

Zoning Bylaw Tools: Contract Zoning

2023

Contract Zoning

What is a Contract Zone?

A contract zone, also known as zoning by agreement, allows municipalities to effectively manage elements of a specific land development proposal. Section 69 of *The Planning and Development Act, 2007* (PDA) authorizes council to enter into a contract zone agreement to accommodate a specific proposal. To use a contract zone, a municipality must authorize the zone in its official community plan and include guidelines respecting when and how it will be used.

Contract zone agreements must include provisions setting out:

- a) A description of the proposal.
- b) Reasonable terms and conditions with respect to:
 - i. The uses of the land and building or the forms of development that may occur; and
 - ii. The site layout and external design, including parking areas, landscaping, and entry and exit ways (but shall not include architectural requirements such as colour, texture or type of materials).
- c) Time limits within which any part of the described proposal or terms and conditions imposed in the agreement must be completed.
- d) A condition that, on the rezoning of the land, none of the land or buildings shall be developed or used except in accordance with the proposal, terms, conditions, and timelines in the agreement.

When should a Contract Zone be used?

In circumstances where council wishes to rezone land to a different zoning district but does not want to allow the full scope of the zoning district at that location, they may use a contract zone agreement.

The contract zone would allow council to limit the zone to only those provisions required to accommodate a specific proposal. For example, a property zoned for low-density residential development may be rezoned to medium-density residential by agreement. This may allow the development of a specific medium-density residential proposal, but not other developments normally permitted in the medium-density district.

The agreement may apply more restrictive development standards than those prescribed in the medium-density district, such as height restrictions, setback requirements, or landscaping standards.

How to Create a Contract Zone

The process for creating a contract zone is similar to any other zoning amendment. A guide for amending zoning bylaws may be found on Saskatchewan.ca. When adopting the bylaw to rezone the lands, a copy of the contract zone agreement is attached as a schedule to the bylaw. After passing the bylaw, the agreement is signed by both parties and registered on the title to the affected lands. The contract zone **does not take effect until the agreement is registered on the property title.**

If the agreement contains terms and conditions for which it is desirable to collect a performance bond, council may choose to do so. Any performance bond collected must be released once the agreement's conditions are met.

Enforcement of a Contract Zone Agreement

If the owner or subsequent owner of the lands makes an application to council regarding the contract zone, council may:

- Vary the agreement;
- Enter into a new agreement; or
- Extend any timelines contained in the agreement.

If a development takes place on the lands contrary to the contract zone, or if it fails to meet the time limits prescribed in the agreement, council may choose to declare the agreement void. Council must give notice of its intention to void the agreement in one issue of a newspaper circulating within the municipality. If council declares the contract zone agreement void, the lands revert to the zoning district it was subject to before the rezoning.

For more information on contract zones, please contact Ministry of Government Relations' Community Planning branch via email at muninfo@gov.sk.ca, communityplanning@gov.sk.ca, or:

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