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CONFIDENTIAL & PRIVILEGED

BY EMAIL

July 11, 2025

Mayor & Council
The Corporation of the Township of Springwater
2231 Nursery Road
Minesing, ON L9X 1A8

Dear Mayor Coughlin and Members of Council:

Re: Proposed Boundary Adjustment – Springwater Township – City of Barrie

OVERVIEW

You have asked for our advice concerning the proposed boundary adjustment of 4,373 acres of land (the "**Proposed Lands**") in Springwater Township into the City of Barrie. In particular, you have asked us to opine on whether The Corporation of the Township of Springwater (the "**Township**") should (1) proceed with the boundary adjustment based on the Barrie Proposal (as defined below), (2) retain the Proposed Lands and explore a potential expansion of the Midhurst Secondary Plan area (the "**Midhurst Expansion**"), or (3) pursue an alternative approach, which could include a hybrid of options (1) and (2) above. You have also asked for our opinion regarding potential liability to the Township associated with the proposed boundary adjustment. Our findings are set out below. In this opinion, we will use the terms "boundary adjustment" and "annexation" interchangeably.

In conjunction with this opinion, Loopstra Nixon's in-house land use planner, Sally Campbell, has prepared an independent planning analysis of the proposed settlement area boundary expansion within the Township of Springwater (the "**Campbell Planning Analysis**"). Ms. Campbell is a Registered Professional Planner who has practiced in the municipal and development planning sector for over 25 years. A copy of the Campbell Planning Analysis is attached as Schedule "D".

As disclosed by our firm to the Township, our firm is counsel to the Midhurst Landowners Group Inc. and to certain individual property owners in the Midhurst Landowners Group Inc. Out of an abundance of caution, an ethical screen has been implemented on this file in accordance with our firm's Ethical Screen Policy, which will ensure that no conflict of interest arises and which will prevent any cross-contamination of knowledge or information that could affect any of the parties involved. We confirm that the ethical screen was implemented prior to receipt of the Township's background documents. We confirm that it was done with your consent.

This opinion is subject to solicitor-client privilege and constitutes "confidential information" for purposes of the Township of Springwater Code of Conduct for Members of Council, Local Boards and Committees. Accordingly, no Member of Council may disclose, release or publish by any means, including social media, this opinion or the contents of this opinion, unless Council passes a motion to waive solicitor-client privilege and make this opinion available to the public[1].

Council is cautioned that once solicitor-client privilege has been waived on a matter, even in part, the Township will generally be prevented from claiming solicitor-client privilege over other communications on the same matter. Furthermore, the waiver of privilege generally extends to all incidental materials and communications, and as such, it may prove difficult to maintain privilege over those communications and materials (including past legal advice given in closed session) in the future.

Notably, the Township executed terms of reference in respect of the Provincial Facilitator process (as defined below), which *require* that all discussions, and any and all documents, minutes of meetings, and correspondence, be kept confidential by all parties unless and until *all parties* consent to their being made public. The terms of reference state: "Parties may provide information to their respective municipal elected councillors within the context of a closed and confidential meeting of Council but shall not otherwise disclose information discussed during the facilitation process without the consent of all parties, including the [Provincial] Facilitator."[2]

In light of Council's obligation to maintain confidentiality with respect to the Provincial Facilitator discussions (and the inherent challenges of attempting to extract those discussions from the broader issue in open session), as well as the potentially broad implications of waiving solicitor-client privilege on this matter, we recommend that Council refrain from making this opinion public.

If Council is nevertheless inclined to release any portion of this opinion to the public, we recommend that only the following section entitled "Conclusion" be released. The risks described above in relation to waiver of solicitor-client privilege remain; however, we would take the position that the release of our summary conclusions, without disclosure of the detailed legal opinions on which they are based, does not constitute a waiver of solicitor-client privilege.

CONCLUSION

We are of the opinion that there is merit to both the Barrie Proposal and to the Midhurst Expansion. Each option presents distinct advantages, and when all relevant factors are considered, either could yield positive outcomes for the Township. However, on balance, we are of the view that the total compensation under the Barrie Proposal does not align with the potential value of the Proposed Lands to the Township, and that development of the Proposed Lands could likely proceed more efficiently and at a lower cost if they remain in the Township of Springwater. Further, we are of the view that the Midhurst Expansion can effectively support the regional market area by providing much-needed housing for the City of Barrie, without annexing the Proposed Lands.

[1] Township of Springwater, *Code of Conduct for Members of Council, Local Boards and Committees*, https://www.springwater.ca/en/township-hall/resources/Documents/Integrity-Commissioner/2021-025-Code-of-Conduct-Council-Local-Boards-Committees-Original-signed-by.pdf, at s. 7.2(b).
[2] Office of the Provincial Land and Development Facilitator, Terms of Reference: City of Barrie, Township of Oro-Medonte, and Springwater Township Facilitation, Confidential Draft – May 2024.

For those reasons, we recommend that the Township proceed with the Midhurst Expansion, to the extent supported through future technical studies and reports, including the Growth Management Study to be presented to Council at the end of the year.

A third option for Council's consideration is a hybrid approach under which a portion of the Proposed Lands is annexed to the City of Barrie and the remainder of the Proposed Lands is redesignated for the Midhurst Expansion. This option could include: annexing lands west of Miller Drive between Sunnidale Road and Dunlop Street W and north and south of Sunnidale Road east of Dobson Road, in addition to lands along the Highway 400 corridor on the east side of Little Lake, to Barrie to create a "rounding out" of Barrie's existing settlement area to the west and east; annexing the Little Lake lands to Barrie to ensure shared responsibility for the long-term protection, enhancement and enjoyment of the Little Lake; and/or annexing lands adjacent to the Royal Victoria Regional Health Centre to Barrie, which could be leveraged by the City of Barrie for hospital-related uses, such as additional parking.

FACTS

Background

In drafting this opinion, we have relied on the facts and assumptions below, which were provided by you or which we have concluded from Township documents that we have reviewed, all of which we have assumed to be true and have not independently verified. If any of the facts and assumptions below are not true or are incomplete, or if there are material facts that have not been disclosed or we have not considered, then our opinion may change, and we would request that you please contact us so that we may assess the effect of such facts on our opinion.

1. At the special Township Council meeting held on February 15, 2023, Council was advised that discussions related to cross-border servicing were taking place between the City of Barrie and the Township of Oro-Medonte. The former CAO was granted authority to participate in those discussions, along with the Mayor and Deputy Mayor.

2. On March 15, 2023, Township Council passed a resolution in closed session authorizing the Mayor and the then-current CAO to meet with surrounding landowners/property developers, municipalities and/or representatives of the City of Barrie concerning potential intermunicipal servicing arrangements, shared services, and municipal boundary adjustments.

3. In September 2023, Mayor Nuttall of the City of Barrie presented a proposal to Township Council regarding a proposed boundary adjustment of approximately 2,500 acres of Township land into the City of Barrie to increase its supply of developable employment land. The proposal identified three key study areas: (1) Penetanguishene Road (Hwy 93)/Little Lake; (2) Bayfield Street North; and (3) Miller Drive/County Road 90.

4. On September 28, 2023, Township Council directed Township staff to report back to Council regarding the City of Barrie proposal outlining various options and cost implications.

5. On November 6, 2023, Mayor Nuttall of the City of Barrie presented the Barrie annexation proposal to the Standing Committee on Heritage, Infrastructure & Cultural Policy. During his presentation, Mayor Nuttall stated that:

> "Our problem is, we don't have any industrial supply. Recently, you'll see, we lost one of our manufacturers to a rural neighbour. Because we don't have any additional supply, we need the city's boundary to move, to bring on land, so that we can have employers expand here in the city of Barrie and we can also attract those major investments that we've seen going to other places around the province."[3]

6. At the November 15, 2023 Township Council meeting, Township staff provided a report related to the City of Barrie proposed boundary adjustment. The report provided information related to zoning, current land uses, assessment and taxation, and servicing for each of the three study areas identified in the Barrie proposal.

7. At the same November 15, 2023 meeting, Township Council voted unanimously to terminate discussions with the City of Barrie regarding the City's boundary adjustment proposal. Council also directed staff to pursue discussions with the County of Simcoe and the Township of Oro-Medonte regarding potential cross-border servicing partnerships.

8. Subsequently, on March 6, 2024, Council voted to reconsider its November 15, 2023 resolution, agreeing to continue discussions with the City of Barrie regarding cross-border servicing for water and wastewater, but not to discuss any future boundary adjustment.

9. On April 17, 2024, Council of the Township of Oro-Medonte authorized staff to contact the Office of the Provincial Land and Development Facilitator (the "**Provincial Facilitator**") to request mediation regarding the City of Barrie's request to expand their municipal boundary into Oro-Medonte.

10. At the regular Council meeting held on May 15, 2024, Springwater staff presented a report entitled "Request for Information – Potential Future Options and Areas for Growth and Economic Viability within the Township of Springwater". This report provided information on four key areas:

- Identifying potential areas for increased residential and industrial development beyond current settlement area boundaries;
- Exploring potential locations for 'special economic zones' where collaboration with neighbouring municipalities may be realized;
- Evaluating current municipal cross-border servicing agreements across Ontario; and
- Considering collaboration with the County of Simcoe regarding a regional water and wastewater infrastructure model that would support further development of employment lands.

[3] Standing Committee on Heritage, Infrastructure and Cultural Policy. "Committee Transcript 2023-Nov-06." Legislative Assembly of Ontario, 6 Nov. 2023, www.ola.org/en/legislative-business/committees/heritage-infrastructure-cultural-policy/parliament-43/transcripts/committee-transcript-2023-nov-06.

11. At the May 15, 2024 meeting, Township Council passed a resolution directing staff to issue an RFP for the purpose of determining opportunities for settlement area expansions, to establish a special meeting of Council for further discussion regarding the City of Barrie proposal, and to establish a committee with a mandate to further explore the four key areas identified above.

12. At the special Council meeting held on May 23, 2024, Township Council passed a confidential resolution authorizing the Mayor, Deputy Mayor and CAO to participate in the Provincial Facilitator process and directing staff to prepare a report that identifies additional possible special economic zones or potential employment lands of opportunity, assesses potential to service the identified employment zone to Hwy 93/Hwy 400 and Hwy 90 areas as to water and wastewater over the long term in the absence of cross-border servicing, and provides information on changes regarding existing support for the Bayfield Street MZOs and proposed restrictions (i.e., revocation) and tools for expediting housing developments.

13. In June 2024, the Province appointed the Provincial Facilitator to work with the City of Barrie, the Township, the Township of Oro-Medonte and the County of Simcoe (the "**County**") to facilitate discussions intended to develop mutually beneficial approaches to enabling growth in the broader region. Terms of reference were executed by the parties to guide the Provincial Facilitator process.

14. On September 13, 2024, the parties jointly retained Hemson Consulting to complete a Joint Land Needs Analysis and Study to determine the need for additional employment and/or residential land within and around the City of Barrie, the Township of Oro-Medonte and the Township of Springwater.

15. At the closed meeting of Township Council held on November 26, 2024, Loopstra Nixon LLP made a presentation to Council regarding the municipal boundary expansion process. At the same meeting, Township Council directed staff to report back on a potential Township position/mandate to continue to engage in future facilitated discussions with the Provincial Facilitator.

16. On December 6, 2024, Hemson Consulting completed the Stage 2 findings of the Joint Land Needs Analysis and Study (the "**Stage 2 Hemson Report**"), which indicated that Barrie likely has sufficient employment area land to meet long-term demands through 2051, but a short-term gap exists for immediately available parcels. The Stage 2 Hemson Report also suggested that housing growth in the Township's Midhurst Secondary Plan area may necessitate the expedited designation of additional employment lands to maintain balanced community development. A more detailed synopsis of the Stage 2 Hemson Report is set out in Schedule "B" of this opinion.

17. At a special Council meeting on December 11, 2024, Township Council voted in favour of continuing discussions with the Provincial Facilitator, the neighbouring municipalities, and the County.

18. On January 15, 2025, Township Council directed staff to engage with the Provincial Facilitator, Hemson Consulting, the City of Barrie, the Township of Oro-Medonte and the County to complete Stage 3 of the Joint Land Needs Analysis and Study.

19. At the closed meeting held on February 5, 2025, Township Council agreed to retain Watson and Associates Economists Ltd. to conduct a financial impact analysis related to the proposed boundary adjustment for residential and industrial development, to assist the Township in understanding the financial implications of annexing lands. Council also directed staff to advise the Provincial Facilitator that lands fronting onto the Bayfield Street corridor are considered as a priority for retention by the Township.

