

**Effective Date**

January 1, 2024

**Approving Authority**

City Council

**Policy Owner**

Manager,  
City Revitalization

# Intensification Incentives Policy

## Purpose & Scope

### Purpose

- 1 The City of Regina is committed to supporting the City's urban form through intensification and redevelopment of existing built-up areas. The City's support includes providing financial incentives to developers to encourage intensification in targeted areas.
- 2 The incentives are intended to help compensate developers for additional costs they may incur to develop within targeted intensification areas.
- 3 Objectives of the policy are to:
  - (a) encourage intensification of established areas,
  - (b) increase population growth in established areas through new residential development,
  - (c) support the development of new and existing stores and services in established areas that may draw both visitors and permanent residents to established areas,
  - (d) enhance the vibrancy of established areas by encouraging the development of housing, mixed-uses and commercial amenities and services,
  - (e) assist developers to secure project financing from financial institutions, and
  - (f) support the efficient use of land, investment in infrastructure and viability of public transit.

### Scope

- 4 This policy applies to intensification projects within the incentive target area.

## Policy Provisions

### Definitions

- 5 The following definitions apply to this policy:
- 5.1 Actual eligible costs means 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.
  - 5.2 Applicant means the registered owner of the lands, or their designate, applying for an intensification incentive under this policy.
  - 5.3 Brownfield site means an undeveloped or previously developed property that may be contaminated. These are usually, but not exclusively, former industrial or commercial properties that may be underutilized, derelict or vacant.
  - 5.4 Building permit means a permit issued under *The Building Bylaw* of the City of Regina authorizing the construction of a building.
  - 5.5 City means the City of Regina.
  - 5.6 City Assessor means the City of Regina Assessor, or the City Assessor's designate.
  - 5.7 Demolition means the removal of or partial removal of a building structure, requiring a demolition permit under *The Building Bylaw*.
  - 5.8 Development means a development within the meaning of *The Planning and Development Act, 2007*.
  - 5.9 Development permit means a permit issued pursuant to *The Regina Zoning Bylaw, 2019* authorizing a development.
  - 5.10 Dwelling unit means a self-contained living unit of one or more rooms containing cooking facilities, sanitary facilities, living quarters and/or sleeping quarters.
  - 5.11 Estimated eligible costs mean the value of the total estimated eligible costs submitted by an applicant in an intensification incentive application.
  - 5.12 Executive Director means the Executive Director of the City Planning & Community Development Division, or the Executive Director's designate.
  - 5.13 Floor area means the area of a floor in a building or structure, measured between the exterior faces of the exterior walls of the building or structure.
  - 5.14 Funding agreement means an agreement between the City, the registered owner, and, the applicant where the registered owner and applicant are different, containing the terms and conditions for an intensification grant or an intensification tax exemption.

- 5.15 Funding commitment means 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.
- 5.16 Gross floor area means 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.
- 5.17 Incentive target area means the area designated by City Council to which this policy applies as depicted in Appendix A.
- 5.18 Infill development means the replacement, alteration or redevelopment of an existing building or the construction of a new building on a vacant lot in an established neighbourhood.
- 5.19 Intensification means the construction of new buildings or addition to existing buildings on serviced land within existing built areas through practices of building conversion, infill or redevelopment.
- 5.20 Intensification grant means a lump sum grant offered under this policy for a project.
- 5.21 Intensification incentive means an intensification grant or intensification tax exemption provided under this policy.
- 5.22 Intensification incentive application means an application for an intensification incentive in the form prescribed by the City.
- 5.23 Intensification tax exemption means a tax exemption offered under this policy for a project.
- 5.24 Project means the work being done on the property or properties that are the subject of an intensification application under this policy.
- 5.25 Registered owner means the owner of a property as indicated on the land title for the parcel in the Land Titles Registry.
- 5.26 Residential business means an accessory land use conducted in a dwelling unit by the resident of the dwelling unit for monetary gain.
- 5.27 Tax exemption agreement means an agreement between the City, the registered owner, and, the applicant where the registered owner and applicant are different, containing the terms and conditions for an intensification tax exemption.

