



# Proposed Development Levy Bylaw

## What are 'Development Levies'?

A Development Levy is a fee charged to developers to cover the costs associated with infrastructure that is outside of a proposed development area. This includes items such as arterial roads, intersection upgrades, "trunk" water mains and sanitary sewer, sewage lift stations and water reservoirs, city-wide storm-water drainage and parks.

Development Levies do not cover the cost of infrastructure that is internal to the development area. This includes local and collector roads, water mains, storm sewers and sanitary sewers to or within a subdivision/development, local drainage and local parks. Development Levies do not cover the cost to replace existing infrastructure – they are only used to pay for capacity increases, upgrades, and upsizing.

## 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. Inflation increases the cost of upgrading this infrastructure, which in turn requires updates to the Levies being charged. The City's development levy has not been updated in over 20 years.

## What will change?

Type of Development	Current Levy	Proposed Levy
Residential/Commercial	\$32,804 per acre	\$80,580 per acre *phased in over 3 years
Industrial	\$32,804 per acre	\$49,600 per acre

## What projects are required to pay Development Levies?

Development Levies are typically charged at the time of subdivision. The proposed bylaw will only charge Development Levies on "greenfield" sites that have not previously been developed, or do not have existing City infrastructure. Infill and re-development of serviced land will not be charged a Development Levy, provided that sufficient servicing capacity exists. This will provide a significant incentive to efficiently utilize existing infrastructure, and revitalize existing areas.

## What do other cities charge?

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

## Where does this number come from?

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 and estimated the cost of providing capacity upgrades to accommodate the proposed 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	
<b>Roads</b> - Roadways, Major Arterial & Major Intersections	\$ 68,966,000	\$ 24,453	2820.4	30.3%
<b>Water</b> - Main trunks, reservoirs, pump stations	\$ 49,524,000	\$ 17,559	2820.4	21.8%
<b>Sanitary Sewer</b> - Major trunks, upgrades	\$ 30,774,000	\$ 10,911	2820.4	13.5%
<b>Storm Sewer &amp; Parks and Recreation</b>	\$ 57,340,000	\$ 20,330	2820.4	25.2%
<b>Contingencies and 10% Engineering Variance</b>	\$ 20,660,400	\$ 7,325	2820.4	9.1%
<b>Total Est. Offsite Development Costs</b>	<b>\$ 227,264,400</b>	<b>\$ 80,579</b>	<b>2820.4</b>	<b>100.0%</b>

## What are the other options?

If the cost for infrastructure expansion and capacity increase is not paid for by developers, then the City must find other funding sources such as property taxes, utility rates, cost-sharing, municipal bonds, and grants. The City has proposed a reduced rate for industrial development as an economic incentive. However, for all other developments the City of Moose Jaw is proposing a developer-pay model, which is common across Saskatchewan municipalities.

The proposed Development Levy Bylaw will be reviewed by **City Council on November 26<sup>th</sup>, 2018**. Any feedback on the proposed bylaw can be forwarded to Planning and Development Services at [planning@moosejaw.ca](mailto:planning@moosejaw.ca) prior to 10:00 AM, November 26th. For further information please contact City of Moose Jaw Planning and Development Services.