20. At the same meeting, Township Council unanimously passed Council Resolution C061-2025 directing staff to report back to Council by June 2025 with information regarding the planning processes necessary to consider an expansion of the Midhurst Secondary Plan area to the east of Midhurst to include the Highway 400 corridor, as well as servicing capacity information and related deliverables.

21. Mayor Randy Greenlaw of the Township of Oro-Medonte wrote to Mayor Coughlin on March 4, 2025 to advise that the Council of Oro-Medonte had passed a unanimous motion to expedite negotiations with the Provincial Facilitator, with the aim of making a final determination regarding the City of Barrie's boundary adjustment request within a six month period. Mayor Greenlaw encouraged the Township of Springwater to table the same motion.

22. At the special Council meeting held April 16, 2025, Township Council passed Council Resolution C141-2025, directing staff to continue working with the Provincial Facilitator.

23. On May 7, 2025, Mayor Coughlin received the requisite one-third support under subsection 284.11.1 of the *Municipal Act, 2001* (the Strong Mayor Powers) for a by-law authorizing her to engage in discussions with the City of Barrie and the Province to expedite boundary adjustment discussions with the City in an effort to bring a proposal to Council for consideration at a future open meeting.

24. By a letter to Township Council dated May 15, 2025, the Midhurst Landowners Group Inc. ("**MLG**") advocated for the expansion of the Midhurst Secondary Plan area, including lands to the east of Midhurst along the Highway 400 corridor and lands to the south of Midhurst. The MLG letter contained updated technical studies to demonstrate the serviceability of the expansion lands and detail the policy basis for the proposed Midhurst Expansion, including the following (the "**MLG Studies**"):

    - Planning Opinion and Land Budget Analysis by Malone Given Parsons;
    - Economic Benefits Assessment by Keleher Planning & Economic Consulting (further updated on June 2, 2025);
    - Wastewater Servicing Assessment by TYLin (further updated on June 2, 2025);

- Assimilative Capacity Study and Phosphorus Budget by Hutchinson Environmental Services Ltd.;
- Water Servicing Assessment by TYLin;
- Linear Servicing Assessment by SCS Consulting Group;
- Transportation Assessment by BA Consulting Group; and
- Agricultural Report by Colville Consulting Inc.

A detailed synopsis of the MLG Studies is contained in Schedule "C" of this opinion.

25. At the May 21, 2025 Council meeting, Mayor Nuttall of the City of Barrie made a deputation to Council outlining certain shared principles for boundary adjustment and cross-border servicing, as outlined in a letter dated May 9, 2025 from Mayor Nuttall to Mayor Coughlin. The key shared principles of the proposal (the "**Barrie Proposal**") include:

- City of Barrie boundary expanded to include the Proposed Lands comprised of 4,373 acres, as shown on Schedule "A" of this opinion;
- City of Barrie to provide water and wastewater servicing to that portion of the Township shown on Schedule "A" of this opinion and comprised of 453 acres;
- City of Barrie to provide compensation of approximately $7,500.00 per developable acre annexed, estimated to be $13,582,500.00;
- All applicable development charges will be collected in full, supporting responsible infrastructure investment;
- Land use planning will follow future studies, but is expected to include residential areas, employment lands and environmental protection zones;
- Formation of a joint economic development committee to support coordinated growth strategies and investments of $100,000.00 per year for five years in dedicated economic development resources for the Township of Springwater;
- A collaborative approach to regional healthcare services will be pursued to ensure accessible care across both municipalities;
- A property tax phase-in program to ease the transition for affected property owners;
- Access to 500 City of Barrie waterfront parking passes for five years, valued at $90 each;
- Access to City of Barrie recreation programs and facilities for five years (subsequently, Barrie put Springwater on notice that access was being cancelled);
- Confirmation of the Mayor of Springwater as a member on the Conservation Trust for Little Lake; and
- A request for the Ontario Energy Board to consider an alignment of the Alectra service area.

26. The Barrie Proposal includes the following payment schedule:

- One-time payment of $6,825,000.00, payable upon execution of the agreement, on July 1, 2025;

- Annual payments of $1,000,000.00 for 5.5 years, for a total of $5,500,000, starting July 1, 2025;
- Annual payments of $100,000.00 for five years for dedicated economic development resources;
- Annual payments of $103,513.00 for five years for access to recreation programs and facilities starting January 1, 2026; and
- Provision of 500 waterfront parking passes for five years, starting January 1, 2026.

27. At the May 21, 2025 meeting, Township Council voted 5-2 against receiving the Barrie Proposal for information and directed staff to obtain an opinion from Loopstra Nixon LLP regarding how to proceed. At the meeting, Mayor Coughlin advised that Township staff would undertake a technical analysis of the Barrie Proposal and report back to Council.

28. By letter dated June 2, 2025, the Provincial Facilitator provided Mayor Coughlin with an update on the facilitation process, confirming that a robust technical and planning analysis would be completed by Hemson over the coming months to (1) evaluate the suitability of different land locations and configurations for commercial, employment and residential development, (2) delineate the undevelopable lands and natural heritage areas, (3) evaluate the serviceability of the lands, and (4) consider local impacts and regional real estate market conditions. The letter conveys an expectation that a framework agreement will be established by September 30, 2025.

29. Subsequently, on June 4, 2025, Mr. Daniel Mathieson, the chair of the Provincial Facilitator, attended at the Township Council meeting to offer additional information with respect to the facilitation process. When asked about the September 30 deadline to establish a framework agreement, Mr. Mathieson expressed a desire to have any boundary adjustment take effect prior to the 2026 municipal election.

30. At the June 4, 2025 Council meeting, Council also received a presentation from WSP Canada Inc. ("**WSP**") regarding Phase 1 of the Township's Growth Management Study (the "**GMS**") to accommodate long-term population and employment growth. The Phase 1 report of the GMS identified a series of focused study areas (to the east – Highway 400 and to the south between Barrie and Midhurst) to be analyzed as potential locations for growth in Springwater. A more detailed synopsis of the Phase 1 GMS report is set out below. [NOTE: By letter dated June 13, 2025 to the Township Council, the MLG offered several clarifying comments with respect to the WSP presentation. A synopsis of those comments is set out below.]

31. In June 2025, the MLG retained Frank Clayton, a Senior Research Fellow at the Centre for Urban Research & Land Development, Toronto Metropolitan University, to prepare a memo regarding the broader economic implications of expanding development opportunities in the Township of Springwater (the "**Frank Clayton Memo**"). A copy of the Frank Clayton Memo was provided to the Township. The findings of the Frank Clayton Memo are further described below.

32. On June 10, 2025, County staff presented a report to County Council related to the potential implications of the proposed Barrie boundary expansion on the County. The report raises several key issues, including:

- Potential negative impacts on County finances, infrastructure, and service delivery;
- Lack of County involvement in formulating annexation terms;
- Loss of job opportunities; and
- Inappropriate comparison to the St. Thomas-Elgin annexation.

The report expresses concern with the Provincial Facilitator's September 30 deadline, indicating that November 28 would be a more realistic target date. The report recommends that County staff be authorized to engage in ongoing consultation and analysis to identify viable options while equitably addressing the regional market needs in an economical manner.

33. By letter dated June 26, 2025, Michael Prowse, the Chief Administrative Officer for the City of Barrie, wrote to Township Council proposing increased compensation to the Township of $12,5000 per developable acre annexed, estimated to be $22,600,000.00 (an increase from approximately $7,500.00 per developable acre annexed, estimated to be $13,582,500.00).

34. At the July 2, 2025 Council meeting, Ainley Group presented a high-level peer review of the water and wastewater servicing materials submitted by the MLG as part of the MLG Studies. In summary, Ainley Group concluded that there is insufficient information available to support the statements and findings in the Wastewater Memo and the Water Servicing Memo summarized in Schedule "C" of this opinion.

35. At the same meeting, Council received correspondence from Innovative Planning Solutions, on behalf of 2252841 Ontario Inc., Sean.ca, the Remington Group, on behalf of Lonybra Developments Inc., and Catherine Bennett and Richard Crooke, advocating for cross-border servicing of their respective lands via the City of Barrie through the Barrie Proposal.

36. The MLG made a presentation to Council at the July 2, 2025 meeting in respect of the Midhurst Expansion and provided a response to the Ainley peer review comments regarding water and wastewater servicing.

37. Watson & Associates also made a presentation to Council at the July 2, 2025 meeting regarding the fiscal impacts of the Barrie Proposal. Watson observed that development of the Midhurst expansion lands under any scenario would result in an overall cost to the Township. However, it was noted that there is a lack of detailed information available on the development potential or capital costs to service the proposed expansion lands. Therefore, once specific lands have been identified for negotiation purposes, a fulsome review of the development potential and the associated capital costs would be required to fully understand the financial impacts to the Township.

38. Councillor Fisher brought a motion at the July 2, 2025 meeting requesting that Council revoke its support for the MZOs for the Remington Group Inc. (727 Bayfield Street North) and Paul Sadlon Communities (742 Bayfield Street North) unless the developments are serviced through the Midhurst Water and Wastewater Treatment Plant, rather than via the City of Barrie. The motion was passed in a recorded 4-3 vote.

Growth Management Strategy

In the fall of 2024, the Township retained WSP to undertake the GMS, which is scheduled to be completed by the end of 2025. At the June 4, 2025 Council meeting, WSP provided a Phase 1 update on the GMS.

Phase 1 included a background report which summarized the existing planning framework and recent changes to provincial planning policy and legislation, reviewed the forecasts and allocations that were prepared for the Simoce County Municipal Comprehensive Review, and reviewed the Stage 2 Hemson Report. The memo supplementing the background report presents a series of study areas that will be further analyzed as potential locations for growth in Springwater.

The memo speaks to the potential shortage of community area lands in Barrie, as identified in the Stage 2 Hemson Report, and notes that Springwater is well positioned to absorb excess demand for residential growth from the City of Barrie. Lands to accommodate this potential growth are to be explored in Focused Study Area #1. The memo notes that these lands represent a logical expansion of the settlement area towards the City of Barrie that is driving the increased residential demand.

In order to create a complete community, Focused Study Area #2 identifies a potential location for additional employment lands in Midhurst, which leverages Highway 400, a major goods movement corridor. The memo notes that the development of a protected employment area along Highway 400 in Springwater could support the Township's long-term employment base and ensure that there are jobs available for new residents moving to Midhurst and the broader Springwater and Simcoe County area. It is stated that the GMS will need to balance the advantages of the Highway 400 lands with other considerations, such as infrastructure availability, servicing costs and the protection of agricultural lands, as the lands adjacent to Highway 400 do not currently have municipal servicing.

In terms of next steps for the GMS, the focused study areas will be evaluated against provincial criteria and mapping related to protection of prime agricultural areas, provincial and regional natural heritage system mapping, and minimum distance separation formulae. Servicing constraints opportunities and potential solutions will also be considered in more detail.

Following the WSP presentation on June 4, 2025, the MLG wrote to Council on June 13, 2025 to offer clarifying comments with respect to the Midhurst Wastewater Treatment Plant, including that:

- The Midhurst Wastewater Treatment Plant is built and operating, servicing occupied homes in Phase 1.
- The Phase 2 expansion is designed, and construction will commence this fall. The expanded plant will be commissioned in 2028, and parts of the Midhurst expansion can be

serviced by the plant at that time. On commissioning, the plant will have an immediate capacity for an additional 4,000 residential units.
    - As with the Phase 1 plant, it is expected that actual usage will be lower than the design assumptions (which are conservative), and the actual Phase 2 capacity available will be in the order of 5,600 units.
- It would be reasonable to expect that the cost of the Barrie servicing solution today could be at least double the 2009 cost estimate (i.e. $350MM in 2025$).
- The Highway 400 Employment Lands could be serviced today. Water and wastewater linear infrastructure exists in the Doran Neighbourhood of Midhurst, roughly two kilometres away from the Forbes Road interchange on Highway 400. Previous submissions note that the cost to extend this linear infrastructure would be in the order of $15MM (based on $7,000.00/metre).
- Future expansions to the plant can be undertaken to service additional lands in accordance with the approved Class EA.
- Servicing the Remington and Sadlon lands through the Midhurst Wastewater Treatment Plant could facilitate Council's vision for the Bayfield Street Corridor by extending servicing through the corridor. The cost to extend linear water and wastewater infrastructure to the Remington and Sadlon properties from the existing constructed linear infrastructure is estimated at $15MM (a distance of approximately two kilometres @ $7,000.00/metre).

