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**Official Report  
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(Hansard)**

Wednesday 6 June 2001

**Journal  
des débats  
(Hansard)**

Mercredi 6 juin 2001

**Standing committee on  
regulations and private bills**

**Comité permanent des  
règlements et des projets  
de loi d'intérêt privé**

Chair: Frances Lankin  
Clerk: Douglas Arnott

Présidente : Frances Lankin  
Greffier : Douglas Arnott

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE  
ON REGULATIONS  
AND PRIVATE BILLS**

**COMITÉ PERMANENT DES  
RÈGLEMENTS ET DES PROJETS DE LOI  
D'INTÉRÊT PRIVÉ**

Wednesday 6 June 2001

Mercredi 6 juin 2001

*The committee met at 1007 in committee room 1.*

**CITY OF ELLIOT LAKE ACT, 2001**

Consideration of Bill Pr4, An Act respecting the City of Elliot Lake.

**The Chair (Ms Frances Lankin):** I call the meeting to order. The committee's apologies to the applicants and other participants who are here today for keeping you waiting.

The matter before the committee for consideration today is resumption of Bill Pr4, An Act respecting the City of Elliot Lake. I would like to ask the sponsor, MPP Mike Brown, and the representatives of the applicant, the Corporation of the City of Elliot Lake, to come forward, please.

Welcome. When we were here last week, you asked for one more week's adjournment so that you could have a meeting with the various ministries involved. I understand that meeting has taken place and that there have been some developments as a result of that meeting. If I may ask you once again to introduce yourselves for the record and if you would then please provide the information the committee needs so that we can continue our deliberations.

**Mr Michael A. Brown (Algoma-Manitoulin):** I'm Mike Brown with Troy Speck from the city of Elliot Lake and Virginia MacLean, who's acting on their behalf.

**Miss Virginia MacLean:** Madam Chair, I am speaking on behalf of my client, the city of Elliot Lake. We did have meetings last week and we had them in this room, which was kindly made available to us. As a result of that, we have a number of proposed amendments to the bill which we'd like to have the committee consider. I believe the representatives from the concerned ministries are also present here today to address the concerns of the committee.

**The Chair:** Would you like to give the committee a little bit of background about the deliberations with the ministries, what issues arose and what amendments and the purpose of the amendments that you are hoping will be moved, and then we will ask for representation from the parliamentary assistant and the ministries to address some of the committee's earlier broader policy concerns?

**Miss MacLean:** Although some of them are very much housekeeping amendments, one of the principal concerns was a concern expressed by the Ministry of Municipal Affairs and Housing, and it related to where the monies that were going to be used to purchase the property were coming from. They had concerns that tax dollars would be used to purchase the property and an amendment to the bill was proposed to limit the right of the municipality to use tax-paid dollars for the purchase of the property. That was the principal amendment.

The other ones that are contained in the package of materials before you are basically clarification housekeeping amendments, to tighten the bill. In particular, the ministry was concerned about the powers under section 7. It's just the wording has been tightened to make it clearer.

The financial risk issue, however, under subsection 2(5) was the principal concern that has been addressed.

**The Chair:** Mr Brown, as the sponsor, have you reviewed these amendments and are you comfortable with the—

**Mr Brown:** I haven't reviewed these amendments, but I was part of the conversation before the drafting, so I'm comfortable with what we're presenting here.

**The Chair:** Is there anything else, Ms MacLean, that you wanted to put before the committee before we ask for a ministerial—

**Miss MacLean:** No, that's all.

**The Chair:** Are there any other interested parties who have attended today from Elliot Lake, other than the ministry staff, who are here to present?

There is more. Just for the committee's information, then, there is a further submission from Mr Van Duin. Please just ensure that you've had a look at that before we continue our deliberations.

At this point, I'm going to ask Mr Kells if he could perhaps provide the committee with an overview of the joint ministry issues and then ask the representatives. While we're doing that, perhaps the applicants could step back and the representatives who are here from the Ministry of Natural Resources and the Ministry of Municipal Affairs could come forward so you're ready to answer any questions.

**Mr Morley Kells (Etobicoke-Lakeshore):** Nancy, would you, among others, join us at the table.

I believe the solicitor for Elliot Lake outlined the current state of affairs accurately. I would just like to review

where we've been. You will recall how the matter came up. Basically the two key issues are, and were, enabling this municipality to set up a corporation or a residential development commission to manage the development of land for residential purposes and enabling the municipality to act as a developer through the corporation.

