



Staff Report

Planning & Development Services – Planning Division

Report To: COW-Operations_Planning_and_Development_Services
Meeting Date: August 27, 2024
Report Number: PDS.24.067
Title: Recommendation Report – Natural Asset Inventory and Natural Heritage Study
Prepared by: Adam Farr, Senior Planner

A. Recommendations

THAT Council receive Staff Report PDS.24.067, entitled “Recommendation Report – Natural Asset Inventory and Natural Heritage Study.”

AND that the “Natural Asset Inventory & Natural Heritage Study Recommendations Report May 2024” by North South Environmental be the basis for further advancing implementation of natural asset management planning, natural heritage and environmental initiatives subject to availability of resources, work program planning and further Council approval as applicable.

AND That, in accordance with Natural Heritage Study recommendations, Council support the orientation of Natural Heritage planning goals, objectives, policies and implementation toward a net gain target that includes more features.

AND That Council direct staff to support the development of an Ecological Offsetting Policy at the County of Grey that will align with the recommendations of the Natural Heritage Study.

AND That Council direct staff to advance near term measures including measures related to net gain and offsetting, Official Plan Updates, preparing and/or adopting guidelines and implementing existing policies that advance related recommendations of the Natural Heritage Study.

B. Overview

This report provides a summary of outcomes and recommendations of the Natural Asset Inventory and Natural Heritage Study project.

The project took place throughout the winter and spring of 2024 and included data gathering, analysis, research, and public engagement activities undertaken by the project consultants, North South Environmental and Green Analytics, with support from Town staff.

The consultants' final report is attached to this Council report (Attachment 1) and provides a detailed project background, analysis, recommendations and proposed next steps for Town consideration and further action.

Summaries of the respective project recommendations are attached to this report (Attachment 2 Natural Asset Inventory Recommendations Summary & Attachment 3 Natural Heritage Study Recommendations Summary). The approval of this Council report would result in additional related steps being taken by staff to further advance the recommendations of the Natural Asset Inventory, Natural Heritage Study and related environmental projects.

C. Background

This report provides an overview of the final recommendations and outcomes of the Natural Asset Inventory and Natural Heritage Study based on the project framework and scoping that was set out in Report PDS.23.116 (November 7, 2023).

The project included two distinct but inter-related parts:

The **Natural Asset Inventory (NAI)** is an inventory of natural features that provide benefits to the Town and its residents in the form of ecosystem services (e.g., flood mitigation). These services are assigned monetary value and potential risks to the assets providing these services are identified. The NAI recognizes natural assets as municipal assets as part of a holistic asset management approach for the Town. This work will support asset management in the Town and specifically, integration of natural assets into the Asset Management Plan.

The **Natural Heritage Study** is a review of current policies and best practices to develop recommendations for management of natural environment features, areas, and functions through the identification of a natural heritage system, updates to and new natural heritage policies, and implementation tools (e.g., impact study guidelines). This work views and considers natural features and areas on the landscape through the lens of land use planning and management of natural features for their ecological form and function. This work primarily supports land use planning in the Town.

A consulting team comprised of experts from North South Consulting and Green Analytics led the project throughout the winter and spring of 2024 and engaged in data development, research and analysis and public engagement to inform project outcomes and recommendations. The results of this work are documented in the report recommendations Attachment 1 and further summarized in Attachments 2 & 3.

Public Engagement

A public consultation program was conducted in support of the Natural Asset Inventory and Natural Heritage Study in accordance with the project start-up report [PDS.23.116](#) (November 7, 2023) which provided Council an opportunity to confirm the project scope and content.

Two public engagement sessions that combined both in-person and virtual attendance opportunities were held on January 29, 2024 and April 11, 2024. Each event included a presentation and workshop component designed both to inform the public and stakeholders and engage attendees to collect information and help inform the project outcomes and recommendations.

The events were promoted by way of:

- A mailed postcard to every household in the Town
- Social media posts (Facebook, Instagram)
- Articles in the Town e-newsletter; and
- Direct emails to major known stakeholder groups and interested individuals, companies and corporations.

The sessions were attended by 44 and 30 people respectively.

A project web page was also created that includes:

- a wide range of project information;
- public engagement details, summaries and materials;
- a public commenting function; and
- subscription opportunities for project updates.

Materials were provided at, in advance, and following the public engagement events to provide the widest range of commenting opportunities in an effort to gain local input to inform data development, research, analysis and recommendations.

Project Outcomes and Recommendations

The consultants' report is attached and includes background, analytical and explanatory information and related recommendations regarding both the Natural Asset Inventory and Natural Heritage Study. The report was posted to the project webpage and an update sent to web page subscribers for public review on August 1, 2024.

