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## **2021 Annual Servicing Allocation Review Staff Report to Council**

Report Number: 2021-34

Department(s): Planning and Building Services

Author(s): Phoebe Chow, Senior Planner - Policy

Meeting Date: May 3, 2021

### **Recommendations**

1. That the report entitled 2021 Annual Servicing Allocation Review dated May 3, 2021 be received; and,
2. That Council reinstate servicing allocation to the following developments as outlined in this staff report:
  - a. Azure Homes (172-178 Old Main Street);
  - b. Briarwood (NWMKT) Inc. (693 and 713 Davis Drive);
  - c. Redwood Properties Phase 1 (17645 Yonge Street);
  - d. Glenway East Phase 3;
  - e. Options Development (281 Main Street North) Phase 1; and,
  - f. Maple Lane Lands and Development (680 Gorham Street); and,
3. That Council commit serving allocation to the following developments as outlined in this staff report:
  - a. The Rose Corporation (200 Deerfield Road);
  - b. Kerbel (17365 and 17369 Yonge Street);
  - c. Redwood Properties Phase 2 (17645 Yonge Street); and,
  - d. Sundial Phase 3 (partial allocation); and,
4. That the Town's remaining servicing capacity (the Town Reserve) be maintained for future development; and,
5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

## Executive Summary

The 2020 year end Town Servicing Allocation Reserve balance was 1833 persons, of which, 16 persons were held in the Severance Reserve. In this report, staff recommends that Council reinstate servicing allocation to all previously committed development applications with one minor adjustment for 281 Main Street North to reflect the current proposed unit count. In addition, staff recommends Council commit an additional 1674 persons of servicing allocation to the following developments:

- The Rose Corporation (200 Deerfield Road) – 342 persons;
- Kerbel (17365 and 17369 Yonge Street) – 665 persons;
- Redwood Properties Phase 2 (17645 Yonge Street) – 367 persons, and
- Sundial Phase 3 (partial allocation) – 300 persons.

No new residential lot was created through Consent in 2020 and no additional Inflow and Infiltration (I&I) Reduction repayment was received since the February 2021 6-month review report. Should Council adopt the recommendations contained in this report and with the anticipated additional capacity assignment from York Region and the I&I Reduction Program repayment of 647 persons to be received by Shining Hill by the end of 2021, staff expects the 2021 year end Town's Servicing Allocation Balance to be approximately 2300 persons, of which, 16 persons will be held in the Severance Reserve. This estimated 2021 year end balance may be more if the Town receives more capacity assignment from York Region through the I&I Reduction Program.

This report also provides an estimation of the Town's Servicing Allocation Reserve in the next two years. Based on York Region's previous commitment in providing additional servicing allocation to the Town upon completion of the Forcemain Twinning and Interim Solutions Project, as well as the anticipated amount of I&I Reduction payment and LEED Incentive Program credit, staff estimates the Town's Servicing Allocation Reserve balance to be approximately 4731 persons by the end of 2022. This estimated Town Reserve balance is calculated under the assumption that Council adopts the recommendations contained in this staff report and the amount of servicing allocation to be committed in 2022 would be the same as the Town's historic growth rate at 1000 persons (refer to Table 4 for details).

As the Town continues to grow and servicing capacity becomes increasingly constrained, staff will begin to rely more on the Rescinding and Reallocating of Servicing policy when making recommendations to Council during the annual and 6-month reviews to manage servicing allocation needs across the Town.

## Purpose

The purpose of this report is twofold: 1) to provide Council with recommendations for distribution of servicing capacity to development applications on file that have a residential component, and 2) to provide Council with a general update on the Town's current servicing capacity status.

## Background

Planning staff review servicing allocation requests and make recommendations to Council annually. Each application is reviewed based on its status in the planning approval process and staff's assessment of each application against the [Town's Servicing Allocation Policy](#).

The last annual servicing allocation report titled [2020 Annual Servicing Allocation Review](#) (2020 Annual Report) was received by Council on July 27, 2020. Subsequently, a [6-month review report](#) was received by Council on February 8, 2021.

## Discussion

The 2020 year end Town Servicing Allocation Reserve balance was 1833 persons, of which, 16 persons was held in the Severance Reserve. As part of the annual servicing allocation review, all complete residential development applications have been categorized into the following three subsections:

1. Committed servicing allocation;
2. New requests for servicing allocation, and
3. Not recommended for servicing allocation.

For the purpose of this report, servicing allocation that have been “committed” means developments that have previously received allocation from Council, but the draft Plan of Subdivision has not been registered or the Site Plan Agreement has not been executed. The term “committed” is used by York Region in describing status of servicing allocation instead of “allocation granted”; therefore, staff is adopting the same terminology in this report to be consistent with York Region.

