

# Development Charges Policy and Model Review: Stakeholder Kickoff and Info Session

April 17, 2023

City Hall – Darlene Hincks Committee Room, MS Teams

11:00 a.m. to 12:00 p.m.



# Today's Agenda



**Presentation on the Current Policy  
& Model and Challenges**



**Overview of Development Charges  
Policy and Model Review**



**Closing/Questions**



# Introduction

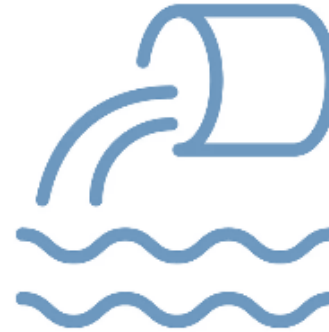
- **What** are development charges (generally)?
- **Why** do municipalities use development charge?
- Underlying principle: “growth pays for growth”
  - ❖ *Funds: Initial/New or upgraded growth-related infrastructure*



Parks & Recreation



Water



Wastewater



Transportation



# When Charges Apply

## Servicing Agreement Fee

- Applied at time of subdivision
  - ❖ *E.g. Westerra*

## Development Levy

- Applied when subdivision is not involved
  - ❖ *E.g. Intensification Levy*



# Regina DC Policy: Overview

**Guiding legislation:** The Planning and Development Act, 2007 (Act)

- Charges can fund admin costs and growth-related infrastructure:
  - ❖ *Water*
  - ❖ *Wastewater*
  - ❖ *Transportation*
  - ❖ *Parks & Recreation*
- Charges cannot fund maintenance, renewal, or operational costs

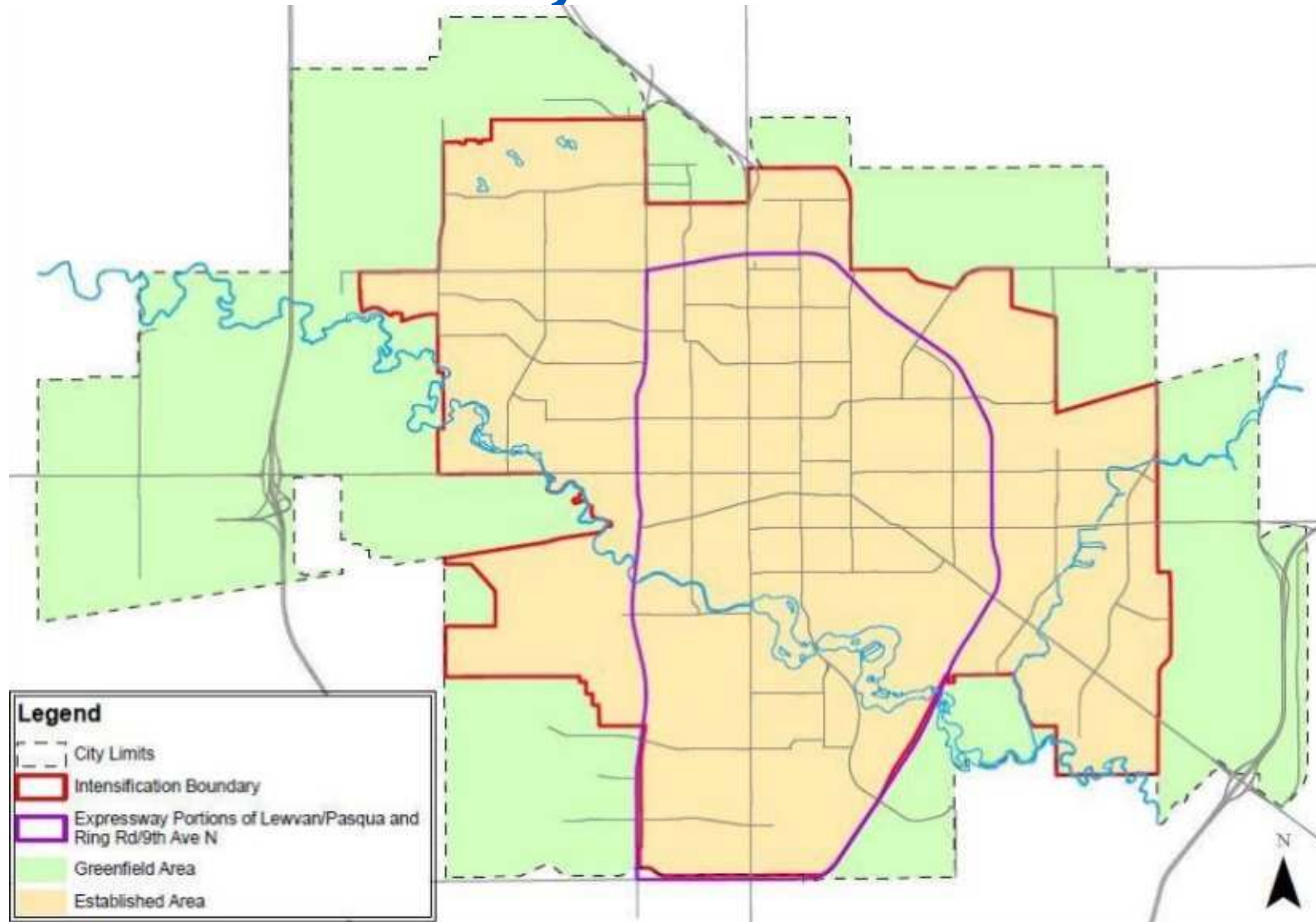
## Development Charges Policy (Policy)

