

The Corporation of The Town of Parry Sound

Special Council Meeting Minutes November 30, 2021

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## **Special Council Meeting Minutes November 30, 2021**

8:00 P.M. Zoom Video Conference

### **Members Present:**

Mayor McGarvey, Councillor Backman, Councillor Borneman, Councillor Burden, Councillor Horne, Councillor Keith, Councillor McCann

### **Staff Present:**

CAO Clayton Harris, Clerk Rebecca Johnson, Director of Development & Protective Services Dave Thompson, Director of Public Works Mike Kearns, Director of Finance Stephanie Phillips, Manager of Infrastructure & Technology Forrest Pengra

**Consultants Present:** Andrew Grunda, Jim Dymont, Harold Elston, Farah Tayabali

#### **1.1 Adoption of Agenda**

**Moved by Councillor Backman**

**Seconded by Councillor Burden**

That the Special Council agenda for November 30, 2021 be approved as circulated.

**Carried**

#### **1.2 Disclosure of Pecuniary Interest and the General Nature Thereof - N/A**

**2. Minutes and Matters Arising from Minutes - N/A**

**4. Correspondence**

4.1 Mike Reeves - support for Seguin Township's application for residential rezoning.

4.2 Varqa Kanani - support for Seguin Township's application for residential rezoning

**5. Deputations - N/A**

**6. Mayor & Councillors' Reports - N/A**

**7. Ratification of Matters from Closed Agenda - N/A**

**8. Consent Agenda - N/A**

**9. Resolutions and Direction to Staff**

**9.1 CAO's Office/Administration; Development & Protective Services**

9.1.1 To consider Seguin's request for support for a proposed re-zoning of 700 acres on the Town's southern boundary. Seguin is seeking support for an expedited process through a Minister's Zoning Order (MZO) which allows the Minister of Municipal Affairs and Housing to govern the use of land anywhere in the province and bypass public consultation processes.

Prior to considering the resolution the following additional information was provided by staff and consultants, and discussed by Council:

CAO Clayton Harris provided background context for the Special Council Meeting, noting that all agreed that there is a housing shortage, and that Town Council has worked to increase housing supply, approving planning applications representing 429 residential units and amending its Official Plan and Zoning By-law to permit secondary suites.

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Mr. Harris gave background on receipt of Seguin's November 3rd request for support of its proposed application for a Minister's Zoning Order (MZO) to rezone residential lands, and introduced consultants engaged by the Town to address issues that might result from the proposed residential development on approximately 700 acres abutting the Town's boundary.

Jim Dymont, President of Municipal Planning Consultants Inc. referred to his Planning Report included in the circulated agenda, noting the following:

- When Seguin's Official Plan (OP) was prepared, part of it dealt with what is known as the NorthWest Seguin Development Area, approved in 2012 as part of an Ontario Municipal Board settlement matter that involved Seguin, the Town and landowners to determine under what conditions the 265 acres could be developed. The land could be developed subject to an overall plan that identified the area as an employment area, not residential, and was subject to agreement with Parry Sound to extend services.
- A rezoning process under the Planning Act, with respect to Seguin's approved OP includes needs studies, peer review of the studies and robust public consultation contributing to meaningful information before a decision is made. An MZO does not enable such a robust system.
- The proposed development area is approximately three times the size of the original, and is now proposed as residential, a substantially different use than employment.
- An MZO permits the Minister of Municipal Affairs and Housing to enact a zoning order that requires no public input. MZOs can be appealed, but that is rarely successful. Prior to making a decision on a Zoning Order, The Minister has to consider those matters of provincial interest under Section 2 of the Planning Act; i.e. coordination of planning activities between municipalities, provision of education, health, social, cultural and recreational facilities, full range of housing, resolution of planning conflicts in public or private interests.

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- In the spring of last year, the Province passed an amendment to the Planning Act which states that the Province does not have to abide by its own policy statements. Notwithstanding, the Provincial Policy Statement does include good planning principles such as healthy communities, orderly expansion of settlement areas, coordination of planning at regional level.

- The proposal represents housing that is equal to the population of the Town of Parry Sound. There is need to consider the matter at a regional level, not just by a single municipality providing input on how growth should be accommodated within West Parry Sound.