After further consideration of the issue of limiting the potential precedent as proposed in this bill, the ministries and the applicant have now agreed on a number of amendments, as mentioned. The ambit of the bill is to be restricted to land bought from the crown. Other amendments address the issue of the municipal taxpayers' financial risk and clarify other matters. These motions will be explained at the appropriate time.

For the record, I would just like to read statements from two of the ministries, the first one being the Ministry of Northern Development and Mines. It reads:

"MNDM was given the opportunity to review the bill on three separate occasions and provided the Ministry of Municipal Affairs and Housing with our responses to the bill, MNDM has indicated that we recognize and are supportive of the important role that cottage lot development can play as an economic development initiative."

The letter is signed by Dan Newman, the minister.

Similarly, we have a statement from the Ministry of the Environment which reads as follows:

"Based on discussions with the Ministry of Municipal Affairs and Housing, it appears that the commission is a local board for the purposes of the Municipal Act. The Ministry of the Environment is satisfied that the Environmental Assessment Act will apply to the commission, based on the view that the commission is a local board and therefore a municipality under the Environmental Assessment Act.

"The current exemptions applicable to municipalities allow a municipality to undertake significant activities without being subject to the requirements of the Environmental Assessment Act and by requiring that a municipality follow an approved process only for specific aspects of a development project....

"In the Elliot Lake case there may be no significant aspects that are subject to any Environmental Assessment Act procedures; however, that can only be determined once the development commission has specific proposals for projects."

As mentioned, we have staff from the ministries here who will be pleased to answer any other questions.

**The Chair:** Could I ask the ministry staff to identify themselves for Hansard, please.

**Ms Nancy Bardecki:** I'm Nancy Bardecki from the Ministry of Municipal Affairs and Housing.

**Mr Mike Belcher:** I'm Mike Belcher from the Ministry of Natural Resources.

**Mr Dick Hagman:** My name is Dick Hagman from the Ministry of Natural Resources.

**The Chair:** Thank you very much for joining us today. I'm sure you've had an opportunity to review earlier Hansard and you have a sense of some of the concerns committee members raised at that time.

If I can just briefly try and encapsulate, I think the committee understood the very important role that this kind of cottage lot development could play in economic diversification for Elliot Lake and understood the unique circumstances historically and currently facing Elliot Lake.

I think the questions that arose were ones of the type of precedent that was being set by this legislation with respect to granting further powers to the municipalities and establishing business corporations, what that meant, how government viewed that. There was some representation that the ministry was in favour of moving in that direction in general. We may see down the road amendments to the Municipal Act of that nature.

There were also concerns about the precedent of disposition of crown lands and the mechanism of disposition of crown lands, how this would be consistent with current procedures, lottery mechanisms, various aspects like that. There may have been some other items that you have reviewed.

Would it be fair for me to ask you to comment on the nature of the bill, keeping those concerns in mind and perhaps giving the committee the benefit of the ministry's perspective on this bill? We'll start with municipal affairs.

**Ms Bardecki:** Thank you, Chair. Good morning.

An Act respecting the City of Elliot Lake does indeed establish some precedents with respect to municipal powers. However, ministry staff understand that additional protection provisions in the bill mean that the precedents address potential problems unique to the circumstances of Elliot Lake, or that some of the provisions could in effect act as a pilot project for changes to powers that are being considered as part of new municipal legislation. For these reasons, the ministry is neutral with respect to this bill; that is, we aren't objecting to it and we aren't supporting it. We are just relying on the committee to make its decisions.

I will just review some of our analysis for you. First of all, I'd like to say that a power similar to the power to be given to Elliot Lake through this bill to develop land for residential purposes already exists to some extent. Under the Housing Development Act, where there is an official plan with provisions or a policy statement relating to housing approved by the minister, among other things, a municipality may acquire, hold, survey and prepare and sell land for a housing project or housing purposes.

The bill allows the city to set up a corporation—I believe it's referred to as the commission—for the purposes of making profits through residential land development for vacation properties. Under present municipal legislation, municipalities do not have the authority to establish share capital corporations or undertake for-profit activities. Among the key reasons why such authority is not given are concerns that the corporations may act as a vehicle for bonusing, concerns that such corporations might undertake expenditures that would put taxpayers of the municipality at risk financially, concerns that such corporations might use tax dollars to

compete with taxpaying businesses in that municipality, and concerns that corporations aren't as accountable to the taxpayer as municipal councils should be. We think, though, that these concerns in this case are mitigated by other provisions in the bill and the specific circumstances for which the municipality of Elliot Lake wants to use these provisions.

