

<b>Policy Title:</b>	<b>Applies to:</b>	<b>Reference #</b>
<b>Intensification Incentive Policy</b>	<i>City of Regina City Planning &amp; Community Development Division</i>	CR22-107
<b>Approved by:</b>	<b>Dates:</b>	<b>Total # of Pages</b>
City Manager or Designate	<b>Effective:</b> 01-Jan-2023	15
	<b>Last Review:</b> 01-Jan-2023	
	<b>Next Review:</b> 01-Jan-2025	
<b>Authority:</b>		
City Council (CR22-107)		

## 1.0 Purpose

To encourage residential, commercial and mixed-use Intensification in established areas of the city, by providing financial incentives to assist developers with financing Intensification projects.

Incentives offered under this Policy are intended to help compensate developers for additional costs they may incur as a result of undertaking Intensified Development within the Incentive Target Area. Objectives of the Policy include:

- Encourage Intensification of established areas;
- Increase population growth in established areas through new residential development;
- Support the development of new commercial amenities and services in established areas that may draw both visitors and permanent residents to established areas;
- Enhance the vibrancy of established areas by encouraging the development of housing, mixed-uses and commercial amenities and services;
- Assist developers with securing project financing from financial institutions; and
- Support the efficient use of land and infrastructure are developed and in place.

## 2.0 Scope

This Policy supports Intensification goals and policy from *Design Regina: The Official Community Plan Bylaw No. 2013-48* and applies to landowners within the Incentive Target Area who undertake Intensified Development.

## 3.0 Definitions

*Actual Eligible Costs* – the total value of actual eligible project costs incurred by an Applicant based on invoices and other documentation submitted by an Applicant after the completion of an Intensified Development project.

*Applicant* – the Registered Owner of the lands subject to an Intensification Incentive Application, or designate of the Registered Owner.

*Brownfield Site* – Undeveloped or previously developed properties that may be contaminated. These are usually, but not exclusively, former industrial or commercial properties that may be underutilized, derelict or vacant.

*Building Permit* – a permit issued under *The Building Bylaw* of the City of Regina authorizing the construction of a building.

*City* – the City of Regina.

*City Assessor* – the City of Regina Assessor, or the City Assessor's designate.

*Demolition* – the removal of or partial removal of a building structure, requiring a demolition permit under *The Building Bylaw*.

*Development* – means the same as defined in *The Planning and Development Act, 2007*.

*Development Permit* – a document authorizing a Development issued pursuant to *The Regina Zoning Bylaw, 2019*.

*Dwelling Unit* – a self-contained living unit of one or more rooms containing cooking facilities, sanitary facilities, living quarters and/or sleeping quarters.

*Estimated Eligible Costs* – the value of the total estimated eligible costs submitted by an Applicant in an Intensification Incentive Application.

*Executive Director* – the Executive Director of the City Planning & Community Development Division, or the Executive Director's designate.

*Floor Area* – the area of a floor in a building or structure, measured between the exterior faces of the exterior walls of the building or structure.

*Funding Agreement* – an agreement between the City and Applicant containing the terms and conditions for the payment of an Intensification Grant or eligibility for an Intensification Tax Exemption.

*Funding Commitment* – a written commitment by the City to the Applicant to provide an Intensification Grant or eligibility for an Intensification Tax Exemption upon completion of a project and fulfillment of the terms of a Funding Agreement.

*Gross Floor Area* – the total Floor Area in a building or structure that is primarily indoors, measured between the exterior faces of the exterior walls of the building or structure at the level of each storey, excluding any area used for off-street unloading, parking, mechanical equipment, stairways or shafts.

*Incentive Target Area* – the Incentive Target Area depicted in Appendix A.

*Infill Development* – the replacement, alteration or redevelopment of an existing building or the construction of a new building on a vacant lot in an established neighbourhood.

*Intensification/Intensified Development* – construction of new buildings or addition to existing buildings on serviced land within existing built areas through practices of building conversion, infill or redevelopment.

*Intensification Grant* – a lump sum grant offered under this Policy for new Intensified Development, calculated based on certain eligible project costs incurred, as defined in this Policy.

*Intensification Incentive* – An Intensification Grant or Intensification Tax Exemption provided under this Policy.

*Intensification Incentive Application Form* – an application for an Intensification Incentive in a form provided by the City.

*Intensification Tax Exemption* – a tax exemption offered under this Policy for an Intensified Development project, calculated based on certain eligible project costs incurred, as defined in this Policy.

