

**THE ISLAND REGULATORY AND
APPEALS COMMISSION**

Prince Edward Island
Île-du-Prince-Édouard
CANADA

IN THE MATTER of a proposal to restructure
the Town of Stratford pursuant to section 15
of the *Municipal Government Act*, R.S.P.E.I.
1988, c M-12.1.

J. Scott MacKenzie, Q.C., Chair
Erin T. Mitchell, Commissioner

REPORT

IN THE MATTER of a proposal to restructure the Town of Stratford pursuant to section 15 of the *Municipal Government Act*, R.S.P.E.I. 1988, c M-12.1.

Contents

- I. BACKGROUND 1
 - A. General Overview 1
 - B. Commission Recommendation 1
- II. LEGISLATIVE AUTHORITY 1
 - A. Role of the Commission..... 1
 - B. Factors considered by the Commission 2
- III. THE PROPOSAL..... 2
 - A. Compliance with the Act 2
 - Background to Proposal 2
 - Stable base of economic activity..... 3
 - Value of annexation to affected persons 4
 - Ability and capacity to meet the needs of residents 5
 - Financial viability of the Town 6
 - Vision of services for current and future residents 7
 - Ability of other municipalities to expand their boundaries..... 8
 - Land use planning 8
 - Proposed boundary is capable of definition 9
- IV. CONCLUSION..... 10
- V. INDEX TO APPENDICES 11

I. BACKGROUND

A. General Overview

1. On January 15, 2021, the Island Regulatory and Appeals Commission (the “Commission”) received a proposal pursuant to section 15 of the *Municipal Government Act*¹ (the “Act”) from the Town of Stratford (the “Town”) to annex two parcels of land, being part of PID#608141 & PID#814095 (the “Parcels”), located in the unincorporated community of Bunbury bordering the Town (the “Proposal”).²
2. The Town is in the midst of developing a “Community Campus” initiative which would include land for town recreational facilities, fields and courts, and a new high school. Approval of the Proposal is necessary for this initiative to proceed. The Proposal was initiated with the support of the current landowners.³
3. Public notice of the Proposal was issued by the Commission on February 18, 2021.⁴ The Commission did not receive any responses to the Proposal from members of the public. As no public responses were received and the Minister of Fisheries and Communities⁵ did not order the Commission to hold a public hearing,⁶ the Commission could not⁷ – and therefore did not – hold a public hearing.⁸

B. Commission Recommendation

4. The Commission recommends approval of the Proposal without modifications.

II. LEGISLATIVE AUTHORITY

A. Role of the Commission

5. The role of the Commission with respect to a proposal to restructure a municipality is strictly advisory in nature. The Commission is tasked with making recommendations to the Minister in accordance with its obligations under the Act and the *Principles, Standards and Criteria Regulations* (the “Regulations”).⁹

¹ RSPEI 1988, c M-12.1.

² **Tab 1.**

³ *Principles, Standards and Criteria Regulations*, PEI Reg EC750/17, s.14(c) (the “Regulations”). See Samantha J. Murphy, “Town of Stratford Community Campus Municipal Restructuring Proposal” (January 8, 2021) (“Murphy”), Appendices D & E- **Tab 1.**

⁴ **Tab 2.** As required by section 16 of the Act, notice of the proposal was published in The Guardian newspaper and in physical locations around the Town, including the Stratford Town Hall, Stratford Murphy’s Pharmacy, Stratford Sobeys, Stratford Credit Union, and the Stratford Esso. Notice was also provided to the Federation of Prince Edward Island Municipalities and the Minister.

⁵ Hereinafter the “Minister”.

⁶ Act, s.17(4)(b).

⁷ Act, s.17(4)(a).

⁸ Under section 17 of the Act, the Commission may only hold a hearing where an objection has been filed with it, or pursuant to a ministerial order where the Minister has determined there is significant public interest in the matter. See Act, s.17(4).

⁹ PEI Reg EC750/17. The factors considered by the Commission in making its recommendation to the Minister are listed in section 19 of the Act.

