



City of
Peterborough

To: Members of the General Committee

From: Michael Papadacos, Commissioner, Infrastructure, Planning and Growth Management (Acting)

Meeting Date: March 11, 2024

Report: Official Plan Amendment No. 2 – Cross Border Servicing Report IPGPL24-004

Subject

A report to evaluate the planning merits of amending the Official Plan to provide policy flexibility to consider the extension of municipal services beyond the City boundary on a case-by-case basis to support mutually beneficial economic development with neighbouring municipalities.

Recommendation

That Council approve the recommendation outlined in Report IPGPL24-004, dated March 11, 2024, of the Commissioner of Infrastructure, Planning and Growth Management (Acting) as follows:

That Section 6.1.7 of the Official Plan be amended in accordance with the draft Official Plan Amendment No. 2 attached as Exhibit A to Report IPGPL24-004.

Executive Summary

- Official Plan Amendment No. 2 proposes to create greater policy flexibility for Council to consider the extension of municipal services beyond the City Boundary to support opportunities of mutual economic development benefit to the City and neighbouring municipalities and fostering job growth.

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- The City is not proposing to extend its municipal services to a neighboring municipality at this time nor is it considering any specific opportunity to extend services at this time.
 - Any extension of municipal services to a neighbouring municipality may require that municipality and/or the County to amend their Official Plan and demonstrate conformity with Provincial policy.
 - Adding policy flexibility to the Official Plan to consider the extension of municipal services to neighbouring municipalities is a proactive signal of the City's intent to support and promote the focus on regional economic development and to foster Peterborough's long-term growth as a complete community.

Background

The City of Peterborough has effectively exhausted its current supply of serviced vacant employment land outside of post-secondary institutions. Leading up to the approval of the current Official Plan, the City completed a Land Needs Assessment (Report IPS21-035) in accordance with a Provincially prescribed methodology that demonstrated the need for at least 110 ha of new employment land to accommodate an anticipated growth of 18,000 jobs in the City between 2016 and 2051.

Similarly, in 2022 the County of Peterborough also adopted a new Official Plan that is currently waiting for Provincial approval and was supported by a Land Needs Assessment recommending the creation of almost 80 ha of employment lands in the County to accommodate approximately 7,300 jobs.

In 2017, Council received Report CAO17-002 detailing a strategy for securing employment land for the benefit of the region. At the time, staff from the City, the County and the Township of Cavan-Monaghan had been negotiating with the help of the Provincial Land and Development Facilitator to establish a framework for developing servicing employment lands that included a municipal boundary adjustment between the City and the Township. Unfortunately, those negotiations were ultimately unsuccessful and since that time solutions for developing serviced employment lands have not been readily forthcoming.

On May 25, 2021, prior to adopting the City's new Official Plan, Council directed staff to finalize the Official Plan with a focus on accommodating the City's land use designation needs within the City's boundary. At the same time, Council resolved to continue discussions with the province, the county, and neighbouring townships for equitable regional economic development. Accordingly, the City's current Official Plan contemplates the designation of 110 ha of new employment lands within the City limit however based on discussions with affected landowners, staff is aware of significant challenges with developing at least 80 ha of those lands.

In November 2021, County of Peterborough Council passed a resolution in support of further negotiations between the County, the City and the Township of Cavan-Monaghan for mutually development of employment lands. Concurrently, Township of Cavan-Monaghan Council passed a resolution requesting that the policy framework of the City's then draft Official Plan be amended to permit the consideration of cross-border servicing for regionally significant employment related projects.

In June 2023, following provincial approval of the City's Official Plan in April 2023, Mayor Leal wrote a letter to the Mayor of the Township of Cavan-Monaghan to gauge the Township's interest in reengaging negotiations for mutually beneficial economic development. In response, the Mayor of the Township of Cavan-Monaghan noted that the Township is always willing to discuss solutions that better the Greater Peterborough Area however the Township is not interested in negotiations if the only focus is on boundary adjustment.

