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The Regional Municipality of Durham Report

To: Committee of the Whole
From: Commissioner of Finance, Commissioner of Community Growth and Economic Development, Commissioner of Works, and Commissioner of Legal Services
Report: #2025-COW-36
Date: November 13, 2025

Subject:

Authorization to Undertake a Comprehensive Review of the Options for Including the Northeast Pickering Lands in the Region's Development Charge By-laws

Recommendation:

That the Committee of the Whole recommends to Regional Council:

- A) That, in response to the request from members of the Northeast Pickering Landowners Group to advance the servicing of the Northeast Pickering (NEP) lands, Regional Staff undertake a comprehensive review of the options for including the NEP lands in the Region's Development Charge (DC) By-laws, including associated policies. The review will consider the following three options:
- i. Amend the existing Region-wide DC By-laws to include the NEP lands, which would require accounting for additional servicing costs and the associated population and employment growth.
 - ii. Establish a NEP area-specific DC By-law for water and sewer services, with corresponding amendments to the Regional DC By-laws to include remaining services (e.g., roads, transit, police).
 - iii. Develop a new DC Background Study and associated By-law to incorporate all new growth areas approved in the Region's former Official Plan, including the NEP lands.
- B) That the following outside consulting and legal services be retained, at an estimated cost not to exceed \$50,000, with the financing to be determined at the discretion of the Commissioner of Finance, to provide technical expertise in the evaluation of the three options for including NEP lands in Regional DC By-laws and advise on implementation requirements, as follows:

- i. The consulting firm of Watson & Associates Economists Ltd. be retained to assist with the evaluation of the options for including NEP in the Region's DC By-laws; and
 - ii. The legal firm of WeirFoulds LLP be retained to advise on the requirements of the options studied;
 - C) Staff consult with BILD, DRHBA and staff from each of the eight area municipalities in Durham as part of the comprehensive review of the options to include the Northeast Pickering lands in the Region's Development Charge By-laws;
 - D) Staff to report back with recommendations on including NEP in the Region's DC By-laws that stem from the comprehensive review, including risks and implications of the recommended approach, in spring 2026;
 - E) That this report be forwarded to the Region's eight area municipalities;
 - F) That the Commissioner of Finance and Commissioner of Legal Services be authorized to execute the necessary agreements to retain the consulting and legal services.
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Report:

1. Purpose

1.1 The purpose of this report is to:

- a. Inform Regional Council of the request from members of the Northeast Pickering Landowners Group (NEPLOG) to expedite the servicing of the Northeast Pickering (NEP) lands by including the capital works through an amendment to the Region's Development Charges (DC) By-laws; and
- b. To request authorization to undertake the necessary work to evaluate the three options for advancing the inclusion of the NEP lands in the Region's DC By-laws and report back to Regional Council with the recommended approach and a detailed timeline for completion.

2. Background

2.1 The Region's current Residential and Non-residential DC By-law for water supply, sanitary sewerage, roads, regional police services, long-term care, paramedic services, and waste diversion services (By-law No. 42-2023) and Regional Transit DC By-law No. 39-2022 utilized the planning forecast from the previous Region Official Plan. Therefore, the Region's current DC By-laws do not include any of the new growth areas approved in the Region's most recently approved Official Plan (Envision Durham), including the NEP lands.

- 2.2 In January 2025, as part of the settlement of the OLT appeal of the Region's 2023 DC By-law (OLT-23-000888), the Region committed to BILD and DRHBA to:
- a. Use its best efforts to undertake and complete as soon as is reasonably practicable, a comprehensive review of its Region-wide development charges that will result in the enactment of a new by-law, based on the servicing requirements of all the lands added to the Region's urban boundary through its official plan approved by the Province; and
 - b. Establish a development stakeholder liaison committee comprised of Regional Staff and members of the development community, which will be coordinated through BILD and DRHBA, to enable early and multiple consultations.
- 2.3 Bill 17, Protect Ontario by Building Faster and Smarter Act, 2025, was introduced on May 12, 2025, and included immediate and proposed changes to the Development Charges Act, 1997 (DCA). Given the uncertainty surrounding the final form of these proposed changes and their timing, Regional Staff are awaiting further clarity from the province before recommending a preferred approach for including Northeast Pickering lands in the DC By-laws. Effective immediately, the Bill introduced a long-term care homes DC exemption, while also proposing future amendments that the Province is consulting municipalities and stakeholders on that could significantly impact municipal finances. Notable proposed amendments include deferring residential DC payments to occupancy, revising the Benefit to Existing (BTE) methodology and limiting land cost recovery to historical service levels, amongst others.
- 2.4 Pickering and the Northeast Pickering NEPLOG has requested that the Region advance the planning to extend water and wastewater services to their lands in NEP .

3. Key Considerations

Implementation Considerations

- 3.1 To enable the NEPLOG to upfront finance the costs to service their lands and recover these costs through DC credits, the Region must incorporate the NEP lands and associated capital requirements into its DC By-laws and execute an associated agreement. The Region is exploring three options for potentially including these lands:
- a. Amend the existing Region wide DC By-laws to include the NEP lands which would require the additional servicing costs and additional population and employment growth for NEP.
 - b. Develop a NEP area-specific DC By-law for water and sewer services which would still require amendments to the Regional By-laws to include the remaining services (i.e. roads, transit, police etc.).

