



2023 Development Charges Rate Review

Date	November 30, 2022
To	Executive Committee
From	City Planning & Community Development
Service Area	City Planning & Community Development
Item No.	EX22-132

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve the 2023 Servicing Agreement Fee and Development Levy rates at \$319,000 per hectare for greenfield residential and commercial development and \$106,000 per hectare for greenfield industrial-zoned development, effective June 1, 2023.
2. Instruct the City Solicitor to prepare the necessary amendments to *The Development Levy Bylaw, 2011* to give effect to the recommendations, to be brought forward to a meeting of City Council following approval of these recommendations and the required public notice.
3. Direct Administration to report back to City Council by the end of Q4, 2023 with a report to adjust the rates from Recommendation #1 through the application of an inflationary factor.
4. Approve these recommendations at its meeting on December 7, 2022.

ISSUE

The City of Regina (City) uses development charges, which include servicing agreement fees and development levies, to fund major offsite infrastructure required to support growth of the city to a population of 300,000 in accordance with legislation and related-policies. Development charge rates are adjusted periodically based on updates to the Development Charges Financial Cash Flow Model (Model). Changes to the rates are being proposed in this report.

IMPACTS

Financial Impact

During the 2023 development charge rate review process, several concerns were identified by both Administration and development industry stakeholders related to assumptions, variables and project timing included in the current Model. As such, Administration is recommending setting the 2023 greenfield residential and commercial rate at \$319,000 per hectare (\$106,000 for industrial) based on 2022 rates with an inflationary factor applied¹ while a review of the Development Charges Policy (Policy) and Model takes place to address concerns.

The current Model calculates a 2023 greenfield residential and commercial rate of \$632,000 (\$210,670 for industrial) per hectare based on project timing and assumptions inherent with the current Model. If the rate were to be set at \$632,000, it is very unlikely that development or subdivision would occur. The lower rate of \$319,000 is a compromise to encourage development to proceed while the review is underway and aligns with rates in effect over the past two years, as shown in the table below:

Time Period:	Rate in Effect (per hectare):	
	Residential & Commercial	Industrial
January 1, 2022 – present	\$297,000	\$99,000
2021	\$299,000	\$99,670
2020	\$361,000	\$120,330
2019	\$442,000	\$147,333
2018	\$442,000	\$147,333

Policy/Strategic Impacts

The City's Policy is authorized by Section B, Goal 4 of *Design Regina: The Official Community Plan Bylaw*, particularly Policy 1.16 which states:

Ensure that growth pays for growth by:

- *Ensuring Servicing Agreement Fee charges are based on full capital cost;*
- *Regularly reviewing the rate and rate structure for Servicing Agreement Fees;*
- *Reviewing the areas to which Servicing Agreement Fees apply, including the possibility of fees varying with location, density and use as necessary, except where specific and deliberate subsidies are approved to support public benefits;*
- *Aligning the City's development fees, property taxes and other charges with the policies and intent of this Plan; and*

¹ Inflationary factor of 7.5% applied based on the Bank of Canada's Inflation Calculator.

- *Achieving a balance of employment and residential lands.*

Environmental Impact

This report outlines costs to fund growth-related infrastructure to support a population of 300,000 based on *OCP Map 1 – Growth Plan* (Appendix A) which directs “at least 30 per cent of new population to existing urban areas as the city’s intensification target”. Per the Policy, the Model and associated Capital Project List (Appendix B) contain projects needed to facilitate new development in established areas through intensification. Improving the Model’s self-sufficiency to fund approximately \$169 million in costs for intensification-related projects is key to supporting the City’s intensification target and achieving the environmental benefits inherent with intensified development, such as reducing travel distances, encouraging active transportation, creating a more compact city by building up existing areas, encouraging transit use and making more efficient use of infrastructure and land already developed and in place.

Ensuring infrastructure in established areas is sufficient to support intensification will also be key to achieving Action 8.5 (spatial densification: residential) and Action 8.6 (spatial densification: commercial) from the Energy & Sustainability Framework which involve adapting the City’s growth plan to allocated 15 per cent of new population to the City Centre, 50 per cent to intensification areas² and 35 per cent to new neighbourhoods.

Legal Impact

The Planning and Development Act, 2007 (Act) allows municipalities to establish development charges (i.e., servicing agreement fees, development levies) to fund infrastructure investments required for growth. Related bylaws and policies must align with the Act.

The Development Levy Bylaw, 2011 (Bylaw) contains the Policy (Schedule A of Bylaw) and outlines the current rates in effect (Schedule B of Bylaw). Changes to the Policy or current rates require City Council approval through an amending bylaw. Any amendments to the Bylaw must meet public notice requirements from *The Public Notice Bylaw, 2020*.

OTHER OPTIONS

1. Set a rate of \$632,000 per hectare for greenfield residential and commercial subdivision (\$210,670 per hectare for industrial) based on calculations from the current Model, with Model variables and assumptions remaining unadjusted while a review of the Policy and Model is conducted. This option would be consistent with the last several rate-setting processes where Model variables and assumptions went unadjusted. However, a rate of \$632,000 would be

² The Energy & Sustainability Framework refers to ‘intensification areas’ as “specific zones along transit nodes.”

Regina's highest ever development charge rate and represent an increase of approximately 108 per cent from the current rate of \$297,000 per hectare, which would be the City's highest annual rate increase. Given these realities and current general economic challenges, a rate of \$632,000 could lead to the generation of little to no new greenfield subdivision and development.

COMMUNICATIONS

Stakeholders and other interested parties have received a copy of the report and notification of the meeting to appear as a delegation and will receive written notification of City Council's decisions. Stakeholders were identified as interested parties through current and past rate review processes, as well as related initiatives.

Should City Council approve the recommendations contained in this report, an amendment to the Bylaw must be prepared and adopted for the recommendations to come into effect. Public notice of the public hearing required when City Council considers the proposed bylaw amendment will be given in accordance with *The Public Notice Bylaw, 2020*.

