



Staff Report

Planning & Building Services

Report To: COW - Operations, Planning and Building Services
Meeting Date: January 14, 2025
Report Number: PBS.25.007
Title: Water and Sewage Allocation By-Law – Implementation Options
Prepared by: Adam Smith, Director of Planning & Building Services

A. Recommendations

THAT Council receive Staff Report PBS.25.007, entitled “Water and Sewage Allocation By-Law – Implementation Options”;

AND THAT Council approve Option #2 being the modification of the Water and Sewage Allocation By-law Evaluation Framework to support the execution of Development Charge Front-Ending Agreements and Credit Agreements;

AND THAT Council enact the revised by-law as of January 13, 2025 implementing a Water and Sewage Allocation Policy for the purpose of allocating water and wastewater services to new developments

AND THAT Council approve the transitionary provisions identified in PDS.24.081 for the purpose of implementing the Water and Sewage Allocation By-law in a fair and transparent manner;

AND THAT Council direct staff to review the by-law 18 months following its enactment and recommend further revisions to the Water and Sewage Allocation Policy and associated Evaluation Framework.

B. Overview

This report offers implementation options for Council regarding the issue of Development Charge (DC) front-ending agreements and credit agreements. Staff have presented three options for Council consideration. The first being an exemption under the by-law for developments that have executed agreements with the Town in alignment with Section 38 and 44 of the Development Charges Act, 1997. The second is to revise the Evaluation Framework to allocate additional points for these agreements to recognize their value in supporting the Town in delivering growth-related infrastructure improvements. The third is to keep the proposed by-law as is with no exemption and further modification to the Evaluation Framework. Under all these options, staff have used the opportunity to make minor changes to the by-law reflecting upon input received through the multiple reports on the by-law.

C. Background

In presenting [PDS.24.148](#) additional comment was provided by representation from Great Gulf reaffirming concerns previously brought forward and requesting that both DC Front-Ending Agreements and DC Credit Agreements be exempt under the provisions of the by-law. The previous report on this matter only recommended an expansion of the definition of Development Agreement to encompass agreements under the Development Charges Act, 1997. As such, the agreements would still under the parameters of the by-law but would allow for developers that have secured reservation to use either front-ending and/or credit agreements as the means to review requests for allocation. Staff indicated a further report could be brought forward to discuss this request with Council and explore options.

D. Analysis

There are three options provided below for Council consideration to finalize the Water and Sewage Allocation By-law and proceed to implementation. In conducting a subsequent review of the by-law and based on feedback expressed through the reporting to Council on the matter, the following changes have been made that are recommended to proceed regardless of the option selected including:

- Removal of the category in the Evaluation Framework tied to the Community Infrastructure Housing Accelerator (CIHA) and Ministry Zoning Order (MZO)
- Reduction of a point in the Economic Benefits section to create an even number of points allocated towards the non-residential category.
- Addition of a point to Category 5.4 'Development includes community beneficial facilities.'

Option #1 Exempting developments subject to a DC Front-Ending and/or Credit Agreement

Through this option, Section 6: Development Exclusions would be amended to include 'developments subject to a front-ending and/or credit agreement in accordance with the Development Charges Act, 1997'. If exempt, allocation would be provided to these developments as has been in the past whereby it is simply a confirmation of system capacity and can be done at any time. Currently, the practice is for these agreements to be executed by Council and they are discretionary in nature which would mean that exemptions would be handled on a case-by-case basis.

The challenges with this approach is administratively managing two distinct systems to allocation and given the works involved in these agreements supporting phased developments that span several years, committing allocation for an uncertain timeline. However, the benefit in applying the approach is that it will act as a catalyst to bringing forward these agreements in the future and reduce the number of capital projects required by the Town to complete.

Option #2 Revise Water and Sewage Allocation By-law Evaluation Framework

In implementing this option, developments subject to front-ending and/or credit agreements will continue to be under the purview of the Water and Sewage Allocation By-law but to reflect upon their potential benefits to the Town, a new category within the Evaluation Framework would be added that would emphasize the importance of DC-related agreements to the Town and recognize the significant upfront financial commitments of developers in proceeding with external works that often support growth more generally than their own developments.

This approach may still create a challenging risk environment for developers in executing front-ending/credit agreements recognizing these agreements would preclude the assigning of allocation. However, staff are proposing to assign 10 points in the scoring for these agreements which would equal that of the maximum to be provided for developments that include affordable housing. Ultimately, the benefits of this approach is that it ensures all major development files are subject to the parameters of the by-law while at the same time, recognize the potential community benefits that could be realized in executing front-ending/credit agreements.

Option #3 Status Quo

In proceeding with the status quo, the by-law that was previously brought forward to Council would come into effect inclusive of the minor modifications noted at the beginning of the report. It is understood that in doing so, the palatability of front-ending/credit agreements may be limited creating more of an expectation on the Town to facilitate growth-related works.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

N/A

G. Financial Impacts

N/A

H. In Consultation With

Monica Quinlan, Director of Corporate and Financial Services

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Adam Smith, directorplanningdevelopment@thebluemountains.ca

J. Attached

1. January 13th 2025 – Water and Sewage Allocation By-law

Respectfully submitted,

Adam Smith
Director of Planning & Building Services

For more information, please contact:
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