

Development Policy

D-8

Southgate Servicing Capacity Allocation & Retention Policy

Council approved: December 20, 2017

WHEREAS the Township of Southgate (“**Township**”) has available or plans for increasing Water and Wastewater servicing capacity to supply existing and future development in the Village of Dundalk “Dundalk”;

AND WHEREAS the Water and Wastewater facilities in Dundalk have a finite servicing capacity (“**Capacity**”), which may be increased from time to time by means of expansions of and/or other modifications to the existing operating infrastructure;

AND WHEREAS, as new development is proposed in Dundalk and as such development requires water and wastewater services, Capacity will be allocated based on availability;

AND WHEREAS the Council of the Township wishes to establish a policy for the allocation of Capacity to new development in a prudent and sustainable manner;

AND WHEREAS the Council of the Township encourages water conservation;

AND WHEREAS this policy will be used by Council of the Township as the guidance and process for consistent allocation of Capacity;

NOW THEREFORE, the Council of the Township establishes the following policy to govern the allocation of Capacity:

Applicability of this Policy

1. Any development which meets all of the following four criteria shall be eligible for an allocation of Capacity pursuant to this policy:
 - a. The development is proposed to be located in the Settlement Area of Dundalk, as defined in the Township's Official Plan;
 - b. The development is proposed to be serviced by means of connection to the Water and Wastewater municipal services;
 - c. The development requires approval(s) under the *Planning Act*, other than a minor variance; and
 - d. The development consists of 5 or more homes
2. Any development of 4 or less homes in the Settlement Area of Dundalk will be considered an infill project and not be required to apply for servicing Capacity under this policy. Infill projects are considered in the annual reserve service Capacity calculations completed by the Township's engineers and is set aside at that time.
3. Proposals for development outside of the Settlement Area of Dundalk requesting Capacity from the Dundalk Water and Wastewater servicing shall not be permitted.

Administration of the Allocation Program

4. For the purposes of this policy, Capacity shall be measured in "Equivalent Residential Units" (ERU). Generally, one ERU shall be equivalent to the average Capacity required to service a detached single family home.
5. Council shall annually receive from the Township Engineer a report of the remaining allocated and unallocated Capacity available for the Municipal Water and Wastewater systems. Each annual Capacity report shall be presented as a report to Council.
6. The allocation of Final Capacity shall not be inherent in any approval under the *Planning Act*. The proponent of any development requiring an allocation of Capacity shall be required to apply to the Township for their required servicing allocation and

obtain a Final Capacity Allocation Agreement for Council approval by Municipal By-law based on conditions set out in this policy.

7. Every proponent of a development requiring an allocation of Capacity is encouraged to consult with Township staff as early as possible in the development approval process regarding the need for and availability of Capacity. Every proponent of a development project is encouraged to utilize flow reducing technology and conservation efforts in their development project, and such efforts may be a requirement or condition of approval.
8. Where development of ERU's other than detached single family homes is proposed, staff in consultation with the Township Engineer, may in their sole discretion, determine that an alternative number of ERU's required to service all or part of the proposed development.
9. Capacity shall be initially allocated to each development on a provisional basis. Provisional Capacity shall be deemed to be assigned by the Township upon one of the following *Planning Act* approvals:
 - a. Draft Plan Approvals;
 - b. Subdivision/Condominium Agreement Approval;
 - c. Provisional Consent; or
 - d. Site Plan Approval.
10. No allocation of Final Capacity shall be provided until:
 - a. The proponent has entered into an agreement with the Township in respect of such Final Capacity ("**Final Capacity Allocation Agreement**"); and
 - b. The development in question has received either:
 - i. In the case of plan of subdivision or consent, final approval under the *Planning Act*; or
 - ii. In all other cases, municipal approval of building permits.
11. Final Capacity is deemed to have been given to individual residential units on lots on registered plans of subdivision.

Requests for Allocation

12. Each Final Capacity Allocation Agreement shall be drafted on a case by case basis to the satisfaction of the Township and Council approval. A sample draft of the document is included in this policy as Schedule "A". Subject to any special considerations, a Final Capacity Allocation Agreement shall deal with the following matters, among others, as required:

- a. The number of ERU's allocated to the proposed development or development phase;
- b. The period of time for which Final Capacity has been allocated;
- c. Provisions for the expiry of the allocation of Final Capacity;
- d. Provisions for the extension of the allocation of Final Capacity; and
- e. Any payments or works required by the Township in respect of the allocation of Final Capacity.

A Final Capacity Allocation Agreement is still required if the Township enters into a Front Ending Agreement (also known as Service Finance Agreement) with the applicable benefitting land owners as per Section 12 (a) or (b) of this policy.

13. Where there are multiple requests for entering into of a Final Capacity Allocation Agreement before Council, and insufficient Capacity is available to grant all such requests, Council shall assess the competing requests and approve, deny or defer each of the competing requests, either in whole or in part, in accordance with the following criteria:

- i) Subdivision Agreement Approval;
- ii) Site Plan Agreement Approval;
- iii) A Township staff report providing other possible considerations for options to assign allocation based on the following information:
 - Benefitting land owners who have fully executed a Front Ending Agreement with the Township to provide for the required works to supply the required ERU's for the needed Capacity shall be provided the Capacity as per the terms of the Front Ending Agreement prior to any Allocation Agreement; and
 - Secondary considerations may be based on the following:

- a. the stage of the proposed development in the planning and engineering approval process;
- b. achieving the residential intensification/infilling targets of the Official Plan and/or applicable Provincial policy;
- c. the impact by the development on minor or major road(s) or the completion of existing local streets;
- d. provision of lands for a public park, trails, recreational facility or other key elements of public infrastructure;
- e. provision of serviced employment lands;
- f. project contribution towards diversification or variety of unit types, tenures, lot sizes, etc.;
- g. housing needs;
- h. employment and economic development; and
- i. any other public benefits or factors as determined by Council.