*Policy* – the Intensification Incentive Policy.

*Registered Owner* – The owner of a property as indicated on the land title for the parcel in the Land Titles Registry.

*Residential Business* – an accessory land use conducted in a Dwelling Unit by the resident of the Dwelling Unit for monetary gain.

*Tax Exemption Agreement* - an agreement between the City and Applicant and approved by City Council containing the terms and conditions for an Intensification Tax Exemption.

## **4.0 Intensification Incentive Policy**

### **4.1 General Eligibility Requirements**

Residential, commercial or mixed-use Intensified Developments may be eligible for an Intensification Incentive, based on the eligible project costs defined in **subsection 4.8**, subject to the following general eligibility requirements:

- 4.1.1 The Intensified Development must be located within the boundaries of the Incentive Target Area (Appendix A).
- 4.1.2 The Intensified Development must incur a minimum of \$5,000 in total eligible project costs defined in **subsection 4.8.1**.

- 4.1.3 The portion of the property undergoing Intensified Development must not have received an Intensification Grant or Intensification Tax Incentive within the preceding 10 years.
- 4.1.4 The following building types and land uses are ineligible:
  - 4.1.4.1 Residential Businesses;
  - 4.1.4.2 Government-owned buildings (municipal, provincial or federal);
  - 4.1.4.3 Development that does not add a net gain of at least one Dwelling Unit or at least ten square metres of commercial Gross Floor Area.
- 4.1.5 Applicants in any one of the following circumstances are not eligible for an Intensification Incentive:
  - 4.1.5.1 Applicants and Registered Owners that have taxes, utilities, fees, fines or other charges owing to the City that are past due;
  - 4.1.5.2 Applicants and Registered Owners that are in default of any obligation under any municipal grant or exemption program; or
  - 4.1.5.3 Applicants and Registered Owners that are in active litigation against the City.
- 4.1.6 Properties that have outstanding building code, fire code, property standards or other City orders are not eligible for an Intensification Incentive, unless the proposed Intensified Development project involves work to bring the property into compliance with building and fire codes.

## **4.2 Conditions**

- 4.2.1 The City reserves the right to determine Applicant participation in an Intensification Incentive on a case-by-case basis.
- 4.2.2 Intensification Incentive Applications will be accepted during a defined intake period and will continue to be accepted on a first come, first served basis until the intake period is closed or suspended by the City.
  - 4.2.2.1 Intensification Grants offered under this Policy are subject to budget availability and intake may be closed or suspended by the City at any time without notice.

- 4.2.3 Applicants are required to comply with all applicable City Development and Building Permit requirements, provincial building codes, *National Building Code* and *National Fire Code* and are responsible for obtaining Development and Building Permits.
- 4.2.4 Where an Applicant does not meet the requirements from **clause 4.2.3**, the Executive Director has the discretion to withdraw the City's funding or tax exemption commitments.
- 4.2.5 The execution of a Funding Agreement or Tax Exemption Agreement under this Policy in no way constitutes a Development Permit or Building Permit approval.
- 4.2.6 Incentives under this Policy may be stacked with incentives offered by municipal, provincial or federal governments.
  - 4.2.6.1 Some projects may qualify for the Housing Incentive Policy and Heritage Incentive Policy in addition to the Intensification Incentive Policy.
  - 4.2.6.2 Applications must be submitted to each program separately.
  - 4.2.6.3 When a project qualifies for more than one Incentive Policy, specific eligible costs may only be claimed once.
  - 4.2.6.4 When a project qualifies for tax exemptions under more than one Incentive Policy, the maximum value of the exemption remains what is prescribed through individual policies (ie. five years and 100 per cent exemption for residential portion under the Housing Incentive Policy, 10 years and 100 percent exemption based on eligible costs under the Heritage Incentive Policy.)

### **4.3 Types of Incentives**

- 4.3.1 Eligible Intensified Development projects may access one of the following Intensification Incentives provided under this Policy:
  - 4.3.1.1 Intensification Tax Exemption; or
  - 4.3.1.2 Intensification Grant.

### **4.4 Calculation of Intensification Tax Exemption**

- 4.4.1 Subject to **subsection 4.4.2**, eligible Intensified Development projects may be provided with annual property tax exemptions at a value not to exceed the lesser of five years of taxes on a property or the Actual Eligible Costs incurred as a result of the Intensified Development project.