Precedent Boundary Adjustment Agreements

St. Thomas-Central Elgin

The St. Thomas-Central Elgin boundary adjustment has frequently been cited as the basis for the Barrie Proposal. In February 2023, the Province introduced Bill 63, *St. Thomas – Central Elgin Boundary Adjustment Act, 2023*, to annex 1,500 acres from the Municipality of Central Elgin into the City of St. Thomas to consolidate a mega site in Southwestern Ontario. The final compensation package included a payment of $15,000,000.00 to the Municipality of Central Elgin, as well as access to 7,700 cubic metres per day of wastewater treatment capacity in order to facilitate both the expansion of residential development in Central Elgin and the development of industrial lands retained by Central Elgin. The total value of compensation for the Municipality of Central Elgin, including immediate and future value, was between $75,000,000.00 to $85,000,000.00[4]. The St. Thomas mega site is the future home of a Volkswagen electric vehicle battery manufacturing plant, which is estimated to create up to 3,000 new jobs in the St. Thomas area.

Ingersoll-Southwest Oxford

On January 1, 2021, the Township of Southwest Oxford annexed 1,550 acres of land to the Town of Ingersoll for future development. Under the terms of the boundary adjustment agreement, the Town of Ingersoll provides annual payments to the Township of Southwest Oxford in perpetuity equal to the Southwest Oxford taxes on the annexed lands, plus 24% of Cami's net tax payment

[4] Municipality of Central Elgin, "Municipality of Central Elgin Secures Historic Settlement for Boundary Adjustment Compensation." Municipality of Central Elgin, 19 April 2024, https://cdnsm5-hosted.civiclive.com/UserFiles/Servers/Server_12189721/File/NR%20-%20Municipality%20of%20Central%20Elgin%20Secures%20Historic%20Deal.pdf

and 24% of the increase in taxes collected from industrial and commercial properties in the former Township of Southwest Oxford lands. In addition, the Town paid the Township a one-time upfront payment of $139,400.00 as consideration for future anticipated new residential development within the annexed lands (with each residential unit in excess of 558 units being $250.00 per unit, subject to annual CPI increases), a one-time payment of $9,596.42 for a streetlight debenture, and approximately $175,000.00 for unopened road allowances. A mutual aid agreement was also contemplated for fire services[5].

Brantford-Brant County

In 2016, the City of Brantford and Brant County entered into a boundary adjustment agreement pursuant to which 2,719 hectares of land were transferred from Brant County to the City of Brantford. The annexation was divided into three phases: initial phase lands, residential trigger lands, and employment trigger lands. Under the agreement, Brantford is required to pay Brant County compensation equal to $850.00 per unit (subject to annual CPI increases) for every new residential unit for which a building permit is issued in the annexed area. Further, Brantford is required to pay Brant County compensation equal to $3,500.00 per hectare (subject to annual CPI increases) for all other development which is not a residential unit for which a building permit is issued in the annexed area. The agreement also provides for Brantford to pay property taxes on the annexed lands to Brant County for 10 years, phasing them out annually in equal amounts.

As part of the agreement, Brantford also allowed Brant County to connect certain Brant County lands to Brantford's servicing infrastructure, subject to execution of a separate servicing agreement[6]. Brantford undertook a number of technical studies, such as the North Brantford and Tutela Heights Subwatershed Study, to determine how to service the new areas efficiently. It is not evident that the City of Barrie has undertaken any similar technical studies with respect to the proposed cross-border servicing of the Springwater lands. Unlike in the current scenario, the Brantford-Brant County boundary adjustment did not involve competing servicing strategies, as the County required water and sewer service from Brantford to support development at the airport area and in Cainsville. Accordingly, the Brantford-Brant County boundary adjustment is not a direct comparator to the Barrie-Springwater situation.

In 2020, the City of Brantford retained Hemson to prepare a fiscal strategy for future development of the annexed lands, with the estimated cost of water and wastewater servicing requirements alone being $182 million. The build-out of the expansion lands is expected to be completed in 2051, subject to market conditions. A number of environmental assessment projects are currently underway in advance of infrastructure construction[7].

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[5] County of Oxford, By-Law Number 6260-2020, A By-Law to authorize the execution of a Boundary Adjustment Agreement between The Corporation of the Town of Ingersoll (the Town), The Corporation of the Township of SouthWest Oxford (the Township) and the County of Oxford (the County) as provided for under the Municipal Act, 2001, https://pub-oxfordcounty.escribemeetings.com/filestream.ashx?DocumentId=8671

[6] County of Brantford, By-Law Number 25-16, A by-law to authorize the Mayor and the Clerk to execute a Boundary Adjustment Amending Agreement between The Corporation of the City of Brantford and The Corporation of the County of Brant, https://pub-brant.escribemeetings.com/filestream.ashx?DocumentId=25801

[7] "Developing in the Expansion Lands." Build Brantford, City of Brantford, Design & Development, Build Brantford, www.buildbrantford.ca/design-and-development/developing-in-the-expansion-lands/. Accessed 23 June 2025.

ANALYSIS

Lack of Technical and Supporting Information

At the outset, we note that there appears to be a shortage of technical and financial information available from both the City of Barrie and the Township in relation to the developability of the Proposed Lands. For example, it does not appear that either municipality has completed a detailed servicing analysis to confirm that there is sufficient capacity available to service the Proposed Lands. Similarly, there is a lack of financial information available with respect to the anticipated cost to each municipality of developing the Proposed Lands and how that cost will be funded. As noted in the July 2 presentation by Watson & Associates, once specific lands have been identified for negotiation purposes, a fulsome review of development potential and associated capital costs would be required.

We are advised by the Township's engineers that additional information is also required with respect to the phosphorous assimilative capacity of the receiving watercourses, as it is critical to understand whether the receiving watercourses can absorb and naturally process phosphorous without causing harmful environmental effects, such as the degradation of water quality.

This opinion has been prepared on the basis of studies and reports commissioned by the Township and the MLG (we are not aware of any technical studies completed by the City of Barrie to date to support the Barrie Proposal), as well as the Campbell Planning Analysis; however, we are of the view that additional technical and financial information is required to demonstrate the feasibility of developing the Proposed Lands by *either* the City of Barrie or the Township of Springwater. A decision as important as this one should be informed by an adequate technical analysis. This recommendation is based on the technical information that is known today.

Barrie Boundary Adjustment

The Employment Lands Proposal

Initially, the City of Barrie expressed the need to annex lands from Springwater to increase its supply of short-term developable employment land. However, the Stage 2 Hemson Report, as summarized in Schedule "B" of this opinion, concluded that Barrie likely has sufficient employment area land to meet long-term demand through 2051. The Stage 2 Hemson Report notes that while a short-term gap exists in shovel-ready parcels, annexation of additional lands would not resolve the immediate shortfall.

Further, as noted in the Stage 2 Hemson Report, activating additional lands for employment activity would involve lengthy timelines for planning, servicing, and development, rendering it ineffective as an immediate solution. With respect to planning, development of the Proposed Lands will require the implementation of a new secondary plan to establish local development policies to guide growth and development in the defined area. While the timelines for implementing a secondary plan vary, it is noted that the City of Barrie created the Salem and Hewitt secondary plans approximately six years after the City annexed the Salem and Hewitt

lands from the Town of Innisfil in 2010[8]. Large parts of the Salem and Hewitt Secondary Plan areas remain undeveloped and vacant today. By contrast, the Midhurst Expansion can be accommodated by amending the existing Midhurst Secondary Plan, a much simpler and quicker process.

In respect of servicing, there does not appear to be any publicly available information on the City of Barrie's proposed servicing solution or an engineering analysis to support servicing of the Proposed Lands. However, it is understood that, in order for the Proposed Lands to be serviced by the City of Barrie, a new class environmental assessment ("**Class EA**") would be required. The duration of a Class EA varies based on the schedules, the type of project, the potential impacts, and the degree of consultation required. In this case, it is reasonable to assume that the required Class EA for the Barrie servicing solution could take between three to five years to complete. In addition, to achieve the recommended servicing solution, the City of Barrie would need to acquire or expropriate lands from private property owners, which can be a costly and time-consuming process.

In terms of the financial feasibility of servicing the Proposed Lands from the City of Barrie, it is noted that the 2020 Class EA for the Midhurst Secondary Plan area considered the option of servicing the Secondary Plan area through the City of Barrie; however, this option was rejected due to the excessive cost associated with the undersized linear infrastructure at the north end of Barrie. In order to service the Secondary Plan area via Barrie, a new twinned forcemain to the plant would have been required[9]. The June 13, 2025 letter from the MLG to the Township estimates that the cost of the Barrie servicing solution today could be as much as $350,000,000.00. Consideration should also be given to the disruption that will occur to the residents of the built up area of Barrie with this option.

Overall, we are of the view that there is insufficient evidence to support the proposed annexation of additional land for Barrie for employment area uses. Furthermore, given the current planning and servicing timelines, the Proposed Lands are not expected to be shovel-ready for several years. Significant concerns have also been raised regarding the feasibility and cost of servicing the Proposed Lands via the City of Barrie. In light of these critical issues, there is a reasonable argument that proposing annexation for employment related uses at this stage seems premature. All of this mitigates against solving the short-term employment lands problem identified by Hemson as the rationale driving the annexation proposal. What is also unanswered in all of the material we reviewed is the question that if indeed there is a shortage of employment land in this area, why can't it be delivered by Springwater? Why must it be delivered by Barrie?

The Housing Lands Proposal

Both the Stage 2 Hemson Report and the Phase 1 GMS report speak to a shortfall of housing in the Barrie regional market area, particularly with respect to ground-related family housing. The Stage 2 Hemson Report speaks to annexation of additional lands as a potential solution to the housing shortfall in Barrie.

[8] City of Barrie. "Growth Management." *City of Barrie*, 20 May 2025, https://www.barrie.ca/planning-building-infrastructure/development-planning/growth-management.
[9] Wastewater Servicing Assessment by TYLin – See Schedule "C".

However, it is critical to note that the City of Barrie, together with the Township of Springwater and the Town of Innisfil, comprise what Statistics Canada refers to as the Barrie census metropolitan area or "regional market area"[10]. As indicated in the Frank Clayton Memo, the regional market area covers a large area where people live and commute to jobs, known as the commutershed. Broadly speaking, addressing housing needs can be achieved through a regional perspective that extends beyond the boundaries of any single municipality, without the need for disruptive and costly annexations.

The Phase 1 GMS memo prepared by WSP notes that Springwater is well positioned to absorb excess demand for residential growth from the City of Barrie. In that regard, the Phase 1 GMS memo identifies lands to accommodate this potential growth, which will be explored in Focused Study Area #1. The memo notes that these lands represent a logical expansion of the settlement area towards the City of Barrie that is driving the increased residential demand.

The Frank Clayton Memo similarly opines that the Midhurst Expansion, with a focus on ground-oriented housing, would increase the supply of the most in-demand (yet in the shortest supply) housing in the marketplace and help to ease housing affordability in the regional market area. It is noted in the Frank Clayton Memo that the addition of sizeable employment/industrial lands within the Proposed Lands would facilitate the creation of a complete community and give the Township a competitive advantage over other municipalities that do not have ample employment/industrial land inventories (i.e. North Simcoe).

While the annexation of additional land to the City of Barrie may eventually address the shortfall in ground-oriented housing in the City, there appears to be support for a regional market area solution that provides housing to Barrie within the larger commutershed of Springwater, without surrendering control of the Proposed Lands to the City of Barrie. The potential for Springwater to accommodate this growth will be studied further in subsequent phases of the GMS, with the final report and recommendations scheduled to come before Council in November or December. Hemson and Malone Given Parsons opine that Springwater can accommodate the growth. Until the subsequent phases of the GMS are completed, and it is affirmed whether Springwater can meet projected needs within the regional market area, there is a reasonable argument that it would be premature to proceed with annexation at this time.

Barrie Compensation Offer

As indicated above, the Barrie Proposal proposes to expand the City of Barrie boundary to include the Proposed Lands comprised of 4,373 acres. In consideration therefor, the City of Barrie has agreed to provide: (1) water and wastewater servicing to a portion of Springwater Township; (2) compensation of approximately $7,500.00 per developable acre annexed, estimated to be $13,582,500.00 (subsequently increased by the City of Barrie on July 2, 2025 to $12,5000 per developable acre annexed, estimated to be $22,600,000.00); (3) investments of $100,000.00 per year for five years in dedicated economic development resources for Springwater; (4) 500 City of Barrie waterfront parking passes, valued at $90.00 each, for five years; (5) access to City of Barrie

[10] Statistics Canada. "Geography Series, 2011 Census." Statistics Canada, last modified 2015-11-27, www12.statcan.gc.ca/census-recensement/2011/as-sa/fogs-spg/Facts-cma-eng.cfm?LANG=Eng&GK=CMA&GC=568. Accessed 23 June 2025.

recreation programs and facilities for five years; and (6) confirmation of the Mayor of Springwater as a member on the Conservation Trust for Little Lake.

