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2022 Annual Servicing Allocation Review Staff Report to Council

Report Number: 2022-26

Department(s): Planning and Building Services

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Meeting Date: May 2, 2022

Recommendations

1. That the report entitled 2022 Annual Servicing Allocation Review dated May 2, 2022 be received; and,
2. That Council reinstate servicing allocation to developments as outlined in Attachment 1 to this staff report; and,
3. That Council commit servicing allocation to developments as outlined in Table 1 of this staff report; and,
4. That the Town's remaining servicing capacity (the Town Servicing Allocation 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 2022 Town Servicing Allocation Reserve opening balance was 3158 persons, of which, 12 persons were held in the Severance Reserve. In this report, staff are recommending that Council reinstate servicing allocation to all previously committed development applications, subject to the following adjustment and conditions (see Attachment 1 for details):

- Adjusting the amount of servicing allocation for Briarwood (NWMKT) Inc. (693 and 713 Davis Drive) from 662 persons to 637 persons, which reflects the reduction in final unit count from the 339 apartment units (proposed) to 326 apartment units (as per final approval);

- Adding a condition to Kerbel Group Inc. that the Site Plan submission for 17365 and 17369 Yonge Street be deemed complete by the Town by September 30, 2022, and
- Adding a condition to Maple Lane Lands and Development that the Site Plan Agreement for 680 Gorham Street must be fully executed and all associated fees as outlined in the Site Plan Agreement must be paid by September 30, 2022.

Upon review of all servicing allocation requests against the [Town's Servicing Allocation Policy](#), staff recommend that Council commit an additional 894 persons of servicing allocation to the following developments:

Development	Recommendation
49, 55 and 59 Charles Street, 52 Prospect Street	Full allocation - 42 apartment units and 11 townhouse units (111 persons)
201 Davis Drive	Full allocation – 147 apartment units (287 persons)
Landmark Estate Phase 5	Partial allocation – 18 semi-detached units (52 persons) (Remaining 16 units of semi-detached units to be allocated in the future – 46 persons)
Sundial Phase 3B	Full allocation – 8 semi-detached units and 124 townhouse units (348 persons)
Western terminus of Silken Laumann Drive, west of hydro corridor	Full allocation – 28 townhouse units (74 persons)
281 Main Street North Phase 2	Full allocation – 5 townhouse units (14 persons)
674 Gorham Street	Full allocation – 4 additional apartment units (8 persons)
Total New Servicing Allocation Commitments	894 persons

Should Council adopt the recommendations contained in this report, the 2022 Town Servicing Allocation Reserve balance would be 2289 persons, of which, 20 persons would be held in the Severance Reserve.

It is anticipated that the Town will receive an additional 500 persons of servicing capacity from York Region in 2023. It is also expected that Marianneville and Shining Hill will continue to work on their Inflow and Infiltration (I&I) Reduction Program repayments in the next couple of years. Considering the amount of current development applications pending approvals, future capacity to be assigned by York Region, and outstanding I&I Reduction repayments to be received, staff estimate the Town Servicing

Allocation Reserve will have sufficient supply for approximately five years based on historical growth rate.

Purpose

The purpose of this report is twofold: 1) to provide Council with recommendations for distribution of servicing capacity to development applications 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](#), including consideration of completion of communities.

Council received the last annual servicing allocation report titled [2021 Annual Servicing Allocation Review](#) (2021 Annual Report) on May 10, 2021, and subsequently received the [2021 Year-End Servicing Allocation Review report](#) on December 13, 2021. This report provides Council with staff's recommendations on the 2022 servicing allocation distribution as well as an update on the Town's Servicing Allocation Reserve balance.

Discussion

As part of the annual servicing allocation review, all complete residential development applications have been categorized into the following three subsections:

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

Previously Committed Servicing Allocation

Council had previously committed a total of 2407 persons of servicing allocation to the following developments:

- Kerbel Group Inc. (17365 and 17369 Yonge Street);
- Briarwood (NWMKT) Inc. (693 and 713 Davis Drive);
- Redwood Properties Phases 1 and 2 (17645 Yonge Street);
- 281 Main Street North Inc. Phase 1 (281 Main Street North, previously owned by Options Developments);
- Mackenzie Hall Homes (172-178 Old Main Street, previously owned by Azure Homes);

- Maple Lane Lands and Development (680 Gorham Street), and
- Sundial Phase 3A.