- 4.4.1.1 The amount of the property tax exemption, including calculation of any percentage or portion and the determination of any use or cost, shall be conclusively determined by the City Assessor.
- 4.4.1.2 The property tax exemption does not apply to local improvement fees, business improvement fees, and the non-exempt portion of taxes (i.e. laneway improvements) and other charges to tax accounts; these must be paid during the term of the Tax Exemption Agreement entered into under this Policy in the year in which they are due. No exemption of outstanding or current taxes will be negotiated.
- 4.4.1.3 In place of a tax exemption, land and improvements that have been granted reserve status may receive an equivalent reduction in fees paid in lieu of municipal and library levies to the City.

4.4.2 Notwithstanding **subsection 4.4.1**, *The Education Property Tax Act*, contains provisions which require Provincial approval to exempt the education portion of property taxes where the value of the educational tax is equal or greater than \$25,000 in a single year. If this approval is not granted, the exemption will cover the municipal and library portions of taxes only.

#### **4.5 Calculation of Intensification Grant**

4.5.1 Eligible Intensification Development projects may be provided with a one-time lump sum grant equivalent to the lesser of \$50,000 or Estimated Eligible Costs.

#### **4.6 Application Requirements**

4.6.1 The City shall only accept complete Intensification Incentive Applications, which are processed on a first come, first served basis.

4.6.2 Complete Intensification Incentive Applications shall contain the following, exceptions may be approved at the discretion of the Executive Director:

4.6.2.1 Completed Intensification Incentive Application Form;

4.6.2.2 Site plans including lot shape and size with setbacks of existing and proposed building to the side, rear and front property lines, easements, right-of-ways, decks, projections, cantilevers, driveway location, parking stall dimensions and grade elevations;

- 4.6.2.3 Professionally prepared building plans that show the existing and proposed uses, existing and proposed elevations, layouts, dimensions, rooms, entrances and upgrades to building systems;
  - 4.6.2.4 Digital images which provide an overall view of the exterior of the property and interior spaces where work is to be performed;
  - 4.6.2.5 Two detailed estimates for each eligible project cost provided by separate Saskatchewan licensed contractors, architects, consultants or engineers;
    - A. In the case of pre-development work that may already be complete at the time of application including for costs identified in **subsections 4.8.1.10**, proper invoices for Actual Costs already incurred, with the information indicated in **subsection 4.10.1.2** and accompanying receipts, may be accepted in place of detailed estimates.
  - 4.6.2.6 Licensing information for each entity providing an estimate;
  - 4.6.2.7 A Development Permit, Building Permit or confirmation of Zoning compliance from the City of Regina Planning & Development Services Department, if applicable;
  - 4.6.2.8 Province of Saskatchewan Land Titles Registry Title or other proof of ownership; and
  - 4.6.2.9 Information Services Corporation Incorporation Information.
- 4.6.3 The City may request any other additional information, including additional quotes, required to evaluate an Intensification Incentive Application. Additional information requested will not be considered when evaluating the completeness of an application.

#### **4.7 Construction & Timelines**

- 4.7.1 Construction shall not begin until all applicable municipal permits and permissions are obtained.
- 4.7.2 Subject to **clause 4.8.1.10**, only costs incurred for work done after a Funding Commitment is issued will be included as Actual Eligible Costs.

- 4.7.3 Applicants may use a contractor of their choice. However, where contractor estimates are required as a part of an Intensification Incentive Application, the lower of the estimates submitted will be used to determine the total Estimated Eligible Costs to be included in a Funding Agreement for an Intensification Grant.
- 4.7.4 The City will encourage Applicants to participate in a pre-application meeting to clarify requirements before applying.
- 4.7.5 Applicants shall notify the City if the project scope or design changes during the permitting or construction process. The City may require the Applicant to enter into an amended Funding Agreement.
- 4.7.6 Intensified Development projects shall begin within six months and finish within two years from the date the Applicant received a Funding Commitment from the City.
  - 4.7.6.1 Applicants may request an extension to the construction start and end periods in writing, subject to Executive Director discretion.
- 4.7.7 Where an Applicant does not meet the requirements of **subsections 4.7.1 and 4.7.6**, the Executive Director has the discretion to withdraw the City's Funding Commitment.

