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TO:	CHAIR AND MEMBERS PLANNING & ENVIRONMENT COMMITTEE MONDAY, JULY 18, 2016
FROM:	JOHN M. FLEMING MANAGING DIRECTOR, PLANNING AND CITY PLANNER
SUBJECT:	BYRON GRAVEL PITS SECONDARY PLAN DIRECTION UPDATE
RECOMMENDATION	

- a) the following report relating to the Terms of Reference for the Byron Gravel Pits Secondary Plan, **BE RECEIVED**; and
- b) Staff **BE DIRECTED** to bring forward to an August/September meeting of the Planning and Environment Committee Terms of Reference for the Byron Gravel Pits Secondary Plan consistent with the Development Option identified in the following report **SUBJECT TO** the landowner group providing a letter of undertaking by August 1, 2016 to pay for the increased costs of preparing the Secondary Plan under this option.

IT BEING NOTED THAT Staff will bring forward a Terms of Reference for the Byron Gravel Pits consistent with the Open Space option if such a letter is not received by the landowner group within this timeframe.

PURPOSE OF THE REPORT

Staff have been directed by Council to develop a terms of reference for the South-East Byron Gravel Pits Secondary Plan. The report outlines two distinct options for a terms of reference for the Secondary Plan. Staff are seeking Council’s direction on the appropriate option.

Planning Services has been working with the land owners’ consulting team to determine an appropriate terms of reference in which the Byron Gravel Pit Secondary Plan should be reviewed. Two unique options of development have evolved in the conversations.

The first option would review and update the approved 1992 Area Plan with the intention of adding additional development lands along the periphery of the gravel pit. Upon the completion of the development assessment, the balance of the gravel pit lands would be utilized for a unique recreational/open space amenity. There would be no additional costs to the land owners for this option.

The second option would review the potential of development of the gravel pit as a residential neighbourhood; both the periphery and the core. A detailed feasibility study would be prepared as part of the secondary plan to determine the opportunity, extent, appropriateness and financial costs for development. These additional study costs would be borne by the land owners.

Under both options, the City would retain a consultant through the RFP process to undertake the studies as a third party.

To assist in the progress of the secondary plan, Staff are seeking Council’s direction on the appropriate terms of reference to prepare and circulate for a Public Meeting in August 2016.

BACKGROUND

On December 15th, 2014, City Staff presented a draft terms of reference to Planning and Environment Committee (PEC) to undertake a secondary plan for the Byron Gravel Pits. The presented terms of reference focused on large tracts of the land being reverted to open space uses consistent with both the approved 1992 South-East Byron Area Plan and the approved licenced rehabilitation plans filed with the Ministry of Natural Resources and Forestry.

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At the PEC meeting, a property owner within the study area submitted a letter of concern regarding the proposed land use pattern and suggested a range of alternative lands uses. In addition to the letter, the property owner provided a conceptual land use plan for the ultimate development of the gravel pit. The submitted plan significantly departs from both the 1992 area plan and Ministry approved rehabilitation plans. The property owner’s plan would require extraordinary amounts of engineered fill in order to be feasible. Staff raised initial concerns with the form and cost of infrastructure required to service the landowners proposed land uses. PEC considered the submitted concept and directed staff to further investigate the opportunity for additional residential development on these lands.

Staff engaged the property owners’ consultants to demonstrate the feasibility of development on these lands.

The consultants were asked to provide a business case that demonstrates development within the Byron Gravel Pits is technically and financially feasible. The report should include a review of the proposed:

- sanitary sewer function – existing capacity, proposed capacity, the required infrastructure (i.e. pumping stations, pipe and facility sizing), and a contingency plan for emergency overflow;
- stormwater function – existing storm sewer capacity, proposed capacity, required infrastructure, pond location, ground water protection and emergency over flow;
- road infrastructure, existing capacity of boundary roads, road classifications, road grades and alignments and required improvements;
- final grades – cut and fill costs, acceptable stable slopes, minimum development grade, and possible timing;
- proposed land uses that comply with the South East Byron Area Study and the overall intent of the Official Plan; and
- land proposed for public open space.

