

January 4, 2023

The Honourable Minister Steve Clark
Ministry of Municipal Affairs and Housing
777 Bay Street, 17th Floor
Toronto, Ontario M5G 2E5

Attention: Gabriel Kim (Municipal Services Office - Western Ontario)

**RE: Schlegel Urban Developments Corp. (Southwest Kitchener - "BSF2 Lands")
ERO No.: 019-5952 (Ministry Reference No. 30-OP-222206)
Comments on Waterloo Region Official Plan Amendment 6**

Malone Given Parsons Ltd. ("MGP") and IBI Group are the planning and land economic consultants for Schlegel Urban Developments Corp. ("Schlegel"), who own multiple properties in southwest Kitchener. This letter is in relation to what are commonly referred to as the "BSF2 Lands", which are municipally known as 236 Gehl Place.

This submission continues upon our prior submissions to the Region of Waterloo (the "Region") including:

- a letter dated August 11, 2022, providing comments on the Region's draft Official Plan Amendment (August 2022) and providing a detailed response to the Region's Urban Expansion Area Evaluation Criteria
- a letter dated May 27, 2022, providing comments on the Region's April 2022 Land Needs Assessment ("LNA") Report, as contained in document 3979259 and report PDL-CPL-22-11, and,
- Participation and comments in the Regional open houses and public meetings relating to the Municipal Comprehensive Review ("MCR") regarding the Region's Growth Management exercise and the LNA.

A full package of previous correspondence has been provided in **Appendix 3**.

This letter provides comments regarding the Region's adopted Official Plan Amendment 6 ("ROPA 6") dated August 2022 and provides a detailed response to the Region's Urban Expansion Area Evaluation Criteria, and comprehensively reviews the BSF2 Lands against the Region's and Province's criteria for settlement area boundary expansions.

As outlined in our prior submissions and based on the completion of an LNA in accordance with Provincial requirements, there is a significant need for new Community Area to accommodate forecasted growth in the Region to 2051. We have determined that at the minimum target of 50% intensification, the Region would require at least 944 hectares of additional Community Area land beyond the existing supply to meet the growth forecast to 2051.

With the proposed population assignment to the City of Kitchener, a significant proportion of this additional Community Area land (approximately 366 ha) is required in Kitchener. By contrast, through ROPA 6, the Region is proposing to add only 151 ha of additional Community Area land over the entire Region. Accordingly, the significant errors in the Region's LNA must be corrected prior to final approval of ROPA 6 by the Ministry of Municipal Affairs and Housing.

With regards to the Region's consideration of growth options, it is our opinion that the lands within our recommended expansion area in southwest Kitchener, that includes the BSF2 Lands, are appropriate locations for a settlement expansion as they can achieve the Region's criteria for settlement area boundary expansion and are consistent with the Provincial Policy Statement, 2020 ("PPS") and conform to A Place to Grow: Growth Plan for the Greater Golden Horseshoe (the "Growth Plan"). The requested expansion area and associated required modifications to ROPA 6 are provided in **Appendix 4**.

1. Subject Lands

The BSF2 Lands are approximately 58 hectares and are located west of Fischer-Hallman Road and south of Bleams Road, at the southerly terminus of Gehl Place in southwest Kitchener, immediately adjacent to the existing Urban Area as identified on Map 3a of the Regional Official Plan (the "ROP").

In the context of the Region's review of the ROP, we, along with Schlegel, repeatedly requested that the BSF2 Lands be considered as a candidate site for expansion of the Urban Area, following our analysis that the existing Urban Area will need to be substantially expanded to accommodate the Region's projected population growth to the year 2051.

The BSF2 Lands would be an ideal location for an expansion of the Urban Area to accommodate additional residential development, which would achieve numerous provincial and municipal planning policy objectives, as further explained in this letter.

The graphic below shows the location of the BSF2 Lands in southwest Kitchener.

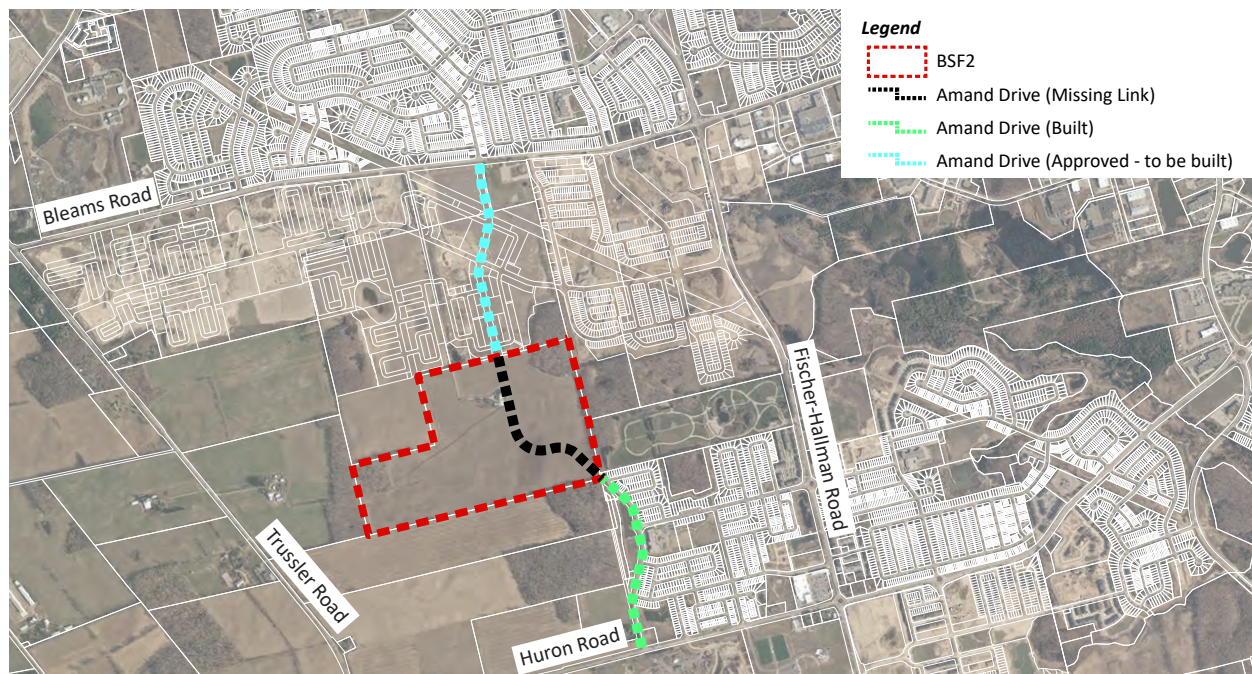


Figure 1: Site Location

2. Proposed Concept Plan

The proposed concept plan (see **Appendix 6**) for the BSF2 Lands provides for the important completion of missing transportation and active transportation linkages for adjacent residential development and will assist in rounding out the adjacent Rosenberg community.

The BSF2 Lands will be a master planned, 15-minute community and represents the well-planned completion of the surrounding built and approved and to-be-built neighbourhoods and the logical completion of the Rosenberg planning area.

The BSF2 lands are able to contribute approximately 1,200 new homes toward meeting the Province's target of building 35,000 new homes in Kitchener by 2031.