#### **4.8 Eligible Project Costs**

- 4.8.1 Eligible project costs for an Intensification Incentive include:
  - 4.8.1.1 Construction costs;
  - 4.8.1.2 Site serviceability studies or reports;
  - 4.8.1.3 Environmental consulting fees for any required environmental studies or assessments;
  - 4.8.1.4 Site remediation costs to support an Intensified Development on a Brownfield Site;
  - 4.8.1.5 Shadow Analysis;
  - 4.8.1.6 Traffic Impact Assessment;
  - 4.8.1.7 Constructing/upgrading of any on-site improvement that is required to fulfill any condition of a development/planning approval for an Intensified Development;



- 4.8.1.8 Constructing/upgrading of any off-site improvement that is required to fulfill any condition of a development/planning approval for an Intensified Development; and
- 4.8.1.9 Demolition costs, including:
  - A. Utility disconnection fees;
  - B. Cost of demolishing, removing material and filling & leveling of the excavation to an elevation compatible with abutting properties;
  - C. Site fencing costs during demolition;
  - D. Landfill tipping fees;
  - E. Demolition permit fees;
  - F. Completion of a Hazardous Materials Survey; and
  - G. Other related demolition costs to be considered at the discretion of the Executive Director.
- 4.8.1.10 Eligible costs that may be incurred **prior to a Funding Commitment being made are limited to:**
  - a. Site serviceability studies or reports;
  - b. Environmental consulting fees for any required environmental studies or assessments;
  - c. Shadow Analysis;
  - d. Traffic Impact Assessment;

## **4.9 Application Process**

- 4.9.1 The City will review completed Intensification Incentive Applications in the order they are received and deemed complete meeting the requirements outlined in **section 4.6**.
- 4.9.2 Upon completion of the review of a complete Intensification Incentive Application, the City will either:
  - 4.9.2.1 Provide the Applicant with written notice that their Intensification Incentive Application and project are not eligible for an Intensification Incentive under this Policy; or

- 4.9.2.2 Provide the Applicant with written notice of eligibility for an Intensification Incentive.
- 4.9.3 If an Applicant is eligible, a Funding Commitment will be made, subject to approval by the Executive Director.
  - A. For Intensification Grants, Funding Commitments are also subject to funding availability.
  - B. If an Applicant is eligible for an Intensification Grant but is unable to receive one due to insufficient funding, they may be offered an Intensification Tax Exemption instead.
- 4.9.4 If a Funding Commitment is approved, the Applicant will be invited to enter into a Funding Agreement containing the terms and conditions of the Intensification Incentive.
  - 4.9.4.1 If the Applicant and Registered Owner of the property undergoing Intensified Development are different, both are required to enter into the Funding Agreement with the City.
  - 4.9.4.2 Proof of ownership is required before the City can enter into a Funding Agreement.
  - 4.9.4.3 The Funding Agreement for an Intensification Grant will state the maximum amount of funding per **subsection 4.5.1**. The Funding agreement for an Intensification Tax Exemption will outline the calculation of the value of the tax exemption per **subsection 4.4.1**.
  - 4.9.4.4 If the Applicant and Registered Owner of the property undergoing Intensified Development are different, the Intensification Grant or Intensification Tax Exemption will be paid to the Registered Owner. Intensification Grants may be paid to the Applicant or a third party if formally requested by the Registered Owner.
  - 4.9.4.5 In the case of an Intensification Grant, the City will record the total Estimated Eligible Costs that an Applicant may receive funding for through the Intensification Grant as a “committed amount” in the Intensification Grant Budget.
  - 4.9.4.6 A Funding Agreement may be assigned to a new party at the sole discretion of the Executive Director. An assignment agreement will be required.

#### **4.10 Payout Process**

- 4.10.1 Applicants may request payout of an Intensification Grant or request to proceed with an Intensification Tax Exemption after the Intensified Development project is complete. The following documentation is required to process the request for payout:
- 4.10.1.1 One of the following:
    - A. An Occupancy Permit issued by the City;
    - B. A Letter of Completion issued by the City;
    - C. If neither of these are applicable, an inspection by City Staff is required.
  - 4.10.1.2 Proper invoices for all eligible project costs indicated in the Funding Agreement. A proper invoice must include the following information:
    - A. The name and address of the contractor or service provider who performed the work;
    - B. The date of the invoice and the period during which the work was performed or materials provided;
    - C. Information identifying contracts or other authority under which services or materials were supplied, if applicable (the contracts themselves are not required);
    - D. A description, including quantity if appropriate, of the services or materials supplied; and
    - E. The relevant section number of the Estimated Eligible Cost included in the Funding Agreement.
  - 4.10.1.3 Receipts showing the amount paid for the services and materials in each invoice;
  - 4.10.1.4 Digital images of the completed project including exterior images and images of interior areas where work was performed;
  - 4.10.1.5 Total construction value of the project;
  - 4.10.1.6 Total commercial floor space added (if applicable);

