

**TOWNSHIP OF ESSA
CONSENT AGENDA
WEDNESDAY, FEBRUARY 6, 2019**

A – ITEMS RECEIVED AS INFORMATION

- p. 1 1. Correspondence from the Ministry of Municipal Affairs and Housing dated January 15, 2019, re: Message from Minister Clark.
2. Correspondence from the Association of Municipalities Ontario (AMO), re: AMO Communications:
- p. 2 a) January 15, 2019 – Province’s “Regional Review” to be Limited
- p. 4 b) January 18, 2019 – Policy Update – New Policy Resources Available for a New Year
- p. 7 c) January 21, 2019 – AMO Releases Report on Municipal Experiences Using Electronic and Digital Signature Solutions
- p. 9 3. Correspondence from the Town of Georgina dated January 16, 2019, re: Resolution – Bill 66 “*Restoring Ontario’s Competiveness Act*”.
- p. 11 4. Correspondence from the Town of Orangeville dated January 17, 2019, re: Resolution – Bill 66 “*Restoring Ontario’s Competiveness Act*”.
- p. 13 5. E-mail from the County of Simcoe, Forestry Department dated January 16, 2019, re: Timber Harvest Permit Issued – 8550 Line 10 Essa.
- p. 14 6. Advisory from the Simcoe County Museum dated January 14, 2019, re: Blades Hit the Ice at the Simcoe County Museum Skate Trail.
- p. 15 7. Correspondence from the Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO) dated January 21, 2019, re: AMCTO Releases its 2019 Pre-Budget Submission.
- p. 28 8. Media Release from the County of Simcoe dated January 22, 2019, re: Council Approves 2019 County of Simcoe Budget.
- p. 34 9. Correspondence from Watson and Associates Economists Ltd., re: Letter to Province – Development Charges and Affordable Housing.
- p. 61 10. Correspondence from the Ontario Energy Board to Customers of Enbridge Gas Inc., re: Enbridge Gas Inc. has Applied to Raise its Natural Gas Rates effective January 1, 2019.
- p. 62 11. Correspondence from the Ontario Building Officials Association (OBOA), re: 2019 OBOA AMTS Sponsorship Guide.
- p. 65 12. Guideline “Achieving Net Gains through Ecological Offsetting” from the NVCA dated January 2019, re: Preparing Site specific Ecological Offsetting Plan.
- p. 87 13. WSP White Paper “Proposed Amendment 1 to the Growth Plan for the Greater Golden Horseshoe, 2017.

B – ITEMS RECEIVED AND REFERRED TO SERVICE AREA FOR ACTION

None to be presented.

C – ITEMS RECEIVED AND REFERRED TO SERVICE AREA FOR REVIEW AND REPORT TO COUNCIL

None to be presented.

AI

From: Minister (MMAH) [<mailto:minister.mah@ontario.ca>]

Sent: Tuesday, January 15, 2019 2:29 PM

To: Aitken, Mark <Mark.Aitken@simcoe.ca>

Subject: A Message From Minister Clark

**Ministry of
Municipal Affairs
and Housing**

**Ministère des
Affaires municipales
et du Logement**



Office of the Minister

Bureau du ministre

777 Bay Street, 17th Floor
Toronto ON M5G 2E5
Tel.: 416 585-
7000
Fax: 416 585-
6470

777, rue Bay, 17e étage
Toronto ON M5G 2E5
Tél. : 416 585-7000
Télééc. : 416 585-6470

January 15, 2019

Dear Warden Cornell:

As you are aware, our government is undertaking a review of regional government in Ontario. Regional governments have been in place in Ontario for 50 years. In that time populations have changed, infrastructure pressures have increased, and taxpayers' dollars have been stretched. Building on what's working well, the review will identify improvements to make better use of taxpayer dollars while ensuring government works efficiently and effectively for the people.

Today, I announced our government's plan to move forward on this commitment with the appointment of two special advisors who will conduct the review and provide me with recommendations. These two advisors are Michael Fenn and Ken Seiling.

Michael and Ken have extensive knowledge and experience in municipal government and I am confident in their ability to deliver on this important commitment.

While Simcoe County is not a regional municipality, the rate of growth in the county is similar to that of many regional municipalities. To help ensure that local government can respond to future growth efficiently and effectively, Simcoe County and its member municipalities will be included in the regional government review.

As the head of council, you are responsible for making local decisions and providing high-quality service to the residents of your community. Your participation in this review is crucial to help us understand the unique needs of your region.

You can expect to hear from the advisors shortly regarding the review and how you will be engaged. I look forward to hearing your opinions and ideas during the review to ensure municipalities in your region are working for the people.

Sincerely,

Steve Clark
Minister

c: Mark Aitken, CAO
mark.aitken@simcoe.ca

1

From: AMO Communications [<mailto:communicate@amo.on.ca>]
Sent: January-15-19 1:48 PM
To: Lisa Lehr
Subject: AMO Policy Update - Province's "Regional Review" to be Limited

January 15, 2019

Province's "Regional Review" to be Limited

The Minister of Municipal Affairs and Housing, the Honourable Steve Clark, announced today that this review is limited to nine (9) upper tiers and their constituent lower tiers in:

- Waterloo Region
- Niagara Region
- Halton Region
- Peel Region
- York Region
- Durham Region
- Oxford County
- Simcoe County
- Muskoka District

The focus is to be on governance/decision-making and service delivery. The Province has appointed two advisors who are to provide advice/recommendations back to the province this summer. They are:

- Michael Fenn – a former Ontario Deputy Minister, previous municipal chief administrator in several Ontario cities, and founding CEO of Metrolinx.
- Ken Seiling – former Chair of Waterloo Region who held that position since 1985 and prior as a councillor and Mayor in Woolwich.

Each jurisdiction is to receive information on the consultation. Last August, the Minister began informal discussions, wishing to hear from people about how this system of governance is working recognizing it was established in the 1970s.

AMO will monitor the review process, which needs to be open and transparent. It is important that during the review process, the work of the affected municipal governments is not destabilized.

While this review does not include any other municipal jurisdictions or structures, and AMO is not involved in the specific reviews, it will keep an eye on any potential sector wide implications that the advisors' recommendations may have for service delivery generally.

AMO Contacts:

Pat Vanini, Executive Director, pvanini@amo.on.ca, 416-471-9856 ext. 316.

Monika Turner, Director of Policy, mturner@amo.on.ca, 416-471-9856 ext. 318.

DISCLAIMER: Any documents attached are final versions. AMO assumes no responsibility for any discrepancies that may have been transmitted with this electronic version. The printed versions of the documents stand as the official record.

OPT-OUT: If you wish to opt-out of email communications from AMO, please click [here](#).

Special Advisors Appointed to Begin Regional Government Review

Consultations to start in early 2019

January 15, 2019 1:00 P.M.

TORONTO — The Ontario government is moving ahead with a review of regional government by appointing Michael Fenn and Ken Seiling as Special Advisors. The regional government model has been in place for almost 50 years in Ontario and we are taking steps to ensure that regional governments are working efficiently and effectively. These advisors will consult broadly over the coming months and provide recommendations to improve governance, decision-making and service delivery.

The review will examine Ontario's eight regional municipalities (Halton, York, Durham, Waterloo, Niagara, Peel, Muskoka District, and Oxford County), the County of Simcoe, and their lower-tier municipalities.

"Our government committed to improving the way regional government works and we will be looking at ways to make better use of taxpayers' dollars and make it easier for residents and businesses to access important municipal services," said Steve Clark, Minister of Municipal Affairs and Housing. "Michael Fenn and Ken Seiling bring a wealth of experience that will help us examine if the way regions are governed is working for the people."

The advisors will work with the province to explore:

- Opportunities to make it easier for residents and businesses to access municipal services;
- Processes to deliver efficient and effective local services that respects taxpayers' money;
- Methods to make municipalities open for business; and,
- Possibilities to cut red tape and duplication, and save costs.

Local residents and businesses will be consulted in spring 2019.

QUICK FACTS

- In total, 82 upper- and lower-tier municipalities are included in the review.

From: AMO Communications [<mailto:Communicate@amo.on.ca>]
Sent: January 18, 2019 2:36 PM
To: Greg Murphy <gmurphy@essatownship.on.ca>
Subject: AMO Policy Update - New Policy Resources Available for a New Year

AMO Policy Update not displaying correctly? [View the online version](#) | [Send to a friend](#)
Add Communicate@amo.on.ca to your safe list



POLICY UPDATE

January 18, 2019

New Policy Resources Available for a New Year

1. AMO's Key Messages – Amplifying AMO's Key Messages for Ontario Budget 2019

Councils and members are encouraged to review and reinforce themes from AMO's [submission](#). To help advance municipal interests and influence the Budget preparation, please use the following key messages with your local MPPs and Ministers.

Seven highlights of AMO's Submission include:

1. Ontarians already pay the highest property taxes in the country generally driven by the transfer of social housing and other services, a role in healthcare, and emergency service cost growth.
2. Polling shows us municipal services are important to Ontarians. More than eight in ten Ontarians say they would be concerned if the Province placed new demands on municipal governments that result in higher property taxes.
3. For almost half of Ontario's municipal governments, a 1% property tax increase raises less than \$50,000. Every municipality and every local economy is different. Many communities have a very limited tax base and fiscal capacity. This demonstrates that others are experiencing incredible growth that puts significant pressure on expanding services.
4. In 2018, \$133.7 billion in provincial spending went to all transfer payment recipients. Support for municipal governments accounts for just \$4.2 billion of that amount or 5.6% of provincial spending. This is small but the support these dollars provide locally is huge.
5. AMO estimates municipal governments need \$4.9 billion per year for ten years on top of the existing federal and provincial transfers to continue delivering today's services and close the infrastructure gap.

6. Development charge revenue must not be eroded. Shortchanging the public services Ontarians depend on is no way to build the communities people want to live in.
7. Municipal governments are important to the provincial government. We are the front line. We deliver many of the services that make communities strong and we build the infrastructure needed to grow the economy.

The Standing Committee on Finance and Economic Affairs is accepting written pre-budget submissions by 5:00 pm on Tuesday January 29, 2019.

Contact: Matthew Wilson, Senior Advisor, mwilson@amo.on.ca, 416-971-9856 ext. 323.

2. **AMO Health Discussion papers released and upcoming webinar**

AMO is pleased to release two policy discussion papers on health issues entitled, "Partners for a Healthy Ontario: A Check-up on the Municipal Role for Health", and its accompanying document, "A Compendium of Municipal Health Activities and Recommendations". The papers are the product of AMO's Health Task Force and approved by AMO's Board. The Task Force was co-chaired by AMO Board members Mark Taylor, former Deputy Mayor and Councillor of Ottawa and Graydon Smith, Mayor of Bracebridge.

The starting place for the paper is the fact that Ontario's municipal governments are deeply invested in the public health and health care services. This level of involvement has been evolving over time and is not generally understood by the public, Province, or stakeholders. Municipal governments contributed \$2.1 billion for health costs in 2017, an increase of 38% since 2012. This does not include support services, like social services, housing, and recreation.

The paper reviews the current municipal role in health and provides recommendations to modernize and strengthen the provincial-municipal working relationship. With local knowledge and expertise, municipal governments can provide valuable input into the health system. Given the level of financial investment, municipal governments should also have greater say over health delivery decisions that affect municipal costs and services. This should also lead to better local health outcomes in a way that is fair to property taxpayers and residents.

AMO is hosting a free webinar on health policy and service issues for municipal officials and staff on **Thursday, January 24th** from 10 – 11 a.m. It will provide an overview of the health policy paper including our key municipal recommendations to the Province to improve local health services. Register today to learn about municipal governments' evolving role in the healthcare and public health systems.

Contact: Michael Jacek, Senior Advisor, mjacek@amo.on.ca, 416-971-9856 ext. 329.

3. **AMO's Response to Provincial Environmental Plan available now**

November 29, 2019 saw the Minister of the Environment, Conservation and Parks release Ontario's new Environmental Plan, a broad strategy for environmental action in the province for the next four years and beyond. The plan includes proposals that touch on water and wastewater, climate change, waste management, energy conservation and extreme weather, to name a few. To provide input into the plan and help municipal governments understand sector-wide implications of the proposals AMO has developed a response to the government which compliments our earlier input into the generation of the document. Municipal staff and officials are encouraged to review these documents in formulating local responses.

Contact: Craig Reid, Senior Advisor, creid@amo.on.ca, 416-971-9856 ext. 334.

For more information on AMO policy issues and to keep current on municipal policy matters, please visit the AMO website regularly.

We hope to see many of you at the upcoming ROMA conference on January 27-29, 2019.

*Disclaimer: The Association of Municipalities of Ontario (AMO) is unable to provide any warranty regarding the accuracy or completeness of third-party submissions. Distribution of these items does not imply an endorsement of the views, information or services mentioned.



Please consider the
environment before
printing this.

Association of Municipalities of Ontario
200 University Ave. Suite 801, Toronto ON Canada M5H 3C6
To unsubscribe, please [click here](#)

From: AMO Communications [<mailto:Communicate@amo.on.ca>]

Sent: January 21, 2019 10:01 AM

To: Greg Murphy <gmurphy@essatownship.on.ca>

Subject: AMO Releases Report on Municipal Experiences Using Electronic and Digital Signature Solutions

AMO Update not displaying correctly? [View the online version](#) | [Send to a friend](#)
Add Communicate@amo.on.ca to your safe list



DIGITAL GOVERNMENT

January 21, 2019

AMO Releases Report on Municipal Experiences Using Electronic and Digital Signature Solutions

AMO is pleased to release our [Pilot Report](#) detailing municipal experiences using Notarius electronic and digital signature solutions. This represents a key milestone in our partnership with Notarius.

Over a six-month period in 2018, six AMO members tested and implemented Notarius electronic and digital signing solutions as a proof of concept in various municipal departments.

Notarius electronic and digital signatures provide high assurance levels of signer identity and document integrity, authenticity and longevity. Using this technology, municipal governments can streamline processes, reduce costs for document storage and safeguard the integrity of important municipal records in a legally reliable fashion.

We are pleased to report that all of the pilots successfully implemented Notarius solutions and had a positive experience using the technology. Their feedback is included in the report as well as input on opportunities, challenges, and lessons learned when using the technology. AMO is also pleased to report that Notarius is implementing technical feedback from the pilots to make the technology better and easier for municipalities of all sizes in Ontario to use.

We encourage members to read the report and consider how Notarius electronic and digital signature solutions could work for your administration and operations. You can visit AMO's partnership [website](#) with Notarius for further resources, including a Town Hall webinar where pilots presented their experiences using the solutions.

Thank you to all of the pilots that participated and to Notarius for facilitating this project.

A2c

For more information about the AMO-Notarius partnership, please contact Nicholas Ruder, Research Advisor, AMO Enterprise Centre at (416) 971-9856 x411 or by email at nruder@amo.on.ca.

For specific questions about Notarius solutions, please contact Fred Mazzarello, Director, Business Solutions, at 1-888-588-0011 or by email at sales@notarius.com.

*Disclaimer: The Association of Municipalities of Ontario (AMO) is unable to provide any warranty regarding the accuracy or completeness of third-party submissions. Distribution of these items does not imply an endorsement of the views, information or services mentioned.



Please consider the environment before printing this.

Association of Municipalities of Ontario
200 University Ave. Suite 801, Toronto ON Canada M5H 3C6

Wish to Adjust your AMO Communication Preferences ? [Click Here](#)



GEORGINA

Council Resolution January 16, 2019

Moved by Councillor Neeson, Seconded by Councillor Harding

RESOLUTION NO. C-2019-0021

WHEREAS the Provincial Government introduced Bill 66 entitled "Restoring Ontario's Competitiveness Act" on the final day of sitting in the 2018 Ontario Legislature, December 6th, 2018 and;

WHEREAS significant concerns have been communicated regarding schedule 10, among other schedules contained therein by residents, community leaders, legal and environmental organizations such as the Canadian Environmental Law Association (CELA), EcoJustice, Environmental Defence Canada, Ontario Nature, South Lake Simcoe Naturalists, The Simcoe County Greenbelt Coalition, The David Suzuki Foundation, AWARE-Simcoe, Lake Simcoe Watch and the North Gwillimbury Forest Alliance that provisions within Bill 66 will weaken environmental protection, undermine democratic processes and potentially endanger public health and;

WHEREAS provisions of Bill 66 allow for an "Open for Business" bylaw, which may be approved without any public consultation of the citizens of the Town of Georgina and;

WHEREAS provisions of Bill 66 allow an "Open for Business Bylaw" which would permit major development in the Town of Georgina which most notably would no longer have to have any legislative regard for certain sections of:

- *The Planning Act*
- *The Provincial Policy Statement*
- *The Clean Water Act*
- *The Great Lakes Protection Act*
- *The Greenbelt Act*
- *The Lake Simcoe Protection Act*
- *The Oak Ridges Moraine Conservation Act and;*

WHEREAS the Town of Georgina remains committed to source water protection, *The Lake Simcoe Protection Act*, the integrity of the Greenbelt and it understands the benefits for protecting these features in support of our local economy and quality of life, and

WHEREAS notwithstanding the potential future adoption of Bill 66, that the Town of Georgina will continue to remain committed to making sound decision regarding resource and environmental preservation that remain consistent with the Clean Water Act, 2006, the Provincial Policy Statement and other legislative tools which provide for good planning, while balancing the need for economic development and providing environmental and public health protection;

NOW THEREFORE BE IT RESOLVED THAT the Town of Georgina strongly recommends that schedule 10 of Bill 66 be immediately abandoned or withdrawn by the Ontario Government and;

BE IT FURTHER RESOLVED THAT The Town of Georgina declares that notwithstanding the potential future adoption of Bill 66, the Town of Georgina's Council will not exercise the powers granted to it in schedule 10 or any successor schedules or sections to pass an "open for business planning bylaw" without a minimum of two (02) public meetings which shall be advertised twenty (20) days in advance in the Georgina Advocate or its successor, and also shall be advertised in any other local media resource that is widely available to the public in the Town of Georgina, by way of bylaw and;

BE IT FURTHER RESOLVED THAT staff be directed to draft such a bylaw for Council's consideration should Bill 66 be given royal assent and be given force and effect and;

BE IT FURTHER RESOLVED THAT the Town of Georgina requests the Province of Ontario to release draft criteria and draft regulations, and to provide a commenting period in advance of consideration by the legislature, and;

BE IT FURTHER RESOLVED THAT a copy of this motion be sent to the Honourable Doug Ford, Premier of Ontario, the Honourable Steve Clark, Minister of Municipal Affairs, Andrea Horwath, MPP and Leader of the Official Opposition and the Ontario NDP Party, MPP John Fraser, Interim Leader of the Ontario Liberal Party, MPP and Leader of the Green Party of Ontario, Mike Schreiner, the Honourable Caroline Mulroney, MPP York-Simcoe, Attorney General and Minister Responsible for Francophone Affairs and;

BE IT FURTHER RESOLVED THAT a copy of this motion be sent to the Association of Municipalities Ontario (AMO), all MPP's in the Province of Ontario and all Municipalities in Ontario for their consideration.

A recorded vote was requested; the Deputy Clerk recorded the vote as follows:

	<u>YEA</u>	<u>NAY</u>
Mayor Quirk	X	
Councillor Waddington		X
Councillor Neeson	X	
Councillor Sebo	X	
Councillor Harding	X	
Regional Councillor Grossi		X
Councillor Fellini	X	

Yea – 5 Nay - 2

Carried.



Town of Orangeville

87 Broadway, Orangeville, Ontario, Canada L9W 1K1
Tel: 519-941-0440 Fax: 519-941-9569 Toll Free: 1-800-941-0440

Corporate Services

January 17, 2019

Via Email

The Honourable Doug Ford, M.P.P., Premier of Ontario, doug.ford@pc.ola.org
The Honourable Christine Elliott, M.P.P., Deputy Premier of Ontario, Minister of Health and Long Term Care, christine.elliott@pc.ola.org
The Honourable Steve Clark, M.P.P., Minister of Municipal Affairs and Housing, steve.clark@pc.ola.org
The Honourable Sylvia Jones, M.P.P., Minister of Community Safety and Correctional Services, sylvia.jones@pc.ola.org
Andrea Horwath, M.P.P., ahorwath-qp@ndp.on.ca

Dear Sir/Madam:

At the Town of Orangeville Council Meeting on January 14, 2019 Council passed the following resolution:

Whereas the protection of the integrity of the Green Belt is a paramount concern for our residents;

And whereas the continued legislative protection of our water – groundwater, surface water and waterways – is vitally important for the current and future environmental health of our community;

And whereas significant concerns have been raised by residents, community leaders and environmental organizations such as the Canadian Environmental Law Association (CELA), that provisions within Bill 66 will weaken environmental protections as it "...will enable municipalities to pass "open-for business" zoning by-laws that do not have to comply with..." important provincial environmental statutes;

And whereas an "Open for Business" by-law may be approved without public consultation;

And whereas provisions within Bill 66 may allow exemptions from municipal Official Plans;

And whereas the Town of Orangeville's Official Plan represents not only a significant investment of taxpayer resources but reflects our community's collective vision for current and future planning;

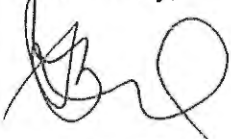
And whereas our Official Plan clearly designates land that is environmentally protected;

And whereas our Official Plan also provides clearly designated land to meet future employment land needs;

Now therefore be it hereby resolved:

1. That Orangeville Town Council opposes planned changes to the Planning Act in the proposed Bill 66 that may allow for an "open for business" planning by-law.
2. That the Government of Ontario be requested to reconsider the proposed changes to the Planning Act included in Bill 66 which speak to the creation of the open-for-business planning by-law.
3. That notwithstanding the future adoption of Bill 66, the Town of Orangeville will not exercise the powers granted to it in Schedule 10 or any successor sections or schedules to pass open-for-business planning by-laws.
4. That a copy of this resolution be sent to the Honourable Doug Ford, Premier of Ontario, the Honourable Steve Clark, Minister of Municipal Affairs and Housing, the Honourable Christine Elliott, Deputy Premier of Ontario, the Honourable Sylvia Jones, Minister of Community Safety and Correctional Services, MPP Dufferin-Caledon and Andrea Horwath, MPP, Leader of the New Democratic Party.
5. That a copy of this resolution be sent to the Association of Municipalities of Ontario (AMO) and all Ontario municipalities for their consideration.

Yours truly,



Susan Greatrix | Clerk

Town of Orangeville | 87 Broadway | Orangeville, ON L9W 1K1

519-941-0440 Ext. 2242 | Toll Free 1-866-941-0440 Ext 2242 | Cell 519-278-4948

sgreatrix@orangeville.ca | www.orangeville.ca

TM

cc The Honourable François-Philippe Champagne, M.P., Minister of Infrastructure and Communities,
Francois-Philippe.Champagne@parl.gc.ca
 The Honourable Patricia A. Hajdu, M.P., Minister of Employment, Workforce Development and Labour,
Patty.Hajdu@parl.gc.ca
 The Honourable Lawrence MacAulay, M.P., Minister of Agriculture and Agri-Food,
lawrence.macaulay@parl.gc.ca
 The Honourable Catherine McKenna, M.P., Minister of Environment and Climate Change,
Catherine.McKenna@parl.gc.ca
 The Honourable Amarjeet Sohi, M.P., Minister of Natural Resources, Amarjeet.Sohi@parl.gc.ca
 David Tilson, M.P., Dufferin-Caledon, david.tilson.c1@parl.gc.ca
 Association of Municipalities of Ontario (AMO)
 All Ontario Municipalities

From: Barrette, Larry <Larry.Barrette@simcoe.ca>
Sent: January 16, 2019 3:41 PM
To: Colleen Healey <chealey@essatownship.on.ca>
Subject: New Selective Harvest Permit issued

Please be advised that a Timber Harvest Permit has been issued per the County Forest Conservation By-law to conduct a **selective harvest** at the following location:

Legal Description: CON 9 W PT LOT 29 RP 51R7146;PART 1 ROW OVER PART 2

Civic Address: 8550 Line 10, Essa

Owners:

Roll: 432101000819200

Permit # : 2018 - 1520

Mapping is also available at:

<http://www.simcoe.ca/InformationTechnology/Pages/gis.aspx>

Please forward this message to other departments of concern.