- The 2020 Watson Report identifies 830 acres in Town available for development, sufficient for 2,370 people or 1,233 households. The report further documented applications and enquiries to show that through infilling and intensification which is what the province promotes on full municipal services, there is potential for 900 additional units as infilling in Parry Sound. Similar information should be obtained from the municipalities of Carling, McDougall, Seguin and Parry Sound to determine how much land is available and see what demand there is for housing.

Mr. Dymont concluded with his three recommendations, namely:

1. The Town remains committed to working with the Township and other municipalities in the Parry Sound District to seek solutions to the shortage of affordable and attainable housing in the area;
2. Any request to the Province to enact an MZO on lands in Seguin in proximity to the Town of Parry Sound must be supported by a full assessment of the need for the lands to accommodate growth and the environmental, economic, social impacts on the existing residents of Parry Sound.
3. The Town would support further discussions with Seguin and the other municipalities in West Parry Sound regarding boundary adjustments and/or re-organization in order to

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insure the most efficient delivery of services, allocation of resources and planning for the area.

Mr. Andrew Grunda, of Watson & Associates Economists Ltd, addressed Council providing commentary on the potential fiscal implications to the Town arising from the proposed MZO in Seguin Township, identifying four major areas:

1. Potential impact on potential assessment growth of the Town. In preliminary Development Charges (DC) growth forecast projections for next 20 years, it is estimated that Parry Sound will grow by 880 additional residential units and develop 400,000 sq ft of employment related floor area based on population demands. That suggests municipal weighted assessment growth of 1% annually over the forecast period which could pay for anticipated expenditures. The proposed development in Seguin could impact this and place upward pressure on the tax rate. Therefore, a full analysis of the supply and demand for housing throughout the broader West Parry Sound Area should be considered to determine what the impacts could be on that anticipated development.
2. With respect to water and wastewater services, the current level of infrastructure invested on a per customer basis is approximately \$59,000. The sewage treatment plant has a replacement value of about \$40 million; a significant capital investment if that capacity has to be created for a development approximately the size of Parry Sound. In contrast, capacity could be added by making improvement to the Town's existing infrastructure based on proximity and location of growth within the Town, such as inflow and infiltration improvements - less costly alternatives to a major plant expansion.

Seguin's anticipated funding of the development through Development Charges (DCs) poses risk to the Town based on timing of the collection of the DCs. Unless there is a developer prepared to front end payment of the infrastructure estimated at \$40 million for plant expansion, the Town would have to incur and service the debt until the DCs could be collected. \$40 million of infrastructure costs borrowed over a 25-year term, would amount to over \$2 million in annual servicing costs. Based on the Town's 2020

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Financial Information Return, that would utilize about 70% of available debt capacity, restrict the Town's debt capacity for other projects for Town residents, and pose financial risk for the Town if the development does not occur as promptly as anticipated.

3. There is a question as to what pressure the development would place on the Town's transportation network as it is a commercial and servicing hub for the area, providing social, health, and educational services. The 2016 Asset Management Plan shows significant pressure to fund road upkeep. The question is would the development accelerate the need for road widening or reconstruction that otherwise would not have been necessary. The problem is further exacerbated from a fiscal standpoint, as there is no corresponding assessment growth within the Town to accommodate the additional infrastructure demands.

4. The Town provides fire protection services to this area of the Township through a volunteer fire fighting service. Facilities, vehicles and equipment to date total approximately \$10 million which accounts for 7.5% of the net operating levy. The question is what the impact of the development will be on the fire protection service to the area and will there be additional costs to service fire fighting. If they are to be funded through DCs, how are they funded in the interim before DCs are collected.

Mr. Grunda concluded with comments that the Town should be provided with the technical studies that are being prepared and then do a full fiscal analysis to be used to discuss any shared services agreements that may need to be entered into.

Solicitor Mr. Harold Elston was invited to report and commented that from a legal standpoint the MZO is an extraordinary and up until recently, a rare power that can be executed by the Minister.

The following include responses to questions of Council:

- The Municipality of Whitestone has approved Seguin's request for support; The Township of the Archipelago has responded that it is premature to be seeking this

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support, that going through the MZO process does not provide for the necessary consultation, and that more information should be provided to the Town.

- With respect to Development Charges, if the Town undertook capital expenditures to service the development, Seguin could collect DCs and make payments to the Town.

