



TO: GENERAL COMMITTEE


SUBJECT: GROWTH MANAGEMENT UPDATE


WARD: ALL


PREPARED BY AND KEY CONTACT: E. HODGINS, MCIP, RPP
GROWTH MANAGEMENT COORDINATOR

SUBMITTED BY: E. HODGINS, MCIP, RPP 
GROWTH MANAGEMENT COORDINATOR

I. PETERS
DIRECTOR OF LEGAL SERVICES 

J. WESTON, M.A.Sc, P.ENG, PMP
DIRECTOR OF ENGINEERING 

GENERAL MANAGER APPROVAL: R. FORWARD, MBA, M.Sc., P. Eng. 
GENERAL MANAGER OF COMMUNITY & CORPORATE SERVICES

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That the growth management update related to the Annexed Lands Secondary Plans; the Infrastructure Implementation Plan; the fiscal framework; and, the work plan required to move forward to approve the Secondary Plans; and, to advance the growth management program, as outlined in Staff Report IGM001-14, be received.

PURPOSE & BACKGROUND

Report Overview

2. The purpose of this Staff Report is to provide an update on the growth management program in terms of the three integrated pillars of the program: land use planning; infrastructure planning; and, financial planning in light of the extensive information sharing, discussions and negotiations that have taken place with the development community over the last three months. As well, the Staff Report will provide a work plan to move forward to approve the Salem and Hewitt's Secondary Plans; and, to advance the growth management program.

Negotiations/Discussions/Information Exchange

3. The consultation process began with a Public Information Meeting that was held at the MacLaren Art Centre on January 31, 2014. Invitations were sent to all property owners in the Annexed Lands, developers, consultants, public agencies and those who had asked that they be kept informed of the City's growth management program. Approximately 100 persons attended the three hour meeting. At the meeting, Watson & Associates Economists Ltd. provided an overview of the Fiscal Impact Analysis (FIA) and City staff presented the Infrastructure Implementation Plan (IIP) identifying the works required for the Phase 1 lands in the Secondary Plan areas. The lead planning consultant also updated those in attendance on the Salem and Hewitt's Secondary Plans.

4. Subsequent to the Public Information Meeting in late January, representatives of the Salem and Hewitt's Landowner Groups and the City's team met on seven occasions. All meetings were held at City Hall, ran approximately three hours and were on a 'without prejudice' basis. In addition to these formal sessions, numerous other meetings and conference calls involving the various technical experts were also held. This provided an opportunity for the engineers, planners, economists and accountants to discuss specific issues.
5. The effectiveness of the discussions and the significant progress to date is due in large part to a protocol that was established and agreed to at the outset. Both sides agreed that an open dialogue and forthright exchange of information were critical success factors. To this end and throughout the process, City staff made themselves available to meet either by group or individually to clarify any matters. In addition, agendas were set for each meeting, meeting notes distributed and most importantly, follow-up tasks for both sides identified.
6. From the developer's perspective, the exchange of information ensured that they had a comprehensive understanding of the City's position in the negotiations. This included the opportunity to test the assumptions and findings of the FIA, review Secondary Plan policies as well as assess the staging and cost of the proposed Infrastructure Implementation Plan. From the City's perspective, the benefit was a second set of eyes that for all intents and purposes served as a peer review of the City's analyses and plans.

Land Use Planning - Secondary Plans

7. On December 16, 2013, Council received and endorsed a report entitled 'Secondary Plan Consultant Team Response to Stakeholder Submissions as of December 1, 2013' by Macaulay Shiomi Howson Ltd. This report summarized the 34 submissions that had been received since the public meeting held on March 18, 2013, identified general themes the public and stakeholders had raised and recommended a number of modifications to the Secondary Plans. The Salem and Hewitt's Secondary Plans were subsequently revised and released on December 30, 2013.
8. Council also provided direction to staff as follows: to reconsider a proposal for the Innisbrook Golf Course lands; and, to explore the City's ability to accommodate rail-supported employment lands development.

Infrastructure Planning – Master Plans

9. At its meeting of December 2, 2013, Council per Motion 13-A-144 approved the completion of six Master Plans related to water supply, water storage and distribution, wastewater treatment, wastewater collection, drainage and stormwater management, and multi-modal active transportation.
10. In accordance with the Municipal Class Environmental Assessment (Class EA) process a Notice of Completion was published for over 140 Schedule B projects. As outlined in a Memo to Council dated March 17, 2014, the Schedule A, A+, and B projects have been approved. In addition, over 100 Schedule C projects can now move from Phases 1 and 2 of the Class EA process to Phases 3 and 4. This is a necessary step prior to initiating engineering design for the infrastructure works.

