

Town of
East Gwillimbury

Corporate Services Department

Town of East Gwillimbury
19000 Leslie Street
Sharon, Ontario L0G 1V0
905-478-4282 x 240
aknowles@eastgwillimbury.ca

September 21, 2005

Regional Municipality of York
17250 Yonge St., P.O. Box 147
Newmarket, Ontario
L3Y 6Z1

Attention: D. Kelly, Regional Clerk



REGION OF YORK
CLERK'S OFFICE
FILE No. - *P07*

Dear Sir(s):

Re: Town of East Gwillimbury Planning Department Report P2005-88 – York Durham Sewage System (YDSS) Allocation Status Report and Implications to Growth Management

For your information and records, at its regular meeting of Council on September 19, 2005, the Municipal Council of the Town of East Gwillimbury enacted as follows:

“BE IT RESOLVED THAT Planning Department Report P2005-88, dated September 19, 2005, regarding the York Durham Sewage System (YDSS) Allocation Status Report and Implications to Growth Management, be received; and

THAT the Planning Department undertake a review of the Town's short-term (5-year) growth projections as a result of YDSS servicing constraints as an addendum to the Town's Growth Management Review and Update (August 2004) to be presented to Committee and Council; and

THAT Town staff continue to liaise with the York Region Transportation & Works Department in terms of the timing and triggers for the release of YDSS servicing capacity for residential growth in East Gwillimbury, including, but not limited to, the infrastructure noted on Attachment 1 to the Region's report; and

THAT Council pass a resolution to be provided to the Regional Municipality of York with respect to the need to maintain an adequate reserve capacity (4,300 persons equivalent) in the YDSS to address the requirement for decommissioning the existing Holland Landing Sewage Treatment Plant and lagoon system; and

THAT Town staff continue to work with stakeholders to develop a comprehensive, fair and equitable allocation policy for the assignment, commitment and monitoring of YDSS servicing capacity; and

THAT the Chief Administrative Officer and senior town staff work with Regional Municipality of York staff to initiate discussions with the Provincial Facilitator to engage the

“Our town, Our future”

19000 Leslie Street, Sharon, Ontario L0G 1V0 Tel: 905-478-4282 Fax: 905-478-2808
www.eastgwillimbury.ca

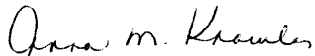
required Provincial Ministries as it relates to the entering into of a Memorandum of Understanding for the construction of the Highway 404 extension; and

THAT the Corporate Services Department forward a copy of this report to the Regional Municipality of York, Commissioner of Planning and Commissioner of Transportation and Works."

Attached, please find a copy of Town of East Gwillimbury Planning Department Report P2005-88 re: York Durham Sewage System (YDSS) Allocation Status Report and Implications to Growth Management.

If you have any further questions with regard to the above, please do not hesitate to contact the undersigned.

Yours truly,



Anna M. Knowles
Deputy Clerk

Encl.

c.c.: Commissioner of Planning, Region of York
Commissioner of Transportation and Works, Region of York
D. Stone, Director of Planning



Town of East Gwillimbury

PLANNING REPORT P2005-88

To: Committee of the Whole
(Planning Committee)

Date: September 19, 2005

Subject: York Durham Sewerage System (YDSS) Allocation
Status Report and Implications to Growth Management

Origin: Planning Department

1.0 **RECOMMENDATIONS:**

- 1.1 That the Planning Department undertake a review of the Town's short-term (5-year) growth projections as a result of YDSS servicing constraints as an addendum to the Town's Growth Management Review and Update (August 2004) to be presented to Committee and Council;
- 1.2 That Town staff continue to liaise with the York Region Transportation & Works Department in terms of the timing and triggers for the release of YDSS servicing capacity for growth in East Gwillimbury, including, but not limited to, the infrastructure noted on Attachment 1 to the Region's report.
- 1.3 That Council pass a resolution to be provided to the Regional Municipality of York with respect to the need to maintain an adequate reserve capacity (4,300 persons equivalent) in the YDSS to address the requirement for decommissioning the existing Holland Landing Sewage Treatment Plant and lagoon system;
- 1.4 That Town staff continue to work with stakeholders to develop a comprehensive, fair and equitable allocation policy for the assignment, commitment and monitoring of YDSS servicing capacity.
- 1.5 That the Chief Administrative Officer and senior town staff work with Regional Municipality of York staff to initiate discussions with the Provincial Facilitator to engage the required Provincial Ministries as it relates to the entering into of a Memorandum of Understanding for the construction of the Highway 404 extension.
- 1.6 That the Corporate Services Department forward a copy of this report to the Regional Municipality of York, Commissioner of Planning and Commissioner of Transportation and Works.

2.0 **PURPOSE:**

The purpose of this report is to advise Council of the Region of York's distribution of the remaining uncommitted servicing capacity in the York Durham Sewage System (YDSS) and allocation to local municipalities. The Region's allocation of capacity, as well as

other significant events and initiatives at the Regional and Provincial level, have implications for the Town in terms of future growth and development. This report will provide the basis for the Planning Department to undertake an analysis and update of the Town's short-term growth plans. The Town relies on realistic and accurate growth forecasts and projections to conduct sound corporate planning and budgeting in order to accommodate and effectively manage growth and development.

3.0 BACKGROUND:

In June 2005, Regional Council adopted a series of recommendations outlined in a report entitled "Water and Wastewater Capacity and Servicing Assignment Protocol". As noted in Attachment 3 to the Region's report, the allocation of 1100 units of servicing capacity *"provides for growth priority of the Green Lane West area to complete the concession block in 2007 and 2008; Queensville, Sharon Holland Landing growth may occur in 2009, conditional upon process being approved by Regional Council for up-front financing, 404 extension and Holland Landing lagoons."* A complete copy of the report is attached to this report as Appendix 1.

4.0 DISCUSSION AND ANALYSIS:

As a result of construction delays, environmental approval difficulties and inconsistent practices in terms of the tracking of servicing commitments across the Region, the lack of available YDSS servicing has become a significant constraint for growth and development. As a result, the Region has abandoned the model to deliver "just-in-time" water and sanitary servicing for growth and development across the YDSS service area. Given the difficulties and problems related to the downstream YDSS improvements, the Region has significantly curtailed servicing allocation across the YDSS service areas in the Region. At this time, the Region has provided limited servicing allocation to address growth demands to the year 2010 through the approval of the above referenced report.