### Committed Servicing Allocation

Council has previously committed a total of 1876 persons of servicing allocation to the following developments:

- Briarwood (693 and 713 Davis Drive);
- Redwood Properties Phase 1 (17645 Yonge Street);
- Glenway East Phase 3;
- Options Development (281 Main Street North) Phase 1;
- Azure Homes (172-178 Old Main Street); and,
- Maple Lane Lands and Development (680 Gorham Street).

The proposed number of units and persons of allocation committed for each of the above noted development are listed in Attachment 1. Staff recommend reinstating all of the above developments with one minor modification for 281 Main Street North. The applicant for 281 Main Street North is revising the development proposal by dividing the development into two phases and adding more units to the development. Council has

previously committed allocation for Phase 1, which was the original proposal of two semi-detached units and nine townhouse units (total of 27 persons). The revised Phase 1 no longer includes two semi-detached units, but instead, Phase 1 now involves a total 11 townhouse units (26 persons). In addition, the applicant has recently submitted a zoning by-law amendment application to add five townhouse units on the subject lands as Phase 2. The zoning by-law amendment application to permit Phase 2 is under review; therefore, staff recommend only reinstating servicing allocation for 11 townhouse units (26 persons) at this time. Servicing allocation for the additional five townhouse units will be reviewed when the zoning by-law amendment and related site plan applications have advanced in the planning approval process.

## New Requests for Servicing Allocation

Staff have reviewed all servicing allocation requests and are recommending that Council consider committing a total of 1674 persons of servicing allocation to the developments listed in Table 1 below.

Table 1 Recommendations for New Servicing Allocation Requests

<p><b>Development:</b> The Rose Corporation (200 Deerfield Road) (Formerly known as 175 Deerfield Building 3)</p> <p><b>Priority Area:</b> 1 (Urban Centres)</p> <p><b>Allocation Requested:</b> 175 apartment units (rental) (*145 persons)</p> <p><b>Application Status:</b> Site Plan under review</p> <p><b>Recommendation:</b> Commit 342 persons</p> <p><b>Reason:</b> A total of 342 persons of servicing allocation are required for 175 apartment units as currently proposed for The Rose Corporation Building 3 at 200 Deerfield Road. Buildings 1 and 2, which are under construction, are participating in <a href="#">York Region's Sustainability Development Through LEED Incentive Program</a> (LEED Incentive Program). The Rose Corporation has been working with Regional staff in getting the appropriate approvals to complete the LEED Incentive Program. York Region will issue a servicing allocation credit of 196 persons to the Town upon execution of the LEED Incentive Program agreement. Based on the assumption that York Region will issue the credit of 196 persons of servicing allocation, The Rose Corporation has only requested 145 persons of servicing allocation for Building 3. Regional staff has confirmed that no servicing allocation credit will be issued to the Town until the LEED Incentive Program agreement is executed. As such, to facilitate the development of this proposed rental building in the Urban Centers without delay, staff recommend Council committing the full allocation of 342 persons to Building 3 at this time and the credit of 196 persons of servicing allocation will be added to the Town's Reserve once it is received from York Region.</p>
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**Development:** Redwood Properties Phase 2 (17645 Yonge Street)

**Priority Area:** 1 (Urban Centres)

**Allocation Requested:** 188 apartment units (rental) (367 persons)

**Application Status:** Site Plan under review – 4th submission received (anticipated to be final submission)

**Recommendation:** Commit 367 persons

**Reason:** To facilitate construction of Phases 1 and 2 concurrently. The two phases together add 366 rental apartment units in the Urban Centres.

**Development:** Kerbel (17365 and 17369 Yonge Street) (I&I Reduction Program)

**Priority Area:** 1 (Urban Centres)

**Allocation Requested:** 28 townhouse units and 303 apartment units (665 persons)

**Application Status:** Recommendation for Zoning By-law Amendment approval under a separate item in the same meeting agenda.

**Recommendation:** Commit 665 persons – Total repayment required from Kerbel to the Town in accordance with I&I Reduction Agreement is 887 persons, which includes the Town's 25% (222 persons).

**Reason:** To facilitate development in the Urban Centres. This development is subject to an I&I Reduction Agreement, therefore, the applicant will pay back the servicing allocation required for its development plus the Town's 25% as noted above.

**Development:** Sundial Phase 3

**Priority Area:** 3 (Emerging Residential)

**Allocation Requested:** 22 semi-detached units and 222 townhouse units (648 persons)

**Application Status:** Draft approved

**Recommendation:** Commit allocation for 22 semis and 90 townhouse units (300 persons)

**Reason:** Building Permits for Phase 2 have all been issued and construction is well underway. All homes in Phase 2 are expected to be occupied by the end of this year. Providing allocation for Phase 3 will help facilitate completing this community.