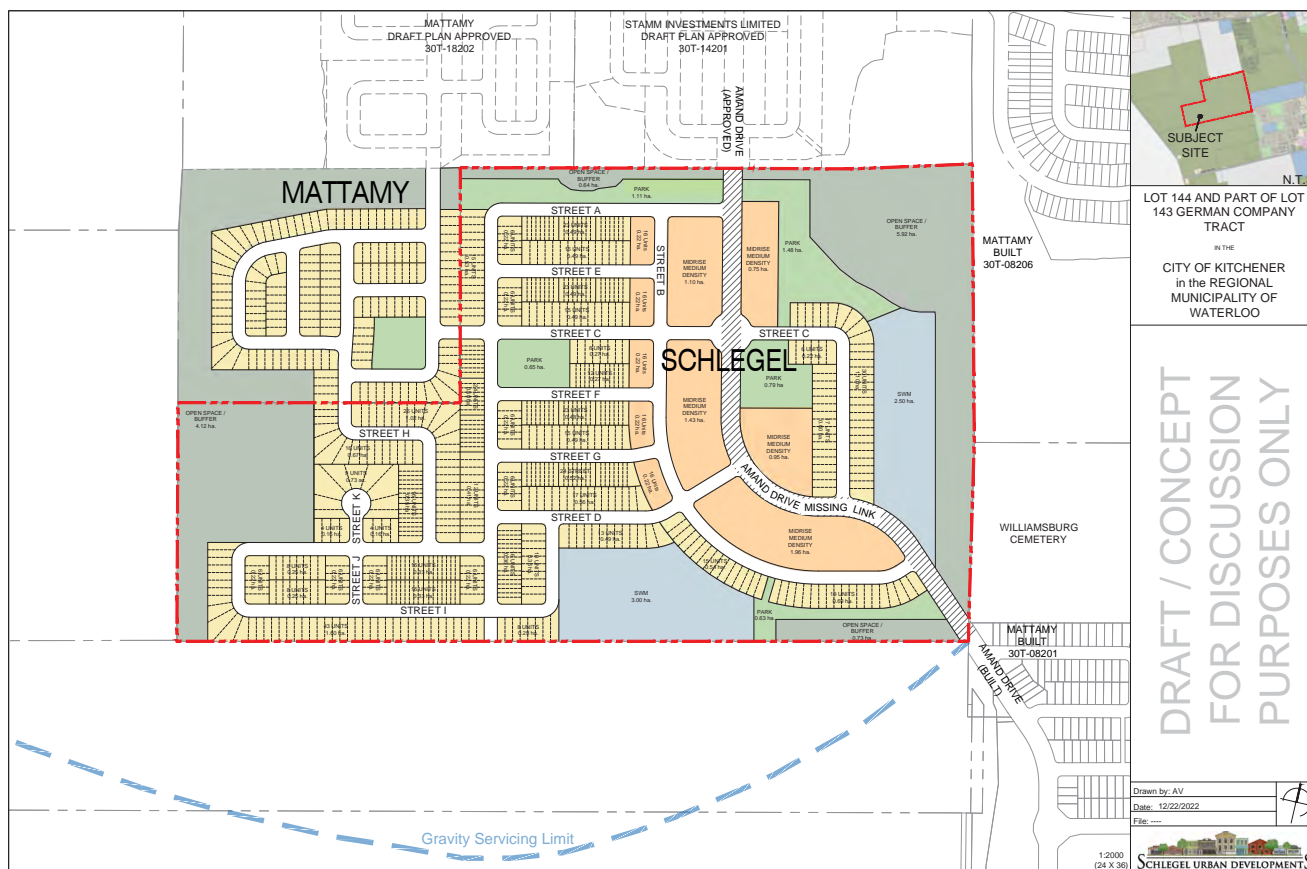


Figure 2: BSF2 Lands - Proposed Concept Plan with adjacent Mattamy Lands highlighting the completion of Amand Drive in southwest Kitchener.

2.1 Timing

New home construction could be commenced on the BSF2 Lands in approximately 2025 / 2026 and very much contribute to meeting the identified 2031 provincial housing target for Kitchener (as further detailed in Section 5.1 of this letter). Storm outlet and sanitary servicing stubs presently terminate within the lands. If planning approvals were achieved in 2023, grading and internal servicing could be achieved in 2024/2025 and home construction could commence immediately thereafter.

3. Summary of MGP Balanced Growth Scenario for Waterloo Region

As part of the MCR, the Region is required to assess the need for additional land to accommodate growth to the 2051 planning horizon of the Growth Plan. The *Provincial Land Needs Assessment Methodology for the Greater Golden Horseshoe (2020)* (“LNA Methodology”) is to be used in conducting this assessment.

Attached as **Appendix 3** to this letter is a summary of MGP’s LNA undertaken for Waterloo Region on behalf of Schlegel that follows the LNA Methodology. Based on this assessment, there is a significant requirement for new Community Area land within the Region to accommodate growth forecasted in the Region to 2051.

We have determined that at the minimum target of 50% intensification, the Region would require at least 944 hectares of additional Community Area land beyond the existing supply to meet the growth forecast to 2051. By contrast, through ROPA 6, the Region is proposing to add only 151 ha.

It is our opinion that the Region should have undertaken an additional housing mix scenario to accommodate growth. The scenario that was considered by Regional staff fails to provide an option with medium density housing as one of the prominent forms of housing in the growth mix to 2051.

In consultation with the Region during the EngageWR process (at the April 25, 2022 draft LNA overview session) we requested that additional scenarios be provided which emphasize medium density forms of housing (part of the “missing middle”) as a primary housing form in the future. We provided our scenario to the Region on May 27, 2022 and met with Regional staff to present our detailed greenfield analysis and LNA on June 3 and 10, 2022. Following the early June meetings we made representation at the June 29, 2022 Regional Planning and Works Committee meeting, at the July 27, 2022 statutory public meeting on the proposed Regional Official Plan Amendment and Land Needs Assessment and then at the August 11, 2022 Regional Planning and Works Committee meeting. We have also provided this information to the City of Kitchener and delegated at Kitchener City Council meetings to address this item.

In addition, as detailed in the previous submissions (see **Appendix 3**), there are key policy considerations that we believe should have been addressed in the Region’s work prior to finalizing the Region’s LNA.

A balanced growth scenario that is medium density focused should have been considered by staff and Council as part of the work for the Region’s LNA. This scenario would, in our opinion:

- Meet or exceed the targets and fully conform to the Growth Plan, including the minimum greenfield density and intensification targets;
- Primarily plan to house new residents in medium density forms of housing, which aids in meeting the market desire for grade-related, family-oriented housing, while also realizing a significant move away from the historically high proportion of low density units and maintaining a shift to more apartments in the Region;
- Encourage growth in the Region for new families and retirees in more affordable housing they will prefer;
- Support high density growth and intensification by directing the vast majority of population growth into existing settlement areas and Strategic Growth Areas along higher-order transit routes, optimizing these areas for transit use and leveraging the significant investment in transit infrastructure;
- Maintain more than 74% of the Region for agriculture, rural and natural uses, and will achieve a balance of priorities including the protection of agricultural and rural lands while providing sufficient housing supply and supporting economic growth in the Region;

- Accommodate a 50% population increase with only a 3% increase in settlement areas through smart growth neighbourhoods with higher densities and a greater mix of residential housing types and other uses that meet market demand. The total area used for urban uses will increase by only 1% (from 25 to 26%) in the Region.

Medium density housing can achieve both intensification in Strategic Growth Areas and a variety of housing in new communities. Based on the current market information, it is this type of housing that provides opportunities for improved housing affordability, increased density, complete communities, and desirable housing mix and forms for residents. This is especially true for young families and retirees who generally want 2-3 bedrooms in their current neighbourhoods without moving into an apartment.

More affordable housing that is attractive to residents and provides primarily grade-related units is essential to the quality of life in the Region and its continued ability to attract new employers and businesses who wish to house their employees. The primary means of ensuring long-term affordable housing in the Region is to provide an abundant supply of all housing types to meet market-based demand.