4.1 East Gwillimbury's YDSS Allocation

As part of the Region's continuing review of available capacity in the system, in June 2005 Regional Council approved a plan for the remaining capacity in the YDSS to the year 2010. The Region has allocated 1,100 units of YDSS capacity (approximately 3,500 population) to the Town of East Gwillimbury in order to facilitate approved growth in the Green Lane West Secondary Plan area and the Queensville, Holland Landing and Sharon Community Plans. The Region's latest distribution of allocation has also retained 6,000 Persons Equivalent (approximately 1,950 units) of reserve capacity to address development in Seaton, unforeseen requirements and the decommissioning of the Holland Landing lagoon system.

Distribution of the YDSS available capacity by the Region is contingent on several factors, including the completion and tendering of certain pieces of infrastructure and the passage of zoning by-law provisions at the local municipal level that restrict building permits in advance of the assignment of servicing capacity. The conditions associated with the release of servicing capacity are outlined and discussed below.

i) **Component Infrastructure Timing**

Attachment 1 to the Region's report outlines the construction timing of various "pieces" of YDSS and companion municipal water supply projects which need to be in place before servicing capacity can be utilized. For the most part, the proposed triggers for capacity release relate to the issuance of tenders for the project in question. In the case of East Gwillimbury, it is noted that the timing of required infrastructure is different for the Green Lane West development area versus the YDSS extension servicing for Queensville, Holland Landing and Sharon. Staff have reviewed the timing of these various undertakings and note that additional discussions between Region and Town staff need to take place, particularly in the area of water servicing for Green Lane West and the Environmental Assessment (EA) approval requirements for the YDSS extension areas. In particular, staff note that the timing of development for East Gwillimbury growth needs to be reconciled between the information in Attachments 1 and 3 of the Region's report.

ii) **Section 34(5) Zoning By-law and Pre-Sales Limitations**

The Town held a statutory public meeting under the Planning Act for the proposed general amendment to the Zoning By-law which would introduce specific general provisions linking the availability of building permits to the assignment of servicing capacity. Staff are in the process of finalizing this by-law for presentation to Council.

Staff note that the Region used a "no pre-sales" agreement approach in dealing with the draft approvals associated with the Ontario Municipal Board's approvals of the Holland Landing Community Plan, O.P.A. No. 60. A similar approach could be utilized for all future draft approvals, as necessary, in order to address the Region's allocation requirements.

iii) **Development of Servicing Allocation Policies at the Local Level**

The Planning Department has recently developed a Servicing Allocation Distribution Policy for the Community of Mount Albert which was approved by Council in June 2005. In terms of YDSS servicing capacity, the Town has been involved in extensive discussions with the development community in terms of a set of principles which would facilitate fair and equitable servicing allocation.

These principles have been based on a proportionate share of growth for the Community Plan areas of Queensville, Holland Landing, Sharon and Green Lane West. Discussions with Metrus Developments began in September 2004 as a result of dealing with matters referred to the Ontario Municipal Board by Queensville Properties Ltd. The primary purpose of the allocation principles is to provide assurance to YDSS extension front-ending parties with respect to securing allocation and capacity in the system. Such assurance is being sought by the development community because of the significant financial commitment required of developers to undertake the extension of the YDSS. It is staff's position that such assurances are a reasonable expectation and should ultimately be defined in the Region's Development Charge Credit Agreement for the construction of the services. Staff have been working on an allocation agreement for YDSS servicing capacity; however, this has yet to be finalized and presented to Council for consideration.

There may be some basis for recognizing the distinct differences between the servicing obstacles for Green Lane West versus the YDSS extension areas of Holland Landing, Queensville and Sharon, in terms of the allocation of servicing capacity. Town staff will continue to develop a comprehensive policy for the assignment and monitoring of YDSS servicing capacity in consultation with the development industry and the Region of York.

iv) Additional Triggers for Capacity Release

A reference has been included in Attachment 3 of the Region's report pertaining to the required Highway 404 extension. It is important to note that a significant component of the planned development within the Town, specifically Queensville, is contingent upon provisions being made for additional traffic capacity. One of the pre-conditions to the Ontario Municipal Board (OMB) issuance of Draft Plan Approval for Plan of Subdivision 19T-03001 and Zoning By-law Amendment ZBA.03.05 requires confirmation through the execution of a Memorandum of Understanding between the Ministry of Transportation and York Region, in consultation with the Town of East Gwillimbury that includes the following:

- a commitment by the Province to extend Highway 404 to Queensville Sideroad or a point further north;
- a schedule of events for the implementation of the Highway 404 extension that includes, but is not limited to, approval of all required Environmental Assessments, timing of the acquisition of all land requirements, target date for tendering the project, and anticipated completion date(s);
- a commitment to include the Highway extension in the Province's 10 year capital plan;
- timing of funding for the extension.

Recognizing the importance of the Highway 404 extension in the future growth of the Town, it is essential that the Town be involved in discussions between the Province and the Region and that such discussions commence without delay. It is recommended that staff work with the Regional Municipality of York to initiate discussions with the Provincial Facilitator relating to the entering into of the required Memorandum of Understanding.

v) **YDSS Reserve Capacity**

As noted above, the Region has retained 6,000 persons equivalent or roughly 1,950 units in a reserve to address Seaton development, unforeseen growth and servicing issues and the decommissioning of the Holland Landing Lagoon system. Staff note that the Holland Landing system has been scheduled for decommissioning in favour of a YDSS connection for some years and has been included in the Region's Master Plan for the YDSS. In the fall of 2004, Regional staff confirmed that the lagoon system is operating at capacity. In addition, and notwithstanding that staff have determined a theoretical availability of approximately 120 units based on approvals since the OMB approval of O.P.A. No. 60 in 1996, the "infill" reserve of 700 persons equivalent set out in the Holland Landing Community Plan is no longer available given operational problems with the plant. Assuming that the current addendum study for the YDSS extension EA is completed and approved, it is staff's position that the Region retain enough reserve capacity in the YDSS to address the full decommissioning of the lagoon system which has a design rating of 4,300 persons.

