

Potential Corridor Growth Incentives and Financing Tools

This document briefly describes potential incentives and financing tools that could be explored by the City of Saskatoon (City) to support Corridor Growth.

Development Incentives

1. Property tax abatement – Abatement of property taxes for a number of years after development completion, similar to the five-year abatement of the incremental increase in property tax currently offered by the City through the Vacant Lot & Adaptive Reuse Incentive Program and Innovative Housing Incentive for affordable housing.
2. Development grants – Reimbursement grants that can be targeted for specific types of development or for specific development costs, similar to existing grants offered by the City through the Vacant Lot & Adaptive Reuse Incentive Program and Innovative Housing Incentives for affordable housing.
3. Exemptions or discounts on development servicing charges – Currently, development servicing charges/levies are only imposed on development that involves subdivision of property, including land subdivision and condominium subdivision, through the City’s prepaid service rates. In addition, prepaid offsite servicing fees are currently waived for all sites located in City Centre and Established Neighbourhoods (excluding University of Saskatchewan lands) that are zoned for multiple-unit residential or mixed-use development with a residential component¹.
4. Administrative development assistance – This refers to establishing a dedicated staff resource for Corridor Growth development inquiries, similar to the current City Centre Planner position. This can also refer to proactively providing developers with pertinent development information where possible (subject to availability, staff resources and legal requirements), such as information on the condition of existing infrastructure, potential site requirements and costs to develop.
5. Density bonusing – Current provisions in Bylaw No. 8770, Zoning Bylaw, 2009, permit developments in the B6 Downtown Commercial District to exceed the maximum building height in exchange for contributing specific community benefits or amenities such as public plazas, public parking, and sustainability features. Similar ideas for bonus development potential, by permitting additional density or relaxing zoning requirements, in exchange for specified community benefits could be contemplated for Corridor Growth development.
6. City-initiated rezoning – This refers to Administration initiating the rezoning of specific lands prior to development applications coming forward from private parties. This could potentially be initiated as part of the Corridor Plan process.
7. Reducing servicing costs for the first-in developer – Because the first large-scale development in an area may often require simultaneous construction or

¹ Regular Business Meeting of City Council, November 18, 2019, Item 8.1.9: Streamlining Downtown Development – Boundary Options for Interim Exemption of Offsite Levies.

upgrading of offsite infrastructure necessary to support this first development, the first-in developer may often be the party that fronts the bill for the infrastructure improvements. The City could consider arrangements for sharing the upfront costs and/or for reimbursement by subsequent developers.

8. Land development by the City – There may be opportunity for the City to participate in Corridor Growth development to stimulate development interest, facilitate catalyst projects that showcase the types of development envisioned for the corridors and potentially capitalize on development demand for Corridor Growth. Saskatoon Land has typically focused on greenfield land offerings in its planned developments, but this focus has shifted in recent years to include more infill development opportunities in support of the Growth Plan to Half a Million.

Infrastructure Improvement Financing Tools

1. Servicing agreement fees for subdivision development – These are the development servicing charges the City currently imposes on development that involves land subdivision or condominium subdivision, through the City’s annually-adjusted prepaid service rates for offsite and direct services. The applied fees vary depending on whether a development is on a greenfield site or an infill site.
2. Utility bill levy – A charge for infrastructure upgrades is currently included on the monthly bill of every Saskatoon Water customer.
3. Senior government funding – Grant funding from the provincial and federal governments.
4. City-wide property tax – Financing infrastructure through the mill rate.
5. Development levies for non-subdivision development – Provincial legislation permits the collection of development servicing charges from any development not involving subdivision, if the development will cause the municipality to incur increased capital costs for sewage, water, drainage, roadway or park and recreation infrastructure. The City does not currently impose these charges.
6. Community amenity contributions – This refers to a municipality requiring or negotiating with a development proponent to provide monetary or in-kind contributions toward specified community benefits as a condition of granting additional development rights.
7. Tax increment financing – Where a municipality pays the upfront cost of redevelopment or infrastructure improvements in a specified area, with a plan to recover that cost through property tax revenue collected specifically on any increase in the assessed value of properties within that area.
8. Local improvement charge – Where a municipality undertakes new work or an improvement, beyond regular maintenance work, on the condition that the cost is charged to the owners of those specific lands that benefit from the work or improvement.
9. Area-specific property tax – Funding area improvements through property taxes collected from properties in that specific area.