If there are any questions or concerns please contact the undersigned.

Regards,

Larry Barrette
Municipal Law Enforcement Officer
Forest Conservation
County of Simcoe, Forestry Department
1110 Highway 26, Midhurst, Ontario L9X 1N6
Phone: 705-726-9300 Ext. 1175 Fax: 705- 726-9832
E-mail: larry.barrette@simcoe.ca

It's OK to print this email.

Paper comes from a biodegradable, recyclable, renewable resource - trees. Making forest products from sustainably managed forests results in jobs for thousands of people, clean air, clean water, wildlife habitat and carbon storage.



**SIMCOE COUNTY
MUSEUM**

Take the Infinite Journey

Advisory
Simcoe County Museum
1151 Highway 26, Minesing, Ontario L9X 0Z7
museum.simcoe.ca

FOR IMMEDIATE RELEASE

Blades hit the ice at the Simcoe County Museum Skate Trail

Midhurst / January 14, 2019 – The scenic Simcoe County Museum Skate Trail is now open. Spanning more than one kilometre in length, the Skate Trail travels through the Museum's heritage buildings, historic equipment displays, and forest pathways.

The Skating Trail is open Tuesday, Thursday and Friday from 6 to 9 p.m., and Saturdays and Sundays 11 a.m. to 4 p.m. (*weather permitting*).

Please visit the Museum website, Facebook and Twitter accounts for the latest updates on Skate Trail operations. Rates can be found on the website and include admission to the Museum. The Simcoe County Museum is located at 1151 Highway 26, just minutes north of Barrie.

- Facebook: @SimcoeCountyMuseum
- Twitter: @SimcoeCountyMUS
- Website: museum.simcoe.ca
- Telephone: (705) 728-3721

Take the Infinite Journey with the Simcoe County Museum, a cultural exploration of our historical past and exciting future. The Simcoe County Museum is owned and operated by the County of Simcoe and offers year round exhibits, events and educational programs for visitors of every age. Visit our website at museum.simcoe.ca for further details.

- 30 -

Shaughna Crew
Events Programmer
Simcoe County Museum, Service Simcoe Branch
705-728-3721
shaughna.crew@simcoe.ca

Forrest Patenaude
Supervisor, Education & Visitor Engagement
Simcoe County Museum, Service Simcoe Branch
705-728-3721 ext. 1320
forrest.patenaude@simcoe.ca

From: AMCTO [mailto:broadcasts@amcto.com]
Sent: January 21, 2019 1:19 PM
To: Greg Murphy <gmurphy@essatownship.on.ca>
Subject: AMCTO Releases its 2019 Pre-Budget Submission

If this email does not display properly, please view our [online version](#).



January 21, 2019

AMCTO Releases its 2019 Pre-Budget Submission

AMCTO is pleased to release its 2019 Pre-Budget Submission to the new government. With Ontario under increasing pressure to respond to growing demands, addressing such challenges will require prudent policy guidance from local government professionals, which is reflected throughout this submission. This document contains the following principally guided recommendations:

Promote Fiscal Sustainability

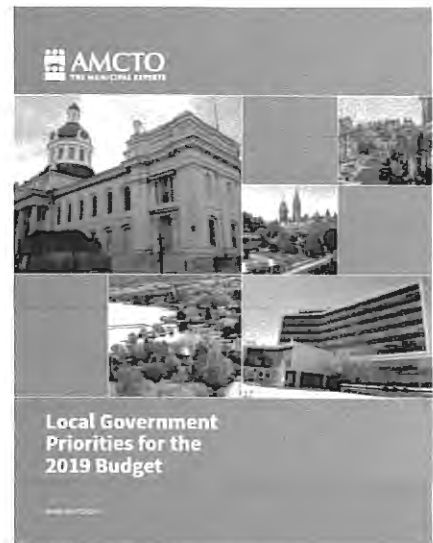
- Protect municipal transfer payments
- Allow municipalities access to greater revenue tools
- Continue to invest in infrastructure

Strengthen Municipal-Provincial Relations

- Reduce the reporting burden
- Enhance collaboration and consultation

Policy Reforms for Local Government

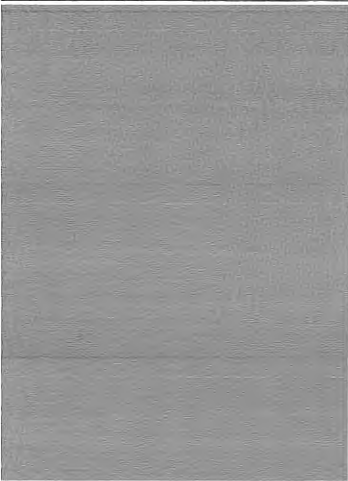
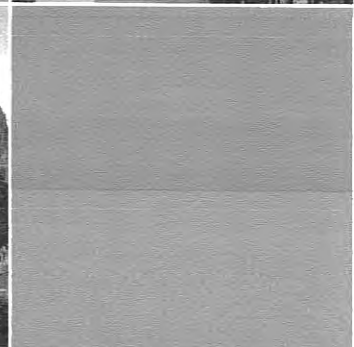
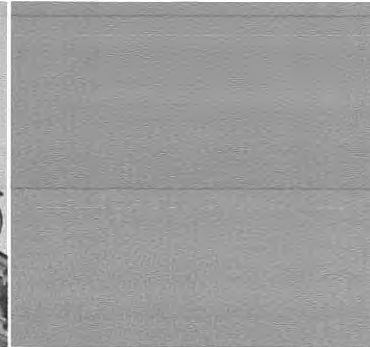
- Reform joint and several liability
- Bring an end to interest arbitration
- Reform the Provincial Offences Act (POA)



You can read the AMCTO 2019 Pre-Budget Submission [here](#).

AMCTO – The Municipal Experts
2680 Skymark Avenue Suite # 610, Mississauga ON L4W-5L6
Phone - 905-602-4294 | Fax - 905-602-4295
[Send to a friend](#) | [Unsubscribe](#)

A7



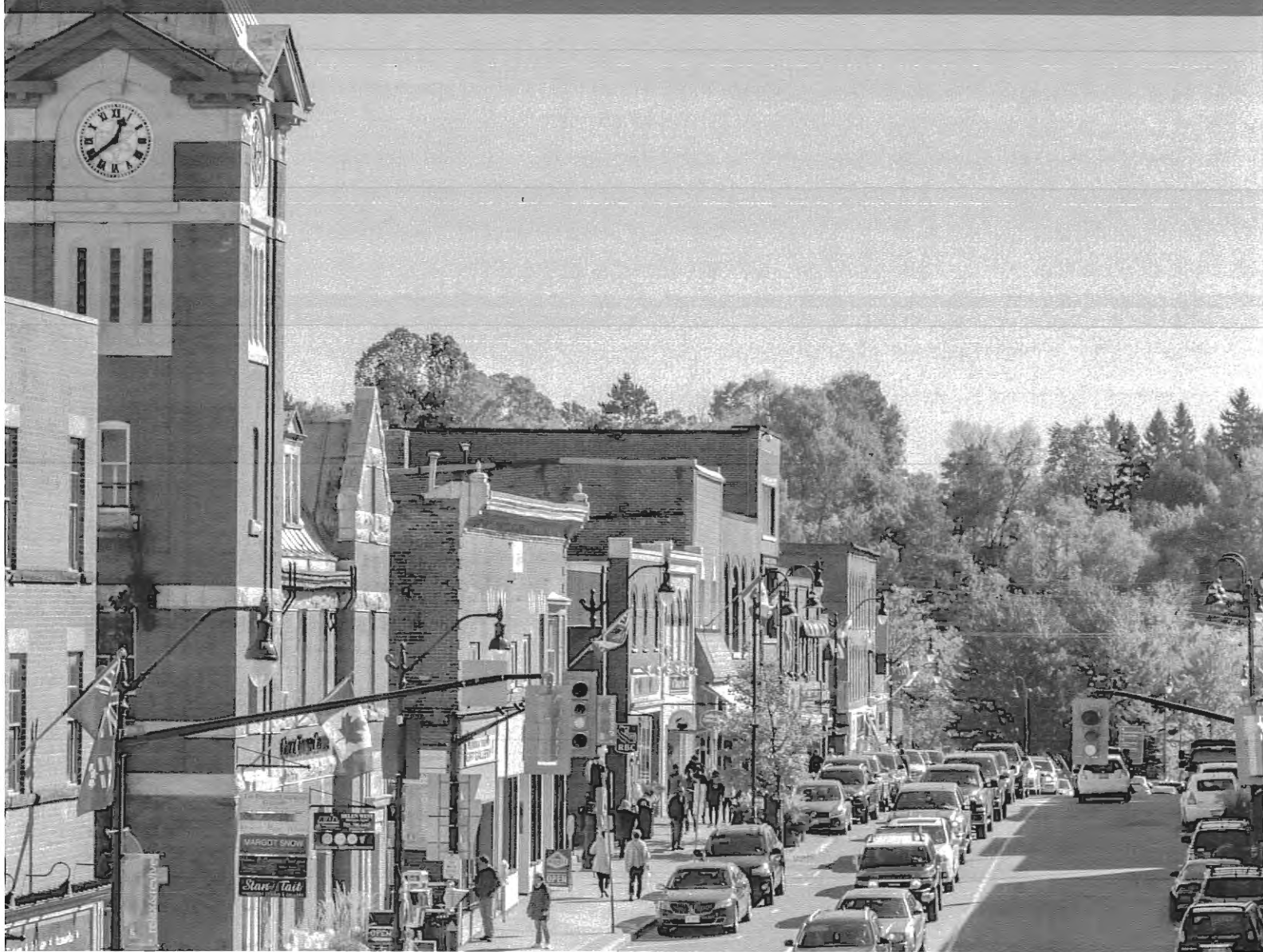
Local Government Priorities for the 2019 Budget

www.amcto.com



- › **Promote Fiscal Sustainability**
- › **Strengthen Municipal-Provincial Relations**
- › **Policy Reforms for Local Government**

Introduction



Every day in communities across Ontario local governments work hard to deliver crucial services to their citizens; garbage trucks collect waste, police officers patrol the streets, and public works' fix potholes. Across the province, however, the demands that local governments face are becoming increasingly complex. From budget shortfalls, an infrastructure deficit, aging populations, and a looming social housing crisis, the list of challenges facing the municipal sector continues to grow. At the same time, steady urbanization, rapid technological change, demographic transformation, and globalization have all dramatically transformed the makeup and expectations of Ontarians.

Solving the challenges facing Ontario's 444 local governments will require bold leadership and thoughtful policy guidance. This submission reflects advice that professional municipal public servants provide to elected officials every day in each community across this province. The principled recommendations ensure municipal politicians and public servants maintain and acquire the tools they need to make their communities safer, stronger, and more vibrant.

The Context of Local Government

The 2019 budget comes at an important time for Ontario's municipal sector as newly elected councils will grapple with an increasingly complex set of demands.

Municipalities have adapted to rapid change by moving to citizen-centred services, regional cooperation agreements, lean management, enhanced community consultation and outreach efforts, open data/government, and the adoption of digital technology. Yet challenges remain.

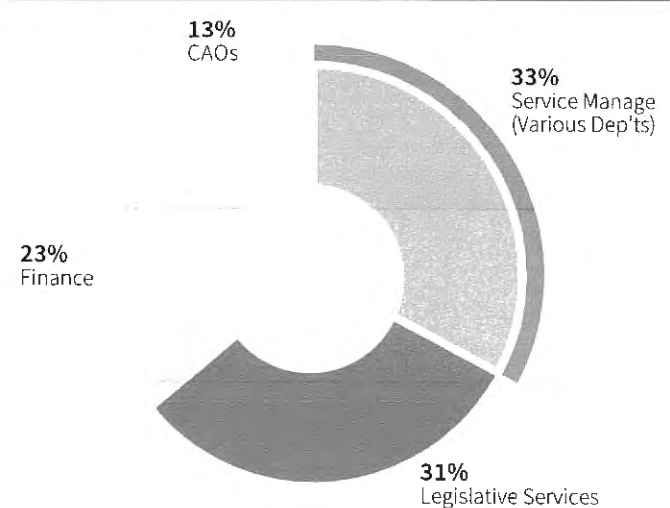
Over the past 150 years municipal governments have grown to become more sophisticated and deeply enmeshed in the everyday lives of their citizens. Yet despite the growth and maturity of local governments, too often federal issues tend to dominate most discussions about intergovernmental affairs. For example, equalization and sovereignty are prioritized at the expense of the services that are closer to home, like policing, planning, social welfare, and transit.

Policy Advice for a Stronger Ontario

As the province's largest voluntary association of municipal professionals, AMCTO members are on the front line of local government policy and management across a range of service areas (see chart 1). They are frequently called upon by councilors and the community to provide advice and develop solutions to some of this province's most intractable problems.

To address the grand challenges facing Ontario municipalities, this submission offers principled guidance from municipal professionals to the new government, and reflects the counsel that AMCTO members provide across every community in this province.

Chart 1: AMCTO Membership Breakdown



Source: AMCTO

Principles for an Effective Provincial-Municipal Relationship

The relationship between the province and its municipalities is especially important for local government professionals, who are subject to provincial policies, laws, regulations and financial transfer arrangements. Indeed, provincial laws and regulations impact almost every aspect of municipal business. It is therefore a worthy reminder that any discussion about improving governance at the local level must begin with principles for improving and maintaining a strong provincial-municipal relationship.

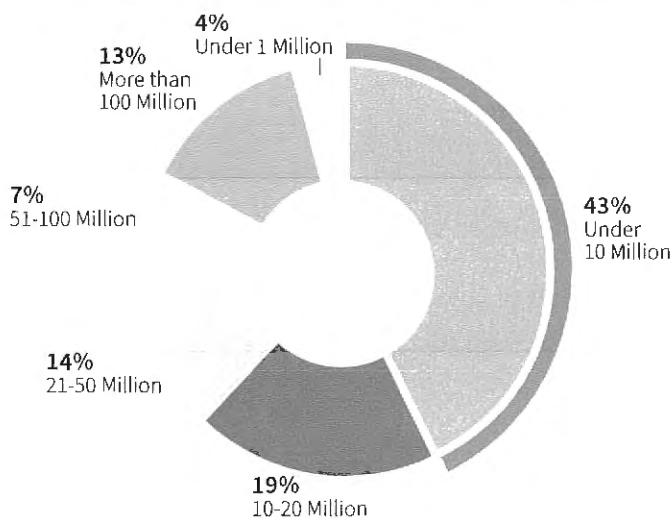


Respecting Municipal Diversity

Historically, the province developed policy based on the assumption that all municipalities are the same. Yet the challenges and strengths of each local government are different, especially in rural vs. urban, small vs. large, and north vs. south. The default inclination to treat all municipalities as if they are the same ignores the fact that some municipalities have fewer than 5 employees who are deeply connected to the local community while some are larger than provincial governments with robust financial controls, rigorous accountability regimes, and sophisticated policy-making functions (Cote and Fenn, 2014, 25).

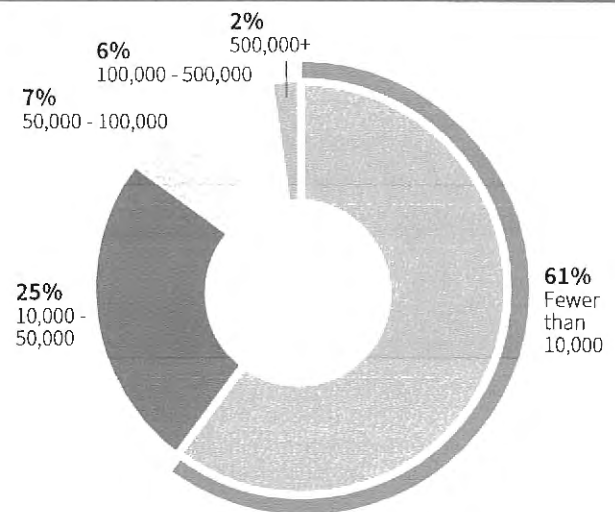
The “one size fits all” approach to provincial-municipal relations often creates perverse outcomes that would not be tolerated in other sectors. Policy makers at the federal and provincial level, for instance, have worked hard to ensure that small businesses are regulated differently from large corporations. Yet in the municipal sector, the same measures are applied to the Township of Cockburn Island and its two residents as they are to the City of Mississauga.

Chart 2: Percentage of Ontario Municipalities by Revenue Size



Source: Ministry of Municipal Affairs and Housing, Financial Information Returns, 2014

Chart 3: Percentage of Ontario Municipalities by Population Size



Source: Ministry of Municipal Affairs and Housing, Financial Information Returns, 2014

Responsible Orders of Government

Local governments in Ontario currently operate within a very restrictive legislative and regulatory environment. They have often been referred to as ‘creatures of the provinces’ because Canada’s Constitution assigns the provinces responsibility for local institutions and all provinces in Canada have some legislation governing their municipalities (Slack et al., 2013, 2).

and management at the local level. Municipalities are responsible for a substantial and growing range of public services (see table 1) and if they are driven strictly by compliance and rote functionality they will struggle to truly become modern, fiscally sustainable agents of good governance, who promote professionalism, ethics, and accountability.

The province should view municipalities as responsible governments in order to promote effective governance

Table 1: Federal-Provincial-Municipal Division of Responsibilities

MUNICIPAL GOVERNMENT	PROVINCIAL GOVERNMENT	FEDERAL GOVERNMENT
<ul style="list-style-type: none"> • Airports • Ambulance • Animal Control • By-law Enforcement • Arts and Culture • Child Care • Economic Development • Fire Services • Garbage Collection and Recycling • Electric Utilities • Library Services • Long Term Care and Senior Housing • Road Maintenance • Parks and Recreation • Public Transit • Planning • Police Services • Property Assessment • Public Health • Social Services • Water and Sewage 	<ul style="list-style-type: none"> • Administration of Justice • Education • Hospitals • Natural Resources and the Environment • Property and Civil Rights • Social Services • Provincial Highways • Culture and Tourism • Prisons • Post-Secondary Education 	<ul style="list-style-type: none"> • Citizenship • Criminal Law • Copyright • Employment Insurance • Foreign Policy • Money and Banking • National Defence • Trade and Commerce • Post Office

Legislating Outcomes, Not Behaviours

Nevertheless, the province is the regulator of local government and there is a role for it to play in guiding policy and practice within the municipal sector. However, regulation should focus on outcomes and not behaviours. There is leeway for the province to provide broad guidance and direction but not to impose overly proscriptive requirements, such as the specific wording of council resolutions or when and what documents to send via official mail. Yet, over recent times, policy from the province and its agencies have been far too proscriptive and are developed without a concrete understanding of the factors that affect its implementation. Local governments have the best access to local information and are better positioned to respond to local needs than the provincial or federal government (Cote and Fenn, 2014, 20).

The use of overly proscriptive provincial policy is also now increasingly out-of-step with the 'silent revolution' of decentralization that has been taking place in municipalities across the world since the 1980s. More and more countries

have recognized that allowing decisions to be made by the level of government that is closest to the people leads to greater fairness, accountability and responsiveness.

In the United Kingdom, for instance, decision-makers have identified the central state as a barrier to good local governance and have been transitioning from highly proscriptive legislative direction towards local control over governance, planning, and finance (Cote and Fenn, 2014, 21).

Unnecessarily prescriptive and command-and-control policy making from the province also limits the ability of local governments to experiment, innovate, and ultimately improve program and service delivery. More collaborative and outcome-oriented policy from the province would give municipalities the ability to meet provincially-set targets in the way that is the most effective and appropriate for them, without being forced to replicate a process mapped out by the province.

AT Recommendations



Promote Fiscal Sustainability

Protect Municipal Transfer Payments: Ontario municipalities of all sizes are facing a challenging fiscal situation. Over time, significant downloading has resulted in an increasingly complex and costly set of services being offered and administered at the local level. As a result, it has been challenging for many communities to finance these services for their citizens.

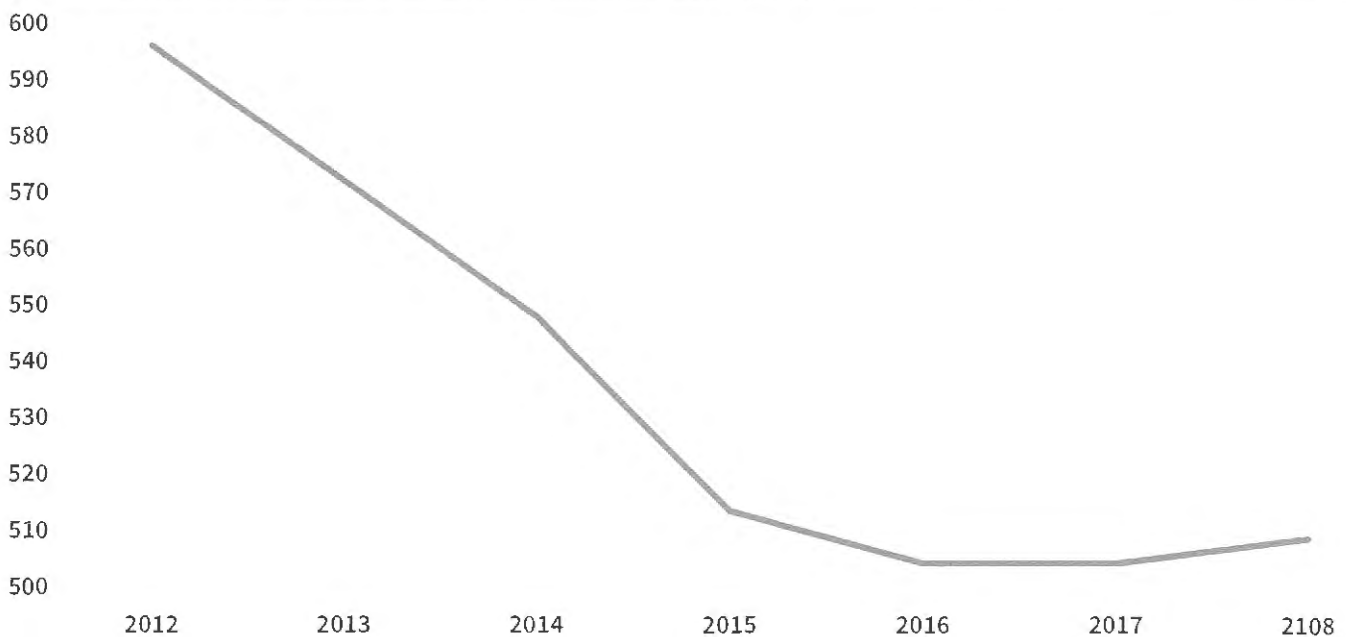
This is especially true for rural, and northern Ontario communities that are low or non-growth making them increasingly dependent on transfer payments, notably, through the Ontario Municipal Partnership Fund (OMPF). To demonstrate this, the aggregated average OMPF contributions for municipalities makes up 24.18% of own purpose revenue (Financial Information Returns, 2017). Over the past several years, municipalities have begun to suffer from an already steady decline in OMPF funding

allocations (see table 2). Any further reductions will be severely damaging to many of the 389 of 444 municipalities who rely on it to service their respective communities.

Reductions will vary across municipalities and will require a tax levy increase to compensate. For example, a 25% OMPF reduction would require an average of a 6% levy increase province wide to be off-setting (Financial Information Returns, 2017).