## Not Recommended for Servicing Allocation

Attachment 2 lists all residential developments that are not yet adequately advanced in the planning approval process to warrant servicing allocation, and/or they are located in lower priority areas according to the [Town's Servicing Allocation Policy](#). These applications will be considered for allocation annually or at such time as they are deemed to have sufficiently progressed through the approvals process. In summary,

there are a total of approximately 16813 persons of allocation pending approval, but are not yet advanced enough in the planning process to warrant allocation. It should be noted that some of these applications will advance sooner; however, others may yet take a considerable time before they are recommended for servicing allocation.

## Severance Reserve

No new residential lot was created through Consent in 2020; therefore, staff recommend the 16 persons of servicing allocation held for the Severance Reserve to remain.

## Town Servicing Allocation Reserve Balance

At the end of 2020, the Town Servicing Allocation Reserve balance was 1833 persons and was calculated as follows:

July 2020 Town Reserve Balance	2094 Persons
+ 2020 I&I Assignment Received from York Region	401 Persons
- Servicing Allocation Granted after July 2020	662 Persons
<b>2020 Year End Town Reserve Balance</b>	<b>1833 Persons</b>

Should Council adopt the recommendation of committing an additional 1674 persons of servicing allocation and rescinding one person of allocation from 281 Main Street North as previously discussed in this staff report, the Town Reserve remaining balance will theoretically be 160 persons; however, this balance is temporary only and it will increase to approximately 2300 persons by the end of this year once additional servicing allocation become available through the completion of York Region's Forcemain Twinning (1500 persons) and anticipated I&I Reduction repayment (647 persons from Shining Hill), which are discussed in more detail in the following subsections. The estimated year end balance may be more if the Town receives more servicing capacity assignment from York Region through the I&I Reduction Program.

## Inflow and Infiltration Reduction (I&I) Program Repayment

As noted in the February 2021 report, 401 persons of I&I Reduction Assignment was received from York Region through Marianneville's I&I Reduction Agreement in 2020 and no further repayment was received since the February update. Should Council adopt the recommendation in this report and commit an additional 665 persons of servicing allocation to Kerbel (17365 and 17395 Yonge Street), the total payback between Marianneville, Shining Hill, and Kerbel will be 2413 persons. It should be noted that in accordance with Council's direction dated November 23, 2020, Shining Hill shall pay back 647 persons of servicing allocation to the Town by December 1, 2021.

Table 2 Inflow and Infiltration Reduction Projects Summary

	<b>Kerbel (17365 and 17395 Yonge Street)</b>	<b>Marianneville (Glenway East)</b>	<b>Shining Hill (Phase 1)</b>
<b>Allocation Granted By Council To Date</b>	0	2046 (all three phases)	485
<b>Allocation Paid Back By Developer To Date</b>	0	1246 (Phases 1 and 2)	0
<b>Allocation Added to Town's Reserve</b>	0	354	0
<b>Outstanding Allocation to be Paid Back by Developer (including Town's 25%)</b>	<b>887</b> – should Council adopt the recommendation of this report  (665 persons for proposed development, plus 222 persons for the Town)	<b>879</b>  (659 persons for Phase 3, plus 220 persons for the Town)	<b>647</b>  (485 persons for the proposed development, plus 162 persons for the Town)

## Future Capacity

No updates on future capacity from York Region since the February 2021 report. York Region's commitment to the Town for future capacity has remained the same since 2019. As stated in York Region's [2019 Water and Wastewater Capacity Assignment to Support Growth](#) report, York Region has committed to providing additional capacity to the Town as summarized below in Table 3:

Table 3 Summary of Future Capacity Committed by York Region

<b>Project</b>	<b>Additional Amount of Capacity</b>	<b>Year Additional Capacity Become Available</b>
Forcemain Twinning	1500 persons	Upon completion of project – project is on track to be completed by the end of 2021
Interim Solutions Project	1309 persons	Upon completion of project, approximately 2022
York Region's Reserve for Centres and Corridors in Town of Aurora, Town of Newmarket and Town of East Gwillimbury	1000 persons (total)	Upon completion of interim solutions project

Based on the Region’s commitment listed above and other anticipated sources of servicing allocation, Table 4 below provides an estimation of how much allocation capacity the Town may have in the next two years. Staff will continue to work with the Region to ensure the Town has sufficient servicing capacity to manage the Town’s growth expectations.