4.2 **Ministry of the Environment Conditions of the Queensville/ Holland Landing Environmental Assessment**

As Council is aware, the Ministry of the Environment (MOE) has imposed additional requirements for the previously approved EA for the YDSS extension to East Gwillimbury growth areas. These requirements involve an additional study (EA addendum) which will necessitate the consideration of alternatives to YDSS servicing (i.e. Lake Simcoe-based treatment facility), as well as the consideration of the current planning and environmental context for the undertaking.

At this time, it is unclear whether YDSS servicing capacity can be assigned to the Queensville, Holland Landing and Sharon, given the status of the environmental assessment for the servicing of this growth.

4.3 **Relationship to the Town's Approved Growth Management Strategy**

In August 2004, Council adopted and approved the Town's "Growth Management Review and Update" (GMRU) which was carried out by C.N. Watson and Associates,

with engineering and servicing input from EarthTech and planning analysis from Sorensen Gravely Lowes Planning Associates. The GRMU was undertaken by the Town in accordance with a workplan and terms of reference approved by both the Town and the Region of York. The study costs were front-ended by various interested development groups.

The findings of the GMRU are summarized as follows:

- the Town has a sufficient supply of designated lands within the Town's Official Plan to accommodate the projected growth assigned for East Gwillimbury in the Region of York Official Plan;
- given servicing and transportation infrastructure constraints and delays, the Town would expect to see a short-to-medium shortfall in the area of available employment lands which are concentrated in the Queensville Community Plan; and
- residential growth under a Base Case and Adjusted Base Case scenario would anticipate the Town generating in the area of 700 units of housing starts annually, commencing in 2007.

Recent Events and Activities

Since the GMRU was finalized in mid-2004, a number of significant events have taken place which directly influence the findings of the report and provide the basis for the growth projections to be revisited for the short-term (5-year) period.

1. Delays in approval and construction of necessary YDSS infrastructure, together with capacity constraints, became evident (throughout 2004 and 2005).
2. The Ministry of Environment provided additional conditions and requirements for all manner of YDSS work, including the revisiting of the previously approved EA for Queensville and Holland Landing (October 2004).
3. Residual infill capacity in the existing Holland Landing lagoon system was removed, given operational problems with the plant (September 2004).
4. The Region has released limited YDSS capacity to the year 2010 to provide for limited growth, subject to conditions (June 2005).
5. The expanded Sewage Treatment Plant for the Mount Albert Community has been commissioned and further EA activities are underway in terms of addressing the constraint regarding water supply for the community.
6. The Province released the "Draft Growth Plan for the Greater Golden Horseshoe" (August 2004).

It is evident that the Town will be required to undertake an additional review of its proposed and planned growth pending the release of the final Provincial Growth Plan which is expected in early 2006. The Region of York is currently reviewing both the

supply and demand for non-residential and residential lands in conjunction with the area municipalities. In the short term, the limited supply of YDSS capacity for growth to the year 2010 has rendered the Town's previous growth projections unrealistic. Projected growth is also complicated by other limiting factors such as road capacity, the Highway 404 extension, and adequate energy supply. It is recommended that staff undertake a review of the Town's projected 5-year growth in consultation with the Region in order to provide a more accurate picture of how the Town will grow in the short-term. As noted in Section 2 of this report, a realistic projection on future growth is required in order for the Town to co-ordinate corporate-wide strategies for the Town to best manage growth and development.

5.0 FINANCIAL IMPLICATIONS:

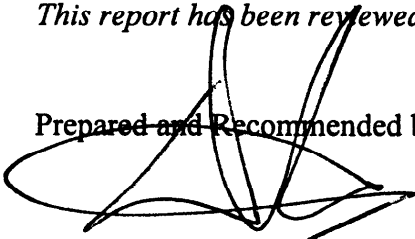
None at this time. Additional studies and work outlined in this report will be undertaken by Town staff.

6.0 ATTACHMENTS:

Appendix 1: Region of York Report

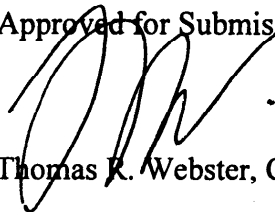
This report has been reviewed by the Senior Management Team.

Prepared and Recommended by:



Dan Stone, MCIP, RPP,
Director of Planning

Approved for Submission:



Thomas R. Webster, CAO

September 12, 2005
Encl.

THE REGIONAL MUNICIPALITY OF YORK

Joint Transportation and Works Committee
and Planning and Economic Development Committee

June 15, 2005

Report of the

Commissioner of Planning and Development Services
and

Commissioner of Transportation and Works

WATER AND WASTEWATER CAPACITY AND SERVICING ASSIGNMENT PROTOCOL

1. RECOMMENDATIONS

It is recommended that:

1. The current YDSS service capacity of 913,000 persons as approved by Council on October 21, 2004 be increased to 970,000 persons.
2. The protocol for servicing assignment to the local municipalities contained in this report and Figure 2 be adopted.
3. Servicing capacity be distributed to the local municipalities as outlined in *Attachment 2 and 3* with a reserve for 6,000 people.
4. Prior to capacity release by the Region to the local area municipalities for development, the local area municipalities shall confirm:
 - i) The enactment of a municipal-wide by-law under Section 34(5) of the Planning Act to prohibit building permits if servicing is not available,
 - ii) The adoption or reconfirmation of local sewer and water allocation policies, including "use it or redistribute it policy".
 - iii) All allocation of the servicing capacity shall include conditions in accordance with *Attachment 1* (Table 4 – Short Term Servicing Requirements by Municipality).
5. Staff work with Local Area Municipalities and the development industry to further refine the conditions and triggers based on the specific pieces of infrastructure.
6. Staff be directed to continue discussions with the local municipalities with respect to the mix of unit types in the allocation and the persons per unit (ppu) used in the calculations between population count and unit count.
7. The Minister of the Environment be requested to provide timely approvals as required for the infrastructure as outlined in this report through a letter from the Regional Chair.

8. The Regional Clerk circulate this report to the local municipalities, the Minister of the Environment, the Minister of Public Infrastructure and Renewal, and Minister of Municipal Affairs and Housing.

2. PURPOSE

The purpose of this report is to:

- Confirm available servicing capacity in the YDSS conveyance and treatment systems.
- recommend a protocol for the distribution of servicing capacity to the local municipalities.
- Assign servicing capacity to the local municipalities based on the protocol and revised capacity limits and conditional upon specific infrastructure triggers occurring.