6. The Minister may accept, modify, or reject the Commission's recommendation.¹⁰ The final determination with respect to a proposal to restructure a municipality rests with the Lieutenant Governor in Council.¹¹
7. This is the tenth proposal to restructure or establish a municipality considered by the Commission under the Act.¹²

B. Factors considered by the Commission

8. In making its recommendations to the Minister, the Commission has considered the Proposal in accordance with the Act¹³ and Regulations.¹⁴

III. THE PROPOSAL

A. Compliance with the Act

9. The Commission finds that the Proposal complies with the technical requirements of the Act and Regulations, including the fundamental principles found in section 2 of the Regulations.¹⁵
10. The Proposal was extensive, and included a lengthy submission¹⁶ and supporting documents.¹⁷ This information greatly assisted the Commission in making its recommendation to the Minister.

Background to Proposal

11. The Town has decided that "new and enhanced recreational facilities" are a priority for public investment and has developed a "Community Campus" initiative (the "Community Campus") which, if completed, will house new recreational facilities and a high school. The Town has identified a site for the Community Campus and entered into agreements to acquire various properties.¹⁸
12. The Proposal seeks to bring the Parcels, totaling approximately 61 acres, within the Town's boundaries to enable development of the Community Campus.¹⁹
13. The rationale for the Proposal is explained by the Town's consultant, Samantha J. Murphy ("Murphy"), as follows:

¹⁰ Act, s.20.

¹¹ Act, s.21.

¹² Three Rivers, Town of Kensington (x2), Central Prince, North Shore (x2), Wellington, West River and Kinkora.

¹³ Act, s.19(2).

¹⁴ Regulations, s.13.

¹⁵ Act, s.15(5); Regulations, ss. 2, 13 & 14.

¹⁶ Murphy – **Tab 1**.

¹⁷ Filed documents included a covering letter, a duly executed Form MGA-MR-1, a lengthy submission prepared by certified planner Samantha J. Murphy, a map of the proposed boundary, the Town's most recent approved Financial Plan, a Town resolution regarding the Community Campus project, the Town's most recent approved financial statements, and a resolution in support of the Proposal. See **Tab 1**.

¹⁸ The Town has entered into agreements to purchase approximately 170 acres of land.

¹⁹ PID 608141 totals 60 acres. PID 814095 totals 0.57 acres. See Murphy, p.1 – **Tab 1**.

After study, the Town identified an appropriate site for the Community Campus and entered into purchase and sale agreements to acquire the properties. A portion of the land identified by the Town is located beyond the Town's boundary along the Bunbury Road. In order to proceed with the Community Campus, the Town and the landowners, 101523 P.E.I. Inc., are first applying to restructure the Town's boundary through the annexation of two properties – the portion of PID 608141 not currently located within the current boundaries and an adjacent property, PID 814095, located at 407-409 Bunbury Road. Parcel 814095 is included in this application by virtue of its location in relation to parcel 608141 and does not form part of the Community Campus project or the proposed residential subdivision. Following the boundary change, applications will be made to the Town of Stratford regarding the zoning of all parcels involved in the Community Campus and remaining lands, which are intended to be developed by 101523 P.E.I. Inc. for residential use.²⁰

14. The Proposal explains that there are two primary projects arising out of this restructuring, being the Community Campus to be undertaken by the Town, and low density residential development of part of PID 608141²¹ that will be retained by its current owner.²²
15. A detailed explanation of the Community Campus is found within the Proposal.²³
16. The Proposal provides a lengthy explanation of the Parcels themselves, as follows:

Parcels 608141 and 1086107 are both large parcels (approximately 141 acres and 64 acres respectively) located on the eastern side of the Town, connecting existing residential neighbourhoods in the Bunbury area to the business park and residential neighbourhoods between Hollis Ave and the Trans-Canada Highway. Both are largely in agricultural use currently, with a wooded area at the southern end. Parcel 1086107, which is not involved in the restructuring application, is located between the Bunbury Road and Hollis Ave in the Business Park. Parcel 608141 is split by the Bunbury Rd, running east of the Duffy Road between Hamms Lane and the Bunbury Rd and south of the Bunbury Rd towards Hollis Ave, sharing a mutual boundary with Parcel 1086107. Both parcels contain watercourse or wetland features (Bouyer Creek), feeding into the Hillsborough River system;...

