



The Corporation of Town of New Tecumseth

Servicing Allocation Policy

Policy Type: Administrative

Policy No.: PL-POL-001-2023

Name of Dept: Planning & Building

1. Introduction

The Town of New Tecumseth is responsible for the provision of municipal water supply and wastewater treatment services. New Tecumseth is forecasted to almost double in population over the next thirty (30) years to 2051 as per the County Official Plan. Planning for this growth requires an alignment between land use and infrastructure decisions to ensure that water and wastewater services are available to support construction.

This Servicing Allocation Policy (the “Allocation Policy”) has been developed to ensure the remaining and future reserve capacity available within the Town of New Tecumseth is planned for and allocated in a sustainable and transparent manner to those development proposals that provide the greatest benefit to the Town and that are most likely to proceed in the immediate future.

The Allocation Policy is also intended to add an element of fairness and predictability to the process of capacity estimation and allocation. It clarifies for the development community and the public, how a finite resource will be managed to ensure maximum benefit to the community. This policy is not intended to address issues with the Town’s conveyance system.

2. Definitions

- a) **Servicing Allocation** – refers to the allocation of both water services and wastewater services. To receive servicing allocation, there must be reserve capacity of both water and wastewater services.
- b) **Minor Infill** – refers to infill development that does not constitute more than 4 proposed units.
- c) **Additional Residential Units** – refers to a self-contained residential unit with kitchen and bathroom facilities either attached/within a Primary Residential Building or within an accessory building on a lot that accommodates a Primary Residential Building. As per

the Planning Act, it is permissible to have one of each kind, as well as the primary dwelling located on a single lot.

- d) **Applicant** – The entity, whether individual or corporate, who has applied through a Planning Act application, or other form of application, to develop land that will require servicing allocation.

3. Where the Allocation Policy Applies

The Allocation Policy applies to all geographic areas within the Town of New Tecumseth, except properties within the Agricultural and Rural Designations as identified in the Town's Official Plan where full municipal services are neither available nor planned in the foreseeable future.

4. Measuring Water and Wastewater Capacity Allocation

- a) The Town of New Tecumseth Engineering Department (Town ED) is responsible for identifying the reserve capacity available for possible allocation.
- b) The Town ED is also responsible for converting the amount of reserve capacity to population equivalents (PE) for the purposes of administering the Allocation Policy. Residential population equivalents include institutional and commercial and utilizes the residential population calculation when determining reserve capacity. Industrial and Employment areas are calculated at the Industrial population rate when determining reserve capacity.
- c) The Town ED shall establish the amount of reserve capacity and PE up to 95% of total capacity of both wastewater and water services be allocated for the purposes of administering and implementing the Allocation Policy.
- d) The Town may request a report from a Professional Engineer confirming the maximum demand and PE for site-specific mixed use. Flow rate will be utilized for industrial, commercial, and institutional proposals.

5. Development Subject to the Allocation Policy

The Allocation Policy applies to the following growth and development in the Town, unless exempted in accordance with Section 6 of this Policy:

- a) Any development where an extension and/or the provision of new water and/or wastewater infrastructure is required;
- b) The creation of any number of new lots or units through the Plan of Subdivision, Plan of Condominium, consent to sever, or part lot control processes;
- c) Any development of 10 or less units as permitted through the Planning Act;
- d) Any development requiring site plan approval; and
- e) The addition of up to two (2) Additional Residential Units on a lot, provided the Additional Residential Unit(s) comply(ies) with all applicable zoning requirements.

6. Development not Subject to the Allocation Policy

The Allocation Policy does not apply to the following:

- a) Lot additions that do not result in the creation of a new developable lot and the creation of rights-of-ways or easements pursuant to Section 53 of the Planning Act;
- b) A change on a property from one permitted use to another permitted use in accordance with the Town's Zoning By-law that would not result in an increase in water usage and/or sewage flows as confirmed by a Professional Engineer (if required by the Town) and/or where proposed fixtures and capacity limits do not exceed the water or wastewater capacity flows/allocation of the previous use. For additional clarity, permitted uses are listed in the Town's Zoning By-law, as may be amended under Sections 34 or 39 of the Planning Act;
- c) The construction of a deck, patio, fence, porch, accessory building or structure, or interior or exterior renovation to an existing building;
- d) The repair, re-build or restoration of a legally existing building or structure, or part thereof, provided that the building or structure continues to be used for the same purpose;
- e) Any project that has received Allocation through a prior development agreement or has been previously exempted; and
- f) The Town also holds reserve capacity for any in Town Lot of Record that is currently on septic or well for allocation within the settlement boundary.