3. BACKGROUND

At its meeting of October 21, 2004, Regional Council approved a distribution of wastewater capacity to the local area municipalities to an overall YDSS capacity of 913,000. This distribution resulted in a total of 47,618 units being available to the local municipalities for allocation which should provide for growth to 2009 Region wide varying from municipality to municipality. Regional Council further directed staff to prepare a protocol for release of future water and wastewater capacity, in consultation with area municipal staff, to meet planned Regional and area municipal growth objectives.

Since October 2004, staff have been continuing to analyse YDSS system capacity in cooperation with the area municipalities. The analysis included a more detailed review of both the transmission capacity of the YDSS and the available treatment capacity at the Duffin Creek WPCP. The analysis has resulted in the following findings:

- The YDSS transmission/conveyance capacity at the Regional boundaries is 972,000 persons. This is based on capacity available through the Peel diversion and the existing Southeast Collector.
- This service capacity corresponds to a regional planning population projection which is expected to be reached by the end of 2010 for the YDSS serviced area.
- York Region's portion of the Duffin Creek WPCP capacity combined with the available capacity from the Peel Diversion is sufficient to accommodate 970,000 persons to the end of 2010. Additional capacity will accrue through incremental increases in Peel on an annual basis, and a significant increase at Duffin Creek once the expansion is completed.
- Completion of both the Southeast Collector and the Duffin Creek WPCP is expected to occur by the end of 2010 at which time significant increases in available capacity will occur.

In April 2005 staff recommended to Council that a report be brought back to Council in June 2005 to:

- Confirm available capacity of both the YDSS conveyance system and the treatment capacity at the Duffin Creek WPCP.

3.1 Consultation

Regional staff consulted with each of the local municipalities individually to discuss the principles of the servicing protocol, local growth priorities and update staff on infrastructure delivery. Common themes from these discussions included:

- The importance of consistency and equity.
- Support in establishing a common base year and planning horizon for servicing capacity
- Recognition that total available capacity may be better managed if released in increments.

Discussions have also taken place with the development community. Discussions will also continue with local staff with respect to the mix of unit types and persons per unit (ppu) used in the calculations between population count and unit count as infrastructure is designed on a populations basis, whereas development approvals occurs on a unit basis.

4. ANALYSIS AND OPTIONS

An objective set out in the Regional Official Plan is "to provide adequate water and sanitary sewer services to residents and businesses". The specific policy 6.7.5 states "that no draft approval of a plan of subdivision or plan of condominium proceeds in advance of the confirmation of allocation of appropriate sewer and water servicing capacity." The servicing protocol is intending to bring more certainty to the development approval process by tying the approvals more closely to the delivery of the required infrastructure.

In this regard, as additional wastewater and water capacity becomes available through the completion of required infrastructure, a protocol provides a clear guideline as to how servicing capacity is assigned to the local municipalities. The local municipalities through their own phasing plans and priorities in turn allocate capacity to the individual developments. The allocation for the servicing is for residential development only, as servicing for industrial, commercial, and institutional is factored into the residential allocations. As always, high water industrial, commercial and institutional users should be flagged to ensure there are no negative impacts to water consumption factors.

Based on the demand and supply for servicing in each of the local municipalities, the goals of the servicing assignment protocol are to:

- Determine what is a reasonable expectation for growth in the Region.
- Determine how the servicing capacity should be divided among the local municipalities.
- Determine how much servicing capacity should be provided at one time.

- Determine when the servicing capacity should be made available for allocation by the local municipalities – i.e. what are the triggers/conditions.

The protocol has been developed based on:

- Determining Regional growth forecasts and corresponding local municipal growth forecasts.
- Ensuring there is a reserve to accommodate the growth rate and unexpected needs.
- Establishing principles to assign capacity.
- Identifying required infrastructure and triggers tied to the construction of the infrastructure that allow planning approvals to proceed.
- Encouraging area municipalities to establish protocols for local allocation.
- Ensuring appropriate planning tools are in place.

4.1 Capacity Update and Infrastructure Status

4.1.1 Confirmation of Additional Capacity

The capacity analysis completed since October 2004 has concluded that the treatment capacity is available to service 970,000 persons through the combined capacity of York Region's portion of the Duffin Creek WPCP and the capacity available from the Peel diversion. This capacity is available provided the conveyance system that can provide capacity to 972,000 is also available. Table 1 illustrates the YDSS capacity available for new hook ups to service population. Based on this, we have a picture of how many people we can accommodate in terms of servicing through the year 2010. This does not mean new planning approvals, but just physical hook ups to the YDSS system.

Table 1
Total YDSS Capacity Available for Additional Population

Description	Servicing Capacity (Persons)
Total YDSS Capacity	970,000
Less:	
Existing YDSS Connected to mid 2005	(783,000 people)
Capacity for Population Growth	187,000

Subsequent to the April 2005 Council presentation staff have confirmed availability of this capacity of 970,000 persons by undertaking the following actions:

- Staff have confirmed with Durham Region that the total available capacity at Duffin Creek will be sufficient to service growth within the Duffin Creek sewershed areas both for York Region and Durham Region.
- The Duffin Creek WPCP management committee (senior staff from both York and Durham) have committed to monitoring flows and reviewing any interim treatment improvement that could increase system capacity prior to completion of the expansion.

- Staff have confirmed the availability of the Peel diversion based on continued progress of the necessary infrastructure to initiate the diversion in 2005.
- Staff have identified critical infrastructure internal to the YDSS system that will be required to allow available capacity to be assigned to the specific municipal service areas.
- Staff have undertaken additional water system analysis to verify that there is sufficient water supply available to match wastewater capacity and have identified infrastructure components that will be required to allow water capacity to be assigned to the specific municipal service areas.

A separate report titled "Water and Wastewater Infrastructure Status Report" is being submitted concurrently with this report and provides further details on the required infrastructure in support of the triggers that will be presented within the protocol discussion of this report.

Staff are therefore recommending that the overall available serviceable population for the YDSS serviced area be increased from the October 21, 2004 limit of 913,000 persons to a revised limit of 970,000 persons which is anticipated to provide sufficient servicing to match the Regional growth projections for the YDSS serviced area until 2011. Conditions for release of this capacity are to be related to the status of infrastructure projects internal to the YDSS and York Water systems such that service can be provided to the benefiting communities in a timely manner. Status of these infrastructure "triggers" will be provided through a quarterly report to Region Council so that the municipalities are fully aware of infrastructure timing required to meet these conditions.