Key Outcomes from Natural Asset Inventory

The key outcomes of the natural asset inventory include the following:

- Preparation of a natural asset registry, documenting and mapping natural assets across the Town's landscape including forests, wetlands, watercourses, and shoreline.

- A high-level assessment of the condition of natural assets across the Town using landscape level indicators of asset condition and function with natural assets in the Town being in overall good to very good condition. Assets in or near settlement areas are more likely to be in poorer condition than those in rural areas of the Town.
- Identification and application of priority hazards which put the services (benefits gained from) of natural assets at risk.
 - Risk levels are relatively high for hazards which are present across the landscape such as invasive species, which already impact many of the Town’s natural areas.
 - Risk associated with settlement areas (e.g., loss through development) are most acute in and near settlement areas where the highest pressure on land use change is observed.
 - Environmental risks such as drought are considered a lower overall risk due to infrequency and general resilience of the landscape.
- Assignment of estimated monetary values for services provided by natural assets (e.g., avoided costs if the service were lost / removed, willingness to pay to access a service, etc.).
 - Across the Town’s landscape, natural assets are estimated to provide \$86.5M to \$103.5M in services. When considering town owned assets only, services were valued at between \$15.5M and \$16.6M.

Recommended next steps

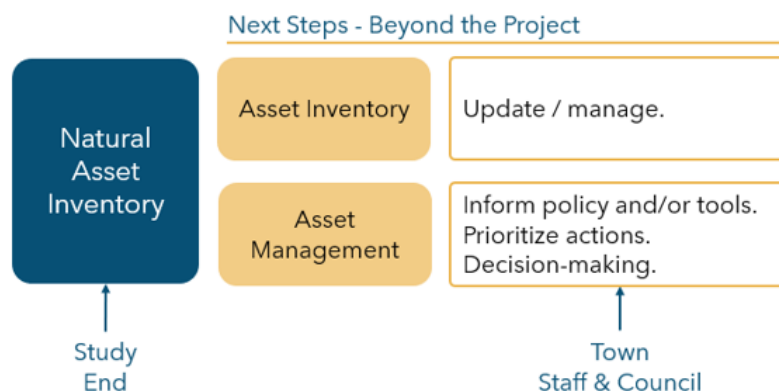
The consultants identified next steps including:

- Selecting management actions
- Developing policies and related measures

Integrating natural assets into the Town’s asset management plan.

Figure 1 Excerpt from Consultants’ report

Figure NAI-6. Summary of next steps for natural asset management, beyond the conclusion of the current study.



Key Outcomes from the Natural Heritage Study include:

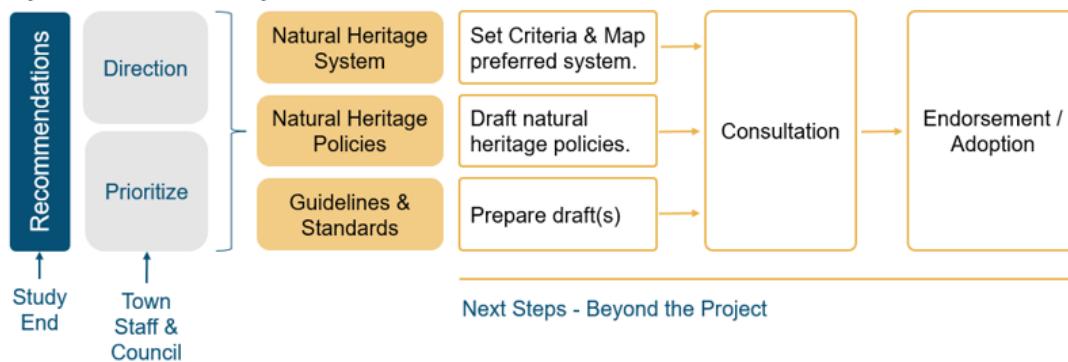
The key outcomes of the natural heritage study include the following recommendations:

- Different approaches to identifying / delineating a natural heritage system were described – a features-based approach and core-areas based approach.
 - It is recommended that the Town use a core-areas based approach.
 - Core Areas provides the Town with opportunities to refine natural heritage policy and direct different levels of natural heritage protection or management to different areas. This flexibility can be used to support good land use planning and manage different pressures across the landscape through good land use planning practices.
- Overall Natural Heritage Target Options were presented and engagement on the Options was undertaken.
 - Target Options included Maintaining Key Features, Maintaining a Natural Cover Target, or Net Gain (natural heritage).
 - Based on existing town strategic objectives and feedback through engagement, it is recommended that the Town consider Target Option 2 or 3 for informing natural heritage planning and management in the Town.
- Within the selected Overall Target, there remains flexibility for how large (i.e., how much of the landscape) is captured within a Natural Heritage System for the Town. Through this project, three general system options were presented. The options focused on three points along a spectrum from a ‘smaller’ system to a ‘larger’ system based on the total number of Key Features (i.e., significant and important natural features to maintaining the Towns ecological function).
 - Option 1 represented a ‘minimum’ system and Option 3 represented a large system. Option 2 is a ‘moderate’ system in terms of overall number of Key Features.
 - Based on engagement through this project, the preliminary recommendation is that the town go beyond a ‘minimum’ system. It is recommended that the Town consider identifying a natural heritage system more aligned with Option 2 or 3.
- Recommendations for natural heritage policy, building from the County’s NHS, were prepared to support each of the overall natural heritage targets considered.
 - Recommendations include updates to existing policies and new policies.