The compensation scheme is structured as a lump sum payment by the City of Barrie to the Township of Springwater, plus access to servicing capacity, akin to the St. Thomas-Central Elgin compensation package, which included a payment of $15,000,000.00 to the Municipality of Central Elgin, as well as access to 7,700 cubic metres per day of wastewater treatment capacity. The total value of compensation for the Municipality of Central Elgin, including immediate and future value, was between $75,000,000.00 to $85,000,000.00. While the compensation being offered by the City of Barrie is ostensibly less than the compensation offered to Central Elgin by St. Thomas, it is relevant to consider that the annexation of the Central Elgin lands was time-sensitive in order to accommodate the already-identified user of the lands, the Volkswagen electric vehicle battery manufacturing plant, which was estimated to create up to 3,000 new jobs in the St. Thomas area. There is no similar urgency in this situation as no future user of the Proposed Lands has been identified at this time.

In other recent boundary adjustment cases in Ontario, the forfeiting municipality has received annual financial compensation to reflect lost tax revenue as a result of the annexation. This can include a percentage share of the increased tax revenue by the receiving municipality. For example, under the terms of the Ingersoll-Southwest Oxford boundary adjustment agreement, the Town of Ingersoll provides annual payments to the Township of Southwest Oxford in perpetuity equal to the Southwest Oxford taxes on the annexed lands, plus 24% of Cami's net tax payment and 24% of the increase in taxes collected from industrial and commercial properties in the former Township of Southwest Oxford lands. The Barrie Proposal does not include ongoing compensation to account for increased tax revenue to the City of Barrie from the annexed lands.

In other cases, the compensation is structured based on the future use of the lands. In the City of Brantford and Brant County boundary adjustment agreement, Brantford is required to pay Brant County compensation equal to $850.00 per unit (subject to annual CPI increases) for every new residential unit for which a building permit is issued in the annexed area and $3,500.00 per hectare (subject to annual CPI increases) for all other development which is not a residential unit for which a building permit is issued in the annexed area. In the Barrie Proposal, a flat fee is contemplated for the developable land, regardless of the intended future use of the lands. Notably, the fee is calculated only on developable land, leaving a significant portion of the Proposed Lands without compensation.

The sufficiency of the compensation offered must also be considered in light of the potential future value of the lands to the municipality, particularly in the form of potential losses in tax revenue and development charges ("**DCs**") if the lands are annexed. The Economic Analysis summarized in Schedule "C" of this opinion assesses and estimates the impacts that the Midhurst Expansion would generate (at build-out) on the finances and economy of the Township and the County. Using the modelling assumptions set out in Schedule "C", the Economic Analysis concludes that:

- **Development Charge Revenues:** Based on the proposed redevelopment, and the DC/EDC rates in effect as of the date of the Economic Analysis, the development would

generate a total of $716 million, including $378 million for the Township, $257 million for the County, and $81 million for local school boards through the EDC.

- **Construction-Related Benefits:** Using Statistics Canada Input-Output multipliers that convert dollars of input into estimated output, including directly in the construction of the development, indirectly in businesses that provide materials and services to the construction industry, and induced within the broader economy via spent wages and income, in total, the development would generate through the construction of the proposed development:
    - $15.5 billion in Gross Output;
    - $8.2 billion in GDP;
    - $5.0 billion in income and wages;
    - 72,400 person-years of employment.

- **Property Tax Revenues**: In total, it is estimated that the residential and non-residential uses would generate approximately $11 billion in assessment value, and the proposed development is expected to generate $52.5 million per year in property taxes for the Township, as well as $36 million per year for the County and $51.8 million for education. Assessment values are based on roughly estimated hard construction costs for each type and assumed unit sizes for each unit type.

- **Permanent Jobs**: Based on assumed employment density of 25 jobs per hectare, it is estimated that the development of the employment lands would generate 22,383 jobs. In addition, the community area lands would generate another 2,047 jobs on uses directly serving the population in those areas of the Township.

- **Retail Spending:** Based on Statistics Canada Survey of Household Spending and making adjustments to reflect the anticipated share of spending within each category of spending likely to be spent at local businesses, it is estimated that each household would spend an average of $33,400.00 per year at local establishments. In total, the proposed development and those occupying the units would generate $347 million per year in retail spending for the local community.

Based on our review, it appears that there is a disparity between the compensation being offered by the City of Barrie and the potential value of the Proposed Lands to the Township in the form of potential DCs, construction-related benefits, property tax revenues, job growth, and retail spending.

The Barrie Proposal purports to provide access to water and wastewater servicing on 453 acres of land within Springwater Township, which could allow the Township to gain access to city-level infrastructure. However, the value of the compensation is largely dependent on whether the City of Barrie has sufficient servicing capacity in its system to honour this obligation. As indicated in the Campbell Planning Analysis, “[t]here is no indication that there is projected or planned servicing capacity to meet the wastewater servicing needs of neighbouring developments outside the municipal boundary of Barrie.” Similarly, with respect to water, the Campbell Planning Analysis

remarks that there is no indication the City of Barrie's update to the 2019 Water Supply Master Plan will consider the provision of any water supply beyond the 2051 growth projection for Barrie or anticipate infrastructure or the delivery of water supply to areas beyond the existing municipal boundary.

The Barrie Proposal does offer some ancillary benefits that could improve service levels for the Township of Springwater, including dedicated economic development resources for Springwater, City of Barrie waterfront parking passes, and access to City of Barrie recreation programs and facilities for five years. However, overall, we are of the view that the total compensation under the Barrie Proposal does not align with the potential value of the Proposed Lands to the Township and is lacking relevant to comparable boundary adjustments in Ontario. Also, there are concerns regarding the City of Barrie's ability to provide the committed water and wastewater servicing included in the compensation package due to capacity restrictions.

Midhurst Expansion

On February 5, 2025, Council unanimously passed Council Resolution C061-2025 directing staff to report back to Council by June 2025 with information regarding the planning processes necessary to consider an expansion of the Midhurst Secondary Plan area to the east of Midhurst to include the Highway 400 corridor, as well as servicing capacity information and related deliverables.

In support of the Midhurst Expansion, the MLG provided the MLG Studies to demonstrate the serviceability of the expansion lands and detail the policy basis for the Midhurst Expansion. A summary of the conclusions and recommendations contained in the MLG Studies is set out in Schedule "C" of this opinion.

Generally, the MLG Studies appear to support a conclusion that development of the Proposed Lands (or a portion thereof) can be achieved locally in Springwater on a faster timeline and at less cost than the City of Barrie, while still supporting the regional market area and providing much-needed housing to address Barrie's needs.

The MLG Planning Opinion recommends expanding the Midhurst community to include additional community area lands, that are located adjacent to Midhurst and the existing Barrie built-up area, in order to facilitate the servicing and timely delivery of the proposed employment area. In support of this position, the Planning Opinion posits that Midhurst is well-positioned to assist in addressing Barrie's critical ground-oriented housing shortfall and that by leveraging the investments in wastewater, water and transportation servicing infrastructure in Midhurst, Springwater can provide housing options that align with regional growth objectives set out by the Province. The Planning Opinion also finds that the expansion of employment area lands within Springwater to service the needs of the regional market area represents a strategic and timely opportunity to enhance economic development, noting that the expansion lands are well-positioned along the Highway 400 corridor, a major goods movement route, and are in close proximity to the Lake Simcoe Regional Airport.

The MLG Wastewater Memo provides a wastewater servicing approach for the proposed Midhurst Expansion. The Wastewater Memo confirms that the existing Midhurst Wastewater Treatment

Plant ("**WWTP**") could be utilized to serve the Midhurst Expansion, as the existing WWTP can be further expanded within the Utility Campus lands to accommodate additional units. The Wastewater Memo notes that upgrading and expanding the capacity of the existing WWTP is generally more efficient and cost-effective than constructing an entirely new facility.

In its June 13, 2025 letter, the MLG provided additional information with respect to the Midhurst WWTP confirming that beyond the Phase 2 expansion, which will be commissioned in 2028, there is space within the footprint of the WWTP lands to further expand as needed in accordance with the approved Class EA. The MLG letter also confirms that the Highway 400 Employment Lands could be serviced in the short term, as water and wastewater linear infrastructure exists in the Doran Neighbourhood of Midhurst, roughly two kilometres away from the Forbes Road interchange on Highway 400. Finally, the MLG letter notes that servicing the Remington and Sadlon lands through the Midhurst WWTP could facilitate Council's vision for the Bayfield Street Corridor by extending servicing through the corridor.

The MLG Water Servicing Memo provides a water servicing approach for the proposed Midhurst Expansion. The Water Servicing Memo concludes that the proposed Midhurst Expansion can be appropriately serviced through requisite expansions and/or improvements to existing water infrastructure that is planned, or built, to service the existing Midhurst Settlement Area.

The Water Servicing Memo notes that the existing well capacities will be insufficient to meet the new demand associated with the Midhurst Expansion, and that new wells will need to be constructed, along with one or more new raw watermains to facilitate transport of the raw water to treatment. The Water Servicing Memo notes that an alternative to treat the water would be to use the existing Carson Road and Doran Road water treatment plants ("**WTPs**") to serve the Midhurst Expansion, which would be more cost-effective than constructing new facilities. The Water Servicing Memo cautions that one or more new WTPs may need to be constructed if the new raw water wells are located so far from the existing WTPs as to render them unfeasible.

Notably, however, Ainley Group presented a high-level peer review of the water and wastewater servicing materials submitted by the MLG as part of the MLG Studies. In summary, Ainley Group concluded that there is insufficient information available to support the statements and findings in the Wastewater Memo and the Water Servicing Memo summarized in Schedule "C".

The Campbell Planning Analysis prepared in conjunction with this opinion generally supports expansion of the settlement area boundary, finding that "[b]ased on the materials reviewed, the expansion of the Midhurst Secondary Plan Area appears to present a logical and viable pattern of growth that leverages the investments in existing infrastructure, optimizes the locational advantages in proximity to an existing urban centre and 400 series highway and represents a good planning strategy."

The Campbell Planning Analysis also notes that the future growth of Midhurst is not dependent on water and wastewater services from the City of Barrie and a local servicing solution ensures

better continuity of service and allows the Township to make decisions regarding servicing allocation.

A municipality's decision to expand its settlement area boundary is significant, as there are numerous financial, infrastructure, planning and growth management risks that must be considered. Expanding infrastructure, including servicing, roads and transit, to new areas is costly and the municipality will be responsible for maintenance costs of new infrastructure in perpetuity. Similarly, if growth projections are overly optimistic, it is possible that the expansion area will be underutilized, resulting in additional and unintended financial liability to the municipality. Inadvertent financial liability can also arise where the anticipated demand for development does not materialize, and the municipality is left with revenue shortfalls.

While there is a moderate degree of risk in proceeding with the Midhurst Expansion over the Barrie Proposal, the detailed technical work completed by the MLG for the Midhurst Secondary Plan area paves the way for future development within Springwater by leveraging existing investments in wastewater, water and transportation servicing infrastructure in Midhurst. In addition, the next phases of the GMS will yield additional information for the Township to consider with respect to the need and scale for additional residential and employment lands during the current planning horizon, addressing some of the risks identified above. In addition, this option would allow Springwater to retain control over the character and timing of the development of the Proposed Lands. Overall, we are of the view that the Midhurst Expansion, if justified through the GMS and further technical and financial studies, would create more significant advantages for the Township than proceeding with the Barrie Proposal.