4.1.2 Demand for YDSS Servicing

Considering that the YDSS serviced areas have been growing at a rate of 10,500 units per year (35,500 persons/year) for the past five years, it may be reasonable to expect that this rate will not change significantly in the near future, if anything we expect growth to soften over the longer term. If growth does occur at this continued rate over the next 5 years, it would result in 177,500 (5 x 35,500) additional people serviced by the YDSS as illustrated in Table 2.

Table 2
Demand for Additional Population/Growth

Description	Servicing Capacity (Persons)
Total YDSS Capacity	970,000
Less: Existing YDSS Connected to mid 2005	(783,000 people)
Capacity for Population Growth	187,000
Demand for Population Growth 5 years x 35,500	177,500
Difference	9,500

It is anticipated that the demand for growth can be met by the overall system-wide capacity through to the end of 2010 when the treatment capacity is significantly increased. The demand is estimated to mid 2010 at this time, however, it should be understood that as we get closer to the completion date for the Duffin Creek WPCP and Southeast Collector we will have a clearer picture of how supply and demand are matching up as it as the demand is based on estimates at this time. It is expected that building permits may be issued continuously through to the time this infrastructure come on line in 2010 due to a number of factors including:

- Capacity reserve availability.
- Further refinement of the persons/per unit calculation – anticipated they will continue to decline.
- Continued flow monitoring.
- Monitoring and review of projected growth vs. actual population growth.
- Exploration of further optimization of infrastructure.

4.1.3 Capacity Reserve Requirements

The Region is not currently maintaining reserve capacity for the YDSS primarily due to the short term constraints and demand pressures that exist. However, in considering the planning horizon to the end of 2010, staff is recommending that a portion of the available capacity be held in reserve for the following reasons:

- The Seaton lands are intended to be serviced by the Duffin Creek WPCP and are currently included in the overall capacity analysis. However, Durham Region has indicated that the timing and build-out rates for the Seaton lands in the assumptions may be too conservative (*Attachment 4*). It is therefore prudent to reserve some of the overall capacity should the Seaton lands occur sooner than expected or build out faster than expected. This reserve is being managed jointly by Durham and York and is being included in York's capacity as Durham has committed to transfer this reserve capacity to York should the accelerated needs in Seaton not occur.
- The Holland Landing Lagoon system in East Gwillimbury has been slated for decommissioning for a number of years contingent on YDSS servicing being extended into this community. Considering the advanced state of this lagoon and the continued capacity constraints within Holland Landing, it is prudent to reserve capacity for Holland Landing should an extension to the YDSS occur prior to 2011. The current serviced population is 4,148 persons.
- Reserve for unforeseen growth and servicing issues. It is prudent to reserve capacity for the 2008-2011 time period to permit servicing for unexpected circumstances until such time as additional capacity is made available through the completion of the priority infrastructure.

Staff recommend that a reserve of 6,000 persons be maintained to provide capacity for the above and reviewed annually to ensure the principles are consistent.

4.1.4 Additional Servicing Capacity Available for Distribution

A large portion of the 970,000 capacity has already been assigned to the local municipalities. The remaining additional capacity available for distribution to the municipalities serviced by the YDSS is summarized in Table 3.

Table 3
Net Available Capacity

Description	Servicing Capacity (Persons)
Proposed Capacity	970,000
Less:	
Oct 21, 2004 Commitments	(913,000)
Reserve	(6,000)
Net Available Capacity for Distribution	51,000

This additional 51,000 persons is equivalent to about 15,200 units. The October 21, 2004 capacity release was equivalent to 47,618 units resulting in an overall unit count of 62,818 to service growth from the period of 2004 to 2010.

4.2 Servicing Protocol

The purpose of the protocol is to provide a process for assigning new servicing capacity to the local municipalities and provide a common guideline for the local municipalities in terms of planning tools and local allocation policy. In developing a servicing assignment protocol, a set of principles were developed and formed the basis of discussion with the local municipalities. The October 21, 2004 assignment to local municipalities addressed the higher priority needs associated with potential for surcharging, development agreement obligations, and ensuring compliance and health issues were addressed.

As indicated earlier, the questions that now need to be answered for servicing assignment are:

- What is a reasonable growth rate.
- How much should be provided at one time.
- When the capacity will be made available for development purposes.
- How should the capacity be divided.

The main principles considered to make these determinations were:

- Aggregate growth expectations of all municipalities should be aligned with overall Regional growth demand and make sense from a Regional perspective.
- Water and wastewater servicing capacity to be aligned.
- Reserve capacity held for future needs.
- Annual monitoring is important.
- Additional planning controls are needed.
- Building permits are the appropriate measuring tool.

4.2.1 Measuring Tools

Building permit issuance is a good measuring tool since it represents a firm commitment to connect population in each municipality, and every municipality tracks building permits and sends the information to the Region monthly. The use of the Canada Mortgage and Housing Corporation (CMHC) completion data is too late in the process and the registrations of plans of subdivision is too early and misses buildings only subject to the site plan process that include some of the high density buildings.

The first step in calculating the common year, to which growth can occur in each local municipality, is ensuring that there is an annual determination of the serviced population. Serviced population can be calculated annually using building permit data submitted to the Region monthly by the area municipalities.

4.2.2 Determining Growth Demand

Starting with an aggregate Regional growth that is reasonable and recognizes both growth demands and the infrastructure supply is the starting point. The second step is determining an appropriate growth rate for each local municipality. Staff have examined three methods of predicting growth which produces a range of figures. The three methods examined were:

- Regional Forecasts for YDSS
- Last 5 Year Average Annual Building Permits
- Last 10 Year Average Annual Building Permits

The first methodology utilizes Regional Forecasts which are based upon several assumptions including fertility and mortality rates, levels of net migration, housing occupancy patterns and employment. It has the benefit of looking at a variety of factors rather than just one indicator such as building permits. The forecasts are based on accepted methodologies that produce accurate results. The forecasts are less sensitive to spikes and valleys from year to year.

The second methodology examines the last 5 year building permit activity which represents the highest growth years that the Region has ever experienced and projects the rate forward. This captures the recent history of accelerated growth, but does not allow for any softening in the markets that happen in the long term cycle of the economy.

Thirdly, a 10 year building permit activity average looks at a longer economic cycle which captures more of the variable growth cycle.

