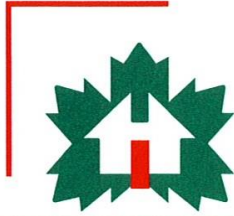


Regina & Region  
Home Builders'  
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February 26, 2020

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

Subject: Endeavor to Assist

Dear City Council,

The Regina & Region Home Builders' Association would like to thank Dustin McCall from the City of Regina for his diligent work on the Endeavour to Assist policy. Throughout the lengthy process of consultations between City Administration and members of the local development industry, we feel as though Dustin made a considerable effort to understand the concerns and as a result, we were able to collectively produce a robust policy framework. If implemented, the Endeavour to Assist with transfer of risk policy will produce significant benefits for the municipality as it ensures fair development policies for the development community, including the City as a land developer.

Endeavour to Assist will ensure that initial developers who put major infrastructural investments into vacant lands are compensated for their investment by subsequent developers of adjacent land. Before changes to the SAF policy in 2015, the SAF funds collected from all developers rebated initial developers for "oversized" infrastructure such as arterial roadways or sewage pump stations. As of 2015, this is no longer the case and these costs are borne directly by the initial Developer with minimal to no reimbursement by subsequent developers. Therefore, transparent & fair policy is required to ensure that economic investment remains attractive for developers in our community.

The proposed Endeavour to Assist policy framework will ensure that the initial developer who pays for and builds major infrastructure is able to collect payment from future developers at the time that they develop and connect to the services. Policy such as this is standard practice in Canadian municipalities to ensure that there is no competitive advantage to developing first, second, or third, and so on. We believe this policy is well-crafted and fair, as landowners are not forced to subsidize subsequent development or play the role of banker to other developers. See Appendix "A" for an illustration of the change in policy.

The Regina & Region Home Builders' Association supports the recommendation of City Administration to implement the Endeavour to Assist with transfer of risk policy and we encourage City Council to support these proposed policy changes as well.

Thank You,



Stu Niebergall  
President & CEO

#### Appendix "A"

##### **RRHBA: Endeavour to Collect - List Station Example**

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The following example illustrates the Endeavour to Collect policy with transfer of risk.

1. Four developers (A, B, C and D) own land in an 800 acre growth area. No development can occur in the area without a new sanitary lift station (referred to as "LS").
2. In Scenario 1, Developer "A" wants to develop first.
3. The City, as regulator & ultimate owner of the infrastructure, determines the overall area the LS must serve and specifies the design standard to which the LS must be built.
4. Developer "A" designs and builds the LS with the capacity to serve the entire area. The City reviews and approves the design, monitors construction, and inspects prior to accepting it.
5. Assuming the cost to construct the LS is \$10,000,000. Then cost of the lift station to be recovered per acre of developed land is \$12,500 (\$10,000,000 divided by 800 acres).
6. Each subsequent developer (Developers B, C, and D) must pay Developer A for their proportionate area at the time that they choose to develop, specifically, when they enter into a Servicing Agreement with the City.
7. The transfer of risk piece requires each subsequent developer to also reimburse the previous developer for all remaining undeveloped lands in the area. Without the transfer of risk there is a significant penalty to the first developer and benefits for subsequent developers.
8. While this appears to be a hurdle to investment, subsequent developers still have a smaller initial payout than the first developer to proceed.
9. **This policy ensures no land owner is ever in a worse position than they are already today, and that the first developer is not subsidizing all subsequent developers.**

**Scenario 1:** (Example based on information above)

Order of Development	Land Area	Initial Cost to Develop	Amount to Recover from others	Recover from	Total Investment
1 <sup>st</sup> – A	400 acres (50%)	\$10,000,000	\$5,000,000	B	\$5,000,000
2 <sup>nd</sup> – B	200 acres (25%)	\$ 5,000,000	\$2,500,000	C	\$2,500,000
3 <sup>rd</sup> – C	100 acres (12.5%)	\$ 2,500,000	\$1,250,000	D	\$1,250,000
4 <sup>th</sup> – D	100 acres (12.5%)	\$ 0	\$0	-	\$1,250,000

**Scenario 2:** (New example, with different order of development. Total investment by developer remains the same)

Order of Development	Land Area	Initial Cost to Develop	Amount to Recover from others	Recover from	Total Investment At End
1 <sup>st</sup> - B	200 acres (25%)	\$10,000,000	\$7,500,000	C	\$2,500,000
2 <sup>nd</sup> - C	100 acres (12.5%)	\$ 7,500,000	\$6,250,000	D	\$1,250,000
3 <sup>rd</sup> - D	100 acres (12.5%)	\$ 6,250,000	\$5,000,000	A	\$1,250,000
4 <sup>th</sup> - A	400 acres (50%)	\$ 5,000,000	\$ 0	-	\$5,000,000

