Minute No. 233
Report – Executive Policy Committee – February 1, 2012

Item No. 3 Municipal Boundary Realignment: Considerations for Winnipeg

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the report of the Winnipeg Public Service dated January 13, 2012, be received as information.

2. That the City of Winnipeg Public Service be directed to work with the Province of Manitoba and the Rural Municipality (R.M.) of Springfield to achieve the following:

   A. A plan for the establishment of the full extension of municipal services (Water, Storm Sewer, Sanitary Sewer, Paved Roads, Fire Hydrants, Fire Protection) within the next ten years inside the R.M. of Springfield on the lands known as the Springfield Industrial Park, namely the lands within the Perimeter Highway and north of Gunn Road, and that said services would be paid by property owners within the said R.M. of Springfield;

   B. That the R.M. of Springfield enter into a Service Agreement to cover the full cost of Professional Fire Fighting and Paramedic Services from the City of Winnipeg extending said services into the R.M. of Springfield Industrial Park (north of Gunn Road and within the Perimeter Highway) until such time that modern Fire Protection Services are extended by the R.M. itself;

   and the Winnipeg Public Service formally report back in 6 months with an update.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

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DECISION MAKING HISTORY:

Moved by His Worship Mayor Katz,

That the recommendation of the Executive Policy Committee be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 1, 2012, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service report dated January 13, 2012, with the following amendment:

- Add the following as new Recommendation

  That the City of Winnipeg Public Service be directed to work with the Province of Manitoba and the Rural Municipality (R.M.) of Springfield to achieve the following:

  A. A plan for the establishment of the full extension of municipal services (Water, Storm Sewer, Sanitary Sewer, Paved Roads, Fire Hydrants, Fire Protection) within the next ten years inside the R.M. of Springfield on the lands known as the Springfield Industrial Park, namely the lands within the Perimeter Highway and north of Gunn Road, and that said services would be paid by property owners within the said R.M. of Springfield;

  B. That the R.M. of Springfield enter into a Service Agreement to cover the full cost of Professional Fire Fighting and Paramedic Services from the City of Winnipeg extending said services into the R.M. of Springfield Industrial Park (north of Gunn Road and within the Perimeter Highway) until such time that modern Fire Protection Services are extended by the R.M. itself;

  and the Winnipeg Public Service formally report back in 6 months with an update,

and submitted the matter to Council.

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DECISION MAKING HISTORY (continued):

COUNCIL DECISION:

On January 25, 2012, Council concurred in the recommendation of the Executive Policy Committee, that an extension of time of 30 days be granted in order for the Chief Administrative Officer to report back on the July 20, 2011 Council Motion, as directed by the Executive Policy Committee on September 7, 2011.

On September 28, 2011, Council concurred in the recommendation of the Executive Policy Committee, that the Council Motion of July 20, 2011, pertaining to Municipal Boundaries – Extension to the Perimeter Highway, be referred to the Chief Administrative Officer for review and report back within 120 days.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 7, 2011, the Executive Policy Committee recommended that the July 20, 2011 Council Motion, pertaining to Municipal Boundaries – Extension to the Perimeter Highway, be referred to the Chief Administrative Officer for review and report back within 120 days and submitted the matter to Council.

COUNCIL DECISION:

On July 20, 2011, Council ruled automatic referral of the following motion to the Executive Policy Committee:

Moved by Councillor Wyatt,
Seconded by Councillor Eadie,

WHEREAS the Conference Board of Canada's forecast predictions for the growth of the City of Winnipeg have been accurate for the last number of years;

AND WHEREAS the City of Winnipeg is running out of land in its suburban areas, resulting in more pressure from the development industry to expand into the Municipalities known as the Capital Region;

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DECISION MAKING HISTORY:

COUNCIL DECISION (continued):

AND WHEREAS the City of Winnipeg has a higher level of development standards and services when compared to the substandard requirements permitted in the Capital Region;

AND WHEREAS in recent years there has been pressure to extend City of Winnipeg municipal services, such as sanitary sewer and water into the Rural Municipalities of the Capital Region, and this will have a direct impact on the ability to accommodate future growth in both the City of Winnipeg and the Capital Region;

AND WHEREAS growth in the Capital Region, if serviced by City of Winnipeg services such as sewer and water, will undermine the goals of sustainable planning such as densifying growth preventing ex-urban sprawl and have a direct and negative impact on Winnipeg's services and infrastructure;

AND WHEREAS over $200 million of infrastructure dollars is being spent on new regional roads into the RM of Rosser, diverting said dollars away from badly needed infrastructure works that could have been conducted inside the City of Winnipeg;

AND WHEREAS Provincial governments of any political stripe, be it NDP or Conservative, have failed to address the issues of development and sprawl in the Capital Region by ensuring there is orderly and sustainable development;