Through conversations with colleagues at the County, neighbouring Townships, Peterborough Economic Development and the Greater Peterborough Area Chamber of Commerce, staff is aware that the policies of the current Official Plan are being viewed as a barrier to regional economic growth. Specifically, Section 6.1.7 of the Official Plan currently prohibits the extension of the City's utility, sanitary sewer and water services beyond the existing City boundary except to serve City-owned facilities. In accordance with this policy, the City's airport and landfill, both located outside of the City, are served by City services.

Official Plan Section 6.1.7 is a legacy policy from the City's previous Official Plan that was carried over to the new Official Plan. Since at least 1982, the City has had a policy in its Official Plan prohibiting the extension of municipal services beyond the City boundary. Notwithstanding that policy, the City has historically amended its Official Plan to permit cross-border servicing in instances of mutual economic benefit to the City and a neighbouring municipality. For example, in 1990, Council passed by-law 90-338 to amend the previous Official Plan to support the extension of services to North Monaghan Township to support development of what is now know as the Major Bennett Industrial Park. Similarly, in 2000 and 2010 Council passed by-laws 00-40 and 10-052 to amend the previous Official Plan to permit the extension of services to the Township of Selwyn and the Township of Otonabee-South Monaghan to fulfill the conditions of a boundary adjustment settlement between the City and the Townships. In each of these scenarios, the City and the affected Townships all agreed to the mutual benefit of extending services. In the latter two examples, the policies introduced in 2000 and 2010 remain in Section 6.1.7 to reflect the two instances where cross-border servicing is occurring today.

Presently, both the City and the County have identified the need to develop serviced employment lands however the City's ability to develop such lands is limited by land availability while the County is limited by servicing capacity. The City does, however, have available water and wastewater infrastructure capacity to accommodate new development and has plans in place to expand capacity to meet future growth needs.

Considering the City and County's need for serviced employment lands and the City's servicing capabilities, Council passed the following resolution on February 5, 2024:

"That staff be directed to bring forward for Council's consideration an update to the Official Plan to introduce greater flexibility for Council to consider the extension of municipal services beyond the existing City boundary in circumstances where doing so would mutually benefit the City and one or more neighbouring municipality."

Proposed Official Plan Amendment

The City of Peterborough is proposing to amend Section 6.1.7 of the Official Plan as follows (amendment is shown in **bold**):

6.1.7 Extension Beyond City Limits

- a. Municipal utility services, sanitary sewer and water supply shall not be extended beyond the City boundaries, except in the case where such infrastructure is to serve City owned facilities such as the Peterborough Airport.
- b. Notwithstanding any other policy of this Plan, if it is demonstrated that a mutually beneficial development opportunity exists to support the economic development of both the City and a neighbouring municipality, the City may consider the extension of services beyond the City boundary by amendment to this Plan and are listed here:**
 - i. municipal water and sanitary sewer services may be extended beyond City limits to the Woodland Acres Settlement Area (Township of Smith-Ennismore-Lakefield), not to exceed a total servicing equivalent of 272 dwelling units.**
 - ii. municipal water and sanitary sewer services may be extended beyond the City to the Donwood Settlement Area (Township of Otonabee-South Monaghan), not to exceed a total servicing equivalent of 300 dwelling units.**

Paragraphs i. and ii. above are renumbered from existing Section 6.1.7 and reflect the two locations where cross-border servicing is occurring today. If approved, the proposed Official Plan amendment will require Council to approve an Official Plan amendment to permit any extension of City services beyond the municipal boundary and to add that amendment to the list of site-specific exceptions shown.

Analysis

Provincial Policy Statement, 2020 (PPS)

Any decision on the proposed Official Plan Amendment must be consistent with the PPS which came into effect on May 1, 2020. The PPS provides general direction to municipalities with respect to addressing matters of provincial interest in land use planning.

