

2023 Development Charges Annual Report

May 2024



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Introduction

Supporting growth through strategic land use and infrastructure planning helps build vibrant communities for residents, contributes to the city's economic prosperity and maximizes the use of financial resources. Growth creates extra costs for the City of Regina (City) as infrastructure and services need to be in place before growth occurs, as well as after, to maintain service levels for residents.

The City uses partnerships and funding tools, such as the Development Charges Policy (Policy), to help pay for new infrastructure and services required to support growth in [Greenfield Areas and Established Areas](#)¹. Under the Policy, developers contribute to offsite growth costs required to support new greenfield neighbourhoods and development by paying development charges, including:

- Servicing agreement fees (SAF) – applied when new greenfield land is subdivided.
- Development levies (DL) – applied when new greenfield land is developed, but no subdivision occurs.

In alignment with *The Planning and Development Act, 2007* and Policy, development charges fund the following capital cost types, in addition to related eligible administration costs:



Purpose

The 2023 Development Charges Annual Report is prepared in accordance with Section 10A of the Policy and was compiled by the City's City Planning & Community Services and Financial Strategy & Sustainability divisions. This report provides:

1. A summary of 2023 greenfield subdivision activity.
2. Current and past development charge rates.
3. Development Charge Account (DC Account) information.
4. An overview of DC Account revenue and expenditures on growth-related projects between 2016 and 2023.

¹ The Greenfield Area and Established Area are defined in Appendix B of the [Development Charges Policy](#). The Established Area refers to the existing built-up area of Regina as of 2013 when *Design Regina: The Official Community Plan* was approved. The Greenfield Area includes all areas on the periphery of the city outside the Established Area Boundary.

Development Charges Policy and Model Review

In August 2022, the City initiated a Development Charges Policy and Model Review to address concerns with the current Development Charges Financial Cash Flow Model (Model) responsible for calculating development charge rates and funding costs required to support future growth in alignment with the City's [Growth Plan](#) (see Figure 1 below).

Development Charges Policy and Model Review Timeline

- **August to November 2022:** Analyze past development charge models and development charge rate-setting processes (complete).
- **December 2022:** Report to City Council to set a 2023 development charge rate (complete).
- **December 2022 to August 2023:** Policy review and initial consultation with stakeholders on potential Policy/procedure changes (complete).
- **April 2023 to February 2024:** Complete a new growth study forecasting overall city growth to the year 2051 (complete).
- **January 2024:** Consultation with stakeholders on the modified Model Capital Project List (complete).
- **May 2024:** Consultation with stakeholders on revised Policy/procedure changes, further updates to the Model Capital Project List and development charge rate options: citywide versus area-specific (complete).
- **June 2024:** Final report to City Council with recommended Policy amendments and development charge rates (in-progress).