### **General Eligibility Requirements**

- 6 Residential, commercial or mixed-use projects may be eligible for an intensification incentive based on the eligible project costs defined in section 36, subject to the following requirements:

- (a) the project must be located within the incentive target area,
- (b) the project must incur a minimum of \$5,000 in total eligible project costs as defined in section 36, and
- (c) the project must not have received an intensification grant or intensification tax incentive within the preceding 10 years.

### **Ineligible Applicants, Building Types and Land Uses**

- 7 The following building types and land uses are ineligible:
  - (a) residential businesses,
  - (b) government-owned buildings (municipal, provincial or federal), and
  - (c) 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.
- 8 Applicants in any one of the following circumstances are not eligible for an intensification incentive:
  - (a) applicants and registered owners that have taxes, utilities, fees, fines or other charges owing to the City that are past due,
  - (b) applicants and registered owners that are in default of any obligation under any municipal grant or exemption program, and
  - (c) applicants and registered owners that are in active litigation against the City.
- 9 Properties that have outstanding building code, fire code, property standards or other City orders are not eligible for an intensification incentive, unless the proposed project involves work to bring the property into compliance with building and fire codes.

### **Conditions**

- 10 The City reserves the right to determine who may apply for an intensification incentive on a case-by-case basis.
- 11 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.
- 12 Intensification grants are subject to budget availability and intake may be closed or suspended by the City at any time without notice.
- 13 Applicants are required to comply with all applicable City development and building permit requirements, provincial building codes, *National Building Code of Canada 2020* and *National Fire Code of Canada 2020* and are responsible for obtaining development and building permits.

- 14 Where an applicant does not meet the requirements of section 13, the Executive Director has the discretion to withdraw the City's funding commitments.
- 15 The execution of a funding agreement or tax exemption agreement under this policy in no way constitutes a development permit or building permit approval.
- 16 Intensification incentives under this policy may be provided in addition to other incentives offered by the City, or incentives provided by the provincial or federal governments, provided that:
  - (a) applications must be submitted to each program separately,
  - (b) when a project qualifies for more than one incentive, specific eligible costs may only be claimed once, and
  - (c) when a project qualifies for tax exemptions under more than one incentive, the maximum value of the exemption remains what is prescribed through individual policies (i.e., five years and 100 per cent exemption for the residential portion under the Housing Incentive Policy, 10 years and 100 per cent exemption based on eligible costs under the Heritage Incentives Policy.)

### **Types of Incentives**

- 17 Eligible projects may apply for one of the following intensification incentives:
  - (a) intensification tax exemption, or
  - (b) intensification grant.

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

- 18 Subject to section 22, eligible projects may receive annual property tax exemptions up to the lesser of a total of five years of taxes on a property, the estimated eligible costs or the actual eligible costs incurred as a result of the project.
- 19 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.
- 20 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, which must be paid during the term of the tax exemption agreement in the year in which they are due. No exemption of outstanding or current taxes will be negotiated.
- 21 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.
- 22 Notwithstanding section 18, *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 to 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.

### **Calculation of Intensification Grant**

- 23 Eligible projects may receive a one-time lump sum grant equivalent to the lesser of \$50,000, the estimated eligible cost or the actual eligible costs.

### **Application Requirements**

- 24 The City shall only accept complete intensification incentive applications, which are processed on a first come, first served basis.
- 25 Complete intensification incentive applications shall contain the following, with exceptions only approved at the discretion of the Executive Director:
- (a) 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,
  - (b) professionally prepared building plans that show the existing and proposed uses, existing and proposed elevations, layouts, dimensions, rooms, entrances and upgrades to building systems,
  - (c) digital images which provide an overall view of the exterior of the property and interior spaces where work is to be performed,
  - (d) for each eligible project cost:
    - (i) a detailed estimate provided by a Saskatchewan licensed contractor, architect, consultant or engineer. The estimate shall be valid for six months from its issuance date. The validity period may be extended to one year at the sole discretion of the Executive Director;
    - (ii) in the case of pre-development work that may already be complete at the time of application including for costs identified in subsection 36(j), proper invoices for actual eligible costs already incurred, with the information indicated in subsection 41(b) and accompanying receipts; or
    - (iii) in the case of projects where work will be done by the applicant without a contractor, the City may accept a quote from supplier or a picture showing price for each material to be used in the project. The quote and prices shall be valid for six months from the issuance or picture date, or longer at the discretion of the Executive Director. Personal labour costs shall not be covered.
  - (e) for each entity providing an estimate under subsection (d), one of the following licensing information will be required:

- i) proof of membership in a trade association or professional body within Saskatchewan;
  - ii) business registry information from Information Services Corporation; or
  - iii) a City of Regina business license.
- (f) a development permit, building permit or confirmation of zoning compliance from the City of Regina Planning & Development Services department, if applicable,
  - (g) Province of Saskatchewan Land Titles Registry Title or other proof of ownership, and
  - (h) the applicant's Information Services Corporation incorporation information if the applicant is a corporation.
- 26 Notwithstanding section 25, depending on the scope of the eligible work, the City may consider accepting relevant information in alternative formats for projects not requiring development and building permits.
- 27 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.

### **Construction & Timelines**

- 28 Construction shall not begin until all applicable municipal permits and permissions are obtained.
- 29 Subject to subsection 36(j), only costs incurred for work performed after a funding commitment is issued will be included as actual eligible costs.
- 30 Applicants may use a contractor of their choice. However, subject to section 27, where more than one contractor estimates or price for each material to be used in the project is 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.
- 31 The City will encourage applicants to participate in a pre-application meeting to clarify requirements before applying.
- 32 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.
- 33 Projects shall begin within six months and finish within two years from the date the applicant received a funding commitment from the City.
- 34 Applicants may request an extension to the construction start and end periods in writing, which may be granted at the Executive Director's discretion.

- 35 Where an applicant does not meet the requirements of section 28 and sections 33 to 34, the Executive Director has the discretion to withdraw the City's funding commitment.

### **Eligible Project Costs**

- 36 Eligible project costs for an intensification incentive include:
- (a) construction costs,
  - (b) site serviceability studies or reports,
  - (c) environmental consulting fees for any required environmental studies or assessments,
  - (d) site remediation costs to support an intensified development on a Brownfield site,
  - (e) shadow analysis,
  - (f) traffic impact assessment,
  - (g) constructing/upgrading of any on-site improvement that is required to fulfill any condition of a development/planning approval for an intensified development,
  - (h) constructing/upgrading of any off-site improvement that is required to fulfill any condition of a development/planning approval for an intensified development, and
  - (i) demolition costs, including:
    - (i) utility disconnection fees,
    - (ii) cost of demolishing, removing material and filling and leveling of the excavation to an elevation compatible with abutting properties,
    - (iii) site fencing costs during demolition,
    - (iv) landfill tipping fees,
    - (v) demolition permit fees,
    - (vi) completion of a hazardous materials survey, and
    - (vii) other related demolition costs to be considered at the discretion of the Executive Director, and
  - (j) eligible costs that may be incurred prior to the receipt of a funding commitment are limited to:
    - (i) site serviceability studies or reports,
    - (ii) environmental consulting fees for any required environmental studies or assessments,



- (iii) shadow analyses, and
- (iv) traffic impact assessments.

### **Application Process**

- 37 The City will review completed intensification incentive applications in the order they are received and deemed complete in accordance with the requirements in sections 24 to 27.
- 38 Upon completing the review in section 37, the City will either:
  - (a) provide the applicant with written notice that the project is not eligible for an intensification incentive, or
  - (b) provide the applicant with written notice that the project is eligible for an intensification incentive.
- 39 Eligible projects will receive a funding commitment, subject to approval by the Executive Director.
  - 39.1 For intensification grants, funding commitments are subject to funding availability.
  - 39.2 If a project is eligible for an intensification grant but there is insufficient funding, the applicant may be offered an intensification tax exemption instead.
- 40 If a funding commitment is approved, the applicant will be invited to enter into a funding agreement.
  - 40.1 If the applicant and registered owner of the project are different, both are required to enter into the funding agreement with the City.
  - 40.2 Proof of ownership is required before the City can enter into a funding agreement.
  - 40.3 If the applicant and registered owner of the project are different, the intensification grant or intensification tax exemption will be granted to the registered owner. Intensification grants may be paid to the applicant or a third party on request by the registered owner.
  - 40.5 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.
  - 40.6 A funding agreement may be assigned to a new party at the sole discretion of the Executive Director. An assignment agreement will be required.