Even in maintaining the OMPF funding envelope from the previous year, the sector continues to face a \$4.9 billion annual unfunded shortfall (AMO, 2017, 5). The effect of an OMPF cut or another transfer payment reduction for the sector will be significantly damaging and the provincial government should not seek to achieve its fiscal goals by jeopardizing municipal fiscal sustainability.

Table 2: Historical OMPF Allocation by Grant (in millions of \$) Over Time



Source: Association of Municipalities Ontario, 2016

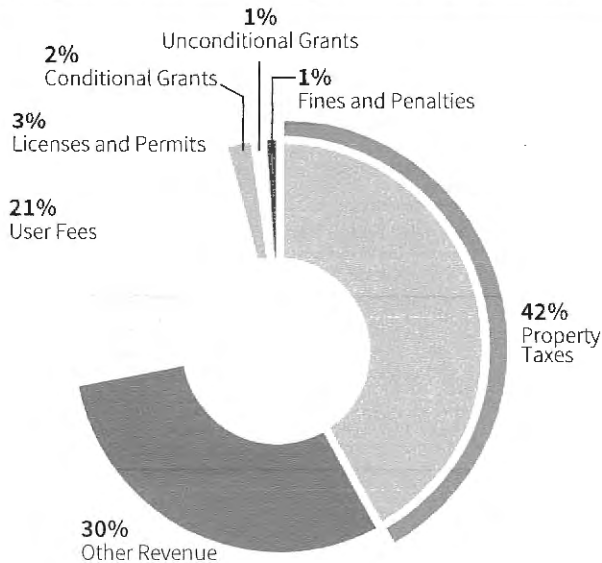
Allow Municipalities Access to Greater Revenue Tools:

The largest source of revenue for Ontario municipalities has historically been property taxes (see chart 4). Relying on property taxes is not a sustainable model, especially for smaller rural or northern municipalities with limited assessment bases where the revenue raising capacity of property taxes is limited. For example, a 1% property tax increase raises less than \$50,000 for more than half of Ontario’s municipalities (AMO 2017, 6). The government should explore providing municipalities with access to new revenue tools in order to allow local governments the ability to effectively attend to their many responsibilities into the future.

“Property taxes don’t grow with the economy in the way sales or income taxes do. Politicians at other levels of government do not have to adjust tax rates every year to keep up with inflation, but municipal politicians do.”

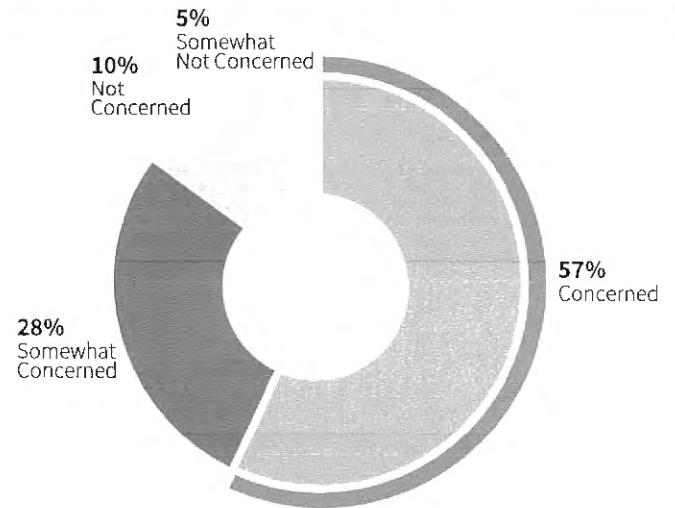
– Sheila Block and Alexandra Weiss

Chart 4: Sources of Municipal Revenue, 2016



Source: Ministry of Municipal Affairs, Financial Information Returns, 2017

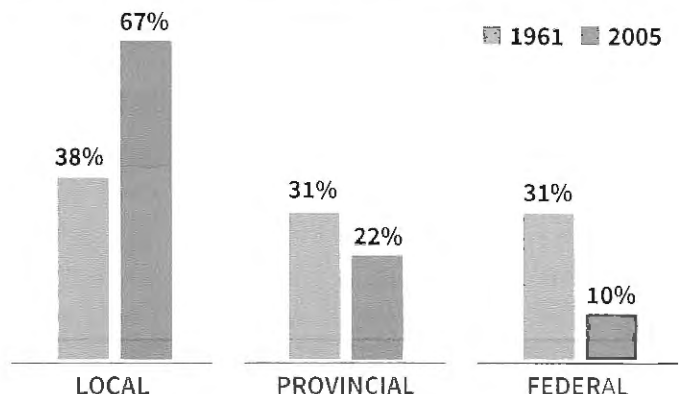
Chart 5: Concerns about the Rate of Future Property Tax Increase



Source: Nanos Research, Perceptions of Ontorians on Municipal Issues, 2017

Continue to Invest in Infrastructure: Notwithstanding long-term investment from the federal and provincial governments in the past three budgets, there remains an immense infrastructure gap in Ontario largely due to the significant downloading of asset ownership to the local level over several decades. (see chart 6). AMO has calculated that for municipalities to confront the \$60 billion-dollar infrastructure gap, while also maintaining current service levels, municipalities would have to increase property taxes by 8.35% every year for the next ten years (AMO 2017, 5). Raising property taxes is not a sustainable solution to address Ontario’s infrastructure gap and the government should grow infrastructure investment as a funding priority moving forward.

Chart 6: Federal, Provincial & Municipal Asset Ownership 1961-2005



Source: Association of Municipalities Ontario (AMO), What’s Next Ontario? Imagining a Prosperous Future for our Communities, 2015, 23



Strengthen Municipal-Provincial Relations

Reduce the Reporting Burden: Municipalities report to the province on a range of programs and policy initiatives which helps the province ensure accountability, monitor performance, and that funding is being spent appropriately. Municipalities, however, are having to provide a greater number of reports on a range of new areas (Côté and Fenn 2014). With new reporting requirements being added and not enough taken away, Ontario's municipalities are facing a sizeable reporting burden.

In 2017 AMCTO published *Bearing the Burden: An Overview of Municipal Reporting to the Province*. The report revealed that the province collects hundreds of reports from municipalities every year. AMCTO conservatively estimates that the province collects at least 422 reports from municipalities every year - this is 225 separate reports, collected monthly, quarterly, biannually, and annually.

In December 2018, the Honourable Minister of Municipal Affairs and Housing Steve Clark notified all Ontario Heads of Council about his plan to address the reporting burden. AMCTO applauds the Minister for taking up this initiative

and looks forward to working across government to create lasting change around improved municipal reporting.

Enhance Collaboration and Consultation: AMCTO believes in the principle of maintaining a mature and respectful relationship with senior orders of government. Local government professionals appreciate that they serve the same citizens as other orders of government and seeks to work in a consultative manner. By doing so, it ensures that the diversity of perspectives and expertise is leveraged to benefit local communities. This is best achieved when the province respects the scope of municipal government.

The recent experience with Bill 5 and the City of Toronto serves as a lesson. There is value to effective consultation and engagement and local governments and associations are prepared to establish a collaborative and cooperative relationship around advancing public policy. Demonstrating this, AMCTO holds specific implementation expertise and will make this readily available to the government for future legislative reviews of the Municipal Elections Act, the Municipal Act, and any other applicable legislation.

"As you have heard me say, reducing the provincial reporting burden affecting the municipal sector is a priority for this government."

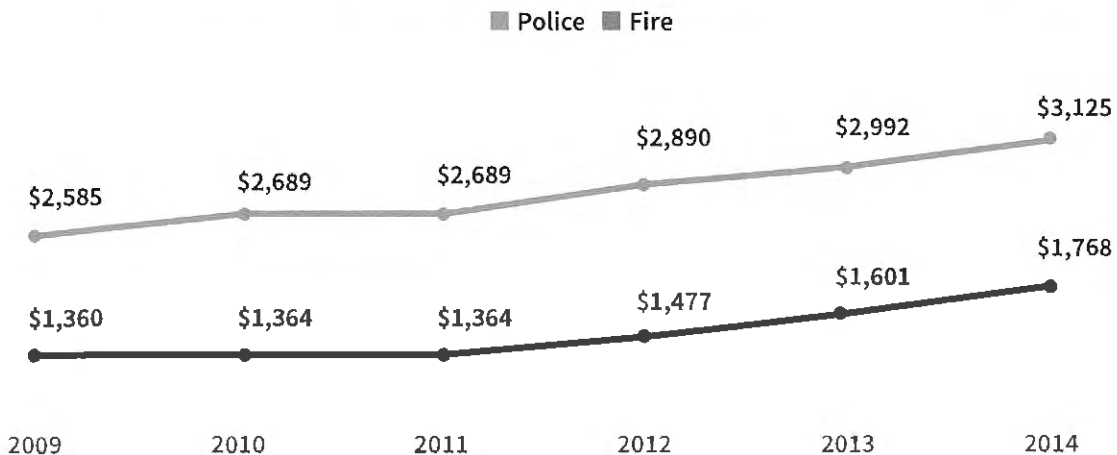
- The Honourable Minister of Municipal Affairs and Housing, Steve Clark

Policy Reforms for Local Government

Reform Joint and Several Liability: Often referred to as the “one percent rule”, Ontario’s Joint and Several Liability tort system requires that defendants in civil suits who are found to be as little as 1% at fault can still be required to pay 100% of the damages. With the presumption that local governments have substantial financial resources they have become the targets of litigation and are being forced to offer generous out of court settlements to avoid extensive and expensive litigation due to high costs associated with lawyers and insurance companies. Reforming joint and several liability could save the municipal sector \$27 million in insurance costs and ensure that taxpayer money is being spent in financially strapped areas (AMO 2017, 28). To address this burden on local governments, AMCTO will engage in coalition-building efforts with peer associations to pursue a remedy as other jurisdictions in Canada have already done.

Bring an End to Interest Arbitration: Ontario’s interest arbitration system for years has been eroding the ability and power of municipalities to negotiate with its fire and police unions. Arbitrators do not consider local economic conditions or ability to pay in their decisions. As a result, base wages for police officers and firefighters have grown at an average of 3.3% per year, compared to 2.7% for other unionized municipal workers and 2.2% for those in the private sector (see chart 7) (AMO 2011). While AMCTO is pleased that the current government has identified the need for reform to the interest arbitration system for firefighters and is taking action on it in Bill 57, AMCTO hopes to see such reforms expanded to the police and EMS.

Chart 7: Emergency Services Salary Costs (in Millions)

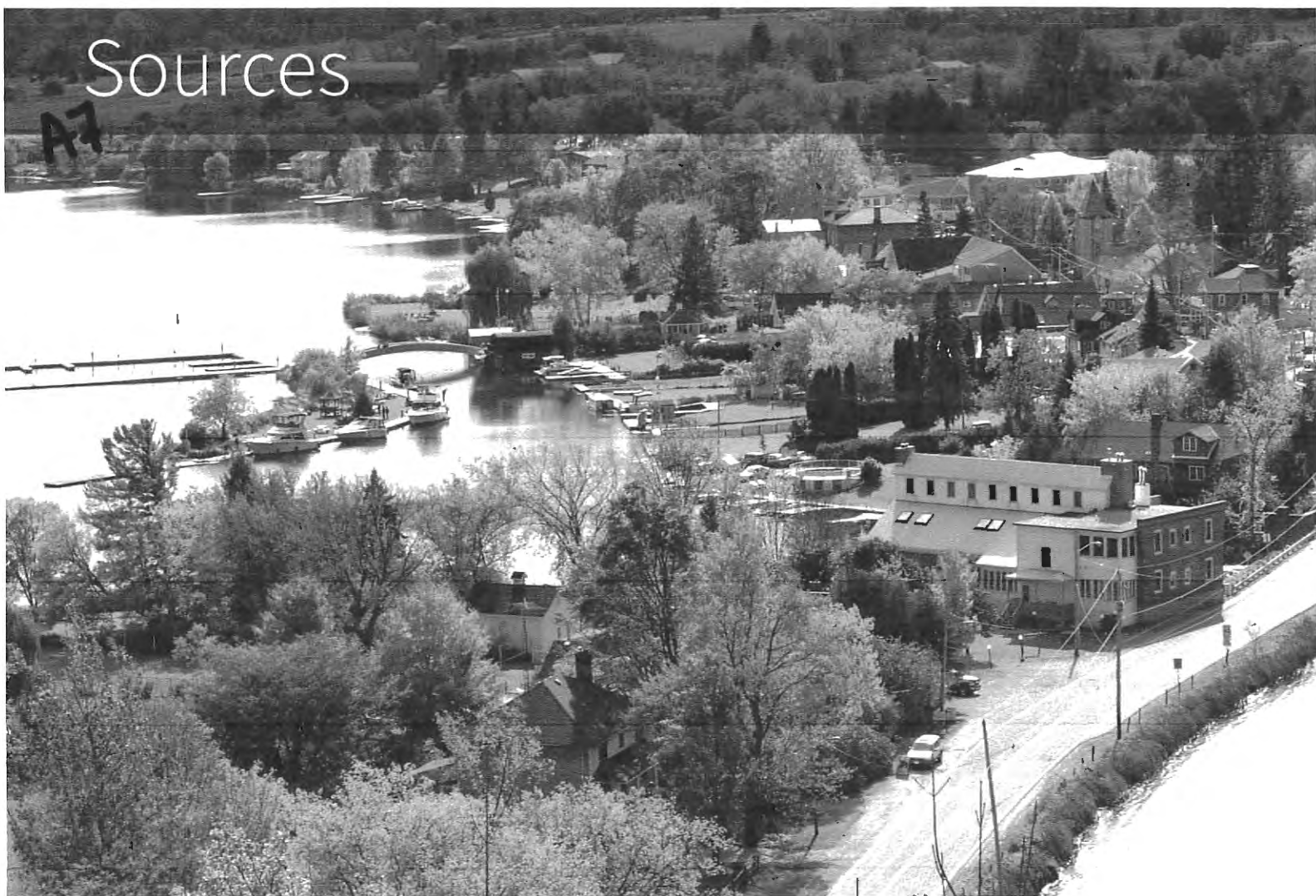


Source: Ministry of Municipal Affairs, Financial Information Returns

Reform the Provincial Offences Act (POA): Since 1997 under the Provincial Offences Act, it is the responsibility of the municipality to administer courts and collect POA fines. Municipalities currently lack effective collection tools to collect a growing pool of unpaid fines, which AMO estimates amounts to be approximately \$1.4 billion (AMO 2017, 28). The system is used to prosecute non-criminal charges such as traffic offences, trespassing charges and liquor licensing violations. AMCTO is supportive of the government reforming the POA to provide municipalities with the tools for collection of existing unpaid fines.



Sources



AMCTO, Bearing the Burden: An Overview of Municipal Reporting to the Province, 2017.

AMCTO, State of the Membership Survey, 2015

AMCTO, State of the Membership Survey, 2017

Association of Municipalities Ontario (AMO), What's Next Ontario? Imagining a Prosperous Future for Our Communities, 2015.

Association of Municipalities of Ontario (AMO), Local Share: Imagining a prosperous future for our communities, 2017.

Association of Municipalities Ontario, Ontario Municipal Partnership Fund (OMPF) Allocations, 2018

Association of Municipalities Ontario, Escalating Emergency Services Labour Costs and the Ontario Taxpayers Ability to Pay', Emergency Services Steering Committee, 2011.

Cote, Andre and Michael Fenn, "Provincial-Municipal Relations in Ontario: Approaching an Inflection Point," IMFG Papers on Municipal Finance and Governance, No 17, 2014. Ministry of Municipal Affairs and Housing, Financial Information Returns, 2017

Ministry of Municipal Affairs and Housing, Financial Information Returns, 2014

Ministry of Transportation, Enhancing Municipal Collection of Defaulted Provincial Offences Act (POA) Fines, 2016.

Nanos Research, Perceptions of Ontarians on municipal issues, 2017.

Slack, Enid et al., "Fiscal Health of Ontario Large Cities: Is there Something to Worry About?" Draft Paper, Conference on Measuring Urban Fiscal Health, Institute of Municipal Finance and Governance, 2013.



AMCTO

THE MUNICIPAL EXPERTS

AMCTO represents excellence in local government management and leadership. AMCTO has provided education, accreditation, leadership and implementation expertise for Ontario's municipal professionals for over 80 years.

With approximately 2,200 members working in municipalities across Ontario, AMCTO is Ontario's largest voluntary association of local government professionals, and the leading professional development organization for municipal professionals.

Our mission is to provide professional development, engagement opportunities, advocacy and leadership in the sector, which strengthens and supports the capabilities and performance of municipal professionals.



For more information about this submission, contact:

Rick Johal

Director, Member and Sector Relations
rjohal@amcto.com | (905) 624-4294 ext. 232

Sabena Sandhu

Legislative and Policy Coordinator
ssandhu@amcto.com | (905) 602-4294 ext. 233

Contact Us:

AMCTO | Association of Municipal Managers, Clerks and Treasurers of Ontario

2680 Skymark Avenue, Suite 610

Mississauga, Ontario L4W 5L6

Tel: (905) 602-4292 | Fax: (905) 602-4295

Web: www.amcto.com | Twitter: @amcto_policy



Release

County of Simcoe, Office of the Warden and CAO
1110 Highway 26, Midhurst, Ontario L0L 1X0
simcoe.ca

FOR IMMEDIATE RELEASE

Council approves 2019 County of Simcoe Budget

Midhurst / January 22, 2019 – Simcoe County Council today approved a \$548 million budget for 2019, which focuses on the resources necessary to maintain existing services and service levels in the region, while continuing to invest in infrastructure, Transit, Paramedic Services, Solid Waste Management, and Social Housing.

Residents will see an overall 2.00 per cent increase on the County portion of their municipal property taxes in 2019, an impact of approximately \$5.70 per \$100,000 of property assessment across the region.

The County maintains a strong financial position, having received for the fourth year in a row a AA long-term issuer credit rating for 2018 from S&P Global Ratings, an independent credit company. The 2019 budget ensures the County continues along this path of long-term fiscal stability and contains items that address areas of growth, as well as initiatives directed by Council to enhance service levels for the region, support infrastructure, increase efficiencies, and prepare for the future.

“Simcoe County’s progression as a vibrant, growing and thriving region brings tremendous opportunity, as well as increased need and demand for regional services, supports and infrastructure,” said Warden George Cornell. “Our Council understands the significant role and impact of our services to our residents and communities and has approved a fiscally responsible budget that upholds our commitment to manage tax payers’ dollars efficiently, while providing flexibility to continue to invest in economic growth, tourism, municipal services, social and health programs, and regional infrastructure.”

2019 Budget Highlights include:

Total County Expenditures for 2019: **\$548 million:**

- Long Term Care and Seniors Services **\$60 million**
- Paramedic Services **\$73 million**
- Social Housing **\$88 million**
- Ontario Works **\$73 million**
- Transportation and Engineering **\$69 million**
- Solid Waste Management **\$46 million**
- Children and Community Services **\$62 million**

Attached to this news release is the 2019 County of Simcoe Budget Overview.

A8

County of Simcoe is composed of sixteen member municipalities and provides crucial public services to County residents in addition to providing paramedic and social services to the separated cities of Barrie and Orillia. Visit our website at simcoe.ca.

- 30 -

Collin Matanowitsch
Manager, Public Relations
County of Simcoe, Service Simcoe Branch
705-726-9300 ext. 1430
705-734-8386 (mobile)
Collin.Matanowitsch@simcoe.ca

Jennifer Straw
Communications Co-ordinator
County of Simcoe, Services Simcoe Branch
705-726-9300 ext. 1036
705-790-5979 (mobile)
Jennifer.Straw@simcoe.ca

2019 COUNTY BUDGET OVERVIEW



Responsibly Managing Your Services

The 2019 County of Simcoe budget has been approved by County Council with expenditures at \$548 million. Significant revenue and external funding limits the taxation levy requirement to \$170 million.

This prudent financial plan, which will account for an overall 2 percent increase on the County portion of municipal property taxes in 2019, focuses on the resources necessary to maintain or improve the existing crucial County services while continuing to invest in regional economic enhancements, roads and bridges, Paramedic Services, Solid Waste Management, Transit, and Affordable Housing.

The County is entering its fifth year of its 10 year *Affordable Housing and Homelessness Prevention Strategy* and continued investment in 2019 builds upon the 1,200 new affordable housing units already created since the strategy's inception.

The County has a target of 2,685 units by 2024, which includes ongoing development projects in Collingwood, Wasaga Beach, and Tay.

Because significant growth in the region impacts demand for all County services, we continue to work closely with our community and municipal partners to ensure residents receive the best value for their tax dollars.

The 2019 budget contains provisions to address these impacts, enhance services, increase efficiencies, and continue to prepare Simcoe County for a future of long-term fiscal stability.

The budget directs additional spending in Health and Emergency Services, including resources for Paramedic Services, such as bases in Barrie, Midland,

and Springwater to address higher call volumes.

New provincial funding was received by the County of Simcoe through the Ministry of Education to support Early Learning and Child Care programs, services and access. The \$5.6 million in new funding will enhance the County's ability to effectively respond to local system needs and support the new Ontario Early Years Child and Family Centres.

Another \$3.3 million was received in provincial homelessness funding to support programs and services for high need homeless populations.

Work continues in 2019 to grow the inter-municipal transit system after the 2018 launch of the first County bus route between Midland-Penetanguishene and Barrie. The 2019 budget includes the addition of two new routes: Orillia - Oro-Medonte - Barrie, and Collingwood - Wasaga Beach - Clearview - Essa - Barrie. A capital budget of \$4M has

been allocated for scheduling software and conventional and specialized bus purchases.

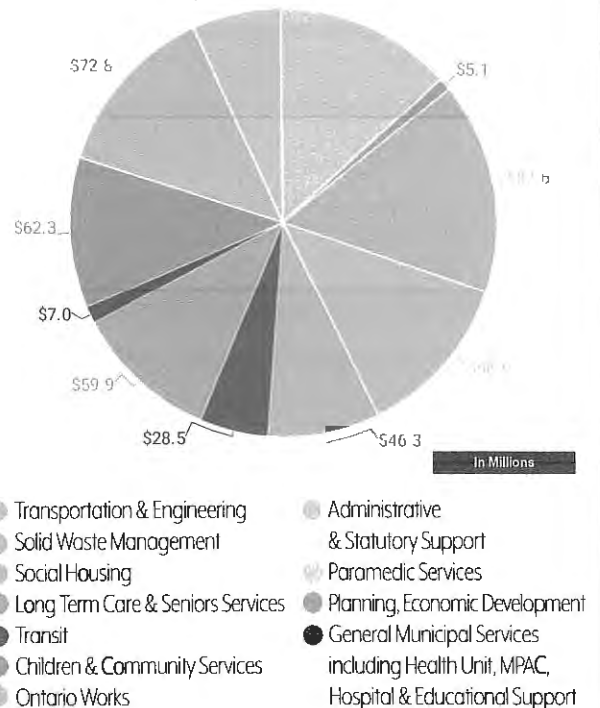
Major road projects for 2019 include the start of County Road 21 and design of County Road 4 construction.

County Council will also continue its major financial commitments to local hospitals, hospice, and post-secondary education institutions.

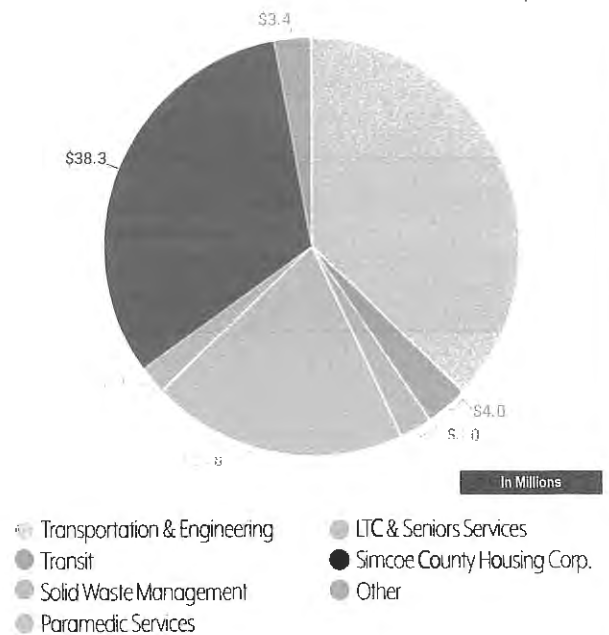
The 2019 budget allows the County to maintain its important role in our communities and set in motion the required initiatives to meet the increasing demands of our residents, while continuing to keep a strong long-term financial outlook.