Based on these three methods for predicting growth in the Region, a range of growth scenarios is provided. It is recommended that this range serve as a target range to guide the assignment of capacity to each local municipality and determine the target base year. The assignment then needs to be adjusted within this range to recognize local infrastructure conditions and Regional and local priorities.

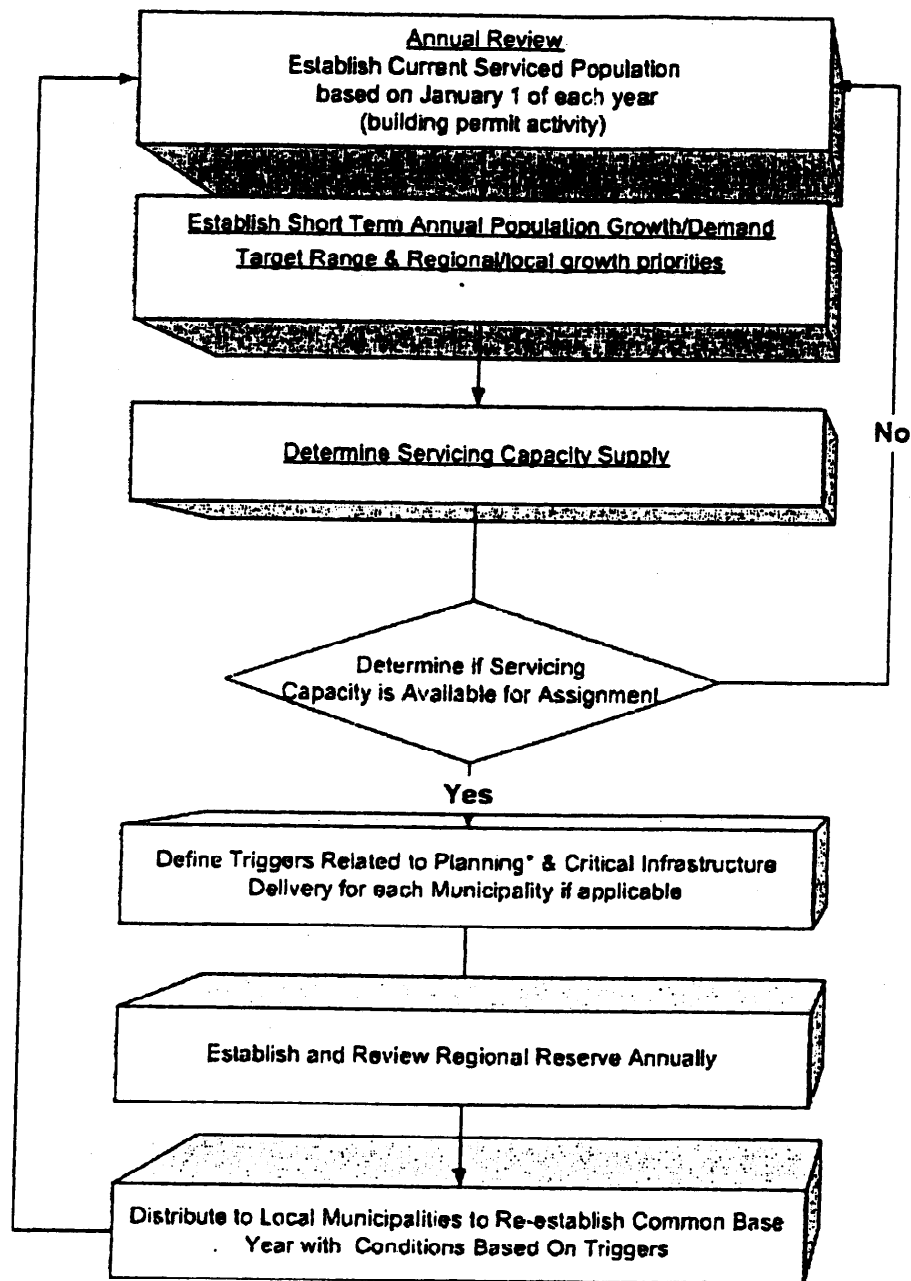
The results must always add up to a reasonable Region-wide growth rate based on the forecast of 35,500 people/year (10,500 units).

4.2.3 Consistent Horizon Year – Supply Needed

Upon determination of the growth rates, a common point in time needs to be determined, which provides for growth in each municipality to that time given the existing capacity supply – i.e., the consistent horizon year. This would then form the consistent horizon year on which servicing assignment is based. This methodology brings to the forefront the principle of fairness and equity, by ensuring that building activity can continue in each municipality. The average annual unit growth from 2005 – 2010 by municipality is outlined in *Attachment 7*.

The overall process is illustrated in Figure 1.

Water and Wastewater Capacity Assignment Protocol



*Planning - refers to planning by setting out local growth priorities and phasing plans in a local allocation protocol, and putting planning controls in place

Figure 1

4.3 Distribution of Capacity to Local Area Municipalities

The growth demand in each municipality varies depending on local priorities which in turn must be matched with actual supply of servicing. The growth demand for each municipality to be serviced by the YDSS needs to align with the Region-wide growth rate and reflect local growth priorities. The assignments are outlined in *Attachment 2 and 3* and are based on the established growth ranges, local growth priorities, and maintenance of the aggregate Region growth forecast. The overall capacity of approximately 15,000 units to be assigned to the local municipalities is premised on conditions tied to infrastructure and planning controls and policies being in place.

4.4 Triggers for Capacity Tied to Infrastructure

There are two key points the Region wants controlled:

- Pre-sale of housing where no certainty of infrastructure delivery exists.
- Building permit issuance without infrastructure capacity being available.

The pre-sales point had been previously considered in the recommendations of a report entitled "Management of Servicing Capacity Allocation" adopted by Regional Council on June 26, 2003. The primary focus of the report was with the process for development approval relative to servicing availability.

A key element of the previous approach involved proceeding with draft plan of subdivision approval if completion of servicing was expected within 2 years. This servicing expectation was based upon the following being in place for the required Regional infrastructure:

- The EA being approved
- Acquisition of needed land being complete
- Funding being in place.

Not all municipalities have chosen to use this approach and some such as Newmarket and Georgina do not draft approve subdivisions until the capacity is available.