- Funded projects impact rates
- Assigns direct capital cost to developers, funds city-wide projects

# Direct vs Offsite Costs



# *Greenfield Area, Established Area*



# Tax Lift Funding ...

Tax Lift from intensified development in the Established Area pays for Offsite Growth Costs using new tax revenue generated from the development on a site





# Offsite Growth Cost Funding Splits

**Offsite Growth Cost/  
Growth-Related Infrastructure**

Level 1

*Portion of Cost Benefiting  
New Growth...paid through  
Development Charges  
Model*

*Portion of Cost Benefiting  
Existing Residents...paid  
through City Contributions*

Level 2

100% Greenfield  
Area DC funded

100% Established  
Area Tax Lift  
Funded

Partial DC and Tax  
Lift Funded

Level 3

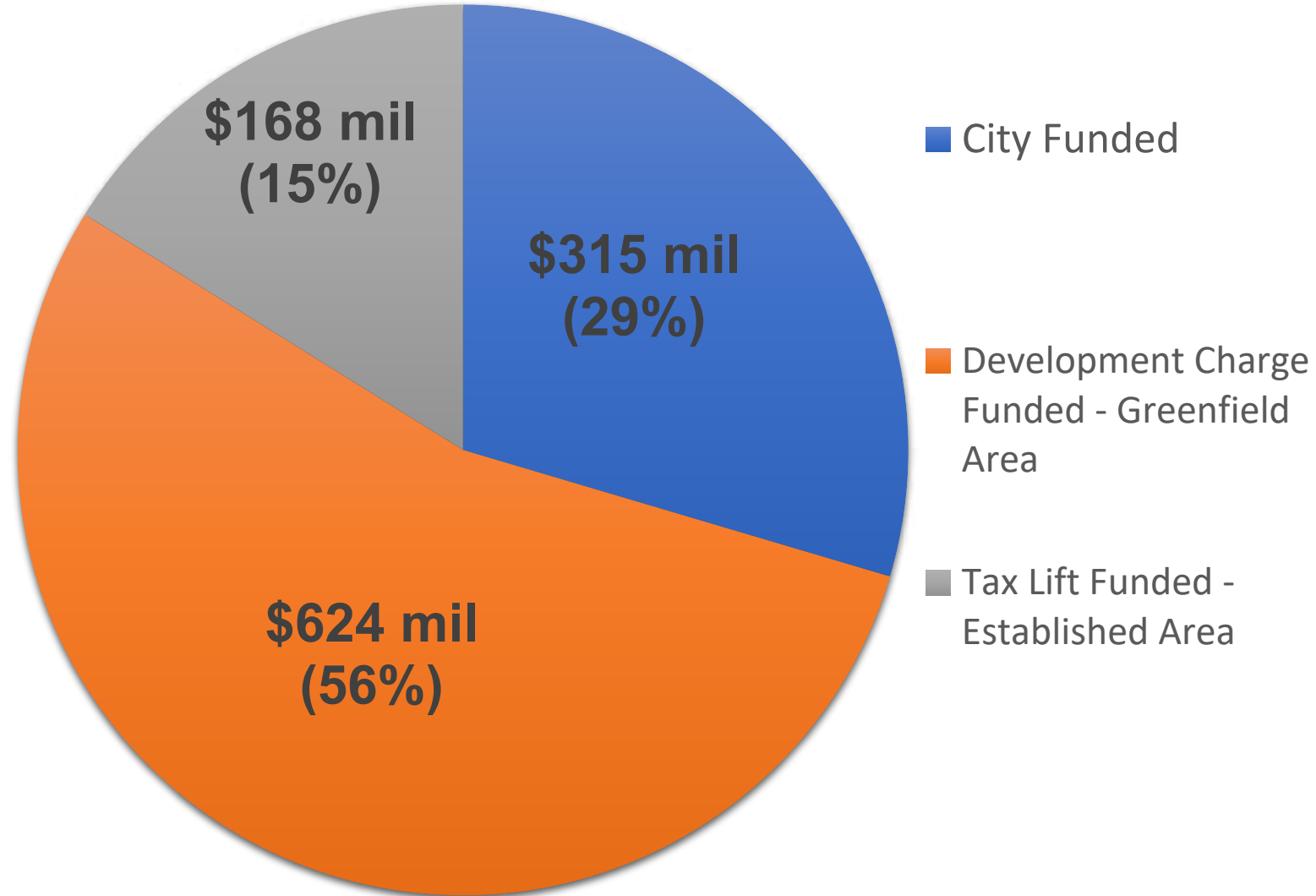


# Funding Split Example ... Dog Park

Service Agreement Fee (SAF) Model Summary - PARKS & RECREATION PROJECTS									Development Charge Cost	
#	Category and Project Description	Estimated Cost	Dev. Charge %	City %	Development Charge Cost	City Cost	Est. Area Share	Greenfield Share	Est. Area Charge	Greenfield Charge
5	Municipal Level Dog Park - NW	\$ 339,000	30%	70%	\$ 101,700	\$ 237,300	30%	70%	\$30,510	\$71,190



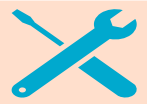
# Total Cost in the DC Model



# Development Charges Model



Developed in 2015



Operational “Tool” to apply policies



Fixed term of 25-years (2015-2040)