AND WHEREAS the Mayor recently committed Council to fund $17 million in water and sewer services as part of the Centre Port venture, with much of said services being directly provided in to the Rural Municipality of Rosser, and yet no report has been provided to Council with regard to the source of said funds, the cost recovery (if any) to the City of Winnipeg and a share of Property Tax revenues (if any) from the future growth expected within the RM of Rosser;

AND WHEREAS if Rural Municipal lands now between the City of Winnipeg's existing boundary limit and the Perimeter Highway were to fall under the jurisdiction of the City of Winnipeg, development would be allowed to occur in a more orderly and sustainable fashion, and with a higher level development standards;

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DECISION MAKING HISTORY:

COUNCIL DECISION (continued):

AND WHEREAS any future development in the ex-urban lands that were previously part of the capital region should be subject to the full cost accounting which would include costs such as transit, fire, police, recreation and leisure services, and said costs be charged back to the development/developer(s);

THEREFORE BE IT RESOLVED that the City of Winnipeg call on the Province of Manitoba to bring into effect Municipal Boundary Redistribution by amending applicable legislation to conduct boundary realignment for the City of Winnipeg and Capital Region municipalities in order to change Winnipeg's existing municipal boundaries by extending it up to the Perimeter Highway.

ADMINISTRATIVE REPORT

Title: **Municipal Boundary Realignment: Considerations for Winnipeg**

Critical Path: **Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
P. Regan	B. Thorgrimson	N/A	D Joshi COO

RECOMMENDATION

That this report be received as information.

REASON FOR THE REPORT

At its September 7, 2011 meeting, the Executive Policy Committee submitted the following to council:

"That the Council Motion of July 20, 2011, pertaining to Municipal Boundaries – Extension to the Perimeter Highway, be referred to the Chief Administrative Officer for review and report back within 120 days."

At its September 28th meeting, Council referred the motion to the Chief Administrative Officer for review and report back.

IMPLICATIONS OF THE RECOMMENDATIONS

This report responds to Council's motion to investigate municipal boundary realignment in Winnipeg. This report has been submitted for information purposes and there are no immediate financial implications.

DISCUSSION

Over the next 20 years, the City of Winnipeg and the Manitoba Capital Region as a whole are projected to experience robust growth – 174,000 new people within the City of Winnipeg and 36,000 within the rest of the Manitoba Capital Region. Given this significant growth, the City is approaching a situation in which developable land could be exhausted within the next 20 years. If the City of Winnipeg is unable to accommodate all of its future growth within its boundaries, surrounding rural municipalities may absorb spill over growth from Winnipeg, in addition to their own growth pressures. In many instances, development within the surrounding rural municipalities – characterized by residential housing on large lots that lack a full range of municipal services – has not always been consistent with the spirit and intent of *OurWinnipeg*.

There are a number of options available to the City of Winnipeg and other Capital Region partners to address some of the challenges related to growth and to help move forward as a successful and competitive region. One such tool is boundary realignment (often referred to as annexation) – a process that typically involves one municipality gaining jurisdiction over land that was previously controlled by another municipality. Boundary realignment is often pursued for a number of reasons, most commonly related to the management of growth and / or provision of services in a sustainable, orderly manner.

What is Boundary Realignment?
Boundary Realignment is the process of altering the physical boundaries of municipalities. There are several different types of boundary realignment:

- **Amalgamation** – also known as consolidation, it is a form of boundary realignment that involves two or more municipalities merging to form a single entity. Amalgamation is generally practiced in urbanized regions with adjacent urban municipalities, such as in southeastern Ontario. Perhaps the most significant local example of amalgamation was Unicity. In 1972, Winnipeg and 12 surrounding municipalities amalgamated to form the new Unified City of Winnipeg or Unicity.

- **Annexation** – typically involves one municipality gaining control over land that was previously controlled by another municipality. This most commonly involves land adjacent to the annexing municipality and it can include an entire municipality or a portion thereof. At the most basic level, there are two types of annexation - annexing undeveloped land adjacent to a municipality and annexing land that is already developed. Once the process is completed, the annexing municipality will assume full municipal jurisdiction over the annexed lands and

assumes all municipal responsibilities such as public road maintenance, emergency services, assessment and taxation, and planning.

- Attachment A provides a summary of the annexation experiences of several Canadian cities.

Why do Cities Undertake Boundary Realignment?

Annexation is one of the oldest and most commonly utilized approaches to municipal boundary realignment. It is typically pursued by a jurisdiction for at least one (and often several) of the following purposes: (1) orderly and efficient growth; (2) efficient and equitable service provision; (3) economics (facilitating development, new tax revenues, etc.); (4) health and safety; and (5) social issues.