The triggers did not securely address the two control points of pre-sales and building permit issuance as uncertainties could still occur in the delivery of the required infrastructure. Given the uncertainties experienced in the approvals process for some of the critical infrastructure required, it is recommended that the triggers be revised to provide more certainty. The triggers for development approval now need to be infrastructure specific to ensure infrastructure completion occurs by the time occupancy is required.

Attachment 1 (Table 4) illustrates the various pieces of infrastructure that are required to service a population of 970,000, which represents the available treatment capacity. The infrastructure includes both water and wastewater facilities. The triggers represent the point in time prior to infrastructure being operational that allows various planning approvals to be issued. This timeframe will allow allocation by the municipalities to development and ensure infrastructure is available when occupancy of units occurs.

Further safeguards can be provided through the Planning Act to ensure this is the case and a building permit does not get issued prematurely.

The new expectations for servicing being in place are outlined in *Attachment 1 – Table 4* using either tender award for projects that will take one year or less to construct or the infrastructure being within one year of completion (as determined by the Commissioner of Transportation and Works) for multi year projects, as the proposed trigger for Draft Approval or pre-sales. Further work needs to be done in consultation with the local municipalities and the development industry in defining what the trigger point is linked with. The link between the development/home building process and the planning approvals process and infrastructure delivery will then be further defined.

The use of infrastructure specific triggers brings additional certainty as to the infrastructure being in place prior to occupancy. This will also help to avoid sales of home and occupancy delays resulting in homeowner frustration.

4.5 Planning Controls

In addition to the servicing allocation trigger, the 2003 Management of Servicing Capacity Allocation report also set out conditions regarding the development approval process relative to servicing availability.

The development approvals were conditional upon:

- The application of an (H) zone
- Prohibition of pre-sales
- Inclusion of phasing conditions

It is recommended that these conditions continue to apply with the additional conditions of:

- Enactment of a municipal-wide by-law under Section 34(5) of the Planning which prohibits issuance of a building permit until municipal servicing is available.
- Formal “use it or redistribute it” policy in place.

This provides further assurance that building permits are not issued prior to servicing being available. This will also assist municipalities when the new Building Code Act regulations come into affect on July 1, 2005 which will make withholding a building permit difficult if zoning is in place and site plan approval has been granted. Richmond Hill and Markham have already passed such by-laws which are attached as *Attachments 5 and 6*.

4.6 Local Allocation Policies

The work done by the various affected municipalities and York Region to address the management of wastewater and water allocation can be built upon to develop a local allocation policy for water and wastewater capacity that best meets the growth objectives for the individual municipalities. Local policies will be required to be in place in each municipality prior to utilization of the servicing assignment outlined in this report.

Key elements of a protocol for allocation within the individual municipalities may need to include:

- Detailed monitoring of both wastewater and water allocation, development applications and effective reporting.
- Effective allocation to developments that are ready to use the allocation – “use it or redistribute it”.
- Determination of strategic priorities that best meet the growth management objectives of the individual municipality and the Region.
- Phasing plans for communities/secondary plan areas.
- Clear, transparent and fair criteria for allocation.
- Overall, municipal wide phasing plans.

4.7 Relationship to Vision 2026

The development of clear protocols for future apportionment of water and wastewater capacity supports the objective of taking a strategic approach to growth management through the co-ordination of the timing of infrastructure and service development and using land, infrastructure and services efficiently.

5. FINANCIAL IMPLICATIONS

Effective distribution of servicing in a prudent manner will help maintain an appropriate growth level across the Region and maintain the Region's economic health.

6. LOCAL MUNICIPAL IMPACT

Management of infrastructure is a partnership between the Region and area municipality and a blend of local best practices. New measures for providing servicing capacity present opportunity for additional clarity and certainty in the assignment of additional wastewater and water capacity. Continued discussions and information exchange with the municipalities is essential in monitoring and reviewing the servicing capacity assignment on an annual basis.

7. CONCLUSION

A partnership between the Region and local municipalities is needed to ensure that servicing capacity is used efficiently. Firstly, the Region needs to take a strategic approach to providing servicing capacity to the area municipalities. The consideration of key elements such as growth priorities is important in this regard.

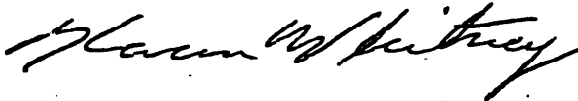
In support of a Regional strategic approach to providing servicing capacity, it is also important that local allocation protocols and a full range of planning tools such as municipal wide Section 34(5) By-laws be implemented by the local municipalities.

Water and Wastewater Capacity and Servicing Assignment Protocol

It is important that these strategies be pursued as early as possible as the recent constraints on both water supply and wastewater capacity have demonstrated the need for careful management of the finite servicing resource. Increasingly, there is a demonstrated need to provide more deliberate direction for growth. This needs to be in step with the provision of infrastructure including water supply and sewage capacity.

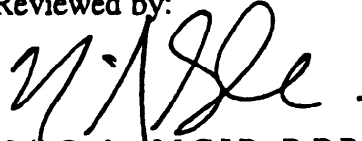
The Senior Management Group has reviewed this report.

Prepared by:



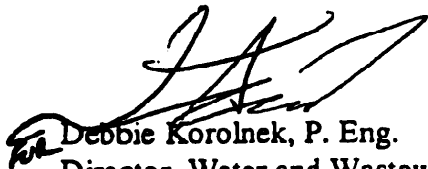
Karen Whitney, M.C.I.P., R.P.P.
Senior Planner

Reviewed by:



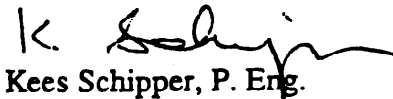
Neil Garbe, M.C.I.P., R.P.P.
Director of Community Planning

Reviewed by:



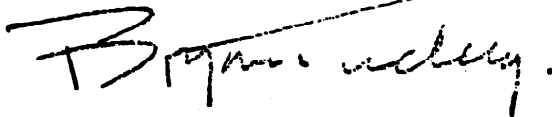
Debbie Korolnek, P. Eng.
Director, Water and Wastewater Branch

Recommended by:



Kees Schipper, P. Eng.
Commissioner of Transportation and Works

Recommended by:



Bryan W. Tuckey, M.C.I.P., R.P.P.
Commissioner of Planning and Development Services

Approved for Submission:



Michael R. Garrett
Chief Administrative Officer

June 3, 2005

- Attachments: 1- Short Term Servicing Requirements by Municipality
2 - York Region YDSS Capacity (in Units)
3 - Proposed Capacity Assignment to Local Area
Municipalities & Growth Priority Considerations
4 - Durham Region Letter
5 - Richmond Hill By-law
6 - Markham By-law
7 - York Region YDSS Unit Growth

kw

Municipality	Infrastructure Required	Targeted Timing for Completion (Year & Quarter)	Proposed Earliest Triggers	Earliest Capacity Release Timing
Newmarket	- Aurora/Newmarket Feedermain (PS, WM and Reservoir) - Bathurst WM (Aurora/Newmarket West connection) - Bathurst WM (Clearmeadow to Woodspring) - Newmarket EQ Tank - Aurora EQ Tank 16th Avenue Phase 2 Sewer - YDSS Interceptor/ Lower Leslie Street Trunk	Q4 - 2006 Q4 - 2007 Q4 - 2007 Q3 - 2006 Q3 - 2007 Q3 - 2007 Q2 - 2007	One year prior to in service date (Q4/05) Tender award (Q4/06) Tender award (Q1/07) Tender award (Q3/05) Tender award (Q2/06) One year prior to in service date (Q3/06) Tender award (Q4/05)	Q1 - 2007
Richmond Hill (Yonge Street Corridor)	- Aurora Newmarket Feedermain connection to PD8 - Oak Ridges ET & WM 16th Avenue Phase 2 Sewer - YDSS Interceptor/ Lower Leslie Street Trunk	Q4 - 2006 Q2 - 2008 Q3 - 2007 Q2 - 2007	One year prior to in service (Q4/05) Tender award (Q1/07) One year prior to in service (Q3/06) Tender award (Q4/05)	Q1 - 2007
Richmond Hill (remainder)	None			2005
Vaughan	- Humber Peel Forcemain - Bathurst Langstaff Trunk - Pine Valley Pumping Station	Q3 - 2005 Q3 - 2008 Q3 - 2006	None required One year prior to in service (Q3/07) Tender award (Q2/05)	Q3 - 2007
Whitchurch-Stouffville	Additional Water Supply (wells or connection to YWS)	Q3 - 2007	To be determined	

York Region YDSS Capacity (in Units)

A	B	C	D	E=C-D	F
October 21st, 2004 <u>Assignment</u>	Proposed New Assignment <u>June 2005</u>	Total Proposed YDSS Capacity <u>Assignment</u>	Estimated Capacity used as of July 1, 2005	New Units Available for Occupancy	(3) 2005-2010 Average Annual New Unit Growth Rate
Markham	11,776	17,776	1,572	16,204	3,241
Vaughan	11,357	16,657	1,014	15,643	3,129
Richmond Hill	11,599	12,199	1,130	11,069	2,214
Newmarket	2,620	3,870	438	3,432	686
Aurora	2,151	2,601	43	2,558	512
Stouffville (new units)	3,000	3,000	0	3,000	600
Stouffville existing community	3,747	3,747	0	0	0
King (new growth)	0	500	0	500	100
King existing community	1,368	1,368	0	0	0
East Gwillimbury (new units)	0	1,100	0	1,100	220
York Region	47,618	62,818	4,197	53,506	10,701 (1)

Source: York Region Planning Department, June 2005

- Notes: (1) Regional Total excludes existing communities in Stouffville and King
 (2) Assumes 50 percent of 2004 building permit units are occupied as of July 1, 2005.
 (3) Column F shows average annual growth rate from July 1, 2005, to July 1, 2010.

Proposed Capacity Assignment to Local Area Municipalities & Growth Priority Considerations		
	June 2005 Proposed Assignment	Local Growth priority Considerations
Markham	6,000	Addresses identified growth priorities of 4,732 units with additional capacity to address priorities such as Markham Centre and Highway 7 and some future phases of the Box Grove and Cathedral communities
Vaughan	5,300	Addresses some additional growth in OPA 600, including future phases in approved Block Plans which could include a portion of phase 2 outlined in the Bathurst-Langstaff Agreement and OMB obligations. Phase 1 was previously allocated.
Richmond Hill	600	Upon completion of the 16 th Avenue Sewer and the 19 th /Leslie Sewer there is the ability to locally reallocate within Richmond Hill.
Newmarket	1,250	Includes growth priorities of Stickwood Farm and growth in NW and/or SE Newmarket communities
Aurora	450	Growth and completion of the 2B lands can be achieved.
Stouffville	0	Stage 1 and Stage 2 of the Development Charge Credit Agreement previously allocated provide for growth in Stouffville to 2010-2011
King	500	Provides for needs of Seneca College and moderate growth within King City.
East Gwillimbury	1,100	Provides for growth priority of the Green Lane West area to complete concession block in 2007 and 2008; Queensville, Sharon and Holland Landing growth may occur in 2009 conditional upon process being approved by Regional Council for up-front financing, 404 extension and Holland Landing Lagoons.
York Region	15,200	

Source: York Region Planning Department

Notes: (1) October 2004 assignment for King includes existing community only.
 (2) October 2004 assignment for Stouffville of 6,747 units includes 3,000 units for new growth and the remainder for the existing community.

York Region YDSS Unit Growth

<u>Municipality</u>		<u>Avg Annual Unit Growth 2005 - 2010</u>
Aurora	Forecast	398
	5 Year	508
	10 year	479
Markham	Forecast	2,290
	5 Year	3,433
	10 year	2,764
Richmond Hill	Forecast	1,797
	5 Year	2,236
	10 year	2,012
Vaughan	Forecast	2,712
	5 Year	3,747
	10 year	3,282
Newmarket	Forecast	629
	5 Year	596
	10 year	594
Stouffville*	Forecast	600
	5 Year	N/A
	10 year	N/A
King*	Forecast	166
	5 Year	N/A
	10 year	N/A
East Gwillimbury*	Forecast	366
	5 Year	N/A
	10 year	N/A

Notes: - Forecast based on York Region Forecast
 - 5 year based on historical 5 year building permit average
 - 10 year based on historical 10 year building permit average
 - King and East Gwillimbury average annual forecast is a
 3 year average based on anticipated 2007 YDSS connection
 - Stouffville, King and East Gwillimbury have no historical
 YDSS connection for 5 and 10 year building permit averages

Source: York Region Planning Department, June 2005