As mentioned previously in this report, The Rose Corporation (Buildings 1 and 2 on Deerfield Road) is participating in York Region’s Sustainable Development Through LEED Incentive Program and upon execution of the LEED Incentive Program agreement, the Town will receive 196 persons of servicing allocation credits from York Region. It should be noted that Briarwood is another developer that is participating in the LEED Incentive Program. The amount of servicing allocation credits anticipated from York Region have been included in Table 4 below.

Table 4 Summary of Estimated Servicing Capacity Supply and Demand (Persons) – Council’s commitment

	<b>Supply</b>	<b>Demand</b>
Town Reserve Balance (as of January 2021)	1833	
2021 Recommended New Servicing Allocation Commitment after Adjustment		1673
Forcemain Twinning Project (expected to be completed by end of 2021)	1500	
Interim Solutions Project (expected to be completed by the end of 2022)	1309	
I&I Reduction Repayments: <ul style="list-style-type: none"> <li>• Shining Hill (647 persons)</li> <li>• Marianneville (879 persons)</li> <li>• Kerbel (887 persons)</li> </ul>	2413	
Sustainable Development Through LEED Incentive Program Credit from York Region: <ul style="list-style-type: none"> <li>• The Rose Corporation Buildings 1 and 2 – 185 and 195 Deerfield Road (credit of 196 persons)</li> <li>• Briarwood (NWMKT) Inc. – 693 and 713 Davis Drive (credit of 153 persons)</li> </ul>	349	
<b>Net Supply (Total Supply – 2021 Demand)</b>	<b>5731</b>	
Historic Growth Rate in Newmarket		1000

Another way to look at how much servicing capacity is available is to track allocation by the status of the draft plan of subdivision or site plan applications. For example, Council may have committed 100 persons of servicing allocation to a development in 2020, but until the draft Plan of Subdivision is registered or the Site Plan Agreement is executed, the 100 persons of allocation are still considered to be available in the Town Reserve



and may be rescinded and reassigned to another development in accordance with the Servicing Allocation Policy.

Table 5 Summary of Estimated Servicing Capacity Supply and Demand (Persons) – registration of plans of subdivision and execution of site plan agreements

	<b>Supply</b>	<b>Demand</b>
Town Reserve Balance should Council adopt recommendations of this report	160	
Amount of committed servicing allocation but draft Plan of Subdivision not registered or Site Plan Agreement not executed (including recommended commitments)	3549	
Forcemain Twinning Project (end of 2021)	1500	
Interim Solutions Project (end of 2022)	1309	
I&I Reduction Repayments: <ul style="list-style-type: none"> <li>• Shining Hill (647 persons)</li> <li>• Marianneville (879 persons)</li> <li>• Kerbel (887 persons)</li> </ul>	2413	
Anticipated LEED Incentive Program Credit	349	
<b>Total</b>	<b>9280</b>	
Historic Growth Rate in Newmarket		1000

## Rescinding Allocation

In accordance with the Town’s Servicing Allocation Policy, servicing allocation committed by Council is valid for one year and shall be deemed to be rescinded where no actual development has been made by the applicant within a year. Historically, staff have taken the position that if the applicant is making progress towards final approvals, staff would recommend reinstating servicing allocation to facilitate development without delay. However, going forward, staff will rely more on this policy and may recommend rescinding allocation after one year from the initial commitment date if the applicant has not made sufficient progress towards final registration/approvals of the Planning application(s). For example, all applications listed in Attachment 1 would need to have (or very close to having) the draft of subdivision registered or the site plan agreement executed by the end of 2021, otherwise, staff may recommend rescinding allocation from these applications in the 6-month review report.

## Conclusion

Staff have completed their annual review of current development applications requiring servicing allocation and have provided recommendations as per the Town’s Servicing Allocation Policy. This report recommends reinstating 1875 persons of servicing allocation, committing 1674 persons of new allocation and thereby creating a temporary

Town Servicing Allocation Reserve balance of 160 persons, which is expected to be increased to approximately 2300 persons or more by the end of 2021 when additional capacity assignment and I&I Reduction repayments are received from the York Region.

## **Business Plan and Strategic Plan Linkages**

- Long-term Financial Sustainability
- Vibrancy on Yonge, Davis and Mulock

## **Consultation**

The annual servicing allocation letter was sent to all developers having active planning applications in the Town that involve a residential use. This letter requested updated information regarding development application status, phasing plans, anticipated construction timing etc., and advised that this report would be considered at an upcoming Committee of the Whole meeting. A follow-up notice was also sent to developers advising them the date of this meeting.

## **Human Resource Considerations**

None

## **Budget Impact**

None

## **Attachments**

Attachment 1 – Previously Committed Servicing Allocation

Attachment 2 – Developments Pending to Receive Servicing Allocation Subject to Council's Approval

## **Submitted by**

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## **Approved for Submission**

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