- **Growth Management** – perhaps the most common and practical reason for annexing undeveloped land adjacent to a municipality is to ensure that future growth occurs in an orderly and efficient manner. By acquiring jurisdiction over surrounding areas, a municipality can plan for those lands with a long-term horizon, considering future infrastructure needs and ensuring that development complies with the city's overall growth strategy. Annexation also enables a municipality to maintain an adequate land supply, as many jurisdictions target a supply of developable lands that will last a particular number of years. For example, Calgary and Edmonton typically endeavour to maintain a land supply in excess of 30 years.

  It is important to note that growth management objectives can also be accomplished through approaches to regional planning and cooperation, such as joint planning (see Other Strategies section).

- **Service Provision** – It is not always feasible for rural municipalities to provide a full range of municipal services to fringe areas and annexation is often pursued as a means to do so. When peripheral lands are annexed, it provides the city with the opportunity to ensure that new development is serviced to the same standard as development within the city. Annexation places land under the jurisdiction of a single entity, eliminating redundant and/or overlapping services, and ensuring these functions are carried out in an orderly and efficient manner. It is also argued that residents living on the fringe of the city are already part of the functional city – utilizing urban services, amenities and infrastructure provided by the city. Annexation ensures that fringe residents who benefit from urban services contribute towards their construction and maintenance.

- **Economics -** economic interests may be a factor behind annexation. For example, a jurisdiction may consider annexation in order to expand and diversify the tax base and/or to stimulate economic development (i.e. acquire land to facilitate new development).

- **Health and Safety –** in some instances, built up areas outside of the city may be lacking adequate critical municipal services such as water and sewer or police and fire protection. Annexation may be pursued as a means to provide these services and ensure the health and safety of residents.

- **Social Issues –** Annexation may be pursued in part based on a range of social benefits. For example, annexation may result in an increase in a city's population, and a city that is growing is often favorably perceived as a successful and vibrant area.

Attachment A provides a summary of boundary realignment practices of several Canadian cities.

Legislative Framework
The Municipal Act gives municipalities in Manitoba, including the City of Winnipeg, the authority to pursue annexation. Specific to Winnipeg, *The Municipal Act* states:

"the council of The City of Winnipeg may initiate a proposal and make application under this Division to annex land outside the boundaries of The City of Winnipeg and annexation regulations may be made in relation to the proposal and application"

OurWinnipeg – the City of Winnipeg's Development Plan, adopted in 2011 – is silent with respect to annexation, but it does recognize that significant growth within the City of Winnipeg and Capital Region as a whole presents a compelling reason for further collaboration among regional partners. More specifically, *OurWinnipeg* provides the following Key Direction:

"Acknowledging that mutual success will come from thinking and acting as a region, the City of Winnipeg will collaborate with the municipalities comprising the Capital Region to plan for a sustainable, vibrant and growing region."

Boundary Realignment Process
The process associated with boundary realignment is outlined in the *Municipal Act* and generally includes the following steps:

- The Minister or the Council of a municipality initiates a proposal to annex lands from another municipality. The proposal is initiated by the proponent filing a written proposal with The Municipal Board. This report outlines the reasons for the proposal, consultation process, etc.

- The proponent must meet with affected municipalities to discuss the proposal and to negotiate it in good faith. They must also consult with the public.

- After negotiations and consultation the proponent must prepare a report that describes the results of the negotiations and consultations.
- The Municipal Board holds a public hearing
- The Municipal Board considers all information and prepares a written report of its findings, its recommendations and the reasons for the recommendations and sends the report to the Minister.

WINNIPEG AND ITS NEIGHBOURS

City of Winnipeg

After experiencing an extended period of limited growth, Winnipeg's population is rapidly expanding. Winnipeg's population currently stands at approximately 675,000 people, an increase of more than 40,000 people over the last 10 years. This growth is driven primarily by increased levels of immigration and a combination of fewer people leaving and more people coming from other parts of the country. The Conference Board of Canada is projecting even stronger population growth for Winnipeg in the coming years, with more than 70,000 over the next 10 years and 174,000 new people anticipated to make Winnipeg their home by 2031. Thus far, the Conference Board projections have proven to be conservative – from 2008-2010 the projections have been outperformed by more than 56 percent (see Table 1).