DISCUSSION

Background

Development Charges Policy (Policy)

The Policy is based on governing legislation from the Act and intends to support growth and renewal in the city by collecting development charges, which include servicing agreement fees and development levies³. The Policy assigns responsibility to developers for direct capital costs internal to new developments. Development charges are used to fund major infrastructure investments in city-wide systems required due to growth or in preparation for growth. For example, under the Policy, a developer would be directly responsible for the capital cost of a lift station internal to their subdivision and would indirectly contribute to the capital cost of a wastewater treatment plant expansion project through development charges as the subdivision will share a portion of the benefit from the project.

The Policy includes a defined development charge rate review process (Appendix C) involving updates to the Capital Project List (Appendix B) based on updated project cost estimates, master plans, studies and project designs. The rate review process also involves updates to the Administration Fee List. Both lists are vetted with development industry stakeholders for their feedback and comments before finalizing recommended rates for City Council consideration.

³ Servicing agreement fees are applied when new greenfield land is subdivided, while development levies are applied when new greenfield is developed, but no subdivision occurs.

Development Charges Financial Cash Flow Model (Model)

Under the Policy, the current Model is defined as follows:

“The cash flow calculations performed over a 25-year time horizon [i.e. population of 300,000] from information including the Growth-Related Capital Project List, indexing and Servicing Agreement Fee reserve balances to calculate an annual Servicing Agreement Fee rate and Development Levy rate.”

The current Model was adopted in 2015 as part of a major review of development charge-related policies. The Model is a sophisticated Excel Spreadsheet designed based on operational requirements defined in the Policy. The Model is the ‘tool’ used to manage cashflows for eligible growth-related capital projects and administration fees, and ultimately calculates development charge rates to fund growth-related capital projects required to reach a population of 300,000.

When the current Model was implemented, it was projected the maximum Model debt would be \$60 million (CR15-138). In subsequent rate-setting processes, Administration used this projected maximum debt as a debt limit guideline when reviewing the timing of projects. The debt limit guideline is intended to recognize certain projects are needed in advance of growth proceeding which means in some cases, debt will need to be incurred before development charge revenue from a benefitting development or subdivision can be realized.

Growth-related capital projects in the Model have their funding splits determined per guidelines included in the Policy. Projects may either be 100 per cent funded through development charges where the project benefits new growth only, or partially funded through development charges where there is a shared benefit between new growth and the existing city. Projects wholly or partially funded through development charges may have the development charge portion either:

1. Wholly funded through greenfield development charges where the project benefits new growth in the Greenfield Area only;
2. Wholly funded through tax lift⁴ from intensified development⁵ within the Established Area where the project benefits new growth in the Established Area only; or
3. Partially funded through greenfield development charges and tax lift from intensified development in the Established Area where the project benefits new growth both in the

⁴ The term ‘tax lift’ refers to the difference in municipal taxes on a property before new development occurs and the taxes after new development is completed.

⁵ The terms ‘intensified development’ and ‘intensification’ may be used interchangeably and are defined in the OCP as: “Construction of new buildings or addition to existing buildings on serviced land within existing built areas through practices of building conversion, infill or redevelopment.”

Greenfield Area and Established Area⁶.

The Model has a fixed term of 25 years (2015-2040) based on a 2013 Population Forecast projecting the city will reach a population of 300,000 by the end of 2040. As such, the Model can only contain projects providing benefit to a population of 300,000. The current Model provides uniform development charge rates across the city, meaning the same rate is charged for new greenfield subdivision and development regardless of where it is situated in the city.

2022 Development Charge Rate Review

Based on this year's review, to support city growth to a population of 300,000, the total value of projects on the current Capital Project List (Appendix B) is approximately \$1.1 billion. Development charges are intended to cover approximately \$819 million of this cost, with \$650 million attributable to the Greenfield Area funded through development charges and \$169 million attributable to the Established Area funded through tax lift from intensified development. Since some of these projects have a shared benefit between the existing city and new growth, the City is responsible for funding approximately \$323 million of the total cost.

Current Challenges and Impacts

The application of development charges by a municipality generally follows a defined technical process and procedure in alignment with provincial legislation and policy. However, administering development charges and related policies can come with challenges, such as pressures to keep rates low and competitive to drive growth and development, as well as issues related to the ongoing maintenance of a complex technical model.

The current Model leverages variables and assumptions to calculate rates, manage start dates for growth-related capital projects and forecast and manage the Model's cashflows and deficits over the Model's lifespan. The Model variables and assumptions are intended to balance the Model to zero dollars by the time the city reaches a population of 300,000. If these variables and assumptions are not updated to adjust to changing conditions (e.g. slower than anticipated growth), the Model's ability to balance over time is compromised.

After a review of the evolution of the current Model from its inception to the present, several concerns have been identified. Overall, the concerns stem from Administration not adjusting Model assumptions, variables and project timing during past development charge rate-setting processes in alignment with the rate review process outlined in Section 10A of the Policy (Appendix C). These

⁶ The Greenfield Area and Established Area are defined in the Development Charges Policy and shown in Appendix D of this report. The Established Area refers to the existing built-up area of Regina as of 2013 when the OCP was approved; greenfield areas include all areas on the periphery of the city outside the Established Area boundary.

concerns impact the Model's ability to fund growth-related projects and maintain a reasonable level of debt near the Model debt limit guideline of \$60 million.

The Model's debt will be approaching the \$60 million debt limit guideline by the end of 2022 and is currently projected to rise to \$109 million by the end of 2023. If the concerns are not addressed, it is conservatively estimated that the Model will reach a deficit of up to \$400 million over its remaining lifespan. In effect, future deficits may need to be covered by tax dollars or other means as revenue from development charges will be insufficient to fund projects when they need to be delivered. Additionally, if the Model continues to see significant deficit over its lifespan (i.e., 2040), the City may need to look at debt financing or reduced investment revenue to upfront the cost.