Hybrid Approach

A third option for Council's consideration is a hybrid approach under which a portion of the Proposed Lands is annexed to the City of Barrie and the remainder of the Proposed Lands is retained for the Midhurst Expansion. For example, this option may include:

a) Approximately 480 hectares (1,186 acres) of land annexed to Barrie west of Miller Drive between Sunnidale Road and Dunlop Street W and north and south of Sunnidale Road east of Dobson Road; in addition to approximately 188 hectares (465 acres) of lands along the Highway 400 corridor on the east side of Little Lake. These areas create a more logical "rounding out" of Barrie's existing settlement area to the west and east and based on the materials reviewed, the lands near Little Lake are locationally better serviced by Barrie. A map depicting the proposed lands is attached to this opinion as Schedule "E".

b) Expansion of the Midhurst Settlement Area incorporating the Bayfield Street MZO lands and other parcels identified by the MLG. By leading the settlement area boundary expansion process, the Township can determine if all the lands proposed by the MLG are appropriate to be designated as "New Community Area" or "New Employment Area" at this time. It may be that certain parcels (e.g. those to the north of Midhurst, including the northernmost Highway 400 lands, as approximately shown on Schedule "F" attached) should be designated "Future Development Potential" to ensure that the growth of Midhurst is phased and that there is not an excess of land supply, which has the potential to conflict with the

Provincial Planning Statement. This approach may also protect the municipality from the financial risks of oversupply.

c) Including part of the Little Lake area in the annexed lands to ensure shared responsibility for the long-term protection, enhancement and enjoyment of the Little Lake, which aligns with Mayor Nuttall's executive order in April 2025 creating a Conservation Trust to protect the environmentally sensitive lands of Little Lake and its surrounds. A map depicting the proposed Little Lake lands is attached to this opinion as Schedule "G".

d) Approximately 12 hectares (29.65 acres) of land east of Highway 400, north of Georgian Drive and adjacent to the Royal Victoria Regional Health Centre annexed to Barrie, as approximately shown on Schedule "H" attached. These lands represent a natural extension of the hospital lands and could be leveraged by the City of Barrie for hospital-related uses, such as additional parking.

If desired, this hybrid approach could be advanced through ongoing discussions with the Provincial Facilitator.

Liability Considerations

Often, the annexing (gaining) municipality will assume most of the liability risk in the context of an annexation; however, the municipality being annexed may face certain liability risks as well. Most of those risks are identified in this opinion, including loss of future property tax and DC revenues, cost imbalances, and loss of strategic land base. Reputational and political risk may also arise, though it must be noted that pursuant to section 450 of the *Municipal Act, 2001*[11], a municipality, together with its members of council and employees, is statutorily protected from negligence claims where an action is taken by the municipality resulting from a policy decision made in a good faith exercise of council's discretionary power.

If Township Council were to proceed with the Barrie Proposal, consideration should also be given to the impact of that decision on the Township's relationship with the County. In its June 10, 2025 letter, the County expressed several concerns with the Barrie Proposal, including potential negative impacts on County finances, infrastructure, and service delivery. Proceeding with the proposed annexation could strain County-Township relations in the future, particularly if it is being viewed as contrary to the County's interests.

Our firm's presentation to Springwater Council on November 26, 2024 also identified certain financial and legal implications/risks of <u>not</u> participating in discussions with the Provincial Facilitator regarding the Barrie Proposal. For example, if the Township chooses not to participate, it is possible that discussions will continue without the Township and that the Province will mandate an annexation without consideration for the Township's abilities, needs and concerns. Our presentation identified the ability to negotiate a settlement and achieve the Township's objectives as a key benefit to remaining engaged in discussions with the Provincial Facilitator. It is critical to note, however, that our presentation predated the updated MLG Studies, the Phase

[11] S.O. 2001, c. 25.

1 GMS report and the Campbell Planning Analysis, which provided a strong planning and technical foundation to support exploration of the Midhurst Expansion.

As noted above, there are certain liability considerations associated with the Midhurst Expansion as well. The expansion of a settlement area boundary is a significant undertaking and there are numerous financial, infrastructure, planning and growth management risks that must be considered. Expanding infrastructure, including servicing, roads and transit, to new areas is costly and the municipality will be responsible for maintenance costs of new infrastructure in perpetuity. Similarly, if growth projections are overly optimistic, it is possible that the expansion area will be underutilized, resulting in additional and unintended financial liability to the municipality. Unintended financial liability can also arise where the anticipated demand for development does not materialize, and the municipality is left with revenue shortfalls.

We trust you have found this opinion to be helpful. If you have any questions or require additional information, please contact the undersigned.

Yours truly,

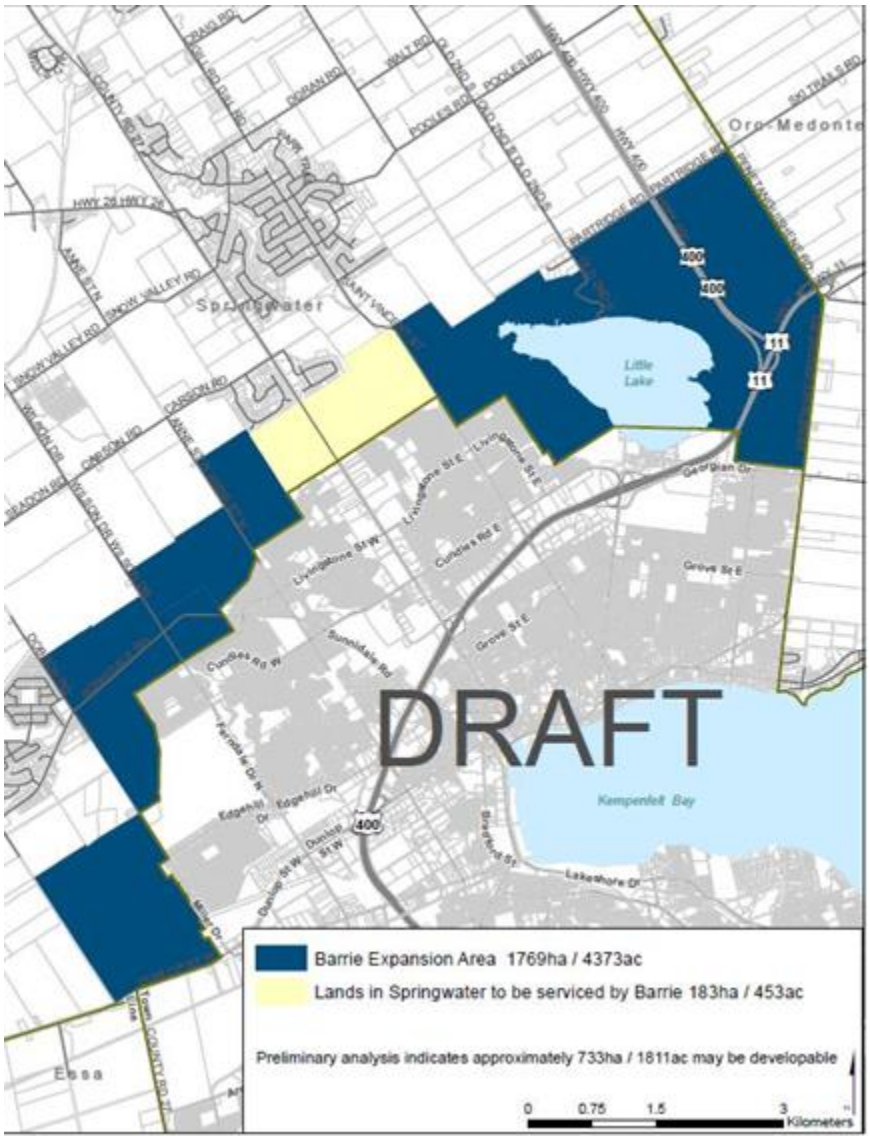
LOOPSTRA NIXON LLP



Per: Quinto M. Annibale

SCHEDULE "A"

PROPOSED LANDS



SCHEDULE "B"

STAGE 2 HEMSON REPORT – SYNOPSIS

The Stage 2 Hemson Report evaluates land requirements for the City of Barrie and the Townships of Oro-Medonte and Springwater to accommodate growth to 2051, focusing on employment areas and community areas.

With respect to employment areas, the Stage 2 Hemson Report finds that:

- Barrie likely has sufficient employment area land to meet long-term demand through 2051, though a short-term gap exists in shovel-ready parcels.
- Annexation of additional lands would not resolve the immediate shortfall. Activating additional lands for employment activity would involve lengthy timelines for planning, servicing, and development, rendering it ineffective as an immediate solution.
- Springwater has sufficient long-term employment area land to 2051. However, accelerated housing growth in Springwater's Midhurst Secondary Plan area may necessitate expedited designation of additional employment lands to maintain balanced community development.
- Overall, the case for additional land for Barrie for only employment area uses is relatively weak.

With respect to community areas, the Stage 2 Hemson Report finds that:

- Springwater has sufficient community area land supply to meet its growth forecast to 2051.
- The City of Barrie is facing challenges to accommodate its forecast residential growth due to unachievable density assumptions.
- The interplay between Barrie's land supply and surrounding municipalities highlights the finite nature of regional housing demand: when Barrie's land supply decreases, housing construction increases in County municipalities, and vice versa.
- Any future municipal boundary expansion should integrate both community and employment area needs to foster balanced growth and complete communities.
- Barrie will likely face shortfalls in its community area land supply to meet residential demand. Addressing this gap could require either building homes at unrealistic densities or expanding municipal boundaries to access additional land.

The Stage 2 Hemson Report provides two options for land needs:

- Option 1: Maintain municipal boundaries. Growth not accommodated within Barrie would be absorbed by surrounding municipalities. With no change to municipal boundaries, a denser form of residential growth would continue in Barrie and growth would slow.
- Option 2: Adjust municipal boundaries in order to address Barrie's community area needs. This would require detailed evaluation of servicing, fiscal impacts, and environmental considerations.

SCHEDULE "C"

MLG STUDIES – SYNOPSIS

In support of the Midhurst Expansion, the MLG updated a number of technical studies to demonstrate the serviceability of the expansion lands and detail the policy basis for the Midhurst Expansion. Below is a high-level summary of the conclusions and recommendations contained in the MLG Studies.

Planning Opinion and Land Budget Analysis by Malone Given Parsons ("**Planning Opinion**")

The Planning Opinion recommends expanding the Midhurst community to include additional community area lands, that are located adjacent to Midhurst and the existing Barrie built-up area, in order to facilitate the servicing and timely delivery of the proposed employment area. In support of this position, the Planning Opinion posits that:

- The community area lands can accommodate approximately 10,400 dwelling units, consisting of 7,200 ground-oriented units (single-detached, semi-detached homes, and townhomes), and 3,200 high-density units. Over time, this development would support a population of approximately 27,000 people, generate 2,450 population-related jobs, include schools and more than 45 hectares of parkland. In addition, it is anticipated that the Employment Area lands along Highway 400 will generate a job yield of approximately 22,380 jobs (as determined in the Midhurst Area Boundary Expansion – Economic Benefits Memo prepared by KPEC dated May 12, 2025).

- The Barrie Land Needs Assessment dated June 2019 and May 2021 demonstrates that Barrie faces a significant and unmet demand for ~19,000 additional ground-oriented dwelling units to 2051, which cannot be accommodated within Barrie's current boundaries. Barrie's current growth strategy relies too heavily on high-density housing and does not adequately account for the housing need for ground-oriented housing.

- As Springwater is within the same regional market area as Barrie, Midhurst is well-positioned to assist in addressing this housing shortfall. The PPS requires planning authorities to provide an appropriate range and mix of housing to meet projected needs within the regional market area.

- New development can be serviced utilizing the existing Midhurst Water Treatment Plant and Wastewater Treatment Plant through an expansion, as confirmed through the Water and Wastewater Servicing Memos prepared by TYLin dated May 2025. By leveraging the investments in wastewater, water and transportation servicing infrastructure in Midhurst, Springwater can provide much-needed housing options that align with regional growth objectives set out by the Province.

- The expansion of employment area lands within Springwater to service the needs of the regional market area represents a strategic and timely opportunity to enhance economic

development. The expansion lands are well-positioned along the Highway 400 corridor, a major goods movement route, and are in close proximity to the Lake Simcoe Regional Airport.

- By retaining these employment lands within Springwater, the Township can ensure that job growth is aligned with planned infrastructure investments, supporting economic development in a key regional employment corridor.

- The location of the expansion lands within Springwater, adjacent to planned development and the existing built-up area (both in Midhurst and Barrie), ensures logical and contiguous development patterns, aligning with objectives of sustainable, logical, and orderly land use planning.

- The expansion lands represent an excellent opportunity for the Township and County 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.

Economic Benefits Assessment by Keleher Planning & Economic Consulting (the "**Economic Analysis**")

The Economic Analysis assesses and estimates the impacts that the Midhurst Expansion would generate (at build-out) on the finances and economy of the Township of Springwater and Simcoe County. The Economic Analysis is modelled on the following assumptions: (1) the subject lands are estimated to be developed, at build-out, with 10,392 housing units (including 5,172 single/semi-detached units, 1,981 townhouse units and 3,239 apartment units), and would generate a population of approximately 27,186 persons; and (2) the non-residential lands, assumed to be developed at a density of 25 jobs per hectare, would generate approximately 22,383 jobs and would accommodate 2.24 million square metres of non-residential construction area.

The Economic Analysis concludes that:

- **Development Charge Revenues:** Based on the proposed redevelopment, and the DC/EDC rates in effect as of the date of the Economic Analysis, the development would generate a total of $716 million, including $378 million for the Township of Springwater, $257 million for Simcoe County, and $81 million for local school boards through the EDC.