Table 1: Forecast and Actual Population Growth

Year	Forecast	Actual
2007	1,500	5,200
2008	4,700	6,800
2009	5,300	8,800
2010	5,700	9,700
Total	17,200	30,500

The Manitoba Capital Region

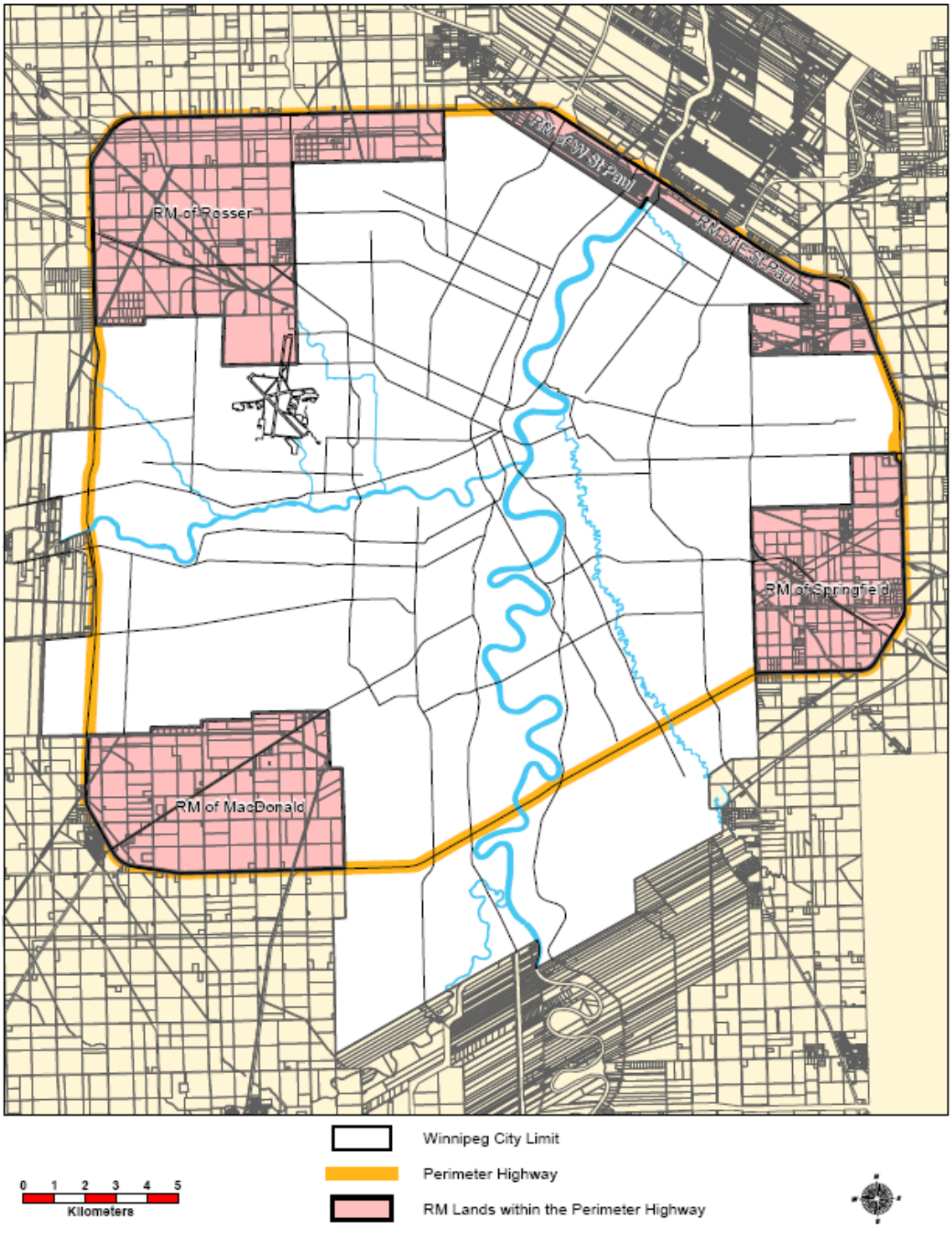
The City of Winnipeg lies within the Manitoba Capital Region which includes Winnipeg and 15 surrounding municipalities that roughly make up Winnipeg's commuter shed. Although it makes up only 1.4% of the Province's total land base, the area is home to almost 65% of Manitoba's population – approximately 740,000 people. Over the next 20 years, the Capital Region as a whole (including the City of Winnipeg) is projected to grow by approximately 210,000 people – 174,000 within the City of Winnipeg and 36,000 within the rest of the region – bringing the total population to more than 950,000.

While the Capital Region contains a significant concentration of people and employment, it is not solely an urban region – it is home to rich, productive farmland and distinct rural communities.

Of the 15 municipalities within the Capital Region that surround the City of Winnipeg, five contain some lands that are located within the Provincial Trunk Highway (PTH) 100 and 101 (Perimeter Highway) – the RM of West St Paul, the RM of East St Paul, the RM of Springfield, the RM of Macdonald, and the RM of Rosser. These lands share a unique and intimate relationship with the City of Winnipeg as they are situated within the city's ring road – a major roadway that is often perceived as the city limits. It is not uncommon for residents residing just beyond Winnipeg's boundaries to benefit from Winnipeg's existing roadway infrastructure, transit facilities, libraries, hospitals, commercial centers and employment opportunities.

