

DATE: December 9, 2024

REPORT NO: PD-45-2024

SUBJECT: **Service Level Agreement (SLA) with the Niagara Region**

CONTACT: Gerrit Boerema, Acting Director of Planning & Building
Truper McBride, CAO

OVERVIEW:

- In November of 2022 the Province passed Bill 23 which amended various provisions of the Planning Act including the removal of Planning authority from the Niagara Region and downloading that responsibility to the lower municipalities on a future date.
- In early November 2024, the Province notified the Township that the Niagara Region would no longer have planning authority as of March 31st, 2025, however, the Province will continue to work with the Regional Planning Staff through a memorandum of understanding to continue the review of local Official Plan Amendments and updates
- Administration has brought forward a number of reports to Council on the continuation of planning services through a Service Level Agreement with the Region, most recently on August 12, 2024 through [Planning Report PD-36-2024](#).
- This report was referred back to Administration to provide Committee and Council with more information regarding the services the Township requires and the cost of these services compared to retaining professionals from the private sector.
- Based on the current model of planning services, the Township relies on the Region for natural environment and stormwater management review.
- Administration has further reviewed the costs of services of the Region compared to services that could be provided by the private sector, as well as costs to do this work internally for Committee and Council's consideration.
- Based on Administration's review, entering into the Service Level Agreement with the Region for natural environment review is the most cost effective and streamlined approach as they currently provide those services to the Township.
- Administration is recommending to Council that the Service Level Agreement be signed for a period of no more than two years, and at any given time during the two years if Administration or Council are not satisfied with the services being provided, the agreement can be terminated with one year's notice (previously 18 months notice).
- Administration additionally recommends that a long term planning service model be prepared and presented to Committee and Council in late 2025 to provide strategies for natural environment review to be done following the completion of the regional agreement.

RECOMMENDATION:

1. That, Recommendation Report PD-45-2024, titled “Service Level Agreement (SLA) with the Niagara Region”, dated December 9, 2024 be received; and,
2. That, Council supports the signing of an agreement with the Niagara Regional to assist with the provision of limited professional planning services for not more than two years after the date of proclamation (March 31, 2025); and,
3. That, the CAO be authorized to sign the two year (maximum) agreement on behalf of the Township following the date of provincial proclamation of the Region no longer being a planning approval authority, with a one-year notice period to leave the agreement; and,
4. That, Council directs Administration to develop and recommend to Council a service delivery model to support local delivery of planning services currently supported by Region of Niagara, by the end of 2025.

ALIGNMENT TO STRATEGIC PLAN:

Theme #

- **Strategic Responsible Growth**

BACKGROUND:

Planning roles and functions in the Niagara Region has remained very similar over the past two decades with the lower tier municipalities having most planning approvals delegated from the upper tier Regional municipality. The Region has mainly provided additional review as well as Official Plan approvals on behalf of the Province. However, in November 2022 the Province passed Bill 23 which included changes to the Planning Act including removing the planning authority from certain Region municipalities, including the Niagara Region, and download those responsibilities to the lower tier municipalities. The date for the removal of planning authority has recently been announced by the Province and is set for March 31st, 2025.

While the Township Planning Department is capable of delivering most of the planning services that were also provided by the Region, there is one area where the Township does not currently have the expertise to provide planning services, namely, natural environment review. The Township receives approximately 5-10 environmental impact studies per year which are sent to the Region for review and comment.

Administration had prepared and presented two previous reports to Committee and Council on October 10, 2023 being [Planning Report PD-50-2023](#), and more recently on August 12, 2024 being [Planning Report PD-36-2024](#) outlining an option to enter into an agreement with the Region to provide continued planning services. Both reports were referred back to staff to provide additional information including a comparison with services offered by the private sector.

CURRENT SITUATION:

The Township currently relies on the Region to provide comments with respect to natural environment review since they have qualified staff in that area. Specifically the Region provides the Township with assistance through site visits, scoping and review of Environmental Impact Studies, establishment of environmental features and buffers, clarification of provincial environmental policy and mapping for both private development applications and Township initiated projects including our recent urban boundary expansion project (OPA 62 and 63).

In previous reports on the Shared Service Level Agreement, staff indicated the need for stormwater review in addition to natural environment review. The Region has qualified stormwater management experts including a stormwater engineer who currently provides the Township with stormwater management review. This review will continue to happen for development applications as per the Engineering Memorandum of Understanding that was supported by Council in November through [Public Works Report PW-28-2024](#). As such, stormwater management review will continue with the Region and does not need to be considered in the Service Level Agreement.

A full review has now been completed by Administration, comparing four different options for natural environment review:

1. Regional Service Level Agreement
2. Retain Private Sector Consultant
3. Hire new staffing resource
4. Train existing staff

The review included an evaluation of costs for each option. The Region of Niagara Service Level Agreement review fee for environmental services is based on their new 2025 user fee bylaw which is set to go to Regional Council on December 12th for approval. The costs for a third party consultant was an average of two separate environmental consulting firms who have done work in the Niagara Region and who would be willing to provide peer review services to the Township. Cost associated with hiring a new staff member is based on the approximate salaries and benefits of two neighbouring municipalities that have Environmental Planners on staff or have been budgeted for 2025. The costs associated with training existing staff is based on staff receiving a weeklong wetland evaluation training at Nipissing University in North Bay. This training is endorsed by the Ministry of Natural Recourses, but has a long waiting list.