Because growth in the region impacts demand for all County services, we continue to work closely with our community and municipal partners to ensure residents receive the best value for their tax dollars.

Total County Expenditures
\$548M Operating and Capital



County Capital Expenditures
\$120M



Working together for The Greater Good

The County of Simcoe understands that strong community partnerships play a vital role in providing high-quality services to residents. In order to maintain and foster these established partnerships, the County provides funding to other community impact services. Some strategic investments the County is proud to support in 2019 include:

- **Simcoe County Hospital Alliance**
\$3.0 million
- **Post-secondary capital support**
\$1.5 million
- **Hospice capital funding**
\$0.5 million
- **Simcoe Muskoka Health Unit**
\$4.5 million



expenditure **breakdown**

Engineering, Planning and Environment

The Engineering, Planning and Environment Division is comprised of Transportation and Engineering, Solid Waste Management, Forestry, Planning, Economic Development, and Transit.



Work continues in 2019 to grow the inter-municipal transit system after the 2018 launch of the first County bus route between Midland-Penetanguishene and Barrie. The 2019 budget includes the addition of two new routes: Orillia - Barrie, and Collingwood - Wasaga Beach - Barrie.

TRANSPORTATION AND ENGINEERING

2019 Expenditures: **\$69M**

The 2019 budget includes construction and road maintenance projects totalling more than \$69M. Expenditures include \$4.5M for the CR90

project Barrie to Angus, \$6.2M (CR 21), \$4M (CR 4), \$5.5M (Holland River Bridge), and rehabilitating approximately 60km of roads.

Funding for these projects includes development charge reserve funds of \$23M and Gas Tax funds of \$9M.

SOLID WASTE MANAGEMENT

2019 Expenditures: **\$46M**

The Solid Waste Management Department manages the waste disposal facilities and collection of curbside waste and diversion programs.

Capital projects include equipment replacement and development work on the Environmental Resource Recovery Centre.



expenditure **breakdown**

Health and Emergency Services

LONG TERM CARE AND SENIORS SERVICES

2019 Expenditures: **\$60M**

The County of Simcoe provides a broad range of Long Term Care and Seniors Services to residents living throughout the region, supporting more than 1,300 seniors.

They include four long-term care homes accredited with "Exemplary Standing" by Accreditation Canada, supportive housing, retirement living, assisted living, affordable housing, life lease

suites and garden homes, adult day programming, and an entire suite of home support services.

This vast diversity of programs and services addresses a wide spectrum of needs that support residents to age in place, and assist in a seamless transition for individuals as they move across the continuum of care from community to long-term care.



PARAMEDIC SERVICES

2019 Expenditures: **\$73M**

Paramedic Services provide land ambulance services at a Primary Care Paramedic and Advanced Care Paramedic level of service, training programs, public education, Public Access Defibrillator, and Community Paramedicine programs.

The 2019 budget includes costs associated with equipment replacements and upgrades related to emergency medical response to the region, including the separated cities of Barrie and Orillia, with annual call volume/responses in excess of 77,000.

Capital projects include station development and vehicle and equipment replacements.

Social and Community Services

CHILDREN AND COMMUNITY SERVICES

2019 Expenditures: **\$62M**

Children Services

As the Consolidated Municipal Service Manager, the County of Simcoe provides leadership, management, and funding administration to the local system of Licensed Child Care, Special Needs Resourcing, and EarlyON Child and Family Centres.

This includes administration of licensed child care fee subsidy, child care centre operating funding, program supports, and wage enhancement for agency staff.



Homelessness Prevention

The County of Simcoe works collaboratively with local service providers and other community partners to ensure more coordinated and integrated supports for individuals experiencing homelessness.

Through a contract management process, funding is provided to support community based programs and initiatives that address homelessness and poverty.

ONTARIO WORKS

2019 Expenditures: **\$73M**

The County of Simcoe administers the Ontario Works program, with a projected monthly caseload of 5,600, providing both financial and employment assistance to individuals in financial need. Program outcomes focus on individual goals that lead to financial independence.

Initiatives:

- Targeted skilled trades training
- Enhanced supports for clients with multiple barriers
- Addiction services initiative



Three rental projects, including this one in Collingwood, will create an additional 257 units of affordable housing in the County (2019-2020).

SOCIAL HOUSING

2019 Expenditures: **\$88M**

The County is responsible for the administration and funding of numerous mandated social housing programs.

In addition, the County participates in a number of initiatives that enhance the range of affordable housing options/programs available to our residents.

Programs include the Simcoe County Housing Corporation and the many non-profit and co-operative housing providers.

There are approximately 4,000 social housing units within the County's housing portfolio, of which, approximately 2,800 are rent-geared-to-income.

Simcoe County Housing Corporation 2019 capital budget includes the Collingwood, Wasaga Beach, and Tay Township development projects (\$35M). These three rental projects will create an additional 257 units of affordable housing during 2019-2020.



How your tax dollar works

While the County's expenses are \$548 million, they are offset by the County revenues and funding from both provincial and federal levels of government. Residents will see a 2 per cent increase on the County portion of their municipal property taxes in 2019. Overall, due to revenues and provincial funding, the County's actual tax requirement of \$170 million is broken down as follows:

COUNTY LEVY SUPPORT PER AREA	%*	(\$000s)*	PER \$100,000 RESIDENTIAL ASSESSMENT VALUE*
Paramedic Services	16.7%	28,355	\$48.58
Long Term Care and Seniors Services	5.2%	8,767	\$15.02
Ontario Works	2.2%	3,665	\$6.28
Children and Community Services	2.5%	4,206	\$7.21
Social Housing	14.0%	23,816	\$40.81
Transportation and Engineering	10.5%	17,750	\$30.41
Solid Waste Management	21.1%	35,814	\$61.36
Planning, Economic Development	3.4%	5,840	\$10.01
Transit	3.7%	6,267	\$10.74
Administrative and Statutory Support (CAO, Clerk Dept, Service Simcoe, Corporate Performance)	8.3%	14,155	\$24.25
General Municipal Services (SMDHU, MPAC, LSRA, Age Friendly grant, hospital and educational support)	12.4%	21,038	\$36.05
Total Taxes based on Services	100.0%	169,674	\$290.72

* All numbers are rounded

APPROXIMATE TAX INCREASE PER RESIDENTIAL PROPERTY ASSESSMENT		
County Tax Rate Increase		
%	\$	per \$100,000 assessment
2.0	3.3M	\$5.70

COUNTY ONLY (excluding Barrie & Orillia)	#	AVG. COST PER UNIT*
Households	144,481	\$22.60
Population	322,194	\$10.14

* Approximate Increase

NOTE: Actual taxation impacts do not parallel assessment change because of Ontario's variable tax rate system. Tax rates vary by property class and assessment based on tax ratios, which affect the distribution of the tax levy across classes. The numbers noted are for illustration purposes only.

How to contact us



County of Simcoe
1110 Highway 26,
Midhurst, Ontario L9X 1N6
705-726-9300
simcoe.ca

Office of the Warden and CAO, Ext.1260
George Cornell, Warden warden@simcoe.ca
Mark Aitken, Chief Administrative Officer CAO@simcoe.ca

Corporate Performance Division, Ext.1266
Trevor Wilcox, General Manager trevor.wilcox@simcoe.ca

Corporate Performance Division, Ext.1174
Lealand Sibbick, Treasurer lealand.sibbick@simcoe.ca

From: Watson & Associates Economists Ltd. [mailto:info@watsonecon.ca]
Sent: January 28, 2019 10:46 PM
Subject: Letter to Province re D.C.s & Affordable Housing

Good evening,

The Ministry of Municipal Affairs and Housing invited Watson & Associates Economists Ltd. (Watson) to participate in the "Development Charges and Housing Affordability Technical Consultations" undertaken as part of the Province's Housing Supply Action Plan. Gary Scandlan, Director at Watson, participated in both the Municipal Consultation held on January 9, 2019 and the Municipal/Developer Technical Consultation Wrap-up held on January 21, 2019. Attached is our submission, which summarizes Watson's perspectives advanced during those discussions.

Disclaimer: This message is for the use of the intended recipient(s) only and may contain information that is privileged, proprietary, confidential, and/or exempt from disclosure under any relevant privacy legislation. If you are not the intended recipient or authorized agent thereof, you are hereby notified that any review, retransmission, dissemination, distribution, copying, conversion to hard copy, taking of action in reliance on or other use of this communication is strictly prohibited. If you are not the intended recipient and have received this message in error, please notify the sender by return e-mail and delete or destroy all copies of this message. Warning: Although Watson & Associates Economists Ltd. has taken reasonable precautions to ensure no viruses are present in this email, the company cannot accept responsibility for any loss or damage arising from the use of this email or attachments.

If you do not wish to receive future emails from Watson & Associates Economists Ltd. which update you on municipal matters, please reply to this message with the subject 'UNSUBSCRIBE'.

Watson & Associates Economists Ltd.

Plaza Three
101-2000 Argentia Rd.
Mississauga, Ontario
L5N 1V9

Office: 905-272-3600
Fax: 905-272-3602
www.watsonecon.ca



January 25, 2019

Ms. Rachel Simeon
Director, Market Housing Branch
Ministry of Municipal Affairs and Housing
14th Floor, 777 Bay Street
Toronto, Ontario
M5G 2E5

Dear Ms. Simeon:

Re: Development Charges and Housing Affordability

At the outset, we would like to thank the Ministry for the invitation to participate in the “Development Charges and Housing Affordability Technical Consultations” undertaken as part of the Province’s Housing Supply Action Plan. The undersigned participated in both the Municipal Consultation held on January 9, 2019 and the Municipal/Developer Technical Consultation Wrap-up held on January 21, 2019. We would, by way of this letter, summarize our perspectives advanced during those discussions.

Watson & Associates Economists Ltd.

Watson & Associates Economists Ltd. is a firm of municipal economists, planners and accountants which has been in operation since 1982. With a municipal client base of more than 250 Ontario municipalities and utility commissions, the firm is recognized as a leader in the municipal finance/local government field. The firm’s Directors have participated extensively as expert witnesses on development charge (D.C.) and municipal finance matters at the LPAT/O.M.B. for over 37 years.

Our background in D.C.s is unprecedented including:

- Having undertaken over one-half of the consulting work completed in Ontario in the D.C. field during the past decade; and
- Provided submissions and undertook discussions with the Province when the *Development Charges Act* (D.C.A.) was first introduced in 1989 and with each of the amendments undertaken in 1997 and 2015.

Development Charges and Land Supply

Within the provincial consultation document “Increasing Housing Supply in Ontario,” the Province has identified five broad-themed barriers to new housing supply. The third



barrier, "Costs: Development Costs are Too High Because of High Land Prices and Government Imposed Fees and Charges," presents that:

- New housing development requires access to serviced land;
- Land prices are driven up by lack of serviced land available for development; and
- Government-imposed fees and D.C.s make it expensive to develop new housing.

The following provides our comments and perspectives on these matters.

D.C. Rates in Ontario

As a starting point, we would provide a summary of the municipal and education D.C.s across Ontario as of late 2018 (Appendix A). Based on this data, the following summary is provided:

Table 1 - Development Charges in Ontario

Development Charge for Single Detached House ¹			
Area of Ontario	High	Median	Low
GTA	\$113,600	\$68,200	\$42,700
Central	\$66,800	\$25,700	\$11,200
Western	\$36,300	\$12,000	\$300
Eastern	\$37,200	\$7,200	\$1,000

¹ Rounded

Table 2 - Development Charges - Number of Municipalities in Each Range

Development Charge for Single Detached House						
Area of Ontario	100,000 +	80,000 - 100,000	60,000 - 80,000	40,000 - 60,000	20,000 - 40,000	0 - 20,000
GTA	1	9	4	11	-	-
Central	-	-	2	2	24	16
Western	-	-	-	-	19	42
Eastern	-	-	-	-	4	46

From the above data, the G.T.A. has the highest rates with the combined charges ranging from \$42,700 to \$113,600 and a median charge of \$68,200. All other areas in the Province have charges under \$40,000 with the exception of Central Ontario which has four municipalities in the \$40,000 to \$80,000 range.

Development Charges as a Source of Revenue

Appendix B provides the total municipal D.C. collections by service years (2013 to 2017). The following summarizes the total collections by category along with an averaged annual collection amount.



Table 3 - Development Charge Collections - 2013 to 2017

Service Category	Total Collections 2013 - 2017	Annual Average Collections	Percentage of Total
Water, Wastewater & Stormwater	3,890,337,560	778,067,512	38.8%
Roads & Transit	3,870,082,284	774,016,457	38.6%
Fire, Police & EMS	239,969,124	47,993,825	2.4%
Parks, Recreation & Library	1,305,415,069	261,083,014	13.0%
Provincial - Go Transit	47,415,065	9,483,013	0.5%
All Other	683,259,230	136,651,846	6.8%
Total	10,036,478,333	2,007,295,667	100.0%

As presented:

- Water, wastewater and stormwater services account for 39% of the D.C. funds collected. These services are essential to the creation of serviced land for housing and employment;
- Roads and Transit account for another 39% of the D.C. collections. These services are essential to goods movement and for employment; and
- The remaining collections go towards protection, health and well-being. Note that the Province receives 0.5% of the total municipal collections for GO Transit service.

Development Charges as a Percentage of House Prices

Over the past five years, infrastructure costs have risen. Factors that have influenced these increases include:

- Increases in tender prices to construct infrastructure;
- Increased regulatory requirements (e.g. increased quality treatment for water/wastewater, enhanced technology requirements);
- Increased land prices; and
- Enhanced approval process (environmental assessments, public engagement, etc.).



While the D.C. rates have increased, housing prices have increased as well. The following information was presented by BILD in their 2013 and 2018 documents "Government Charges and Fees on New Homes in the Greater Toronto Area."

Table 4 - Summary of Development Charges for Selected G.G.H. Municipalities - 2013

Item	Town of Oakville	City of Brampton	City of Markham	Town of Bradford West Gwillimbury	Town of Ajax	City of Toronto
Average New Home Price 36' lot	\$590,000	\$490,000	\$600,000	\$410,000	\$460,000	\$540,000
Lower-Tier/Single-Tier D.C.s	\$18,957	\$25,351	\$19,950	\$29,024	\$12,020	\$19,412
Upper-Tier D.C.s	\$35,275	\$35,532	\$40,107	\$6,172	\$20,940	
Education D.C.s	\$3,665	\$2,146	\$2,020	\$1,088	\$1,964	\$544
Total Municipal D.C.s	\$54,232	\$60,883	\$60,057	\$35,196	\$32,960	\$19,412
Total D.C.s	\$57,897	\$63,029	\$62,077	\$36,284	\$34,924	\$19,956
D.C.s as a % of Housing Price	9.8%	12.9%	10.3%	8.8%	7.6%	3.7%

Source: Government Charges and Fees on New Homes in the Greater Toronto Area, Revised Final Report, July 23, 2013. Altus Group.

Table 5 - Summary of Development Charges for Selected G.G.H. Municipalities - 2018

Item	Town of Oakville	City of Brampton	City of Markham	Town of Bradford West Gwillimbury	Town of Ajax	City of Toronto
Average New Home Price 36' lot	\$1,200,000	\$655,000	\$1,200,000	\$570,000	\$600,000	\$930,000
Lower-Tier/Single-Tier D.C.s	\$33,688	\$29,417	\$33,687	\$25,106	\$16,087	\$60,739
Upper-Tier D.C.s	\$40,277	\$52,407	\$48,330	\$8,983	\$28,360	n/a
Education D.C.s	\$6,633	\$4,567	\$6,407	\$1,759	\$2,735	\$1,493
Total Municipal D.C.s	\$73,965	\$81,824	\$82,017	\$34,089	\$44,447	\$60,739
Total D.C.s	\$80,598	\$86,391	\$88,424	\$35,848	\$47,182	\$62,232
D.C.s as a % of Housing Price	6.7%	13.2%	7.4%	6.3%	7.9%	6.7%

Source: Government Charges and Fees on New Homes in the Greater Toronto Area. May 2, 2018. Altus Group.

As presented, over the past five years D.C.s as a % of average new house prices have decreased in Oakville, Markham and Bradford West Gwillimbury, increased marginally (.3%) in Brampton and Ajax and significantly (3%) in Toronto.

Tables 6 and 7 present the increases in housing prices and D.C.s over the five-year period.

Table 6 - Summary of Housing Price Increase for New Homes for Selected G.G.H. Municipalities

	Town of Oakville	City of Brampton	City of Markham	Town of Bradford West Gwillimbury	Town of Ajax	City of Toronto
Average New Home Price 36' lot (Percentage Increase)	103%	34%	100%	39%	30%	72%

Source: Government Charges and Fees on New Homes in the Greater Toronto Area. Altus Group - 2013 vs. 2018



Table 7 - Summary of Municipal and Education Development Charge Increase for New Homes for Selected G.G.H. Municipalities

Item	Town of Oakville	City of Brampton	City of Markham	Town of Bradford West Gwillimbury	Town of Ajax	City of Toronto
Municipal D.C.s	36%	34%	37%	-3%	35%	213%
Education D.C.s	81%	113%	217%	62%	39%	174%
Total D.C.s	39%	37%	42%	-1%	35%	212%

Source: Government Charges and Fees on New Homes in the Greater Toronto Area. Altus Group - 2013 vs. 2018

In other jurisdictions, D.C.s as a percentage of new home prices are lower than the G.T.A.:

Table 8 - Development Charges as a Percentage of New Home Prices for Selected Municipalities - 2018

Item	City of Barrie	City of Hamilton	City of Kitchener	City of Windsor	City of Kingston	City of Ottawa
Average New Home Price	\$778,715	\$770,212	\$714,253	\$550,110	\$454,755	\$562,898
Total Municipal D.C.s	\$49,184	\$36,769	\$33,041	\$22,358	\$18,468	\$35,047
Education D.C.s	\$1,759	\$1,924	\$1,691	\$305	\$124	\$2,157
Total D.C.s	\$50,943	\$38,693	\$34,732	\$22,663	\$18,592	\$37,204
D.C.s as a % of Housing Price	6.5%	5.0%	4.9%	4.1%	4.1%	6.6%

Source: House Prices - CMHC Market Absorption Survey

Impacts of Loss of Development Charges on the Tax and Rate Payers

The revenue sources available to municipalities to fund capital infrastructure are limited.

- **External sources** – Includes D.C. contributions, grants, *Planning Act* contributions (parkland dedications, section 37 contributions) and donations.
- **Financing** – Debt and P3 (public/private partnerships) are financing tools and assist in spreading the burden over periods of time; however, the payments are ultimately made by the tax/rate payer.
- **Internal** – Property taxes, water/wastewater/stormwater rates, user fees, reserves (note that these funds are accumulated from past taxes and rates).

As noted in Table 3, removal of D.C. revenues would have a direct and immediate impact on property taxes and user rates to fund the \$2 billion annual loss. Water and wastewater alone accounts for 39% of the collections and is crucial to the creation of serviced land to supply housing and employment. A recent report released by the CD Howe Institute (dated August 14, 2018) recommended the removal of the water and wastewater D.C.s. This loss of over \$780 million per year in external funding would have a major impact on water and wastewater customers. Ottawa, Peel and York Region considered the impacts of this recommendation and identified the following immediate impacts on their water/wastewater customers:



Table 9 - Impact on Water/Wastewater Bills Due to Loss of Development Charges

Municipality	Average Household Bill			User Rate Percentage Increase
	Bill Before Change	Bill After Loss of D.C. Revenue	Increase to Bill	
City of Ottawa	\$826	\$1,693	\$837	106%
Region of Peel	\$691	\$1,206	\$515	72%
Region of York ¹	\$888	\$1,417	\$529	85%

¹ Includes the impact on the Region's bill only - does not include lower tier's component

The above impact on rates must be considered in conjunction with potential added capital expenditures arising from the mandatory asset management requirements of the *Infrastructure for Jobs and Prosperity Act*. Under this legislation, municipalities have four years to comply in implementing long-term capital plans for rehabbing or replacing existing assets. Given that most Ontario municipalities have existing water/wastewater capital investments per customer of \$25,000-\$35,000, the ability to absorb the added costs for new infrastructure without D.C. revenue would be financially unaffordable for most municipalities.

The Cost of Growth

The impact of development on a municipality is not often understood clearly. Appendix C provides a schematic overview of the different components of the municipal finance regime and how development impacts property taxes (and rates). On average, residential development creates more expenditures than it does revenue, placing upward pressure on taxes. As noted in the schematic, the purple boxes denote the need for infrastructure and the (partial) recovery from D.C.s leaving a net financial impact on the municipality. Should D.C.s be further reduced, there is a further and direct impact on taxes and rates.

Fiscal Impact Case Studies – Milton and Barrie

Our firm has undertaken numerous fiscal impact assessments to evaluate the overall impact of growth on municipalities. Most often, these are undertaken as part of an Official Plan Review in order to provide direction on the timing and phasing of development (from an affordability perspective) along with financial policies to manage the financing of the infrastructure. Two examples of the impacts of growth are provided below:

Town of Milton – Located in the G.T.A. West, it is identified as a key growth area. In 2000, it had a population of 31,500 and was “planned” to grow to approximately 175,000. The early building projections were to grow at about 1,000 units per year which has increased significantly, reaching well over 2,000 units per year for a number



of years. At present, the Town's population is approximately 130,000. Planning for this municipality to grow almost six times its size required significant investment in both infrastructure and operating costs. From the fiscal impacts undertaken for each secondary plan, growth was deemed unaffordable. Observations arising from the studies included:

- D.C.s only contributed to about 75% of the growth-related costs (due to mandatory exemptions, reductions, deductions and averaging of historical service standards;
- Debt capacity would exceed 50% placing it well above the provincial limit of 25%; and
- Tax rate increases averaging approximately 10% per year were anticipated over the planning period.

Based upon the above challenges facing the Town, the growth would have to be slowed to approximately 30% of the growth targets in order to maintain financial affordability. The municipality, however, was able to negotiate with the development community to assist in mitigating the impacts. By agreement, capital contributions (in addition to the D.C. payments) were made to reduce the debt borrowing requirements (thus reducing the debt to below the capacity limits) along with the direct impact on property taxes.

City of Barrie – Located north of the G.T.A., Barrie also achieved rapid growth in the 1990s and subsequently sustained moderate growth thereafter. In 2010, the City had annexed 5,700 acres of land from Innisfil which was targeted primarily for residential development. Within the City's existing built boundary, there was significant residential lands along with employment lands to be developed. The landowners within the annexed area wished to proceed with the Secondary Plan process and potentially proceed to advance the development of the area. In addition to the financial costs of providing infrastructure to the existing built boundary area, the City was facing significant financial challenges to address replacement of aging water, wastewater, roads and other infrastructure. In attempting to address the financial infrastructure requirements within the existing built boundary along with layering the growth within the annexation lands, the City would have to consider the following impacts:

- D.C.s only contributed to about 75% of the growth-related costs (due to mandatory exemptions, reductions, deductions and averaging of historical service standards;
- Debt capacity would exceed 46% placing it well above the provincial limit of 25%; and
- Tax rate increases averaging 6% per year.

Similar to Milton, the City negotiated capital contributions to assist with reducing the debt capacity below the mandatory limit and the direct impact on property taxes (4% per year).



