of approved work to a maximum of \$50,000.
3. Approve these recommendations at its meeting on January 29, 2020.

Councillor Barbara Young moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

FA20-2 Authorization to Negotiate and Award Banking Services & Purchase Card Program RFP

Recommendation

Finance and Administration Committee recommends that City Council:

- 1. Delegate the authority to the Executive Director, Financial Strategy & Sustainability, to designate and appoint the City's financial institution based on the results of the negotiated Request for Proposals (RFP) process outlined in this report.
- 2. Delegate the authority to the Executive Director, Financial Strategy & Sustainability to negotiate, approve, award and enter into all professional banking and related contracts with the highest ranked proponent selected through the negotiated RFP process for a five-year term. The contracts include, but are not limited to, an agreement for business banking, treasury services master agreement, purchasing card program agreement and additional auxiliary banking service agreements and schedules.
- 3. Authorize the City Clerk to execute the necessary agreements after review and approval by the City Solicitor.

4. Instruct the City Solicitor to prepare the necessary borrowing bylaw for the overdraft provision in any agreement for business banking (i.e. short term debt) to be brought forward at a later date for approval once the City's financial institution is appointed.
5. Approve these recommendations at its January 29, 2020 meeting.

Councillor Lori Bresciani moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

ADJOURNMENT

Councillor Barbara Young moved, AND IT WAS RESOLVED, that the meeting adjourn.

The meeting adjourned at 9:15 a.m.

Chairperson

Secretary

Endeavour to Assist Amendment to Servicing Agreement and Development Levy Policy

Date	February 12, 2020
To	Finance and Administration Committee
From	City Planning & Community Development
Service Area	Planning & Development Services
Item No.	FA20-3

RECOMMENDATION

That the Finance and Administrative Committee recommend that City Council:

1. Approve the *Administration of Servicing Agreement and Development Levy Agreement Policy*, which is attached as Appendix A to this report.
2. Direct the City Solicitor to prepare the necessary bylaw to amend *The Development Levy Bylaw No. 2011-16* to reflect the changes set out and approved by this report and, specifically the changes to *Administration of Servicing Agreement and Development Levy Agreement Policy* and to give requisite public notice of Council's intention to consider such bylaw.
3. Approve these recommendations at its February 26, 2020 meeting.

ISSUE

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

In 2014, a major SAF/DL policy review was undertaken that resulted in a significant policy shift to focus SAF/DL on funding major infrastructure work. This decision changed the way infrastructure work was financed when constructing new areas of the city. Infrastructure work that had been funded by SAF/DL in the past, was now funded by developers directly.

To help manage this change, Part D – Endeavour to Assist was enacted within the *Administration of Servicing Agreement and Development Levy Agreement Policy*. The intent of Part D was to provide policy to help initial developers be reimbursed for the cost of infrastructure that benefits subsequent developers.

When this policy was applied to suitable agreements, it was found to lack clarity and fairness in two key areas: it was not inclusive to all infrastructure work that benefitted future developers, and the financial risk was not equitable for the initial developer.

Inclusiveness

The policy lacked definition of certain infrastructure work and excluded specific infrastructure work types. This caused issues when these types of infrastructure work are constructed for the benefit of a development area that includes multiple developers.

Financial Risk

Financially, the policy was inequitable for the initial developer, who was required to carry the debt caused by the infrastructure work until all the benefitting lands were developed. This impact is significant when development time frames span multiple decades.

IMPACTS

Financial Impact

While the policy will have no direct financial impact to the City, the policy will influence the financial relationship between the initial and subsequent developer. The proposed policy will provide the tools, clarity and support for more successful negotiations of infrastructure cost sharing between initial developer and subsequent developer. The proposed policy may reduce the involvement of the City in these developer to developer negotiations by eliminating interpretation. The administrative efforts required to implement the proposed policy would be negligible compared to the current state.

The proposed policy includes the transfer of financial risk between initial developer and subsequent developer. The initial developer was previously required to carry the debt caused by the infrastructure work until all benefitting lands were developed. The proposed policy will allow the initial developer to transfer the remaining financial risk to a subsequent developer.

For the subsequent developer, the financial decision to develop must incorporate the cost of remaining financial risk of all benefitting lands. The subsequent developer always has the option to pay their share of the costs upfront to the initial developer.

Policy/Strategic Impact

The proposed policy amendment supports *Design Regina: The Official Community Plan Bylaw No. 2013-48* (OCP) Financial Policies to ensure revenue growth and sustainability. It supports the OCP's policies to "Ensure that growth pays for growth" in Goal 4 - Revenue Sources, Policy 1.16.

The amendments support the overall servicing principle that the developer pays for the capital cost of infrastructure work required to service new areas of the City. It also provides

clarity in the application of reimbursement to a developer of these initial costs when they include the value of infrastructure work that will benefit subsequent development or subdivision of other land.

There are no accessibility, environmental, direct risk/legal or other implications or considerations.

OTHER OPTIONS

Administration is recommending approval of the attached Appendix A, the *Administration of Servicing Agreement and Development Levy Agreement Policy*.

There are two alternative options:

Alternative Option 1 – Status quo. The policy, as it exists, continue to be utilized.

This option does not address any of the development communities' concerns noted in our industry working sessions, including the following:

- The policy currently requires the initial developer to carry the financial risk of the infrastructure work until the last of the future developers within the benefiting lands developed.
- The policy currently lacks clarity in terms of how the costs would be attributed to the benefiting lands.
- The eligibility of infrastructure work types is limited by the policy either through definition or exclusion.

Without the proposed revisions in the policy, the development community would be left with uncertainty when negotiating amongst themselves. This would lead to increased risk to their financial planning of development.

Alternative Option 2 – Within the proposed policy, remove the changes that relate to the transfer of financial risk from initial developer to subsequent developers from the policy.

The existing policy has no language for the transfer of financial risk. Under the current policy, the initial developer would be required to carry the cost of the shared infrastructure until all lands with the benefitting area are developed. The concerns of the development community related to the transfer of financial risk were clearly communicated in the industry workshops.

Most industry stakeholders support the transfer of financial risk amendment to the policy. Removing the transfer of financial risk from the proposed amendment would mean that fiscally smaller developers would only be responsible to reimburse the initial developer for their land and not the remaining lands within the benefitting area.

COMMUNICATIONS

The intent and timing of this report was presented at a December 18, 2019 stakeholder engagement session and interested parties were invited to attend the committee meeting as a delegation.

If approved, online and print communications material referring to the policy will be updated to reflect changes. Stakeholders will be notified of Council's decision. Public notice of council's intention to consider an amendment to *The Development Levy Bylaw, 2011* will be advertised in *The Leader Post* and otherwise given in accordance with the requirements of *The Planning and Development Act, 2007*.

DISCUSSION

The Endeavour to Assist provisions form the basis for contractual terms and conditions that are included in Servicing Agreements and Development Levy Agreements. 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.

The intent of the provisions was that if an initial developer constructed eligible infrastructure work that was required to support subsequent development or subdivision of lands, then the policy would support future collection and reimbursement of the value of the "excess or extended services" required to be constructed by the initial developer. The policy supports the principles of maximizing infrastructure efficiency and supporting growth of surrounding areas.

The development industry requested revisions to the Endeavour to Assist portion of the Administration of Servicing Agreement and Development Levy Agreement Policy in 2016. The primary concerns were recorded as follows:

- The policy required the initial developer to carry the debt of the infrastructure work until the last of the future developers within the benefiting lands developed.
- The policy lacked clarity in terms of how the costs would be attributed to the benefiting lands.
- The eligibility of infrastructure work types was limited by the policy either through definition or exclusion.
- There was a specific urgent need for clarity around sanitary lift stations.

A communication strategy was developed in late 2016. The strategy included the development of a City and Industry working group that was represented by Regina & Region Home Builders' Association (RRHBA) and selected members. There were several working group sessions throughout 2017 and 2018.