Financial Planning – Fiscal Framework

11. On December 2, 2013, Council per Motion 13-A-144 approved, as a forecast, the Fiscal Impact Analysis (FIA) by Watson & Associates Economists Ltd. The FIA provides a comprehensive analysis of not only the costs associated with managing growth and asset replacement but also the financing methods and revenue sources required to pay for those costs. It includes consideration of the City's fiscal thresholds for debt, rates and taxes, and ensures that growth

pays for growth to the greatest extent possible within the law in accordance with Council's guiding principle.

12. The FIA demonstrated that new development financing tools were required including: accelerating the timing of payment of development charges; front-ending of capital costs by developers; and, a capital contribution payment by developers for growth related capital infrastructure needs that are not currently funded by Development Charges. A draft copy of the FIA has been provided in the Councillor's Lounge for review.
13. At its meeting of December 16, 2013, Council per Motion 13-A-157 directed staff to present an agreed upon fiscal framework with the development community. The elements of the fiscal framework are outlined in Appendix 'A'. A Memorandum of Understanding (MOU) – the fiscal framework – has been drafted and provided to the development community for review and comment.

ANALYSIS

Land Use Planning – Secondary Plans

14. Since releasing updated drafts of the Secondary Plans in late December 2013, more than a dozen submissions have been received. They include relatively straight forward mapping and text changes; points of clarification; and, more substantive planning issues. The submissions are currently under review and will be included in a follow-up Secondary Plan Consultant Team Response to Stakeholder Submissions Report. The implications of the new Provincial Policy Statement which was issued on February 25, 2014 will also be addressed in the report.
15. On December 16, 2013, Council also asked staff and the consultant team to consider modifying the Salem Secondary Plan to include the Innisbrook Golf Course lands for the development of an Adult Lifestyle Community. Submissions received from the Hewitt's Creek Landowners Group, the Salem Secondary Plan Landowners and the consultants for Innisbrook are under review.
16. Finally, Council instructed staff to investigate and report on the City's ability to include lands adjacent to the railway in the Salem Secondary Plan should a request from industry be received prior to the designated timing in order to provide an investment ready environment for industrial purposes that benefit and cluster around railway infrastructure. Staff have raised this issue with the Ministry of Municipal Affairs and Housing and will be reporting once a response is received.
17. Staff are currently finalizing language in the growth management policies of the Official Plan and both Secondary Plans aimed at ensuring that approval of plans of subdivision is conditional on the City being satisfied, through an annual monitoring program including an update of the Long Range Financial Plan (LRFP), that it can financially afford to move forward with development.
18. Staff anticipate submitting the Secondary Plans for approval in May together with an executed fiscal framework (MOU) with the landowners in the Salem and Hewitt's Secondary Plan Areas.

Infrastructure Planning – Infrastructure Implementation Plan

19. An Infrastructure Implementation Plan (IIP) has been prepared identifying the hard services (water, wastewater, roads, and drainage) required in the Salem and Hewitt's Secondary Plan Areas to be up fronted by the developers (see Appendix 'B'). The IIP was established based on the Master Plans, and as modified by the Fiscal Impact Analysis. In addition, the time required to practically construct the infrastructure including the time to complete EA, design, property acquisition, and utility relocation programs were factored into the development of the Infrastructure Implementation Plan.

20. Elements of the infrastructure planning program are identified in the work plan that is attached as Appendix 'C'. These include means by which infrastructure will be financed, funding for the EA and design components of the IIP as well as investigations into the developer-build model.
21. Engineering staff and the consultants representing the developers have generally agreed on the majority of the Infrastructure Implementation Plan required to service the Phase 1 lands. In addition, through the discussions between Engineering staff and the developer's consultants the quantum of the capital works in the IIP has been reduced.

Financial Planning – FIA, MOU, DCA

22. The assumptions and results of the draft FIA are currently being tested by the landowner's economists. A final version of the FIA will be provided to Council for approval subsequent to the completion of a new Development Charges By-law.
23. Discussions between staff and representatives of the Salem and Hewitt's Landowner Groups regarding the form and content of the Memorandum of Understanding (MOU) are ongoing. Staff anticipate presenting a MOU agreed to by the majority of the landowners in the Secondary Plan Areas to General Committee in May.
24. A Development Charges (DC) Background Study is currently being prepared by Watsons and Associates Economists Ltd. The Background Study is required as part of the process of updating the DC Bylaw and a draft is to be submitted to the City by May 5, 2014.

Growth Management Program Work Plan

25. The elements of a work plan designed to advance with the growth management program are outlined in Appendix 'C'. The plan is based on the three foundational pillars of the program: land use planning, infrastructure planning and financial planning and includes a variety of initiatives. Two milestones targeted for early May are completion of the Secondary Plans incorporating financial and development monitoring policies as well as a MOU signed by the majority of the landowners in the Salem and Hewitt's Secondary Plan Areas.
26. In addition, subsequent to the approval of the Secondary Plans, the process of updating the Development Charges By-law moves into the public consultation phase of the process. The specific tasks and timelines are identified in the work plan.