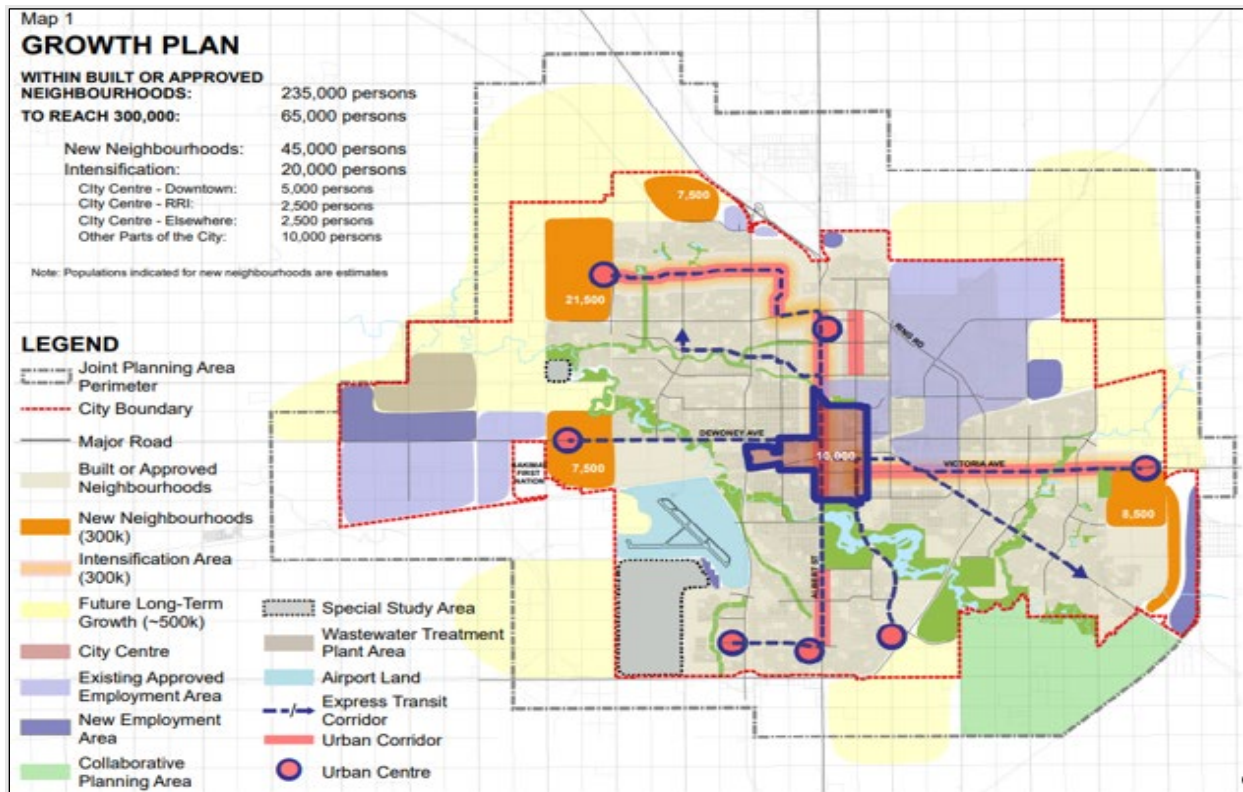


Figure 1: Growth Plan from *Design Regina: The Official Community Plan*

Greenfield Subdivision Activity

In 2023, approximately 9.3 hectares of greenfield land were subject to development charges, including 4.8 hectares in Harbour Land West², 2.9 hectares in Aurora and 1.6 hectares in The Towns. Historical averages for annual greenfield hectares subject to development charges are detailed in Table 1 below.

	Average Annual Greenfield Hectares ³
5-year average: 2019-2023	14
10-year average: 2013-2023	53.9
20-year average: 2003-2023	61.3
30-year average: 1993-2023	53.2
All-years average: 1985-2023	56.3

Table 1: Average annual greenfield hectares subject to development charges

Table 2 below provides a year-by-year breakdown of annual greenfield hectares subject to development charges over the last five years.

	Residential, Commercial, Institutional	Industrial	Other	Overall
2023	9.3*	0	0	9.3
2022	19.4	0	13.3**	32.7
2021	17.9	0	0	17.9
2020	8.1	0	0	8.1
2019	2	0	0	2
Total	56.7	0	13.3	70
* 4.8 of the total hectares relate to a parcel subdivided for a future school that received a Council-approved development charge exemption (CR23-32). ** Hectares relate to a rail corridor subdivision that received a Council-approved development charge exemption (CR23-79).				

Table 2: Detailed five-year breakdown of greenfield hectares subject to development charges

Refer to Figure 2 on the next page for a year-by-year breakdown of greenfield hectares subdivided annually since 1985.

Status of Phase 1 Lands

Based on Information Services Corporation subdivision registration data, as of January 1, 2024, approximately 45 per cent of lands designated *Phase 1 New Neighbourhoods* in the Phasing of New Neighbourhoods Map from *Design Regina: The Official Community Plan, Bylaw 2013-48* (OCP) have been subdivided. Please refer to Regina.ca for further details.

² The land subdivided in Harbour Landing West relates to a future school site that received a Council-approved development charge exemption.

³ If greenfield hectares that were exempt from paying development charges are netted out from the averages, they are reduced to the following values: five-year average of 10.4 hectares, 10-year average of 52.3 hectares, 20-year average of 60.5 hectares, 30-year average of 52.6 hectares and all-years average of 54.8 hectares.