The property owner/consultants provided staff with a feasibility study in November 2015. Staff circulated the study to internal and external agencies for comments. From the comments received, the areas of concern include; costs of filling the pit and installing infrastructure (both municipal and private), environmental impacts, required upgrades to existing infrastructure services, back-up contingency plans and acceptance of the concept by the other landowners within the pits. In April 2016, the consultants met with staff to discuss the study and the recommendations. At that time, the consultants expressed that there could be alternative servicing strategies to resolve some of staff’s concerns. It was determined that the role of the secondary plan, not the current feasibility study, would further investigate the feasibility and opportunity for development within the gravel pit.

In April, it was noted to the owner’s consultants that the proposed development form, or something similar, would require significant private financial investment to assess, plan and construct the required infrastructure. The Development Charges By-law does not contemplate significant residential development within the area of the Byron Gravel Pits and has not included funding for upgrades to the infrastructure services that would be required to support significant residential development or the installation of services within the excavated pit area. The costs of the servicing justification studies and infrastructure would be borne by the land owners and not the municipality.

FEASIBILITY STUDY

In November 2015, the consultants submitted a feasibility study and a possible land use plan in support of a development opportunity within the gravel pit; see appendix A. The feasibility study proposes a number of servicing, financial and land use changes which included stormwater management, water servicing, sanitary and drainage, grading, costing, claims and revenues, and a preliminary land use plan.

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From the outset, it was recognized that the secondary plan would address the feasibility of development in greater detail, if the development approach option was selected. The requested feasibility study from the consulting team was to address the possibility of development (a high level approach) and determine if there were any significant “show stoppers” that would negate any development in the core of the gravel pit as open space lands have always been envisioned/anticipated.

Staff and appropriate agencies reviewed the document and provided initial comments and concerns. Staff met with the owners consulting team and discussed the findings with the intention of seeking out alternative solutions. From the review and discussion there are four main areas of concern relating to the feasibility study; storm water management, sanitary servicing, financing, and land use. Other minor issues were discussed, but they could be resolved with more detailed study through the secondary plan process.

Stormwater Management

The submitted feasibility study recommended an infiltration basin to accommodate the stormwater management system within this development. Staff noted that the Ministry of the Environment and Climate Change guidelines do not support infiltration basins for sites greater than 5 hectares or where there is presence of a high groundwater table. This site is in excess of 65 hectares and the groundwater table is at the surface.

Staff further suggested that other options may be appropriate in this location but noted a new storm sewer system and outlet would need to be constructed to discharge the storm water as the existing system is perched approximately 15-20m higher than the site. The consulting team acknowledged that they had investigated the alternative stormwater pond concepts and suggested that they could be viable at this location. These options at a minimum would require additional fill be brought into the site to raise the floor of the gravel pit a minimum of six meters above the existing ground elevation. A new outlet and storm sewer tunnel would also need to be constructed for this facility to the Thames River. More detailed technical review would need to be undertaken to determine the actual costs and implications of the new outlet and storm sewers. An Environmental Assessment or Secondary Plan Servicing Strategy would be required to assess the preferred servicing solution.

Wastewater and Drainage (Sanitary)

The consultant team suggested that the waste water sanitary system would require a new pumping station to direct sanitary flows to a new trunk sewer outside of the gravel pit site. However, staff identified that an emergency by-pass system would be required within the gravel pit site in case of pump failure. An Environmental Assessment or Secondary Plan Servicing Strategy would be required to implement a pumping station and assess an appropriate by-pass system.

While the consultant stated that the proposed flows from the site will match the capacity permitted within the Baseline Road sewer, staff noted that the preliminary land use plan exceeds the capacity of the current downstream sewers and additional upgrades or new sewers may be required. Further investigation would be required to determine the extent and cost of downstream works to support the additional capacity. This detailed work would be included in a servicing strategy review as part of a Secondary Plan. It is recognized sanitary servicing for these lands may not be financially feasible. More detailed study would be required to clarify the costing and the implications to downstream infrastructure.