Staff have reviewed the status of the above noted applications and generally have no objections to Council reinstating servicing allocation to all of the above applications. However, staff recommend Council consider the following adjustment and conditions:

- **Adjust the amount of servicing allocation for Briarwood (NWMKT) Inc. from the previously committed 662 persons to 637 persons.** This is due to the reduction in final unit count from the original proposed 339 apartment units to final approval of 326 apartment units. This adjustment would result in reinstating a total of 2382 persons of servicing allocation to the developments listed above;
- Kerbel Group Inc. received zoning approval and Council committed servicing allocation to the development at 17365 and 17369 Yonge Street in May 2021. The applicant has recently submitted a Site Plan application package to the Town and it is under review for completeness. Staff recommend that the **reinstatement of 665 persons of servicing allocation to 17365 and 17369 Yonge Street (Yonge Street and Millard Avenue) be subject to the condition that the Site Plan submission be deemed complete by September 30, 2022,** and
- It has been over four years since Council first committed servicing allocation to 680 Gorham Street, and it has been almost one year since the Town issued the Site Plan Agreement to Maple Lane Lands and Development, but the owner has not returned the executed Site Plan Agreement to the Town. As such, staff recommend that the **reinstatement of 8 persons of servicing allocation to 680 Gorham Street be subject to the condition that the Site Plan Agreement for 680 Gorham Street must be fully executed and all associated fees as outlined in the Site Plan Agreement must be paid by September 30, 2022.**

If Kerbel Group Inc. and/or Maple Lane Lands and Development fail to meet their respective conditions by September 30, 2022, staff recommend that Council rescind the committed servicing allocation from 17365 and 17369 Yonge Street (665 persons) and/or 680 Gorham Street (8 persons) in the 2022 year-end servicing allocation review.

More information regarding status of each previously committed development and staff's recommendation and rationale can be found in Attachment 1 to this report.

New Requests for Servicing Allocation

As per regular process, in February 2022 Town staff sent a letter to all applicants having residential developments and requested updated information such as application status, anticipated construction timing, and whether servicing allocation will be required for 2022. Planning Services staff have reviewed all responses received by the Town and are recommending that Council consider committing a total of 894 persons of servicing allocation to the developments listed in Table 1.

Table 1 Recommended New Servicing Allocation Commitments

Development	Priority Area	Applicant's Request	Recommendation/Status
49, 55 and 59 Charles Street, 52 Prospect Street	1	42 apartment units and 11 stacked towns (111 persons)	Full allocation – Zoning By-law Amendment approved and Site Plan submission circulated. (111 persons)
201 Davis Drive	1	147 apartment units (287 persons)	Full allocation – OPA and Zoning By-law Amendment approved. Expecting second Site Plan submission (287 persons)
Landmark Estate Phase 5	3	34 semi-detached units (98 persons)	Partial allocation for 18 semi-detached units – construction for Phase 4 is underway and may proceed with Phase 5 construction. (52 persons)
Sundial Phase 3B	3	132 townhouse units (348 persons)	Full allocation – final phase of the subdivision, all drawings for Phase 3B have been approved. (348 persons)
Western terminus of Silken Laumann Drive, west of hydro corridor	3	28 townhouse units (74 persons)	Full allocation – clearing conditions of draft approval and detailed subdivision design submission underway. Site Plan to be submitted at the same time as the second subdivision submission (74 persons)

Development	Priority Area	Applicant's Request	Recommendation/Status
281 Main Street North Phase 2	3	5 townhouse units (14 persons)	Full allocation – Site Plan for both Phases 1 and 2 are underway. Applicant plans to begin construction in Fall 2022, subject to final Site Plan approval. (14 persons)
674 Gorham Street	3	4 additional apartment units (8 persons)	Full allocation - Site Plan application progressing. Site Plan Agreement is expected to be ready before the end of 2022 (8 persons)
Total New Servicing Allocation Commitments			894 persons

Not Recommended for Servicing Allocation

Attachment 2 includes all residential development applications 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](#). Staff will continue to monitor the progress of these applications and will provide any necessary updates in the 2022 year-end servicing allocation review.

In summary, there are a total of approximately 17,544 persons of allocation pending approval. 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

In 2021, the Committee of Adjustment approved two conditional consents to facilitate the net creation of two new single detached lots. One of the two conditional consents was finalized and one single detached lot had been created; therefore, 3.25 persons of servicing capacity was taken from the Severance Reserve, resulting in a balance of 12 persons.

To date, the Committee of Adjustment had approved one conditional consent to facilitate the creation of one single detached lot in 2022. Same as the remaining conditional consent approved in 2021, servicing allocation for both of these lots will be taken from the Severance Reserve once all conditions are satisfied and the Certificate of Official for these new lots are registered.

Considering there are two conditional consents pending finalization and once finalized, which will require a total of 8 persons of servicing allocation, therefore, staff recommend that an additional 8 persons of servicing capacity be set aside for these lots, resulting in a total of 20 persons of servicing capacity to be held in the Severance Reserve.