Greenfield Hectares (Ha) Subdivided Per Year: 1985 to 2023

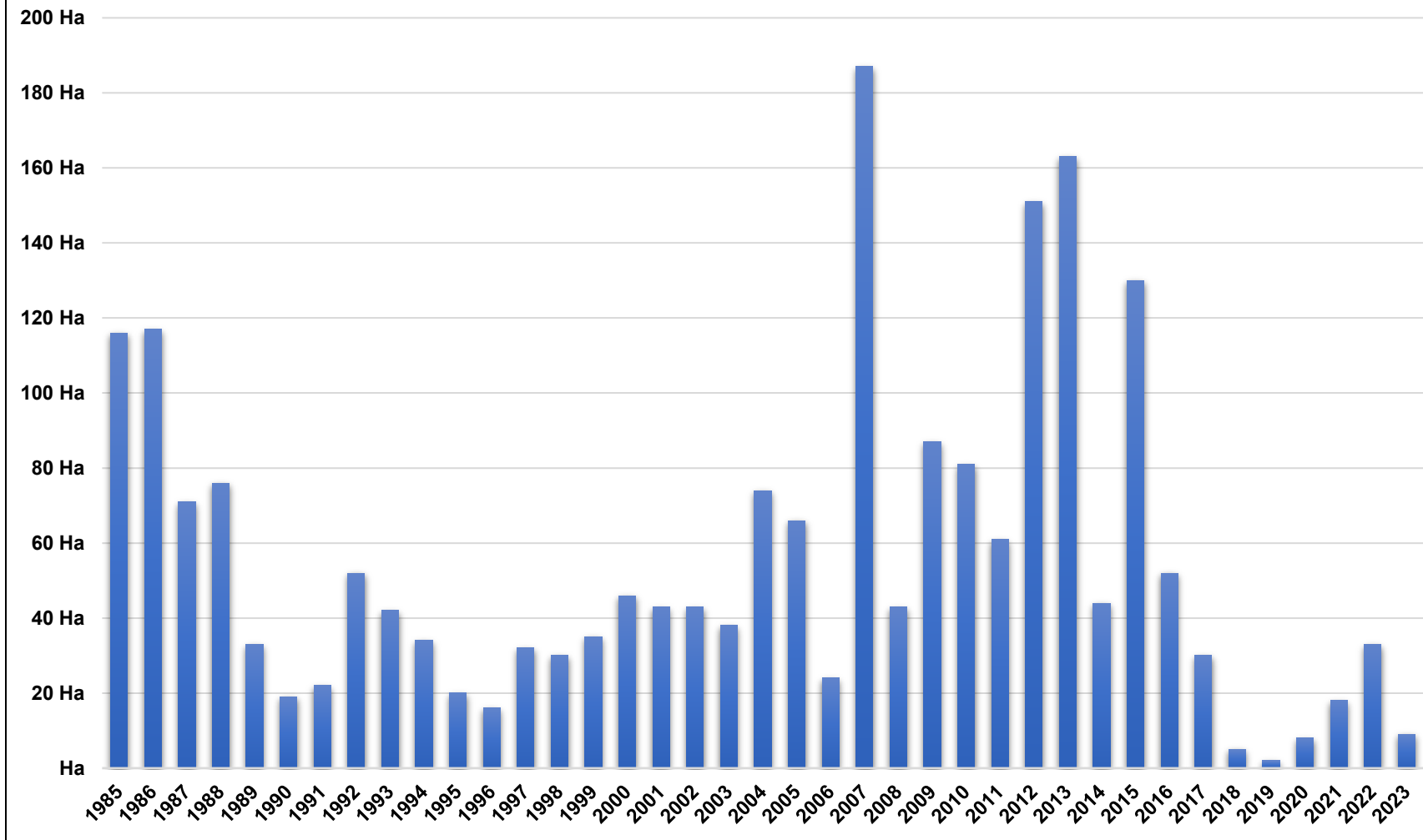


Figure 2: Greenfield hectares subdivided annually from 1985 to 2023

Greenfield Development Charge Rates

Table 3 below outlines the current per-hectare greenfield development charge rates. 2025 development charge rates will be recommended to City Council for their consideration as part of the upcoming DC Review report that will be presented to City Council in June 2024.