AA

Note that the capital contributions mentioned for Milton and Barrie were to directly fund growth-related capital costs which were not D.C. recoverable as a result of the reductions, deductions and limitations set out in the D.C.A. Without these contributions, housing supply would have been reduced and staged to maintain affordability and sustainability. Note that with the changes imposed through the *Smart Growth for Our Communities Act, 2015* (Bill 73), the Province has sought to provide limitations in this area.

Housing Affordability in Ontario and the G.T.H.A.

Housing costs are typically the most significant household expenditure and the costs associated with housing relative to household income can have a significant impact on household well-being. Measuring affordability typically involves comparing housing costs to household income.

“Affordability,” as defined in this context, is continually changing and is based on a number of parameters, including the dynamics of the housing market (supply and demand), mortgage costs (determined by interest rates), operating costs, characteristics of households (household income, position in life cycle, lifestyle choices) and government policy. Affordable housing includes both low-cost market housing for homeowners and renters, as well as non-market housing available at subsidized rates.

An analysis is provided in Appendix D. The analysis presented therein suggests that over the 2006 to 2016 period, erosion in housing affordability has been largely in the rental market, and not in the owner-occupied segment.

While new home prices have risen over the period, there are a number of factors that help explain why housing affordability in the ownership market has remained relatively steady over the period:

- The decline in interest rates over the period, which has reduced borrowing costs for mortgages and helped manage carrying costs;
- A significant shift in new housing mix to more affordable housing products – increasing absorption of townhouse and condo units as a share of total; and
- An increase in multi-generational living and other non-traditional living arrangements (largely occurring in the G.T.H.A.).

Meeting the needs of rental and affordable housing requires a significant emphasis to be placed on expanding the purpose-built rental inventory to meet growing market demand. While the secondary market and non-profit housing continue to be important suppliers of rental housing in the market, it is recognized that to significantly increase the supply of rental housing will likely require greater participation by the private-sector development community to construct purpose-built rental housing.



Conclusions/Observations

From the discussion session undertaken with members of the development/building community, and the review provided herein, it is acknowledged that there are challenges for the development/building community to address the housing needs for certain sectors of the housing market. Rental housing is one example of an area where the low profit margins and high risks may limit participation by developer/builders; however, there clearly does not appear to be a Province-wide concern with D.C. rates which would warrant a wholesale reduction/elimination of D.C.s for any particular service.

As identified by Ottawa, Peel and York, the elimination of water/and wastewater D.C.s could have a very significant impact on annual customer billings impacting existing low-income households and affecting their ability to continue to afford their present homes. It would be short-sighted to eliminate D.C.s in order to stimulate a marginal increase in housing for potential new residents while possibly causing many marginal income homeowners to lose their homes due to the increased tax/rate charges. As well, the loss of this external funding source would reduce the creation of serviced lands for housing and employment.

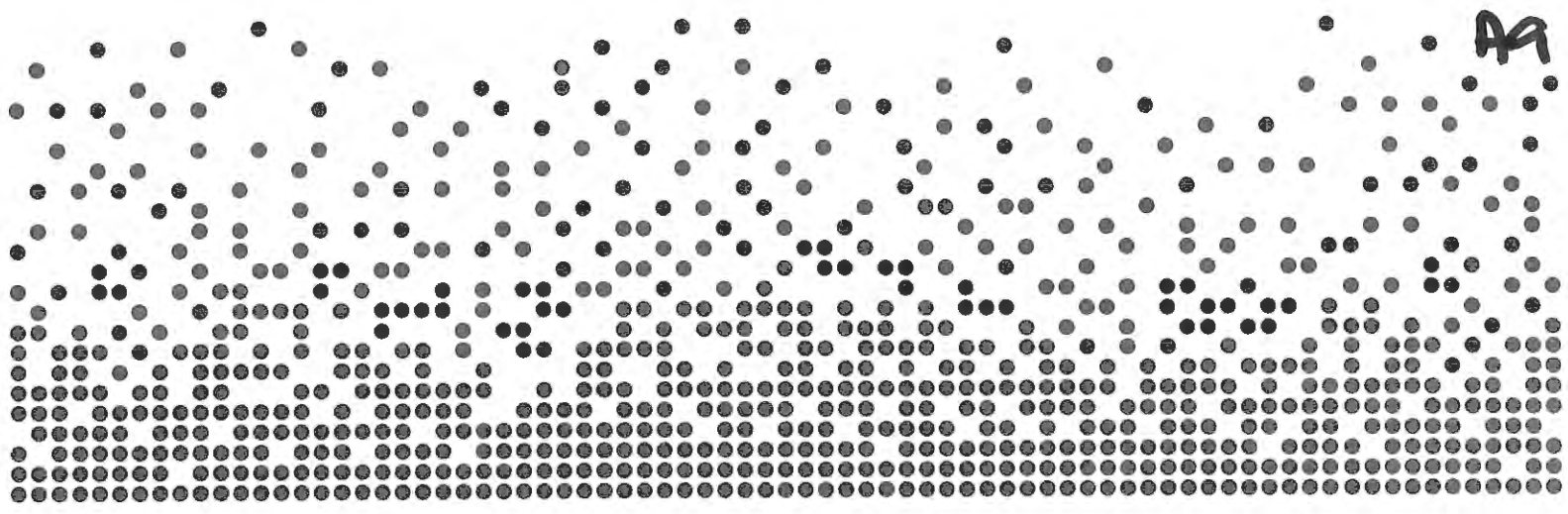
To best address the Province's objectives, select segments of the housing market should be considered for assistance. Aid to the developer/builder should be performance-based in order to ensure that the desired actions for that housing market segment are carried out. Assistance could come in the form of grants funded by provincial/municipal funding sources. Other forms of assistance could be considered as well (low/no interest loans, delayed payments for municipal and senior level government fees and charges).

Yours very truly,

WATSON & ASSOCIATES ECONOMISTS LTD.

Gary D. Scandlan, B.A., PLE
Director

AA



Appendices

AA



Appendix A

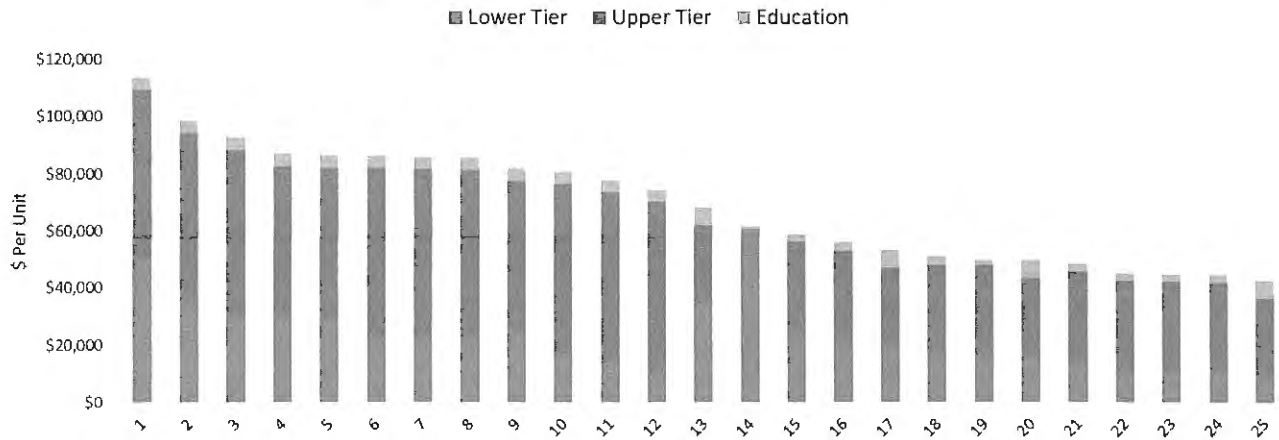
Development Charges in Ontario

45

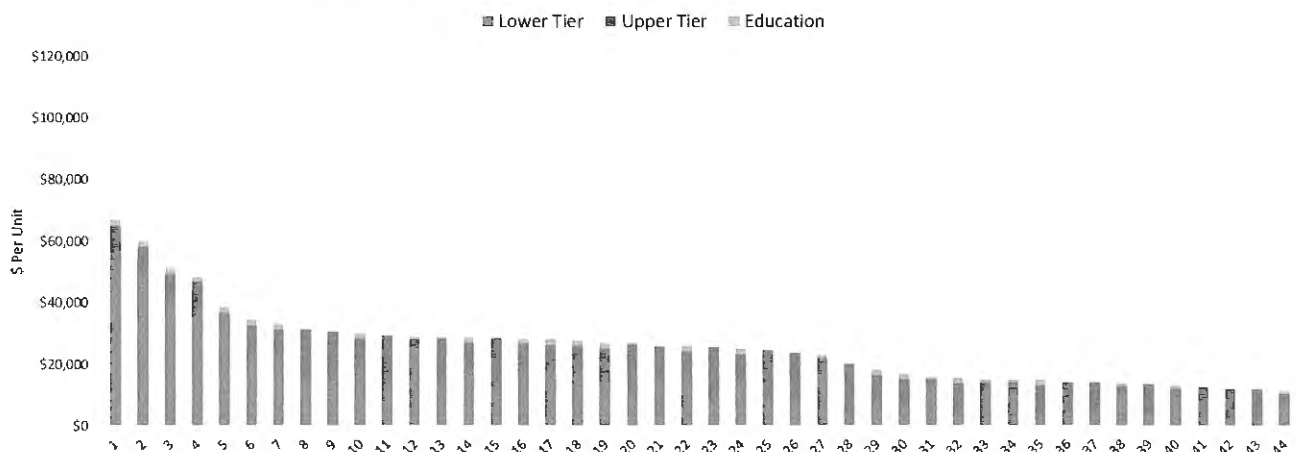


Appendix A: Development Charges in Ontario

Residential Development Charges
Per Single Detached Dwelling for GTA Municipalities

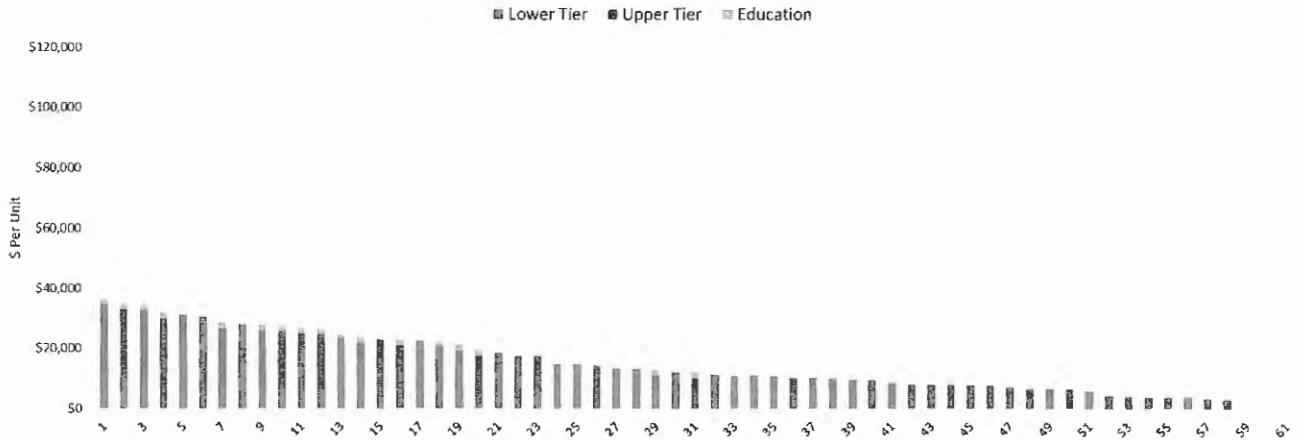


Residential Development Charges
Per Single Detached Dwelling for Central Ontario Municipalities

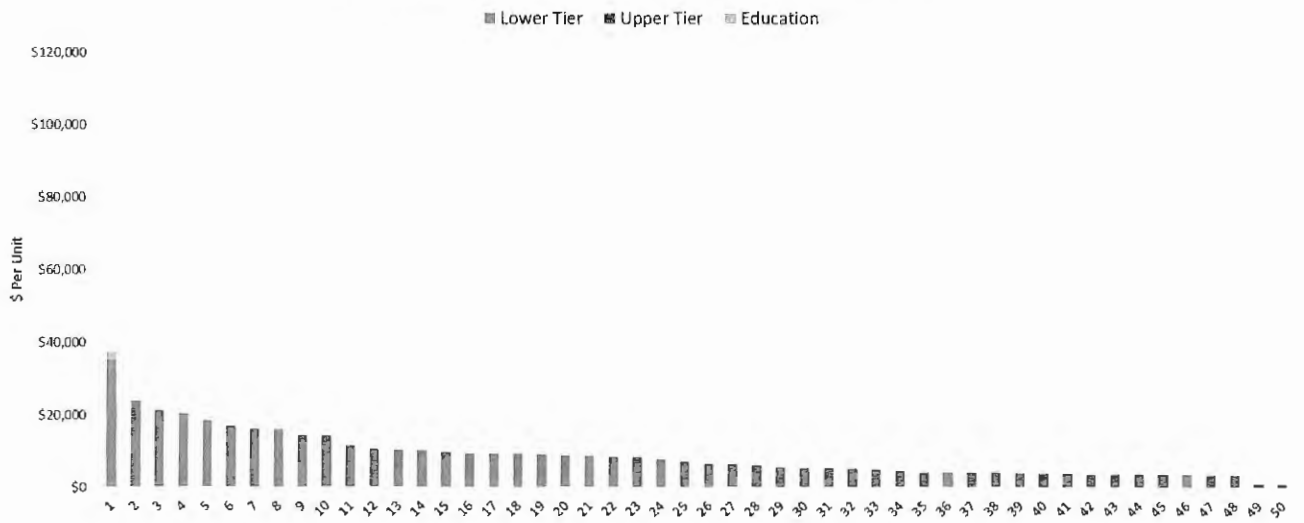




Residential Development Charges Per Single Detached Dwelling for Southwestern Ontario Municipalities



Residential Development Charges Per Single Detached Dwelling for Eastern Ontario Municipalities





AA

Appendix B

Development Charge Collections 2013 to 2017

48



Appendix B: Development Charge Collections 2013 to 2017

Development Charge Collections - 2013 to 2017							
Service	2013	2014	2015	2016	2017	Total	Average Annual
General Government	12,050,045	12,270,754	12,829,713	21,443,520	8,654,142	67,248,174	13,449,635
Fire Protection	19,100,753	23,624,512	24,765,253	27,313,942	26,978,473	121,782,933	24,356,587
Police Protection	16,473,155	18,511,592	20,652,998	18,378,613	20,548,089	94,564,447	18,912,889
Roads and Structures	459,358,776	612,034,803	690,333,195	779,050,973	719,779,061	3,260,556,808	652,111,362
Transit	76,809,022	132,348,600	130,908,057	132,489,696	136,970,102	609,525,477	121,905,095
Wastewater	226,276,592	326,853,930	366,627,394	442,003,774	377,008,100	1,738,769,790	347,753,958
Stormwater	35,407,598	37,192,646	36,127,040	52,679,456	53,577,620	214,984,360	42,996,872
Water	249,052,732	324,843,966	373,922,202	474,822,033	513,942,477	1,936,583,410	387,316,682
Emergency Medical Services	3,112,736	4,765,936	5,128,696	4,840,840	5,773,536	23,621,744	4,724,349
Homes for the Aged	3,073,247	2,939,550	3,743,039	3,595,331	4,297,427	17,648,594	3,529,719
Daycare	2,499,810	3,301,019	3,088,376	1,760,689	2,473,840	13,123,734	2,624,747
Housing	17,947,287	18,658,790	19,786,738	16,116,747	21,684,247	94,193,809	18,838,762
Parkland Development	64,269,835	88,966,081	84,900,635	73,762,908	87,751,688	399,651,147	79,930,229
GO Transit	7,594,651	9,005,572	10,515,931	9,837,550	10,461,361	47,415,065	9,483,013
Library	28,579,595	33,673,639	32,963,569	33,161,869	34,690,844	163,069,516	32,613,903
Recreation	113,885,296	139,822,233	162,878,471	165,794,581	160,313,825	742,694,406	148,538,881
Development Studies	6,785,229	7,539,525	9,634,244	9,536,538	11,607,836	45,103,372	9,020,674
Parking	1,906,154	3,594,036	4,821,705	3,986,887	3,947,438	18,256,220	3,651,244
Animal Control	18,224	16,511	44,952	23,839	15,205	118,731	23,746
Municipal Cemeteries	38,942	69,614	55,007	170,736	108,145	442,444	88,489
Other	100,284,812	88,219,453	84,354,637	82,829,254	71,435,996	427,124,152	85,424,830
Total	1,444,524,491	1,888,252,762	2,078,081,852	2,353,599,776	2,272,019,452	10,036,478,333	2,007,295,667

Source: Financial Information Returns - 2013 - 2017



Appendix C

The Cost of Growth



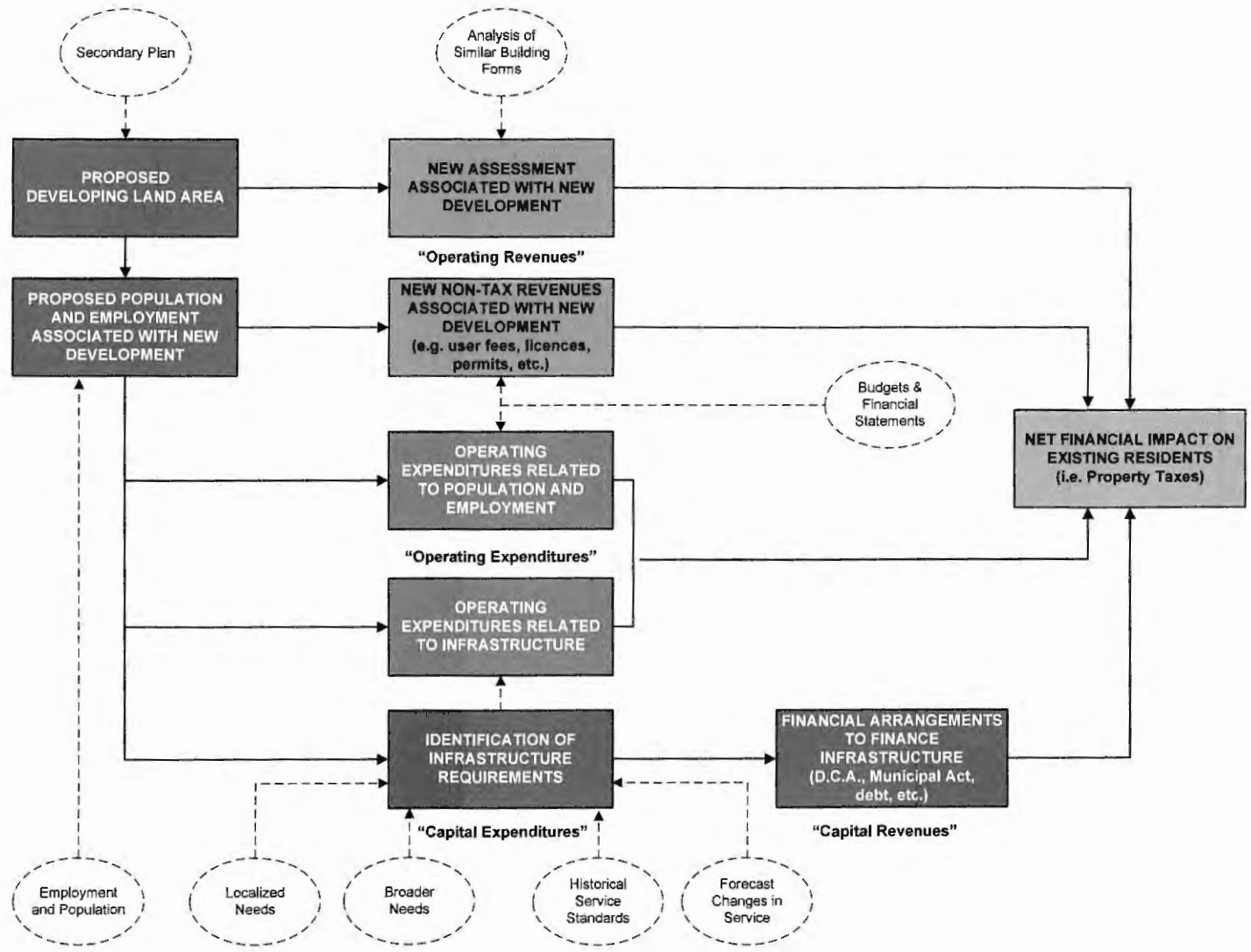
Appendix C: The Cost of Growth

Figure C-1 provides a schematic overview of the impact of growth on capital and operating expenditures and revenues, which is described as follows:

- Pink Boxes – denote the anticipated development within a municipality to their Official Plan buildout.
- Fuchsia Boxes – denote the capital infrastructure needs to service the anticipated development. The capital requirements to support the servicing needs (water, wastewater, roads, fire, parks and recreation, etc.) will often be identified through growth-related studies and service master plans. Financing methods for funding the infrastructure are then considered in light of external financing recoveries (including D.C.s) and internal recoveries (reserves, transfers from operating). Any shortfalls in annual funding of the capital infrastructure is often cash flowed by the use of debt financing (the debt financing will then be included in annual operating budgets to service the principal and interest payments).
- Orange Boxes – denote the additional operating expenditures anticipated over time. These costs have been assessed on two different bases: operating costs related to infrastructure; and operating costs related to population/employment. The former identifies the specific operating costs anticipated to be incurred as additional infrastructure (i.e. treatment plants, roads, facilities, etc.) is constructed. The latter identifies program expenditures that are linked to population and employment growth.
- Blue Boxes – denote anticipated operating revenues commensurate with growth. The upper box identifies the additional assessment anticipated as residential, commercial and industrial building activity occurs over the forecast period. This new assessment gives rise to additional property tax revenue. The lower box identifies non-tax revenues such as user fees, permits, licences, etc., which are anticipated to grow in concert with population and employment growth.
- Yellow Box – denotes the overall financial impact on property taxes and rates over the forecast period. It is this impact that Council will have to consider in the future as secondary plans are approved and development approvals come forward.



Figure C-1
Overview of the Financial Impact of Growth



52

A9



Appendix D

Development Charges and Affordable Housing



Appendix D: Development Charges and Affordable Housing

Housing costs are typically the most significant household expenditure and the costs associated with housing relative to household income can have a significant impact on household well-being. Measuring affordability typically involves comparing housing costs to household income.

“Affordability,” as defined in this context, is continually changing and is based on a number of parameters, including the dynamics of the housing market (supply and demand), mortgage costs (determined by interest rates), operating costs, characteristics of households (household income, position in life cycle, lifestyle choices) and government policy. Affordable housing includes both low-cost market housing for homeowners and renters, as well as non-market housing available at subsidized rates.

Change in Household Income vs. Shelter Costs, 2006 to 2016

- Figures 1 and 2 summarize the percentage change in average household income and average shelter costs for owner-occupied and renter-occupied households in Ontario and the G.T.A. over the 2006 through 2016 periods, based on Census data. Key observations:
 - Owner-occupied household income has generally kept pace with increases in shelter costs over the period in the Province of Ontario and in the G.T.A.; and
 - Renter-occupied shelter costs have increased more over the past decade than household income, suggesting that there has been erosion in rental housing affordability over the period.



Figure 1

Province of Ontario, Change in Household Income and Shelter Costs by Tenure Type, 2006-2016



Source: Derived from Statistics Canada Census, 2006 & 2016, by Watson & Associates Economists Ltd., 2019.

Figure 2

G.T.A., Change in Household Income and Shelter Costs by Tenure Type, 2006-2016



Source: Derived from Statistics Canada Census, 2006 & 2016, by Watson & Associates Economists Ltd., 2019.