The PPS notes that healthy, liveable and safe communities are sustained by (among other things) accommodating a mix of employment and ensuring that necessary infrastructure is or will be available to meet current and projected needs (Sections 1.1.1 and 1.3.1). Furthermore, the PPS directs municipalities to support long-term economic prosperity by promoting opportunities for economic development and community investment-readiness and by optimizing the long-term availability and use of land, resources, infrastructure and public service facilities (Section 1.7.1).

The proposed Official Plan amendment will help to achieve these provincial policy objectives by signalling the City's readiness to consider economic development opportunities as they arise and to leverage the City's servicing capabilities to promote economic growth that meets community needs.

Additionally, the PPS promotes use of a coordinated, integrated and comprehensive approach to deal with cross-jurisdictional planning matters including managing and promoting growth and development that is integrated with infrastructure planning, and economic development strategies (Section 1.2.1). The proposed Official Plan amendment will promote coordination with the County and neighbouring municipalities on vital issues such as economic development and servicing.

When planning for infrastructure, the PPS notes that infrastructure needs to be coordinated and integrated with land use planning and growth management so that it is financially viable over its lifecycle and available to meet current and projected needs (Section 1.6.1). Similarly, the PPS directs new development, such as new employment areas, to settlement areas where sufficient infrastructure is available. The creation of new or the expansion of existing settlement areas can only be undertaken at the time of a comprehensive review (a municipally conducted Official Plan amendment subject to Provincial approval) (Section 1.1.3.8).

The proposed Official Plan amendment is not addressing a specific development proposal or location at this time. Matters related to infrastructure planning, settlement area planning and growth management, and other PPS policy conformity related to a specific development proposal will need to be addressed through a future Official Plan amendment as such opportunities are considered.

Similarly, any extension of municipal services to a neighbouring municipality may require that municipality and/or the County of Peterborough to amend their Official Plan and demonstrate conformity with Provincial policy at that time.

In staff's opinion, the proposed Official Plan amendment is consistent with the policy direction of the PPS.

Growth Plan for the Greater Golden Horseshoe, 2019, as amended

Any decision on the proposed Official Plan amendment must conform with the policies of the Growth Plan. The Growth Plan builds upon the policy foundation of the PPS by providing land use planning policies to address specific issues in the Greater Golden Horseshoe.

Two guiding principles of the Growth Plan are to: 1) support the achievement of complete communities that are designed to support healthy and active living and meet people's needs for daily living throughout an entire lifetime; and, 2) provide flexibility to capitalize on new economic and employment opportunities as they emerge, while providing certainty for traditional industries, including resource-based sectors (Section 1.2.1).

To achieve this, the Growth Plan directs municipalities to ensure the availability of sufficient land, in appropriate locations, for a variety of employment to accommodate forecasted employment growth and to integrate and align land use planning and economic development goals and strategies to retain and attract investment and employment (Section 2.2.5.1). Further, the Growth Plan encourages municipalities to undertake a co-ordinated approach to planning for large areas with high concentrations of employment that cross municipal boundaries and are major trip generators, on matters such as transportation demand management and economic development (Section 2.2.5.18).

The proposed Official Plan amendment will aid the City in achieving these directives by facilitating negotiation and coordinated planning with neighbouring municipalities.

The Growth Plan also contains direction to ensure the efficient use of land, the location of development within settlement areas, and the life-cycle financial viability of infrastructure. These matters will be addressed as part of any future Official Plan amendment to support a specific cross-border servicing initiative.

In staff's opinion, the proposed Official Plan amendment conforms with the policy direction of the Growth Plan.

Official Plan

The Official Plan establishes a vision for the community whereby the City will, among other things, "continue to develop as a complete and connected

community that provides a high quality of life, supports a strong and diverse economy and promotes a unique, vibrant sense of place” (Section 2.1.1 b.). To achieve this, the Official Plan provides a series of guiding principles including to provide for a wide range of employment opportunities and to develop an Employment Land Strategy and an Economic Development Strategy in co-operation with the County of Peterborough, other levels of government and key agencies and stakeholders (Section 2.2.5 b. i. and ix.).