The second parcel included in the restructuring proposal, PID 814095, is a smaller property featuring an existing duplex rental structure located at 407/409 Bunbury Road. Given the configuration of the northern portion of Parcel 608141, which wraps around and fronts on the Bunbury Rd east of PID 814095, it was deemed appropriate to include the property in the proposal, with the property owner's agreement...

Stable base of economic activity

17. The Commission is satisfied that the Town has a stable base of economic activity.²⁴ As the Proposal explains:

²⁰ Murphy, p.1 – **Tab 1**.

²¹ And PID 1086107, which does not form part of the Proposal as it is located within the existing Town boundaries.

²² For a detailed explanation of these projects, see Murphy at pp.3-4 – **Tab 1**.

²³ Murphy, pp.2-3 and Appendix B. See also the Town's website (Residents/Respect Stratford/Community Campus).

²⁴ Regulations, s.2(c).

Stratford has a strong base of economic activity, with a cluster of commercial activities at the Hillsborough Bridge entrance to the town, a cluster of commercial developments further along the Trans-Canada highway featuring a gas station, large grocery store, and other related commercial activities, and an established business park. The town is host to pharmacies and clinics, public and private recreation facilities, a range of retail and eating establishments, tourism-related businesses, and public administration and private sector office space.²⁵

18. The Proposal notes that Stratford is consistently among the fastest growing municipalities in Prince Edward Island.²⁶ The Town has experienced population growth of 13.2% between 2011 and 2016, while the number of dwelling units increased over that time period by 16.8%. The Town estimates that its population has since passed 11,000.²⁷
19. The Town submits that the Proposal will allow for additional development, enhanced services, and commercial expansion in the Town's business park. For example, it notes that the business park currently has only 16 acres remaining for development. By moving the Town's current soccer fields to the Community Campus, the Town will free up an estimated 17 acres of "developable land" within the business park.²⁸
20. In sum, the Commission is satisfied that the Town has a stable base of economic activity and that the Proposal is intended to grow this base.

Value of annexation to affected persons

21. The Commission finds that the Town has demonstrated that the annexation has value to its residents.²⁹ The Proposal included a statement of public benefits, as follows:

The proposed annexation offers several benefits to the Town and its public. First and foremost, the acquisition of land for the proposed high school will respond to a long-standing desire on the part of the Town and residents to see a new high school. The Province has allocated \$42.1M, including the latest funding announced in its 2020 Fall Capital Budget, for the project but has indicated that it is now waiting for the Town to proceed with the acquisition of the required land before moving forward any further on the project.

The other significant benefit of the annexation is the associated Stratford Community Campus. While the campus remains at the concept stage, it is expected to include a range of recreational facilities, including trails, a possible rink, the relocation of existing soccer fields from the Business Park, and other facilities (see Appendix B for concept details). The details of the project will be further developed following the resolution of the restructuring process, but several public engagement exercises have already been undertaken (Appendix A provides a summary of engagement activities related to the project).

The negotiations to acquire the land for the Town has also resulted in an interest on the part of the current owners to develop the retained portions of their properties for residential uses, and the Town also intends to transfer just over 26 acres to the

²⁵ Murphy, p.10 – **Tab 1**.

²⁶ Murphy – **Tab 1**.

²⁷ Murphy, Appendix C: Demographics and Technical Data – **Tab 1**.

²⁸ Ibid.

²⁹ See Regulations, s.13 and s.11(b)(iii).