	Residential, Commercial, Institutional	Industrial
Transportation	\$134,000	\$44,500
Water	\$99,000	\$33,000
Wastewater	\$45,000	\$15,000
Drainage	-	-
Parks and Recreation	\$14,000	\$4,500
Administration	\$27,000	\$9,000
Total	\$319,000	\$106,000

Table 3: Current per hectare development charges rates (effective since June 1, 2023)

Table 4 below provides an overview of the per-hectare greenfield development charge rates in effect over the last ten years and the number of greenfield hectares subject to development charges in each year.

	Residential, Commercial, Institutional Rate	Hectares
2023*	\$319,000	9.3
2022*	\$297,000	32.7
2021	\$299,000	17.9
2020	\$361,000	8.1
2019	\$442,000	2
2018	\$442,000	5.3
2017**	\$404,000	30.1
2016**	\$362,475	51.9
2015**	\$332,025	130.4
2014**	\$304,776	44.4
2013**	\$241,958	163.5

* Total hectares in 2022 and 2023 include those that received Council-approved development charge exemptions, as referenced in Table 2.

** From 2014 to 2017, the City had separate annual rates for 235K and 300K neighbourhoods in the OCP's Growth Plan. As such, the values reflected for 2014, 2015, 2016 and 2017 are an average of the 235K and 300K rates in effect in each year

Table 4: Comparison of annual development charge rates and annual greenfield hectares subject to development charges

For further comparison, Figure 3 on the next page shows the annual per-hectare greenfield development charge rates in effect since 1990 in comparison to the annual average new home (absorbed) price in Regina, as published by the Canadian Housing & Mortgage Corporation.