Next Steps

Development Charges Policy and Model Review

To remedy these issues, a comprehensive Policy and Model Review has been initiated to provide corrective action to help address current issues and concerns. The Policy and Model Review will involve an audit of the current Model and a review of the City's overall growth financing framework to better understand concerns and gaps. The final phases of the Policy and Model Review will involve working with stakeholders to build consensus towards a preferred set of corrective actions to address concerns and gaps and providing City Council with a report detailing recommended changes to the Policy and Model. At the conclusion of the project, a new or revised Model will be produced based on changes approved by City Council.

To minimize the Model's debt during the Policy and Model Review planned for 2023 and 2024, Administration has delayed the timing of certain projects (Appendix E) in the Capital Project List slated to begin construction in 2023 and 2024. As a result, the projected 2024 Model deficit is reduced from approximately \$130 million to \$96 million. In addition, the advancement of additional projects during the Policy and Model Review should be avoided to minimize the accrual of further debt.

2023 and 2024 Development Charge Rates

As mentioned, the recommended 2023 development charge rates are intended to bridge the gap while the Policy and Model Review takes place. It is recommended that the 2023 development charge rates not come into effect until June 1, 2023, to allow the market adequate time to adjust to the rate increase, especially given rates over the past two years have had little variation at \$299,000 (\$99,670 for greenfield industrial) and \$297,000 (\$99,000 for greenfield industrial) per hectare for 2021 and 2022, respectively. Since the Policy and Model Review spans 2023 and 2024, Administration will bring a report back to City Council in Q4 of 2023 with recommended 2024 development charge rates based on the application of an additional inflationary factor to cover 2023 inflationary impacts.

DECISION HISTORY

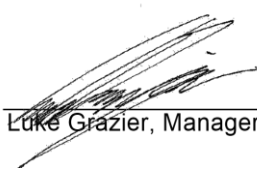
In December 2015, City Council approved CM15-14 detailing changes to development charges-related policy based on a comprehensive review completed by Administration in collaboration with a consultant that included provisions to support the transition to a new phasing and financing plan based on *Design Regina: The Official Community Plan*. Following approval of CM15-14, the current Model was applied to administer development charge-related policy going forward based on approved changes.

In May 2021, City Council approved CR21-73 consolidating development charges-related policies into a single policy (i.e., the current Development Charges Policy) as a result of a comprehensive review and consultation. Later in 2021, City Council approved CR21-161, eliminating the intensification levy and establishing an Intensification Reserve to fund growth-related capital projects required to support new growth within the Established Area through 'tax lift' from new intensified development within the Established Area.

In March 2022, City Council approved financial options for servicing the Tower Crossing Plan Area (Plan Area), including amendment to the Bylaw and Policy to allow for the imposition of area-specific development charge rates within the Plan Area.

Respectfully Submitted,

Respectfully Submitted,



Luke Grazier, Manager, City Projects

11/9/2022



Deborah Bryden, Executive Director

11/17/2022

Prepared by: Luke Grazier, Manager, City Projects

ATTACHMENTS

Appendix A - OCP Growth Plan

Appendix B - Capital Project List

Appendix C - Development Charges Policy - Rate Review Components

Appendix D - Map of Established Area and Greenfield Area

Appendix E - Capital Project Deferrals

Appendix A

Map 1

GROWTH PLAN

WITHIN BUILT OR APPROVED NEIGHBOURHOODS:

235,000 persons

TO REACH 300,000:

65,000 persons

New Neighbourhoods:

45,000 persons

Intensification:

20,000 persons

City Centre - Downtown:

5,000 persons

City Centre - RRI:

2,500 persons

City Centre - Elsewhere:

2,500 persons

Other Parts of the City:

10,000 persons

Note: Populations indicated for new neighbourhoods are estimates

LEGEND

Joint Planning Area Perimeter

City Boundary

Major Road

Built or Approved Neighbourhoods

New Neighbourhoods (300k)

Intensification Area (300k)

Future Long-Term Growth (~500k)