*Stratford Business Park at the southern end of the properties for the expansion of the Business Park.*³⁰

22. The Proposal summarizes the proposed benefits of the annexation to the Town's residents as follows:
- *enable the proposed Stratford Community Campus initiative, including a new provincial high school;*
 - *increase future residential development, contributing to the alleviation of existing housing pressures;*
 - *increase economic development opportunities in the Business Park, attracting jobs and investment opportunities to the town, which will have far-reaching positive impacts on the community;*
 - *provide for more sustainable and environmentally sensitive growth by enabling increased residential development on shared services;*
 - *moderately increase the Town's property tax base, particularly in the business park area, offsetting service demand related to new development and enabling the provision of enhanced services and the development of additional programs and initiatives;*
 - *facilitate the expansion of the Town's water and sewer utility; and*
 - *extend land use planning to two properties not currently protected by comprehensive land use planning.*³¹
23. The Proposal also – rightly – notes some potential negative “implications”, including the future cost associated with facility construction, planning complexity, and decreased land availability for agricultural activities.³²
24. In sum, the Commission agrees with the Town that the Proposal provides a range of public benefits to its residents, and the Proposal adequately explains the value of annexation to the Town.

Ability and capacity to meet the needs of residents

25. The Commission is satisfied that the Town has the ability and capacity to meet the needs of the affected persons.³³ This includes the administrative and technical abilities to meet those needs.
26. The Town estimates that the Proposal will result in “an estimated 60-65 new residents in the Duffy Road area” and an estimated 100 new residents “through the subdivision of Parcel 1086107 once the larger project moves forward”. The Proposal states, in part:

[E]xisting services are adequate to support those residents and any infrastructure costs would be offset by additional tax revenues. The increase in population would be in the 1-2% range, with the additional area representing a 1.2% increase in land mass. The new residential developments (annexed land plus portion of PID 1086107) could yield between 63-70 new residential units, depending on final lot configuration. Additional municipal parkland and recreational spaces would also

³⁰ Murphy, p.8 – **Tab 1**.

³¹ Murphy, p.14 – **Tab 1**.

³² Ibid.

³³ Regulations, s.2(a).

be created as a part of the proposed subdivisions, in accordance with the Town's parkland dedication requirements.³⁴

27. The Commission is also satisfied that the Proposal will support ongoing municipal functions, including water and sewer services, enhanced economic development, education facilities, and residential development:

[T]he proposed annexation is directly related to the support of ongoing municipal functions, facilitating future residential development, and meeting the Town's goals of expanding economic opportunities and local municipal services. Coordination with the Province will enable to enable (sic) the siting of the new school within Town boundaries, a significant priority for the local community.

The future residential development enabled under this initiative would help to alleviate current housing pressures, and given the location of the properties, in a central and connected form. Both water and sewer services run along the Bunbury Road, currently stopping at the Duffy Road. The location of the future residential development would facilitate the efficient extension of existing water and sewer services and connectivity through the central areas of the town, avoiding premature development leapfrogging over non-residential areas to areas where central servicing would be cost-prohibitive, and reducing the pressure for unserviced development beyond the Town's boundaries.³⁵

28. The Town is well-staffed, has a dedicated chief administrative officer and a number of departments which provide services to its residents, including infrastructure and planning departments.³⁶ It is clear to the Commission that the annexation of these Parcels will not negatively impact the Town's abilities to meet the needs of its residents.³⁷

Financial viability of the Town

29. Having reviewed the Town's 2020-2021 budget and consolidated financial statements, the Commission is satisfied that the Town is presently financially viable and that the Proposal will not hinder the Town's viability.³⁸

30. The Town has provided a breakdown of the immediate and future costs of the proposed restructuring (including the Community Campus and future residential development).³⁹ The Town has indicated that it will fund the land acquisition and Community Campus through borrowing, the sale of land to the province, and "increases in a number of tax rates in 2020 and 2021".⁴⁰ With respect to financial viability, the Town submitted:

The proposed restructuring will not substantially alter the financial viability of the Town of Stratford. The municipality is financially healthy, with a strong assessment base and sufficient revenue streams to accommodate the new properties. Any new servicing costs will be offset by the increased assessment and capital investments

³⁴ Murphy, p.9 – **Tab 1.**

³⁵ Murphy, p.12 – **Tab 1.**

³⁶ Town of Stratford website (<http://townofstratford.ca>)

³⁷ The Commission notes that in making its recommendation to the Minister under the Act, it is not tasked with considering the merits (positive or negative) of the Community Campus. Rather, the Commission's focus is on the annexation of the Parcels, in light of the statutory criteria established by the Act and Regulations.