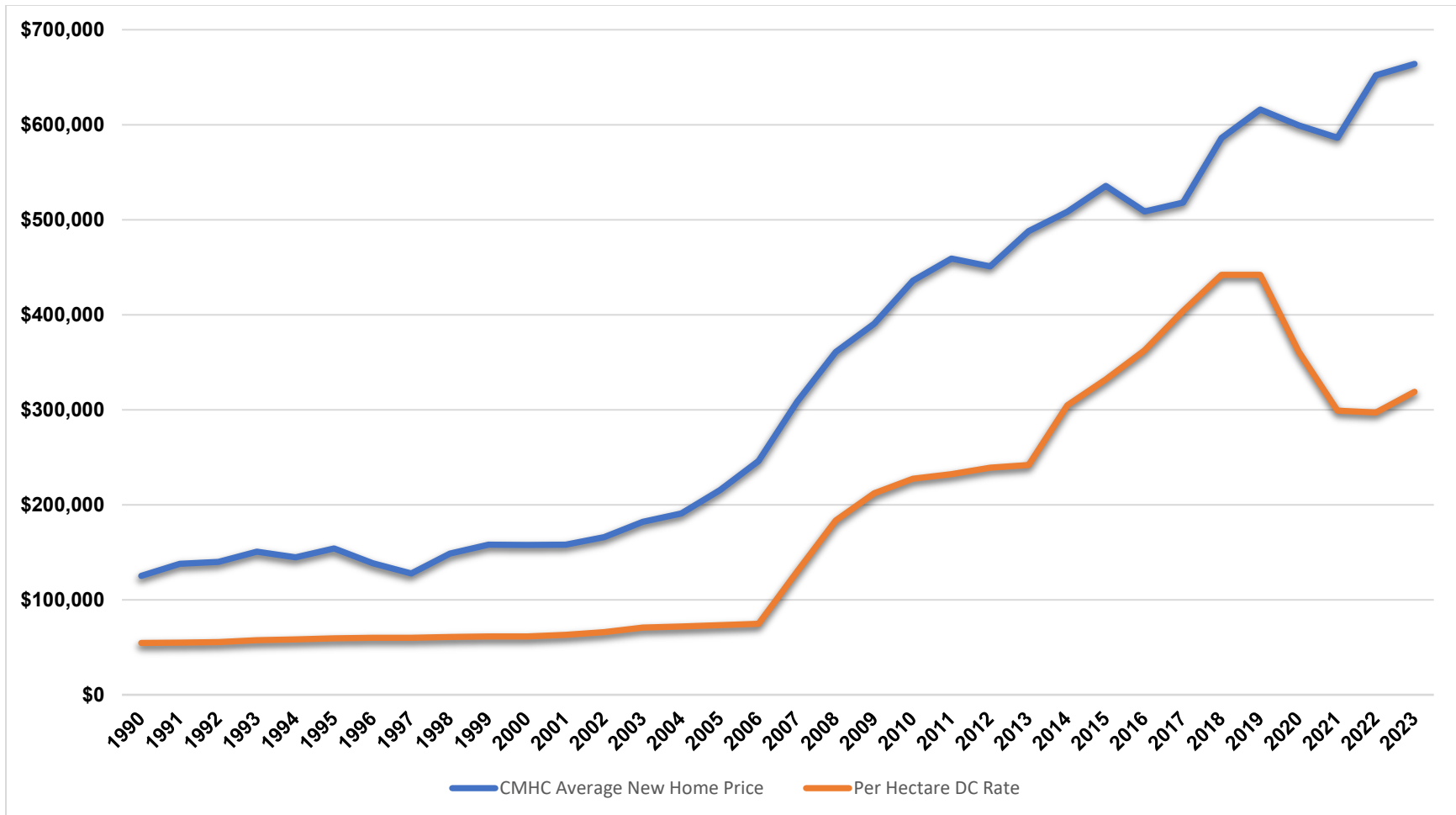


Figure 3: Annual greenfield development charges rates comparison with annual average new home (single unit) sales price (absorbed)

Notes:

1. In 2002, two rates were in effect over the year; the value reflected in the graph is an average of both.
2. In 2007, two rates were in effect over the year; the value reflected in the graph is an average of both.
3. From 2014 to 2017, the City had separate annual rates for 235K and 300K neighbourhoods in the Official Community Plan’s Growth Plan. As such, the values reflected in the graph for 2014, 2015, 2016 and 2017 are an average of the 235K and 300K rates in effect in each year

2023 Development Charge Account Analysis – December 31, 2023 (Unaudited)

	Transportation	Parks and Recreation	Utility	Administration	Total
Opening 2023 Balance:	\$32,207,276.96	\$11,500,641.88	(\$39,428,119.17)	-	\$4,279,799.67
Funds Added to Account:	\$2,725,606.35	\$285,760.00	(\$1,076,612.00)	\$230,250.00	\$2,165,004.35
Interest Allocation:	\$1,274,809.34	\$441,532.85	(\$1,645,556.25)	-	\$70,785.94
Total Available:	\$36,207,692.65	\$12,227,934.73	(\$42,150,287.42)	\$230,250.00	\$6,515,589.96
Expenses:	\$6,616,601.10	\$608,190.80	\$23,697,771.96	\$230,250.00	\$31,152,813.86
Closing 2023 Balance:	\$29,591,091.55	\$11,619,743.93	(\$65,848,059.38)	-	(\$24,637,223.90)

Notes:

- The Utility Account interest allocation is in a negative position due to the account having a negative balance.
- The 2023 closing balance of (\$24,637,223.90) relates to the Development Charge Accounts intended to fund the greenfield portion of costs in the Development Charges Cash Flow Model (Model). If the 2023 closing balance of the Intensification Infrastructure Reserve (6,899,372.14) intended to fund the intensification portion of costs in the Model is factored into this calculation, the closing balance increases to (\$31,536,596.04).

Development Charge Revenue (2016-2023)

Below is a summary of hectares that paid development charges in greenfield neighbourhoods and developments since implementation of the current Development Charges Financial Cash Flow Model in 2016.

Neighbourhood	Area (hectares):	Total Fees Paid:
Aurora Commercial Development	21.6	\$8,206,161
Westerra*	53	\$19,278,235
The Towns	38.7	\$12,569,477
Rosewood	6.3	\$2,291,129
Capital Crossing	4.1	\$1,418,781
The Greens on Gardiner	20.4	\$7,081,759
The Creeks	14.2	\$4,937,795
Harbour Landing	3.7	\$1,648,205
Eastbrook**	13.6	\$3,606,657
Chuka Creek Business Park***	17.4	\$2,001,645
Total:	193	\$63,039,844

* Westerra paid a development charge for the entirety of Phase 1 in 2015 and lands have been incrementally subdivided since. As such, the entire fee paid in 2015 is incorporated here.