- **Construction-Related Benefits:** Using Statistics Canada Input-Output multipliers that convert dollars of input into estimated output, including directly in the construction of the development, indirectly in businesses that provide materials and services to the construction industry, and induced within the broader economy via spent wages and

income, in total, the development would generate through the construction of the proposed development:

- $15.5 billion in Gross Output;
- $8.2 billion in GDP;
- $5.0 billion in income and wages;
- 72,400 person-years of employment.

- **Property Tax Revenues**: In total, it is estimated that the residential and non-residential uses would generate approximately $11 billion in assessment value, and the proposed development is expected to generate $52.5 million per year in property taxes for the Township, as well as $36 million per year for the County and $51.8 million for education. Assessment values are based on roughly estimated hard construction costs for each type and assumed unit sizes for each unit type.

- **Permanent Jobs**: Based on assumed employment density of 25 jobs per hectare, it is estimated that the development of the employment lands would generate 22,383 jobs. In addition, the community area lands would generate another 2,047 jobs on uses directly serving the population in those areas of the Township.

- **Retail Spending:** Based on Statistics Canada Survey of Household Spending and making adjustments to reflect the anticipated share of spending within each category of spending likely to be spent at local businesses, it is estimated that each household would spend an average of $33,400.00 per year at local establishments. In total, the proposed development and those occupying the units would generate $347 million per year in retail spending for the local community.

Wastewater Servicing Assessment by TYLin (the "**Wastewater Memo**")

The Wastewater Memo provides a wastewater servicing approach for the proposed Midhurst Expansion. The Township of Springwater completed a Class EA in 2020 for the Midhurst Secondary Plan area (the "**2020 Class EA**") and concluded that the preferred solution was the construction of a WWTP.

The Wastewater Memo notes that among the alternatives considered in the Class EA for the Midhurst Secondary Plan was the option of servicing via the City of Barrie. The City of Barrie option was rejected as its cost exceeded the Midhurst option due largely to the fact that the linear infrastructure at the north end of Barrie was not sized to accommodate the planned development. A new twinned forcemain to the plant would have been required. In 2009, the cost to service Midhurst via Barrie was calculated to be $119 million for water and wastewater (in 2025 dollars, that figure would amount to approximately $170 million. However, by letter dated June 13, 2025, the MLG advised that it is reasonable to assume that the cost of the Barrie servicing solution today could be at least double the 2009 cost estimate – being approximately $350 million – based on similar completed projects).

The Wastewater Memo confirms that the existing Midhurst WWTP could be utilized to serve the Midhurst Expansion, as the existing WWTP can be further expanded within the Utility Campus

lands to accommodate additional units. The Wastewater Memo notes that upgrading and expanding the capacity of the existing WWTP is generally more efficient and cost-effective than constructing an entirely new facility. The Wastewater Memo cautions that an Assimilative Capacity Study ("**ACS**") and Phosphorus Budget Assessment for Willow Creek will need to be updated to confirm whether the creek is able to accommodate additional treated effluent.

An updated ACS and Phosphorus Budget Assessment was prepared by Hutchinson Environmental Sciences Ltd. in May 2025, which concludes that the effluent limits for the expanded WWTP can be managed/treated to meet discharge requirement, and that if required, additional treatment technology can be implemented. The updated assessment also notes that the preliminary phosphorus budget demonstrated that the development of the Midhurst Expansion may result in a post development phosphorus load that is 12 kg/year less than the pre-development (current) load.

Water Servicing Assessment by TYLin ("**Water Servicing Memo**")

The Water Servicing Memo provides a water servicing approach for the proposed Midhurst Expansion. The 2020 Class EA concluded that construction of two water treatment plants ("**WTP**"s) (Carson WTP and Doran WTP) would be required to service the Carson Road neighbourhood and Doran Road neighbourhood, respectively.

The Water Servicing Memo concludes that the proposed Midhurst Expansion can be appropriately serviced through requisite expansions and/or improvements to existing water infrastructure that is planned, or built, to service the existing Midhurst Settlement Area.

The Water Servicing Memo notes that the existing well capacities will be insufficient to meet the new demand associated with the Midhurst Expansion, and that new wells will need to be constructed, along with one or more new raw watermains to facilitate transport of the raw water to treatment. The Water Servicing Memo notes that an alternative to treat the water would be to use the existing Carson Road and Doran Road WTPs to serve the Midhurst Expansion, which would be more cost-effective than constructing new facilities. The Water Servicing Memo cautions that one or more new WTPs may need to be constructed if the new raw water wells are located so far from the existing WTPs as to render them unfeasible.

Linear Servicing Assessment by SCS Consulting Group ("**Linear Servicing Assessment**")

The Linear Servicing Assessment provides an overview of the required linear servicing extensions to provide municipal water and sanitary servicing from the existing and planned infrastructure within the existing Midhurst Secondary Plan area boundary to the expansion lands. The Linear Servicing Assessment confirms that there is a feasible approach to extending the Midhurst water system to each of the identified proposed expansion areas. In terms of sanitary servicing, the Linear Servicing Assessment finds that the existing network of gravity sanitary sewers and associated sanitary stations and forcemains could extend to and/or be expanded on to service the proposed expansion areas. The Linear Servicing Assessment concludes that there is a feasible natural extension of the proposed water and sanitary sewer networks available to service the proposed expansion areas.

Transportation Considerations Memo by BA Group ("**Transportation Memo**")

The Transportation Memo notes that significant transportation improvements are planned for the Midhurst settlement area, as determined through the 2020 Class EA and that the Midhurst Secondary Plan and the Township of Springwater Master Plan have made allowances for new and expanded transportation infrastructure to accommodate increases in traffic volumes associated with the planned build out of the settlement area. It is noted in the Transportation Memo that transportation studies will be required to illustrate necessary transportation network improvements to accommodate detailed development plans, such as road widenings, intersection improvements, new road segments, provincial highway enhancements, transit service provision, active transportation network improvements and/or transportation demand management measures.

Agricultural Characterization Report by Colville Consulting Inc. ("**Agricultural Report**")

The Agricultural Report was prepared to characterize the agricultural resources and farm operations on the proposed expansion lands, to assess the agricultural priority of the lands, and to provide a preliminary determination of any potential constraints to future development. The Agricultural Report notes that 62 agricultural uses were identified during the land use survey, including 10 cash crop operations, 10 equestrian operations, eight beef operations, two poultry operations, one dairy operation, two hobby farms, 16 unoccupied livestock operations, and 13 remnant farms. 222 non-farm residences were identified, as well as 22 non-agricultural uses, including institutional uses, commercial uses, utility uses, recreational uses, industrial uses and aggregate operations. The Agricultural Report indicates that there is evidence of both random and systematic tile drainage on the subject lands. The Agricultural Report also contains MDS I setbacks, which identified 12 livestock operations that generate MDS I-related development constraints for future development.

SCHEDULE "D"

CAMPBELL PLANNING ANALYSIS

[See Next Page]

LOOPSTRA NIXON LLP
BARRISTERS AND SOLICITORS

Settlement Area Boundary Expansion

Planning Assessment

Midhurst Secondary Plan Area
Springwater

Prepared By: Loopstra Nixon

July 11, 2025

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1. Introduction and Background

This Planning Assessment has been prepared by Loopstra Nixon LLP for the Township of Springwater (the "**Township**") for the purpose of providing a planning opinion regarding the opportunity to expand the Midhurst Settlement Area in Springwater, including the provincial and municipal policy basis and procedural framework to support the expansion.

Through its resolution on February 5, 2025, which was unanimously passed, the Township Council signalled a clear commitment to assess a proposed settlement area boundary expansion to expand the Midhurst Settlement Area boundaries. Council has directed staff to report back with information regarding the planning processes necessary to consider an expansion of the Midhurst Secondary Plan area to the East of Midhurst to include the 400 corridor.

Council has previously supported three separate requests for a Ministers Zoning Order ("**MZO**") to facilitate the development of land to the south of the Midhurst Secondary Plan area, summarized as:

- Sunnidale OP Inc., 731 Sunnidale Road, Affordable Housing Project near the Barrie / Springwater boundary, supported on April 5, 2023.

- 2252841 Ontario Inc. (Sadlon Development) at 742 Bayfield Street – approximately 2,000, supported on April 19, 2023.

- Remington Group, 727 Bayfield Street North, Seniors' Medical Campus supported on May 3, 2023.

At its meeting on July 2, 2025, Council voted to revoke it support of the MZOs pertaining to the Remington Group and Sadlon Development, listed above, **unless** these future developments are serviced through the Midhurst water and wastewater treatment facilities.

In addition to the "Future Development Potential" lands already identified within the existing Midhurst Secondary Plan area, additional potential expansion lands have been identified by the Midhurst Landowners Group (the "**MLG**") providing approximately 1,870 hectares of developable land adjacent to the existing Midhurst Settlement Area, which includes the MZO lands listed above. One area is directly south of the existing Midhurst Secondary Plan Area settlement boundary and the second area is east of Midhurst along the Highway 400 corridor, which reflects the geographic area subject of Council's direction on February 5, 2025. The MLG also identified two smaller parcels to the northwest and northeast of the Midhurst Secondary Plan area, which represent a notional "rounding out" of the settlement area.

The Township's objective is to assess whether it is in the best interest of Springwater to adjust the settlement area boundary of Midhurst to accommodate employment and residential growth to meet demand for housing in the Barrie census metropolitan area (CMA) which comprises the municipalities of Barrie, Innisfil, and Springwater. The Township is in a position to leverage existing infrastructure investments in Midhurst to meet this growth which directly support provincial housing priorities.

The intent is to explore the question of settlement area boundary expansion for Midhurst in accordance with the Provincial Planning Statement, Simcoe County Official Plan, the Township Official Plan and in consideration of the growth opportunities (the "**Proposed Development**"). This could result in:

a) A Town-initiated Official Plan Amendment, for a Settlement Area Boundary Expansion ("**SABE**") and an amendment to the Midhurst Secondary Plan.

b) A private developer-led application for an Official Plan Amendment for the SABE and amendment to the Midhurst Secondary Plan by the MLG.

c) A combination of a) and b) whereby the Township initiates the SABE and adopts an OPA to expand the settlement area boundary of Midhurst and the MLG continues the extensive work already commenced to confirm land use designations, densities, servicing solutions and other details typically contained at the secondary plan level.

Consideration of this settlement area boundary expansion has been prompted by an identified short-fall of approximately 19,000 ground-oriented housing units in the neighbouring municipality of Barrie, which is needed by 2051 to meet the growth needs within the regional market area ("**RMA**"). The proposed expansion in Midhurst, as presented by the MLG, is estimated to provide around 7,200 ground-oriented homes and 3,200 dwelling units of other typologies (stacked-townhouses and apartments etc.).

In support of the achievement of complete communities, commercial and employment development need to be planned for alongside residential growth. The lands to the east of Midhurst are strategically located along Highway 400, making them ideal for logistics, warehousing, and advanced manufacturing. This location supports economic development and aligns with regional infrastructure plans.

The expansion of the Midhurst Settlement Area may present a logical and efficient solution to address housing and employment needs within the RMA leveraging existing infrastructure and supporting balanced growth. The Township has signaled that it supports the expansion of Midhurst in concert with the expansion and upgrade of existing local services to facilitate future expansion. As discussed in the accompanying opinion letter prepared by Mr. Annibale,

Springwater also has an opportunity to support the neighbouring municipality of Barrie without compromising its own growth ambitions and contributions to the RMA.

2. Materials Reviewed

In preparing this high-level planning assessment, we have relied upon the materials and information provided by the Township and upon publicly available versions of the applicable provincial and municipal planning documents, including council and committee agendas, reports and minutes.

3. Provincial Policy Review

3.1 The Ontario *Planning Act*

The Ontario *Planning Act,* R.S.O 1990, c. P.13 (the "***Planning Act***") consolidated October 20, 2024, establishes the land use planning system in Ontario. The *Planning Act* sets out matters of provincial interest and regulations for planning processes, applications and delegated authorities including ensuring public notice and appeal rights. The *Planning Act* also serves as a foundation for other provincial plans including the Provincial Planning Statement. Section 2 of the *Planning Act* establishes matters of provincial interest approval authorities shall have regard for when carrying out responsibilities under the *Planning Act*.

Below are the matters of provincial interest along with an analysis against the Proposed Development.