As noted in the Region's LNA prepared by Dillon/Watson, the demand analysis was not done on a unit-type basis, and instead blends the densities of multiple unit types. This does not comply with the Provincial LNA Methodology, which requires the need for each housing structure type to be assessed separately.

In addition, our review of the greenfield supply analysis prepared by the Region has identified significant errors that result in the Region assuming there are 584ha of vacant Community Area land that did not exist as of 2021. This overestimation of supply will lead to a significant shortage of land in the Region unless corrected by ensuring a similar amount of land is added to the settlement area to meet growth needs to 2051.

In a medium density focused scenario, the overall housing mix is more realistic from a market-based forecast. We have determined that using the 50% intensification scenario, the Region would require a minimum of 944 hectares of additional Community Area land beyond the existing supply to accommodate growth. In this scenario, very few apartments are required in new settlement expansion areas.

If the Region were to allocate land to the City of Kitchener based on the population projections, approximately 366 hectares of additional land in the City of Kitchener is required to ensure the City and Region can meet the 2051 growth forecast. This would at the very least require consideration for the inclusion of all remaining lands which are not Protected Countryside Area in the City of Kitchener (approximately 240 ha), which include the BSF2 Lands in southwest Kitchener.

4. Response to Settlement Area Boundary Expansion Evaluation Criteria and Comment on the Draft Official Plan Amendment

As conveyed in our prior submissions to the Region, the BSF2 Lands and surrounding areas in southwest Kitchener represent excellent opportunities in the Region to accommodate growth through the creation of innovative and complete communities, and to do so in a manner that can be serviced in a fiscally sustainable manner. In this regard, our team has reviewed the principles contained in the Regional staff report for the MCR. With respect to the settlement area boundary expansion requests, please find attached the following supporting materials:

- The proposed amendments to the Region of Waterloo Official Plan Mapping, which shows the revised land use designations for the requested expansion areas as “Urban Area” (Map 1) and “Designated Greenfield Area” (Map 2) (**Appendix 4**); and,
- Summary table of responses to each of the Region’s Urban Area Boundary Expansion Evaluation Criteria. This table also incorporates the applicable policies derived from the PPS, the Growth Plan, and the ROP regarding settlement area boundary expansions (**Appendix 3**).

The assessment of the evaluation criteria shows that the requested expansion is appropriate and consistent with/conforms to the applicable policies for the following reasons:

- It is our opinion that 944 hectares of additional Community Area lands beyond the existing supply are needed to accommodate future residential development in Waterloo Region, which can be partly provided by the proposed expansion area in the southwest portion of the City of Kitchener, which totals approximately 240 ha;
- The proposed settlement area expansion that includes the BSF2 Lands represents a logical area for urban expansion as it has the following characteristics:
 - Due to the size, this area in southwest Kitchener can be planned as a complete community to accommodate the forecasted growth. This area will provide additional and diverse housing supply abutting existing settlement areas. Moreover, this area can be comprehensively developed to provide for opportunities to address climate change goals, including promoting compact and energy-saving designs, denser developments, and transit-supportive and walkable communities to lower GHG emissions from buildings and transportation.
 - The lands are located adjacent to the settlement area of Kitchener and are strategically located to provide for the required Community Area land needs. Road, water and sanitary services have been designed (and some installed and paid for) to accommodate the development of the BSF2 Lands. The downstream infrastructure is already installed to accommodate urban development on the BSF2 lands. The BSF2 Lands represent the missing area in nearby neighbourhoods and are required to complete the missing link of a planned Major Collector road (Amand Drive) to connect neighbourhoods and ongoing development.
 - The proposed expansion lands, as well as any required infrastructure and services, will be planned in a financially and environmentally sustainable manner over their full life cycle through robust technical studies in accordance with Provincial, Regional, and local planning policies. The BSF2 Lands in southwest Kitchener benefit from the location or expansion of existing infrastructure.

- There are no specialty crop areas in the proposed expansion area.
- The proposed expansion is located outside of the ROP's Protected Countryside Area.
- There are no technical barriers from a water resource, source water protection, or hydrogeologic perspective to prevent developing the BSF2 Lands for residential use.

In comparing our recommended expansion area in southwest Kitchener to the Region's proposed expansion locations, as evaluated through the Settlement Area Boundary Expansion Technical Brief, dated July 2022 (and Addendum dated August 2022), the recommended expansion area in southwest Kitchener has similar characteristics and also represents an optimal location for a boundary expansion. It should be noted that the Region only reviewed the Growth Plan criteria and did not review the PPS, ROP or the Region's own urban area expansion criteria; however, our analysis comprehensively reviewed all the criteria.

The recommended settlement area expansion in southwest Kitchener, which includes the BSF2 lands, represents an opportunity to create a complete community and provide for an appropriate mix of housing and jobs. We believe this area is a logical and optimal location to accommodate a portion of the required settlement area expansion needed to achieve the growth forecasted in the Region to 2051.

Expanding the settlement area to include the BSF2 Lands and adjacent lands is essential to realizing a contiguous settlement structure that is bounded by arterial roads or the ROP's Protected Countryside areas in Kitchener. The following map, shown in Figure 3 and attached as **Appendix 4**, identifies lands in southwest Kitchener totaling approximately 240 ha including the BSF2 Lands which have been evaluated for inclusion in the Urban Area through a Settlement Area Boundary Expansion (see **Appendix 3**).

