

Contract Zoning – A Tool for Special Cases

Under *The Planning and Development Act, 2007*

Purpose	Contract Zoning is a tool that allows a municipality to manage the uses and site layout of a (specific) proposed development that requires rezoning. When rezoning the site to allow the proposed development, council may restrict uses normally allowed in the zoning district through a contract.
Section of the Act	Section 69
Complexity	High - legal contract required - rezoning required - public consultation required in each case
Key Elements	<ol style="list-style-type: none"> 1. Procedures and criteria for contract zoning need to be included in the Official Community Plan (OCP). 2. The municipality receives a proposal for a specific development on a site. 3. The applicant requires rezoning of the site to a district that would allow the proposal, but the other permitted uses in the proposed district are not acceptable to council. 4. Council agrees to consider rezoning the site, provided the applicant agrees to restrict development to only the current proposal. The contract limits the list of uses for the property, and may specify size and location of buildings, landscaping, access, parking, and time development must be complete. 5. Once an agreement is reached, Council advertises the zoning change, the proposal, and the hearing date. 6. Council presents the proposed agreement and rezoning to the public for comment at a public hearing. 7. The zoning is approved and then the contract is signed. 8. Council registers the contract as an interest on the land at ISC. <i>NOTE: The zoning change becomes effective on the date of the registration on the title at the Information Services Corporation and runs with the ownership of the land.</i> 9. A copy of the registered contract is kept with the zoning bylaw. The zoning map identifies the property as subject to the contract. 10. The regulations of both the contract and the new zoning apply to the use of the property and its further development.
Examples	<p>A problem of conflicting land uses A town has several historic buildings in a residential district that are too large for single detached dwellings and it would be expensive to convert into high-density residential housing. An application proposes to convert two of the buildings to a commercial use – one into a tea room/craft shop, and the other to a lawyers’ office. The OCP has provisions for contract zoning and sets criteria for when it may be applied. The criteria allows for preserving historic buildings by adapting their use for offices or commercial ventures subject to an agreement and appropriate zoning as a commercial district. Council approves the commercial use and limits the site development to a tea/craft shop and lawyers office.</p> <p>Servicing capacity problems A high-density residential development proposal is received on a site zoned for low-density residential development. The OCP supports rezoning to higher densities in this area provided there is appropriate servicing capacity, however, the local sewer and water mains are inadequate to support the proposed apartment building group. Council advises the developer he would have to pay significant development levies to upgrade the infrastructure if approved. A compromise is negotiated by changing the proposed apartments to a townhouse development; this still requires a high-density zoning, but will not exceed the existing infrastructures capacity. Council then considers the zoning application under the contract and zoning provisions of the OCP. Following a public hearing on the proposed contract and zoning district, council approves the use and registers the contract at ISC in order to proceed with the higher density development.</p>

Sample OCP provision	See Town Sample - Official Community Plan Section 17.1.2 Contract Zoning <link-open new window>
Sample Zoning Bylaw Provision	See Town Sample - Zoning Bylaw Section 3.11 Contract Zoning <link-open new window>
Use of Provision	May be used in all municipalities in order to accommodate unique situations.
Suggestions	<ol style="list-style-type: none"> 1. Add a clause to the zoning bylaw that attaches any contracts to the zoning bylaw in an appendix. 2. When identifying the site as rezoned on the zoning bylaw maps, include a reference to the attached contract. [e.g. Ag (Contract - 3)]
Limitations	<ol style="list-style-type: none"> 1. This process changes the zoning from one district to another, subject to special limitations and conditions, but does not create a new zoning district in the zoning bylaw. 2. The contract does not grant relaxations to the normal standards of a zoning district it only adds more limitations to a parcel through the contract. 3. The contract is part of the zoning regulations for the site and may be amended; however, changes to the contract must follow the same processes as other changes in the zoning bylaw. 4. Council may void the contract if provisions of the contract are not upheld. The property then reverts to the zoning in place prior to the contract and any use not allowed in that original district must cease. No non-conforming rights are created. 5. Contact Zoning is for the development of a single site.
Common Issues Addressed	<ul style="list-style-type: none"> • Limits issues around land use conflict caused by redevelopment • Adaptive reuse and preservation of heritage buildings. • Adaptive reuse of existing structures (e.g. a closed school). • Unique servicing capacity issues (e.g. sewage trunk limits) • Specific environmental issues (e.g. drainage channel protection, slope instability mitigation, riparian protection) • Small scale tourism facilities • Neighbourhood, hamlet or beach stores • Arts and crafts developments • Mixed use developments (e.g. live-up, work-down development) • Other new and unique situations
Alternate Techniques That Should Be Considered	<ul style="list-style-type: none"> • Encourage relocation to an appropriate district - Sometimes the best answer is no, not here (e.g. a body shop in the residential area.) • Create a new district - If the proposal is a development that is becoming more common and council wants to encourage in a specific area, a new district with appropriate uses and regulations may be better than repeated contracts (e.g. providing for work-live developments). • Discretionary use - If the proposed use would work well in the existing district and more of these types of development proposals are likely, it may be simpler to add it as a discretionary use in the current zone, along with criteria to assess the suitability of a site. • Direct Control District - Complex proposals involving multiple uses, multiple sites or requiring specialized or flexible standards can be better managed through a Direct Control District (Section 63 to 68 of The Planning and Development Act, 2007).

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