With respect to the bonusing issue, the bill specifically establishes a trust account for the city money received from the sale of its residential development project lands and limits the money the city could use for economic development activity to the proceeds. Then, these proceed monies can only be used for things that the Municipal Act already allows municipalities to use them for for economic development purposes. At least, that's the way we read the bill. I hope that's the case.

With respect to financial risk, although not stated in the bill, we understand the municipality or the commission will not, for the purposes of this initiative, be expending a material amount of municipal resources or providing any guarantees. There are some specific prohibitions in the bill regarding guarantees—or at least in the proposed amendments. Further, the bill, as amended, doesn't permit any future tax or levy revenue to be used for the purposes of the commission.

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With respect to competition with the private sector, the proponents have assured the ministry that there aren't private sector developers out there wanting to develop this cottage property and, accordingly, there is no inappropriate competition with the private sector.

To address accountability issues, many of the provisions of municipal legislation which promote accountability apply to the commission, that is, this corporation that's set up for the development purposes. For example, the Municipal Conflict of Interest Act applies, and the commission's annual financial statements must be submitted to the municipal auditor. Council must approve the commission's budget. The commission's meetings may be open to the public, although the commission has significantly greater discretion to hold a closed meeting than council would have. The commission may close a meeting if, in its opinion, intimate financial or personal matters may be disclosed and the desirability of protecting against consequences of their public disclosure outweighs the desirability of holding the meeting in public. There's no ability to close a meeting dealing with the disposition of land in the relevant provision of the Municipal Act.

With respect to its projects to develop land in the city of Elliot Lake for residential purposes under the proposed bill, the city would be exempted from the disposition of land provisions in the Municipal Act, that is, sections 191 to 193 of the Municipal Act.

These provisions relate to the procedures that a municipality must follow when acquiring and disposing of land. They are intended to provide controls and accountability with respect to municipal dealings with the land in the normal course of their business. Although it's

not specifically restricted in the bill, the ministry understands that the land involved would not be land that the municipality acquires or disposes of in the normal course of its business. Further, in the amendments to the bill, it can only deal with land that is acquired from the crown. We think this provides a further protection.

With respect to planning matters, ministry staff don't believe that there's any precedent set. While the municipality may delegate to the commission, this development corporation, the preparation and/or submission of applications under the Planning Act, approval authority remains within the hands of the municipality or the ministry.

Provisions to allow municipalities to form corporations for certain specified purposes, subject to specified controls and accountability rules, are under ministry policy consideration for when new municipal legislation may be brought forward. I should say that cottage land development isn't envisaged as one of those specified purposes at this time; nonetheless it's possible that the experience with Elliot Lake's commission may be helpful in developing controls and accountability requirements that would be appropriate in the new legislation.

That's all municipal affairs would like to comment on right now.

**Ms Lankin:** Thank you very much. That was very, very helpful.

OK, Ministry of Natural Resources. Gentlemen?

**Mr Hagman:** Good morning, Madam Chair, members of the committee. My name is Dick Hagman, and I'm with the Ministry of Natural Resources. I work out of the Blind River area office, and I sit as a co-chair on the interministerial committee associated with the Elliot Lake waterfront development project. Other members of this committee include representatives of the Ministry of the Environment, the Ministry of Northern Development and Mines, the Ministry of Municipal Affairs and Housing, the Algoma Health Unit, Rio Algom and Denison Mines and the city of Elliot Lake.

The primary purpose of our committee is to guide the city of Elliot Lake through this project by identifying the planning and technical components, licensing, regulations, approvals and other interests each agency has in relation to their respective mandates.

It's a one-window committee to coordinate and review the process by which the city, as the proponent for this project, undertakes to implement cottaging development within the municipality. It also serves to identify efficiencies by which the city would benefit from having agencies at the table, working together. As an example, the Algoma Health Unit would bring to the committee its regulations and site-specific conditions for the approval of residential septic systems. At the same time, MNR identifies requirements under lake management planning in order to approve lakes for cottage development.

