

REPORT OF THE CHIEF ADMINISTRATIVE OFFICER RE. RESIDENTIAL DEVELOPMENT ON AND NEAR ESTEN LAKE

OBJECTIVE

To provide Council with information re. proposed residential development on and near Esten Lake.

RECOMMENDATION

Whereas the city is experiencing an acute shortage of housing and unprecedented low vacancy rates and

Whereas residential / waterfront development is a key economic development opportunity with proven economic results and

Whereas the city presently owns to the high water mark land on the eastern end of Esten Lake and

Whereas not only waterfront but serviced rural estate lots is another key potential development opportunity, therefore be it resolved that

City administration be directed to pursue development of waterfront and estate lots in the Esten Lake area including the planning and regulatory processes and public / indigenous consultation where required.

Respectfully Submitted



Daniel Gagnon
Chief Administrative Officer

BACKGROUND

Over the past 24 months, the city is seeing a significant housing shortage, rising real estate values and unprecedentedly low vacancy rates at Elliot Lake Retirement Living and other landlords. The pandemic has only accelerated the trend.

The City owns hundreds of acres of land adjacent to the city core, relatively close to municipal water, sewer and fire protection services. Some of these lands include waterfront land to the high water mark on area lakes (Esten, Nordic, Slipper).

A significant portion of the eastern end of Esten Lake is municipally owned, designated in the Official Plan as Rural and Parkland. Years ago, Esten Lake was reviewed for cottage lot style development with septic systems and has had preliminary environmental and archaeological work completed.

ANALYSIS

There remains a very strong demand for waterfront and estate lots (lots where a homeowner will have somewhat larger parcel of rural land but not on water).

Developing new residential lots for economic development purposes remains a key opportunity to expand the tax base and support local builders and the entire local and regional economy.

The concept proposed is outlined below and in the attached preliminary map.

23 waterfront lots:

- 200 ft. frontage x 320 ft. deep
- 1.7 acres / lot
- estimated sale price min. \$130,000

28 estate lots:

- 400 ft. frontage on a municipal road x 400 ft. deep
- 2.7 acres
- estimated sale price min. \$150,000

Potential revenue from the lots sales is approx. \$7.2 million

Preliminary cost estimates are approx. \$8M in road and servicing costs (however that is based on the assumption of zero grants for the road and servicing costs).

Estimates to date are very preliminary until Council can re-affirm direction to proceed with the concept. Considerable research and studies are needed to pursue this opportunity and costs will be refined over time.



A minimum of one year of planning and studies will be needed. The significant regulatory steps are summarized below. If Council endorses the concept, staff will return in due time with more detailed reports and refined costs for the various steps. Many of these steps will require public consultation processes (including outreach to indigenous neighbours for environmental and archeological studies).

- Official Plan Amendment: needed to bring the subject lands into the Settlement Area Boundary
- Zoning Bylaw Amendment: to permit residential development
- Municipal Class Environmental Assessment (for water/sewer servicing etc)
- Completion of land use compatibility studies (given the proximity to the Waste Water Treatment Plant and municipal landfill)
- Archeological and environmental studies

Important Notes to Keep in Mind:

- This potential development is not governed by the *City of Elliot Lake Act, 2001*. The Act and the Elliot Lake Residential Development Commission (RDC) are only to be used for land acquired from the Crown for waterfront development as part of the pilot project with the MNRF.
- The subject lands are already owned by the municipality and there is no need for Crown land acquisition via the MNRF. In that case, costs related to the potential Esten Lake development will be funded by the City directly and not the Waterfront Development Reserve (that reserve remains tied to the Elliot Lake Act and Crown waterfront projects).
- This concept maintains the Esten Lake boat launch for public use. The subject land is on the north shore of the lake to the west of the launch.
- There are constraints of logging activity in the general area and the former aggregate pit but they can be mitigated by good planning and infrastructure practices.
- The current concept is based on the assumption that the City is directly building the infrastructure and selling the lots to individual buyers. There may be an opportunity for a developer to take on a portion of the project. But this will only be fleshed out in the distant future. The regulatory processes will be required regardless.

FINANCIAL IMPACT

Staff will endeavour to close the preliminary gap of revenues to expenses by the use of more refined cost estimates and strategic use of grants. That said, even a small capital loss should be seen more as an investment that would represent a net benefit to the local and regional economy and even municipal coffers in the long run.

Using the Kubursi Econometric Model (that the city uses to track the economic impact of initiatives), the development of 51 lots will create \$22M of construction activity and 10 person years of ongoing sustainable jobs after the construction is complete. A rudimentary review of taxes at \$5,000 / lot includes \$255,000 / year to the municipal treasury in perpetuity.



LINKS TO STRATEGIC PLAN

The recommendation aligns with the strategic goals of:

- Capitalize on opportunities for diversification and community growth and
- Support the local business community

SUMMARY

It is recommended that Council endorse the concept of residential development on and near Esten Lake and direct administration to begin the more detailed research and regulatory planning processes.