Administration convened an industry working group to put in practice the application of the policy and to provide clarity to the Endeavour to Assist provisions. Collectively, there was an agreement to prioritize the Endeavour to Assist provisions as it applied to sanitary pump and lift stations as the first step. This decision was with a recognition that that other infrastructure work types also required examination. As a result, sanitary pump and lift stations were prioritized first and CR18-40 resolved the related concerns.

The industry working group continued to apply examples of the policy to bring forward a collaborative resolution. The results are summarized below:

- The definitions were altered to be inclusive for all infrastructure that could provide infrastructure capacity to future lands.
- The distribution and calculation of costing for each infrastructure type was further defined to provide clarity in its application.
- The policy was altered to allow for the transfer of financial risk. This will allow repayment of initial capital carrying costs back to the initial developer when any subsequent developer proceeds.

These solutions are found in the revised policy included as Appendix A of this report. Administration has discussed all changes with the development community and has received support for this proposed amendment. These discussions have provided Administration further understanding of other related interests of the development community related to our growth policies. Some of these interests will be further explored in the upcoming 2020 servicing agreement fee policy review.

A larger engagement session was held on December 18, 2019 with the RRHBA and Regina land developers who were involved in the stakeholder engagement of CM15-14. The intent of this session was to present the findings and resolutions of the working group.

DECISION HISTORY

The City updated its Servicing Agreement Fee (SAF) and Phasing policies on December 14, 2015 by approving the following policies through report CM15-14:

- Administration and Calculation of Servicing Agreement Fees and Development Levies;
- Administration of Servicing Agreements and Development Levy Agreements.

Part D of Administration of Servicing Agreements and Development Levy Agreements is Endeavor to Assist, which is designed to allow an initial developer to recover costs when the City has required the initial developer to provide “excess or extended” services.

The City further updated this policy to accommodate sanitary lift stations with *CR18-40 Endeavour to Assist Amendment to Servicing Agreement and Development Levy Agreement Policy*.

The recommendations contained in this report require City Council approval.

Respectfully Submitted,



Fred Scarle, Director, Planning & Development Services

Respectfully Submitted,



1/29/2020

Diana Hawryluk, Executive Director, City Planning & Community Dev.

2/5/2020

Prepared by: Dustin McCall, Manager, Development Engineering

ATTACHMENTS

Appendix A- Administration of Servicing Agreements and Development Levy Agreements Policy

Policy Title:	Applies to:		
Administration of Servicing Agreements and Development Levy Agreements	City of Regina City Planning & Community Development		
Adopted by:	Dates:	Total # of Pages	
City Council	Effective:	26-Feb-2020	12
	Last Review:	30-Apr-2018	
	Next Review:	As required	
Policy #: 2018-2-CPD			
Authority:			
Adopted by resolution of City Council as per <i>The Planning and Development Act, 2007</i>			

1.0 Purpose

To provide for the orderly administration of Servicing Agreements for approved subdivisions and Development Levy Agreements for approved non-subdivided development by the adoption of standards and policies addressing security for performance of developers' covenants, the remittance of Servicing Agreement Fees or Development Levies in instalments, and Endeavour to Assist provisions.

2.0 Scope

This policy generally applies to both Servicing Agreements and Development Levy Agreements. It is noted in circumstances where statements apply to one type of agreement and not the other.

3.0 Definitions

Catchment Area: Means a geographical area of land that Infrastructure Work can provide services to.

Council: Means the council of the City of Regina, acting for the purposes of *The Planning and Development Act, 2007* as a municipality or an approving authority.

Developer: Means an applicant for subdivision approval who is required to enter into a Servicing Agreement pursuant to section 172 of *The Planning and Development Act, 2007*; or an applicant for a development permit or building permit who is required to enter into a Development Levy Agreement pursuant to the City's *Development Levy Bylaw, 2011* as may be amended from time to time and section 171 of *The Planning and Development Act, 2007*.

Development Area: Refers to the area shown for construction or development in schedules to a Development Levy Agreement.

Development Levy Agreement: Refers to the form of Development Levy Agreement, including Standard Conditions, adopted by the Council from time to time, and referred to in Administrative Reports respecting development applications as the City's "Standard Development Levy Agreement"; all subject to such changes as circumstances of development applications require and as may be approved or directed by Council.

Endeavour to Assist Agreement: Means the portion of the Servicing Agreement or Development Levy Agreement that addresses the methods by which the Initial Developer can recoup a proportion of the costs relating to Excess Infrastructure Capacity from developers of Future Benefitting Lands.

Endeavour to Assist Payments: Means the portion of the costs relating to Excess Infrastructure Capacity that are attributable to the Future Benefitting Lands, which are to be paid and satisfied to the Initial Developer through an Endeavour to Assist Agreement.

Engineering Submission: Means, for the purpose of this policy the following:

- A detailed engineering drawing set as per the requirements outlined in the Development Standards Manual;
- All electronic models and modeling results, analysis and calculations required for the design of water distribution, sanitary collection, and storm water systems in an acceptable format outlined in the Development Standards Manual or otherwise deemed acceptable to the City;
- Traffic Impact Analysis, Noise Studies or other requirements as outlined in the Concept Plan, Secondary Plan, Development Standards Manual; and
- Other requirements that may be deemed by the City to be relevant to subdivision.

Excess Infrastructure Capacity: Means the portion of Infrastructure Work the Initial Developer constructs which provides capacity in excess of that which is required for the lands being developed by the Initial Developer or which will service or provide a benefit to Future Benefitting Lands of a Future Developer. Costs related to the excess capacity shall be calculated based on a proportionate land area of the benefitting lands, unless indicated otherwise. The City may require technical analyses to confirm capacity.

Future Benefitting Lands: Means lands to be developed or subdivided in the future that will directly benefit from Excess Infrastructure Capacity constructed by the Initial Developer. The total Excess Infrastructure Capacity is calculated over a defined Catchment Area.

Future Developer: Means the subsequent developer or landowner who will develop the Future Benefitting Lands.

Greenfield Development: Refers to construction outside the Intensification Levy Boundary as is identified on the map in Appendix C of Policy # 2017-2-CPD as the 'Greenfield Area'.

Infrastructure Work: Has the meaning ascribed in the Servicing Agreement and Development Levy Agreement and is generally intended to refer to work or services related to streets, roads, grading and utilities to be provided, constructed or installed by a developer of an approved subdivision, excluding Landscaping Work.

Initial Developer: Means the developer who constructs the Excess Infrastructure Capacity that benefits other Future Benefitting Lands as part of the Infrastructure Work.

Intensification: Refers to the construction of new buildings or alterations to existing buildings within the Established Area that results in a higher intensity of use (e.g. developing a vacant site, increasing the number of legal residential Dwelling Units, increasing the Gross Floor Area of a commercial or industrial building).

Interest Rate: means the City of Regina's indicative pricing rate plus 2 % at the effective date of the Endeavour to Assist Agreement.

Intersection: Means, for the purpose of this policy, a point where two or more roads or pathways share the same space.

Landscape Drawing Submission: Means for the purpose of this policy the following:

- A detailed landscape drawing set submitted as per the requirements outlined in the Development Standards Manual; including:
- Dimensioned recreational facilities or elements within park space.

Landscaping Work: Has the meaning ascribed in the Servicing Agreement and Development Levy Agreement and is generally intended to refer to work or services related to the establishment of parks and landscaping and/or irrigation of public lands such as municipal reserve, environmental reserve, buffer strips, floodway fringe areas to be provided, constructed or installed by a developer of an approved subdivision, excluding Infrastructure Work.

Phase(s) or Phased Development: Refers to the registration and development of a portion only of an approved subdivision.

Road: Means, for the purposes of Part D of this policy, the public right-of-way comprised of a thoroughfare that has been paved or otherwise improved to allow travel by some form of conveyance.

Sanitary Main: Means, for the purposes of Part D of this policy, a pipe 200 mm or more in diameter that receives and conveys sanitary flows.

Servicing Agreement: Refers to the form of Servicing Agreement, including Standard Conditions, adopted by the Council from time to time, and referred to in Administrative Reports respecting subdivision or development applications as the City's "Standard Servicing Agreement"; all subject to such changes as circumstances of subdivision or development applications require and as may be approved or directed by Council.