I understand the committee at its previous meeting on May 16 was interested in the process by which the city can acquire crown land for this project. The mechanism by which crown land can be made available for this

project is an exemption order that is made under the Environmental Assessment Act. It allows MNR to consider disposition of crown resources including crown land. It's commonly referred to as exemption order MNR 26/7. Before MNR can consider disposition of crown land, there are a number of steps which must be followed, including a screening process, public notification and input, to determine a level of significance a disposition may have on the environment.

The screening process considerations which the city as the proponent must satisfy include:

Does this proposed undertaking conflict with land use or resource management plans, other MNR policy statements, criteria and guidelines? Does it affect any unique, rare endangered species, habitat or physical features of the environment? Does it adversely affect fish populations or habitat, affect adjacent persons or property or persons or property not associated with the undertaking? Does it commit a significant amount of non-renewable resources? Does it conflict with other uses or potential uses of a significant natural resource? Does it result in a measurable and significant detrimental effect on air or water quality or on ambient noise levels for adjacent areas? Would it set a precedent or involve new technologies which would have a significant environmental effect now or in the future? Would it be a precondition to the implementation of another undertaking? Would it block views or adversely affect human health? Would it substantially change the social or economic structure of the community? What are the impacts upon first nations values? Would it substantially affect access patterns?

Those are the kinds of considerations and the screening process that the city is undertaking in order to have MNR consider a disposition of crown land. The exemption order also allows MNR to forward any proposed dispositions to the Ministry of the Environment for their consideration of whether or not the project should be designated under the Environmental Assessment Act. If in the opinion of the district manager of the Ministry of Natural Resources, a project may have significant adverse effects on the environment, it is the Ministry of the Environment's responsibility to decide whether the proposal would be referred to cabinet for possible designation under the act.

At this point in the project the city is working to address the screening criteria and public input received to date in order to allow the district manager to consider the environmental significance of this project and grant a disposition of crown land for the purposes of cottage development within the municipality of Elliot Lake or refer it to the Ministry of the Environment for further review.

Mike Belcher, the manager of the strategic lands initiative for the Ministry of Natural Resources will provide the committee with an update on the discussions to date with the city on the mechanisms by which crown land could be transferred to the city for this cottage development. I'd be happy to answer any questions the committee may have at this time.

**The Chair:** Perhaps we'll hear from Mr Belcher, and we might return for questions to all of you.

**Mr Belcher:** Good morning, Madam Chair and members of the committee. I've been asked to present to you the background with respect to the disposition of crown land to facilitate cottage lot development in the Elliot Lake vicinity. Generally speaking, the matter of disposition resides with the local district office and those dispositions must be approved by the local district manager. I was asked by the district to help facilitate this request for crown land, given the unique circumstances surrounding the possible sale of land to a municipality for development purposes.

The ministry's goal in managing crown land is to contribute to the environmental, social and economic wellbeing of Ontario through the sustainable development of natural resources. Achieving sustainable development means that decisions about development must be based upon careful consideration of all factors. It assumes a comprehensive assessment of environmental, social and economic effects, their interrelationship and relevance from a local, regional, national and even international perspective.

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Public land as a resource unto itself is a non-renewable resource. MNR will favourably consider disposition of public land to accommodate opportunities for social and economic development that are compatible with environmental and ecological integrity. That is why the role of the interministry committee on the review under our exemption order 26/7, which Dick Hagman just presented to you, is so critical in any final decision-making.

Economic growth and renewal through development and diversification is and has been an Ontario government objective for some time. The disposition of public land to facilitate development opportunities can stimulate investment, job creation and tax and non-tax revenue. The availability of public land can also be important to the social development of communities to accommodate infrastructure elements.

The crown, representing all the people of Ontario, should receive fair compensation when rights to public lands are disposed of. Revenue from the disposition of crown land go to the province's consolidated revenue fund and are used to provide essential public services such as health and education.

Response to clients' requests should be handled as competently as possible, having regard to the limited human resources available. Given our limited resources in some field offices and given my extensive background in land management, I was asked by the district to provide this assistance in this particular situation. This assistance has included meeting with town representatives three times over the past four years to discuss the transfer of crown land, should all other approvals and necessary requirements be met. These discussions are still ongoing and focus on the principle that the crown shall receive fair market value.

To determine this value and have a monetary value which the city could use to project a cost-benefit analysis, an appraisal was conducted at the request of MNR by a fee appraiser. The fee appraiser, Mr Hal Love of Appraisals North Realty in Sudbury, was hired. The purpose of the appraisal was to estimate current market value as if vacant and unimproved. The function of the report was to allow us to further explore transfer options with the municipality. I am not aware of any feasibility or demand study which would identify the demand in the marketplace or the respective consumers' expectancy of value levels.