Provides uniform charges, city-wide

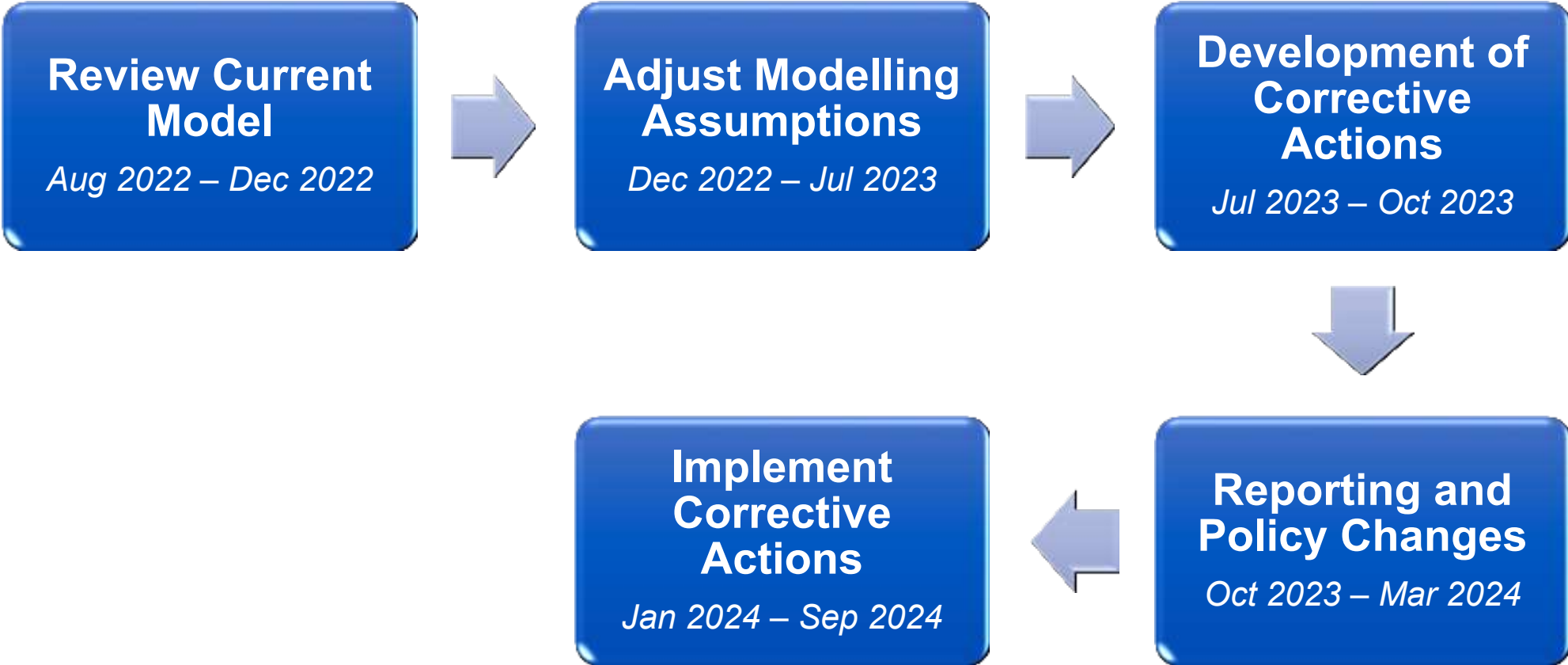
# ***DC Review Objective***

**Develop corrective actions to address concerns with the current Development Charges Policy and Development Charges Model.**

## Secondary Objectives ...

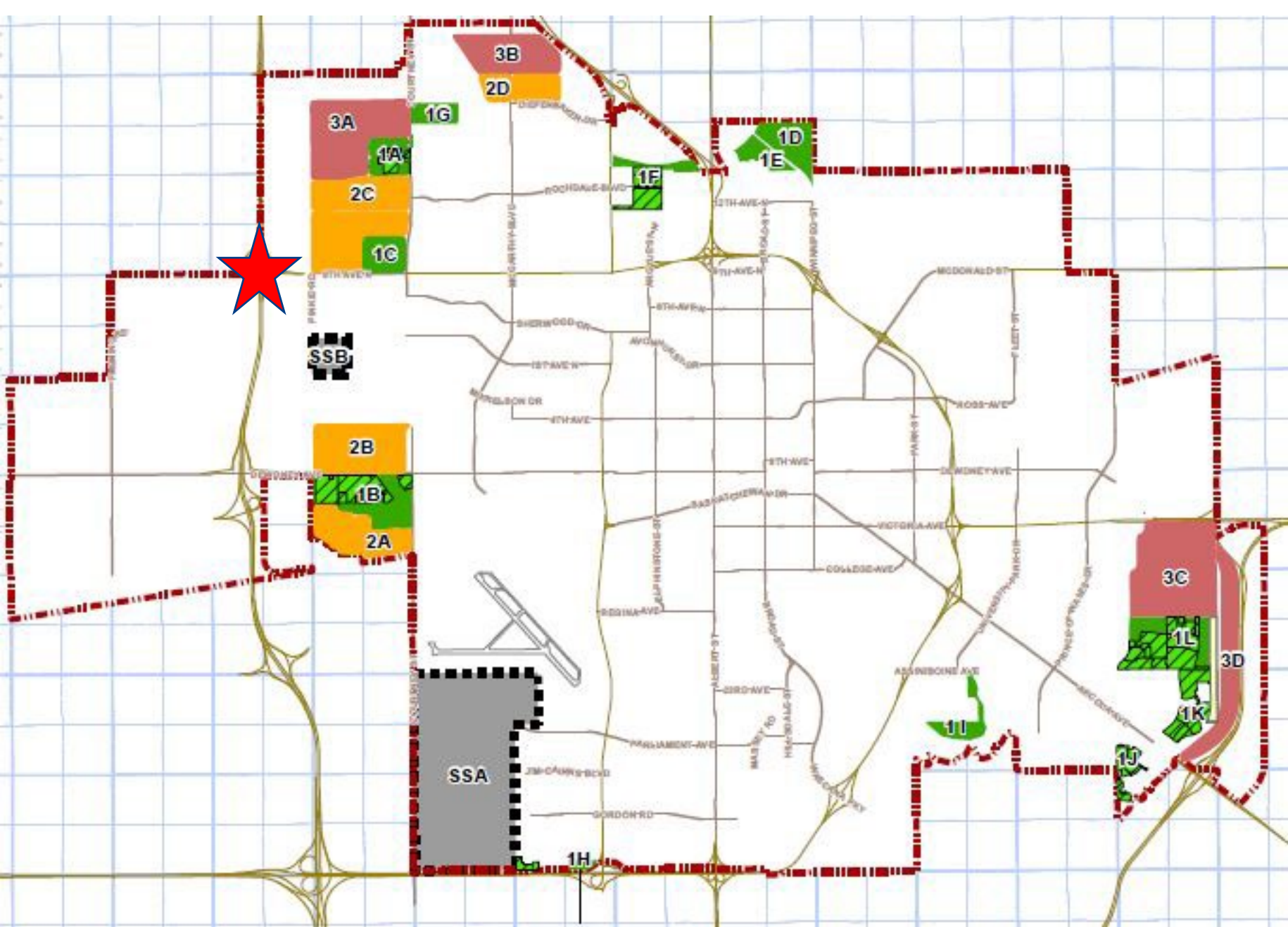
1. Improve the Model's self-sufficiency to fund costs required to support growth
2. Adjust assumptions and variables leveraged by the Model
3. Adjust the timing and need of growth costs funded by the Model based on the current pace of city growth and development
4. Explore different options for applying development charges across the city