### **Payout Process**

- 41 Applicants may request payout of an intensification grant or request to proceed with an intensification tax exemption after the project is complete. The following documentation is required to process the request for payout:

- (a) one of the following:
    - (i) an occupancy permit issued by the City,
    - (ii) a Letter of Completion issued by the City, or
    - (iii) if neither of these are applicable, an inspection by City staff is required,
  - (b) proper invoices for all eligible project costs indicated in the funding agreement that each include the following:
    - (i) the name and address of the contractor or service provider who performed the work,
    - (ii) the date of the invoice and the period during which the work was performed or materials provided,
    - (iii) information identifying contracts or other authority under which services or materials were supplied, if applicable (the contracts themselves are not required),
    - (iv) a description, including quantity if appropriate, of the services or materials supplied, and
    - (v) the relevant section number of the estimated eligible cost included in the funding agreement,
  - (c) receipts showing the amount paid for the services and materials in each invoice,
  - (d) digital images of the completed project including exterior images and images of interior areas where work was performed,
  - (e) total construction value of the project,
  - (f) total commercial floor space added (if applicable),
  - (g) number of dwelling units added (if applicable),
  - (h) a completed applicant feedback survey, and
  - (i) a completed electronic direct deposit form.
- 42 In the case of an intensification tax exemption, projects must be complete and the documentation identified in section 41 submitted by September 30 for the project to be eligible for a tax exemption in the following year.
- 43 Where an applicant does not meet the requirements of section 41 within six months of project completion the Executive Director has the discretion to withdraw the City's funding commitment.
- 44 Upon receipt of the documentation outlined in section 41, the City shall verify:

- (a) that the project complied with the funding agreement,
  - (b) the actual eligible costs,
  - (c) that property taxes, utility bills and any other charges owing to the City have been paid and are current on the project property,
  - (d) 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
  - (e) that there are no outstanding building code, fire code or property standards orders on the project property.
- 45 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 project property, the City will withhold the intensification grant or intensification tax exemption until all accounts are brought current, all obligations are met and/or all municipal orders are lifted.
- (a) where an Applicant does not meet the obligations or comply with all municipal orders within six months from the date when payout is requested, the Executive Director has the discretion to withdraw the City's funding commitment.
- 46 In the case of intensification grants, if the project complied with the funding agreement the City will issue a lump-sum grant in accordance with section 23.
- 47 Subject to section 42, in the case of intensification tax exemptions, the City will calculate the tax exemption in accordance with sections 18 to 22 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 commencing January 1 of the following year.
- 47.1 The date for commencing the exemption may be deferred for one year at the discretion of the Executive Director.
- 47.2 A tax exemption agreement may be assigned to a new registered owner at the discretion of the Executive Director. An assignment agreement will be required.
- 48 Approved projects may be announced to the media or highlighted on the City of Regina website or social media accounts.

### **Roles and Responsibilities**

- 49 The City Manager is responsible to:
- (a) initially approve this policy;
  - (b) approve minor amendments that do not change the intent of the policy but are necessary to support the overall implementation of this policy, and

(c) approve the transfer of unused funds to the Revitalization Incentives Program.

50 The Executive Director is responsible to:

- (a) approve intensification incentive applications,
- (b) finalize and approve the terms of any agreements entered into pursuant to this policy,
- (c) authorize payment of an intensification grant,
- (d) determine start and end dates for intensification incentive intake periods based on funding availability and other considerations, and
- (e) recommend, review and support any amendments to this policy.

51 City Council is responsible to:

- (a) approve this policy and any major amendments,
- (b) approve tax exemption agreements through the passage of a tax exemption bylaw, and
- (c) approve the intensification grant budget and any additional funding allocations as appropriate.