3.2 Provincial Planning Statement 2024

The new Provincial Planning Statement ("**PPS**") was issued under section 3 of the *Planning Act* and came into effect on October 20, 2024. Like its predecessor, the PPS provides direction on matters of provincial interest related to land use planning and development and mandates that all decisions affecting a planning matter are consistent with the PPS. This policy statement applies to municipal councils, local boards, planning boards, ministers or ministries, and various government agencies.

Section 2.1 of the PPS outlines how planning authorities should manage and plan for growth. Planning authorities must base population and employment forecasts on projections published by the Ministry of Finance or previously issued provincial forecasts for land use planning. Currently, in Springwater, this means using the growth forecasts in the adopted County of Simcoe Official Plan adopted by County Council on August 9, 2022 (pending MMAH approval).

With regards to the permitted planning horizon, Section 2.1.3 of the PPS specifies that when updating an Official Plan, planning authorities must ensure sufficient land is available to meet

projected growth needs for at least 20 years and no more than 30 years (i.e., up to 2055 if approved today). This section also states that planning for infrastructure, public service facilities and employment areas may extend beyond the 30-year horizon.

Section 2.1.4 requires planning authorities to maintain the ability to accommodate residential growth for a minimum of 15 years through designated and available residential development lands, which aims to ensure a diverse range of housing options and densities.

Regarding the SABE, the PPS has introduced changes regarding settlement boundary expansions and the establishment of new settlements whereby these can be considered at any time and there is no longer a requirement for a municipal comprehensive review. Landowners are also able to apply to expand an urban boundary at any time and without a limitation on expansion size, whereas previously, private settlement area boundary expansions were limited to a maximum of 40.0 hectares. Despite this change, there remain detailed criteria for the consideration of settlement area boundary expansions, and the tests which must be satisfied are set out in section 2.3.2.1 of the PPS, including:

a. The need to designate and plan for additional land to accommodate a diverse range and mix of land uses.

b. Sufficient capacity of existing or planned infrastructure and public service facilities.

c. Whether the subject lands include specialty crop areas.

d. Evaluation of alternative locations that avoid prime agricultural areas, or if unavoidable, consider lower priority agricultural lands.

e. Compliance with the minimum distance separation formulae.

f. Minimizing and mitigating impacts on the agricultural system through an agricultural impact assessment or equivalent analysis.

g. Ensuring phased progression of urban development in the new or expanded settlement area.

Further, section 2.3.2.2 allows planning authorities to identify new settlement areas only where the infrastructure and public services needed to support the development are either planned or available.

Since all Council decisions must align with the PPS, the Township must consider these criteria when planning for growth in Springwater, including the consideration of an expansion to the Midhurst Secondary Plan area. Whether the infrastructure and public service facilities

needed to support development of expansion areas is planned or available is of critical importance. Infrastructure considerations are discussed later in this report.

4. County of Simcoe Policy Review

Due to changes introduced by Bill 23, the *More Homes Built Faster Act*, it is anticipated that the County of Simcoe may no longer have planning responsibilities over the lower-tier municipalities once the changes come into force on proclamation. While the date of proclamation is currently unknown, it appears likely that planning responsibilities will shift to the lower-tier municipalities, and the County's Official Plan will become part of the lower-tier municipal Official Plans. However, until the Township updates its own official plan to incorporate County policies and/or repeals the County official plan, the Township is responsible for implementing the County's land use planning policies.

Notwithstanding this uncertainty, the County of Simcoe continues work on Phase 2 of its Municipal Comprehensive Review ("**MCR**") and will support its local municipalities through a regional systems approach to achieve provincial directives for housing and economic development in an expedited, streamlined and cost-effective way.

Regarding growth projections for Simcoe County, OPA No. 7 was adopted by County Council on August 9, 2022, (the "**County OP**") to implement Phase 1 relating to growth management policies and updates to land use designations. This amendment introduces or updates policies relating to settlement hierarchies, population and employment growth forecasts, density and intensification targets, identification of Major Transit Station Areas, and establish a policy framework for managing new growth areas and settlement area boundary expansions based on technical studies, including a Population and Employment land needs assessment.

The County OP, which is under review by the Province and currently not in-effect, identifies Springwater as a 'Category 2 Settlement Area' which has a delineated built boundary and existing or planned municipal water and wastewater systems. Springwater is identified to grow in population by 10,170 by 2051 and in employment by 2,490 jobs. An intensification target for the delineated built-up area of 15% is also identified and a designated greenfield area density target of 45 residents and jobs per hectare.

However, if the proposed changes to the *Planning Act* are proclaimed, upper-tier MCRs will no longer occur in the same manner as has been taken elsewhere in the Greater Golden Horseshoe. In the case of Simcoe County, the MCR process whereby local municipalities were expected to conform with the upper-tier direction was not considered by the County to be productive. Consequently, the adopted County OP sets out a collaborative approach that builds on the County's original MCR work whereby Phase 2, which includes consideration of

settlement area boundary expansions, allows for local municipal-led solutions to accommodate planned growth[1].

This is to say that a locally led partnership is possible when a municipality is sufficiently resourced to take the lead on the growth management review. In this case:

- The County would be involved as part of the project team, albeit in more of a supportive capacity.
- The County project team has already completed background work regarding population and employment needs that may inform local growth management decisions to 2051.
- Local municipalities would inform and drive infrastructure and fiscal analysis.
- Public and stakeholder engagement would be a locally lead responsibility with County input and participation.
- County information about how future growth can/cannot interface with agricultural and natural heritage systems remains relevant and a priority when identifying areas for long-term growth.
- There would be local and County collaboration regarding growth options and policy directions.

The Township has the opportunity to work with Simcoe County in accordance with the locally led partnership model as set out above. Alternatively, following proclamation mentioned previously, the Township could update its Official Plan by passing a By-law whereby the Simcoe County Official Plan is repealed or partially repealed with respect to certain policies and maps adopted or approved after November 28, 2022.

While OPA No. 7 did not identify any land need for Springwater to accommodate population and employment growth to 2051, the Township can propose an alternative growth model that better reflects its unique location within the Barrie census metropolitan area and that capitalizes on the availability of future development land to deliver growth to meet the needs of the broader RMA. Based on the materials reviewed, Barrie is struggling to meets its population projections based on the high reliance on intensification within the existing built-up area and lack of designated greenfield areas to accommodate expansion. Springwater on the other hand has an ability to expand its settlement areas to release new designated greenfield development areas. Further, the projections within OPA No. 7 did not account Springwater's strategic position with lands along the Highway 400 corridor which present opportunities for employment growth with access to regional markets.

[1] County of Simcoe Report CCW - 2024-170 June 11, 2024 Municipal Comprehensive Review and Growth Management Strategy Update.

This allows for a locally led solution to meet municipal and provincial priorities.

5. Springwater OP

The Township passed By-law 2023-075 to adopt a new Official Plan for the Township of Springwater ("**2023 OP**"), approved by the County of Simcoe, on July 5, 2023, pursuant to Section 17(22) of the *Planning Act*. Based on the 2018 Growth Management Strategy ("**GMS**") that informed the 2023 OP, the growth horizon established is 2031.

Due to provincial policy changes, including the new PPS, the Township is now required to undertake a provincial conformity exercise, including planning for the 2051 growth horizon, which will result in an update to the 2023 OP. Work is underway and WSP Canada Inc. was retained in fall 2024 to undertake a Growth Management Study, which also considers the Joint Land Needs Analysis and Study prepared by Hemson Consulting in December 2024. While Simcoe County OPA No. 7, considers growth projections, it did not assess land needs and the WSP GMS will report back to Council with growth alternatives at the end of 2025.

The WSP Background Report of May 2025 recognizes Midhurst as the focus for new residential and employment growth within the Township and notes that housing absorption from the RMA in Midhurst appears to be accelerated. This signals that expanding the settlement area of Midhurst is warranted and should even be advanced. However, it is important that the MLG, the Township and its consultants continue to work together in order that any proposals to expand the settlement area boundary of Midhurst are coordinated and appropriately phased to ensure the creation of complete communities and the alignment of housing growth with jobs. As clearly stated in the WSP report to Council in May 2025,

> "[The analysis] will inform the development of three growth scenarios in Phase 2 of the project through Summer and Fall 2025. In addition to aligning with the planning framework outlined in this Report, the preferred growth scenario will be selected based on an analysis of fiscal impacts, servicing availability, and stakeholder feedback. This will be presented to Council in a Final Recommendations Report at the conclusion of this project in December 2025."

Considering the investment in WSP's extensive analysis, it is appropriate to wait for the GMS recommendations at the end of this year before making decisions on the amount of growth and any resulting SABE required to accommodate it.

With that said, the work of the MLG has already demonstrated that there are potential settlement area boundary expansion lands available immediately adjacent to the existing Midhurst Secondary Plan Area and that these provide a logical

enlargement of the area both in terms of residential growth and strategic employment areas. Conversely, the Barrie annexation proposal presented to Council on May 21, 2025 (the "**Barrie Proposal**") identifies lands beyond those identified by the MLG. Therefore, before the GMS is finalized, the Township has an opportunity to consider whether certain aspects of the Barrie Proposal have merit, including the annexation of lands to the City of Barrie to support its current growth targets, which it has been reported are proving challenging as it relies heavily on intensification within the urban core in the form of apartment dwellings. Barrie needs to expand its settlement area boundary and introduce new greenfield development areas to accommodate more ground-related dwelling units, which it needs to balance with the delivery of new employment opportunities.

6. Settlement Area Boundary Expansion Options

There are currently two SABE options:

1) The Barrie Proposal to expand its settlement area by annexing approximately 1,769 hectares (4,373 acres) of land from Springwater in exchange for payments set out at paragraph 26 of Loopstra Nixon's accompanying letter and including the provision of water wastewater services for approximately 183 hectares (453 acres) of future development land within Springwater.

   It is envisaged that, should the annexation of certain lands to Barrie proceed then the City of Barrie would be responsible for the planning studies and OPA required to bring those lands into its settlement area boundary.

2) The MLG Proposal to expand the Midhurst settlement area, as illustrated in Figure 1 of the Request for Urban Boundary Expansion in Springwater letter prepared by Malone Given parsons, dated May 15, 2025, which results in approximately 1,870 hectares (4,620 acres) of land.

An alternative option, which supports delivery of housing and employment lands in the regional market area and provincial priorities, merits consideration by the Township. The consideration of alternatives also provides Springwater the ability to counter the Barrie Proposal in a manner that fulfills the spirit of negotiation under the guidance of the Provincial Land and Development Facilitator while continuing to build upon the existing support for growth and the strong relationship with the MLG, including the significant investments in servicing infrastructure. A made-in-Springwater option along the lines of the Hybrid Approach referenced in our accompanying letter may have advantages and is worthy of further study.

This option may include:

a) Approximately 480 hectares (1,186 acres) of land annexed to Barrie west of Miller Drive between Sunnidale Road and Dunlop Street W and north and south of Sunnidale Road east of Dobson Road; in addition to approximately 188 hectares (465 acres) of lands along the Highway 400 corridor on the east side of Little Lake; and in addition, approximately 12 hectares (29.65 acres) of land annexed to Barrie east of Highway 400, north of Georgian Drive and adjacent to the Royal Victoria Regional Health Centre.

   Together, these areas create a more logical "rounding out" of Barrie's existing settlement area to the west and east and based on the materials reviewed, the lands near Little Lake are locationally better serviced by Barrie.

b) Expansion of the Midhurst Settlement Area incorporating the MZO lands and other parcels identified by the MLG. By leading the SABE process, the Township can determine if all the lands proposed by the MLG are appropriate to be designated as "New Community Area" or "New Employment Area" at this time. It may be that certain parcels (e.g. those to the north of Midhurst, including the northernmost Highway 400 lands) should be designated "Future Development Potential" to ensure that the growth of Midhurst is phased and that there is not an excess of land supply, which has the potential to conflict with the PPS. This approach may also protect the municipality from the financial risks of oversupply.

c) Including part of the Little Lake area in the annexed lands to ensure shared responsibility for the long-term protection, enhancement and enjoyment of the Little Lake, which aligns with Mayor Nuttall's executive order in April 2025 creating a Conservation Trust to protect the environmentally sensitive lands of Little Lake and its surrounds.

7. Water and Wastewater Servicing Considerations

As noted in the reports prepared on behalf of the MLG, expansion of the Midhurst Settlement Area will require improvements and/or expansions to the existing wastewater treatment facility and infrastructure in Midhurst and that there are lands available at the Midhurst Utility Campus to accommodate such expansions. Similarly, expansions and/or improvements to existing water infrastructure that is planned or built would be required to meet any growth of Midhurst, including the construction of new wells. Hydrogeological and geological studies will be required to determine optimal locations of new wells, however the treatment of raw water through the expansion of existing water treatment plants appears to present a cost-effective option to meet potential new demand.