This committee should also understand that the Ministry of Natural Resources is not in the development business and therefore future development risks and costs are the responsibility of the purchaser. Furthermore, in many communities across northern Ontario, expansion will usually encroach on to public lands. Based on the foregoing, it is the position of the ministry that any land sold would be on a foot-front basis, at the value as determined by the appraiser.

Madam Chair, this is my report and the extent of my involvement in this matter.

**The Chair:** Thank you very much, Mr Belcher.

Tom Melville is counsel with municipal affairs and housing and advises the parliamentary assistant in our committee. I'm just going to ask him for his review of the submission of the ministry and to place any comment he wishes on the record at this time.

**Mr Tom Melville:** I'm not being asked a specific question, but, if I may say so, you were asking about the new provisions in the Municipal Act that were related to the bonusing effect. Is that correct?

**The Chair:** In particular, the representations from the ministry that the provisions in this, the protection of bonusing, the protection of any disposition, being in accordance with other aspects of the Municipal Act. I think that was the statement that was made. There was I think a query to you that the ministry agrees with that. I just want to ensure that.

**Mr Melville:** Yes.

**Ms Bardecki:** I just wanted to make sure that I had interpreted the amendments to the bill that is proposed correctly, and if I didn't, please advise me and the committee.

**Mr Melville:** I don't disagree with anything that Nancy said. I'll just add a little elaboration on the potential bonusing aspects of the bill. Section 7 of the bill allows the proceeds of the commission, that's the new corporation, to be used in accordance with existing provisions in the Municipal Act. There is an amendment that addresses that.

To summarize, one provision refers to section 113, which is an existing provision in the Municipal Act allowing municipalities to make grants subject to the bonusing rules. The other two refer to existing corporations and the powers that municipalities have. They can set up two kinds of corporations that are referred to under the Municipal Act. One is called a community

development corporation, and there are certain limited powers that municipalities have to give funds to those corporations now. The provision that's proposed for the committee with the motion would allow the commission's proceeds to be transferred to that type of corporation and consistent with the existing rules.

**The Chair:** Thank you very much. Committee members, are there questions of either the applicants or the ministry? So let's begin with the ministries that are here at this point.

**Mr Raminder Gill (Bramalea-Gore-Malton-Springdale):** One of the questions, and you might have answered it, is I suppose from the Ministry of the Environment's point of view. There was some concern about the sulphur loading I believe, if I call it correctly. I'm sure we've looked at that. Any comments on that, any one of you?

**Mr Hagman:** Sulphur loading?

**Mr Gill:** Yes.

**Mr Hagman:** It may have been in reference to phosphorous, and one of the requirements in the lake management planning process is to look at the water quality and a model commonly referred to as the Dillon's model. It uses spring phosphorous levels that are measured to determine development capacity on lakes without substantially affecting water quality.

**Mr Gill:** How many lakes were originally looked at, and then what have you narrowed down to? Anybody can answer that.

**Mr Hagman:** Initially the city looked at—I can't recall the exact total; I think it was in the neighbourhood of approximately 70 lakes, both within the municipality and outside the municipality in unorganized area. From that initial list, it's been reduced and is now down to 11 lakes that are being proposed for waterfront development.

**Mr Gill:** And this will be limited to only 11 lakes, or is it giving blanket approval for future development as well? Anyone can answer that.

**Mr Hagman:** Certainly, if the city is interested in other lakes, they would need to undertake a similar process on new lakes, lake management planning and public consultation, if they wish to consider additional waterfront development down the road.

**Mr Gill:** Would they have to then perhaps come in with a new bill, or are we saying we're giving them all the authority and then they can just go ahead and increase their usage?

**Mr Hagman:** I don't see that process tied directly to the bill. The bill relates to powers the municipality is requesting or seeking to have a commission set up to develop these waterfront properties. I suspect that if the bill passes and the commission is set up in the future, if additional lakes or water bodies are considered for waterfront development, the commission could undertake that.

**Mr Gill:** These monies, are they going to be used strictly for economic development? Are we making an amendment to that?

**The Chair:** Perhaps the parliamentary assistant may want to just touch on the nature of that amendment, because it was an issue that I think has been raised and a concern that perhaps is satisfied by the proposed amendment.