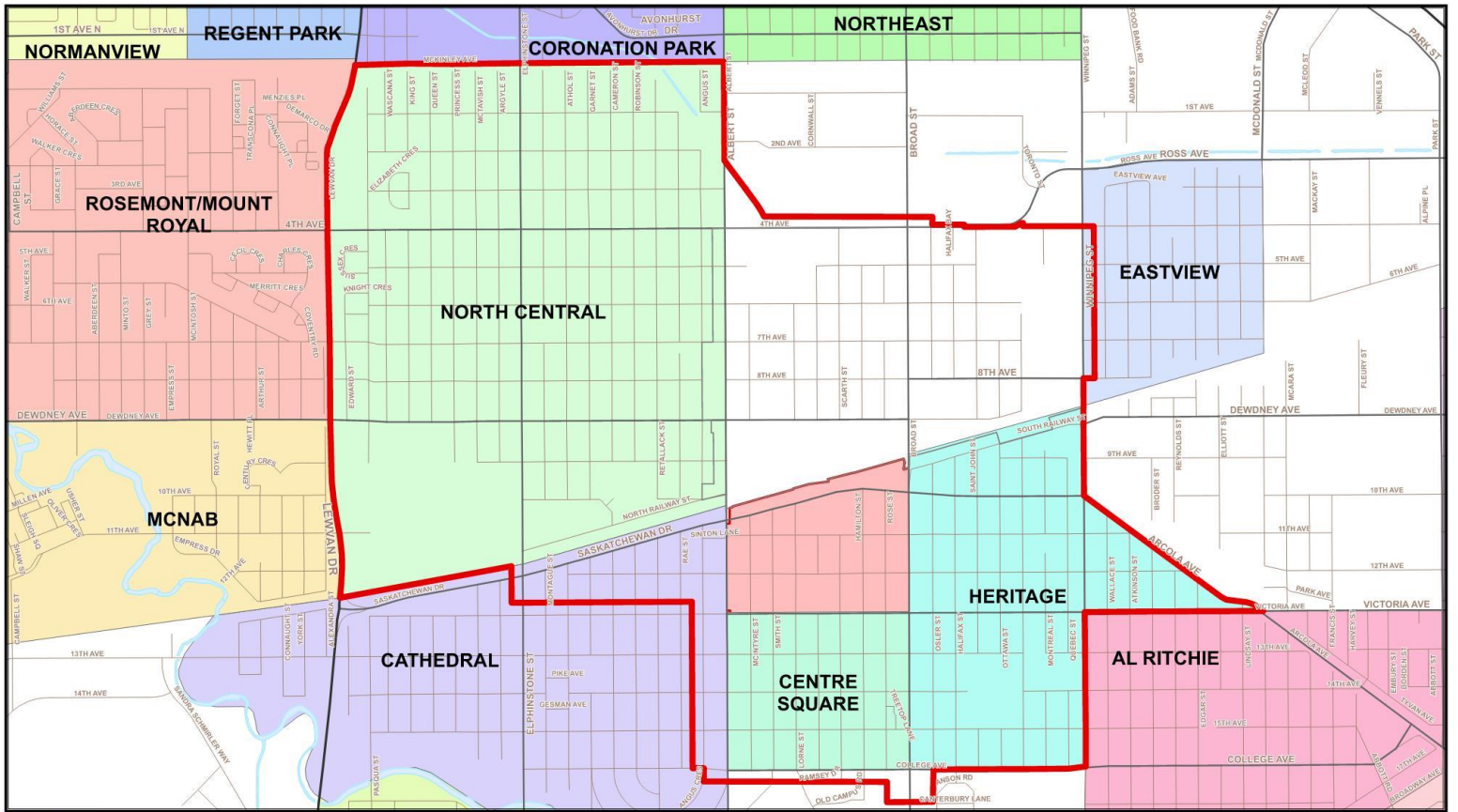
### **Monitoring and Reporting**

52 The City shall monitor and periodically report to City Council on:

- (a) the number of intensification incentive applications received, reviewed, approved, completed and funded,
- (b) total yearly funding provided under this policy,
- (c) total construction value of completed projects,
- (d) total commercial floor space added,
- (e) number of dwelling units added and equivalent estimated population,
- (f) number of sites removed from the City's underutilized land inventory,
- (h) estimated annual increase in population and intensification within the City centre, and
- (i) increased property assessment value within the incentive target area.

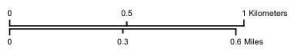
<b>Date Approved</b>	November 22, 2023
<b>Date of Last Review</b>	December 19, 2023
<b>Date of Next Review</b>	

# Appendix A – Incentive Target Area



**LEGEND**

- INCENTIVE TARGET AREA
- WATER BODY



INCENTIVE TARGET AREA

City Revitalization

LOCATION MAP



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