- 4.10.1.7 Number of Dwelling Units added (if applicable);
  - 4.10.1.8 A completed applicant feedback survey; and
  - 4.10.1.9 A completed electronic direct deposit form.
- 4.10.2 In the case of an Intensification Tax Exemption, projects must be complete and the documentation identified in **subsection 4.10.1** submitted by September 30 for the project to be eligible for a tax exemption in the following year.
- 4.10.3 Where an Applicant does not meet the requirements of **subsection 4.10.1** within six months of project completion the Executive Director has the discretion to withdraw the City's Funding Commitment.
- 4.10.4 Upon receipt of the documentation outlined in **subsection 4.10.1**, the City shall verify:
- 4.10.4.1 That the Intensified Development project complied with the Funding Agreement;
  - 4.10.4.2 The Actual Eligible Costs;
  - 4.10.4.3 That property taxes, utility bills and any other charges owing to the City have been paid and are current on the property that is subject to an Intensification Incentive;
  - 4.10.4.4 That the Applicant and Registered Owner are not in default of any obligation under any municipal grant or exemption program or in active litigation against the City; and
  - 4.10.4.5 That there is not outstanding building code, fire code or property standards orders on the property that is subject to an Intensification Incentive.
- 4.10.5 Should there be outstanding property taxes, utility bills, or other charges owing, any default of any obligations under any municipal grant or exemption programs or outstanding municipal order on the property that is subject to an Intensification Incentive, the City will withhold the release of funds or execution of a Tax Exemption Bylaw until all accounts are brought current, all obligations are met and/or all municipal orders are lifted.
- 4.10.6 In the case of Intensification Grants, if the project complied with the Funding Agreement the City will issue a lump-sum grant according to the provisions in **section 4.5**.

4.10.7 Subject to **subsection 4.10.2**, in the case of Intensification Tax Exemptions, the City will calculate the tax exemption amount according to the provisions in **section 4.4** and prepare a tax exemption Bylaw for consideration by City Council. If the Bylaw is approved, the City will invite the Registered Owner to enter into a Tax Exemption Agreement.

4.10.7.1 The date for commencing the exemption may be deferred for one-year at the sole discretion of the Executive Director.

4.10.7.2 A Tax Exemption Agreement may be assigned to a new Registered Owner at the sole discretion of the Executive Director. An assignment agreement will be required.

4.10.8 Intensified Development projects receiving funding may be announced to the media or highlighted on the City of Regina website or social media account.

## **5.0 Roles & Responsibilities**

### **5.1 City Manager:**

5.1.1 Initial approval of this Policy.

### **5.2 Executive Director:**

5.2.1 Intensification Incentive Application approval;

5.2.2 Finalize and approve the terms of any agreements entered into pursuant to this Policy;

5.2.3 Authorize payment of an Intensification Grant;

5.2.4 Determine start and end dates for Intensification Incentive intake periods based on funding availability and other considerations;

5.2.5 Recommend, review and support any amendments to this Policy; and

5.2.6 Support the overall implementation of this Policy.

### **5.3 City Council:**

5.3.1 Approve any amendments to this Policy; and

5.3.2 Approve Tax Exemption Agreements through the passage of a Tax Exemption Bylaw; and

- 5.3.3 Approve the Intensification Grant Budget and any additional funding allocations as appropriate.

## 6.0 Monitoring and Reporting

- 6.1 The City shall maintain records to enable timely reporting to City Council on the interest in, uptake of and success of the Policy. The City will monitor and report on:
- 6.1.1 Number of inquiries received;
  - 6.1.2 Number of Intensification Incentive Applications received, reviewed, approved, completed and funded;
  - 6.1.3 Total yearly funding provided under this Policy;
  - 6.1.4 Recipient feedback;
  - 6.1.5 Total construction value of completed Intensified Development projects;
  - 6.1.6 Total commercial floor space added;
  - 6.1.7 Number of Dwelling Units added and equivalent estimated population;
  - 6.1.8 Number of sites removed from the City's Underutilized Land Inventory;
  - 6.1.9 Estimated annual increase in population and intensification within the City Centre; and
  - 6.1.10 Increased property assessment value within the Incentive Target Area.