**Mr Kells:** I can give a general answer to the honourable member. At the meeting last week, where many of these concerns you're re-enunciating were discussed, the ministries and the representatives from the city and legal counsel met in here after our meeting and covered pretty well all those areas. The amendments that we hope the government member will move are the amendments that were agreed upon and that work to solve any of the concerns that had been expressed at the committee level previously.

**The Chair:** Ms Bardecki, I understand from your representation today that the proceeds of disposition of any lands by the city of Elliot Lake would be used only for economic development purposes and only those purposes consistent with the Municipal Act. Is that correct?

**Ms Bardecki:** Certainly the proceeds of these projects, after the city's costs are covered, may be used for economic development purposes and they must be used in a manner that's consistent with the provisions in the Municipal Act as they relates to bonusing and other issues. But I'm not entirely sure that the municipality is restricted from using the proceeds for other purposes allowed within the Municipal Act, although Mr Melville might be able to add to that.

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**The Chair:** Mr Melville, could you answer that question for us?

**Mr Melville:** I would say the proceeds are not limited to economic development purposes. Under section 113 of the Municipal Act, municipalities can make grants for any purpose that's in the interests of the municipality, subject to the bonusing provisions, as I mentioned in my previous answer.

**The Chair:** Does that answer your question, Mr Gill? Is there anything further that you had at this time? OK. Other committee members, any questions for the ministry?

If I may, Mr Hagman and Mr Belcher, the disposition of crown lands: there's two stages here. I think you've described the process by which the crown would transfer lands to the corporation that's being established by the city of Elliot Lake. Is there any condition that you're placing on them in terms of how they make those cottage lots available to the public? I think one of the questions I heard in the previous week was the fairness in terms of the general public's access to crown land, the lottery system that is often used. What discussions have taken place and what is your opinion about the general public's access to these crown lands?

**Mr Belcher:** When the Ministry of Natural Resources sells lands, it can sell lands through public offerings, direct offerings or restricted offerings.

**The Chair:** Would you just briefly describe the differences among those for us?

**Mr Belcher:** Sure, and just to back up one step further, section 2 of the Public Lands Act gives the Minister of Natural Resources that statutory authority to make those sales.

Public offerings can be on a first-come, first-served basis. It can be a request for proposals, an RFP, put out. It can be a public tender. It can be a public auction, a public draw or it could be listed. Most recently we've moved into the new world of listing with private real estate companies for sales of land.

Each method that is determined is weighted by the interest in the area, the demand and the supply. In this particular instance—and it's not uncommon for the Ministry of Natural Resources to sell land to municipalities; it's quite common—there will be a direct sale to the municipality at fair market value. Based on the fair market value principle, then, that municipality would gain title through patent—through a deed, a transfer—from the Ministry of Natural Resources for a block of land. That is how we envision this. At that time, then, the land may be developed in accordance with the new amendments being made in this bill and any other provisions of the Planning Act. So how they determine to market it will be their responsibility. But what the Ministry of Natural Resources is doing is making land available to that municipality for economic purposes at market value. Given the market value, we can't very well—

**The Chair:** Place conditions.

**Mr Belcher:** Yes. They've paid for that.

**The Chair:** Mr Belcher, the ministry of course has for a number of years been just very tight. All of your department's strategic plans initiative sort of speaks to it. For a number of years, then, looking at the potential for strategic disposition of crown lands and for economic development impact through cottage development and others, does this project fit in with a broader program or approach within the ministry? Is this an anomaly in any way? Is it specially unique to Elliot Lake, beyond what we already know? Could you just place it in the—

**Mr Belcher:** It's not an anomaly in our sales to municipalities. Its uniqueness is in the way the land is to be treated after the sale by the municipality as the developer. It's not uncommon in northern Ontario that municipalities look outside of their existing boundary area for economic opportunities and, as I said before, sales to municipalities do occur.

In northwestern Ontario there is a group, the Northern Ontario Municipal Association, that is also looking at opportunities for economic expansion through the selling of land by them. We have worked with them in the past, going through the same process as we are with the city of Elliot Lake, maintaining the principles of disposition of crown land with respect to the environmental assessment, our obligations, and the principles of fair market value. So it is not an anomaly, it is quite common, and there are other municipal groups looking at the same sort of arrangements.

**The Chair:** Parliamentary Assistant, any further comments?



**Mr Kells:** No. I just hope that the government would make some amendments.

**Mr R. Gary Stewart (Peterborough):** Could I just ask a question? I'm not on the committee but my interest is kind of piqued here. Can I ask just how much land is involved with this?