7. Timing and Expiry of Water and Wastewater Capacity Allocation

7.1 Applicability of this Section

This section applies to decisions on applications for Draft Plan of Subdivision/Plan of Condominium (Section 51 of the Planning Act), Provisional Consent (Section 53 of the Planning Act), Site Plan Approval (Section 41 of the Planning Act), Additional Residential Units and the creation of 10 units or less, that are made after the Allocation Policy comes into effect.

7.2 Plans of Subdivision and Condominiums

- a) If reserve capacity exists within the Town of New Tecumseth, water and wastewater can be allocated by Council or its designate at the time of execution and registration of a Subdivision Agreement or Condominium Agreement subject to capacity allocation criteria. The availability of the committed capacity allocation in phases or stages to facilitate the orderly build-out of the proposal may be further articulated in the Agreement (i.e. agreements under the Planning or Development Charges Acts).

- b) If capacity is allocated in accordance with sub-section 7.2 a), all or part of the Subdivision/Condominium Agreement shall be completed within three (3) years, with the option for a one (1) year extension. If the applicant cannot demonstrate significant progress within this timeframe, servicing allocation may be withdrawn.
- c) If the Applicant has demonstrated significant progress towards completion of the Agreement and it is 6 months prior to the end of the three (3) year period in which to complete the clauses of the Agreement, the Applicant may apply for a one (1) year extension to fully complete the Agreement. Significant progress will be determined at the sole discretion of Council. As well, at the time of entering into the Subdivision Agreement between the owner and the Town, the Agreement shall specify that Building Permits for seventy-five percent (75%) of the lots or units subject to the agreement (i.e. may cover the entire draft plan, or in the case where phasing is required, an approved phase) have to be issued within three (3) years of the execution and registration of a subdivision agreement, or the allocation will be withdrawn for the remaining unbuilt lots/units/phases that have not had building permits issued.
- d) As a condition of Draft Plan Approval pursuant to Subsection 51(25) of the Planning Act, the Town's Zoning By-law may be amended to ensure that a Holding Provision is applied to all lands subject to the Draft Plan Approval. A holding provision may be lifted by the Director of Planning through delegated authority, with the appropriate by-law being executed by Council when Servicing allocation is confirmed and available.

7.3 Site Plan Approval

- a) If reserve capacity exists within the Town of New Tecumseth, water and wastewater capacity can be allocated by Town ED at the time of the execution and registration of a Site Plan Agreement subject to capacity allocation criteria of this Policy. The availability of the committed capacity allocation in phases or stages to facilitate the orderly build-out of the proposal may be further articulated in the Agreement.
- b) If capacity is allocated in accordance with Section 7.3.a) and Building Permits are not obtained within two (2) years of the date of the execution and registration of a Site Plan Agreement, then allocation will be withdrawn.
- c) Notwithstanding Section 7.3.b), an additional one (1) year may be considered by Council. Significant progress will be determined at the sole discretion of the Council, provided the Applicant has demonstrated that they have taken progressive steps to complete construction and have shown steps to finalize completion and development on the lands.

7.4 Consent to Sever

- a) Land division by consent is permitted in accordance with the Town's Official Plan. Given the limited number of lots created annually by consent, reserve capacity will be allocated in accordance with Section 9 of this Allocation Policy (i.e. after the resultant lots have been created and on a first-come, first-served basis), unless a site plan application is required to facilitate development, in which case capacity would be allocated in

accordance with Section 7.3 of this Allocation Policy.

- b) As a condition of provisional consent, pursuant to subsection 53(12) of the Planning Act, the Town's Zoning By-law may be amended to ensure that a Holding provision is applied to the lands, with the Holding provision only lifted by the Town when reserve capacity is confirmed and available.