³⁸ Regulations, s.2(b).

³⁹ Murphy, p.9 – **Tab 1.**

⁴⁰ Murphy, p.10 – **Tab 1.**

for the Community Campus will be undertaken over time as financial capacity and funding programs permit. Infrastructure costs relating to the residential subdivisions will be the responsibility of the developers. A conservative estimate of the increase in residential assessment would be \$20M. Additional commercial assessment would be generated through the expansion of the business park, estimated to be around \$5.3M.⁴¹

Vision of services for current and future residents

31. The Regulations require the Commission, in making its recommendation to the Minister, to consider if the Proposal demonstrates that the Town has a vision of the services it intends to offer to its residents.⁴² The Commission is satisfied that the Proposal demonstrates this vision, both short and long-term.
32. With respect to short-term planning, the Proposal addresses roadway access, water and sewer infrastructure, and recreational services.
33. The Proposal explains roadway access to the Parcels:

The proposed residential development on the northern portion of Parcel 608141 would be accessed from a new street that is expected to connect to the Duffy Road in the vicinity of Birch Woods Lane.

The area to be acquired by the Town would be accessed by a new entrance on the Bunbury Road, as well as from a right of way parcel currently owned by the Stratford Business Park Corporation off Hollis Ave, which would facilitate the creation of new business park lots. Future access may also be created from the Mason Road at such time as PID 190058 to the east of the Mason Road (currently zoned R1) is developed. The extent to which the various future uses would be connected internally would be determined during the final concept design stage.⁴³

34. The Proposal also explains that the existing water and sewer infrastructure that currently ends at the Duffy Road would be extended to the new residential and institutional developments.⁴⁴
35. Further, the Proposal explains that the Community Campus will supplement existing recreational and other services, provide for expansion to the business park to increase commercial and economic activity, and states that the existing pedestrian and trail network currently running along Hollis Avenue “is expected to be extended through the area as it develops”.⁴⁵
36. From a long-term perspective, the Proposal addresses community and educational services and facilities,⁴⁶ housing,⁴⁷ and economic development and business park capacity.⁴⁸ The Town’s long-term vision is summarized in the Proposal, as follows:

The proposed municipal boundary adjustment would facilitate a planned approach to enhancing community services, as well as increasing the land mass available

⁴¹ Murphy, p.9 – **Tab 1**.

⁴² Regulations, s.2(e). See also, Regulations, s.9(i) and s.11(b)(iv).

⁴³ Murphy, p.4 - **Tab 1**.

⁴⁴ Murphy, p.4 - **Tab 1**.

⁴⁵ Murphy, p.5 - **Tab 1**.

⁴⁶ Murphy, p.11 - **Tab 1**.

⁴⁷ Ibid.

⁴⁸ Murphy, pp.11-12 - **Tab 1**.

for residential development. The Town's acquisition of approximately 170 acres will enable the expansion of public services. The project concept is supported by a range of official plan objectives and policies regarding connectivity of active transportation networks, expansion of the Town's water and sewer infrastructure, supporting the mental, physical social well-being and health of residents through expanded recreation facilities and resources, continued economic development, the siting of a new school, the opportunity to expand the Town boundaries to accommodate efficient use of land resources, and the protection of local natural features including wetlands.⁴⁹

37. In sum, the Town has provided sufficient evidence to satisfy the Commission that it has a short and long term vision of services for its residents.

Ability of other municipalities to expand their boundaries

38. The Commission finds that the Proposal will have minimal to no impact on the ability of other municipalities to expand their boundaries.⁵⁰ As the Proposal explains:

The proposed restructuring will have minimal impact on other municipalities as the properties to be annexed are not adjacent to the neighboring municipalities. Should either Hazelbrook or Alexandra determine that a restructuring would support their ability to provide municipal services in the future, their efforts would not be hindered by this boundary adjustment as they are more likely to look to their neighbours to the east for discussions in this regard.