City Centre

Existing Approved Employment Area

New Employment Area

Collaborative Planning Area

Special Study Area

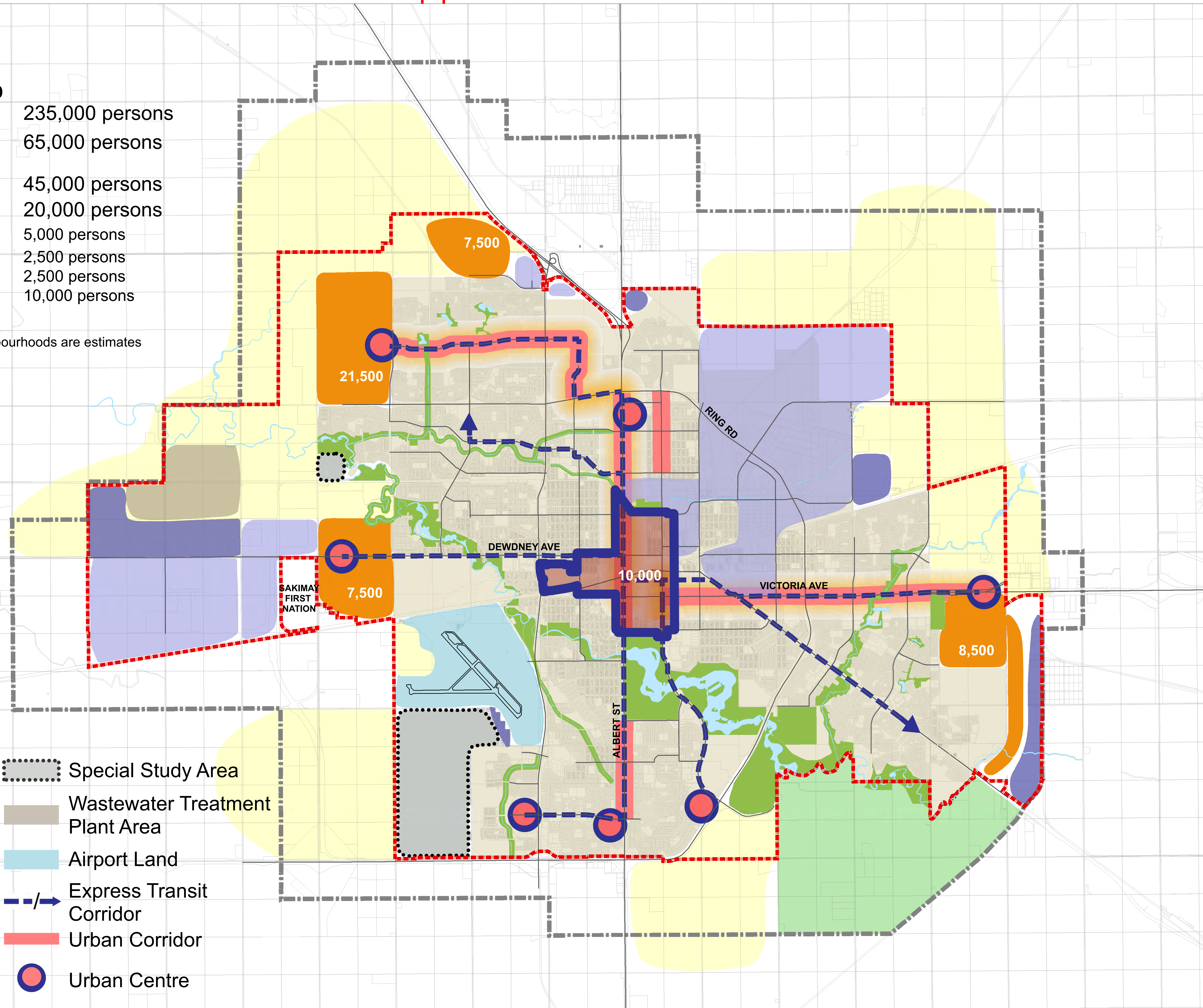
Wastewater Treatment Plant Area

Airport Land

Express Transit Corridor

Urban Corridor

Urban Centre



Development Charges Model Assumptions

9-Nov-22

Calculated Greenfield Development Charges Rates (\$/hectare)

	2023 SAF Rate	Transportation	Water	Wastewater	Parks	Admin
Greenfield Residential & Commercial	\$ 632,000	\$ 293,000	\$ 165,000	\$ 85,000	\$ 60,000	\$ 29,000
Industrial Zoning	\$ 210,670	\$ 97,670	\$ 55,000	\$ 28,330	\$ 20,000	\$ 9,670

SAF Policy Variables

Numbers updated from previous models; treatment of discipline-specific inflation rates new for this year

Inflation Rate	1.99%	<i>This affects future project costs</i>
Interest Rate (Debt)	3.50%	<i>This affects interest on SAF reserve debt</i>
Interest Rate (Cash)	0.80%	<i>This affects interest on positive SAF reserves</i>

Growth Projections

Numbers updated from previous models; methodology unchanged

City Population (2021 base year)	226,404	<i>Based on 2021 Census data</i>
City Population Growth (per year)	3,483	<i>Growth projections based on Census data</i>
Expected Year at 300,000 Population	2038	
Expected Year at 310,000 Population	2040	
Greenfield Hectares Remaining	1,494	<i>Includes 120 hectares from West Harbour Landing</i>
Greenfield Hectares to be Developed (per year)	80	<i>Average to the model-end year of 2040</i>

Model Calculation Assumptions

Numbers and methodology unchanged

- Model end year 2040 (for expenditures) and 2042 (for revenue)
- Two years to collect on SAF Fees (derived from 30%/40%/30% payment schedule)
- Estimated year of construction based on best guess of development triggers
- Projects removed once construction begins; funding reduced each year for multi-year projects
- Senior government funding applied to estimates, where applicable
- Regional contributions applied to the cost estimates, where applicable
- Select Transportation projects reduced by 20% where benefit accrues beyond 300K population
- Transportation projects without a recent estimate update reduced by 20%
- Funding split for projects determined as per policy 2017-2-CPD
- Greenfield/Infill growth fixed at 70%/30%
- The model is designed to have \$0 balance at the end
- Final SAF Rate rounded to the nearest \$1000