The following section provides an overview of the lands located beyond the City of Winnipeg boundary but within the Perimeter Highway and identifies existing land uses and development as well as future development goals and policies according to local development plans. It is important to note that all sixteen municipalities in the Capital Region have adopted development plans that set out medium to long-term development goals and policies. Along with accompanying zoning and building by-laws, these plans serve as the rules for land development in each municipality. These plans are jointly adopted by each municipal council (or planning district board in the case of municipalities that belong to planning districts) and the Government of Manitoba. There is a legislative requirement for plans to be reviewed every five years.

Map 1: The City of Winnipeg and RM Lands within the Perimeter Highway



RM of West St Paul

The Rural Municipality of West St Paul lies to the north of the City of Winnipeg, sharing its southern boundary with the city. It is home to more than 4,300 people (2006) and is currently one of the faster growing rural municipalities within the Capital Region, experiencing population growth of nearly 17 percent between 1996 and 2006. The population is projected to exceed 7,300 by 2030.

The RM is part of the Selkirk and District Planning Area Board (SDPAB) – a planning district which promotes a coordinated approach to planning among a number of neighbouring municipalities, including the Town of Selkirk, R.M. of St. Andrews and R.M. of St. Clements.

The West St Paul lands located within the Perimeter Highway consist of a total of approximately 1,350 acres of land, including a mix of developed and undeveloped lands. There are three distinct areas worth noting:

1. The majority of lands located between the Red River and McPhillips Street are either developed or designated for future residential / commercial development. This area includes the residential subdivision known as Riverdale located east of Main Street (zoned RG – Residential General), commercial development located along Main Street (zoned CH – Commercial Highway) and rural residential development to the west of Main Street (zoned RR – Rural Residential and RR Overlay Zone).

   The future development of this area is guided by two statutory plans – the *Selkirk and District Development Plan By-law 190/08* and the *Middlechurch Secondary Plan*. According to the Development Plan, the area is designated Settlement Centre, which would accommodate a variety of urban, semi-urban and suburban land uses or developments.

   The density of existing and future development in this area is lower than those typically found in the City of Winnipeg (density of 2-3 units per acre is not uncommon, while current suburban density for the City of Winnipeg is more than 5 units per gross acre). A great deal of development in this area also relies on private wells for water.

2. The RM of West St. Paul also contains employment lands located within the Perimeter Highway on the southern boundary of the RM at Emes Road and McPhillips Street (PTH #8). The area is approximately 310 acres of which more than 90 acres are currently developed and contains a number of existing businesses. The lands are currently zoned M – Manufacturing and A80 – Agricultural General Zone and are owned by a range of land owners including the RM of West St. Paul who owns a number of sites within the developed portion of lands.

The future development of these lands are guided by two statutory plans – *The Selkirk and District Development Plan* and *The West St. Paul Employment Lands Secondary Plan*. According to both the Development Plan and Secondary Plan, these areas are reserved for employment uses, typically including a mix of manufacturing and commercial uses with a higher level of development standards.

The future servicing of these lands is unclear and according to the Secondary Plan:

"Provision of wastewater or water services to the employment lands will be considered by the Municipality in consultation with employment land developers, including the possibility of a collaborative partnership with the City of Winnipeg."

3. A portion of the lands located to the west of Pipeline Road are primarily undeveloped and zoned A80 – Agricultural General Zone. According to the Development Plan, these areas are designated Resource and Agriculture and are predominantly reserved for agricultural and other natural resource related industries and uses.

RM of East St Paul

The Rural Municipality of East St Paul is located to the northeast of the City of Winnipeg and shares its southern boundary with the city. The RM is currently home to 8,733 people (2006) and has experienced significant population growth over the last few decades – more than 70 percent from 1986 to 2006. The majority of the residential development in the RM of East St. Paul is characterized by low density neighbourhoods with typically half acre lot sizes.

The East St. Paul lands located within the Perimeter consist of a total of approximately 1,050 acres of land and are primarily undeveloped. The one significant exception is a single-family residential development abutting the City of Winnipeg boundary between Henderson Highway and Lagimodiere Blvd. This development is built at a relatively low density (~2 lots per acre) with lots ranging in size from 15,000 sq. ft. to 17,000 sq. ft. There are approximately 240 lots in this subdivision. These lands are not connected to municipal water services and rely on private wells for potable water. However, they are connected to the municipal wastewater sewer services.

To the north of the above noted development are vacant lands that are designated Serviced Residential 2 according to the *Rural Municipality of East St Paul Development Plan By-Law No. 2007-14*. The future density of development on these lands will be approximately 3 lots per acre with lots ranging in size from 10,000 sq. ft. to 12,000 sq. ft. This translates into the development capacity of approximately 300 lots. This area is not currently connected to municipal water services and is not connected to the municipal wastewater sewer services.

