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## **2021 Year-End Servicing Allocation Review and Servicing Allocation Policy Update Staff Report to Council**

Report Number: 2021-84

Department(s): Planning and Building Services

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

Meeting Date: December 6, 2021

### **Recommendations**

1. That the report entitled 2021 Year-End Servicing Allocation Review and Servicing Allocation Policy Update dated December 6, 2021 be received; and,
2. That the Town's remaining servicing capacity (the Town Reserve) of 2966 persons of allocation be maintained for future development, of which, 16 persons is to be held in the Severance Reserve; and,
3. That Council authorize the Commissioner of Development and Infrastructure Services to amend the agreement made between the Town of Newmarket and 16250 Yonge Street Inc. and Shining Hill (St. John's) Inc. by extending the servicing allocation repayment deadline from December 1, 2021 to December 1, 2022; and,
4. That Council approve amendments to the Servicing Allocation Policy as outlined in this report; and,
5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

### **Executive Summary**

York Region has recently released 2643 persons of servicing capacity to the Town of Newmarket (the Town), resulting in a 2021 year-end Town reserve balance of 2966 persons of servicing capacity.

In addition, the Town is anticipating receipt of 3099 persons of servicing capacity in the next few years from York Region (via private developments) through Inflow and Infiltration Reduction repayments (see Attachment 1 for details).

In 2019, Council up-fronted 485 persons of servicing capacity to Shining Hill to facilitate the development of 179 residential units at 16250 Yonge Street. In accordance with the servicing capacity repayment agreement made between Shining Hill and the Town, Shining Hill was to repay the Town a total of 647 persons of servicing capacity through the inflow and infiltration reduction program by December 1, 2020. Last year, Council extended the repayment deadline to December 1, 2021. The applicant has requested further extending the repayment deadline to December 1, 2022. Planning and Engineering staff have reviewed the request and based on the progress the applicant has been making in the past year, staff have no objection to extending the deadline by 12 months.

The Town's Servicing Allocation Policy prioritizes consideration for servicing allocation based on land use designations in the Town's Official Plan. Last year, Council amended the Town's Official Plan by combining the former "Stable Residential Area" designation and "Emerging Residential Area" designation into a single "Residential Area" designation. As such, an update to the Town's Servicing Allocation Policy is required to align with current Official Plan designations.

In addition, Regional staff has advised that York Region is reviewing its Servicing Incentive Program (SIP) and Sustainable Development Through LEED program. Both programs are referenced in the Town's Servicing Allocation Policy. Should York Region change or discontinue one or both of the programs, Planning staff recommend the Town's Servicing Allocation Policy be amended to reflect the change.

## **Purpose**

The purpose of this report is threefold:

1. Provide Council with an update on the 2021 year-end servicing allocation Town reserve balance;
2. Seek Council's direction on Shining Hill's request to extend the servicing allocation repayment deadline, and
3. Seek Council's direction on updating the Town's Servicing Allocation Policy.

## **Background**

On May 10, 2021, Council received [staff report 2021-34](#) 2021 Annual Servicing Allocation Review. Since then, there have been a number of activities that resulted in changes to the Town Reserve balance.

Relating to servicing allocation capacity, an update to the Town's Servicing Allocation Policy is required due to changes to the Town's Official Plan resulting from the Established Neighbourhoods Study, as well as potential changes to Regional servicing programs.

## **Discussion**

### **New Request for Servicing Allocation**

Since the 2021 Annual Servicing Allocation staff report (May 2021), staff have received one request for servicing allocation. The owner of 345 and 351 Davis Drive has requested 123 persons of servicing allocation for its 6-storey apartment building consisting of 63 residential units. The Site Plan application is underway; however, given the current status of the application, final site plan approval will not be ready until next year. Planning Staff have reviewed the request and would recommend that the servicing allocation request for 345 and 351 Davis Drive be considered next year in the 2022 annual servicing allocation review.