Appendix B

Development Charges Model Summary - TRANSPORTATION PROJECTS

#	Category and Project Description	Estimated Cost	Dev. Charge %	City %	Development Charge Cost	City Cost	Est. Area Share	Greenfield Share	Development Charge Cost		2022 Changes
									Est. Area Charge	Greenfield Charge	
3	9th Ave N & West leg of Regina Bypass Interchange	\$ 7,700,000	100%	0%	\$ 7,700,000	\$ -	0%	100%	\$ -	\$ 7,700,000	No changes.
11	ANNUAL Traffic Signal Installation Program	\$ 25,920,000	100%	0%	\$ 25,920,000	\$ -	30%	70%	\$ 7,776,000	\$ 18,144,000	Cost increased to \$32.4M.
20	Courtney St Extension (Sherwood Dr to 1st Ave N - west side)	\$ 3,000,000	100%	0%	\$ 3,000,000	\$ -	0%	100%	\$ -	\$ 3,000,000	No changes.
21	Courtney St Flyover at CP Mainline	\$ 8,500,000	100%	0%	\$ 8,500,000	\$ -	0%	100%	\$ -	\$ 8,500,000	No changes.
25	Dewdney Ave twinning (Pinkie Rd to Fleming Rd)	\$ 7,680,000	100%	0%	\$ 7,680,000	\$ -	0%	100%	\$ -	\$ 7,680,000	No changes.
32	Hill Ave and West Regina Bypass	\$ 1,960,000	100%	0%	\$ 1,960,000	\$ -	0%	100%	\$ -	\$ 1,960,000	No changes.
38	McDonald St Widening (Kress St to Fleet St)	\$ 2,776,000	100%	0%	\$ 2,776,000	\$ -	0%	100%	\$ -	\$ 2,776,000	No changes.
41	Pasqua St & Ring Rd Interchange Ramps	\$ 8,400,000	100%	0%	\$ 8,400,000	\$ -	0%	100%	\$ -	\$ 8,400,000	No changes.
42	Pasqua St & Ring Rd Interchange	\$ 20,000,000	100%	0%	\$ 20,000,000	\$ -	0%	100%	\$ -	\$ 20,000,000	No changes.
45	Pasqua St Widening (Ring Rd to Rochdale Blvd)	\$ 3,280,000	100%	0%	\$ 3,280,000	\$ -	0%	100%	\$ -	\$ 3,280,000	No changes.
46	Pasqua St Widening (Ring Rd to Sherwood Dr)	\$ 3,280,000	100%	0%	\$ 3,280,000	\$ -	0%	100%	\$ -	\$ 3,280,000	No changes.
51	Pinkie Rd (Sherwood Dr to Dewdney Ave)	\$ 10,000,000	100%	0%	\$ 10,000,000	\$ -	0%	100%	\$ -	\$ 10,000,000	Cost decreased to \$10M.
54	Prince of Wales Dr Twinning (Dewdney Ave to Jenkins Dr)	\$ 2,776,000	100%	0%	\$ 2,776,000	\$ -	0%	100%	\$ -	\$ 2,776,000	No changes.
57	Prince of Wales Widen & Pave - (Jenkins to Highway 46) - Construction	\$ 8,000,000	100%	0%	\$ 8,000,000	\$ -	0%	100%	\$ -	\$ 8,000,000	No changes.
58	Prince of Wales Widen & Pave - (Jenkins to Highway 46) - Design	\$ 500,000	100%	0%	\$ 500,000	\$ -	0%	100%	\$ -	\$ 500,000	No changes.
63	Ring Rd Widening (Albert St to McDonald St) Construction	\$ 10,000,000	100%	0%	\$ 10,000,000	\$ -	0%	100%	\$ -	\$ 10,000,000	Cost increased to \$10M.
64	Ring Rd Widening (Albert St to McDonald St) Design	\$ 700,000	100%	0%	\$ 700,000	\$ -	0%	100%	\$ -	\$ 700,000	Cost decreased to \$700K.
65	Ring Rd Widening (Ross Ave to Dewdney Ave)	\$ 3,000,000	100%	0%	\$ 3,000,000	\$ -	0%	100%	\$ -	\$ 3,000,000	Cost increased to \$3M.
66	Ring Rd Widening (Ross Ave to Dewdney Ave) Design	\$ 400,000	100%	0%	\$ 400,000	\$ -	0%	100%	\$ -	\$ 400,000	No changes.

Appendix B

#	Category and Project Description	Estimated Cost	Dev. Charge %	City %	Development Charge Cost	City Cost	Est. Area Share	Greenfield Share	Est. Area Charge	Greenfield Charge	2022 Changes
74	Saskatchewan Dr Extension (Lewvan Dr to Schmirler Way) plus Bridge over Wascana Creek	\$ 5,600,000	100%	0%	\$ 5,600,000	\$ -	0%	100%	\$ -	\$ 5,600,000	No changes.
75	Saskatchewan Dr / 13th Ave (Schmirler Way to Courtney St) Design	\$ 500,000	100%	0%	\$ 500,000	\$ -	0%	100%	\$ -	\$ 500,000	No changes.
76	Saskatchewan Dr / 13th Ave (Schmirler Way to Courtney St) N1/2 Construct	\$ 8,000,000	100%	0%	\$ 8,000,000	\$ -	0%	100%	\$ -	\$ 8,000,000	No changes.
77	Saskatchewan Dr / 13th Ave (Schmirler Way to Courtney St) S1/2 Construct	\$ 8,000,000	100%	0%	\$ 8,000,000	\$ -	0%	100%	\$ -	\$ 8,000,000	No changes.
81	Saskatchewan Drive & Lewvan Dr Flyover	\$ 18,520,000	100%	0%	\$ 18,520,000	\$ -	0%	100%	\$ -	\$ 18,520,000	No changes.
82	Transportation Master Plan - Major Updates	\$ 400,000	30%	70%	\$ 120,000	\$ 280,000	30%	70%	\$ 36,000	\$ 84,000	Cost decreased to \$400K.
83	Transportation Master Plan - Minor Updates	\$ 100,000	30%	70%	\$ 30,000	\$ 70,000	30%	70%	\$ 9,000	\$ 21,000	Cost decreased to \$100K.
88	Victoria Ave East Widening (Prince of Wales to Tower)	\$ 6,304,000	100%	0%	\$ 6,304,000	\$ -	0%	100%	\$ -	\$ 6,304,000	No changes.
89	Wascana Parkway Eastbound Loop Ramp onto Hwy 1A Northbound	\$ 6,100,000	100%	0%	\$ 6,100,000	\$ -	30%	70%	\$ 1,830,000	\$ 4,270,000	Cost increased to \$6.1M.
91	Winnipeg St Realignment & New Bridge	\$ 9,600,000	30%	70%	\$ 2,880,000	\$ 6,720,000	0%	100%	\$ -	\$ 2,880,000	No changes.
100	Road Network Improvements Property Purchase Program	\$ 9,000,000	100%	0%	\$ 9,000,000	\$ -	0%	100%	\$ -	\$ 9,000,000	No changes.
102	Saskatchewan Drive Improvements	\$ 18,000,000	50%	50%	\$ 9,000,000	\$ 9,000,000	30%	70%	\$ 2,700,000	\$ 6,300,000	No changes.
103	Intersection Improvement Program	\$ 2,100,000	100%	0%	\$ 2,100,000	\$ -	30%	70%	\$ 630,000	\$ 1,470,000	No changes.
104	9th Ave N Twinning (Courtney St to Hwy 11)	\$ 6,870,000	100%	0%	\$ 6,870,000	\$ -	0%	100%	\$ -	\$ 6,870,000	No changes.
105	Southeast Regina Roadway Capacity Solution	\$ 74,700,000	100%	0%	\$ 74,700,000	\$ -	0%	100%	\$ -	\$ 74,700,000	Cost increased to \$74.7M.
106	Courtney St Extension (1st Ave N to Dewdney Ave)	\$ 16,800,000	100%	0%	\$ 16,800,000	\$ -	0%	100%	\$ -	\$ 16,800,000	No changes.
107	Fleet Street/McDonald Street - Intersection Improvements	\$ 1,000,000	30%	70%	\$ 300,000	\$ 700,000	30%	70%	\$ 90,000	\$ 210,000	Added for 2023 Model
		\$ 319,466,000			\$ 302,696,000	\$ 16,770,000			\$ 13,071,000	\$ 289,625,000	