Development Finance

The November 2015 feasibility study submitted by owner’s consultant provided a summary of findings that included: a preliminary opinion of probable costs, estimated claims, grading summary, and projected development charges cost.

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Earth Works and Area Grading	\$4,165,745
Sanitary Sewers and Appurtenances	\$977,890
Storm Sewer and Appurtenances	\$1,142,617
Watermain and Appurtenances	\$395,085
Internal Roads	\$1,448,141
Stormwater Management Facility	\$527,128
Provisional Items	\$48,500
Miscellaneous Items	\$157,370
Total with Contingency & Engineering	\$11,211,038

The estimated total costs of \$11.2M do not reflect the revised servicing options discussed at the April 2016 meeting, namely the costs of additional engineered fill or a pumping station and new storm sewer tunnel/outlet system that would meet minimum municipal standards. As such, staff advise that the initial cost estimate grossly underestimates the actual servicing costs.

Staff also note that presently the infrastructure required for this development has not been captured or envisioned within the current Development Charges, By-law or 2017 GMIS.

Proposed Land Use Plan

The consultants have provided a land use concept to justify the funding cost of developing the gravel pits lands. The majority of the land uses proposed in the plan are medium density and high density residential lands. Neither the Official Plan nor the London Plan have contemplated this level of density or land use within the areas of the gravel pits. The London Plan directs these forms of development to transit corridors or transit villages.

A secondary plan would evaluate the appropriate land uses for the site and recommend a preferred land use plan that may include low, medium and high density residential lands. It would be premature at this time to anticipate the final form of land use to justify the cost of servicing of the site.

It was noted to the owner/consultants that the proposed development form, or something similar, would require significant private financial investment to assess, plan and construct the required infrastructure. The Development Charges By-law does not contemplate significant residential development within the area of the Byron Gravel Pits and has not included funding for upgrades to the infrastructure services that would be required to support significant residential development or the installation of services within the excavated pit area. The costs of the servicing justification studies and infrastructure could be borne by the land owners and not the City.

PROPOSED TERMS OF REFERENCE OPTIONS

The terms of reference will set the requirements for a consultant to undertake a secondary plan for the rehabilitation of the gravel pits. This secondary plan is intended to provide a comprehensive assessment of the opportunities and constraints for the planning and development of the gravel pit lands. The plan will establish a vision for the area and provide the basis for an Official Plan amendment that will identify environmental features; apply specific land use designations; identify servicing requirements; identify collector road alignments; identify parks and community facility needs; and develop area-specific policies to direct future zoning, subdivision planning and urban design.

As noted earlier in this report, there are two options to be considered in the preparation of the terms of reference. One option would envision the development of a unique recreational/open space opportunity that would be unique to London and southwestern Ontario, where the other option would develop a residential neighbourhood utilizing various forms and densities of residential land use. Both options will consider development along the periphery of the gravel pit. However, the main vision of the secondary plan, the extent of assistive studies and the cost of the secondary plan will be significantly different between the two options.

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A key difference between the two options is cost; both in study and implementation. It is anticipated the recreational/open space option would be within the budget allocated by the Development Charges Study, the source of funding for these studies. However, the development option would be significantly greater than the budgeted allotment as more detailed and technical studies will be required in the preparation of the secondary plan. The difference in study costs should be paid by the land owners within the gravel pits who will be benefiting from the additional study.

Open Space Option

The terms of reference within this option would update the existing 1992 approved area plan which recommended development along the periphery of the pit and an extensive open space area utilized for recreational uses. The study would look at the opportunities to expand the proposed development areas by utilizing existing services within the area. The secondary plan process and study would include a community vision, various component studies (natural heritage, servicing, transportation, and urban design), an opportunities and constraints analysis, alternative and preferred land use concepts, a financial impact analysis and a proposed secondary plan.

A Recreational Opportunities Plan would be a major component study of this secondary plan. This component study would utilize a visioning session, research of other rehabilitated gravel pits and a review of recreational uses to develop a unique recreational development strategy for the open space lands that can be operated by the City or in partnership with the City or privately. This development strategy would create a unique amenity to London and southwestern Ontario.

