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REQUIRED PROVINCIAL APPROVALS YORK REGION 30 YEAR WATER AND WASTEWATER INFRASTRUCTURE PROJECTS

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report, March 30, 2005, from the Commissioner of Planning and Development Services and the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. The Province of Ontario immediately endorse Municipal Sewer and Water Master Plans to service the Provincially approved imminent growth in York Region, in recognition of the proposed policies for sub area growth strategies outlined in the Draft Growth Plan for the Greater Golden Horseshoe.
2. The Province immediately commit adequate resources to ensure timely environmental process and permit approvals for the critical infrastructure projects identified in Municipal Sewer and Water Master Plans.
3. As a number of York Durham Sewage System projects are critical in the immediate term to meet the Provincial growth forecasts for York Region as identified in the Draft Growth Plan for the Greater Golden Horseshoe, the Province specifically commit to timely environmental and permit approvals for all of the York Durham Sewage System projects outlined in the letter from the Provincial Minister of Environment dated October 1, 2004.
4. This report be forwarded to the Provincial Ministries of Municipal Affairs & Housing, Environment, Health and Long-Term Care, Transportation and Public Infrastructure Renewal, and the area municipalities.

2. PURPOSE

The purpose of this report is to identify the critical growth-related water and sewer capital infrastructure projects that require timely Provincial approval in order to accommodate the forecasted growth for York Region.

Provincial forecasts including the new forecasts for 1.5 million people in York Region by 2031 are outlined. The report identifies a disconnect between this pace of growth and Provincial approvals for required water and sewer systems

3. BACKGROUND

Recently, new population, employment and housing forecasts for the Greater Golden Horseshoe have been released that call for 600,000 new residents for York Region by 2031.

Delays in the environmental process and permit approvals are restricting the Region's ability to accommodate population and employment growth within approved land use secondary plans. The new population and employment forecasts will exacerbate the situation.

A separate report "Required Provincial Funding, York Region 30 Year Infrastructure Projects" is also being presented to the April 6 Planning Committee that identifies Provincial infrastructure, including roads, transit and human services, that York Region requires over the next 30 years in order to accommodate Provincial growth forecasts.

Collectively, these two reports identify a serious disconnect between growth forecasts and the provision of infrastructure in York Region.

4. ANALYSIS AND OPTIONS

The following sections identify a serious disconnect between Provincial strategic long term planning for growth and the Provincial approvals for infrastructure required to service that growth. This disconnect calls into question the feasibility of the growth and York Region's fiscal capability to provide commensurate services.

4.1 Forecasts

In January 2005, the Province released new population, employment and housing forecasts for the Greater Golden Horseshoe. The forecast calls for 1.5 million residents in York Region by 2031, an increase of 600,000 persons over today's population. This new forecast is 140,000 people more than previously anticipated.

The forecast also anticipates a significant increase in employment of 350,000 more jobs and 236,000 more housing units than today.

York Region's Official Plan already identifies significant growth over the next 2-3 decades. The new Provincial forecasts call for significant growth over and above the regionally approved forecasts in our ROP. Of particular note is the fact that much of this

growth occurs in the next 10-15 years making the provision of the necessary sewer and water infrastructure a priority.

4.2 Regional Strategic Planning Documents

The Region of York has in place a comprehensive growth management plan that incorporates previous forecasts. The Regional approach utilizes a hierarchy of documents including Vision 2026, the Regional Official Plan and a series of implementing strategies.

These plans are based on a sustainable approach to development. This is articulated in the Regional Official Plan as a balancing of healthy communities, a sustainable natural environment and a vital economy.

The Region attempts to make growth decisions in a prudent and responsible way that not only integrates communities, economy and the environment but also considers land use, infrastructure requirements, the provision of human services and fiscal implications.

The Water and Wastewater Master Plans that Regional Council has approved are key components of the long range strategic infrastructure planning process the Region has in place.

Without Provincial commitment to the necessary water and wastewater infrastructure approvals, the Region will be unable to accommodate either existing growth commitments or the anticipated population and employment increases to 2031.

4.3 Infrastructure Master Plans

The Region has prepared a series of Master Plans that identify the transportation, sewer and water system expansions needed to service the growth in the Regional Official Plan. These Master Plans are detailed documents that identify specific transit, roads as well as sewer and water treatment and transmission facilities.

The specific timing of these facilities is detailed in the Region's 10-year capital plan and longer term Development Charges By-law, which is updated regularly. All of these systems are in keeping with the approved ROP and the previous set of Provincial forecasts.

Many of the road and transit requirements outlined in the Transportation Master Plan require significant Provincial funding, whereas the water and sewer requirements outlined in their respective Master Plans require Provincial environmental approvals since they are funded by the Region's Rate Budget and development charges.

Details on the Transportation Master Plan are provided in the report "Required Provincial Funding, York Region 30 Year Infrastructure Projects" which is also on the April 6 Planning Committee agenda.

4.3.1 Sewer and Water Master Plans

The purpose of the sewer and water master plans is to ensure that adequate system capacity is provided to meet the anticipated population and employment demands for servicing. The master plans are based on population forecasts identified in the Regional Official Plan and are structured to match servicing needs with servicing supply in a timely basis. In the past, this has been achieved through identification of two categories of projects; priority projects and strategic projects.