Appendix B

Development Charges Model Summary - WATER PROJECTS

#	Category and Project Description	Estimated Cost	Dev. Charge %	City %	Development Charge Cost	City Cost	Est. Area Charge	Greenfield Area	Development Charge Cost		2022 Changes
									Est. Area Charge	Greenfield Charge	
19	Transfer Pumping	\$ 7,300,000		0%	\$ -	\$ -	30%	70%	\$ -	\$ -	No changes.
20	Buffalo Pound Water Treatment Plant Upgrade/Expansion	\$ 22,700,000	100%	0%	\$ 22,700,000	\$ -	30%	70%	\$ 6,810,000	\$ 15,890,000	Cost increased to \$303.9M.
32	Twinning of 600mm Main from Farrell Pump Station with a new 750 mm Supply Main along Broad Street from Dewdney Avenue to Saskatchewan Drive	\$ 3,675,000	50%	50%	\$ 1,837,500	\$ 1,837,500	100%	0%	\$ 1,837,500	\$ -	No changes.
33	Downtown Water System Upgrades - Option 2 (East-West Looping)	\$ 8,235,000	100%	0%	\$ 8,235,000	\$ -	100%	0%	\$ 8,235,000	\$ -	No changes.
50	Buffalo Pound WTP Pump Upgrades	\$ 8,750,000	100%	0%	\$ 8,750,000	\$ -	30%	70%	\$ 2,625,000	\$ 6,125,000	No changes.
51	Eastern Pressure Solution Part 1A (storage)	\$ 48,326,157	100%	0%	\$ 48,326,157	\$ -	30%	70%	\$ 14,497,847	\$ 33,828,310	Cost increased to \$48.3M.
52	Eastern Pressure Solution Part 1B (storage)	\$ 30,150,000	100%	0%	\$ 30,150,000	\$ -	30%	70%	\$ 9,045,000	\$ 21,105,000	No changes.
53	Eastern Pressure Solution Part 2A (mains)	\$ 36,700,000	100%	0%	\$ 36,700,000	\$ -	30%	70%	\$ 11,010,000	\$ 25,690,000	No changes.
54	Eastern Pressure Solution Part 2B (mains)	\$ 10,730,000	100%	0%	\$ 10,730,000	\$ -	30%	70%	\$ 3,219,000	\$ 7,511,000	No changes.
55	Eastern Pressure Solution Part 3 (pumping)	\$ 39,539,583	100%	0%	\$ 39,539,583	\$ -	30%	70%	\$ 11,861,875	\$ 27,677,708	Cost increased to \$39.5M.
56	Distribution Trunk Main - West Loop	\$ 9,300,000	100%	0%	\$ 9,300,000	\$ -	0%	100%	\$ -	\$ 9,300,000	No changes.
57	Distribution Trunk Main - East Loop A	\$ 10,000,000	100%	0%	\$ 10,000,000	\$ -	0%	100%	\$ -	\$ 10,000,000	No changes.
58	Distribution Trunk Main - East Loop B	\$ 10,000,000	100%	0%	\$ 10,000,000	\$ -	0%	100%	\$ -	\$ 10,000,000	No changes.
59	Distribution Trunk Mains - Other Trunk Mains	\$ 250,000	100%	0%	\$ 250,000	\$ -	0%	100%	\$ -	\$ 250,000	No changes.
60	WMP - Major Updates	\$ 400,000	30%	70%	\$ 120,000	\$ 280,000	30%	70%	\$ 36,000	\$ 84,000	No changes.
61	WMP - Minor Updates	\$ 100,000	30%	70%	\$ 30,000	\$ 70,000	30%	70%	\$ 9,000	\$ 21,000	No changes.
62	Serviceability Study for 300k+	\$ 2,000,000	100%	0%	\$ 2,000,000	\$ -	30%	70%	\$ 600,000	\$ 1,400,000	Cost increased to \$2M.
		\$ 248,155,739			\$ 238,668,239	\$ 2,187,500			\$ 69,786,222	\$ 168,882,018	