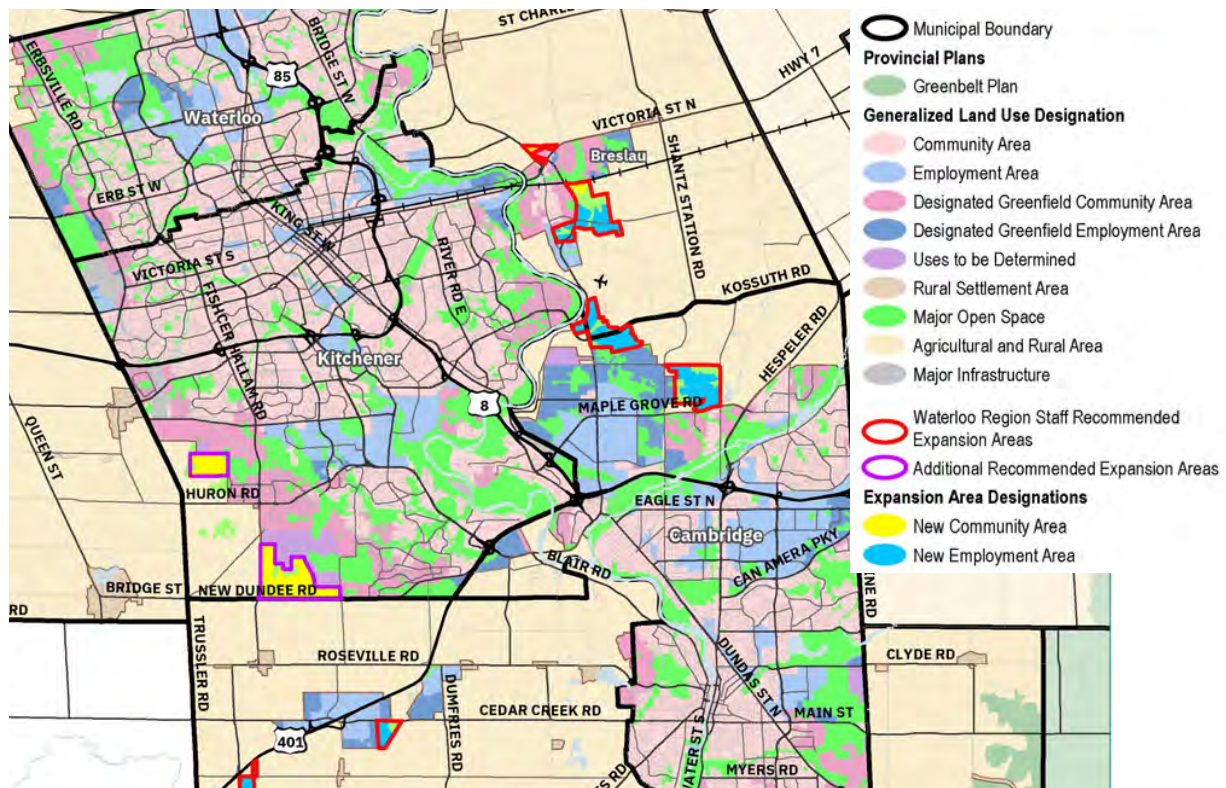


Figure 3: MGP Land Needs Assessment Mapping - Southwest Kitchener

Additional work has already been undertaken by the Schlegel consultant team to identify the existing conditions and demonstrate the feasibility of the inclusion of BSF2 Lands into the settlement area boundary, including:

- Water Resources Protection - Technical Assessment of Suitability of Schlegel Southwest (SW) Kitchener Lands
- Preliminary Servicing Overview
- Water Resource Management Plan
- Test Pit and Infiltration Investigation
- Water Balance Assessment
- Peer Review Comments on Water Resources Management Plan, Water Resources Protection – Technical Assessment and Test Pit and Infiltration Investigation

These preliminary studies, which are provided in **Appendix 5**, have informed the responses to the evaluation criteria contained in **Appendix 3** attached. Further studies will be completed through a future development review process. Moreover, inclusion of these lands would conform to the policies of the Growth Plan and the ROP.

We trust that this background work and these responses to the settlement area expansion criteria are helpful to the Province in its consideration of growth scenarios and demonstrates both the feasibility and priority for inclusion of this area for settlement expansion in southwest Kitchener into the Region's Urban Area boundary.

5. Additional Considerations

5.1 Provincial Target of 1.5 million new homes by 2031

The City of Kitchener has been tasked by the Province with constructing 35,000 new homes by 2031 as part of the provincial allocation set out to achieve the objective to build the much needed 1.5 million homes across Ontario in the same timeframe. In Kitchener, this represents approximately 3,888 homes per year in each of the next 9 years.

In 2021 the City of Kitchener saw 1,139 permits drawn for apartment units. This was during a market period categorized by low interest rate and high investor demand market, which fueled most of this growth. In contrast, Kitchener is forecasting 507 apartment unit permits to be drawn in 2022.

The Provincial requirement is for market-based housing to be made available. Waterloo Region has a younger demographic, which is largely seeking ground-oriented housing. This includes single-family homes, but notably also includes townhomes, back-to-back and stacked townhomes, building typologies which are often identified as “missing middle” housing forms.

Municipality	Housing Target
City of Toronto	285,000
City of Ottawa	151,000
City of Mississauga	120,000
City of Brampton	113,000
City of Hamilton	47,000
City of London	47,000
City of Markham	44,000
City of Vaughan	42,000
City of Kitchener	35,000
Town of Oakville	33,000
City of Windsor	13,000
City of Richmond Hill	27,000
City of Burlington	29,000
City of Oshawa	23,000
City of Barrie	23,000
City of Guelph	18,000
City of Cambridge	19,000
Town of Milton	21,000
Town of Whitby	18,000
City of St. Catharines	11,000
Town of Ajax	17,000
City of Waterloo	16,000
City of Kingston	8,000
City of Brantford	10,000
Clarington	13,000
City of Pickering	13,000
City of Niagara Falls	8,000
Town of Newmarket	12,000
Town of Caledon	13,000
Totals	1,229,000

Figure 4: ERO #019-6171 - 2031 Housing Targets

MOST LIKELY TO BUY

	Total	Δ	18-34	Δ	35-54	Δ	55+	Δ
Detached home	63%	+3	56%	-1	66%	+6	71%	+6
Town/rowhouse	14%	-1	16%	+1	13%	-2	11%	-
Semi-detached	9%	-	11%	-	9%	-	4%	-1
High-rise condo (6+ stories)	8%	-2	11%	-2	7%	-3	5%	-4
Low-rise condo (≤5 stories)	6%	-	6%	+2	5%	-1	10%	-

26 – © Ipsos B5. What type of home are you most likely to buy?
Base: Likely buyers (n=1186), 18-34 years (n=401), 35-54 years (n=445), 55+ years (n=340).



Figure 5: Ontario Real Estate Association - 2021 Ontario Home Buyer and Seller Profile

5.2 Optimizing Existing Built Infrastructure

As detailed in the Preliminary Servicing Overview prepared by WalterFedy (see **Appendix 2**), the BSF2 Lands have sanitary and storm services presently stubbed into the limits of the site, which represents the ultimate opportunity to make efficient use of existing infrastructure investments and an ability to quickly bring new homes to market.

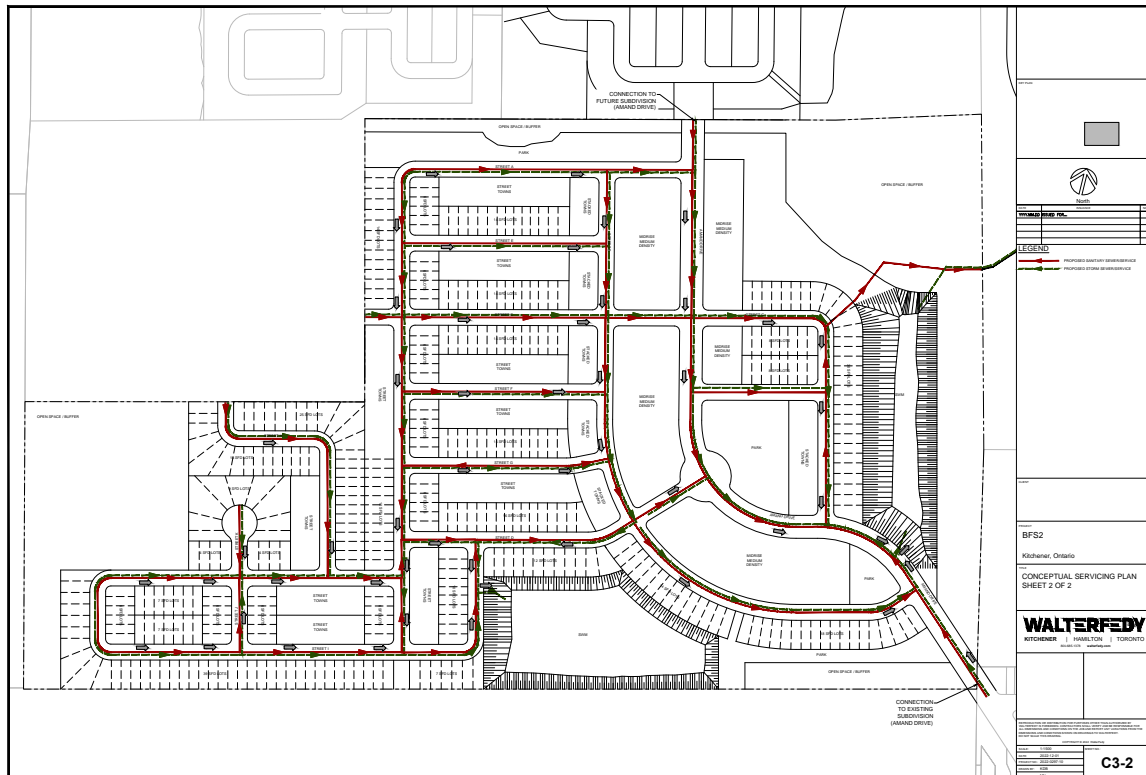


Figure 6: WalterFedy - Conceptual Servicing Plan Utilizing Existing Storm and Sanitary Outlets

5.3 Servicing Overview

WalterFedy prepared a Preliminary Servicing Overview (see **Appendix 2**), which provides a comprehensive overview of the serviceability of the BSF2 lands.