** The development charge paid for Eastbrook in 2015 included 0.5 hectares and 3.4 hectares of land subdivided in 2020 and 2021, respectively. Accordingly, the total fees shown for Eastbrook include the portion of the total development charge paid in 2015 attributable to these hectares.

*** Development charge reduced by two-thirds per the Development Charges Policy, Section 7.A.3 Reductions Applicable to Industrial Land.

Development Charge Expenditures (2016-2023)

Below is a summary of development charge-funded capital expenditures made between January 1, 2016 and December 31, 2023.

Wastewater

Project Name	2016	2017	2018	2019	2020	2021	2022	2023	Total Project Spending
McCarthy Blvd. Pump Station Upgrades/Third Forcemain/Trunk Relief Initiative (in-progress)	\$859,719	\$220,281	\$482,761	\$943,822	\$1,869,497	\$179,737	\$73,632	\$444,625	\$5,074,074
The Creeks Pump Station Expansion - Phase 1: Forcemain Construction (complete)		\$12,066	\$2,094,382	\$5,556,185	\$4,213,178	\$54,370			\$11,930,181
Storm Trunk – The Towns South Stage 1F (complete)		\$646,496							\$646,496
Sanitary Main Oversizing – Eastbrook Phase 1 (complete)		\$613,673							\$613,673
Storm Trunk – Eastbrook Phase 1 (complete)		\$1,224,740							\$1,224,740
Storm Trunk – Eastbrook Phase 2 (complete)		\$1,107,361							\$1,107,361
Wastewater Capacity Upgrades: South Trunk (in-progress)							\$145,309	\$55,046	\$200,355
Wastewater Treatment Plant Expansion – 258K Population Equivalency (complete) ⁴		\$928,000				\$1,986,000	\$1,986,000	\$1,986,000	\$6,886,000
Total Wastewater Costs by Year	\$859,719	\$4,752,617	\$2,577,143	\$6,500,007	\$6,082,675	\$2,220,107	\$2,204,941	\$2,485,671	\$27,682,880

⁴ Note, this line item pertains to the payback of the development charge-eligible (or “growth”) portion of the project cost per a contract with EPCOR ending in 2044.

Water

Project Name	2016	2017	2018	2019	2020	2021	2022	2023	Total Project Spending
Buffalo Pound Water Treatment Plant Upgrade/Expansion (in-progress)						\$727,450	\$727,450	\$1,380,000	\$2,834,900
Buffalo Pound Water Treatment Plant 2016-2019 Upgrades (complete)	\$669,034	\$552,215	\$1,132,598						\$2,353,847
Water Network Expansion/Eastern Pressure Solution (in-progress)			\$27,582	\$400,999	\$463,838	\$1,547,350	\$1,495,922	\$30,447,067	\$34,382,758
Water Main Oversizing – Eastbrook Phase 1 (complete)		\$121,732		\$5,262					\$126,994
Water Main Oversizing – Eastbrook Phase 2 (complete)		\$208,465							\$208,465
Serviceability Study for 300,000 Population Equivalency (in-progress)						\$85,299	\$15,397	\$9,678	\$110,374
Diefenbaker Dr Water Trunk Main Extension (complete)		\$184,532	\$126						\$184,658
Total Water Costs by Year	\$669,034	\$1,066,944	\$1,160,306	\$406,261	\$463,838	\$2,360,099	\$2,238,769	\$31,836,745	\$40,201,996