Servicing Agreement Fee(s) / Development Levy(ies): Refers to the charges or levies adopted by Council from time to time pursuant to Part VIII of *The Planning and Development Act, 2007*.

Storm Water Collection System: Means, for the purposes of Part D of this policy, a pipe greater than 200 mm in diameter, pump station, detention facility, retention facility or channel that manages storm water.

Subdivision: Means an overall subdivision as will have been shown in a concept plan submitted by the Developer for approval by the Council and refers to the entire area as would be locally known as that named subdivision irrespective of approval of partial plans of subdivision or phased development thereof.

Traffic Signals: Means, for the purposes of this policy, a device or set of devices utilized to control traffic, pedestrians and other modes of transportation at an intersection.

Water Main: Means, for the purposes of this policy, a pipe 150 mm or more in diameter that delivers potable water within the distribution system network.

4.0 Policy

The Executive Director of City Planning and Community Development is authorized to prepare Servicing Agreements and Development Levy Agreements and arrange for the execution of same by the City Clerk, and thereafter administer Servicing Agreements and Development Levy Agreements, in accordance with the policies and procedures set forth in this Policy.

Part A – Financial Assurances for Completion of Work

Upon entering into Servicing Agreements, the Executive Director of City Planning and Community Development shall obtain securities in an approved form in the amount of 50% of the total estimated cost of the aggregate of Infrastructure Work and Landscaping Work.

The security may be varied upon the completion of Infrastructure Work and the issuance of a Completion Certificate to such effect, to an amount equaling:

- 10% of the total estimated cost of Infrastructure Work; plus 50% of the total estimated cost of all remaining Parks and Landscaping Work;
- provided that the amount of the security varied in accordance with this clause shall not exceed the original amount of security provided at the time of entering into the servicing agreement, nor shall the security be reduced to an amount less than the aggregate of 10% of the total cost of infrastructure work and 10% of the total cost of parks and landscaping work.

Upon completion of Landscaping Work and the issuance of a Completion Certificate to such effect, the security may be further reduced to;

- 10% of the total estimated cost of Infrastructure Work; plus 10% of the total estimated cost of Park and Landscaping Work.

Upon receipt of the Final Acceptance Certificate of the Infrastructure Work, the security may be further reduced to:

- 10% of the total estimated cost of Park and Landscaping Work;
- provided that a Completion Certificate for the Landscaping work has been issued. If a Completion Certificate for the Landscaping work has not been issued, the security shall remain at the aggregate of 10% of the total estimated cost of the Infrastructure Work plus the initial 50% of the estimated cost of all Parks and Landscaping Work. This security shall be maintained until a Completion Certificate for the Landscaping Work has been issued.

Upon receipt of the Final Acceptance Certificate of the Landscaping Work, the security may be released in its entirety provided that a Final Acceptance Certificate of the Infrastructure Work has been issued.

The provisions of this Part A apply to all Servicing Agreements unless the Council provides different terms in its resolution approving the relevant subdivision application or development.

Part B – Payment of Servicing Agreement Fees

For Greenfield Development

Servicing Agreements shall provide as follows in this Part B with regard to the payment of Servicing Agreement Fees in instalments.

Instalment payments on Servicing Agreement Fees will be accepted in Servicing Agreements having a Development Area of 2 or more hectares.

Instalments payments on Servicing Agreement Fees will be accepted in Servicing Agreements having a Development Area of less than 2 hectare to a limit of two Servicing Agreements per year per subdivision.

Instalments payments on Servicing Agreement Fees will be accepted in Servicing Agreements pertaining exclusively to a park having a Development Area of less than 2 hectares, to a limit of one Servicing Agreement per year per subdivision. This provision is in addition to the two Servicing Agreements per year described in the immediately preceding clause.

Notwithstanding the preceding clauses in this Part B, no instalment payments shall be allowed in any Servicing Agreement having a Development area of 0.75 hectares or less.

Instalment payments shall be as follows:

- (a) For Assessments in relation to Infrastructure:
 - 30% upon execution of the Servicing Agreement;
 - 40% upon the earlier of the issuance of a Certificate of Completion for Infrastructure Work or 9 months from the date of the Servicing Agreement;
 - 30% upon the earlier of the issuance of Final Acceptance Certificate for the Infrastructure Work or 18 months form the date of the Servicing Agreement.
- (b) For Assessment in relation to Parks and Recreation Facilities:
 - 50% upon the earlier of the issuance of a Certificate of Completion for Landscaping Work or 12 months from the date of the Servicing Agreement;
 - 50% upon the earlier of the issuance of Final Acceptance Certificate for the Landscaping Work or 24 months from the date of the Servicing Agreement.

Payment of the unremitted portion(s) of Servicing Agreement Fees shall at all times be secured by Letters of Credit in an approved form. The Letters of Credit may be reduced or surrendered, as the case may be, upon remittance by the Developer of an instalment on or payment of the balance of the Servicing Agreement Fees.

For Intensification Development

A Servicing Agreement Fee that has been imposed on a development within the established area (i.e. intensification) must be paid at the time of building permit, prior to issuance of the development permit.

If the amount owing is more than \$50,000, the Developer may opt to enter into a Servicing Agreement to facilitate payment in instalments:

- i. 34% upon application of the development permit (for the purposes of this policy, this will occur at the time of building permit);
- ii. 33% upon 12 months from the date of the application of the development permit; and
- iii. 33% upon 24 months from the date of the application of the development permit.

Payment of the unremitted portion(s) of Servicing Agreement Fees shall at all times be secured by Letters of Credit in an approved form. The Letters of Credit may be reduced or surrendered, as the case may be, upon remittance by the Developer of an instalment on or payment of the balance of the Servicing Agreement Fees.

Part C – Payment of Development LeviesFor Greenfield Development

Development Levy Agreements shall provide as follows in this Part C with regard to the payment of Development Levies in instalments.

Instalment payments on Development Levies will be accepted in Development Levy Agreements having a Development Area of 2 or more hectares.

Notwithstanding the preceding clauses in this Part C, no instalment payments shall be allowed in any Development Levy Agreement having a Development area of 0.75 hectares or less.

Instalment payments shall be as follows:

- a. For Assessments in relation to Infrastructure:
 - i. 30% upon execution of the Development Levy Agreement;
 - ii. 40% upon 9 months from the date of the Development Levy Agreement;
 - iii. 30% upon 18 months from the date of the Development Levy Agreement.
- b. For Assessment in relation to Parks and Recreation Facilities:
 - i. 50% upon 12 months from the date of the Development Levy Agreement;

- ii. 50% upon 24 months from the date of the Development Levy Agreement.

Payment of the unremitted portion(s) of Development Levies shall at all times be secured by Letters of Credit in an approved form. The Letters of Credit may be reduced or surrendered, as the case may be, upon remittance by the Developer of an instalment on or payment of the balance of the Development Levies.

For Intensification Development

A Development Levy that has been imposed on a development must be paid at the time of building permit, prior to issuance of the development permit.

If the amount owing is more than \$50,000, the Developer may opt to enter into a Development Levy Agreement to facilitate payment in instalments:

- iv. 34% upon application of the development permit (for the purposes of this policy, this will occur at the time of building permit);
- v. 33% upon 12 months from the date of the application of the development permit; and
- vi. 33% upon 24 months from the date of the application of the development permit.

Payment of the unremitted portion(s) of Development Levies shall at all times be secured by Letters of Credit in an approved form. The Letters of Credit may be reduced or surrendered, as the case may be, upon remittance by the Developer of an instalment on or payment of the balance of the Development Levies.

Part D – Endeavour to Assist

Where, pursuant to a Servicing Agreement or Development Levy Agreement, an Initial Developer is required to provide Excess Infrastructure Capacity, and upon application of the Initial Developer, the City may agree to include Endeavour to Assist provisions to apply in relation to lands within the Catchment Area serviced by the said Excess Infrastructure Capacity. The City will review all applications relating to Endeavour to Assist in accordance with its policies and the standards for development then in effect and will work with the Initial Developer to detail any arrangements, if any, in an Endeavour to Assist Agreement to be included within the said Servicing Agreement or Development Levy Agreement. The City reserves the right and sole discretion to determine the format of and what will qualify for an Endeavour to Assist Agreement.