This option is consistent with the current Official Plan policies and the intentions of the approved 1992 Area Study and the Ministry-approved Rehabilitation Plans for each of the licenced aggregate extraction sites. The cost to complete this secondary plan should be consistent with funds budgeted within the Development Charges Study. No additional costs will be sought from the property owners.

The table below outlines some of the opportunities and constraints for this option:

Opportunities
<ul style="list-style-type: none"> ▪ Consistent with the Council Adopted London Plan; does not redirect high density residential outside of transit corridors and transit villages ▪ Secondary plan would implement the approved 1992 plan with modifications and the submitted reconciliation plans ▪ Provide a unique recreational/open space amenity to the City and the region ▪ Provide for the timely restoration of the gravel pit ▪ Could help reduce costs in the rehabilitation of the gravel pits by modifying the final elevations of the gravel pit ▪ Possible development opportunities along the periphery of the gravel pit to optimize use of existing infrastructure ▪ Does not require significant investment in municipal servicing
Constraints
<ul style="list-style-type: none"> ▪ Does not maximize the potential residential land use of the gravel pits. ▪ Loss of potential tax base if it is determined that the lands have any residential development (noting this may be offset by higher operational and maintenance costs).

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Residential Development Option

The terms of reference for this option would provide for the development of a residential neighbourhood within the gravel pits including the periphery and the core area. New and unique infrastructure such as roads, sanitary and storm water sewers would be required for this development. The secondary plan would establish a vision for the neighbourhood that would include various forms and densities of residential land uses. The build out of this development would be similar to other residential neighbourhoods in the area.

Given the site’s current condition and use, concerns have been expressed regarding the feasibility and sustainability of development and servicing within the gravel pit. An initial high level feasibility study, completed for the land owners, indicated the development of these lands is technically and financially viable for residential land uses. Through this secondary plan a more detailed feasibility study, servicing study, grading study and residential demand study approach will be undertaken and the extent of development will be defined. The overall costing of the development will also be detailed.

Because of the concerns relating to the cost and function of servicing these lands, this option is comprised of a 2 phased process; (1) an expanded and detailed engineering feasibility study and (2) a secondary plan study in conjunction with a Municipal Class Environmental Assessment.

The City received a preliminary submission detailing a proposed servicing strategy for the site. This submission was reviewed internally by all City divisions and there were significant concerns with respect to the viability of the proposed servicing strategy from a financial and technical perspective. At the meeting, the developer’s consultant suggested that there may be alternatives to this submission which could be explored. To this end, we would recommend the following two phases be followed should Council wish to pursue development of these lands:

Phase 1: Feasibility Assessment

The developer would submit an updated servicing strategy that is technically and financially viable. It is anticipated that major servicing works could include, but not be limited to, a new municipal sanitary pumping station, stormwater management facility, and a significant storm sewer tunnel, which are currently not contemplated in the current DC by-law. As such, the feasibility assessment should evaluate the fiscal implications to the developer and the City of London, including applicable Development Charge claims and capital costs.

It is anticipated that the sanitary and stormwater works necessary to service these lands will trigger a Municipal Class Environmental Assessment process. In this case, the proposed servicing strategy could not be finalized until the Class EA process evaluated all options from a technical, financial, social and environmental perspective and identified a preferred servicing alternative.

Phase 2: Secondary Plan/Environmental Assessment

Subject to determining a feasible servicing solution per above, the City would undertake a Municipal Class Environmental Assessment (EA) to evaluate the technical, financial, social and environmental factors associated with feasible servicing alternatives. The EA process would consider multiple servicing options for applicable works, including the developer’s solution. An EA study for stormwater and sanitary servicing is estimated to cost between \$200,000 and \$300,000. Currently, the cost associated with a Municipal Class EA is not contemplated in the DC By-law or the 2017 GMIS.

The City would implement the “integrated approach” to complete the Municipal Class EA with the Secondary Plan. The advantage of the integrated approach is to concurrently meet the needs of the Planning Act and the EA Act. The Secondary Plan would develop a community vision, undertake additional component studies (natural heritage, land needs, transportation urban design), an opportunities and constraints analysis, alternative and preferred land use concepts, a financial impact analysis and a proposed secondary plan.