**Mr Belcher:** Like Mr Hagman said, we're screening out various lakes at this time, so it's uncertain exactly the area that is to be defined in the disposition, which is what brought us back to a foot-front value. Therefore, whatever area would be required for a development opportunity, we can apply a foot-front basis, and that's what the appraiser did. It's premature for me to say anything around amount of area that is to be disposed of, but whatever it is that value would be applied.

**Mr Stewart:** With public lands like this, a deal could be made with the municipality without putting any of this land up for tender? What happens to the rest of the people who might decide, "I want a piece of this property," and it's crown property? It's not required to be put up as a tender?

**Mr Belcher:** The ministry can offer direct offerings to a purchaser. It does not have to go through an RFP process or a tender every time it wants to sell land. In this case a municipal partner with the province has come to us for lands, and as long as the principles of market value and environmental screening are done, then that is passed on to the municipality to provide that opportunity.

**Mr Stewart:** I guess the reason being was the fact that it could be a considerable amount of land. That was my concern.

**Mr Belcher:** We're really not sure at this time just how many lakes are going to be developed. We have some ranges. We think the municipality is looking at 300 to 400 lots. I wouldn't envision that they would want to take it all on at once, but that's their choice, if all other legal requirements are followed.

**The Chair:** If I may, Mr Stewart—

**Mr Stewart:** I'm sorry.

**The Chair:** No, I don't want to stop your interest at all. I just want to refocus again and indicate that the bill itself deals with the powers of the municipality to set up this corporation to do this; it doesn't deal with the actual extent of the project or the nature of the project. We have been assured in terms of the conditions of the Ministry of the Environment and the Ministry of Natural Resources that will be met, but once the powers are established, those powers will be there. The extent of the property over a long period of time is something the committee can't know at this point. It may be relevant to the consideration of whether to approve the bill or not, but I just wanted to clarify that.

**Mr Stewart:** No problem. I just hate to vote on something that I don't know anything about.

**The Chair:** Absolutely, yes.

Anything further? Before I ask committee members for debate and/or if they are ready to vote, does the sponsor or the applicant have any further comments they wish to place on the record? I see noes. Just to assure

myself one more time, there are no other interested parties who are present today? Seeing none, committee members, is there debate on this bill?

**Mr Gill:** Madam Chair, if I may, I have some amendments. I'm not sure at what stage those amendments are to be brought forward.

**The Chair:** I appreciate that. Once I ascertain whether or not there is any further debate, we will move to voting. As we come to each section, it would be appropriate if you have an amendment to place on the record to do so at that time.

Mr Murdoch, we're about to proceed to debate and vote. Would you like to debate this bill at all?

**1050**

**Mr Murdoch:** I have no debate. I am happy.

**The Chair:** We actually know you are very happy today with respect to this bill. We just want to assure your satisfaction.

**Mr Murdoch:** The problem will be, who's going to tell me how to vote?

**Mr Kells:** We wouldn't suggest you follow the leader.

**The Chair:** Actually, I've just been informed by the clerk that your substitution sheet has you substituted on at 11 o'clock, so for any of the voting that is conducted before 11 o'clock, you in fact have no vote at all. So allow me to tell you how to vote at this point in time.

**Mr Ted Arnott (Waterloo-Wellington):** Madam Chair, I'm his proxy, so don't worry.

**The Chair:** OK.

If we can move to dispose of the matter before us, I thank the representatives of the ministry. I want to indicate that I think your presentation was extraordinarily helpful. If I may, on a procedural note I just mention that this is a unique bill for this committee and it was important for our questions to be answered. In the future we might give consideration, once that information is ready, to our committee asking for the papers that you presented today in advance so that committee members would have had a chance to read them and then perhaps we could have gone to questions. But I think we have in fact explored all the issues that committee has raised over the last couple of weeks and I thank you for that.

Are committee members ready to vote? Before us we have Bill Pr4, An Act respecting the city of Elliot Lake. It has been sponsored by Mr Brown, MPP. Is there any debate or comment on section 1?

**Mr Gill:** I have an amendment to section 1.

I move that section 1 of the bill be amended by adding the following subsection:

"Same

"(2) Any reference in this act to land acquired from the province of Ontario shall be read as a reference to land or an interest in land acquired from the province of Ontario by purchase, lease or otherwise."