- Policy recommendations vary based on the target chosen by the Town. This is to reflect the general approach required to support good land use planning and achieve the objectives of each target level.
- Recommendations were also made for implementation support tools.
 - These included by-laws, guidelines and standards, and strategies.
- It is recommended that the Town consider prioritizing preparation of Environmental Impact Study and Tree Inventory & Preservation Guidelines in the short-term. These guidelines can be developed to support existing Official Plan policies to improve current land use planning processes (consistency, minimum standards, etc.). Minor updates may be required to reflect updated policies, when adopted in the future.

Figure 2 Excerpt from Consultants’ report:

Figure NH-5: Illustrates general next steps to move natural heritage planning forward for the Town beyond the current study’s conclusion.



D. Analysis

Municipalities are taking action to protect, effectively manage and, where possible enhance the natural environment to ensure these values and functions are sustained for the current and future generations. These actions include:

- Creating inventories of natural assets to better understand the services provided and their value to municipalities,
- Defining systems that maintain important ecological and hydrological functions for the long-term,
- Policies to protect and manage the natural environment,
- Processes to ensure adequate assessment of potential impacts,
- Guidelines and standards to support implementation of policies, and
- Promoting good land stewardship.

The Natural Asset Inventory and Natural Heritage Study responds to local recognition of the

significant role that the natural environment plays in defining community identity, attracting visitors and development to the community and sustaining the local economy and the need to adopt contemporary and forward-thinking approaches to managing natural assets and the environment.

The recommendations within the consultants' report have been summarized in Attachment 2 Natural Asset Inventory Recommendations Summary and Attachment 3 Natural Heritage Recommendations Summary.

Natural Asset Inventory:

The Town's Asset Management Plan (AMP) does not yet include natural infrastructure assets, and a natural assets inventory is first needed to identify natural infrastructure assets and assess them for climate vulnerabilities and quality as infrastructure assets. This work directly supports the Community Sustainability Plan Bold Action 5: Develop an action plan to create a natural asset inventory.

The Natural Asset Inventory produced a data set that can function as a tool for future integration of Town owned natural assets with the Town's asset management plan. By quantifying the related beneficial ecological and infrastructure functions the NAI establishes a baseline for long term monitoring and evaluation. The identification of Town owned and privately held assets, related risks and accrued benefits also allows for the development of related management policies to maintain the natural asset values and introduce a natural asset lens into asset management decisions.

Additional work between the consulting team and Town staff is being undertaken to conclude the methodology for prioritization and managing assets and to apply these to identify specific priority assets.

Town staff will then consider this information and, in concert with related Council direction:

- Select management actions
- Develop and apply policies
- Integrate natural assets into asset management plan

Implementation and application of Natural Asset Inventory data directions with respect to municipally owned assets would rely primarily on available financial and staff resources to advance while non-municipally owned assets may require a variety of approaches to influence their retention and management.

Additional staff review of further NAI Actions and integration of Natural Assets into the Asset Management Plan will be undertaken as a result of the content and recommendations of the consultants' report. Delivery of further project outcomes will require consideration of the priority assigned to specific actions, available resources, additional funding requirements, and the capacity and design of integration within the operating and capital budget cycles and introduction of the natural asset component into Town processes and planning.

Natural Heritage Study

This report recommends endorsement and adoption of the content and recommendations of the consultant's report that is summarized both in the Background section and in Attachment 3 Natural Heritage Study Recommendations Matrix Attachment 3. This matrix breaks down recommendations into the following categories:

- Natural Heritage System
- Natural Heritage Planning
- Official Plan policy updates
- By-law Updates
- Adopting of Guidelines
- Greening strategy

Natural Heritage System, related Official Plan & Zoning By-law Updates

The natural heritage study is the Town's first step towards identifying the approach to a new natural heritage system and informing important updates to natural heritage planning through policies of the Town's Official Plan. This study provides options and preliminary direction for the identification of a unique Natural Heritage System for the Town and recommendations for natural heritage policies that align with natural heritage options presented.