The priority projects are infrastructure works required to be in service within the 5 year planning horizon and the strategic projects required in the 5 to 10 year planning horizon. Longer term projects required for the 30 year planning horizon are identified in the master plan and are adjusted through each review cycle based on actual regional population and employment growth rates and changes in growth patterns as influenced, for example, by increased intensification.

The York Durham Sewerage System (YDSS) Master Plan was last updated March 2002 and represents the first update to the original 1997 YDSS Master Plan. The priority projects identified in the 1997 master plan have been largely completed. The 1997 strategic projects are now the current priority projects identified in the 2002 master plan.

There have been some significant delays in the delivery of some of these projects primarily due to increased environmental and social impact issues raised through the environmental permit approval process. Considering that project delivery is based on just-in-time delivery, increased environmental permit requirements imposed by the Ministry of Environment have substantially increased project time lines. This has resulted in environmental permit approvals becoming a much more significant milestone than has previously been the case.

The Long Term water master plan was last updated in April 2004 and is also the first update to the original 1997 water master plan. Water projects identified in the master plan are based on similar prioritization and although proceeding with fewer approval delays than the wastewater projects, they are being impacted by the increased involvement of the Province.

4.4 Major Infrastructure Requirements

Key infrastructure improvements are required to accommodate both regional and Provincially forecasted growth.

As a number of York Durham Sewage System projects are critical in the immediate term to meet the Provincial growth forecasts for York Region as identified in the Draft Growth Plan for the Greater Golden Horseshoe, the Province needs to specifically commit to timely environmental and permit approvals for all of the York Durham Sewage System projects outlined in the Provincial Minister of Environment letter of October 1, 2004. All the specific projects identified in that letter are required in the immediate term to service the forecasted growth for York Region.

Attachments 1 and 2 illustrate the location and timing of these key initiatives combined with the critical road and transit infrastructure requirements.

Attachment 3 provides a more comprehensive list of the water and sewer capital infrastructure requirements to service York Region's population to 2036 based on a regional population of 1.4 million. This list focuses on infrastructure the Province must approve. It is important to note that increases to the Provincial forecast of 1.5 million people by 2031 may require additional infrastructure improvements.

An estimate of the Regional costs for both the water and sewer infrastructure has been calculated for each of the items listed in *Attachment 3*. Water projects are estimated to cost \$1.364 billion while sewer projects are estimated to cost \$1.31 billion.

4.5 Linking Infrastructure Investment to Growth

York Region has in good faith been planning for growth levels identified by the Province. York Region has taken 30% of the GTA's growth over the last 5-10 years. The Region has been a leader in proposing a system of centres and corridors, higher intensification, identifying a Greenfield system and a progressive transportation system. These forward looking initiatives assumed that Provincial environmental approvals for sewer and water infrastructure would be in place to accommodate the projected population and employment growth levels.

Commitment to Provincial forecasts without an immediate commitment to the required water and sewer infrastructure would be untenable. It is essential that planning and approvals be tied to the ability to supply services. **If this is not possible, York Region may not be able to accommodate the additional growth identified by the Province.**

The Region of York requires additional time to study the impact of the new forecasts and the Draft Growth Plan in more detail over the coming months and to identify any further infrastructure needs. The April 6th, 2005 report to Committee on the Draft Growth Plan has recommended the Province be requested to provide a 6-month extension in the review period for the draft Growth Plan.

At the same time it is recommended that the Province of Ontario endorse Municipal Sewer and Water Master Plans and commit to Provincial environmental process and permit approvals in a timely manner for the infrastructure projects identified within these Master Plans.

4.6 Relationship to Vision 2026

Several of Vision 2026's goals are relevant to the discussion of infrastructure. The relevant goals include:

- Managed and Balanced Growth
- Infrastructure for a Growing Region

- A Vibrant Economy
- Enhanced Environment, Heritage and Culture
- Responding to the Needs of our Residents

A careful balance of infrastructure investment is required to retain our quality of life.

5. FINANCIAL IMPLICATIONS

Municipal water and sewer capital projects are funded by the York Region budget process including the rate budget as well as development charges.

Development charges have been created to recover the cost of capital infrastructure required due to growth. To keep pace with growth, the Region will be required to incur significant debt to finance infrastructure, which will negatively impact the Region's financial position.

As indicated in the 2005 budget discussion, meeting municipal responsibilities over the next decade and beyond will be increasingly onerous given York Region's fiscal capability and increasing responsibilities. This will be even more difficult given the Province's new forecast which calls for 140,000 more people in York Region than current forecasts.

6. CONCLUSION

New provincial population, employment and housing forecasts call for an increase of 600,000 residents, 350,000 jobs and 236,000 housing units in York Region between now and 2031. The Province's Draft Growth Plan proposes a dramatically more compact form of development, including 40% intensification.

In order to accommodate this growth the Region needs predictable and timely infrastructure approvals for sewer and water projects.

This disconnect between growth forecasts and the provision of services requires a new approach to growth and infrastructure. Stronger links are required to guarantee services, and to link growth to Provincial investment.

The Senior Management Group has reviewed this report.

(The attachments referred to in this clause are included with this report.)