- c. Develop a new DC Background Study and associated By-law to include all the new growth areas approved in the Region's former Official Plan (Envision Durham), which would include NEP lands.
- 3.2 The Region must balance the request from the NEPLOG to amend the Region's DC By-laws to advance servicing their lands and the commitment made by the Region in the approved Minutes of Settlement to complete a comprehensive new DC by-law that would include all the new growth areas approved in Envision Durham, the Region's former official plan. Advancing work to specifically address the NEP lands may conflict with the Region's commitment under the OLT-approved Minutes of Settlement to complete a comprehensive DC By-law update based on Envision Durham growth forecasts, considering all new growth areas which include NEP, northwest Brooklin (including future Whitby hospital lands), northeast Oshawa, east Courtice, Bowmanville, and north Newcastle, rather than focusing on one area in isolation.
- 3.3 As part of the comprehensive review, the Region will meet with the area municipalities, BILD, DRHBA and other stakeholders to examine the implications and risks of including the NEP lands in the Region's DC By-laws.
- 3.4 On October 23, 2025, the Province released Bill 60: Fighting Delays, Building Faster Act 2025. This act include includes proposed changes to the Development Charges Act, which Regional staff are actively reviewing. These proposed changes may have implications for how the Region approaches discussions with NEP landowners and other stakeholders. As the regulatory direction evolves, staff will continue to monitor and follow provincial guidance in future engagement efforts.

Development Forecasts (Population and Employment)

- 3.5 For all options being considered, new development forecasts (population and employment) will be a required input. The comprehensive review will consider the challenges with generating new development forecasts, given the impacts that came into effect as of January 1, 2025, under Ontario's Bill 23, where Durham Region has been identified as an upper-tier municipality without planning responsibilities. This change transfers approval authority for official plans and amendments to the Region's eight lower-tier municipalities, allowing them to manage their own planning decisions independently.
- 3.6 Regional Staff will continue to meet with Pickering Staff to discuss and gather information on the development of the NEP lands (i.e. work or future work on Secondary Plan and Neighbourhood Plans for NEP and the information within Pickering's Growth Management Study).

Market Considerations

- 3.7 The comprehensive review will consider housing market conditions in Pickering (current and historical growth), the amount of serviced lands and potential supply of

housing within Seaton and future intensification in Pickering and the ability of Pickering to meet the provincial housing targets.

- 3.8 There are approximately 20,000 unbuilt units in Seaton where most of the servicing has already been constructed through a front ending agreement with the Seaton landowners. Given this remaining unbuilt capacity, the introduction of additional residential land supply from the NEP area may not be required from a market absorption standpoint, as both areas are positioned to serve the same regional housing demand.
- 3.9 In addition, Transport Canada recently initiated stakeholder consultations on future plans for the Pickering Lands (approx. 8,700 acres), formerly held by the federal government for a future airport in northwest Pickering.
- 3.10 The comprehensive review will need to consider how the development of the NEP lands may impact the development of the Seaton lands, incorporate the consultations on a Land Use Management Strategy for the federal Pickering Lands, and development in all municipalities within Durham and their ability to achieve the development targets. The Region will need to evaluate the risk to build infrastructure in an area such as NEP that may not be needed for medium to long-term based on current development levels.

Servicing Considerations

- 3.11 The Northeast Pickering area is projected to accommodate up to 72,000 residents and 9,725 jobs. To support this growth, significant infrastructure development is required, particularly in water and wastewater services. Servicing NEP is complex and full buildout is expected to require the expansion of the Ajax WSP and Duffin Creek WPCP, as well as new booster pumping stations, feeder mains, reservoirs, sanitary sewers, and sanitary sewage pumping station and forcemains. The comprehensive review will examine the capital requirements, the timing of the capital improvements, the efficiencies or inefficiencies of advancing the infrastructure needed for NEP and the ability to implement these capital improvements while balancing the capital needs to service the rest of Durham Region. Ongoing secondary plan work indicates considerable road works may be necessary to facilitate development and growth in NEP. In addition, other necessary Regional services will also be explored in the review.
- 3.12 Review of the servicing requirements and adoption of new DC by-laws will be considered in light of the proposed changes under Bill 17 or changes that occur during the review, which may impact several components of the DC calculation.

4. Previous Reports and Decisions

- 4.1 None.

5. Financial Implications

- 5.1 It is recommended that the external consulting and legal services expenditures estimated at no greater than \$50,000, with the financing to be determined at the discretion of the Commissioner of Finance.

6. Relationship to Strategic Plan

- 6.1 This report aligns with/addresses the following Strategic Direction(s) and Pathway(s) in Durham Region's 2025-2035 Strategic Plan:
- a. Connected and Vibrant Communities
 - C1. Align Regional infrastructure and asset management with projected growth, climate impacts, and community needs.
 - b. Resilient Local Economies
 - R1. Attract and retain quality employers that strengthen key economic sectors, including energy and technology.
 - R2. Support the growth of new business startups and small to medium local businesses.
 - R3. Develop, attract, and support a skilled and qualified workforce, including youth and newcomers.
- 6.2 This report aligns with/addresses the following Foundation(s) in Durham Region's 2025-2035 Strategic Plan:
- a. People: Making the Region of Durham a great place to work, attracting, and retaining talent.
 - b. Processes: Continuously improving processes to ensure we are responsive to community needs.

7. Conclusion

- 7.1 A comprehensive review to be undertaken by Regional Staff, with the assistance of the recommended consultant and legal counsel, is recommended to ensure that the Region evaluates all information pertaining to the potential inclusion of Northeast Pickering lands in the Region's DC By-laws.
- 7.2 The recommended Regional review will include consultation with the Pickering and the local development industry including BILD and DRHBA.
- 7.3 Staff will report back to the Committee of the Whole and Regional Council after completion of the review with the recommended approach.

Respectfully submitted,

Original Signed By

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Recommended for Presentation to Committee

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