The lands can be serviced through both existing and planned infrastructure (sanitary/storm/watermain) for which sanitary and dedicated storm sewer stubs exist at the property line of the BSF2 Lands. The City of Kitchener confirmed in 2005 that the gravity drainage limits of the Middle Strasburg Trunk Sanitary Sewer (MSTSS) fully encompass the BSF2 lands. The MSTSS trunk sewer was fully constructed in 2021.

There is sufficient wastewater capacity in the Middle Strasburg Trunk Sanitary Sewer for the development of 1,500 homes.

The stormwater management strategy for the BSF2 lands is in accordance with the Strasburg Creek Master Watershed Plan completed in 2004 and the Alder Creek Watershed Study and Upper Strasburg Creek Subwatershed Plan Update completed in 2009.

The stormwater management strategy for the BSF2 lands is fully feasible and in accordance with the subwatershed requirements.

5.4 Urban-Adjacent Lands Have the Greatest Potential for Urbanization

The location and qualities of existing urbanized lands should be considerations in the discussion about where to allocate new growth within a community. Modern greenfield planning has typically involved the use of such planning tools such as Community Plans/Master Plans or Secondary Plans. A Community Plan/Master Plan or Secondary Plan process is an opportunity to undertake a holistic approach to large-scale community development that we have available to us. Developing new communities under the framework of a Community Plan/Master Plan or Secondary Plan, when adjacent other recently developed lands (perhaps also developed through an earlier Community Plan/Master Plan or Secondary Plan) allows for a higher order of planning and strategizing when organizing land uses and infrastructure.

Site selection criteria for new greenfield growth should consider access to and supplementation of existing transit infrastructure as mandatory, as it will allow for a greater density of residential, commercial, and employment uses to take root. Urban-adjacent greenfield development in Kitchener, Cambridge, or Waterloo will yield a greater Regional-scale benefit than development within the outlying Townships due to urban connectivity, the impact of intensification, and the opportunity to further supplement existing transit and transit-oriented infrastructure within urban areas.

As is required under Provincial policy, development planning must be preceded by a watershed or subwatershed study to ensure that urban development will not result in undesired effects on the environment. Following completion of that study or in sequence with the subwatershed study, a Secondary Plan or Master Plan process is a comprehensive planning process which may consider:

- natural and built heritage features and how to plan for their protection and incorporation into a new urban environment;
- infrastructure requirements for the community including transportation, water, wastewater, stormwater, and social infrastructure;
- an analysis of various land use concepts with a preferred overall community vision being the outcome of that analysis; and
- a final allocation of urban land uses with a plan for implementation.

A master planned, urban-adjacent community is likely a municipality's best opportunity to shape growth, build 15-minute communities, and cultivate results which support overall city-building goals.

5.5 Complete Communities and 15-Minute Communities Across Waterloo Region

Waterloo Region, through its ROPA 6 amendment, has championed the idea of “15-Minute Communities”, whereby a resident can access employment, amenities, necessities etc. within a 15-minute trip from home by walking, cycling, and using public transit. This is another form of the concept of a Complete Community, an approach to community building which Schlegel has been advancing for decades in Waterloo Region.

A Complete Community requires many things; it must be walkable, it requires access to transit, it should include varied and accessible parks and open spaces, there must be a range of uses capable of sustaining the daily needs of its residents, it must be home to a cross-section of people representing various levels of income and a wide cultural perspective, and it must allow for aging in place. Greenfield development presents a unique opportunity to cultivate and manifest these outcomes through intentional, informed design.

During an online discussion hosted by the Region as part of the MCR, academic representatives from the University of Waterloo were asked about locations in the Region that can become 15-Minute Communities. The only local example referenced by the presenters was the Williamsburg Town Centre, a Schlegel project in southwest Kitchener.

As a developer of Complete Communities, Schlegel has continued to develop sustainable communities which respond to resident needs. Projects like the Williamsburg Town Centre, Wallaceton, and Williamsburg Green, three Schlegel projects in southwest Kitchener, include not only a variety of housing but also important pieces of neighbourhood infrastructure and amenities like schools, community centres, libraries, grocery stores, personal and financial services, medical and dental offices, retail shops, and restaurants. These projects are part of the larger southwest Kitchener community which has been comprehensively planned, within which individual projects complement one another to create a Complete Community which is greater than the sum of its parts.



Figure 7: Schlegel's Williamsburg Town Centre project in southwest Kitchener (Fischer-Hallman Road and Westmount Road)

5.6 Sustainable Homes

Over the last two decades there have been significant amendments to the Ontario Building Code, as well as advancements in building methods and materials. As a result, all new homes in Ontario have become more energy efficient and sustainable.

Homes within Schlegel's master planned communities are built green and new Schlegel communities incorporate, among others, the following features:

Water Conservation

Water Recycling - fully automated water recycling system that can reduce indoor water consumption by up to 25%

Drain Heat Recovery - pre-heats incoming cold water

Fixtures - latest in low flow plumbing technology installed

HVAC and Electrical

Smart thermostat

ERV, Low E argon filled windows, R-60 attic insulation, sealed ductwork

2x6 exterior wall assembly and insulated sheathing for 25% better than Ontario Building Code standard

LED lighting, motion activated lighting and dimmer switches

Future Proofing

Ready for Solar attic to basement conduit installed

Rough in EV Charger conduit to garage installed



Figure 8: Construction at Schlegel's Wallaceton community. A full range of housing including detached forms and street and stacked townhomes are under construction along with a new elementary school.

5.7 Subject Lands are Not Identified Protected Countryside

In the course of the 2015 ROP appeals settlement approved by the Ontario Municipal Board (“OMB”), the BSF2 Lands were identified to be non-protected countryside. The BSF2 lands, along with approximately 8 hectares of adjacent Mattamy owned lands, are the only lands within southwest Kitchener to have had such a determination applied to them at that time.

In 2015, the Region of Waterloo reached a settlement with a number of appellants to the ROP, as adopted in 2009, regarding various growth management policies and the “Protected Countryside” designation. As part of that settlement, modifications were proposed to the ROP that would have redesignated the BSF2 Lands as “Protected Countryside”.

In response, Schlegel (through its affiliate, Big Spring Farms Limited) filed motion materials in relation to the BSF2 Lands with the OMB to request party status in the proceeding and to seek an Order refusing to proceed with the settlement hearing to consider the proposed modifications. In its Notice of Motion, Schlegel expressed concerns with the proposed modifications resulting from the settlement that the Region had reached with the appellants, noting that it could eliminate the potential for future urban uses on the BSF2 Lands. Likewise, in support of its motion, Schlegel provided an affidavit from Elizabeth Howson, MCIP, RPP, who opined that it would be “inappropriate to establish a policy regime that would preclude consideration of the [BSF2 Lands] for potential urban expansion”.