Town Servicing Allocation Reserve Balance

	2021 Year-End Report Town Reserve Balance	2966
+	LEED Credit*	196
-	Severance Reserve	4
	2022 Opening Balance	3158
-	2022 Recommended New Servicing Allocation Commitments	894
+	Briarwood Adjustment	25
	Town Reserve Balance (May 2022)	2289

* For developments that are qualified for York Region's Sustainable Development Through LEED Incentive Program (the LEED program), York Region would offer servicing capacity assignment credits to the local municipality as incentive to promote sustainable residential developments that are four storeys or more. Deerfield 1 GP Inc. (195 Deerfield Road) and Deerfield 2 GP Inc. (175 Deerfield Road) successfully met the requirements for the LEED program and as such, York Region assigned 196 persons of servicing capacity credit to the Town on December 8, 2021.

Should Council adopt the recommendations of this report, the Town Reserve balance would be **2289 persons**.

Inflow and Infiltration Reduction (I&I) Program Repayment

In 2021, York Region assigned 163 persons of servicing capacity to the Town in accordance with the Shining Hill I&I Reduction Agreement. This amount was reported in the [2021 Year-End Servicing Allocation Review Report](#). In the same report, Council extended the servicing allocation repayment deadline for Shining Hill from December 1, 2021 to December 1, 2022.

York Region has not assigned any additional capacity to the Town in 2022. However, at the time of writing this report, York Region is reviewing a submission from Marianneville. If approved, the Town expects to receive an assignment of approximately 291 persons from York Region within the next month. Assuming the capacity assignment of 291 persons from York Region is imminent, the amount of outstanding payback from each development is as follows:

Table 2 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 (all three phases)	485
Allocation Paid Back By Developer To Date	0	1606 (Phases 1, 2 and 3)	122
Allocation Added to Town's Reserve	0	427	41
Outstanding Allocation to be Paid Back by Developer, including Town's 25%	887 (665 persons for the development and 222 persons for the Town)	588 (441 persons for Phase 3 and 147 persons for the Town)	484 (363 persons for the development and 121 for the Town)

Future Capacity

There have been no further updates on future capacity from York Region since the [2021 Year-End Servicing Allocation report](#). In summary, the Town anticipates to receive an additional 500 persons of servicing capacity from York Region in 2023 through the Centres and Corridors Reserve (334 persons) and the Interim Solutions Project (166 persons), which is expected to be released upon completion of the Henderson Sewage Pumping Station.

In addition to the above, the development at 693 and 713 Davis Drive (Briarwood) is participating in the LEED program. Once Briarwood is successful in obtaining approvals from York Region through the LEED program, York Region will assign 153 persons of servicing capacity credit to the Town.

Table 3 below shows a summary of the Town Reserve balance, the amount of anticipated future capacity from York Region, LEED credits, and I&I repayments.

Table 3 Future Capacity Summary Table

	Supply	Demand
2022 Town Reserve Opening Balance	3158	
2022 Recommended New Servicing Allocation Commitment after Adjustment		869
Interim Solutions Project (2023)	166	
Centres and Corridors Reserve (2023)	334	
I&I Reduction Repayments: <ul style="list-style-type: none"> Shining Hill (484 persons) Marianneville (879 persons) Kerbel (887 persons) 	2250	
Sustainable Development Through LEED Incentive Program Credit from York Region: <ul style="list-style-type: none"> Briarwood (NWMKT) Inc. – 693 and 713 Davis Drive (credit of 153 persons) 	153	
Available Capacity	5192	
Historic Growth Rate in Newmarket		1000

As shown in Table 3 above, staff estimate the Town will have approximately five years of servicing capacity supply based on the historic growth rate of approximately 1000 persons per year. However, it is important to note that Council have been committing on average approximately 1345 persons of servicing allocation each year since 2020. If the average of 1345 persons per year is applied, the Town Servicing Allocation Reserve may run out before the end of 2026.

York Region staff also estimated Newmarket to have approximately five years of servicing capacity to support growth. However, York Region in its [2021 Servicing Capacity Assignment Status Update](#) report stated that there will be no additional capacity to support growth beyond this timeframe without the approval of the Upper York Sewage Solutions. York Region continues to look for opportunities to infrastretch and leverage inflow and infiltration reduction to support development in local municipalities with capacity constraints such as Newmarket.

Conclusion

Staff have completed the 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 2382 persons of servicing allocation (after adjustment) with conditions, committing 894 persons of new allocation

and thereby creating a Town Servicing Allocation Reserve balance of 2289 persons, of which 20 persons will be held in the Severance Reserve.

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

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