Even further to the north and adjacent to the Perimeter Highway, lies lands that are designated Mixed Use Residential / Institutional. According to the Development Plan,

the types of uses, which are considered appropriate, include institutional facilities such as religious assemblies and extended medical treatment services, as well as multiple family housing, limited commercial uses and institutional residences. This area is not currently connected to municipal water services and is not connected to the municipal wastewater sewer services.

On the east side of Provincial Trunk Highway #59 (Lagimodiere Boulevard) are lands that are primarily vacant with limited rural residential development. According to the development plan, the lands directly abutting the east side of PTH #59 are designated to accommodate future commercial development. The remainder of the lands are designated Rural Limited to accommodate rural residential and other compatible uses and Limited Commercial/Residential Mixed Use for the area immediately south of the Perimeter Highway to the east of PTH #59. The Limited Commercial/Residential Mixed Use lands provide an area where small scale business operators can work and reside in the same location. This area is not currently connected to municipal water services and is not connected to the municipal wastewater sewer services.

RM of Springfield
The Rural Municipality of Springfield is located to the east of the City of Winnipeg and is home to approximately 13,000 people. Between 1996 and 2006, the population grew by nearly seven percent.

The Springfield lands located within the Perimeter Highway consist of a total of approximately 8,600 acres of land, made up of a mix of developed and undeveloped lands. The lands bounded by Gunn Road, Springfield Road, Plessis Road and the PTH 101 are known as the North Transcona Industrial District and contain medium and heavy industrial uses. *The Springfield Development Plan NO. 98-22* supports further industrial development within this area.

The lands located to the south of Dugald Road are primarily designated Agricultural Preserve Area, which permits only agricultural and supportive uses. In addition, this area also contains: a portion of lands adjacent to Fermor Avenue that are designated Commercial; some low density residential development, designated Residential and Rural Residential; and a portion of lands designated Recreation (Fun Mountain Waterslide Park). The area is also home to the Winnipeg / Lyncrest Airport.

RM of Macdonald
The Rural Municipality of Macdonald is situated within the Macdonald-Ritchot Planning District and development within the area is guided by the *Macdonald-Ritchot District Plan By-Law 2/10*. The Macdonald-Ritchot area is currently home to approximately 5,000 people. Between 1996 and 2006 the population has grown by approximately 15 percent.
The Macdonald lands located within the Perimeter Highway consist of a total of approximately 9,370 acres of land and are primarily undeveloped and used for

agricultural and related uses – the vast majority of lands located within the perimeter are designated Green / Agricultural Policy Area. The one significant exception is the McGillivray Business Park, located directly adjacent to the City of Winnipeg boundaries on the north and south side of PTH #3 (McGillivray Blvd). These lands are designated Enterprise Centre, which are intended to provide strategically located industrial lands that are well connected to the regional transportation system and that support regional economic growth and job creation.

The McGillivray Business Park is currently not serviced by a full range of municipal services (as defined in *OurWinnipeg*). With respect to future servicing, the development plan states the following:

"A collaborative approach with the City of Winnipeg will be encouraged by inviting input on servicing and developing the McGillivray Enterprise Centre as one of the Capital Region's principal south-west business and employment areas."

RM of Rosser

The Rural Municipality of Rosser is located to the northwest of the City of Winnipeg, adjacent to the James Armstrong Richardson International Airport. The RM is currently home to approximately 1,400 people.

The Rosser lands located within the Perimeter Highway consist of a total of approximately 13,250 acres of land and are part of the CentrePort Inland Port area. These lands are primarily undeveloped with the exception of two business parks (Brookside Business Park – a 150 acre business park owned by CB Richard Ellis and the Brookside Industrial Park West – a 53 acre business park owned by DTZ Barnicke).

The Rosser lands within the Perimeter Highway are currently being planned for as part of the CentrePort planning process. While a detailed land use plan has not yet been completed, the majority of lands will be marketed towards trade oriented business in the areas of manufacturing and assembly, distribution and warehousing, food processing and agricultural commodities and transportation related logistics and services industries.

At present, construction of CentrePort Canada Way is underway, which will serve as the central roadway "spine" of the CentrePort Canada development zone. This roadway runs through Rosser, providing an improved connection between Route90/ Inkster Boulevard and the Perimeter Highway.