In addition to the proposed “Protected Countryside” designation on the BSF2 Lands, the modifications to the ROP included Policy 2.B.1, which states, in part, as follows: “Where the Countryside Line coincides with the Protected Countryside designation as shown on Map 7, the Countryside Line will be considered a permanent boundary [emphasis added]”.

The corollary of the above policy is that where the Countryside Line does not coincide with the Protected Countryside designation on Map 7 of the ROP, the Countryside Line is not considered a permanent boundary, and can therefore be adjusted to accommodate an Urban Area expansion.

When Schlegel later resolved its motion with the Region, it was acknowledged that the Countryside Line was not to be interpreted as a permanent boundary for the BSF2 Lands and the potential for a future Urban Area boundary expansion to include the BSF2 Lands was confirmed.

The BSF2 Lands are not designated Protected Countryside and, accordingly, the Countryside Line adjacent to the BSF2 Lands is not considered to be permanent.

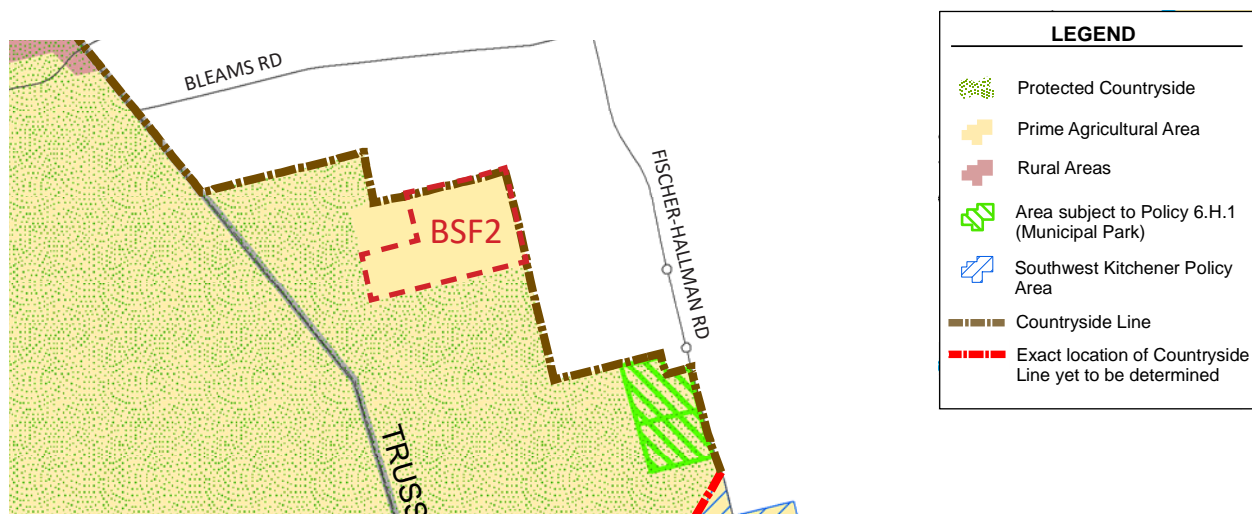


Figure 9: In-force Regional Official Plan, Map 7a - The Countryside (Inset of Southwest Kitchener)

With respect to the Countryside Line, ROP Policy 2.B.1 states that this Line “represents the long-term boundary between existing Urban Area/Township Urban Areas and the countryside”. Of course, as with almost any boundary between an existing urban area and a rural area, these boundaries may need to be adjusted when it is determined that additional urban area lands are required to accommodate future growth. Moreover, as noted previously, the policy further states that the Countryside Line will be considered a “permanent boundary”, but only where the Countryside Line coincides with the Protected Countryside designation as shown on Map 7 of the ROP. This provision does not apply to the BSF2 Lands, as they are not designated Protected Countryside as a result of the settlement of Schlegel’s motion with the Region, which was approved by the OMB in 2015.

The strong link between the Countryside Line and the Protected Countryside designation is further reinforced in the balance of Policy 2.B.1, which stipulates that “the final location of the Countryside Line as it applies to the lands within the Southwest Kitchener Policy Area will be coincident with the final boundary of the Protected Countryside”. In addition, the policy states that the final Countryside Line in that area “will be determined through the next municipal comprehensive review process” and “implemented by a future amendment to this Plan”. This approach confirms that Regional Council could have amended the ROP with respect to the Countryside Line through the current ROP review process and, likewise, the Ministry can do so as part of its approval authority.

5.8 Water Resources Protection / Regional Recharge

Waterloo Region’s Regional Recharge Areas (“RRA”) designation is outside of and not part of the provincial Source Water Protection (SWP) program under Ontario’s Clean Water Act. Likewise, the RRA is not consistent with the approach, science or regulation of the Provincially legislated and regulated Source Water Protection program.

Although the BSF2 Lands are designated “RRA” in the ROP, this designation does not preclude the lands from being located within the Urban Area, nor from being developed for residential uses.

Indeed, lands in close proximity to the BSF2 Lands are also designated RRA and, at the same time, are already located within the Urban Area and are either already developed or planned for residential development. These lands include the majority of the Williamsburg South and South Estates development properties to the immediate northeast of the BSF2 Lands, the southern portion of the Mattamy-Trillium development property to the immediate southeast of the BSF2 Lands, and all of the Mattamy development property (Area 2 – former Kieswetter aggregate extraction site) to the immediate northwest of the BSF2 Lands. Similarly, ROP Policy 7.B.25 provides specific criteria to be considered when evaluating applications for urban development on lands designated RRA.

The residential development of these properties is proceeding with application of industry standard stormwater management (SWM) practices to prevent adverse impacts on water resources. Similar industry standard SWM practices would be applied to develop the BSF2 Lands to provide suitable protection of water resources, including municipal water supply.

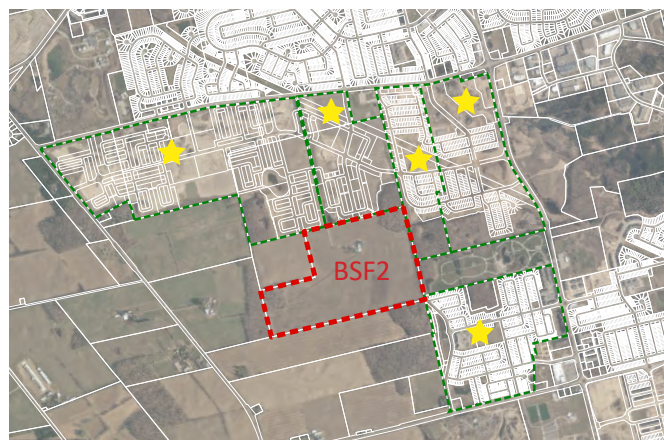


Figure 10: BSF2 and surrounding properties with RRA designation as denoted with a yellow star.

As demonstrated in the Memo prepared by GHD entitled “Water Resources Protection – Technical Assessment of Suitability of Schlegel Lands” (see **Appendix 1**), it can be concluded that through proper, and not extraordinary, planning and design of water management employing infiltration focused SWM strategies and proven existing industry best practices, the BSF2 Lands can be developed for residential use in a sustainable manner that maintains the pre-development water balance while also maintaining pre-development water quality. Using existing industry practices, the residential development of the BSF2 Lands won’t impose any undue financial burden on Kitchener or Waterloo Region taxpayers as no extraordinary measures or infrastructure are required to achieve the above objectives. As it relates to source water protection, ROP Policy 8.A.23 states that the RRA designation “identifies areas that will be protected from land use practices, hazardous chemicals and/or substances that could negatively impact the quality and quantity of water within and available to the aquifers that contribute to the Region’s municipal drinking-water supply system”. Again, urban residential development is not prohibited on lands designated RRA.