The reports prepared on behalf of the MLG have been peer reviewed by Ainley Group and high-level findings presented to Council on July 2, 2025 suggest that more information is required to demonstrate the feasibility of the water and wastewater servicing solutions presented by the MLG at this stage.

In addition to the schedule of financial compensation and incentives offered by the City of Barrie in exchange for additional lands from Springwater to support Barrie's growth, one of key principles is the extension of water and wastewater services to the portion of Springwater outside the Barrie Proposal area. The Midhurst Water, Wastewater and Transportation ESR (March 2020) considered the option of servicing via Barrie, but this was rejected due to high costs associated with the undersized linear infrastructure at the north end of Barrie and the Midhurst option was therefore advanced. There is nothing to suggest that the City of Barrie has the ability to or is planning to accommodate growth beyond its own existing 2051 targets for water and wastewater servicing, as discussed below.

Barrie Wastewater Master Plan

On May 16, 2024, the City of Barrie issued a Notice of Study Commencement for updating its Wastewater Master Plan to determine the wastewater servicing requirements to accommodate that growth to 2051. Required to address Phase 1 and 2 of the Municipal Class Environmental Assessment process, the study is expected to be complete by end of 2025.

According to the City's website, the current study builds "on to the works completed as part of the 2019 master plans, the updated Wastewater Master Plan (WWMP) will address wastewater collection and treatment requirements in one document."

The WWMP 2051 study will:

- Assess the existing wastewater system to identify capacity constraints and opportunities for improvement;
- Ensure wastewater services meet the current and future community needs by providing long-term and integrated wastewater servicing strategies to 2051 and beyond; and
- Recommend future infrastructure projects that will provide the required wastewater service.

The study is based on Barrie's population growth projection of 298,000 residents and 150,000 jobs by 2051. This growth has been spatially allocated across existing Greenfield Development Areas and through intensification of existing built-up areas within Barrie.
The study does not anticipate any Settlement Area Boundary Expansion, nor does it account for additional population, service areas or infrastructure beyond the existing planned growth. There is no indication that there is projected or planned servicing capacity to meet the

wastewater servicing needs of neighbouring developments outside the municipal boundary of Barrie.

Following finalization of the WWMP 2025, a Public Information Centre is required which is likely to occur at the end of 2025 or during Q1 2026 before the WWMP is published for the 30-day public review period. While some near-term infrastructure design improvements, such as upsizing existing pipes is anticipated as part of the study and can be implemented without the need for further assessment under the Municipal Class Environmental Assessment ("MCEA") procedures, major upgrades to wastewater treatment plant infrastructure and any significant new infrastructure with potential for environmental impacts must proceed under the full planning and documentation procedures through Schedule C described in the MCEA. Depending on the complexity of the project and the level of public engagement and review, this type of Class EA can take several months to a few years.

Barrie Water Master Plan

Similar to the process described above for the WWMP, Barrie has engaged GHD Engineers to update the 2019 Water Supply Master Plan ("WMP") and the Water Storage and Distribution Master Plan to accommodate the planned growth of 298,000 people and 150,000 jobs by 2051.

The WMP will:

- Assess the existing drinking water system to identify capacity constraints and opportunities for improvement;
- Ensure water services meet the current and future community needs by providing long-term and integrated water servicing strategies to 2051 and beyond; and
- Recommend future infrastructure projects that will provide the required water service.

Again, there is no indication that the WMP will consider the provision of any water supply beyond the 2051 growth projection for Barrie or anticipate infrastructure or the delivery of water supply to areas beyond the existing municipal boundary. In a presentation to Council on July 2, 2025, Watson & Associates noted that that there is a current lack of information on the feasibility of servicing any expansion lands within Springwater.

The MLG studies and reports indicate that servicing infrastructure already planned and or under construction has capacity to serve additional growth in Midhurst with some upgrades. Subject to the scale of the upgrades and types of new infrastructure, leveraging investments in existing systems may be quicker in terms of study, design and permitting than any services that Barrie might be able to offer. While more detailed study into the feasibility of servicing through Midhurst Infrastructure Campus is required, to eliminate uncertainty about servicing new growth areas in Springwater, the Township may better protect its existing and future residents and businesses by delivering and managing its own municipal services by working in partnership with the MLG.

8. Township-led Official Plan Amendment

Subject to the conclusions and recommendations of the WSP Growth Management Strategy, the Township may decide to proceed with the SABE to add lands to the Midhurst Secondary Plan Area. As previously mentioned, the PPS provides the framework for evaluating such proposals, specifically, policy 2.3.2.1 establishes seven tests that must be considered as follows:

> *"In identifying a new settlement area or allowing a settlement area boundary expansion, planning authorities should consider the following:*
>
> *a) the need to designate and plan for additional land to accommodate an appropriate range and mix of land uses;*
>
> *b) if there is sufficient capacity in existing or planned infrastructure and public service facilities;*
>
> *c) whether the applicable lands comprise specialty crop lands;*
>
> *d) the evaluation of alternative locations which avoid prime agricultural areas, and where avoidance is not possible, consider reasonable alternatives on lower priority agricultural lands in prime agricultural areas;*
>
> *e) whether the new or expanded settlement area complies with the minimum distance separation formulae;*
>
> *f) whether impacts on the agricultural system are avoided, or where avoidance is not possible, minimized and mitigated to the extent feasible as determined through an agricultural impact assessment or equivalent analysis, based on provincial guidance; and*
>
> *g) the new or expanded settlement area provides for the phased progression of urban development."*

Each of these tests will require review with respect to the SABE lands as part of a Township initiated Official Plan Amendment, which can be started immediately with the preparation of a Terms of Reference and establishment of a Technical Advisory Committee, including representatives from Simcoe County, the Agricultural Advisory Committee and other Township Committee's together with key stakeholders.

9. Summary

Future anticipated changes to the *Planning Act* mean that the County of Simcoe may no longer have planning authority for the lower tier municipalities, including Springwater. In anticipation of this, the Township may choose to adopt the 2051 growth targets in the County OP but is likely to have greater flexibility to establish targets for growth areas and future settlement expansions based on its own land needs analysis. The GMS for Springwater is expected to be finalized by the end of 2025.

Regardless of the Township's decision with respect to the annexation of lands to the City of Barrie, there is a strong case to expand the Midhurst Secondary Plan Area, as demonstrated by the extensive studies prepared on behalf of the MLG. The MLG has a history of working closely with the Township to invest in infrastructure and develop Midhurst as a thriving new community and has presented a compelling land use planning case backed up by technical solutions that support its expansion.

A SABE can be considered at any time without an MCR. Landowners can also apply to expand an urban boundary at any time and without a limitation on expansion size, however, it is recommended that, subject to confirmation of land needs, the Township undertake an Official Plan Amendment to bring forward a SABE pursuant to Section 21 of the *Planning Act*.

The future growth of Midhurst is not dependent on water and wastewater services from the City of Barrie and a local servicing solution ensures better continuity of service and allows the Township to make decisions regarding servicing allocation.

By planning for the growth of Midhurst in a logical, phased manner and working in partnership with the MLG, Springwater can commit to a 30-year plus supply of housing and employment lands to support municipal and provincial priorities.

Springwater has an opportunity to assist the City of Barrie in achieving its growth targets without compromising its own planning objectives.

The Office of the Provincial Land and Development Facilitator has encouraged full participation in the discussions concerning the Barrie Proposal which affords the Township an opportunity to advocate for provincial approval of its own growth and the SABE of Midhurst.

Based on the materials reviewed, the expansion of the Midhurst Secondary Plan Area appears to present a logical and viable pattern of growth that leverages the investments in existing infrastructure, optimizes the locational advantages in proximity to an existing urban centre and 400 series highway and represents a good planning strategy.

Respectfully submitted,

LOOPSTRA NIXON LLP

[redacted]

Quinto M. Annibale
Partner

[redacted]

Sally Campbell RPP. MCIP. MRTPI
Land Use Planner



SCHEDULE "E"

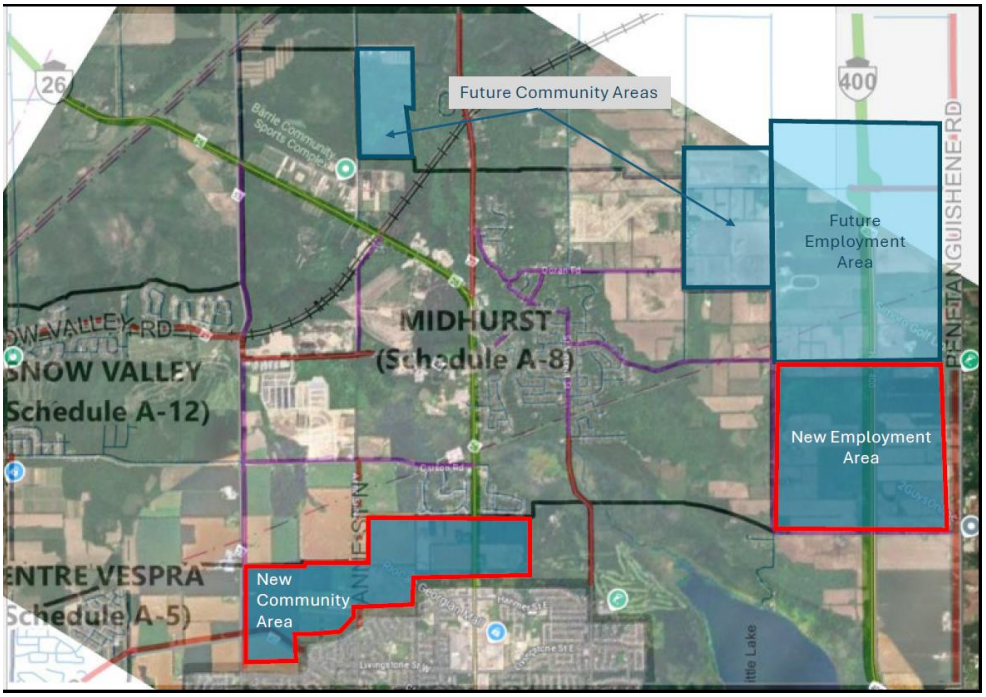
PROPOSED "ROUNDING OUT" LANDS

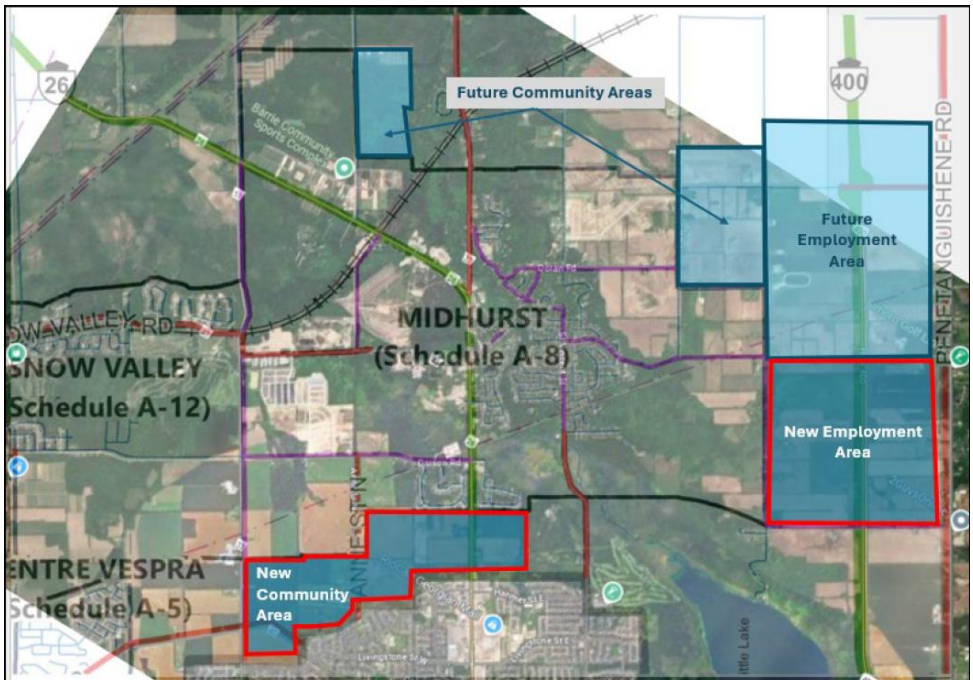




SCHEDULE "F"

PROPOSED "FUTURE DEVELOPMENT POTENTIAL" LANDS





SCHEDULE "G"

PROPOSED LITTLE LAKE LANDS



SCHEDULE "H"

PROPOSED HOSPITAL LANDS