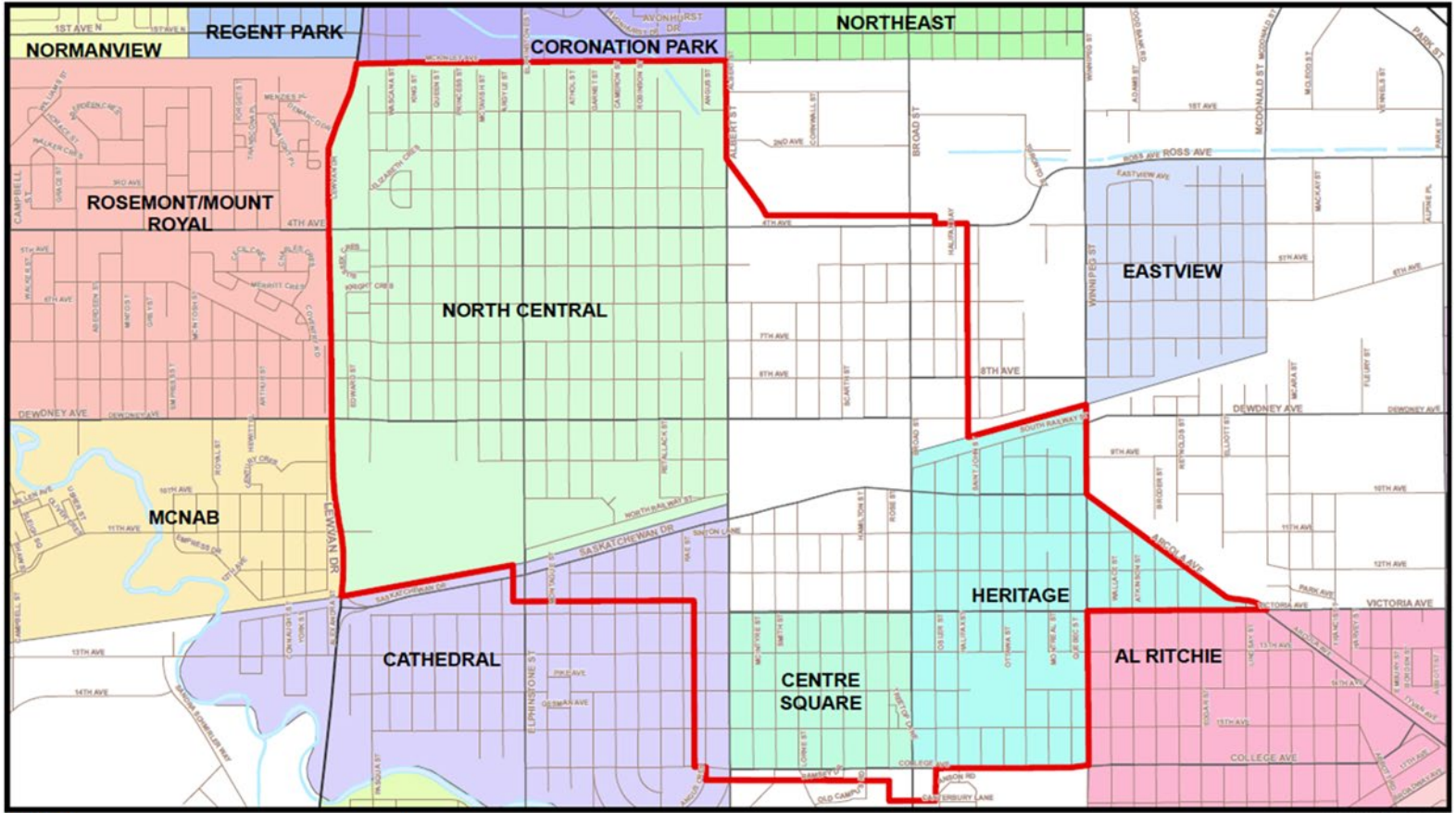
## 7.0 Related Forms

A complete Intensification Incentive Application shall include a completed Intensification Incentive Application Form, as provided by the City on their website during defined Intensification Incentive intake periods.

## 8.0 Revision History

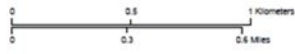
Date	Description of Change	(Re)-Approval Required (y/n)
01-Jan-2023	Initial Release.	Yes

### Appendix A – Incentive Target Area



**LEGEND**

- Incentive Target Area
- Water Body



INCENTIVE TARGET AREA  
Sustainable Infrastructure

LOCATION MAP



FILE PATH: Q:\MIDR\FITHEMATIC\Planreg\OGP\_MAP\OGP\_MAP\2019\Customer Requests\Request 272558\OGP\_Map\_City\_Center.mxd