### **York Region Released 2643 Persons of Servicing Capacity to the Town of Newmarket**

In 2016, York Region Council assigned 1500 persons of servicing capacity to the Town, pending the completion of the York-Durham Sanitary System (YDSS) Newmarket Forcemain Twinning project. Regional staff have advised the Town that the Newmarket Forcemain Twinning was completed in May 2021; therefore, the 1500 persons of capacity are now available for the Town's use.

In 2018, York Region Council assigned a total of 2840 persons of servicing capacity to the Town, pending the completion of the interim solutions projects (Aurora Sewage Pumping Station and Henderson Sewage Pumping Station). Of the 2840 persons, 1531 persons were immediately available to the Town in 2018. Regional staff have recently advised that the works for the Aurora Sewage Pumping Station is on schedule and will be completed by the end of 2021, and therefore, 1143 persons of capacity are now available to the Town.

### **Inflow and Infiltration Reduction Program Repayments**

In September 2021, York Region released 163 persons of servicing capacity to the Town in accordance with the Tri-party I&I reduction agreement made between York Region, the Town, and Shining Hill. No other capacity assignments have been released from York Region for Marianneville or Kerbel in 2021.

In summary, the Town has received a total of 1904 persons of servicing capacity assignments from York Region through the Marianneville and Shining Hill I&I reduction

agreements. A total of 2250 persons of servicing capacity will be recovered through future I&I reduction assignments.

Table 1 below summarizes the amount of I&I reduction capacity received to-date and capacity expected to be received in the future for each participating development.

### Table 1 Summary of I&I Reduction Servicing Capacity

|   | Kerbel (17365 and 17395 Yonge Street)                                     | Marianneville (Glenway East)                                      | Shining Hill (Phase 1)  |
|---|---|---|---|
| Allocation Granted By Council To Date                                     | 665   | 2046<br>(all three phases)  | 485   |
| Allocation Paid Back By Developer To Date                                 | 0   | 1387<br>(Phases 1 and 2)  | 122   |
| Allocation Added to Town's Reserve  | 0   | 354   | 41  |
| Outstanding Allocation to be Paid Back by Developer, including Town's 25% | 887<br><br>(665 persons for the development and 222 persons for the Town) | 879<br><br>(659 persons for Phase 3 and 220 persons for the Town) | 484<br><br>(363 persons for the development and 121 for the Town) |

## Current Town Reserve Balance

At the end of 2021, the Town Reserve balance is 2966 persons and is calculated as follows:

|   |              |
|---|--------------|
| May 2021 Town Reserve Balance                       | 160 Persons  |
| 2021 I&I Reduction Repayment (Shining Hill Phase 1) | 163 Persons  |
| + 2021 Assignment Received from York Region         | 2643 Persons |

|                                    |              |
|------------------------------------|--------------|
| 2021 Year-End Town Reserve Balance | 2966 Persons |
|------------------------------------|--------------|

It should be noted that no new residential lot was created through consents in 2021. As such, staff recommend that the existing 16 persons of servicing capacity being held in the Severance Reserved be maintained.

## Future Allocation Assignments to Town

In accordance with York Region's recent staff report titled [2021 Servicing Capacity Assignment Status Update](#), the remaining 166 persons of servicing capacity assignment

from 2018 will become available upon the completion of the Henderson Sewage Pumping Station, which is expected to be completed in Q2 2023.

In addition, 334 persons of servicing capacity are also anticipated to be available in Q2 2023 for developments in the centres and corridors in the Town. Regional Council has also authorized 40 persons of servicing capacity recovered from inflow and infiltration reduction program (I&I reduction) for non-profit housing reserve to be used in Newmarket.