Key Issues
Not unlike the City of Winnipeg, rural municipalities adjacent to the city have been experiencing robust population growth in recent years, a trend which is expected to continue into the foreseeable future. With the Capital Region projected to grow by more than 210,000 people by 2031, there will be a significant demand for housing – approximately 80,000 new dwelling units in Winnipeg and nearly 15,000 new units within the capital region outside of Winnipeg. The current situation presents some key issues for the City of Winnipeg going forward:

Robust growth and a limited land supply – Given this robust growth, Winnipeg is approaching a situation in which developable land could be exhausted within the next 20 years or less. If all developable lands were built out at status quo densities, including major areas such as Waverley West and Sage Creek, Major Redevelopment Sites such as Fort Rouge Yards and South Point Douglas, as well as New Communities, such as North Transcona and Rosser-Old Kildonan; the city's entire land supply may be exhausted. Given this robust population growth, coupled with a limited land supply, Winnipeg may not be able to accommodate all of the projected growth over an extended period of time and some of it may spill over into the region. If the City of Winnipeg is unable to accommodate all of its future growth within its boundaries, surrounding rural municipalities will absorb spill over growth from Winnipeg, in addition to their own growth pressures over the next 20 years. It is important to note that intensification and development at higher densities within the City of Winnipeg may significantly extend the life of the city's existing land supply.

Development adjacent to the City of Winnipeg that is not always consistent with the spirit and intent of *OurWinnipeg* – Development of rural municipality lands located within the Perimeter Highway has often been contrary to *OurWinnipeg* – characterized by residential housing on large lots that lack a full range of municipal services (piped water, piped wastewater, piped land drainage and an urban standard roadway). Density of development in the range of 2-3 lots per acre, with lots ranging in size from 10,000 to 15,000 sq. ft. or larger is not uncommon. Density of development within the City of Winnipeg is currently more than 5 units per gross acre. Further development in these areas will increase property fragmentation and decrease the ability to comprehensively plan for these lands in the future.

Inequitable allocation of payment for municipal services – All of the lands described throughout this section are located within the Perimeter Highway and in most cases function as part of the city, with strong economic and social ties to Winnipeg. Residents of outlying areas benefit in many ways from city roads, parks and other facilities and services, often without contributing a proportionate share of the costs to the city.

OTHER STRATEGIES

In addition to boundary realignment, there are a number of other tools at the disposal of capital region partners in order to address some of the challenges related to growth and help move forward as a successful and competitive region. Inter-municipal service sharing and regional planning are two such tools – each will be explored in some detail.

Inter-municipal Service Sharing

The City of Winnipeg Charter Act gives the City authority to enter into service sharing agreements with other municipalities. This enables the city to enter into agreements with rural municipalities surrounding the city to provide both hard services (water and sewer, fire, police, ambulance, recycling, etc) and soft services (permitting, tax or water/sewer billing and collection, etc.). However, this issue has historically garnered considerable debate and consequently has resulted in a limited number of agreements (primarily limited to along boundary streets and for public health and emergency reasons). Despite the limited use of service sharing agreements to date within the Manitoba Capital Region, considerable progress has been made in recent years towards more significant use of this tool, most notably:

- In 2003, a report entitled *A Partnership for the Future: Putting the Pieces Together in the Manitoba Capital Region* identified service sharing as one of the key building blocks for the sustainable development of the region.

- In 2003, Council approved a Memorandum of Understanding adopted by the Mayors and Reeves of Manitoba's Capital Region “with the understanding that any partnerships or servicing agreements entered into between the municipalities be consistent with the principles (standards) of Plan Winnipeg.”

- The City has become a partner in the Regional Planning Framework (as proposed by the Mayors and Reeves of the Capital Region Inc.)

- In 2005, Council directed the CAO to identify inter-municipal service sharing opportunities through an Expression of Interest Process and that the following principles be utilized to guide the process to ensure that service sharing agreements:
  A. Are government to government;
  B. Are consistent with the City’s existing and future capacity to provide the service;
  C. Are founded on a strong business case to ensure the efficient delivery of the service in the region;
  D. Incorporate a joint planning agreement to manage development and related environmental concerns;
  E. Include a provision for tax/revenue sharing.

- On December 14, 2011, Council approved Basic Terms for Service Sharing Agreements for the Provision of Water and Sewer Services to Neighbouring Municipalities. The CAO was also delegated authority to finalize a service sharing agreement with the Rural Municipality of West St. Paul per the Basic Terms for Service Sharing Agreements.

Regional Planning

While individual municipalities within the Capital Region are required to have a development plan to guide growth and change within their respective boundaries, there is no regional plan or regional governance structure to provide an orderly, coordinated planning approach across the entire region. These types of structures range from informal arrangements (verbal agreements with no legal standing) to more formalized regional planning processes that often include an intermediary level of jurisdiction that is responsible for carrying out certain functions and services at a regional level. For example, the Region of Waterloo is comprised of three urban municipalities (Waterloo, Kitchener and Cambridge) and four rural townships and the area makes use of a regional governance structure to coordinate higher-level land use planning and service provision. This involves an intermediary level of jurisdiction between the municipal and provincial levels. Individual municipalities remain autonomous, however certain planning functions and services, such as police protection, are carried out at the regional level. Growth and change within the region is guided by a Regional Official Plan.