Under the Endeavor to Assist, the City will agree to collect additional levies or fees from Future Developers and to reimburse the Initial Developer for the value of the Excess Infrastructure Capacity as a condition of providing development approvals or entering into a Servicing Agreement relating to the first phase of development for the area relating to the Future Benefitting Lands.

For further certainty, the City will require collection of all amounts payable relating to the full value of Excess Infrastructure Capacity built (or paid for) for

the initial developer from the future developer. This value of Excess Infrastructure Capacity shall be payable by the Future Developer as part of the first Servicing Agreement related to the subdivision containing the Future Benefitting Lands.

The Future Developer will be required to pay the Initial Developer for the full amount of Infrastructure Costs associated with all remaining Future Benefitting Lands.

Where the City collects payment from the Future Developer relating to Endeavour to Assist Payments, the City will pay all applicable sums to the Initial Developer within 30 days of receiving such payment.

The value of the Excess Infrastructure Capacity relating to Endeavour to Assist Payments shall be based on the actual unit costs that are detailed in the cost estimate included in the Initial Developer's Servicing Agreement. Only the following items shall be eligible to be included within Endeavour to Assist Payments:

- land or rights-of-way acquisition costs;
- construction costs;
- design and inspection costs for the works.

The following infrastructure types may be eligible for Endeavour to Assist:

- sanitary pump (or lift) stations
- sanitary mains;
- water mains;
- storm water collection systems;
- traffic signals;
- intersections;
- any road that requires more than a 22.0 metre dedicated right-of-way.

Roads that are greater than 22.0 metres in dedicated right-of-way width are eligible to be valued as Excess Infrastructure Capacity within this policy. The eligible cost shall be determined by the actual cost of the roadway less the average cost of a typical collector roadway (22.0 metres). Benefitting Lands that are within 200 metres of a lateral intersecting road are included in the contributing catchment area. Lands that require the extension of the same road within them would not be eligible for cost sharing.

Roads less than 22.0 metres right-of-way that exist on two properties are cost shared by both land owners. Intersections that share at least one point of intersect between the initial developer and future developer are eligible within this policy. Both at grade or grade separated intersections are eligible. Grade separated intersections shall be calculated based on a proportionate land catchment area of the benefitting lands, unless indicated otherwise.

Traffic signals that are warranted through the development and share an intersection with both the Initial Developer and Future Benefitting Lands are eligible to be valued as Excess Infrastructure Capacity within this policy.

Sanitary mains that have lateral connections are cost shared proportionately to the areas that are provided a direct service. Mains that are intended for conveyance are cost shared by proportionate land area for the entire benefitting lands catchment area.

Storm water systems that have lateral connections are cost shared proportionately to the areas that are provided a direct service. Systems that are intended for conveyance are cost shared by proportionate land area for the entire benefitting lands catchment area.

No costs for Excess Infrastructure Capacity that has been paid by the City shall be eligible to be included within Endeavour to Assist Payments.

The allocation of costs relating to Excess Infrastructure Capacity amongst the Initial Developer and the Future Developer will be determined by the Executive Director of City Planning & Community Development or their delegate. Generally, costs related to all Excess Infrastructure Capacity defined in the Endeavour to Assist Agreement shall be allocated over a proportionate Catchment Area.

The Endeavour to Assist Payments shall be escalated at a rate of interest equal to the Interest Rate defined within the policy.

The maximum term of an Endeavour to Assist Agreement shall be for 20 years; however, it will expire once all Endeavour to Assist Payments have been received. The Endeavour to Assist Agreement may be renewed by the mutual agreement of the City and the Initial Developer prior to its expiry, as initiated by the Initial Developer. No payment shall be made to the Initial Developer or required of the Future Developer after the Endeavour to Assist Agreement has expired, and the City shall have no obligation or liability relating to the collection or payment of Endeavour to Assist Payments following the termination of the Endeavour to Assist Agreement. The Initial Developer shall acknowledge that the City is not responsible for the payment of any Endeavour to Assist Payments to the Initial Developer in the event that Future Benefitting Lands do not develop within the term of the Endeavour to Assist Agreement.

Upon execution of an Endeavour to Assist Agreement an interest shall be registered on the title in favour of the City as against the Future Benefitting Lands specifying that the development of those lands is subject to the payment of an Endeavour to Assist Payment by the Future Developer.

All developers are cautioned that the standards and levels of service required by the City of Regina change from time to time. As a result, the City does not and cannot guarantee that the services provided under the Endeavour to Assist

Agreement will meet the standards required at the time of subdivision approval, development permit or building permit issuance for the Future Benefitting Lands.

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 endeavor to collect funds from the Future Developers to contribute to the Initial Developer's costs for that infrastructure.

The City may require additional Infrastructure Works when the Future Benefitting Lands develop, and the Future Developer will be responsible for all such costs relating to the Future Benefitting Lands as may be applicable at that time.

Part E – Application Requirements

Prior to the issuance of a Servicing Agreement or a Development Levy Agreement, the following submissions must be made to the satisfaction of the City prior to December 31:

- Secondary Plan or Concept Plan approval if deemed required in accordance with Policies 14.23 and 14.27 of *Design Regina, The Official Community Plan Bylaw 2013-48*;
- Zoning approval;
- Application for subdivision;
- Receipt by the City of an Engineering Submission;
- Receipt by the City of a Landscape Drawing Submission;
- Formal written request to enter into a servicing or development levy agreement.

Any amendments to the above submission requirements may be considered and approved at the discretion of the Manager of Development Engineering.

Upon confirmation that the above submissions have been received to the City's satisfaction, the City will assign a Servicing or Development Levy Agreement number to the application.

The development proponent will have six months from the date the Servicing or Development Levy Agreement number is assigned to enter into the Servicing or Development Levy Agreement with the City of Regina.

In the event that the development proponent fails to enter into a Servicing or Development Levy Agreement within six months from the date the Servicing or Development Levy Agreement number is assigned, the Servicing or Development Levy Agreement will be deemed invalid and the Servicing Agreement Fee or Development Levy Rate and Policy in effect at the date the Servicing or Development Levy Agreement number was assigned will no longer be in effect.

5.0 Roles & Responsibilities

The Executive Director of City Planning & Community Development, when reviewing subdivision applications, shall attempt to identify aspects of the subdivision application which may require any departure from approved Servicing Agreement forms and policies. The intent of this requirement is to provide the council and its commissions, boards and committees with sufficient information to identify and adopt specific resolutions authorizing the departure from practices and procedures identified in this document.

Development Levy Agreements will be approved as described in *The Planning & Development Act, 2007*.

All Servicing Agreements and Development Levy Agreements shall be executed by the City Clerk, and one original executed copy thereof shall be maintained in the Office of the City Clerk. The City Clerk shall not execute any Servicing Agreement or Development Levy Agreement unless an original executed copy thereof has been approved as to form and content by the City Solicitor.

All Financial Securities taken under the terms of Servicing Agreements shall be deposited in the vault maintained by the Director of Finance.

The Executive Director of City Planning & Community Development shall, when retrieving original securities for reduction or return to the Developer or the issuing institution, provide the Director of Finance with a statement which identifies the payments received or the certificates issued by the Executive Director of City Planning & Community Development which condition the release or the reduction of security, and which further identifies the accounts to which any payment shall be credited under the requirements of *The Planning and Development Act, 2007*.