**The Chair:** Is there any debate on that amendment? Seeing none, all those in favour of the amendment, please indicate. Those opposed? Mr Arnott, was that—

**Mr Arnott:** No, I was with Raminder.

**The Chair:** You understand why I had to check.

**Interjection:** You should check.

**The Chair:** Of course. That amendment is carried. Anything further with respect to section 1? Seeing none and seeing no debate, are you ready to vote? Shall section 1, as amended, carry? All those in favour, please indicate. It's unanimous. That's carried.

We'll deal with section 2. Any debate or amendments?

**Mr Gill:** I have three amendments that I can read into the record all at the same time, if you like.

**The Chair:** One at a time, please.

**Mr Gill:** I move that subsection 2(1) of the bill be struck out and the following substituted:

"Corporation may develop crown land for residential purposes

"(1) The council may by bylaw undertake one or more projects in the city of Elliot Lake to develop for residential purposes land acquired from the province of Ontario."

**The Chair:** Any questions or debate with respect to that amendment? Are you ready to vote? All those in favour of the amendment, please indicate. It is carried unanimously. Any further debate or amendment of section 2?

**Mr Gill:** Madam Chair, a further amendment.

I move that section 2 of the bill be amended by adding the following subsection:

"Corporation shall not provide guarantees

"(5) Except as permitted by section 7, the corporation shall not provide a guarantee to any person in exercising any of its powers under this act."

**The Chair:** Any debate? Seeing none, all those in favour of the amendment, please indicate. That's carried.

Any further debate or amendment to section 2?

**Mr Gill:** I move that section 2 of the bill be amended by adding the following subsection:

"Restriction re use of municipal taxes etc

"(6) The corporation shall not use any money collected after this act receives royal assent as municipal taxes, rates or levies for any activity authorized by this act or for any purposes of this act."

**The Chair:** Any debate? Seeing none, all those in favour, please indicate. Carried.

Any further debate or amendment to section 2?

Seeing none, shall section 2, as amended, carry?

Those in favour, please indicate. Carried.

Is there any debate or amendment to section 3?

**Mr Gill:** I move that subsection 3(4) of the bill be amended by striking out "The object of the commission is to manage the development of land for residential purposes as the corporation's agent" at the beginning and substituting "The object of the commission is to manage, as the corporation's agent, the development for residential purposes of land acquired from the province of Ontario."

**The Chair:** Is there any debate with respect to this amendment?

All those in favour, please indicate. Carried.

Any further debate or amendment on section 3?

Shall section 3, as amended, carry?

Those in favour, please indicate. Carried.

I'm going to take the next group because I believe there are no amendments being put forward for sections 4, 5 or 6. Is that correct?

**Mr Gill:** Correct.

**The Chair:** That being correct, is there any debate with respect to sections 4, 5 or 6?

Shall sections 4, 5 and 6 carry?

Those in favour, please indicate. Carried.

Any debate or amendment to section 7?

**Mr Gill:** I move that subsection 7(3) of the Bill be struck out and the following substituted:

"Restrictions on uses for net proceeds

"(3) The money in the special account may be used solely for the following purposes:

"1. To provide financial or other assistance to community economic development corporations incorporated under section 112.1 of the Municipal Act.

"2. To provide financial or other assistance to community development corporations incorporated under section 112.2 of the Municipal Act.

"3. To make grants under section 113 of the Municipal Act."

**The Chair:** Any comments or debate?

All those in favour, please indicate. Carried.

Is there any further debate or amendment of section 7?

Seeing none, all those in favour of section 7, as amended, please indicate. Carried.

Are there any further amendments that will be offered to this bill?

Shall sections 8 and 9 carry?

All those in favour, please indicate. Carried.

Shall the preamble carry? Carried.

Shall the title carry? Carried.

Shall the bill, as amended, carry? Carried.

Shall I report the bill, as amended, to the House? Agreed.

I appreciate the committee's efficiency in dealing with that and the work the ministries put into bringing information forward.

Our apologies to the applicants for how this got drawn out, but I think it's a better process and a much better understanding of the bill. We wish you luck in that exercise you're about to undertake.

Is there any other business before the committee at this point in time? Seeing none, the committee stands adjourned.

*The committee adjourned at 1100.*



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Mr Mike Belcher, manager, Ministry of Natural Resources

Mr Dick Hagman, area supervisor, Ministry of Natural Resources

Mr Tom Melville, counsel, Ministry of Municipal Affairs and Housing

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