The proposed Official Plan amendment will enhance the City’s ability to achieve this vision and these principles by signalling an openness to coordinate across municipalities and harness other municipalities’ strengths to promote broader economic development for the City and region.

Like the PPS and Growth Plan, the Official Plan contains policies directing the location of land uses, is based on a principle of integrating land use planning and infrastructure planning to ensure efficiency and full life-cycle viability of infrastructure, and is supported by a land needs assessment that quantifies the amount of land required for all land uses to 2051. Should an economic development opportunity arise that warrants consideration of cross-border servicing, an Official Plan amendment would be undertaken at that time to fully assess the proposal’s conformity with the Official Plan to ensure the overall vision, principles and objectives of the Plan are maintained.

In staff’s opinion, the proposed Official Plan amendment is in keeping with the policy intent of the Official Plan.

Strategic Plan

Strategic Pillar: Growth & Economic Development

Strategic Initiative: Proactively exploring all the available options for securing and enhancing competitive employment lands.

The proposed Official Plan amendment is a proactive measure to signal our community’s commitment to finding creative, cross-jurisdictional solutions to securing long-term economic prosperity.

Engagement and Consultation

Agency circulation was issued on February 12, 2024, and Notice of Public Meeting was published in the Peterborough Examiner on February 14, 2024.

Prior to extending municipal services to a neighbouring municipality, Official Plan Amendment No. 2 will require the City to further amend the Official Plan and therefore undertake consultation, Official Plan and Provincial policy conformity review, and fiscal impact analysis of any specific servicing opportunity being considered.

Budget and Financial Implications

There are no direct budget or financial implications arising from the approval of this Official Plan amendment. Should Council consider a specific opportunity to extend municipal services beyond the City boundary in the future, the budget and financial implications of such decision will need to be evaluated at that time through a project-specific Official Plan amendment.

Conclusion

The proposed Official Plan amendment is consistent with Provincial policy, maintains the intent of the Official Plan, and is a proactive measure to signal our community's commitment to finding creative, cross-jurisdictional solutions to securing long-term economic prosperity. Prior to any future extension of municipal services across the municipal boundary, a detailed review of the financial and budget considerations and impacts on natural and cultural heritage, transportation and servicing infrastructure, and land use policy will need to be undertaken as part of an Official Plan amendment which will include significant consultation.

Attachments

Appendix A: Draft Official Plan Amendment No. 2

Submitted by,

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Commissioner, Infrastructure, Planning and Growth Management (Acting)

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Exhibit A, Page 1 of 2



The Corporation of the City of Peterborough

By-Law Number 20-[Clerk's Office will assign the number]

Being a By-law to adopt Amendment Number 2 to the Official Plan of the City of Peterborough relating to the Extension of Municipal Services Beyond the City Limits

The Corporation of the City of Peterborough by the Council thereof hereby enacts as follows:

1. Sections 6.1.7 of the Official Plan is hereby deleted in its entirety and replaced with the following:

“6.1.7 Extension Beyond City Limits

- a. Municipal utility services, sanitary sewer and water supply shall not be extended beyond the City boundaries, except in the case where such infrastructure is to serve City owned facilities such as the Peterborough Airport.
- b. Notwithstanding any other policy of this Plan, if it is demonstrated that a mutually beneficial development opportunity exists to support the economic development of both the City and a neighbouring municipality, the City may consider the extension of services beyond the City boundary by amendment to this Plan and are listed here:
 - i. municipal water and sanitary sewer services may be extended beyond City limits to the Woodland Acres Settlement Area (Township of Smith-Ennismore-Lakefield), not to exceed a total servicing equivalent of 272 dwelling units.

Exhibit A, Page 2 of 2

- ii. municipal water and sanitary sewer services may be extended beyond the City to the Donwood Settlement Area (Township of Otonabee-South Monaghan), not to exceed a total servicing equivalent of 300 dwelling units.”

By-law passed this 18th day of March, 2024.

Jeff Leal, Mayor

John Kennedy, City Clerk