



Development Levy Bylaw

Frequently Asked Questions

What is a development levy?

A development levy is a fee charged by cities to recover the cost of infrastructure upgrades outside of a development boundary which are required to support new development. The levy is used to pay for large trunk sewer and water lines, water reservoirs and sewage lift stations, city-wide storm drainage infrastructure, city-wide parks and recreation infrastructure, major roads and intersection upgrades.

Why is the City imposing this levy?

New subdivisions and developments require upgrades to the City's treatment plants, water and sewer distribution networks, storm-drainage and recreation system, and traffic network. By charging a levy on new developments, the City can avoid using the general tax base to fund the costs associated with these off-site infrastructure requirements. The City's development levy (\$32,000 per acre) has not been updated in over 20 years.

What is the amount of the levy?

The proposed development levy change is broken down as follows:

\$80,580 per gross acre (see draft bylaw for definition of gross acre) for greenfield development (previously undeveloped areas). This will be phased-in over 3 years from the previous \$32,000 per gross acre.

\$5,000 per additional residential unit for infill development in existing serviced areas (not including secondary suites).

\$80,580 per acre of gross floor area (\$20 per square meter) for building additions or redevelopment of infill properties in previously serviced areas.

Adjustments to the levy rate may be considered based on the density of residential developments (units/acre) and whether a development requires sewer and water. The City may require an off-site impact study for large scale redevelopments or unusual development proposals.

When will the new levy take effect?

The draft bylaw will be considered by City Council on February 26th. It will take effect after receiving three readings. The new levy rate will be phased in over 3 years (2018: \$48,348 per acre; 2019: \$64,464 per acre; 2020: \$80,580 per acre).

What do other cities charge?

Following are the development levy charges of several Saskatchewan cities:

Estevan - \$92,000 per acre

Weyburn - \$86,000 per acre

Regina - \$178,871 per acre for residential/commercial, \$59,623 per acre for industrial

Prince Albert - \$39,809 per acre

Swift Current - \$29,752 per acre for residential, \$47,497 per acre for commercial/industrial

Yorkton - \$35,785 per acre for residential, \$69,231 per acre for commercial/industrial

How was the development levy calculated?

The fee was calculated from a consultant's report completed in 2017. The report projected long-term population growth rates and land consumption estimates. The study then considered likely growth areas (see attached map), and finally estimated the cost of providing capacity upgrades to accommodate new development. The total cost of infrastructure projects divided by the total acres of growth area results in the levy charge per acre (summarized below)

Summary of Moose Jaw Levy Charge Allocations		Charge Per Acre	Acres	
Roads - Roadways, Major Arterial & Major Intersections	\$ 68,966,000	\$ 24,453	2820.4	30.3%
Water - Main trunks, reservoirs, pump stations	\$ 49,524,000	\$ 17,559	2820.4	21.8%
Sanitary Sewer - Major trunks, upgrades	\$ 30,774,000	\$ 10,911	2820.4	13.5%
Storm Sewer & Parks and Recreation	\$ 57,340,000	\$ 20,330	2820.4	25.2%
Contingencies and 10% Engineering Variance	\$ 20,660,400	\$ 7,325	2820.4	9.1%
Total Est. Offsite Development Costs	\$ 227,264,400	\$ 80,579	2820.4	100.0%

What are development levy charges used for?

The levy covers costs associated with infrastructure that is outside the subdivision or development area such as arterial roads, intersections upgrades, "trunk" water mains and sanitary sewer, sewage lift stations and water reservoirs, city-wide storm-water drainage and parks.

What are development levy charges not used for?

A land developer is required to fund and install infrastructure that is internal to the development or subdivision. This includes local and collector roads, water mains, storm sewers and sanitary sewers to or within a subdivision/development, local drainage and local parks.