One of the most relevant local examples is the Winnipeg Additional Zone – a belt of land immediately surrounding the City of Winnipeg in which Winnipeg had land use planning authority and building control. The Additional Zone was established in 1961 and it failed to garner support from citizens and municipal councils that were located within it as it was viewed as an irritant and an unsatisfactory method of fringe development control. The provincial government eventually allowed municipalities with development plans to opt out of the Additional Zone and by 1991 it was abolished in its entirety. According to the Regional Planning Advisory Committee's report *A Partnership for the Future, Putting the Pieces Together in the Manitoba Capital Region* (2003) a return to the concept of an Additional Zone in the Capital Region is not recommended.

Joint planning presents another approach to managing growth at a more regional level. Joint planning allows for participating municipalities to enter into a proactive, collaborative planning process for lands of mutual interest. This may help to reduce land use conflicts, facilitate relationship building, and ensure that development is mutually beneficial to all effected parties. The Basic Terms for Service Sharing Agreements, recently approved by Winnipeg City Council, includes a joint planning component. Any future service sharing agreements will require a joint planning agreement to manage development.

POLICY OPTIONS

Boundary realignment is one of several tools at the disposal of the City of Winnipeg to address some of the challenges related to growth within the region. Like any policy option, it brings with it a number of advantages and risks. For example, one of the prevailing strengths associated with boundary realignment is that it will provide the city with a greater degree of control over annexed lands (i.e. long range planning, service provision, etc.). This would help ensure that new development adjacent to Winnipeg's boundaries is built to the same standard as development within the city and that new development is consistent with *OurWinnipeg.* Boundary realignment would also ensure that residents of outlying areas contribute their proportionate share of the costs of city roads, parks and other facilities and services.

While realigning the city's boundaries to the Perimeter Highway would allow for more comprehensive planning in a manner that is consistent with overall city goals and objectives, it does not preclude low density development that is not fully serviced from occurring beyond the annexation area (i.e. on the other side of the Perimeter Highway). In other words, boundary realignment provides for a greater degree of control within the annexation area, but does not address community and regional concerns beyond the area of annexation.

Annexation has historically been a contentious matter full of potential conflict and hostility. Compromise is often a difficult if not impossible end to achieve. Given the recent strides made between the City of Winnipeg and Capital Region partners with respect to mutual cooperation and establishing a collective vision for the region going forward, annexation presents a significant risk that may negatively impact the developing relationships and trust.

The following table highlights some of the other advantages and risks associated with boundary realignment, as well as service sharing and regional planning.

Table 3: Advantages and Risks Associated with Policy Options

Option	Advantages	Risks
Boundary Realignment	- City has greater control over planning / service provision of annexed lands. - Will allow for development that is consistent with City of Winnipeg Standards. -Annexed lands can help city accommodate projected growth in a sustainable manner. - May protect or enhance the city's tax base. - Economies of scale with respect to service provision. -Will result in a significant increase in the city's size (addition of ~33,500 acres) and a modest increase in the city's population.	- May negatively impact relationships and trust built between RM's and the City of Winnipeg. - May be opposed by the RM's, as well as residents and business who reside within the annexation area. - Does not contemplate long range planning at a regional level. - Requires Provincial approval.
Service sharing with no conditions	- City could benefit financially from such arrangements. - Less complicated to negotiate.	- Does not contemplate long range planning.
Service sharing with tax sharing provision and planning	- Allows the city to take advantage of opportunities (i.e. revenue), while protecting mutual interests (i.e. urban development). - Proactive, collaborative process. - A piecemeal approach to regional planning that may be more doable than planning for the entire region.	- More difficult and time consuming to negotiate. - Does not contemplate long range planning across the entire region.
Regional Planning	-Allows for the entire region to be planned for in a comprehensive manner. - Proactive, collaborative process.	- Time consuming and complicated process. - Requires considerable collaboration and buy in form all key stakeholders, including the Province of Manitoba.

FINANCIAL IMPACT

Financial Impact Statement **Date:** January 13, 2012

Project Name:

Municipal Boundary Realignment: Considerations for Winnipeg

COMMENTS:

This report responds to Council's motion to investigate municipal boundary realignment in Winnipeg. This report has been submitted for information purposes and there are no immediate financial implications.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this report there was consultation with:

Internal Consultation:
N/A

External Consultation:
N/A

SUBMITTED BY

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Division:	Urban Planning
Prepared by:	Brett Shenback
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Attachment A:



Attachment A