6.0 Revision History

Date	Description of Change	(Re)-Approval Required (y/n)
16-Dec-1996	Initial Release (Report CR96-311).	Yes
24-Mar-1997	Revised by Resolution of City Council (Report CR97-81)	Yes
29-Sep-2010	Revised by Resolution of City Council (Report CR10-105)	Yes
14-Dec-2015	Revised by Resolution of City Council to add Parts D and E (Report CM15-14)	Yes
30-Apr-2018	Clarified application of Endeavour to Assist policy to sanitary pump or lift stations	Yes
25-Jun-2018	Revised to reflect terms for collecting intensification levies	Yes
12-Feb-2020	Revised to update Endeavor to Assist	Yes

Property Tax Exemption Request - 600 Pinkie Road

Date	February 12, 2020
To	Finance and Administration Committee
From	Financial Strategy & Sustainability
Service Area	Assessment & Taxation
Item No.	FA20-4

RECOMMENDATION

The Finance and Administration Committee recommends that City Council:

1. Exempt the property leased by Kenneth Harle at 600 Pinkie Road from property taxes in accordance with the percentages outlined in Option 1 of Appendix C of this report.
2. Direct the City Solicitor to prepare the necessary bylaw to provide for the additional tax exemptions described in recommendation 1.
3. Approve these recommendations at its February 26, 2020 meeting.

ISSUE

On January 6, 2020 the City received a request for additional property tax mitigation (Appendix A) on a property affected by the 2014 Boundary Alteration. The request was to receive an abatement for 2019 property tax and a partial property tax exemption for 2020 – 2023 to keep the property tax at rural municipal levels.

Property tax mitigation tools and principles for properties affected by the 2014 Boundary Alteration were approved in Report CM13-14: Reconsideration of 2013 Boundary Alteration (CM13-14) on November 6, 2013. The property is an agricultural property in the New Neighbourhood (300k population) category. Under the original property tax mitigation policy, agricultural properties in the New Neighbourhood (300k population) category received a five-year tax mitigation, where taxes remained at the rural municipality levels for 2014 to 2018 and became fully taxable at City of Regina rates in 2019.

IMPACTS

Financial Impact

The financial impact of the recommended option is a municipal exemption of approximately \$1,375 annually or \$5,500 over the four-year period 2020 – 2023 and \$12,375 over the nine-year period.

The cost of the exemption is not reflected in the 2020 budget. Annually, Administration sets aside funding to cover potential losses in taxation revenue from assessment appeals. This variance will cover the cost of the recommended tax cancellation for the 2020 budget.

The cost of the exemptions would be included in future budgets.

Policy/Strategic Impact

The recommendation contained in this report is consistent with Council decisions in Reports CR19-95 and CR19-118. If options 1 or 2 are chosen, additional property owners may come forward to request the same consideration.

Other Impacts

The education portion of the tax is subject to *The Education Property Tax Act* which specifies that any exemption of education tax that is \$25,000 or greater in any given year, must be approved by the Government of Saskatchewan.

OTHER OPTIONS

Administration has reviewed all agricultural properties in the New Neighbourhood (300K Population) and identified four options for Council's consideration. Each option is discussed below with a summary of the financial impacts shown in Appendix C.

Option 1 – Provide Mitigation for the agricultural property 600 Pinkie Road in the New Neighbourhood (300k Population) area. (Recommended Option)

With this option, one property (listed in Option 1 of Appendix C), would receive mitigation. Taxes for this property will remain at RM levels for the years 2020-2023. The property tax abatement for 2019 is not provided.

This option provides the property owner with 4 years of mitigation and aligns with previously approved exemptions. In 2024, mitigation may, at Council's discretion, be extended for an additional five years to 2028. This option recognizes the request of this property owner and is consistent with Council decisions in Reports CR19-95 and CR 19-118. Reports CR19-95 and CR 19-118 both dealt with properties who made similar requests in 2019 and received tax mitigation over 5 years (2019-2023). As the request was received in 2020, a tax abatement would be required to provide mitigation for 2019 tax year (provided for in option 2 of this report). Administration is not recommending a tax abatement be provided as it sets precedent for future requests of mitigation for prior year property tax abatements on lands impacted by the boundary alteration with potential requests coming forward within the time period 2020-2023.

Option 2 – Provide Mitigation for the agricultural property 600 Pinkie Road in the New Neighbourhood (300k Population) area including an abatement of 2019 taxes.

With this option, one property (listed in Option 2 of Appendix C), would receive mitigation for 5 years. The mitigation would be an abatement for the 2019 taxes and the taxes for this property will remain at RM levels for the years 2020-2023. In 2024, mitigation may, at Council's discretion, be extended for an additional five years to 2028 in alignment with option 1.

As per section 244(2)(e) of *The Cities Act*, Council may approve an abatement if Council considers the abatement to be in the best interests of the community and is the result of a publicly advertised policy passed by resolution or bylaw. If the Committee wishes to consider this option, the Committee would need to table this report to the next Finance and Administration Committee meeting so that the Administration could draft a policy and provide public notice prior to Council considering the policy.

Administration does not recommend this option as it sets precedence for future requests of mitigation for prior year property tax abatements on lands impacted by the boundary alteration.

The financial impact of option 2 is a municipal exemption of approximately \$1,375 annually or \$6,875 over the first five-year period and \$13,750 over the 10-year period.

Option 3 – Provide Mitigation for all agricultural properties affected by the boundary alteration in the New Neighbourhood (300k Population) area.

There were 31 agricultural properties affected by the boundary alteration. Council approved extending mitigation for 3 properties in Report CR19-95 and 2 properties in Report CR 19-118.

With this option, the additional 26 properties (listed in Option 3 of Appendix C) including 600 Pinkie Road, would receive mitigation. Taxes for these properties will remain at RM levels for the years 2020-2023. In 2024, mitigation may, at Council's discretion, be extended for an additional five years to 2028. This option treats all agricultural properties affected by the boundary alteration in the New Neighbourhood (300k) properties equally.

The financial impact of option 3 is a municipal exemption of approximately \$32,786 annually or \$131,144 over the first four-year period and \$295,074 over the 9-year period.

Option 4 – Provide No Additional Mitigation for properties affected by the boundary alteration in the New Neighbourhood (300k Population) area.

With this option no further agricultural properties within the New Neighbourhood (300k population) area will receive additional mitigation and the requested property will remain fully taxable in 2019. This option is not consistent with Council decisions in CR19-95 or CR 19-118.

COMMUNICATIONS

All owners of the affected lands received communication with respect to the resolutions previously passed by City Council regarding exemptions for lands within the Boundary Alteration area.

The property owner requesting this exemption will be informed of this report.

DISCUSSION

See Other Options section for discussion.

DECISION HISTORY

On November 6, 2013, City Council approved the recommendations in CM13-14 for the boundary alteration. All lands affected by the boundary alteration are outlined on page one of Appendix B.

The report contained the following tax mitigation principles:

1. Protect the property owner, whose land is annexed into the City of Regina from unreasonable financial hardship;
2. Balance the need to protect the City's financial viability with protecting its long-term growth needs;
3. Property tax mitigation will be applied through existing legislation; and
4. Property tax mitigation will expire over time either when the property is developed or when the time frame for the mitigation expires.

The mitigation tools applied to each category, beginning in 2014, are shown in Table 1: Previously Approved Tax Mitigation Tools. The levels of mitigation applied to each category were designed to reflect the levels of services that the property received over the period. All properties receiving mitigation are subject to mill rate increases.

Table 1: Previously Approved Tax Mitigation Tools

Category	Tax Mitigation
Commercial Corridor	<ul style="list-style-type: none"> ▪ Five-year tax mitigation, which phases in the City taxation levels on the commercial properties, at a rate of 20% per year. ▪ Fully taxable at City of Regina mill rates in 2018.
New Neighbourhood (300k population) *	<ul style="list-style-type: none"> ▪ Five-year tax mitigation whereby the taxes would remain at RM levels. ▪ Fully taxable at City of Regina mill rates in 2019.
Future Long-Term Growth (500k population)	<ul style="list-style-type: none"> ▪ Five-year tax mitigation, whereby the taxes would remain at RM levels which may be extended to 10 and then 15 years. ▪ This recognized that longer-term growth areas would not be eligible for development and servicing under the growth plan and would remain as largely rural lands zoned as urban holdings for longer term.

*Agricultural properties within the Commercial Corridor were identified as New Neighbourhood (300k population) as they were not identified as employment lands in the OCP.

Properties where the tax difference between the 2013 rural taxes and the 2014 estimated municipal tax was less than \$10 do not receive tax mitigation. There are some linear properties, such as pipelines and railways, within the boundary alteration area crossing through the city that did not receive tax mitigation.