Moreover, with respect to the BSF2 Lands’ contribution to the Region’s municipal drinking-water supply system, based on work completed by Schlegel’s consultants it is evident that the Region’s current Tier 3 groundwater flow model misrepresents groundwater flow conditions in portions of southwest Kitchener, including the BSF2 Lands, and this model error has resulted in the incorrect identification of Wellhead Protection Areas (“WHPAs”) for the Mannheim Wellfield as extending onto the BSF2 Lands.

As a result of extensive on-site drilling and monitoring activities undertaken by Schlegel’s hydrogeologists over the last several years, overwhelming technical information is available that confirms groundwater flows from the BSF2 Lands are in the opposite direction of the Mannheim Wellfield, and not toward the Mannheim Wellfield as the Region previously purported. Therefore, the WHPAs for the Mannheim Wellfield cannot extend onto the BSF2 Lands.

There are no technical barriers from a water resource, source water protection, or hydrogeologic perspective to prevent developing the BSF2 Lands for residential use. The risk of adverse effects on water resources from residential development at the BSF2 Lands is no greater than with other residential development sites.

In GHD’s professional opinion, which has been fully informed from an exhaustive and thorough on-site analysis, full protection of both water quantity and water quality for current and future water supply as well as natural water resources receptors can be implemented at the BSF2 Lands in accordance with all applicable provincial standards for provincial Source Water Protection and in full accordance with Ontario’s Clean Water Act.

5.9 Water Resources Management Plan

At the request of Schlegel, GHD, in collaboration with WalterFedy, undertook an evaluation of potential water resources considerations related to the proposed development of the BSF2 Lands and established a plan to address all identified considerations as shown in **Appendix 5**.

These evaluations demonstrate that all water resource management considerations can be addressed such that the existing condition water resources will be maintained.

GHD's evaluation included assessment of existing site specific and regional information, ROP policies, Source Water Protection plans, and industry best practices. Furthermore, GHD has undertaken additional focussed site-specific studies at the BSF2 Lands in 2022 and continues to collect water monitoring data (groundwater levels and groundwater chemistry) in collaboration with neighbouring property owners and Region staff. Recent site-specific investigations and study include:

- Extensive deep test pit geology evaluation including eight additional test pits (in addition to 17 test pits reported by Naylor Associates from 2005)
- Infiltration testing based on Guelph permeameter testing at seven locations
- Infiltration and water balance analysis using site specific conditions and local climatological data

The recent and ongoing data collection and study build on the extensive information for the BSF2 Lands which includes geotechnical investigations by Naylor Associates Ltd. in 2005, extensive geological and hydrogeological investigations by MTE in 2020 and groundwater modelling using the Region's Tier 3 Source Water Protection model in collaboration with the Region and its consultant.

It can be concluded that through proper (and not extraordinary) planning and design of water management (infiltration focused SWM strategies), the BSF2 Lands can be developed in a sustainable manner that maintains the pre-development water balance while also maintaining pre-development water quality.

There are no technical barriers from a water resource, source water protection, or hydrogeologic perspective to developing the BSF2 lands for residential use.

As per the GHD/WalterFedy report, full protection of both water quantity and water quality for current and future water supply as well as natural water resources receptors can be implemented at the BSF2 Lands in accordance with all applicable provincial standards for Source Water Protection and in accordance with the Ontario Clean Water Act.

5.10 Test Pit and Infiltration Investigation

GHD was engaged to undertake an extensive test pit and infiltration testing program at the BSF2 Lands, which is provided in **Appendix 5**.

The investigation program was undertaken to confirm shallow geology and to conduct infiltration testing to assess the shallow soil infiltration capacity in support of the Storm Water Management design for the proposed residential development of the BSF2 Lands.

This study included:

- Deep test pit geology evaluation at eight (8) locations
- Guelph Permeameter infiltration testing at seven (7) locations

These investigations built upon the previous geotechnical and hydrogeologic investigations and characterization work reported by Naylor Engineering Associates Ltd. (Naylor, 2005) and MTE (MTE, 2020) as well as regional sources of information.

The investigation findings indicate that a substantial portion of the BSF2 Lands have existing shallow overburden material that will only support low to moderate rates of infiltration with some other portions of the lands allowing higher rates of existing infiltration.

These findings indicate the proposed development of the BSF2 Lands will have generally moderate infiltration targets to maintain existing infiltration conditions.

The findings also confirm the opportunity to readily meet or exceed the existing infiltration capacity through well-planned design measures targeting the zones of higher infiltration capacity, as described in the Water Resources Management Plan for the BSF2 Lands described in GHD's letter of November 30, 2022.

5.11 Chloride Loading Assessment

Groundwater is a major source for drinking water within the Region of Waterloo and too high of a concentration of chloride can impact groundwater quality. Therefore, assessment of road salt (chloride) and its impact on groundwater quality is required for any proposed development in accordance with the Region's guidelines (Regional Implementation Guidelines, 2013).

As demonstrated in the Memo prepared by GHD entitled "Water Resources Protection – Technical Assessment of Suitability of Schlegel Lands" (see **Appendix 1**), the Chloride Loading Assessment (see **Appendix 5**) includes the calculation of salt loading from de-icing operation from roadways to groundwater in order to ensure that the groundwater chloride concentrations will remain within the Reasonable Use Guidelines (Guideline B-7, 2021) established by the Ontario Ministry of Environment, Conservation and Parks (MECP).

The MECP's Reasonable Use Concept (RUC) has been adopted for various studies conducted in the Region to assess the impact of road salt on groundwater quality and this approach was directed to be used by the Region of Waterloo in the analysis done in support of the Stormwater Management Strategy for the Branthaven project located within the South West Kitchener Policy Area, prepared by Stantec and dated March 2022.

Based on the RUC calculations, and the extremely conservative assumption that all Site runoff will infiltrate (an unrealistic yet extremely conservative scenario as all Site runoff will not infiltrate), the estimated chloride concentration of infiltrated water is 144 mg/L under post-development condition is below both the ODWQ-AO of 250 mg/L and the RUC goal of 145 mg/L. As noted, this analysis does not include the attenuating effect of additional dilution that is already available in the groundwater system which would significantly reduce the resultant concentration, well below the RUC Concept goal.

Further calculations were completed to simulate the proposed Site conditions that include the winter bypass outlet, which has already been constructed extending to the BSF2 Site. Under this scenario all chloride impacted runoff entering the SWM pond can be diverted off-site (i.e., no infiltration) through the bypass outlet. The results of the RUC calculations for this scenario estimate a chloride concentration of infiltrated water of 48 mg/L, which is significantly below the RUC goal of 145 mg/L and close to background concentrations of 40 mg/L, even without considering dilution in groundwater flow.

The results from this Chloride Loading Assessment confirm unequivocally that the BSF2 lands can be sustainably developed to mitigate potential impacts to groundwater from the use of de-icing chemicals for winter road maintenance. The analysis used is both reasonable and conservatively protective.

5.12 Sustainable and Climate Resilient

Through the Region's MCR, Schlegel provided input on some larger policy initiatives including sustainable development practices. This included reviewing and responding to the Region's Climate Change White Paper and TransformWR initiative. These two documents are planned to be used to shape policy within the Region over the next 30 years with the goal of building a resilient community and adopting mitigation techniques to lessen the effects of climate change.

The following is a summary of some of the ideas that Schlegel, along with its consultants at GHD, put forth for consideration by the Region in response to these two documents.