A natural heritage system (NHS) is a network of interconnected natural features and areas such as forests, lakes, rivers, agricultural lands, and wetlands. The Province of Ontario requires municipalities to identify Natural Heritage Systems and preserve the diversity and connectivity of these features.

Through this Natural Heritage study, the Town has engaged on approaches to developing a new natural heritage system, potential targets and overall direction for natural heritage system identification, planning and management within the Town.

With the adoption and endorsement of the report recommendations, project planning for necessary updates to the Town's Natural Heritage System can commence and be considered for future budget approval. The expectation is that, if approved, further study and engagement would occur in the refinement of the recommended options and development of Official Plan policies and additional related actions such as implementing related direction through Zoning By-law Updates, that require the direction contained within the adoption of a natural heritage system before they advance.

Offsetting guidelines

Ecological offsetting guidelines are intended to achieve the objectives and policies related to preventing the reduction in area and ecological function of the natural environment, which may be tied to the objective of either "no net loss" or "net gain". The Town is working with the

County to examine the related options in more detail and to consider the relationship to the natural heritage system planning work. Staff are recommending that Council support this work as it aligns with the Net-Gain approach of the Study.

Other measures not dependent on adoption of a natural heritage system

The consultant's report recommends a number of other actions that are not dependent on amendments to the Town's Official Plan and Zoning By-law. As such these initiatives can be pursued without the need to await the outcome of that work. These include:

- updates to the Official Plan as part of the 5 year review that fall within the Town's current strategic direction and provide greater clarity within existing policies and/or reflect greater alignment with the the existing Provincial Policy Statement and County Official Plan;
- adoption of environmental impact study guidelines;
- preparation and adoption of guidelines for Tree Inventory and Protection Plans and Environmental Impact Studies;
- updating contents of the tree preservation by-law; and
- working with the County to adopt and implement offsetting policies guidelines.

Greening Strategy

The consultant recommendations support strategic investment, management and protection of natural assets, heritage and character attributes for which the Town of The Blue Mountains is recognized. All stakeholders benefit from coordinated and balanced management and protection of natural environment assets and attributes. The greening strategy recommendation creates a lens through which priorities can be set and implementation of the various initiatives can be advanced with stakeholder support and involvement. Staff recommend that the Greening Strategy be termed a Natural Heritage Strategy and that this effectively become a coordinating lens through which to focus the planning and implementation of the Town's undertakings on this file.

E. Strategic Priorities

The contents of this report fulfill the following Strategic Priorities:

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

The report recommendations advance the approval of projects that will have an impact on Natural Asset Management and Natural Heritage management and protection on Town owned lands and across the community as reflected in the details of the final report (Attachment 1) .

G. Financial Impacts

The report recommends endorsement of the recommendations contained within the consultants' report and seeks Council direction on the completion of a number of recommended near term actions. The consultants' recommendations are generally divided between those that are dependent on additional resources and those which may be more readily advanced within the scope of available resources where possible. Summaries of the recommended actions are attached for each of the Natural Asset Inventory and Natural Heritage Study projects. The most significant potential expenditure associated with the consultants' recommendations is the completion of a natural heritage system. Recommended implementation of near term actions focuses on results requiring limited expenditure of resources and, among other things, draws on work completed or underway by the County of Grey, implementation and alignment/clarification of existing policies and adoption and implementation of related guidelines.

H. In Consultation With

Adam Smith, Director of Planning and Development Services
Jeff Fletcher, Manager of Sustainability and Solid Waste

I. Public Engagement

The topic of this Staff Report has been the subject of a scoped public engagement program undertaken in accordance with an approved terms of reference and described further in report [PDS.23.116](#). Public engagement sessions were held on January 29, 2024 and April 11, 2024. Further public engagement associated with implementing the various recommendations of the consultants' report will be completed as required and as generally described in Attachments 2 and 3.

Any comments regarding this report should be submitted to Adam Farr, planning@thebluemountains.ca

J. Attached

Attachment 1: Natural Asset Inventory and Natural Heritage Study Recommendations Report and Report Appendices

Attachment 2: Natural Asset Inventory Recommendations Summary

Attachment 3: Natural Heritage Study Recommendations Summary

Respectfully submitted,

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Senior Planner

For more information, please contact:

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Report Approval Details

Document Title:	PDS.24.067 Recommendation Report - Natural Asset Inventory and Natural Heritage Study Project.docx
Attachments:	- PDS-24-067-Attachment-1.pdf - PDS-24-067-Attachment-2.pdf - PDS-24-067-Attachment-3.pdf
Final Approval Date:	Aug 15, 2024

This report and all of its attachments were approved and signed as outlined below:

No Signature - Task assigned to Shawn Postma was completed by delegate Adam Smith

Shawn Postma - Aug 15, 2024 - 11:53 AM

Adam Smith - Aug 15, 2024 - 1:04 PM