The commercial properties in the Commercial Corridor category became fully taxable at City of Regina rates in 2018 and all properties in the original New Neighbourhood (300k population) category became taxable at City of Regina rates in 2019. As properties in the approved mitigation area are developed, they are removed from mitigation.

In February of 2019, Council approved report CR19-15 Boundary Alteration 2019 Property Tax Exemptions. This report created a new mitigation category, South East Mitigation and set the direction for the next five years of mitigation for properties in the new category and the Future Long-Term Growth (500k population) mitigation areas.

Administration subsequently received a request for further mitigation from three property owners. These properties were agricultural properties in the West Commercial Corridor and therefore received mitigation as New Neighbourhood (300k population). Under the mitigation tools established in 2013, these properties received a five-year tax mitigation, where taxes remained at the rural municipality levels for 2014 to 2018 and became fully taxable at City of Regina rates in 2019.

The property owners requested additional mitigation that would result in them being treated the same as properties in the South East Mitigation and Future Long-Term Growth (500k population) categories.

In October of 2019, Council approved report CR19-95. This report granted a property tax exemption for a five year period (2019-2023) for the three agricultural properties in the New Neighbourhood (300k population) area that requested additional mitigation.

In January of 2020, Council approved report CR19-118. This report granted a property tax exemption for two more agricultural properties in the New Neighbourhood (300k population) area that requested additional mitigation in 2019 for a five year period (2019-2023).

The recommendations contained within this report require City Council approval.

Respectfully Submitted,

Respectfully Submitted,


Deborah Bryden, Director, Assessment & Taxation 1/27/2020


Barry Lacey, Exec. Director, Financial Strategy & Sustainability 2/6/2020

Prepared by: Tony Petrulias, Manager, Property Tax & Utility Billing

ATTACHMENTS

- Appendix A - request Letter
- Appendix B - Tax Mititgation Areas (003)
- Appendix C - List of Properties

Appendix A

January 6, 2020

Office of the City Clerk, Queen Elizabeth Court, 2476 Victoria Ave. Regina Sask.

Dear Sir/Madam

This letter is to address the taxes assessed to farmland I lease from Saskatchewan Agriculture Lands Branch located at 600 Pinkie Rd. Legal land description is (108 Acres) N.E.29-17-20 W2. According to the terms of the agreement, I am responsible to pay the property taxes on this land.

Since 2013 little development has taken place in this area and this parcel remains as an agricultural piece of land with no buildings or development. The taxes in 2019 have more than tripled with no change to the surrounding area.

As a follow up, I researched the City of Regina taxation website and found that a similar agricultural package owned by Saskatchewan Agriculture Lands Branch on the adjacent section to the north (100 Pinkie Rd. S.E. & N.E. 32-17-20 W2) had no taxes charged to it.

I am requesting that council exercises their discretion to review the taxes assessed and charged to this agricultural property. Further to this request I ask that an abatement for 2019 taxes be provided as well as the previous level and type of mitigation for the period of 2019-2023.

I understand that as future growth occurs in the area, the taxes would be reviewed once more.