- Greenfield development is not inherently sprawl. The growth pattern for North American cities has always been outward expansion from a central point. Sprawl is a form of greenfield development that should be defined and precluded / disincentivized through policy.
- Greenfield development in urban-adjacent locations has a greater capacity for urbanization on a per-acre basis than in rural areas.
- The concept of critical mass is an important one to keep in mind when allocating growth. Greenfield development in the urban-adjacent context provides an opportunity for the implementation of larger scale planning initiatives such as Community Plans/Master Plans or Secondary Plans. These planning tools provide for a holistic approach to community planning and development which cannot be achieved with a piecemeal approach.

Summary

For the reasons noted in this letter, it is our opinion that the Region of Waterloo should have included an LNA scenario similar to that provided in **Appendix 3**, providing medium density housing as the primary housing form for growth from 2022-2051.

In this regard, it is our opinion that 944 hectares of additional Community Area lands beyond the existing supply are needed to accommodate future residential development in Waterloo Region.

The BSF2 Lands should be included to provide the City of Kitchener and the Region with land required to meet the 2051 land needs. These lands stand out in the Region as among the best opportunities to provide new community growth in a compact and complete community that compliments and logically and efficiently extends the settlement pattern in the Region.

The BSF2 lands are able to contribute approximately 1,200 new homes toward meeting the Province's target of building 35,000 new homes in Kitchener by 2031.

The lands are urban adjacent and have existing municipal services stubbed into the property allowing them to develop in an efficient manner and within a very short timeline. The lands are positioned to be developed as a complete community and will provide vital multi-modal connectivity and linkages to adjacent built and to be built approved neighbourhoods.

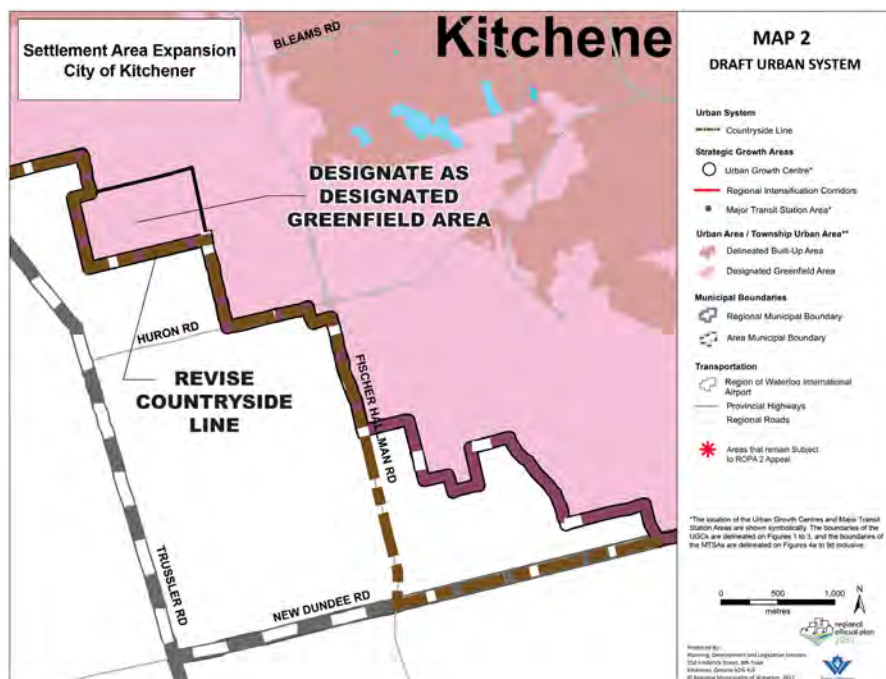
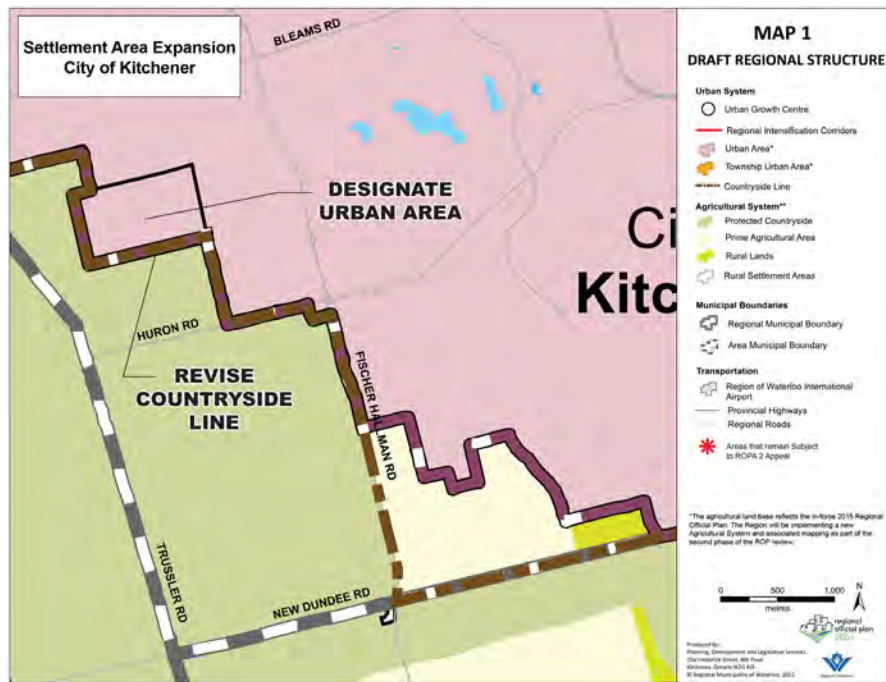
Furthermore, the BSF2 lands are proposed to accommodate a mix of housing types, which will respond to market demand, and with high caliber, sustainable and green building standards.

Extensive technical studies have been completed by technical experts on behalf of Schlegel, which provide assurance that the lands can be developed in a sustainable manner protecting water resources for future generations.

The BSF2 Lands are not "Protected Countryside" lands in the ROP, and the inclusion of these lands in the Region's Urban Area would meet the applicable expansion evaluation criteria. Further, as residential development of the BSF2 Lands could commence within a few years given the availability of existing infrastructure, these lands are well suited to assist Kitchener in meeting the Provincial target of building 35,000 new homes by 2031 as well as the Region's requirement to accommodate growth to 2051.

Request of the Minister

We request that the Minister expand the settlement area boundary to include the BSF2 Lands (PIN 227280027) and adjoining Mattamy Lands and designate these for community uses. As illustrated in the figures below and in **Appendix 4**, this entails a change to Map 1 to designate the property as Urban Area and Map 2 to designate the property as Designated Greenfield Area with a corresponding adjustment to the Countryside line.



If you have any questions or wish to discuss this letter, please do not hesitate to contact the undersigned at any time.



Yours very truly,
Malone Given Parsons Ltd.

Matthew Cory, MCIP, RPP, PLE, PMP

Principal, Planner, Land Economist, Project Manager

cc. Schlegel Urban Developments Corp.

Attachments:

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| <i>Appendix 1</i> | <i>GHD Water Resources Protection Memo</i> |
| <i>Appendix 2</i> | <i>WalterFedy Preliminary Servicing Overview Technical Memo</i> |
| <i>Appendix 3</i> | <i>MGP's Prior Correspondence Including Balanced Growth Scenario LNA for the Region, Designated Greenfield Analysis, Settlement Area Boundary Expansion Analysis</i> |
| <i>Appendix 4</i> | <i>Proposed Mapping Amendments to ROPA 6</i> |
| <i>Appendix 5</i> | <i>Preliminary Technical Studies for Schlegel Lands</i> |
| <i>Appendix 6</i> | <i>Proposed Conceptual Development Plan</i> |