Share of Households Spending 30% or more on Shelter Costs

In Canada, housing affordability is often measured through the shelter cost-to-income ratio. A ratio of 30% is commonly accepted as the upper limit for affordable housing. Households spending more than 30% on housing are generally considered in need of more affordable housing alternatives. This measure is applicable to both owner-occupied and rental dwellings.

Figures 3 through 6 illustrate the share of households in Ontario spending 30% or more of household income on shelter costs. This data provides insight into the relative affordability challenges by geographic location, housing tenure and how affordability has changed over the past decade (2006 to 2016). Key observations:

- In 2016, 27.6% of Ontario households spent more than 30% of their household income on shelter costs. The share of households spending more than 30% of household income on shelter costs was higher in the G.T.H.A. than elsewhere in the Province (32.0% vs. 23.2%);
- 45% of renter-occupied households in Ontario are spending 30% or more of household income on shelter costs – a significantly higher share than owner-occupied households. There is minimal variation between the G.T.H.A. and the rest of Ontario with respect to this metric;
- 20% of owner-occupied households in Ontario are spending 30% or more of household income on shelter costs. The share is notably higher in the G.T.H.A. vs. elsewhere in the Province (25% vs. 15%). The share of households is higher when considering only owner-occupied households with mortgages. In the G.T.H.A., 30% of owner-occupied households with mortgages are spending 30% or more of household income on shelter costs. This is compared to 16% in the rest of the Province;
- The share of owner-occupied households with mortgages spending more than 30% of household income on shelter costs has declined marginally between 2006 and 2016. This trend has been observed in both the G.T.H.A. and in the rest of the Province; and
- With respect to renter households, the share of households spending more than 30% of household income on shelter costs has increased marginally between 2006 and 2016; this increase has been observed both provincially and in the G.T.H.A.



Figure 3
Share of Households Spending 30% or More of Household
Income on Shelter Costs, 2016

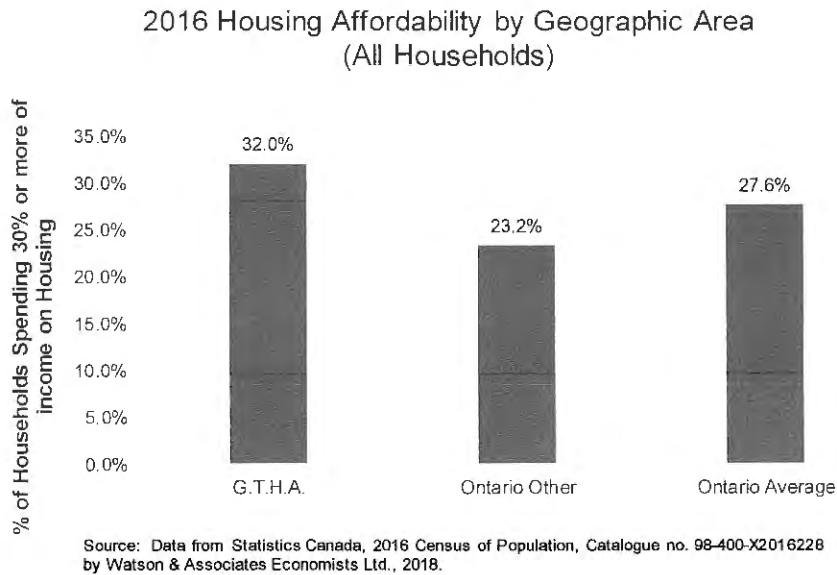


Figure 4
Share of Households Spending 30% or More of Household
Income on Shelter Costs, 2016

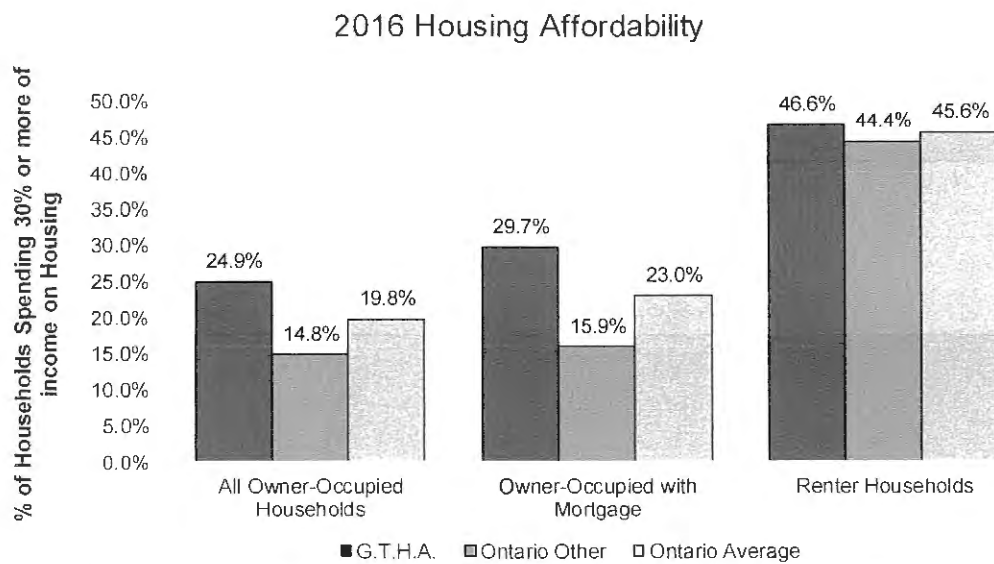
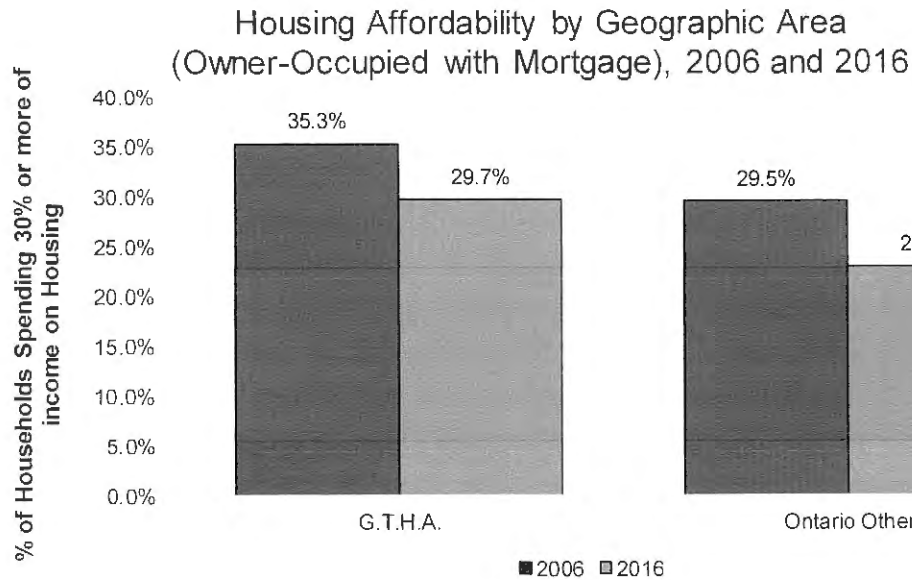


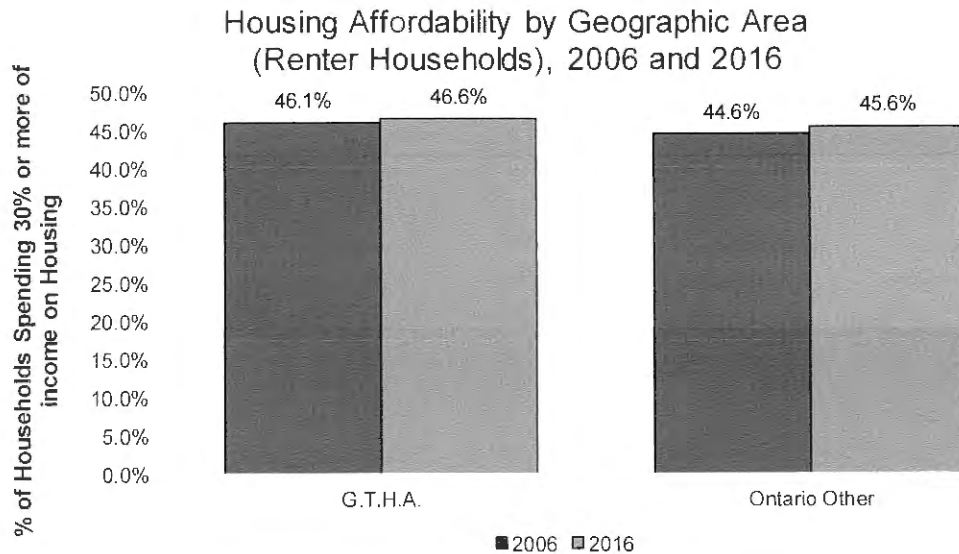


Figure 5



Source: Data from Statistics Canada, 2006 and 2016 Census of Population, Catalogue no. 97-554-XCB2006038 and 98-400-X2016228 by Watson & Associates Economists Ltd., 2018.

Figure 6



Source: Data from Statistics Canada, 2006 and 2016 Census of Population, Catalogue no. 97-554-XCB2006038 and 98-400-X2016228 by Watson & Associates Economists Ltd., 2018.



Observations

The analysis presented herein suggests that over the 2006 to 2016 period, erosion in housing affordability has been largely in the rental market, and not in the owner-occupied segment.

While new home prices have risen over the period, there are a number of factors that help explain why housing affordability in the ownership market has remained relatively steady over the period:

- The decline in interest rates over the period, which has reduced borrowing costs for mortgages and helped manage carrying costs;
- A significant shift in new housing mix to more affordable housing products – increasing absorption of townhouse and condo units as a share of total; and
- An increase in multi-generational living and other non-traditional living arrangements (largely occurring the G.T.H.A.).

Need for Affordable Rental Housing

To maintain a well-balanced, strong community and ensure long-term sustainability, it is vital that municipalities offer a wide range of housing options for a broad range of income groups, including a provision for rental housing and affordable housing.

Market demand for rental housing has been increasing due to a number of factors, including a growing population, the erosion in housing ownership affordability, and changing demographics (e.g. aging population). Despite this, there has been a limited supply of new purpose-built rental housing developed in the past 15 years. Instead, the majority of new rental units has come through the secondary market – condominium units rented by owners and second suites – as well as non-profit housing development.

Meeting the needs of rental and affordable housing requires a significant emphasis to be placed on expanding the purpose-built rental inventory to meet growing market demand. While the secondary market and non-profit housing continue to be important suppliers of rental housing in the market, it is recognized that to significantly increase the supply of rental housing will likely require greater participation by the private-sector development community to construct purpose-built rental housing.



The limited supply of new purpose-built rental housing in the G.T.H.A., combined with increasing demand, has driven the vacancy rate to record lows. Currently, the average vacancy rate for purpose-built rental units in the G.T.H.A. is 1.3%. This is compared to a 3% vacancy rate typically observed in a balanced rental market, suggesting that the G.T.H.A. is constrained with respect to supply.

The preference for condominium developments (as opposed to purpose-built rentals) by developers has been largely driven by financial considerations. Unlike condominium projects, which usually require large down payments from unit buyers in advance (pre-sale of units), rental apartments require the developer to cover most of the initial construction costs. The risk can often dissuade builders from investing in these projects. Further, the developer must often rely on a rental revenue stream over a longer time period to recoup initial investment, compared to selling units immediately after project completion in a condominium development. There is also more uncertainty in rental revenue streams due to government rent controls and potential vacancies which can negatively impact future cash flow.

**Enbridge Gas Inc. has applied to raise its natural gas rates
effective January 1, 2019.**

Learn more. Have your say.

The Ontario Energy Board approved the amalgamation of Enbridge Gas Distribution Inc. and Union Gas Limited in August 2018. The companies have amalgamated to form Enbridge Gas Inc.

Enbridge Gas Inc. has applied to the Ontario Energy Board to raise its natural gas rates effective January 1, 2019. If the application is approved as filed, the yearly bill of a typical residential customer within the former Enbridge Gas Distribution Inc. and Union Gas Limited rate zones will increase by the following amounts:

Rate Zones	Residential Annual Bill Increase
Enbridge Gas	\$ 5.74
Union South	\$ 9.98
Union North East	\$ 4.88
Union North West	\$ 6.81

The rates are based on a rate-setting framework and other adjustments previously approved by the Ontario Energy Board for the period 2019-2023. The rates are set using a formula that is tied to inflation and other factors intended to promote efficiency.

Enbridge Gas Inc. is also asking the Ontario Energy Board to approve its rate design proposal and the costs of certain capital projects that are not part of their regular capital expenditures.

Other customers of Enbridge Gas Inc. may be affected. It is important to review the application carefully to determine whether you will be affected by the changes.

THE ONTARIO ENERGY BOARD IS HOLDING A PUBLIC HEARING

The Ontario Energy Board (OEB) will hold a public hearing to consider the application filed by Enbridge Gas Inc. We will question Enbridge Gas Inc. on the case. We will also hear questions and arguments from individual customers and from groups that represent the customers of Enbridge Gas Inc. At the end of this hearing, the OEB will decide whether the rate increase requested in the application will be approved.

The OEB is an independent and impartial public agency. We make decisions that serve the public interest. Our goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

BE INFORMED AND HAVE YOUR SAY

You have the right to information regarding this application and to be involved in the process.

- You can review the application filed by Enbridge Gas Inc. on the OEB's website now.
- You can file a letter with your comments, which will be considered during the hearing.
- You can become an active participant (called an intervenor). Apply by **February 5, 2019** or the hearing will go ahead without you and you will not receive any further notice of the proceeding.
- At the end of the process, you can review the OEB's decision and its reasons on our website.

LEARN MORE

Our file number for this case is **EB-2018-0305**. To learn more about this hearing, find instructions on how to file letters or become an intervenor, or to access any document related to this case, please enter the file number **EB-2018-0305** on the OEB website: www.oeb.ca/participate. You can also phone our Consumer Relations Centre at 1-877-632-2727 with any questions.

ORAL VS. WRITTEN HEARINGS

There are two types of OEB hearings – oral and written. The OEB will determine at a later date whether to proceed by way of a written or oral hearing. If you think an oral hearing is needed, you can write to the OEB to explain why by **February 5, 2019**.

PRIVACY

If you write a letter of comment, your name and the content of your letter will be put on the public record and the OEB website. However, your personal telephone number, home address and e-mail address will be removed. If you are a business, all your information will remain public. If you apply to become an intervenor, all information will be public.

This hearing will be held under section 36 of the Ontario Energy Board Act, S.O. 1998 c.15 (Schedule B).





63rd Annual Meeting & Training Sessions
Blue Mountain, Ontario
September 29 – October 2, 2019

2019 OBOA AMTS Sponsorship Guide

The Ontario Building Officials Association (OBOA) is holding its 63rd Annual Meeting and Training Sessions (AMTS) on September 29 – October 2, 2019 at the Blue Mountain Resort. The event is being hosted by the Bluewater and Simcoe County Chapters.

With over 600 attendees, close to 25 technical sessions, and over 60 exhibitors, the OBOA AMTS is the most informative industry event on building code regulations and building safety. The event brings together Ontario's Building Officials and construction industry professionals in a dynamic learning and networking forum.

Support the AMTS through sponsorship and demonstrate your commitment to building code regulations and building safety, while enhancing your corporate profile and visibility amongst Ontario's Building Officials and construction industry professionals.

Along with verbal acknowledgement at sponsored events throughout the AMTS, sponsors will also be acknowledged with their corporate name and logo displayed:

- on the OBOA website;
- in the June and September editions of the OBOA Journal publication;
- on presentation screens throughout the conference; and
- on conference sponsorship banners and signage at sponsored events.

Sponsorship Opportunities

Education Sessions	Companion Program	Lunches
Delegate Bags	Refreshment Breaks	Ice Breaker Welcome Reception
Delegate Name Badge Holders	Hospitality Suite	Theme Night Social Event
Conference Smart Phone App	Prizes	President's Dinner Reception
Student Registrations	Charity Golf Tournament	

Levels of Sponsorship Available

Platinum	Gold	Silver	Bronze
\$5,000 minimum	\$3,000 - \$4,999	\$1,000 - \$2,999	\$500 - \$999

All



63rd Annual Meeting & Training Sessions
Blue Mountain, Ontario
September 29 – October 2, 2019

Sponsorship Selections

LEVEL OF SUPPORT	
<input type="checkbox"/> Platinum	\$5,000 minimum
<input type="checkbox"/> Gold	\$3,000 - \$4,999
<input type="checkbox"/> Silver	\$1,000 - \$2,999
<input type="checkbox"/> Bronze	\$500 - \$999
AREA OF SUPPORT	
<input type="checkbox"/> EDUCATION SESSIONS - \$5,000 per day or \$10,000 for all 3 days <input type="checkbox"/> DELEGATE BAGS - \$3,000 / maximum 6 sponsors <input type="checkbox"/> DELEGATE NAME BADGE HOLDERS - \$4,000 / exclusive <input type="checkbox"/> CONFERENCE SMART PHONE APP - \$5,000 /exclusive <input type="checkbox"/> STUDENT REGISTRATIONS - \$250 per student <input type="checkbox"/> LUNCHES - \$5,000 <input type="checkbox"/> REFRESHMENT BREAKS - \$1,000 <input type="checkbox"/> ICE BREAKER WELCOME RECEPTION - \$3,000 <input type="checkbox"/> THEME NIGHT SOCIAL EVENT - \$5,000 <input type="checkbox"/> PRESIDENT'S DINNER RECEPTION - \$5,000 <input type="checkbox"/> COMPANION PROGRAM - \$1,000 <input type="checkbox"/> HOSPITALITY SUITE - \$1,000 per hour <input type="checkbox"/> DRAW PRIZES: _____	
CHARITY GOLF TOURNAMENT	
<input type="checkbox"/> EVENT SPONSOR - \$6,000 <input type="checkbox"/> HOLE IN ONE SPONSOR - \$5,000 <input type="checkbox"/> LUNCH - \$3,000 <input type="checkbox"/> AWARDS RECEPTION - \$3,000 <input type="checkbox"/> BEVERAGE CART SPONSOR - \$1,000 <input type="checkbox"/> GOLF CART SPONSOR - \$2,000 <input type="checkbox"/> PUTTING CONTEST - \$1,500 <input type="checkbox"/> TEE/HOLE SPONSOR - \$200 <input type="checkbox"/> PRIZES: _____	

63



63rd Annual Meeting & Training Sessions
Blue Mountain, Ontario
September 29 – October 2, 2019

Sponsorship Registration Form

SPONSOR INFORMATION:

COMPANY: _____

ADDRESS: _____

TELEPHONE: (____) _____ FAX: (____) _____

PRIMARY CONTACT INFORMATION:

NAME: _____

TITLE: _____

EMAIL: _____

SIGNATURE: _____

TOTAL SPONSORSHIP: \$ _____ (Sponsorship Selections, p.3)

PAYMENT METHOD:

Cheque enclosed - made payable to "Ontario Building Officials Association"

Please charge my credit card - *VISA / Mastercard / AMEX*

Card Number: _____ Expiry: _____

Cardholder's Name: _____

Cardholder's Signature: _____

COMPLETE AND MAIL/FAX TO:

Ontario Building Officials Association
200 Marycroft Avenue, Unit 8
Woodbridge, Ontario L4L 5X4
FAX: 905-264-7609

For further information, please contact Mike Leonard at the OBOA office: training@oboa.on.ca
or 905-264-1662 x224.

64



Achieving Net Gains through Ecological Offsetting

Guidelines for preparing a site-specific ecological offsetting plan.

DRAFT FOR DISCUSSION

January 2019



Nottawasaga Valley
Conservation Authority

Contents

1.0 Introduction	1
1.1 NVCA’s Offsetting Mandate.....	1
2.0 Policy Context	2
2.1 Policy Conformity.....	3
2.2 Evaluating Significance.....	3
2.3 The ‘No Impact’ Test	4
2.4 Policy Exemptions.....	4
3.0 Preliminary Considerations for Developing a Strategy	5
3.1 Reviewing the Mitigation Hierarchy.....	5
3.2 Quantifying the Area of Loss	6
3.3 Quantifying the Area of Gain (Offsetting Ratio)	6
3.3.1 Quantifying the Area of Gain—Woodlands	8
3.3.2 Quantifying the Area of Gain—Wetlands	10
4.0 Technical Considerations	12
4.1 Proponent-led Offsetting	12
4.1.1 Project Site Selection.....	12
4.1.2 Design and Implementation	13
4.1.3 Monitoring and Maintenance	14
4.1.4 Administrative Considerations	15
4.2 Cash-in-lieu Offsetting.....	15
4.2.1 Payment Calculation	16
4.2.2 Strategic Use of Offsetting Payments	17
4.2.3 Payment Administration and Accountability	18
4.3 Exemptions and Extenuating Circumstances	18
5.0 Summary and Conclusions	19
6.0 References	19

Alternative Formats: If you require this document in an alternative format please contact NVCA at 705-424-1479 or admin@nvca.on.ca.

1.0 Introduction

The Nottawasaga Valley watershed supports a wide range of land uses and a diverse and interconnected system of natural features. The healthy function of these natural systems provides invaluable services for landowners, businesses, and numerous other stakeholders throughout the watershed. Examples of such services include maintaining healthy drinking water, providing flood and climate change mitigation functions, providing a diversity of recreational opportunities, and ensuring that native plants and wildlife have the necessary space to thrive. All of these important natural services must be balanced with the current development pressures that the watershed is experiencing, and will continue to experience moving forward.

While growth provides critical opportunities for economic prosperity, it also presents a challenge for the protection and enhancement of natural features throughout the watershed. To address this challenge, it is necessary to institute strategies and policies that ensure growth and development is carried out responsibly and sustainably. Land managers and watershed authorities frequently strive for “no net loss” of natural cover from a given landscape, calling for strict protections of features such as wetlands and woodlands. However, this can be challenging when proposals for development often call for the removal of such features to maximize yields.

In addressing this challenge, one concept gaining momentum is the establishment of policies which call for ‘compensation’ or ‘offsetting’ for the loss of natural assets. Such policies promote an innovative approach to ensuring “no net loss”, and are regularly structured to promote overall “net gains” of natural features on the landscape. This concept assigns a responsibility to compensate for the value and function of lost natural features, thereby ensuring important functions are maintained and enhanced on the landscape. In keeping with this principle, the guidelines contained herein aim to ensure that every loss of a natural heritage feature (or a portion thereof) in the Nottawasaga Valley watershed is met with an equal or greater gain in value and function.

1.1 NVCA’s Offsetting Mandate

By instituting a formal offsetting policy, it is not the intention of the Nottawasaga Valley Conservation Authority (NVCA) to promote an increase in removal of natural features throughout the watershed. The intention of this policy is to ensure that standardized compensation is provided for the removal of features, where such removal is eligible for approval. To accomplish this, natural features must be assigned a standardized value, and natural feature losses must be quantified on a project-specific basis. Compensation may come in the form of re-creation of the

lost feature(s), or through an alternative means deemed appropriate through a consultation process.

Instituting a formal policy for ecological offsetting will increase consistency in the review of development applications that propose to impact natural heritage features and associated functions throughout the watershed. NVCA's policy strives to set a standard of prioritizing avoidance, minimization, and mitigation of impacts, prior to considering offsetting as an option. When projects are considered eligible for offsetting, the process must always be scientifically defensible, and planned and implemented by qualified professionals. Offsetting is a long-term, adaptive, and co-operative process undertaken by multiple stakeholders, including developers, landowners, municipalities, NGOs, and regulatory agencies.

2.0 Policy Context

The *Conservation Authorities Act* provides the Authority with the mandate to develop programs to conserve, restore, develop and manage the watershed's natural resources. Under the *Act*, NVCA may prohibit development within wetlands or other areas where development could interfere with the hydrologic function of a wetland. However, the NVCA may grant permission for development in such areas if, in its opinion, the control of flooding, erosion, dynamic beaches, pollution or the conservation of land will not be affected by the development.