The concern remains regarding the timing of DCs collection relevant to the infrastructure expenditures. A \$2 million annual debt servicing repayment which was previously identified to finance a \$40 million plant expansion, amounts to a 16% increase in taxes.

- With respect to the potential for First Nation litigation against the province and municipalities over MZOs due to lack of consultation, Mr. Elston reported that the duty to consult is there at a higher level with a more entrenched right; there is not likely an opportunity to draw legal support or strength from that argument

- With respect to an existing example of provision of water to another municipality, the Town and McDougall have an agreement that identifies that the Town provides water to a certain limit; the responsibility for upkeep of the infrastructure within McDougall is up to McDougall, as is the right to determine how and where the water is allocated within the Township. Shared service agreements are typically structured like this; however, it is also possible to have the system within a neighbouring municipality entirely run by the municipality providing the service. Limiting capacity of the service (water) can serve to provide some controls on the size of the development.

- With respect to timelines for response, confirmation that Seguin has advised that it will be taking the matter of the MZO to its December 6, 2021, Council Meeting and therefore is requesting input by December 3rd, thus Town Council's Special Meeting to deal with the matter this evening.

- With respect to the Town's ability to provide water and wastewater services, a capacity study has been completed by consulting engineers who will be making a presentation to Council before the end of the year.

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- Since the Provincial Policy Statement requires that these issues be studied on a regional basis, if Seguin is successful in getting 700 acres approved to accommodate residential growth, it will be difficult for another municipality in the region to make the case for residential development expansion. I.e. if something else comes along. the MZO would cannibalize all demand for residential land.

Several members of Council, while expressing the need to protect the interests of the Town of Parry Sound ratepayers, also commented that the development might pose an opportunity for residential expansion and was therefore worth considering on a regional basis to see if some or all might be possible, as opposed to taking positions of making opposing arguments before the Minister obliged to make a "yes" or "no" MZO decision. Prompted by the proposal put forth by Seguin, there was also advocacy expressed by a member of Council for the development of an immediate Housing Action Plan for the region, using available data and resources.

Other member comments included concern that information has not been made available from Seguin upon which a supportive decision can be made with transparency and accountability by the Town to its ratepayers, and that more consultation is necessary.

### **Resolution 2021 - 150**

**Moved by Councillor Borneman**

**Seconded by Councillor Keith**

Be it resolved that:

1. The Town remains committed to working with Seguin Township and other municipalities in West Parry Sound to seek solutions to the shortage of affordable and attainable housing in the area;



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2. Area municipalities are strongly encouraged to amend their Official Plans and Zoning By-laws to permit basement apartments and secondary suites as the most effective way to immediately address the housing shortage;
3. Any request to the Province to enact an MZO on lands in Seguin in proximity to the Town of Parry Sound is premature until the necessary studies, including a full assessment of the need for the lands to accommodate growth and the environmental, economic and social impacts on the existing residents of West Parry Sound are completed and consultation has occurred;
4. The Town would support further discussions with Seguin and the other municipalities in West Parry Sound regarding boundary adjustments and/or re-organization in order to insure the most efficient delivery of services, allocation of resources and planning for the area; and
5. A letter outlining the Town's questions and concerns related to the MZO application be sent to Seguin Township, West Parry Sound municipalities, the First Nations of Wasauksing and Shawanaga, the Minister of Municipal Affairs and Housing, MPP Norm Miller and MP Scott Aitchison.

**Moved by Councillor McCann**

**Seconded by Councillor Backman**

That paragraph #2 be removed and voted on separately.

**Defeated**

Mayor McGarvey requested a recorded vote on the Resolution:

	<b>Yes</b>	<b>No</b>
Councillor Backman		X

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Councillor Borneman	X	
Councillor Burden	X	
Councillor Horne	X	
Councillor Keith	X	
Councillor McCann		Abstain
Mayor McGarvey	X	
<b>Carried</b>	<b>5</b>	<b>2</b>

**10. By-laws**

**10.5.1** Confirming by-law

**By-law 2021 - 7198**

Being a By-law to confirm the proceedings of Council.

**Read a First, Second and Third time, Passed, Signed and Sealed**

**11. Adjournment**

Mayor McGarvey adjourned the meeting at 9:35 PM.

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Mayor Jamie McGarvey

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Clerk Rebecca Johnson