ENVIRONMENTAL MATTERS

27. There are no environmental matters related to the recommendation to receive the report.

ALTERNATIVES

28. The following alternative is available for consideration by General Committee:

Alternative #1

General Committee could decide to direct staff to finalize the Secondary Plans and present the associated Official Plan Amendments to Council for approval without an agreed to fiscal framework (MOU).

This alternative is not recommended as it is contrary to Council's direction included in Motion 13-A-157 dated December 16, 2013. In addition, staff are optimistic that a MOU can be agreed to prior to presenting the Secondary Plans to Council for approval.

FINANCIAL

29. There are no financial implications for the Corporation resulting from the recommendation to receive the report.

LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN

30. The recommendation(s) included in this Staff Report support the following goals identified in the 2010-2014 City Council Strategic Plan:
- Direct and Manage Economic Development – The Salem and Hewitt's Secondary Plans provide opportunities for growth in both people and jobs over the next two decades.
 - Manage Growth and Protect the Environment – The Secondary Plans are an integral component of the City's growth management program. sustainability of an extensive Natural Heritage System within an urban setting.
 - Strengthen Barrie's Financial Condition – The land use plans for the Salem and Hewitt's Planning Areas have been developed in concert with both a series of infrastructure master plans and a fiscal impact analysis. The purpose of this coordinated approach was to understand the full cost of growth in keeping with Council's principle that growth pay for growth to the greatest extent possible within the law.

APPENDIX "A"

Elements of a Fiscal Framework with the Development Community

- Owners acknowledge that the City has adopted ten principles, described in the Memorandum of Understanding (MOU), designed to provide direction to the development of the Annexed Lands, and that planning approvals for the Annexed Lands must adhere to said principles.
- Owners agree that the City's Official Plan and the Hewitt's and Salem Secondary Plans will contain detailed provisions respecting development and monitoring of development with the consequence that development will be declared premature if the City is not satisfied that growth can proceed in a financially sustainable manner subject to the caveat that once financial agreements are signed the approvals will proceed in accordance with the terms of the financial agreements.
- Owners agree that the works as described in the Infrastructure Implementation Plan will be provided or funded in accordance with the MOU.
- Owners agree to pre-payment of cost of environmental assessments and design of infrastructure on such date as requested by the City, which date may be prior to the approval of the Secondary Plans. These payments will be reimbursed to the developers from DC reserves at a future date.
- Owners agree to pay development charges with the hard services component of DC payable at least at the time of entry in a subdivision agreement, but likely earlier as required.
- Owners to enter into front-ending agreements to provide funding to assist with cash flow for DC related services where necessary with reimbursement to occur from DC reserves when available.
- Owners to fund post period benefit until City has collected sufficient funds to reimburse.
- Owners agree to pay a non-refundable growth-related capital cost capital contribution for capital works that are not eligible for DC.
- Owners to post financial security to cover the obligations set out in financial agreements, satisfactory to the City.
- City agrees to accept applications for draft plan of subdivision approval prior to requiring the financial commitments set out above with the exception of the financing of EAs and design work, but will deem an application to be complete for review only if the owner has provided a letter of intent outlining the specifics of their financial commitments to the City, and will not approve such draft plans until financial agreements satisfactory to the City in accordance with the letter of intent are executed.
- Owners agree to accept conditions of draft plan of subdivision approval which would secure the funding in accordance with the terms of the MOU.
- Owners agree that they will not file appeals to the Growth Management policies of the Official Plan and the Secondary Plans attached as Appendix "D" to this MOU.
- Owners and the City agree to comply with the Work Plan.

APPENDIX "C"

Growth Management Program Work Plan

Land Use Planning

1. Secondary Plans finalized and recommended for approval: May 6, 2014
2. Related Official Plan Amendments presented to Council for approval
3. Notice of Decision issued within 15 days and 20-day appeal period begins
4. Implementation Program (zoning, urban design, conditions of subdivision approval, etc.) initiated

Infrastructure Planning

1. Funding agreements for monies for EA and Design work completed: May 6, 2014
2. Various front-ending/early payment agreements drafted to reflect IIP
3. Developer build model (purchasing by-law/protocol, procurement process) investigated

Financial Planning – Development Charges Update

1. Draft Development Charges Background Study/Bylaw submitted to City: May 5, 2014
2. Statutory Public Meeting: June 23, 2014
3. Public review/comment period ends: July 4, 2014
4. Staff Report & accompanying DCBS/Bylaw presented to General Committee: August 11, 2014
5. DC By-law presented to Council for approval: August 25, 2014

Financial Planning – Other Elements

1. Long Range Financial Plan updated following approval of FIA
2. Annual Monitoring Program to be developed