Further, Section 21(1) of the *Act* provides the basis for the Authority's review of planning applications as a commenting agency under the *Planning Act* as well as through agreements with its member municipalities. Municipal and provincial land-use planning policies generally prohibit or discourage development within features such as wetland and woodlands, unless the proposal can demonstrate no "negative impacts" to these natural features and their associated functions.

This policy context provides the foundation for the offsetting guidelines discussed herein. This guideline is prepared on the premise that any development plan which proposes to encroach on a natural feature cannot be undertaken without some degree of inherent negative impact to the feature itself. In this context, in order to support such a proposal, NVCA may impose a requirement to use ecological offsetting as a tool to compensate for minor negative impacts to a natural feature. As previously noted, and further reiterated below, the option to employ ecological offsetting will only be permitted as a last resort. These principles are discussed in further detail below.

Non-compliance or violation-related matters pertaining to applications made under O.Reg. 172/06 may have regard for the guidelines contained herein. However, the intent of this document is for use in development projects requiring an application under the 'Planning Act'.

2.1 Policy Conformity

Any proposal for development must begin with an objective assessment of conformity with relevant conservation authority, municipal, and provincial-level policies. Planning policies develop and change over time, and conformity must be demonstrated with those policies in place at the time a project application is submitted. Applicable policy documents include (but are not limited to):

- The Growth Plan for the Greater Golden Horseshoe (MMAH, 2017)
- Provincial Policy Statement (MMAH, 2014)
- County/Regional level Official Planning policies (e.g. Simcoe, Grey, Dufferin, Peel)
- Municipal level Official Planning policies
- Oak Ridges Moraine Conservation Plan (MMAH, 2002)
- Niagara Escarpment Plan (NEC, 2017)
- NVCA Planning and Regulations Guidelines

NVCA's offsetting policy and supporting guidelines are subject to revision based on changes to applicable planning policy over time.

2.2 Evaluating Significance

Within the context of land-use planning policies, a designation of 'significant' is particularly important in assessing policy conformity of a development proposal. Natural heritage features which are considered significant may receive strict protections under provincial, regional, and/or local-level planning policy. For example, under most planning policy, it would generally be prohibitive to develop within areas designated as 'Significant Woodland' or Provincially Significant Wetlands (PSWs). In general, designation of a natural feature as significant would preclude any consideration for removal of such a feature and, therefore, preclude any consideration for offsetting.

Depending on the type of feature, significance may be clearly designated by a regulatory authority, and may be mapped in applicable planning documents. This is often the case with previously-evaluated PSWs, which are accurately mapped and available for public review online (see Natural Heritage Information Center, 'Make-a-Map' application). Further, select municipalities have mapping available within official plan schedules to delineate areas identified as Significant Woodland.

Notwithstanding the above, a proponent should be aware that **the absence of mapping for significant features should not be equated to a lack of such**. Where natural features present a potential constraint to development, a site-specific Environmental Impact Study (EIS; or equivalent) must be prepared and include an objective assessment of the significance of relevant natural features. As part of the EIS process, the NVCA may request the involvement of the Ministry of

Natural Resources and Forestry (MNR) in matters related to PSWs, and may also request a formal wetland evaluation for wetlands which are presently unmapped or unevaluated. Significance of woodlands and wildlife habitat must be assessed by a qualified individual through the EIS process, or by regulatory agencies through the subsequent review process. Examples of resources that may be used to evaluate feature significance include:

- The Natural Heritage Reference Manual (OMNR 2010);
- The Oak Ridges Moraine Conservation Plan Technical Paper Series [#7 - Identification and Protection of Significant Woodlands (OMNR 2004);
- Significant Wildlife Habitat Criteria Schedules for Ecoregion 6E (OMNR 2015).

2.3 The 'No Impact' Test

The Provincial Policy Statement (MMAH 2014) defines *negative impacts* as:

"In regard to other natural heritage features and areas, degradation that threatens the health and integrity of the natural features or ecological functions for which an area is identified due to single, multiple or successive development or site alteration activities".

Based on the above definition, there may be scenarios where it can reasonably be demonstrated that minor encroachment on a natural feature would not adversely impact the core function of the feature as a whole. Such an assessment would be undertaken through an EIS, Feature-based Water Balance, or other appropriate analysis prepared by a qualified professional (with appropriate educational background and/or professional certifications). Reports must be prepared objectively and in consultation with review agencies to ensure that any field program is scoped appropriately. In preparing an EIS, a conclusion of "*no negative impacts*" cannot be supported solely on a plan to offset. That is, potential impacts must be assessed based on how the proposed activities will affect the state/function of the subject feature at the time of the assessment.

2.4 Policy Exemptions

Occasionally, NVCA receives applications to review non-conforming project proposals, *e.g.* where draft approvals have been granted for a project **under former outdated policies**. Notwithstanding this, prior to final approvals, proponents may remain responsible for undertaking an offsetting strategy for any relevant natural heritage features impacted by the development proposal.

3.0 Preliminary Considerations for Developing a Strategy

If a proponent has successfully demonstrated policy conformity and reviewed all options for avoidance, minimization, and mitigation, they may be eligible to consider offsetting. This will be determined in consultation with NVCA and other applicable review agencies. Any subsequent offsetting strategy will be prepared in consultation with these same agencies, and will outline all of the relevant considerations to ensure that proposed compensation measures are both adequate and viable. An overview of the preliminary stages of developing a strategy are as follows:

- **Reviewing the Mitigation Hierarchy:** Determining if/how much offsetting is actually necessary.
- **Quantifying the Area of Loss:** Determining the extent of proposed impacts to the affected feature(s).
- **Calculating the Area of Gain:** Determining the overall net gain required to offset the overall loss of the original feature(s) and its function.
- **Identifying an Offsetting Path:** Determining what offsetting options are available within the given area and within a reasonable timeframe, and prioritizing preferred options.

These key aspects are discussed below on an individual basis.

3.1 Reviewing the Mitigation Hierarchy

Offsetting is a last resort approach. Avoidance of impacts is the first priority with any development proposal, followed by all reasonable efforts to minimize unavoidable impacts. Rationale for an inability to avoid/minimize must be demonstrated through more than project efficiencies or practicalities. NVCA will actively participate in this portion of the pre-consultation, and provide input on potential project alternatives.

Where avoidance or minimization are not considered feasible, the next step is to explore options for mitigation. Mitigation can often be accomplished by employing appropriate measures during the construction process to reduce impacts to an affected natural heritage feature. NVCA will require that development plans creatively explore opportunities to maximize the retention of natural features, instead of defaulting to their removal, even if removal may represent the more convenient option. Mitigation may also take the form of restoration, where a natural heritage feature must be temporarily impacted during the development process, but can be demonstrably rehabilitated post-development. Such is often the case where temporary impacts from site grading or construction staging can be reversed to ensure that the original function of the subject feature is restored post-development.

Where avoidance, minimization, and mitigation are not considered feasible measures, the NVCA may consider development of an ecological offsetting strategy.

3.2 Quantifying the Area of Loss

The first step in the process of developing an offsetting strategy is quantifying the total '*area of loss*' of an applicable natural heritage feature, i.e., the total area that must be offset. In general, the *area of loss* is quantified by calculating the total area of the applicable feature(s) which will be directly and permanently removed for the purpose of the proposed project. This includes any and all activities associated with the project which will result in a direct and indirect loss of the original feature. Examples include:

- Direct building footprints
- Grading envelopes
- Alterations in surface and groundwater flows which will demonstrably result in adverse impacts to a feature.*

The cumulative area of loss must be calculated for each relevant impacted feature, on a per feature basis.

3.3 Quantifying the Area of Gain (Offsetting Ratio)

The proponent will need to determine the required '*area of gain*' for their specific project, a figure which is derived from calculating the *area of loss*, multiplied by an appropriate factor, the '*offsetting ratio*'. The *offsetting ratio* is applied to ensure that offsetting works result in an overall net gain, whereby the *area of gain* will meet or exceed the *area of loss*. For example, an *offsetting ratio* of 1:2 would dictate that the proponent 'replace' an area equivalent to twice the *area of loss*. Offsetting ratios are dependent on site-specific characteristics of the impacted natural feature. The base offsetting ratio for both woodlands and wetlands is 1:1; however, this ratio can increase significantly for either feature type, based largely on the following parameters:

- Quality of feature to be lost
- Successional characteristics of feature to be lost
- Replicability of the feature to be lost

* Where alterations in water input will result in an indirect loss/alteration of a feature, appropriate assessment should determine the extent of alteration and, therefore, the expected area of indirect impact/loss. Potential impacts to a feature may be dependent on community-specific sensitivities. The document, Wetland Water Balance Risk Evaluation (TRCA 2017), may provide guidance in this assessment process.

Tables 1 and 2 outline the criteria used to standardize the calculation of *offsetting ratios* for both woodlands and wetlands. Proponents should work through this table for wetlands and/or woodlands, depending on the nature of the proposed project. The *area of loss* and the appropriate *offsetting ratio* for each impacted feature will guide the proponent in determining the total *area of gain* for which they are responsible to compensate for. The *area of gain* can dictate the spatial requirements for offsetting works, or assist in calculating an appropriate figure for 'cash-in-lieu' offsetting, as discussed in Section 4.0.

3.3.1 Quantifying the Area of Gain—Woodlands

The base *offsetting ratio* for woodland communities is 1:1. The ratio is subject to increase based on two primary factors outlined in the following table. The final offset ratio would be the base ratio (1:1) plus the sum of the applicable factors (1 and 2). For example, for a native early successional woodland type where the average Diameter at Breast Height (DBH) of canopy trees is 15-30cm, the final *offsetting ratio* would 1:2.5. The maximum possible *offsetting ratio* for woodland offsetting would be 1:5, for replacement of a late-successional woodland type with a mature size class of canopy trees.

**Offsetting Ratio for Woodlands =
Base Offsetting Ratio (1:1) + Sum of the Applicable Factors**

Factor 1: Woodland Successional Type

Factor	Increase	Description & Rationale
Plantation/ Non-native Woodland	0	Plantation-grown White Pine, Red Pine, Spruce spp., Scots Pine, etc., in early stages of growth and exhibiting limited regeneration of native hardwood cover or native herbaceous layer. Also includes woodlands where the highest strata is dominated by non-native cover, such as Manitoba Maple, Common Buckthorn, Norway Maple, etc. These communities are not representative of natural community assemblages and do not require offsetting at an increased ratio. Base ratio of 1:1 will apply, in order to replace lost cover function. Replacement plantings should strive to create native woodland assemblages. Mature plantations with significant hardwood re-generation should fall into next category.
Early- successional; Intolerant Coniferous and/or Deciduous Species	0.5	Mature plantations with significant native hardwood regeneration OR early-successional, primarily native woodland communities, typically dominated by species such as Trembling Aspen, Green Ash, White Birch, Black Cherry, White Cedar. Typically a product of relatively recent disturbance, and will often have herbaceous and shrub layers dominated by exotic species. Early-successional woodlands represent communities which are relatively easily replaced through planting strategies.
Mid- successional; Mix of Intolerant and Tolerant Coniferous and/or Deciduous Species	1	Mid-successional woodland communities. May be dominated by a mix of intolerant and tolerant species, such as Aspen spp., Red Oak, Red Maple, White Cedar, White Spruce, White Pine, Green Ash, White Ash, Black Cherry, American Basswood. Mid-successional woodlands represent communities which are less replicable through planting strategies. The lost function associated with this particular successional stage must be replaced by planting a larger overall area.

Factor	Increase	Description & Rationale
Late-successional; Primarily Tolerant Coniferous and/or Deciduous Species	2	Late-successional woodland communities, often dominated by a limited diversity of shade tolerant species, such as Sugar Maple, American Beech, Eastern Hemlock, Yellow Birch, White Pine, Balsam Fir. Late-successional woodlands represent communities which form over long periods of time, and are not replicable through planting strategies. The lost function associated with this particular successional stage must be replaced by planting a larger overall area of young, early successional forest.

Factor 2: Size Class of Dominant Cover^{1,2}

Factor	Increase	Description & Rationale
<15cm DBH	0.5	Woodlands of any successional category where the average size class of canopy-level trees is less than 15cm, measured via DBH.
15-30cm DBH	1	Woodlands of any successional category where the average size class of canopy-level trees is 15-30cm, measured via DBH.
≥30cm DBH	2	Woodlands of any successional category where the average size class of canopy-level trees exceeds 30cm, measured via DBH.

1: Mature woodlands of any type represent a more significant loss on a temporal scale, and spatial requirements for offsetting should increase through a higher offset ratio. Mature size class and successional stage are considered unrelated for the purpose of this exercise. This is based on the premise that even a late-successional woodland type may be dominated by a relatively young age class (e.g. Sugar Maple woodlands managed for timber). Likewise, an early-successional woodland type can be dominated by a mature size class of trees (e.g. over-mature Trembling Aspen woodlands).

2: Factor 2 is not applicable to plantation forests or non-native woodland communities.

3.3.2 Quantifying the Area of Gain—Wetlands

The base *offsetting ratio* for wetland communities is 1:1. The ratio is subject to increase based on two primary factors outlined in the following table, plus two addition 'special feature' factors. The final *offsetting ratio* would be the base ratio (1:1) plus the sum of the applicable factors. For example, for a category 4 wetland type, which is highly groundwater-influenced, has organic soils, and where the average DBH of canopy trees exceeds 30cm, the final *offsetting ratio* would be 1:5. This represents the maximum possible offsetting ratio for a wetland compensation.

**Offsetting Ratio for Wetlands =
Base Offsetting Ratio (1:1) + Sum of the Applicable Factors**

Factor 1: Wetland Successional Type

Factor	Increase	Description & Rationale
Non-native Wetland	0	<p>Wetlands that are typically:</p> <ul style="list-style-type: none"> • Dominated (overall cover exceeding 50%) by non-native flora, such as Common Reed, Reed-canary Grass, Purple Loosestrife, Glossy Buckthorn, Common Buckthorn. • Limited to one of the following ELC community series: MAM, MAS, SWT. <p>Such communities do not represent natural community assemblages. Base ratio of 1:1 will apply, in order to replace loss of basic wetland hydrologic functions. Offsetting efforts will aim to create a native wetland type.</p>
Native, Non-treed Wetland	0.5	<p>Wetlands that are typically:</p> <ul style="list-style-type: none"> • Dominated by native species. • Early-successional in nature. • Contain no significant woody species cover. • Limited to one of the following ELC community series: MAM, MAS. <p>Wetlands under this category are relatively replicable on the landscape.</p>
Native, Shrub-dominated Wetland	1	<p>Wetlands that are typically:</p> <ul style="list-style-type: none"> • Early-successional in nature or maintained in a stable successional state. • Dominated by shrubs or low woody vegetation. <p>Wetlands under this category may require significant time for the full establishment of woody species communities following project completion.</p>
Category 4: Native, Tree-dominated Wetland	2	<p>Wetlands that are typically:</p> <ul style="list-style-type: none"> • Mid- to late-successional in nature. • Dominated by native tree cover. <p>Wetlands under this category may involve a variable level of difficulty to recreate. This is primarily due to the need to establish both suitable hydrologic conditions, and the time associated with re-establishing functional woodland cover.</p>

Factor 2: Size Class of Dominant Cover for Treed Wetlands¹

Factor	Increase	Description & Rationale
<15cm DBH	0	Treed wetlands of any successional category where the average size class of canopy-level trees is less than 15cm, measured via DBH.
15-30cm DBH	0.5	Treed wetlands of any successional category where the average size class of canopy-level trees is between 15-30cm, measured via DBH.
≥30cm DBH	1	Treed wetlands of any successional category where the average size class of canopy-level trees exceeds 30cm, measured via DBH.

1: See explanation under woodland table.

Factor 3: Groundwater Influence

Factor	Increase	Description & Rationale
High Degree of Influence	0.5	Any wetland types which have a high reliance on groundwater discharge. This may be evidenced by the presence of specific indicator plant species, or through the visible presence of seeps, groundwater upwellings, etc. Groundwater conditions can be difficult (impossible) to re-create within the scope of a wetland creation project. Wetlands with a high degree of groundwater influence will need to offset at a higher ratio to reflect the lack of replicability.

Factor 4: Soil Type

Factor	Increase	Description & Rationale
Organic Soils	0.5	Wetlands underlain by organic soil types, as determined through field soil testing and/or review of soil mapping. Organic soils can require significant time to develop; organic-soiled wetlands may require replacement with a mineral-soiled community at a higher offsetting ratio.

4.0 Technical Considerations

At this stage, the proponent has quantified the *area of gain* that is required to appropriately offset the impacts of their project. The proponent must now determine which of the two primary offsetting paths will account for this gain. These options include:

- Proponent-led Offsetting
- Cash-in-lieu Offsetting

The following section provides guidance on a variety of technical considerations for following each offsetting path.

4.1 Proponent-led Offsetting

NVCA's preferred approach is for the proponent to take responsibility for planning and implementing their offsetting project. In this scenario, NVCA serves as a technical advisor for the project, providing assistance (where possible) in identifying candidate project locations, and reviewing technical plans for the project. The proponent will be responsible for all costs associated with the project, and may also be responsible for covering an administrative cost to NVCA for time spent in this advisory role. A monitoring and maintenance component is required, which can be undertaken by a qualified consultant and reviewed by NVCA staff. Additional fees will be required if the proponent chooses to implement the project but have NVCA conduct the monitoring and maintenance component. Further specific technical considerations are outlined below.

4.1.1 Project Site Selection

NVCA maintains a set of standards for the selection and securement of appropriate locations for implementing offsetting works. The following parameters must be considered:

- **Land Ownership:** It is the preference of NVCA that proponent-led offsetting projects are undertaken on public lands to ensure the long-term security of the project. Where projects will be undertaken on private lands, portions of such lands may require conveyance to public authority or establishment of a conservation easement/agreement.
- **Geographic Location:** NVCA promotes a site-selection hierarchy, preferring that proponents seek out offsetting project sites which are as close as possible to the original impacted feature. Completing the offsetting works on the same property is ideal, provided that the property has the space to

accommodate the required *area of gain*. Where this is not feasible, the proponent should strive to source a location that is within the same municipal jurisdiction, e.g. settlement area or township. Failing the above, a proponent should source a location which is contained within the same subwatershed as the feature proposed to be impacted.

- **Site-specific Suitability:** In addition to geographic location, it is imperative to select a project site which can physically accommodate the target feature type for creation. For example, topography and soil composition of a candidate site should be assessed to determine if these parameters will support the desired hydrologic condition and target vegetation communities. Existing cover of a candidate project site must also be evaluated before confirming if the site is appropriate. For example, one natural heritage feature cannot be removed to accommodate another (e.g. clearing a native woodland to construct a wetland).
- **Replacement of Core Function:** While it may be difficult or impossible to immediately replace the ecological function associated with an impacted feature, there must be consideration for replacement of core functions. As a prime example of this, removal of a wetland with significant flood storage capacity should be offset by the creation of a feature with an equal or greater flood storage function within the same system.

NVCA may be able to assist the proponent in the process of securing a project site; however, it should not be expected that NVCA will have candidate project sites readily available for every prospective offsetting project. Examples of previously identified priority restoration areas within the NVCA watershed can be reviewed in the watershed Fisheries Habitat Management Plan (NVCA 2009). Proponents are encouraged to review this report to identify priority areas where natural feature creation would provide maximum landscape-scale benefits to the watershed. The Fisheries Habitat Management Plan can be reviewed on NVCA's website (www.nvca.on.ca). To continue to increase the efficiency of the offsetting process, NVCA will strive to produce additional guidance documents to support the selection of potential project sites.

4.1.2 Design and Implementation

Once a location and project site have been secured, the proponent is responsible for retaining a qualified professional for the design and implementation of the works. Design plans for a wetland will need to include considerations for grading/earthworks and pre- and post-construction water balance. It is important to demonstrate that a proposed project is viable in the long term from a hydrologic perspective, which should entail review by a qualified hydrogeologist. Landscape planning consultants involved in project planning should be recognized and certified

under the Ontario Association of Landscape Architects, Canadian Society of Landscape Architects, Ontario Professional Foresters Association, or equivalent.

NVCA and/or other agency permits may be required to support feature creation projects in certain sensitive /hazard areas, e.g. existing regulated areas. An engineering review may be required to ensure that proposed creation of a feature would not result in an increased risk associated with an existing natural hazard, particularly if a proposed project site would be located in a floodplain. NVCA will assist with identification of such requirements through the consultation process. Once an offsetting plan is approved by NVCA, implementation of the approved plan should be undertaken by qualified individuals. Depending upon scale and complexity, **NVCA may require that an offsetting project reach a certain state of completion prior to removal of the original feature.**

The document, *Guideline for Determining Ecosystem Compensation* (TRCA 2018), provides a series of feature creation design samples. Project proponents are encouraged to review this document at: www.trca.on.ca

4.1.3 Monitoring and Maintenance

All proponent-led offsetting plans are expected to maintain their form and function for the long term. While it is unreasonable to monitor and maintain a feature in perpetuity, NVCA requires reasonable assurance that the proponent-led offsetting feature will function long term. Therefore, monitoring and maintenance should be expected to continue for a minimum of five (5) years or until such time as the created feature has demonstrably reached a functional equilibrium. An averaged 70% success rate for any original planted materials is expected at the end of the monitoring period, with replacement plantings required for projects which fall short of this threshold. Replacement plantings should be subject to a renewed monitoring period, beginning at the date of installment. The proponent is solely responsible for ensuring that any failed planted materials are replaced. It is important to recognize that this may require ongoing financial obligations to the project beyond initial feature creation costs. Monitoring and maintenance must be carried out by qualified individuals. An annual monitoring and maintenance report shall be compiled which outlines the following:

- The monitoring efforts undertaken for each growing season for the five year period;
- The names and qualifications of the individuals undertaking the monitoring;
- The general condition of planted materials, including a photographic log;
- An outline of project deficiencies, and a list of steps taken to address the issues. This should include details on any additional planted materials required to supplement unsuccessful stock;
- A general assessment of the overall health and progress of the project.

The annual monitoring report shall be submitted to NVCA for review.

4.1.4 Administrative Considerations

In certain scenarios, the proponent may be required to provide a security payment to cover the projected cost of the offsetting project (or a portion thereof), potentially extending to the end of the monitoring period. The requirement for such a payment would be determined during the consultation process, and held in trust by NVCA until successful completion of the offsetting project. The cost of the security payment will be calculated using the same approach used to calculate a 'cash-in-lieu' payment, as outlined in section 4.2. A security payment would not be required if the feature creation project is completed prior to removal of the original feature.

It is expected that NVCA will provide an advisory role during the course of the project, including planning, design, implementation, post-construction, and monitoring/maintenance. While the proponent will be responsible to hire a consultant/contractor for each of these stages, NVCA will provide comment throughout the process. This will ensure that projects are being planned and implemented in a manner that satisfies the original terms of the offsetting agreement. As such, an administrative fee may be required to cover NVCA's staff time involvement in this advisory role. If deemed to be required, it is expected that this fee would be paid to NVCA prior to receiving approvals to move forward with offsetting, and not following project completion.

4.2 Cash-in-lieu Offsetting

An alternative approach to proponent-led offsetting is providing a cash-in-lieu payment to the NVCA or to a qualified third-party organization. While proponents are encouraged to explore their options for self-led offsetting, there are several benefits to transferring offsetting responsibilities to NVCA or a qualified third party. The primary benefit to the proponent is the transfer of the responsibility to offset. In addition, projects implemented by NVCA or other qualified third-party organizations may result in created features that are of higher quality and viability, providing greater ecological gains for the same cost. NVCA may also have additional opportunities at hand for offsetting, such as applying funds to the acquisition of conservation lands.