### **Extending Shining Hill (Phase 1) Servicing Capacity Repayment Deadline by 12 Months**

In [May 2019](#), Council committed 485 persons of servicing capacity to Shining Hill to facilitate the development of 179 residential units at 16250 Yonge Street, subject to the conditions that: 1) Shining Hill enters into an agreement with the Town establishing a timeframe and associated conditions/securities for the servicing allocation repayment, and 2) Shining Hill enters into an Inflow and Infiltration Reduction agreement with the Town and York Region. Shining Hill subsequently entered into an agreement with the Town to repay the 485 persons of allocation plus an additional 162 persons of servicing allocation (total of 647 persons) to the Town by December 1, 2020. As well, Shining Hill entered into an I&I Reduction agreement with the Town and York Region.

Initially in 2019, Shining Hill was to repay the Town a total of 647 persons of servicing capacity through the inflow and infiltration reduction program by December 1, 2020. In 2020, Council extended the December 1, 2020 repayment deadline to December 1, 2021. Shining Hill has been actively working towards the repayment and has requested a further extension of the repayment deadline by another 12 months to December 1, 2022. Since the applicant has been actively finding sources in the field and York Region has released the first 163 persons of capacity to the Town, Planning and Engineering staff have no objection to the request to extend the repayment deadline.

### **Servicing Allocation Policy Updates**

The Town's [Servicing Allocation Policy](#) was adopted by Council in 2009 and was significantly updated in 2019. The Policy prioritizes allocation of servicing capacity based on land use designations. Designations within the Urban Centres Secondary Plan being the highest prioritized area, followed by Historic Downtown Centre, Emerging Residential Areas, and Stable Residential Areas in the Town's Official Plan.

In December 2020, Council approved OPA 29 (Established Neighbourhood Study) and amended various sections of the Town's Official Plan to address compatibility of new development/redevelopment in established residential areas. As part of OPA 29, the former "Stable Residential Area" designation and "Emerging Residential Area" designation have been consolidated into a single "Residential Area" designation. As such, Planning staff recommend updating the Servicing Allocation Policy by aligning

prioritized servicing allocation areas with current Official Plan designations. Specifically, the Servicing Allocation Policy would be amended as follows:

- Delete references to “Emerging Residential Areas” and replace it by “Residential Area” and
- Delete policy 1d) relating to “Stable Residential Areas”.

The Town’s Servicing Allocation Policy contains a requirement that all eligible proposals for residential developments up to and including 3-storeys in height to participate in York Region’s Servicing Incentive Program (SIP). It also contains a policy that encourages residential developments of 4 storeys or higher to participate in York Region’s Sustainable Development through LEED® Incentive Program (LEED). York Region implemented the SIP and LEED programs over a decade ago. Both programs offer servicing capacity assignment credits to developments that meet water efficiency and wastewater flow program targets.

York Regional staff have advised that some requirements of these programs (e.g., water saving targets) are now standard in new home construction. Recent changes to the Ontario Building Code have improved water efficiency in new home construction. Furthermore, upcoming Region-wide inflow and infiltration standards to be introduced in 2022 will help reduce extraneous wastewater flows from new developments. Considering these new standards, York Region is now evaluating its current SIP and LEED programs. Should York Region revise or discontinue either of these programs, Planning staff recommends the Town’s Servicing Allocation Policy be amended accordingly.

## **Conclusion**

Since Council received the 2021 Annual Servicing Allocation report in May 2021, the Town has received additional servicing capacity from York Region as well as through the I&I reduction program. The 2021 year-end Town Reserve balance is 2966 persons, of which, 16 persons is to be held in the Severance Reserve.

Staff will provide recommendations on servicing allocation to existing development applications in the Annual Servicing Allocation Report in Q2 2022.

Lastly, staff are recommending that the Servicing Allocation Policy be updated to align with current Official Plan designations at a minimum, and York Region’s revisions to, or discontinuation of their SIP and LEED programs, if necessary.

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

None

## **Consultation**

None

## **Human Resource Considerations**

None

## **Budget Impact**

None

## **Attachments**

Attachment 1 – Summary of Future Capacity

## **Submitted by**

Phoebe Chow, Senior Planner – Policy

## **Approved for Submission**

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## **Contact**

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