Appendix B

Development Charges Model Summary - WASTEWATER PROJECTS

#	Category and Project Description	Estimated Cost	Dev. Charge %	City %	Development Charge Cost	City Cost	Est. Area Share	Greenfield Share	Development Charge Cost		2022 Changes
									Est. Area Charge	Greenfield Charge	
6	Wastewater Treatment Plant - Expansion to 258K population	\$ 24,500,000		0%	\$ -	\$ -	30%	70%	\$ -	\$ -	No changes.
8	Downtown Wastewater System Upgrades	\$ 2,775,000	30%	70%	\$ 832,500	\$ 1,942,500	100%	0%	\$ 832,500	\$ -	No changes.
11	WWMP - Major Updates	\$ 400,000	30%	70%	\$ 120,000	\$ 280,000	30%	70%	\$ 36,000	\$ 84,000	No changes.
12	WWMP - Minor Updates	\$ 100,000	30%	70%	\$ 30,000	\$ 70,000	30%	70%	\$ 9,000	\$ 21,000	No changes.
13	WWTP Upgrade/Expansion, beyond 258K population	\$ 76,000,000	100%	0%	\$ 76,000,000	\$ -	30%	70%	\$ 22,800,000	\$ 53,200,000	No changes.
14	Wastewater Linear Replacement - Growth Portion	\$ 22,500,000	100%	0%	\$ 22,500,000	\$ -	100%	0%	\$ 22,500,000	\$ -	No changes.
15	South Trunk Upgrades (Split from #2 "Wastewater Capacity Upgrades")	\$ 96,150,000	30%	70%	\$ 28,845,000	\$ 67,305,000	30%	70%	\$ 8,653,500	\$ 20,191,500	Cost increase to \$96.15M.
16	Linear Relief Storage (Split from #2 "Wastewater Capacity Upgrades")	\$ 132,000,000	30%	70%	\$ 39,600,000	\$ 92,400,000	30%	70%	\$ 11,880,000	\$ 27,720,000	Cost increase to \$132M.
17	Reibling Park Storage (Split from #2 "Wastewater Capacity Upgrades")	\$ 3,600,000	30%	70%	\$ 1,080,000	\$ 2,520,000	30%	70%	\$ 324,000	\$ 756,000	No changes.
18	Serviceability Study for 300k+	\$ 1,500,000	100%	0%	\$ 1,500,000	\$ -	30%	70%	\$ 450,000	\$ 1,050,000	Cost increase to \$1.5M
		\$ 359,525,000			\$ 170,507,500	\$ 164,517,500			\$ 67,485,000	\$ 103,022,500	

Appendix B

Development Charges Model Summary - PARKS & RECREATION PROJECTS

#	Category and Project Description	Estimated Cost	Dev. Charge %	City %	Development Charge Cost	City Cost	Est. Area Share	Greenfield Share	Development Charge Cost		2022 Changes
									Est. Area Charge	Greenfield Charge	
5	Municipal Level Dog Park - NW		30%	70%	\$ -	\$ -	30%	70%	\$ -	\$ -	No changes.
9	Plant Material Establishment Funding	\$ 2,877,000	100%	0%	\$ 2,877,000	\$ -	0%	100%	\$ -	\$ 2,877,000	No changes.
17	Victoria East (The Towns) Zone Level Park	\$ 39,599,010	100%	0%	\$ 39,599,010	\$ -	0%	100%	\$ -	\$ 39,599,010	Cost increase to \$39.5M.
22	New Indoor Aquatic Facility (Lawson Civic Centre; Growth Portion)	\$ 141,750,153	30%	70%	\$ 24,365,047	\$ 117,385,106	30%	70%	\$ 7,309,514	\$ 17,055,533	Total cost adjusted to \$177.4M.
23	New Lit Artificial Turf Field	\$ 4,000,000	30%	70%	\$ 1,200,000	\$ 2,800,000	30%	70%	\$ 360,000	\$ 840,000	No changes
34	Rec Master Plan - Minor Update	\$ 100,000	30%	70%	\$ 30,000	\$ 70,000	30%	70%	\$ 9,000	\$ 21,000	No changes
35	Rec Master Plan - Major Update	\$ 250,000	30%	70%	\$ 75,000	\$ 175,000	30%	70%	\$ 22,500	\$ 52,500	No changes
36	New Indoor Aquatic Facility Feasibility Study	\$ 850,000	30%	70%	\$ 215,577	\$ 634,423	30%	70%	\$ 64,673	\$ 150,904	Cost decrease to \$850K.
38	New Outdoor Pickleball Facility	\$ 3,000,000	30%	70%	\$ 900,000	\$ 2,100,000	0%	100%	\$ -	\$ 900,000	Cost increased to \$3M.
39	Indoor Aquatic Facility Detailed Design and Consulting fees	\$ 15,650,000	30%	70%	\$ 1,024,919	\$ 14,625,082	0%	100%	\$ -	\$ 1,024,919	Cost increase to \$15.65M.
		\$ 208,076,163			\$ 70,286,553	\$ 137,789,611			\$7,765,687	\$62,520,865	

Appendix C

Development Charges Policy – Rate Review Components (Section 10A)