7.5 Additional Residential Units

- a) Any single residential dwelling is permitted to have two (2) Additional Residential Units. Given that Additional Residential Units are becoming more and more frequent, population equivalents of reserve capacity will be allocated for Additional Residential Units that apply for Building Permits over the course of the year.
- b) This set aside reserve capacity for Additional Residential Units will be allocated on a first-come, first-serve basis, and based on a confirmation, provided by the Applicant's Engineer, of adequate conveyance infrastructure to satisfy the requested allocation, until the set aside reserve capacity has been completely allocated.
- c) Further applications for Additional Residential Units that require servicing allocation after the set aside reserve capacity has been allocated shall receive allocation solely at the discretion of the Town ED and will be dependent on the amount of reserve capacity left within the Town's yearly allocation budget.
- d) If there is no reserve capacity available for allocation after the reserve set aside for Additional Residential Units is consumed, then the development cannot proceed to Building Permit submission until such time when reserve capacity is available to be allocated.

7.6 Under 10 Residential Units Without Site Plan Approval

- a) Development of up to ten (10) residential units is now permitted without proceeding with site plan approval. At the time of application, the Applicant shall have their Engineer provide confirmation of adequate conveyance infrastructure. If the conveyance infrastructure is determined to be adequate upon review of the application, and there is reserve capacity available, Servicing Allocation will be provided at the time of Building Permit Application and will be applied on a first-come, first-serve basis.
- b) If there is no reserve capacity available for allocation, this will be a condition of a development Agreement between the Applicant and the Town, stipulating that Servicing Allocation will be issued at a time when reserve capacity becomes available. The Development Agreement will be one of the conditions applied to a Minor Variance with Conditions, which will likely be required.
- c) Further applications for multiple Residential Units that require servicing allocation after the set aside reserve capacity has been allocated shall receive allocation solely at the discretion of the Town ED and will be dependent on the amount of reserve capacity left within the Town's yearly allocation budget.

8. Where a Planning Act Application is not Required

For those projects where no Planning Act approvals are required, capacity will be allocated on a first-come, first-served basis up to a cumulative annual maximum capacity limit set aside for this type of development as established by the Town Engineering Department. For greater clarity, projects that do not require a Planning Act application to proceed to construction are not subject to Section 9 of this Policy. Examples of projects where a Planning Act application is not required include the development of existing registered vacant lots, build-out of lands subject to an existing registered site plan agreement, and changes of use from one permitted use to another permitted use in accordance with the Town's Zoning By-law, as may be amended under Sections 34 and 39 of the Planning Act, that would require additional servicing capacity allocation.

9. Capacity Allocation Reserve

Nothing in this Policy precludes the Town from reserving capacity for government-led projects deemed to be in the interests of the public including, but not limited to, facilities affecting public health and safety, educational and recreational facilities, emergency management, long-term care, social assistance, and provision of affordable housing.

10. Monitoring, Tracking and Reporting

Town staff shall establish a development tracking method to monitor the capacity that has been allocated and prepare an update report to Council once 80% of total capacity has been met. Such monitoring and review may also determine if any changes to this Allocation Policy are required. Should Council consider amendments to the Allocation Policy beyond clerical or technical matters as a result of monitoring, tracking and reporting, any such amendments shall be processed in a transparent manner, including consultation with the development community and the public. A comprehensive review of the Allocation Policy will occur every 5 years or as determined by Council.

11. Implementation

- a) In order to protect the Town's interest, at no time will the total allocated capacity exceed the reserve capacity of the Town of New Tecumseth.
- b) At times of limited capacity, an annual cumulative maximum servicing capacity allocation threshold will be established by the Town ED and the total annual allocated capacity shall not exceed that cap.
- c) Areas of the Town where servicing is not imminent or feasible, may be subject to a Holding Provision pursuant to the Planning Act, with the Holding provision only being lifted by the Town when services are available.
- d) Nothing in this Policy precludes the Town from applying a Holding provision to properties where municipal services are available prior to land or ownership division application, with the Holding provision only being lifted by the Town when reserve capacity is confirmed as available or otherwise allocated through land/ownership division and/or site plan approvals. For greater clarity, capacity would not be allocated at the time of Official

Plan or Zoning By-law Amendment approval.

- e) To minimize the fiscal risk to the Town, where upfront financing is required to extend or provide new water and/or wastewater infrastructure to facilitate development on more than one parcel of land, a front ending agreement under the Development Charges Act or similar approach shall be used, including the identification of the benefiting area, if applicable. Further, it is understood, as per this Servicing Allocation Policy, that no allocation of water and wastewater services will be allocated until time of execution of the Subdivision Agreement by Council.