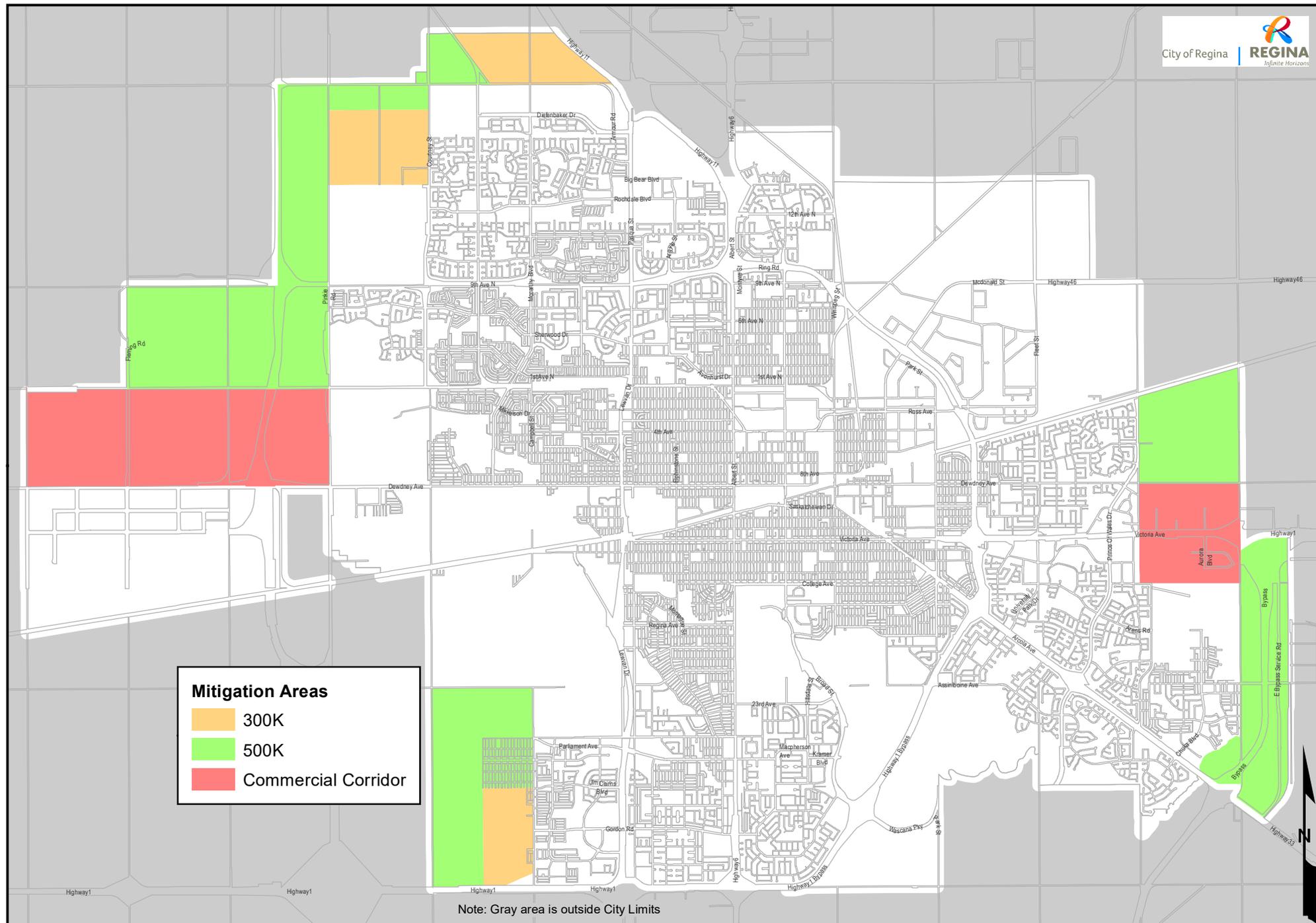
Thank-you for your consideration

Sincerely,

Ken Harle



Tax Mitigation Areas



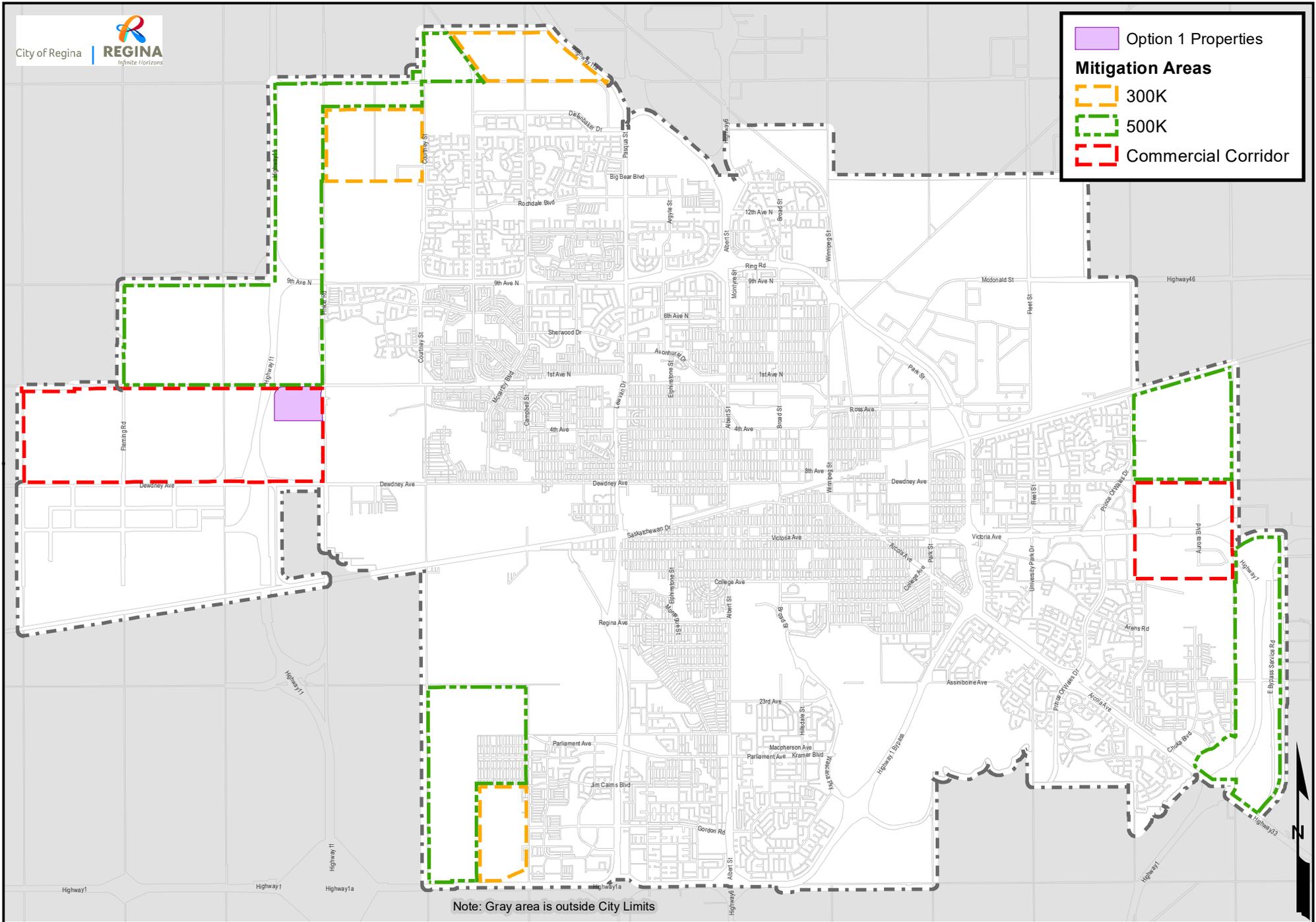
Option 1 Properties



Option 1 Properties

Mitigation Areas

-  300K
-  500K
-  Commercial Corridor



Note: Gray area is outside City Limits



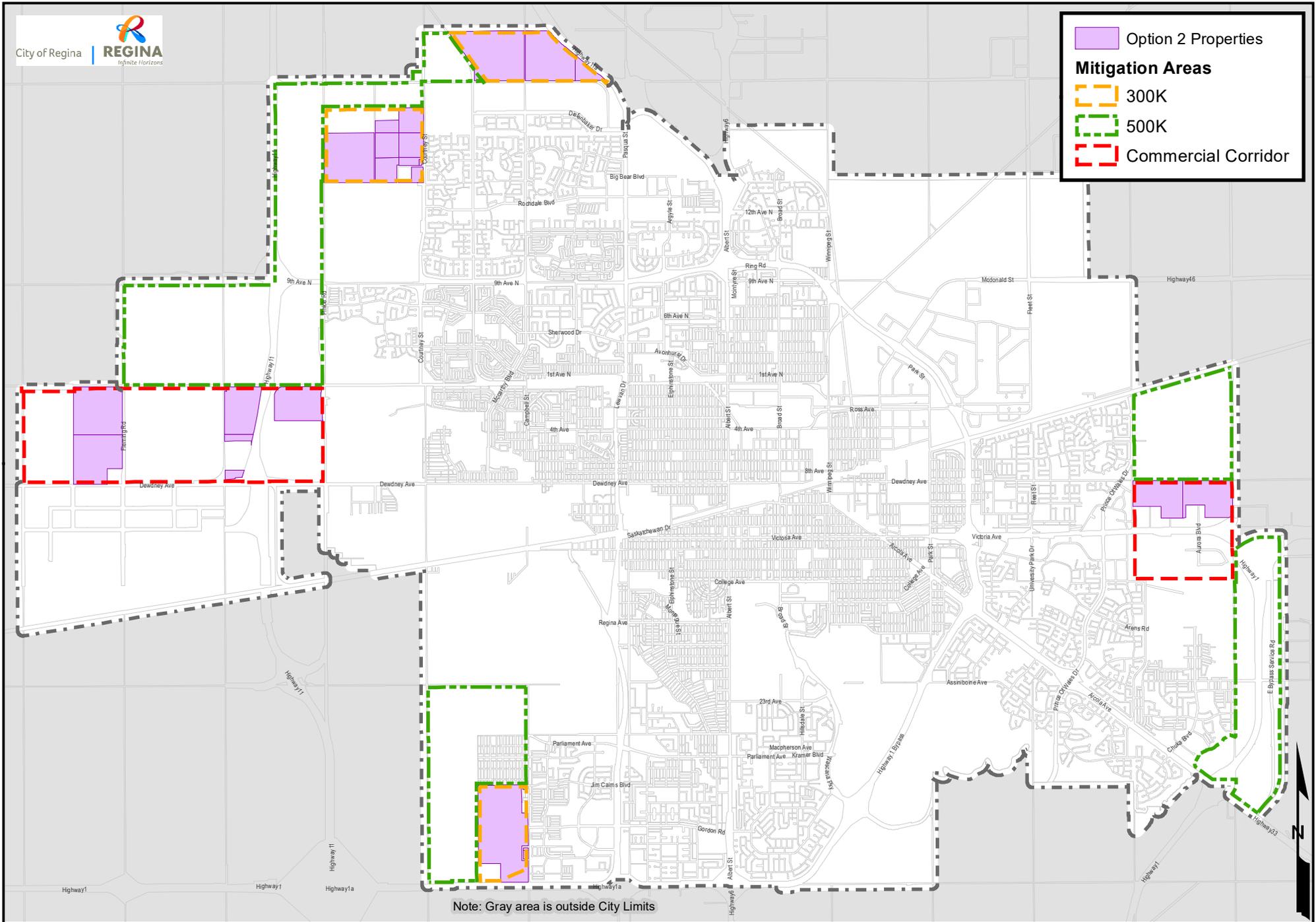
Option 2 Properties



Option 2 Properties

Mitigation Areas

-  300K
-  500K
-  Commercial Corridor



Appendix C
List of properties and impact on 2020 Levy

Option 1

Provide mitigation for one agricultural property in the New Neighbourhood (300K population) - Four year Mitigation 2020 - 2023

Civic	Assessed Value	% Exempt	Municipal Levy Before Mitigation	Municipal Levy After Mitigation	Municipal Mitigated Levy	Total Levy Before Mitigation	Total Levy After Mitigation	Total Mitigated Levy
600 PINKIE ROAD	188,400	72.01%	1,909	534	1,375	2,349	658	1,692
	188,400		1,909	534	1,375	2,349	658	1,692

Option 2

Provide mitigation for one agricultural property in the New Neighbourhood (300K population)
- Four year Mitigation 2020 - 2023 plus an abatement of 2019 Levies

Civic	Assessed Value	% Exempt	Municipal Levy Before Mitigation	Municipal Levy After Mitigation	Municipal Mitigated Levy	Total Levy Before Mitigation	Total Levy After Mitigation	Total Mitigated Levy
600 PINKIE ROAD	188,400	72.01%	1,909	534	1,375	2,349	658	1,692
	188,400		1,909	534	1,375	2,349	658	1,692