Parks & Recreation

Project Name	2016	2017	2018	2019	2020	2021	2022	2023	Total Project Spending
Plant Material Establishment Funding (ongoing program)	\$1,202	\$114,275	\$120,064	\$167,678	\$74,585	\$125,646	\$140,157	\$163,032	\$906,639
New Indoor Aquatics Facility – Lawson (in-progress)						\$46,950	\$126,743	\$115,131	\$288,824
Harbour Landing Rink (complete)	\$500,000	\$218,958							\$718,958
Southeast Dog Park (in-progress)					\$73,319	\$126	\$15,880	\$97	\$89,422
Open Space Management Strategy Update (in-progress)						\$19,466	\$15,880	\$24,654	\$60,000
AE Wilson Dog Park (in-progress)							\$276	\$88	\$364
Douglas Park Pickleball Facility (in-progress)								\$305,214	\$305,214
Sandra Schmirler Leisure Centre Outdoor Space (complete)	\$133,621	\$1,693	\$200						\$135,514
Multi Use Pathway (complete)	\$2,343	\$136,005	\$273,476						\$411,824
Outdoor Pools Program (complete)	\$31,628	\$36,694	\$32,947	\$104					\$101,373
Arcola Ave Streetscape (complete)	\$1,551			\$261,597					\$263,148
Total Parks/Rec. Costs by Year	\$670,345	\$507,625	\$426,687	\$429,379	\$147,904	\$192,188	\$298,936	\$608,216	\$3,281,280

Transportation

Project Name	2016	2017	2018	2019	2020	2021	2022	2023	Total Project Spending
New & Enhanced Traffic Controls (ongoing program)	\$371,403	\$194,647	\$1,367,986	\$1,690,855	\$824,128	\$1,153,443	\$676,547	\$187,366	\$6,466,375
On-Street Bike Lanes & Multi-Use Pathways (complete)				\$17,183	\$57,817	\$76,493	\$110,765	\$45,742	\$308,000
Roadways Completion Program (complete)	\$26,558	\$18,611	\$18,773	\$62,258	\$104,309				\$230,509
Dewdney Ave Twinning – Courtney St to West Regina Bypass (complete)	\$3,000	\$40,141	\$650	\$112,033	\$3,272,710	\$643,037	\$13,211	\$5,261	\$4,090,043
Saskatchewan Dr – Lewvan Dr to Campbell St - Functional Study & Property Purchase (complete)	\$46,460	\$17,730	\$2,838						\$67,028
Saskatchewan Dr Corridor Improvements – Winnipeg St to McTavish St (in-progress)				\$44,738	\$71,481	\$6,976	\$26,489	\$3,796,281	\$3,945,965
Citywide Travel Survey (in-progress)		\$7,055			\$34,471	\$8,636			\$50,162
Wascana Parkway to Highway #1A Loop Ramp (in-progress)		\$7,055					\$193,621	\$153,261	\$353,937
Road Network Improvement Property Purchase (ongoing program)						\$603,497	\$90,249	\$1,030,993	\$1,724,739
Arcola Ave Corridor Study (complete)						\$190,961	\$54,373		\$245,334

Transportation

Project Name	2016	2017	2018	2019	2020	2021	2022	2023	Total Project Spending
Prince of Wales Dr Widen and Pave – Jenkins Dr to Highway #46 (complete)							\$69,723	\$6,048	\$75,771
Ring Road Widening – Ross Ave to Dewdney Ave (in-progress)								\$149,810	\$149,810
Transportation Master Plan Update – Minor (in-progress)							\$69,723	\$11	\$69,734
Pinkie Rd Upgrade – Sherwood Dr to Dewdney Ave (in-progress)								\$34,556	\$34,556
Arcola Ave Intersection Improvements (in-progress)								\$37,666	\$37,666
Functional Design of Pinkie Rd and Courtney St (complete)	\$118,652	\$87,512	\$14,091						\$220,255
Pasqua St South and Dewdney Ave Roadway Improvements (complete)			\$518,021	\$20,299					\$538,320
Argyle St North Exit – Sangster Blvd to Rochdale Blvd (complete)	\$1,350,191	\$606,429	\$1,590,575	\$13,734					\$3,560,929
Chuka Blvd Extension – Primrose Green Dr to Arens Rd (complete)		\$859,135	\$756,062	\$66,146					\$1,681,343
Wascana Parkway to Prince of Wales Dr Extension Design (in-progress)				\$50,146					\$50,146