If the proponent will pursue this form of offsetting, the value of the cash-in-lieu payment will be determined based on the estimated cost of re-creating the original feature, at an area equivalent to the calculated *area of gain*. Additional fees are required to cover the cost of project administration and potential acquisition of lands to support the project. Cash-in-lieu payments will be placed in a fund and

allocated appropriately, as discussed further in this section. Once a proponent makes a cash-in-lieu payment, their responsibilities for offsetting are considered fulfilled.

4.2.1 Payment Calculation

The cash-in-lieu calculation is intended to reflect a standardized approach to calculating replacement costs for natural heritage features. The value of the standardized amount is based on three factors: a 'Feature Creation Cost', a 'Land Acquisition Fund', and an 'Administrative Fee'. The Feature Creation Cost calculation reflects an estimate of the cost to recreate a specific natural heritage feature, e.g. materials and labor. The Land Acquisition Fund accounts for the estimated cost to purchase/acquire lands for the purpose of the feature creation project. Finally, the Administrative Fee accounts for the estimated cost for NVCA staff to administer the project as a whole. Figures and further rationale are provided in the table below.

<p>Cash-in-lieu Value = Feature Creation Cost + Land Acquisition Fund + Administrative Fee</p>

Factor	Value	Rationale
Feature Creation Cost¹	<p>Wetland: \$80,000/ha</p> <p>Woodland: \$40,000/ha</p>	One averaged amount is provided for either woodland or wetland, and is reflective of the variable cost of creating different woodland/wetland community types. Variable costing results from different requirements for woody species densities, degree of earthworks, and type of herbaceous planting materials (e.g. plugs vs. seeds).
Land Acquisition Fund	15% of Feature Creation Cost	Lands must be purchased/acquired to ensure the long-term viability of the project. In some cases, all funds from a cash-in-lieu payment may be directed towards land acquisition (and related costs) for the protection of significant features. A provincially-approved NVCA Land Securement Strategy highlights targeted and/or areas of opportunity for acquisition throughout the watershed.
Administrative Fee	10% of Feature Creation Cost	Includes administration of funds and cost recovery for consultation with the proponent through the application process.

1: Based on NVCA estimates for feature-specific Feature Creation Costing and similar costing estimates by Conservation Authorities in neighboring jurisdictions (e.g. LSRCA 2017). Costs are subject to market fluctuations for materials, labor, etc. and, therefore, are subject to revision on an annual basis.

4.2.2 Strategic Use of Offsetting Payments

When a proponent makes a cash-in-lieu offsetting payment, it is NVCA's responsibility to ensure that funds are administered appropriately, and in a way that aligns with NVCA's offsetting mandate. However, it is critical to recognize that there will be organizational limitations to NVCA's capacity to administer, plan, and implement wetland offsetting projects. Further, the organization may be faced with administering payments for multiple projects simultaneously. This poses a variety of potential concerns, including NVCA's ability to source sufficient land to host projects, and the potential for significant lag time required for NVCA to plan and implement appropriate projects.

Notwithstanding the above points, NVCA will follow the standards contained in this policy guideline to the extent possible, to ensure that value and function of the lost feature is adequately compensated for. However, not all offsetting funds will be applied directly or immediately to physical feature creation. Instead, at the advice of an internal, multi-disciplinary steering committee, funds received by NVCA through cash-in-lieu offsetting payments will be directed to one or more of the project categories listed below:

- **Direct feature creation:** Creation of new natural feature areas (e.g. wetland/woodland) and/or expanding existing features on NVCA-owned (or acquired) property and/or private lands (with appropriate conservation agreements).
- **Feature enhancement:** Enhancement of existing natural features on NVCA-owned (or acquired) property and/or private lands (with appropriate conservation agreements).
- **Acquisition of ecologically-significant land:** Acquisition of lands containing significant natural features as outlined within the NVCA's Land Securement Strategy for the purpose of long-term conservation and stewardship of such features, with emphasis on those that abut or are within proximity to existing NVCA landholdings.
- **Other lands acquisition:** Acquisition of lands with demonstrable potential to host future feature creation projects. Lands should ideally be located strategically to ensure that future restoration will provide landscape-level benefits (e.g. corridor connectivity, expanding areas of existing natural cover).

In light of the points discussed above, NVCA will strive to administer any funds received through offsetting payments in a strategic and adaptive manner. Funds received through a cash-in-lieu payment may not be immediately directed towards a specific project, but held in trust until a suitable project opportunity presents

itself. One such strategic use of offsetting funds may be the gradual use by NVCA's stewardship and forestry departments as 'seed' money for grant leverage on relevant feature creation projects. This means that funds from one single cash-in-lieu payment may be used to leverage additional funds for multiple projects. Likewise, funds received through multiple cash-in-lieu offsetting agreements may be applied cumulatively to one larger project, including acquisition of lands and/or large-scale natural feature creation.

In order to ensure that NVCA-led offsetting projects occur in a manner that can be controlled and stewarded for the long term, initial priority allocation of offsetting payments may be toward land acquisition. Land acquisition represents an important option for allocation of funds, particularly when opportunities for direct feature creation are limited due to a lack of available project sites. Priority lands for acquisition, as outlined within NVCA's Land Securement Strategy, may present opportunities for enhancement through the creation of additional natural features. Through this approach, NVCA will work to strategically create a suite of readily-available opportunities for restoration and feature creation, on lands that are owned, managed, and protected by NVCA. In some extenuating circumstances, and as identified, funds may be directed towards the acquisition of lands which are of significant conservation concern, or of particular ecological significance on the landscape. NVCA views the acquisition of ecologically-sensitive lands as an appropriate use of offsetting funds.

4.2.3 Payment Administration and Accountability

Details for offsetting projects may be made available upon request or through a location on NVCA's website dedicated to showcasing internally-administered offsetting projects.

4.3 Exemptions and Extenuating Circumstances

Notwithstanding the technical guidelines outlined in this policy document, there may be extenuating circumstances that afford the proponent, NVCA, or other third party (i.e., the 'responsible party') one or more exemptions from the standards discussed above. Depending on each scenario, exemptions may be as simple as a reduction in the *offsetting ratio* used to calculate the required *area of gain*, or may be more substantive. Examples of extenuating circumstances include (but are not necessarily limited to) the following:

- Where the responsible party proposes to create a feature of demonstrably higher quality or landscape-scale functionality (greater flood storage capacity) than the feature proposed for removal. In this scenario, the resulting exemption would typically be an agreement to reduce the

prescribed offsetting ratio.

- Where the party responsible for feature creation is able to implement particularly significant compensation measures due to the unique and significant features associated with the project site.
- Where infrastructure projects are implemented under a Class EA process or where infrastructure projects must be implemented for the sole purpose of human safety. Depending on the circumstances, NVCA may waive part or all of the requirements for offsetting, provided that all attempts are made to mitigate impacts to affected natural heritage features.
- Where a feature proposed to be removed is less than 0.5 ha in overall size and exists in isolation on the landscape (e.g. providing no identifiable wildlife habitat or connectivity function), NVCA will consider compensation for complete removal of the feature. In the case of a wetland, this would generally only apply to proposals within settlement areas.

5.0 Summary and Conclusions

The guidelines contained in this document aim to ensure that losses of natural heritage features in the NVCA watershed are met with an equal or greater gain in value and function. The purpose of this policy is to ensure that growth and development within the watershed can occur responsibly and not at the expense of the local natural heritage system. While ecological offsetting is viewed by the NVCA as a tool of last resort, these guidelines aim to ensure that metrics associated with such situations are standardized for the benefit of all stakeholders. In dealing with this evolving concept, NVCA will strive to continue to develop and refine this tool based on ongoing consultation with member municipalities, the development community, and all other relevant stakeholders.

6.0 References

Lake Simcoe Region Conservation Authority (LSRCA). 2017. Ecological Offsetting Plan. 16pp.

Nottawasaga Valley Conservation Authority (NVCA). 2009. Fisheries Habitat Management Plan.

Ontario Ministry of Natural Resources. 2004. Oak Ridges Moraine Conservation Plan Technical Paper #7 – Identification and Protection of Significant Woodlands.

Ontario Ministry of Natural Resources (OMNR). March 2010. Natural Heritage Reference Manual for Natural Heritage Policies of the Provincial Policy Statement, 2005. Second Edition. Toronto: Queen's Printer for Ontario. 248 pp

Ontario Ministry of Natural Resources (OMNR). January 2015. Significant Wildlife Habitat Criteria Schedules for Ecoregion 6E.

Toronto and Region Conservation Authority (TRCA). 2017. Wetland Water Balance Risk Evaluation.

Toronto and Region Conservation Authority (TRCA). 2018. Guideline for Determining Ecosystem Compensation.

A WSP White Paper on:

Proposed Amendment 1 to the *Growth Plan for the Greater Golden Horseshoe, 2017*



INTRODUCTION

This white paper provides an overview of the proposed changes to the *Growth Plan for the Greater Golden Horseshoe (2017)* (the “2017 Growth Plan”), which were released for comment on January 15, 2019.

INTENT

Following consultations in Fall 2018, including technical working group sessions and a stakeholder forum, the Province unveiled proposed Amendment 1 on January 15, 2019 with the intent to achieve the following objectives:

- Giving local governments greater flexibility to change settlement area boundaries and by reducing density targets in many municipalities;
- Aiming to promote a faster process for development, including through updates to zoning around transit infrastructure and along corridors;
- Introducing new policies for preserving employment lands, while providing flexibility for conversions; and,
- Revising policies related to rural settlement areas and how growth may be directed.

WHAT IS PROPOSED TO CHANGE?

Amendment 1 proposes significant changes to the 2017 Growth Plan. The purpose of this white paper is to provide a review and assessment of the key changes, particularly the implications of the changes on the municipal comprehensive review (MCR) process. The key changes reviewed in this white paper include:

- Revised intensification targets, including varying density targets for different municipalities in recognition of their context-specific circumstances;
- Revised policies to permit settlement boundary expansions outside of an MCR;
- Revised policies related to defining and delineating rural settlement areas;
- Revised policies the employment areas designation system;
- Revised policies that would afford local municipalities more control of the implementation of the Provincial Natural Heritage System and Agricultural System;
- Changes to the process by which Major Transit Station Areas are delineated; and subsequently how alternate density targets may be established for MTSAs; and,
- Language and definition changes throughout the document that will align the Amended Growth Plan with the Province’s priorities and initiatives (e.g., the *Preserving and Protecting our Environment for Future Generations: A Made-in-Ontario Environment Plan*; and creating economic opportunities).

A full catalogue of the proposed amendments to the 2017 Growth Plan can be viewed [here](#).

INTENSIFICATION AND DENSITY TARGETS

The revisions to Sections 2.2.2 and 2.2.7 contained in proposed Amendment 1 are intended to revise certain intensification and density targets currently in force through the 2017 Growth Plan, to support provincial transit investments and to acknowledge varying growth rates across the Greater Golden Horseshoe. This is achieved through the application of variable intensification and density targets. The proposed changes include the following:

- Proposed policy 2.2.2.1 revises minimum intensification targets for the delineated built-up areas (DBA) of municipalities that would come into effect at the time of the next municipal comprehensive review (See **Table 1**, below).
- No further increase to the minimum 50 percent intensification target would take place in 2031 and each year after, as previously required by existing policy 2.2.2.1. The 60 percent intensification target that was previously intended to take effect beyond 2031 is now applicable only to the City of Hamilton, and Regions of Peel, Waterloo, and York (See **Table 1**, below).
- The requirement to direct a minimum of 60% of the growth to DBAs, as previously required by existing policy 2.2.2.1, is now only applicable to the Regions of Waterloo, York, and Peel, as well as the City's of Barrie and Hamilton.
- Proposed policy 2.2.7.2 revises the designated greenfield density targets for each upper- and single-tier municipality (See **Table 1**, below).
- Proposed policies 2.2.2.4 and 2.2.7.4 would permit Councils of upper- and single-tier municipalities to request an alternative minimum intensification or designated greenfield area density targets from those required by the Growth Plan.

A13
11511

Table 1 - Comparison of 2017 Growth Plan and Amendment 1 intensification and designated greenfield area density targets

	CITY OF HAMILTON REGIONS OF PEEL, WATERLOO, AND YORK	CITIES OF BARRIE, BRANTFORD, GUELPH, ORILLIA, AND PETERBOROUGH REGIONS OF DURHAM, HALTON, AND NIAGARA	CITY OF KAWARTHA LAKES COUNTIES OF BRANT, DUFFERIN, HALDIMAND, NORTHUMBERLAND, PETERBOROUGH, SIMCOE, AND WELLINGTON
Minimum Intensification Target - 2017 Growth Plan (by 2031)	60%		
Minimum Intensification Target - Amendment 1 (by next MCR)	60%	50%	Maintain or improve upon their current minimum intensification target.
Minimum Designated Greenfield Area Density Target - 2017 Growth Plan	80 residents and jobs per hectare		
Minimum Designated Greenfield Area Density Target - Amendment 1	60 residents and jobs per hectare	50 residents and jobs per hectare	40 residents and jobs per hectare

SETTLEMENT AREA BOUNDARY EXPANSIONS

The revisions to Section 2.2.8 proposed in Amendment 1 are intended to enable local municipalities to make certain changes to settlement area boundaries outside of an MCR process. The proposed changes include the following:

- Proposed policy 2.2.8.3 would be revised to require municipalities to undertake context appropriate servicing studies to justify settlement area boundary expansions:
 - The requirement to align with water, wastewater, and stormwater master plans is proposed to state: *"...the proposed expansion would be informed by applicable water and wastewater master plans or equivalent and stormwater master plans or equivalent, as appropriate."*
- The requirements for an environmental assessment and an agricultural impact assessment in existing policies 2.2.8.3 (g) and (h) are removed.
- The requirement for an agricultural impact assessment in existing policy 2.2.8.3 (h) is removed.
- Proposed policy 2.2.8.4 would permit a settlement area boundary adjustment outside of the MCR if there is no net increase in land within a settlement area.
- Proposed policies 2.2.8.5 and 2.2.8.6 would permit a settlement area boundary expansion outside of the MCR, provided the expansion is no larger than 40 hectares.
- Existing policy 2.2.8.4, which permits municipalities in the outer ring to de-designate excess lands, is deleted.

EMPLOYMENT PLANNING

Amendment 1 proposes to revise the employment area designation system. Changes to employment area policies include:

- The conversion of employment areas to non-employment uses is not permitted except through an MCR. This is consistent with the 2017 Growth Plan. However:
 - Under the proposed Amendment, municipalities would be afforded a one-time opportunity to convert existing employment areas to a designation that permits non-employment uses (proposed policy 2.2.5.10).
 - The one-time conversion opportunity can take place between the effective date of the proposed Amendment 1 and the next MCR. The conversion would be subject to certain conditions, such as maintaining a minimum number of jobs on the affected lands and ensuring viability (proposed policy 2.2.5.9). This is further detailed in proposed policies 2.2.5.10.a and 2.2.5.10.b.
- Municipalities would no longer be required to develop an employment strategy, as currently required by policy 2.2.5.5. It would be replaced by policy 2.2.5.13 that would instead permit municipalities to set multiple density targets for employment areas. The policy reads:

"Upper- and single-tier municipalities, in consultation with lower-tier municipalities, will establish minimum density targets for all employment areas within settlement areas that:

 - *are measured in jobs per hectare;*
 - *reflect the current and anticipated type and scale of employment that characterizes the employment area to which the target applies;*

- *reflects opportunities for the intensification of employment areas on sites that support active transportation and are served by existing or planned transit; and*
 - *will be implemented through official plan policies and designations and zoning by-laws."*
- Proposed Policy 2.2.5.7 contains revised policies that require municipalities to maintain land use compatibility between employment areas and non-employment areas.
 - Proposed policy 2.2.5.12 would establish the introduction of "Provincially Significant Employment Zones." This land use designation would replace the "Prime Employment Area" designation; however, they would be identified by the Minister of Municipal Affairs and Housing and must be implemented through municipal planning policy, such as Regional and Local Official Plans.

RURAL SETTLEMENTS

Amendment 1 includes proposed language aimed at recognizing that smaller, rural communities are not facing the same growth pressures as larger, urban centres.

- "Rural Settlement" is added as a new definition and is considered separate from a "Settlement Area," while the term "Undelineated Built-up Areas," has been removed. Rural settlements are defined as follows:
 - *"Existing hamlets or similar existing small settlement areas that are long-established and identified in official plans. These communities are serviced by individual private on-site water and wastewater systems and contain a limited amount of undeveloped lands that are designated for development. All settlement areas that are identified as hamlets in the Greenbelt Plan, as rural settlements in the Oak Ridges Moraine Conservation Plan, or as minor urban centres in the Niagara Escarpment Plan are considered rural settlements for the purposes of this Plan, including those that would not otherwise meet this definition."*
- The definition of "Designated Greenfield Area" further clarifies that settlement areas do not include rural settlements. Therefore, the policies that apply to greenfield development in settlement areas, including density targets, do not apply to rural settlements.
- Proposed policy 2.2.9.7 allows for "minor adjustments" to the boundaries of rural settlements outside of an MCR, provided the affected settlement area is not within the Greenbelt and provided the change "would constitute minor rounding out of existing development, in keeping with the rural character of the area." We believe this policy was added to guide development in Rural Settlement Areas, which are not identified to grow but recognizes that some development will continue to happen in these areas.

NATURAL HERITAGE AND AGRICULTURAL SYSTEMS

The 2017 Growth Plan introduced new policies indicating that the Province would prepare mapping for a Provincial Natural Heritage System and Agricultural System, which was to be implemented through Official Plans. The Amended Growth Plan seeks to ensure that the mapping of the NHS and Agricultural systems are accurate, while providing appropriate levels of protection for natural resources.

- Existing policy 4.2.2.4 would be deleted and replaced by a new policy that is intended to provide clarity that the provincial mapping of the NHS does not apply until it is implemented in an applicable upper- or single-tier Official Plan. Until that time, the

NHS policies of the Growth Plan will continue to apply outside settlement areas to the NHS identified in Official Plans that were approved and in effect as of July 1, 2017.

- Existing policy 4.2.2.5 would be deleted and replaced with a new policy that is intended to permit upper- and single-tier municipalities to refine and implement provincial mapping of the NHS in advance of the municipal comprehensive review. It also provides clarification that once provincial mapping of the NHS base has been implemented through an Official Plan, further changes may only occur through a municipal comprehensive review.
- Proposed amendments to existing policy 4.2.6.3 would require agricultural impact assessment, where appropriate, when mitigating adverse impacts on the agricultural system where agricultural uses and non-agricultural uses interface outside of settlement areas. Currently, the 2017 Growth Plan does not specifically require an Agricultural Impact Assessment in these instances.
- Existing policy 4.2.6.8 would be deleted and replaced with a new policy that is intended to provide clarity that the provincial mapping of the agricultural system does not apply until it has been implemented in the applicable upper-tier and single-tier official plan. Until that time, prime agricultural areas identified in upper- and lower-tier official plans that were approved and in effect as of July 1, 2017 will be considered the agricultural land base for the purposes of the Growth Plan.
- Existing policy 4.2.6.9 would be deleted and replaced with a new policy that is intended to provide municipalities with the ability to refine and implement provincial mapping of the agriculture system in advance of the MCR. It also provides clarification that once provincial mapping of the agricultural land base has been implemented through official plans, further changes may only occur through an MCR.

MAJOR TRANSIT STATION AREAS

The 2017 Growth Plan introduced new policies requiring municipalities to delineate the boundaries of Major Transit Station Areas (MTSA) and to achieve density targets within those boundaries. The revisions to Section 2.4 proposed in Amendment 1 are intended to streamline the delineation process, with the goal of expediting development. The proposed changes include the following:

- Section 2.2.4, which established the process through which municipalities could request an alternative to the prescribed density target, is proposed to be revised. The proposed Amendment replaces Section 2.4.4 with a process that allows the Minister to approve a lower target so long as it can be demonstrated that development is “prohibited by provincial policy or severely restricted on a significant portion of the lands within the delineated area,” or an acknowledgement that while a major trip generator or feeder service will sustain high ridership at the station or stop, a limited number of residents and jobs will fall within the delineated area. The density targets themselves, which are based on the mode of transit (e.g. LRT vs. subway), are unchanged.
- Whereas municipalities were previously required to delineate the boundary areas as part of an MCR, proposed policy 2.2.4.5 allows upper- and single-tier municipalities to do so in advance of completing an MCR, so long as it is done in accordance with the normal planning procedures outlined in subsections 16(15) or (16) of the *Planning Act*.
- In the Definitions section of the 2017 Growth Plan, MTSAs have been defined as the area within approximately 500m of a transit station. In proposed Amendment 1, the definition would be of a radius of approximately 500m to 800m surrounding a transit

A13
1151

station, providing the potential for MTSAs to be broader than intended by the 2017 Growth Plan.

OTHER CHANGES

There are also various changes to definitions and nomenclature throughout the document. A full review of the proposed amendments to the 2017 Growth Plan can be viewed [here](#).

WHAT ARE THE IMPLICATIONS ON THE MUNICIPAL COMPREHENSIVE REVIEW PROCESS?

The requirement for municipalities to update their Official Plans to conform to the Growth Plan by July 1, 2022 is unchanged. However, several changes with respect to the MCR process have been introduced through Amendment 1 and supporting documents.

Of note, there are several actions permitted in the Amended Growth Plan that would eliminate the requirement to wait for an MCR before changes can be affected. In advance of the next MCR, the following would be permitted:

- MTSAs may now be delineated, and minimum density targets identified;
- Employment area designations can be added via an Official Plan amendment, for upper- and lower-tier municipalities at any time in advance of the next MCR (proposed policy 2.2.5.6);
- Lands within existing employment areas can be converted to other designations that permit non-employment uses, after this policy comes in to full force and effect, and before the next MCR. This would only be afforded to municipalities on a one-time basis (proposed policy 2.2.5.10);
- An Employment Strategy is no longer required, and is replaced by the requirement to establish minimum density targets for all employment area within settlement areas (proposed policy 2.2.5.13);
- Municipalities may now undertake settlement area boundary adjustments (that does not cause a net increase in land) outside the MCR, subject to criteria (proposed policy 2.2.8.4);
- Municipalities may now undertake settlement area boundary expansions that are no larger than 40 hectares outside the MCR, subject to criteria (proposed policy 2.2.8.6);
- Minor adjustments to the boundaries of rural settlements outside of an MCR are permitted, provided the affected settlement area is not within the Greenbelt and the change "...would constitute minor rounding out of existing development, in keeping with the rural character of the area." (proposed policy 2.2.9.7); and,
- Municipalities would be permitted to refine and implement provincial mapping of the NHS in advance of the MCR. Once provincial mapping of the agricultural land base has been implemented through an Official Plan, further changes may only occur through a municipal comprehensive review (proposed policy 4.2.2.5).

The following policies are proposed, or would continue to be implemented through an MCR:

- Notwithstanding the permitted settlement area boundary expansions in proposed policies 2.2.8.4 through 2.2.8.6, a settlement area boundary expansion may only occur through an MCR.
- Revised intensification targets for municipalities would take effect at the next MCR, with no further increase in 2031 (proposed policy 2.2.2.1). Until the next MCR, the annual minimum intensification target in an upper- or single-tier Official Plan that is approved and in effect as of July 1, 2017 will continue to apply (proposed policy 2.2.2.2).
- A new policy establishes that once upper- and single- tier municipalities have refined provincial mapping of the Natural Heritage System; further refinements may only occur through an MCR.

STATUS

The government is seeking feedback on the proposed Amendment via the Environmental Registry of Ontario and the Ontario Regulatory Registry until February 28, 2019.

WSP will continue to monitor the status of Amendment 1 and supporting regulations, including its implications on the municipal comprehensive review process. Should you wish to discuss this in more detail, please reach out to one of our WSP planners:



Gregory Bender, MCIP, RPP
Senior Project Manager



+1 647-730-7114



gregory.bender@wsp.com



Bobby Gauthier, MCIP, RPP
Senior Project Manager



+1 519.904.1729



bobby.gauthier@wsp.com