Option 3

Provide mitigation for all agricultural properties in the New Neighbourhood (300K population) - Four year Mitigation 2020 - 2023

Civic	Assessed Value	% Exempt	Municipal Levy Before Mitigation	Municipal Levy After Mitigation	Municipal Mitigated Levy	Total Levy Before Mitigation	Total Levy After Mitigation	Total Mitigated Levy
4800 ARMOUR ROAD	138,300	90.87%	1,401	128	1,273	1,725	157	1,567
5813 SECORD AVENUE	19,300	21.31%	196	154	42	241	189	51
4820 CAMPBELL STREET	32,100	15.33%	325	275	50	400	339	61
4820 GARRY STREET	32,100	15.33%	325	275	50	400	339	61
605 CONDIE ROAD	313,500	72.84%	3,177	863	2,314	3,909	1,062	2,848
1300 N COURTNEY STREET*	121,900	97.44%	1,235	32	1,204	1,520	39	1,481
1550 N COURTNEY STREET	732,900	25.18%	5,723	4,282	1,441	9,115	6,820	2,295
600 FLEMING ROAD	223,100	66.65%	2,261	754	1,507	2,782	928	1,854
1400 N COURTNEY STREET	142,900	86.10%	1,448	201	1,247	1,782	248	1,534
1001 CONDIE ROAD	137,000	93.42%	1,388	91	1,297	1,708	112	1,596
5800 ARMOUR ROAD	250,500	63.42%	2,538	929	1,610	3,124	1,143	1,981
5000 ARMOUR ROAD	213,600	67.80%	2,164	697	1,467	2,664	858	1,806
1600 N COURTNEY STREET	144,100	86.61%	1,460	196	1,265	1,797	241	1,556
4001 E DEWDNEY AVENUE	185,000	73.50%	1,875	497	1,378	2,307	611	1,696
5201 E DEWDNEY AVENUE	508,100	55.24%	4,484	2,007	2,477	6,327	2,832	3,495
12400 DEWDNEY AVENUE	214,700	67.97%	2,176	697	1,479	2,677	858	1,820
1750 N COURTNEY STREET	145,300	86.00%	1,472	206	1,266	1,812	254	1,558
4500 CAMPBELL STREET	303,600	60.12%	3,076	1,227	1,850	3,786	1,510	2,276
4245 GARRY STREET	53,600	14.85%	543	462	81	668	569	99
1301 N PINKIE ROAD	228,400	66.23%	2,314	782	1,533	2,848	962	1,886
1710 N COURTNEY STREET	136,800	93.06%	1,386	96	1,290	1,706	118	1,588
1301 CONDIE ROAD	249,900	93.42%	2,532	167	2,366	3,116	205	2,911
1301 N SILVERLEAF BOULEVARD	700	86.10%	7	1	6	9	1	8
1462 N COURTNEY STREET	259,300	97.44%	2,627	67	2,560	3,234	83	3,151
1458 N COURTNEY STREET	36,600	97.44%	371	9	361	456	12	445
600 PINKIE ROAD	188,400	72.01%	1,909	534	1,375	2,349	658	1,692
	5,011,700		48,415	15,629	32,786	62,464	21,146	41,318

*Account with a statutory exemption applied to it.

Maple Leaf Pool Construction Update

Date	February 12, 2020
To	Finance and Administration Committee
From	City Planning & Community Development
Service Area	Facilities Services
Item No.	FA20-5

RECOMMENDATION

That the Finance and Administration Committee recommends that City Council:

1. Approve an additional \$880,000 from the Recreation/Culture Capital Program for the construction of Maple Leaf Pool.
2. Approve this recommendation at its meeting on February 26, 2020.

ISSUE

In 2019, Administration developed a detailed design for the replacement of Maple Leaf Pool, which incorporates feedback received from the community as well as sustainable design principles. Administration is now nearing the completion of the procurement process for the construction of the new pool.

The highest ranked proponent's cost resulting from the negotiated Request for Proposals is higher than the projected \$4.5 million that City Council approved through the 2020 capital budget. An additional \$880,000 is required so that a contract can be awarded and allow construction to proceed on the pool design that has been shared with the community.

IMPACTS

Financial Implications

The projected \$4.5 million that City Council approved through the 2020 capital budget for the new Maple Leaf Pool is being funded through the one-time Gas Tax Grant. The

additional \$880,000 required, as a result of the procurement process, is recommended to be funded from the Recreation/Culture Capital Program that was established in the 2020 capital budget for the purpose of funding and supporting investments that advance the Regina Cultural and Recreation Master Plans and other initiatives that focus on enhancing quality of life in Regina. A plan for this program budget will be considered through a report to Council in April 2020. This budget item will be included in that plan.

Administration is reviewing the operating, maintenance and programming costs for the new facility and will share this information with Council through the 2021 operating budget process.

There are no environmental, accessibility or policy/strategic implications or considerations.

OTHER OPTIONS

The second option is to proceed without additional funding, which would require a redesign of the pool and the support building with the goal of more closely aligning the construction costs with the previously approved budget. This approach would require a reduction in the pool size and support building, as well as revisions to facility systems.

While this approach would require a lower up-front capital investment, there are several consequences to this approach:

1. *Service Level Reductions:* A reduced size for the pool and support building would impact the capacity to serve this community. This approach does not support the City's goal to increase participation in healthy outdoor activities by responding to the needs and interests expressed by the community through the design phase.
2. *Project Delays:* This approach would require significant redesign work and the procurement process for construction would need to be re-initiated. The time required to redesign and work through the procurement process would delay the start-up of construction and could extend construction into mid-season in 2021 rather than into fall of 2020. A delay in re-opening would be negative for the Heritage Neighbourhood, which has been without access to this facility since 2019.
3. *Revisions to Facility Systems:* Revising pool and building system designs to lower up-front costs would have long-term environmental, operating and maintenance impacts.

COMMUNICATIONS

Proponents responding to the Request for Proposals will be notified when the contract is awarded pursuant to the City's Purchasing Policy.

Updates will be provided to the public at key points of the project, including opportunities for the community to experience the new facility once construction is complete in 2020.

DISCUSSION

Public engagement began with the introduction of three concept designs that would fit within the Maple Leaf pool footprint. Residents attended an open-house and provided feedback to Administration and design consultants. In addition, the design options and feedback form were hosted on the City's website providing another opportunity to gather feedback. Almost 400 residents provided their feedback through the online survey, at the community event or at the Heritage or Al Ritchie Community Association offices. The majority of respondents said that they use the pool each season, and many on a weekly basis. Out of the three concept options developed, the majority preferred the "L" shaped pool design. The final concept was subsequently shared with residents in fall of 2019.

Administration has continued the planning, design and procurement for the construction of the new Maple Leaf Pool and the project is now reaching a milestone as the negotiated Request for Proposals process for construction is nearing completion. The highest ranked proponent's cost resulting from the negotiated Request for Proposals is higher than the projected \$4.5 million that City Council approved through the 2020 capital budget. An additional \$880,000 is required so that a contract can be awarded and allow construction to proceed and be completed in the fall of 2020.

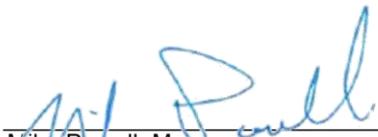
The additional funding allows for maintaining the design that was developed based on community feedback and industry best practices with modern and accessible amenities and environmentally sustainable systems. This approach provides the best long-term value to the City of Regina through minimizing operations and maintenance costs.

DECISION HISTORY

On December 9, 2019 City Council approved the 2020 Capital Budget which included funding for the construction of Maple Leaf Pool (*CM19-15 - 2020 General and Utility Operating Budget and 2020 - 2024 General and Utility Capital Plan*).

The recommendation in this report is within the delegated authority of City Council.

Respectfully Submitted,



Mike Powell, Manager

2/6/2020

Respectfully Submitted,



Diana Hawryluk, Executive Director, City Planning & Community Dev.

2/6/2020

Prepared by: Jamie Hanson, Manager, Facilities Engineering