Transportation

Project Name	2016	2017	2018	2019	2020	2021	2022	2023	Total Project Spending
Rochdale Blvd Extension to Argyle St (complete)	\$25,559	\$28,552	\$12,486	\$14,279					\$80,876
Diefenbaker Dr Extension – McCarthy Blvd to Balzer Rd (complete)	\$2,112	\$1,519,834	\$176,876	\$1,571					\$1,700,393
Prince of Wales Dr Twinning – Eastgate Dr to Dewdney Ave (complete)	\$897	\$1,326,427	\$294,161	\$6,199					\$1,627,684
Parliament Ave Extension – James Hill Rd to Campbell St (complete)			\$21,141						\$21,141
Chuka Blvd Extension – Arcola Ave to 400 Metres North of Green Apple Dr (complete)	\$80,463		\$199,539						\$280,002
Chuka Blvd Extension – 400 Metres North of Green Apple Dr to Primrose Green Dr (complete)	\$26,050								\$26,050
Parliament Ave Exit/Road Network Improvement – West of Lewvan Dr (complete)	\$79,606		\$97,961						\$177,567
Victoria Ave Widening – Fleet St to City Limits (complete)	\$16,468	\$13,841							\$30,309
Lewvan Dr and 13 th Ave Intersection Improvements (complete)	\$1,540	\$689,239	\$4,972						\$695,751
Expressway Light Rehabilitation (complete)		\$19,395							\$19,395

Transportation

Project Name	2016	2017	2018	2019	2020	2021	2022	2023	Total Project Spending
Arcola Ave Expressway Lighting (complete)	\$109	\$112							\$221
Gordon Rd Extension – Storm Water Channel to Campbell St (complete)	\$11,064	\$849,400							\$860,464
Parliament Ave Extension – Harbour Landing Dr to James Hill Rd (complete)	\$407,857	\$13,754							\$421,611
GTH and Bypass Project (complete)		\$87,641							\$87,641
Regina Bypass Transportation Planning Study (complete)	\$51,993	\$23,748							\$75,741
Street Infrastructure Renewal (complete)	\$39,135								\$39,135
Traffic Capacity Improvements – Lewvan Dr to Regina Ave (complete)	\$113								\$113
Transportation Master Plan (complete)	\$14,385								\$14,385
Total Trans. Costs by Year	\$2,673,615	\$6,410,258	\$5,076,132	\$2,099,441	\$4,364,916	\$2,683,043	\$1,304,701	\$5,446,995	\$30,059,101

Other

Project Name	2016	2017	2018	2019	2020	2021	2022	2023	Total Project Spending
Greens on Gardiner Drainage Route – Chuka Creek to Primrose Green Dr (complete)	\$187,225	\$53,019							\$240,244
Eastbrook Phase 1 Linear Detention (complete)		\$1,198,087	\$237,082						\$1,435,169
Eastbrook Phase 2 Linear Detention (complete)		\$1,879,877	\$122,099						\$2,001,976
Development Standards Review – Parks, Roads and Utility (complete)	\$357	\$775	\$1,236	\$44					\$2,412
Hazard Setback Study – Parks, Roads and Utility (complete)	\$42,325	\$3,805							\$46,130
Community Plan Studies – Parks, Roads and Utility (complete)	\$7,260								\$7,260
Total Other Costs by Year	\$237,167	\$3,135,563	\$360,417	\$44					\$3,733,191

Total – All Expenditures

Category	2016	2017	2018	2019	2020	2021	2022	2023	Total by Infrastructure Type
Wastewater	\$859,719	\$4,752,617	\$2,577,143	\$6,500,007	\$6,082,675	\$2,220,107	\$2,204,941	\$2,485,671	\$27,682,880
Water	\$669,034	\$1,066,944	\$1,160,306	\$406,261	\$463,838	\$2,360,099	\$2,238,769	\$31,836,745	\$40,201,996
Parks & Recreation	\$670,345	\$507,625	\$426,687	\$429,379	\$147,904	\$192,188	\$298,936	\$608,216	\$3,281,280
Transportation	\$2,673,615	\$6,410,258	\$5,076,132	\$2,099,441	\$4,364,916	\$2,683,043	\$1,304,701	\$5,446,995	\$30,059,101
Other	\$237,167	\$3,135,563	\$360,417	\$44	\$0	\$0	\$0	\$0	\$3,733,191
Total by Year	\$5,109,880	\$15,873,007	\$9,600,685	\$9,435,132	\$11,059,333	\$7,455,437	\$6,047,347	\$40,377,627	\$104,958,448