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The table below outlines some of the opportunities and constraints for this option:

Opportunities
<ul style="list-style-type: none"> ▪ Follows Council's/London Plan direction to encourage infill - would utilize a large tract of land within the urban growth boundary not previously recognized for development ▪ Would increase tax revenue ▪ Could provide a unique community within an established area of the City initial infrastructure costs could be borne by the developer. ▪ Land owners would pay for required studies as part of the secondary plan.
Constraints
<ul style="list-style-type: none"> ▪ Large amount of high and medium density residential plan in an area not anticipated for residential growth. London Plan directs higher density residential to transit corridors. ▪ Long term maintenance cost of infrastructure would be borne by the municipality ▪ Long term rehabilitation of the gravel pit and impacts on surrounding neighbours ▪ Significant cost to upgrade servicing studies to determine the feasibility of the development. ▪ Land owners would pay for upgraded studies and does not guarantee development as anticipated by their independent feasibility study. ▪ City-wide Development Charge rates could be increased or projects could be deferred to accommodate unique infrastructure and maintenance (noting this may require a Development Charges By-law update). ▪ May not result in a viable plan.

Both the study and the implementation of this secondary plan will be significantly higher than the open space option. Additional long term operating and maintenance costs will also be borne by the municipality. These costs may be offset by the tax revenue generated by the new residential development.

Currently, the budget associated with completing a Secondary Plan is limited to \$75,000 since this specific development was not contemplated in the DC By-law or the 2017 GMIS. It is estimated that the cost to expand the scope of this study would be in the range of \$200,000 to \$300,000. It is expected that the land owners would be responsible for the additional cost in these studies. Payment of the studies would be required prior to the selection of the consultant.

If staff are directed to proceed with the development option, the land owners will be required to provide an undertaking with the City to fund the additional studies. This undertaking should be signed and filed with the City by August 1, 2016.

Summary

There are two options currently being considered in the preparation of the Bryon Gravel Pit Secondary Plan. Each option is different in cost and in the vision. The first option would maintain the theme of the approved 1992 area plan and develop a unique recreational/open space facility while providing development opportunities along the periphery of the gravel pits. The second option would develop the gravel pits for a residential neighbourhood with new costly infrastructure. A feasibility study undertaken by the land owners indicated, at a high level, development opportunities within the core are financially viable; however, these costs were presented based on a solution that was not technically viable. This study would be refined and form one of the alternatives in a Municipal Class EA that would partner with the secondary plan. Significant additional costs are anticipated for the development option. These costs would be borne by the land owners.

In determining which option to select for the preparation of the terms of reference, Council should consider:

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- The ultimate vision of the Byron Gravel Pits; a unique recreational open space or a residential neighbourhood;
- The costs associated to the municipality; initial and long term;
- The increase or loss of the residential tax base;
- The long term implication on existing infrastructure;
- The costs borne by the property owners including the initial study costs, rehabilitation costs and installation costs; and
- The long term benefit to the municipality a unique recreational open space amenity or a unique residential neighbourhood.
- The consequences to transit initiatives from allocation of medium and high density residential development outside of transit corridors and villages
- The precedent that this site may set for future land use proposals.

Staff originally prepared a terms of reference for the gravel pit lands that reflected the recreational/open space option. Development within the core of the gravel pit has never been contemplated or studied. The municipality has not allocated funds to construct infrastructure within the gravel pit nor has the anticipated future funding of this infrastructure within the Development Charges By-law. It is the expectation of staff to undertake a secondary plan that reflects this option.

However, the property owners have undertaken a high level feasibility study which suggests an opportunity may exist for the Byron Gravel Pit lands to be developed for residential purposes. The study relies on additional review to be undertaken within the secondary plan to determine the appropriate land use form and distribution. The secondary plan would further analyze the feasibility of development. Additional costs associated with the secondary plan study are to be borne by the land owners.

PREPARED BY:	SUBMITTED BY:
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Appendix A – Consultants Feasibility Study