Transfer of Capacity Allocations

Subject to the provisions of any Final Capacity Allocation Agreement or Front Ending Agreement, the transfer of Capacity shall not be permitted without the written consent of the Township.

Retaining of Capacity Allocations

Where a Final Capacity Allocation Agreement or Front Ending Agreement has been executed, with approval by Township Council to assign Capacity to a development or development phase, the capacity shall be allocated for up to 3 years, after which time it may be extended for a period of 1 year term(s), subject to site development progress and Township Council approval. If, in the opinion of the Township, site development has not progressed with the posting and maintaining of securities, the completion of on and off-site site servicing, and building construction progress the Township has the right to revoke all or part of the assigned capacity and not extend the Final Capacity Allocation Agreement.

The Developer may at their sole discretion choose to retain the allocation by paying the base water and wastewater monthly charges for the entire number of services of allocated Capacity to service the project.

Grandfathering of Existing Capacity Allocations

Where pre-existing development projects have been assigned Capacity allocation prior to this policy and without a Final Capacity Allocation Agreement or Front Ending Agreement, where a Subdivision Agreement or Site Alteration Agreement was approved by the Township, such Capacity allocation will be considered a provisional Capacity allocation for a period of 3 years, starting from the date the Township Council approves this policy by Municipal By-law.

If after a period of 3 years after this policy comes into force and effect, the developments which pre-date this policy have not completed their project site work, their Capacity allocation may be revoked by the Township. The Developer may request in writing with justification of progress to the Township for a Final Capacity Allocation Agreement being executed for a 1 year term, with Township Council approval. If, in the opinion of the Township, there has been no progress of a pre-existing development project by the posting and maintaining of securities, the completion of on and off-site site servicing, and building construction progress, the Township at its sole discretion has the right to revoke all or part of the assigned capacity, 3 years after this policy comes into force and effect.

Any allocation of provisional Capacity withdrawn by the Township will be deemed available for any future allocation to other projects. When a development has lost its allocation, the developer may reapply and execute a Final Capacity Allocation Agreement if and when:

- i) Servicing Capacity allocation is available;
- ii) The posting the required project securities for on-site and off-site servicing works has been posted in favour of the Township; and
- iii) The project is at the application for building permit stage of the project; and/or
- iv) The reinstatement of the required development agreement(s) for the projects.

FINAL CAPACITY ALLOCATION AGREEMENT

Made in Duplicate this _____ day of _____, 20____.

BETWEEN:

(hereinafter referred to as the "Developer")

AND

**THE CORPORATION OF THE
TOWNSHIP OF SOUTHGATE
185667 Southgate Road #22 – RR#1
Dundalk, ON N0C 1B0**

(hereinafter referred to as the "Township")

WHEREAS the Township of Southgate ("**Township**") has available or plans for increasing Water and Wastewater servicing capacity to supply existing and future development in the Village of Dundalk "Dundalk"; and

AND WHEREAS, a new development is proposed in Dundalk and as such the development has requested in writing to the Township water and wastewater servicing capacity be allocated subject to availability.

NOW THEREFORE the Parties hereto agree:

1. That the Township of Southgate will allocate ____ (_____) of Water and Wastewater Residential Units of Reserve Servicing Capacity.
2. That the Developer accepts this allocation of water and wastewater Residential Units of Reserve Servicing Capacity based on the conditions set out in this agreement.
3. That this Final Capacity Allocation Agreement shall have a term of 3 years following the municipal by-law approval date of this agreement, following which this agreement and the Reserve Servicing Capacity allocation shall expire unless extended by the Township.
4. That the Final Capacity Allocation Agreement may be extended for an additional 1 year term(s) based on evidence of site development progress.
5. That the Developer accepts that at its sole discretion the Township may not agree to extend a Final Capacity Allocation Agreement in whole or in part, if in the opinion of Township, site development progress has not progressed

sufficiently to reflect 50 (fifty) percent occupancy or use of the allocated servicing capacity.

6. That the Developer acknowledges that any payments to be made or works with respect to the projects allocation of Final Capacity by the Developer required by the Township must be completed to maintain this agreement in force and affect. The payments and /or works required are listed in the attached Schedule A documents that forms part of the agreement document or provides reference to a Front Ending or Service Finance Agreement that has been previously approved by the Developer and Township Council by municipal by-law.
7. This Agreement shall be binding on the parties hereto and their heirs, executors, administrators or assigns.

IN WITNESS WHEREOF the Parties hereto have affixed their respective hands and seals.

**SIGNED, SEALED AND DELIVERED
IN THE PRESENCES OF:**

(Company Name)

Date:

Name: _____
Title: _____

Witness

I have authority to bind the Corporation.

**The Corporation of the Township of
Southgate**

Southgate Mayor, _____

(seal)

Southgate Clerk, _____
We have authority to bind the Corporation.

Schedule A

Listing of Payments and Works for the Development Project Final Capacity Allocation

Payments Listing required prior to the Capacity Allocation:

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-
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Project Development Works required prior to the Capacity Allocation:

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-
-
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Note: Please reference any Service Finance or Front Ending Agreements executed for this development in the Payments Listing.