Impacts on staffing, transition and efficiency, benefits and drawbacks have also been provided in the table below:

Evaluation Criteria	Regional Staffing Via SLA	Retain Private Sector Environmental Consultant	Hire Staff	Train Existing Staff
<i>Cost</i>	<ul style="list-style-type: none"> • \$555 Terms of Reference Fee • \$3,000 Total Major EIS Review • \$1,500 Total Minor EIS Review Fee (proposed 2025 fee) • Half Review fee for additional submissions • Applicant pays Region directly for service 	<ul style="list-style-type: none"> • \$1000-2000 Terms of Reference Review • \$2,500-4,500 Simple to Moderate EIS • \$4,500+ Complex EIS • ±1,000 per site visit • Total Costs \$3,500 - \$7,500+ • Fees charged for each submission • Bill back to applicant at no cost to the Township 	<ul style="list-style-type: none"> • ±\$120,000 / year • Offset in part by new Township EIS review fee depending on number of EIS submissions 	<ul style="list-style-type: none"> • ±\$5,000 per staff member • Offset in part by new Township EIS Review Fee depending on number of EIS submissions
<i>Staffing</i>	<ul style="list-style-type: none"> • Aligns with current staffing model with minimal Township staff time 	<ul style="list-style-type: none"> • Some additional administration time required to retain consultant and process bill backs. 	<ul style="list-style-type: none"> • Limited availability for qualified Environmental Planners • Township only processes between 5-10 environmental studies per year which may not currently justify a new full time position 	<ul style="list-style-type: none"> • Training would take approximately 1 year depending on course(s) schedules and availability • Would not be ready by March 31st 2025 • Limited staff time to take on additional work and potential to result in burnout through overtime use
<i>Transition & Efficiency</i>	<ul style="list-style-type: none"> • Review completed within 30 days • Current process therefore seamless transition 	<ul style="list-style-type: none"> • Review completed within 30 days • New process which would involve retaining an environmental 	<ul style="list-style-type: none"> • Providing full planning services in-house would take a number of months to establish, but long term would provide efficient 	<ul style="list-style-type: none"> • Due to course schedule and availability, a long transition period required. Full in-house services would be efficient over the long term,

		consultant and more involvement in bill backs	service delivery	however, there are existing constraints with staff time.
<i>Benefits</i>	<ul style="list-style-type: none"> Existing relationship with Qualified and Experienced Regional Staff Local knowledge and expertise Understanding of Regional and Local environmental Policy 	<ul style="list-style-type: none"> Option to retain multiple consulting firms to provide a quicker service delivery Qualified and experienced professionals 	<ul style="list-style-type: none"> Complete in-house planning services Availability to utilize resource for other environmental/climate change initiatives and projects 	<ul style="list-style-type: none"> Complete in-house planning services Stronger staff understanding of Natural heritage policies to be applied to various planning projects and applications
<i>Draw Backs</i>	<ul style="list-style-type: none"> Depends on number of applications across the Region Staff availability not in Township control 	<ul style="list-style-type: none"> Availability of consultants to complete review in timely fashion 	<ul style="list-style-type: none"> High cost to municipality Challenges with finding and retaining qualified professionals 	<ul style="list-style-type: none"> Current staffing limitations and time to complete training as well as take on additional responsibilities Base course has a long waiting list and only provides training in wetlands and not all areas of natural environment planning.

Based on the review completed, Administration is recommending that Township Council authorize a Service Level Agreement with the Region of Niagara to provide natural environment review to the Township for a period of two years. If the agreement is not working for either party, the agreement can be terminated with notice. The notice in the original agreement presented in previous reports was 18 months, however, staff in discussions with Regional Staff can recommend a shorter notice of 12 months.

Allowing the Region to continue to provide natural environment services to the Township is the least costly option with the smoothest transition following March 31st, 2025. This will allow additional time for Administration to complete a full review of the planning services and offer a long term sustainable model to provide the full set of planning services locally for Township Council consideration.

All other planning services will be done in house by Township Staff.

FINANCIAL IMPLICATIONS:

Administration has reviewed four different options for providing ongoing natural environment review which have varying financial impacts. The Regional Service Level Agreement option is the most financially sustainable in the short term as there are no costs or additional staff time borne by the Township. Costs for services are billed directly by the Region to the applicant saving administrative time on bill backs which would be required if a private sector consultant was retained.

The Region has based their review fees on staff time to provide the service and not any staffing overhead. The Region is also being required by the Province to continue to review local Official Plans and Official Plan Amendments on behalf of the province without compensation. The Region has also entered into Service Level Agreements with a number of municipalities already. Based on this information received by Regional Staff, a reduction to the Regional Planning Budget, which could result in a reduction to the Regional Tax Levy, will not be possible.

If Township Council were to select an alternative option to the one being recommended by Administration, there would be various options available to the Township to offset the additional costs, such as the creation of new user fees, however, there still may be impacts to the operating budget as not all of the additional costs would be funded 100% through user fees.

INTER-DEPARTMENTAL COMMENTS:

Administration has consulted with Regional Planning staff as well as with staff from a number of other local municipalities and private sector environmental consultants.

As of the date of writing this report, Grimsby, St. Catharines, Pelham, Niagara on the Lake and Lincoln have entered into the Service Level Agreement with the Region. The Region is still working with Port Colborne, West Lincoln and Thorold.

Welland, Niagara Falls and Fort Erie have opted out of the agreement with the Region. Those municipalities already have environmental planners on staff, or will be hiring environmental staff, as well as using private consulting firms.

CONCLUSION:

Staff recommend that Council enter into a Service Level Agreement with the Region to provide environmental review services for a period not exceeding two years and that Administration staff provide a further report to Committee and Council in 2025 with a long term planning servicing model following the Service Level Agreement with the Region.

SCHEDULES:

1. Service Level Agreement
2. Appendix to SLA for West Lincoln (Environmental Review only)

Prepared & Submitted by:

Approved by:

**Gerrit Boerema
Acting Director of Planning & Building**

**Truper McBride
CAO**