39. Given the location of the Parcels,⁵¹ the Commission is satisfied that approval of the Proposal will not prejudice the ability of other municipalities to restructure their boundaries, should they so desire.

Land use planning

40. A relevant consideration for the Commission – and the Minister – is land use planning for the proposed annexed lands and future land use in the area.⁵²
41. The Commission notes that the Town has an Official Plan and Zoning and Development Bylaw which provides a process for rezoning lands within the Town's boundaries. The Town indicates in the Proposal that it has issued a media release advising the public that applications will be made to rezone the remainder parcels as Single-Family Residential R-1. This rezoning process would have to be undertaken in accordance with the process outlined in the Town's Zoning and Development Bylaw.⁵³
42. Additionally, and as explained in the Proposal, the Parcels are located within the Stratford Region Special Planning Area established pursuant to the *Planning Act Subdivision and Development Regulations*. The Proposal clearly states the Town's proposed course of action to adjust its boundary while satisfying the requirements of the *Planning Act*, as follows:

⁴⁹ Murphy, p.11 - **Tab 1**.

⁵⁰ Regulations, ss.2(d) & 9(h).

⁵¹ See Map, **Tab 3**.

⁵² Regulations, s.11(b)(ii).

⁵³ Murphy, p.5 - **Tab 1**.

Even with an adjusted boundary, the annexed parcels will be subject to the SPA regulations, unless the regulations are amended. Under subsection 63(4) of the SDRs, the subdivision of existing parcels is limited to one single lot, which may be used for one of the purposes listed in the subsection. Clause 63(5)(c) extends an exception to this limitation for, among other things, subdivisions for single-unit dwellings where central sewerage service or central water services or both are available and will be provided to all lots prior to the conveyance of any lot from the approved subdivision. This scenario would apply in the case of this initiative, as the proposed residential developments will be fully serviced. Even without an amendment to the SDRs to adjust the boundary of the SPA to match a new town boundary, the proposal will support and satisfy the objectives of the SPA, promoting orderly and well-planned development over time.

An additional alternative approach is enabled under subsection 63(10), which allows municipal planning authorities to amend their official plan and bylaws with alternate standards, provided the approach is consistent with the objectives set out in subsection (3), meets the minimum requirements of section 7 of the Planning Act, limits the number of unserviced lots in residential subdivisions to no more than 5 lots, and meets statistical reporting requirements.

While it is anticipated that the Town of Stratford will submit a request to the Lieutenant Governor in Council that Appendix A, Map 8, of the SDRs be amended to align with the new boundary, reflecting the annexation, the Town will, in the absence of such an amendment, explore the development of policies in accordance with subsection 63(10) that are consistent with the objectives set out in 63(3).⁵⁴ [emphasis added]

43. While the Commission is satisfied that the Town is well-positioned to address future development of the Parcels in accordance with the processes set out in its Development Bylaw, the Commission does recommend that the Minister work with the Town to ensure compliance with the *Planning Act* and its regulations, as they pertain to the Stratford Region Special Planning Area.

Proposed boundary is capable of definition

44. The proposed boundary is capable of definition and the Commission recommends its approval. A map outlining the proposed boundary is attached to this report at **Tab 3**.

⁵⁴ Murphy, p.13 - **Tab 1**.


IV. CONCLUSION

45. The Commission has considered the Proposal in accordance with its obligations under the Act and Regulations.

46. The Commission recommends approval of the Proposal.

DATED at Charlottetown, Prince Edward Island, Tuesday, March 30, 2021.

BY THE COMMISSION:



J. Scott MacKenzie, Q.C., Chair



Erin T. Mitchell, Commissioner

V. INDEX TO APPENDICES

TAB

- 1 Proposal
- 2 Notice of Proposal
- 3 Map of affected area