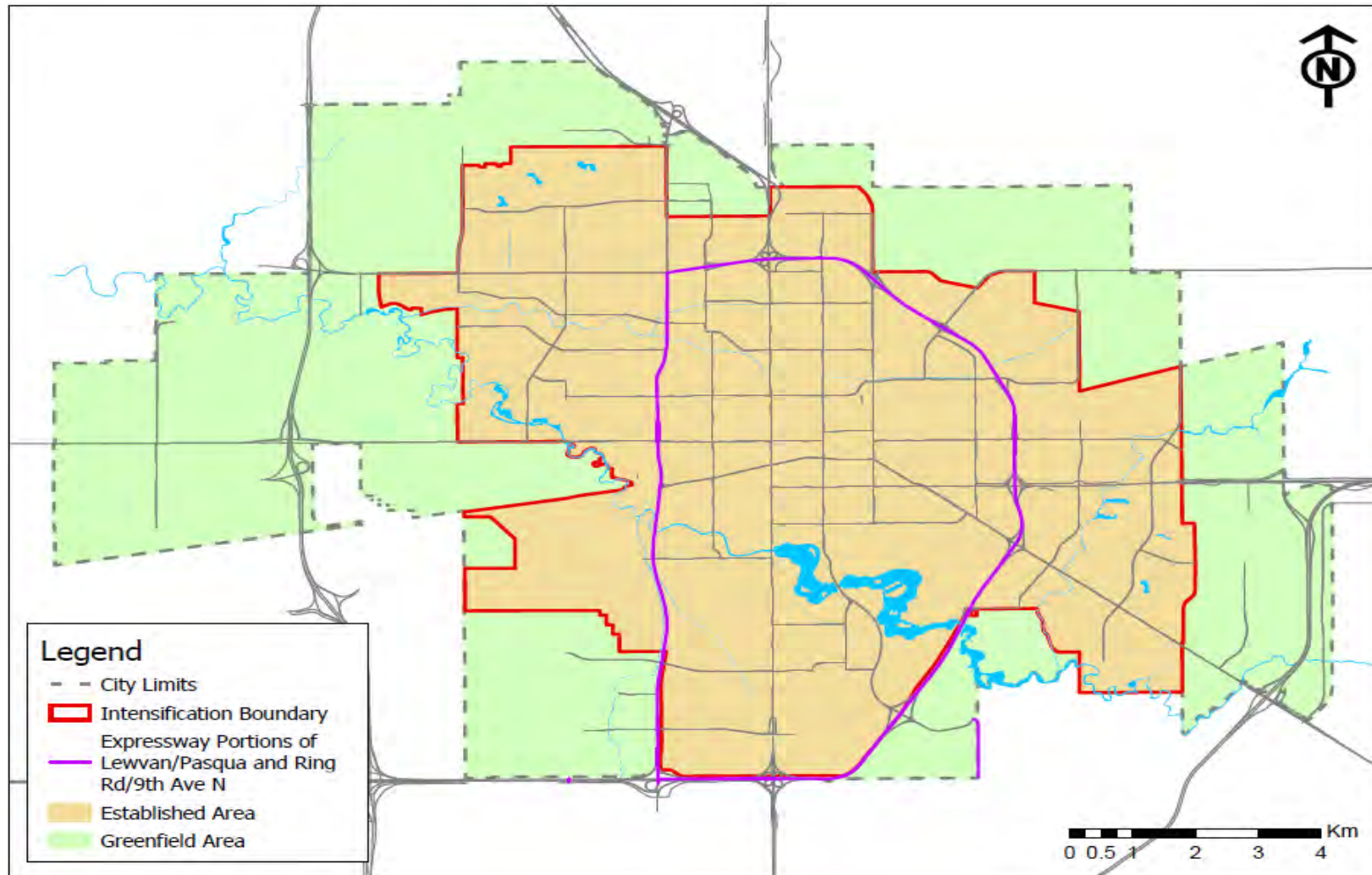
The Development Charges rates set forth by Section 7A of the Policy are review from time to time and presented to Council for approval.

The review will include:

- *Consultation with development industry members;*
- *Review of the current Servicing Agreement Fee [development charge] balance and interest due;*
- *Determination of pace of development to established the Capital Projects List and developable area;*
- *The current population and population projections to calculate appropriate funding splits for new projects added to the list;*
- *Review of greenfield development Capital Projects to calculate the greenfield rate;*
- *Review of citywide development Capital Projects to ensure cost estimates, capacity and timing are accurate to calculate both the greenfield rate and portion of Capital Projects funded through the Established Area Policy [i.e. 'tax lift' from intensified development];*
- *Review for alignment to Master Plans and OCP Growth Phasing;*
- *Adjustment, addition and removal of Capital Projects projected over the 25-year time horizon; and*
- *Indexing for inflation*

Appendix D

Development Charges Policy – Map of Greenfield Area and Established Area



Appendix E

Development Charge Funded Capital Project Deferrals (2022 to 2024)

Project Type and Name:	Original Start Year:	Deferred Start Year:	Impact of Deferral:
Transportation #11 - Annual Traffic Signal Installation	Annual program	2025	Deferral of this funding will result in delays to new signals installation at intersections where increased traffic due to growth has been experienced. A two-year deferral of the program may create an increased backlog of installations.
Transportation #89 - Wascana Parkway Eastbound Loop Ramp onto Highway #1	2023	2024	Eastbound left hand turns onto Ring Road are currently experiencing delays. As growth occurs, these delays will continue to worsen. Delaying the project by a year will delay the improvement of traffic flow at this location.
Transportation #100 - Road Network Improvements Property Purchase	Annual program	2025	This will delay property purchases needed for future projects. There is a risk that properties may be a higher value when ready to purchase or that the City misses the opportunity to purchase a property when it becomes available. A two-year deferral of the program is a low risk.
Transportation #103 - Intersection Improvement Program	Annual program	2025	There is risk associated with a renewal project moving ahead in areas where intersection improvements are required at the same time, resulting in a lost opportunity to incorporate the intersection improvement. In such cases, the improvements would need to be done at a later time, creating a separate project.
Transportation #105 - Southeast Regina Roadway Capacity Solution	2023	2025	The project can be delayed as most of the improvements are in the medium- to long-term timeframes. The short-term improvements identified in the Arcola Corridor Study are proposed to be delivered within the next six years. However, this deferral does result in the delay of intersection improvements along the corridor for at least two years.
Transportation #107 - Fleet Street & McDonald Street - Intersection Improvements	2023	2025	This intersection is currently experiencing capacity issues and the condition of the intersection is deteriorating. Deferral of this project will likely cause increased deterioration of the intersection and require increased or urgent maintenance.
Water #50 - Buffalo Pound WTP Pump Upgrades	2023	2025	Deferring the project will increase maintenance and costs associated with the Buffalo Pound Water Treatment Plant. The project needs to occur after the Buffalo Pound Water Treatment Plant upgrades are completed in 2025.
Water #56 - Distribution Main - West Loop	2023	2025	The initial work was planned for 2023 and 2024 with the first phase planned for 2025. Deferring the project does not have major implications. Currently, the City is looking at possible opportunities to coordinate this work with lift station and force main construction in Coopertown.
Wastewater #15 - South Trunk Upgrades	2022	2024	Deferring the project will delay risk reduction of sewer back ups and wastewater bypass to the creek during storm events. As such, the Utility can provide initial funding for the project to ensure the project is not delayed and the development charge funded portion will be providing in the following years.