# Phases of the Review



# Review Phases Dashboard

<b>Review Current Model</b> <b>1</b> - Aug 2022 to Dec 2022	<b>Adj. Current Model</b> <b>2</b> - Dec 2022 to Jul 2023	<b>Dev. Corrective Action</b> <b>3</b> - Jul 2023 to Oct 2023	<b>Report &amp; Policy Δs</b> <b>4</b> - Oct 2023 to Mar 2024	<b>Implementation</b> <b>5</b> - Jan 2024 to Sep 2024
<ul style="list-style-type: none"><li>✓ Review past rate setting processes</li><li>✓ Jurisdictional review</li><li>✓ Briefing to Council</li><li>✓ Report to EXEC and Council</li><li>✓ Memo to industry</li></ul>	<ul style="list-style-type: none"><li>✓ Procure consultant</li><li>✓ Update current Model</li><li>✓ Meet w/ SAF Gov. Committee</li><li>- Consultant project lists review</li><li><input type="checkbox"/> Finalize revised project list</li></ul>	<ul style="list-style-type: none"><li><input type="checkbox"/> Develop city-wide and area-specific models</li><li><input type="checkbox"/> Consultation on models (includes City Council and Stakeholders)</li></ul>	<ul style="list-style-type: none"><li><input type="checkbox"/> Develop policy Δs to implement new model Δs</li><li><input type="checkbox"/> Consultation (internal/external) on policy</li><li><input type="checkbox"/> Public reports to Committee and Council</li></ul>	<ul style="list-style-type: none"><li><input type="checkbox"/> Consultant to make final tweaks to new model</li><li><input type="checkbox"/> Update SOPs accordingly</li></ul>
<b>COMPLETE</b>	<b>IN-PROGRESS</b>	<b>NOT STARTED</b>	<b>NOT STARTED</b>	<b>NOT STARTED</b>



## Legend

- Phase 1
- Phase 2
- Phase 3
- Subdivided Phase 1
- Special Study Area
- City Limits





# Summary of Touchpoints

## Industry Stakeholders

RRHBA Developer Committee Pres. (Mar 2023)

General Project Kickoff Session (Apr 2023)

Project List Changes Workshop (Jun/Jul 2023)

Consultation on Modelling Options (Sep 2023)

Additional Session(s), if required (Nov 2023)

## City Council

Briefing Session (Nov 2022)

Council Report – Project Initiation (Q4, 2022)

Consultation on Modelling Options (Oct 2023)

Council Report – Recommendations (Q4, 2023)

**Thanks for  
Listening!**

**Questions,  
Comments or  
Feedback?**

