

Report To:	Regional Chair and Members of Regional Council
From:	Bob Gray, Commissioner, Legislative and Planning Services and Corporate Counsel
Date:	April 21, 2021
Report No:	LPS45-21
Re:	Additional Information relating to Growth Concepts associated with the Integrated Growth Management Strategy – Regional Official Plan Review

RECOMMENDATION

THAT Report No. LPS45-21 re. “Additional Information relating to Growth Concepts associated with the Integrated Growth Management Strategy – Regional Official Plan Review” be received for information.

REPORT

Executive Summary

- The Regional Official Plan Review is underway and is currently in Phase 2. Phase 2 focuses on research, technical analysis and development of Discussion Papers related to key themes of the Regional Official Plan Review.
- The most recent report is the “*Integrated Growth Management Strategy: Growth Concepts Discussion Paper*,” containing four Growth Concepts on how and where to grow to 2051, and an evaluation of those growth concepts using the Council-endorsed Evaluation Framework. Through Report No. LPS18-21, the Discussion Paper was released for public consultation.
- On March 24, 2021, a Motion was tabled at Regional Council with respect to a “Fifth Growth Scenario”. The Motion is requesting that the Region:
 - Undertake further analysis for the purpose of engaging the community on a variation of Concept 3 that examines an opportunity to accommodate all employment growth without expanding the settlement area boundary and explores the creation of a new permanent Food Belt/Agriculture Preserve; and,

- Provide an assessment of the relative impact on greenhouse gas emissions that would reasonably be expected to be associated with each of the Growth Concepts.
- The Motion has been deferred until the April 21, 2021 Council Meeting.
- This report has been prepared to provide information to Council to assist with its consideration of the Motion.
- If directed by Council, the information contained in this report can be used to supplement the *Integrated Growth Management Strategy: Growth Concepts Discussion Paper*, and the “*White Paper on COVID-19 Impacts on the Economy and Employment*” (addressed in Report No. LPS16-21), for the purposes of public consultation for the Regional Official Plan Review.

Background

The Regional Official Plan Review is currently in Phase 2 that focuses on research, technical analysis and development of Discussion Papers related to key themes of the Regional Official Plan Review. The Integrated Growth Management Strategy component of the Regional Official Plan Review addresses how and where the Region will accommodate forecasted population and employment growth to 2051, and a series of reports have been prepared.

At the Council Meeting of February 17, 2021, through Report No. LPS18-21, Council endorsed the release of the *Integrated Growth Management Strategy: Growth Concepts Discussion Paper* as the basis for public consultation on the Regional Official Plan Review.

On February 17, 2021, Council also passed a Resolution directing the Regional Chair to request the Province to allow the Region to delay its final report on the Regional Official Plan Review until in-person, informed public consultation on the Growth Concepts and Preferred Growth Concept has been conducted. The Resolution also requested the Province to suspend the timetable for municipal conformity to the Growth Plan and the Provincial Policy Statement to ensure the public can fully participate in the planning of their communities for the period from 2031 to 2051, and until the Land Needs Assessment framework can be revisited to adjust for the significant changes to the nature of work that are reducing office space and parking needs.

A Memo was provided with the Addendum package for the February 17 Council Meeting that outlined how the Region was planning to enhance its public engagement efforts.

At the Council Meeting of March 24, 2021, a Motion was tabled which contains the following operative clauses:

“BE IT FURTHER RESOLVED THAT Halton Region be requested to develop and add to the public consultation work an analysis that builds on Concept 3 and proposes to accommodate growth to 2051 based on no expansion at all of the existing Halton

settlement area boundary and creation of a new permanent Food Belt/Agriculture Preserve; and

BE IT FURTHER RESOLVED THAT Halton Region be requested to provide an assessment of the relative impact on greenhouse gas emissions that would reasonably be expected to be associated with each of the Growth Concepts; and

BE IT FURTHER RESOLVED THAT Halton Region communicate this Resolution to the public, City of Burlington, Town of Halton Hills, Town of Milton, Town of Oakville, Conservation Halton, Credit Valley Conservation, Grand River Conservation Authority, Halton MPPs and MPs, Federation of Canadian Municipalities, Association of Municipalities of Ontario and the Ministry of Municipal Affairs and Housing.”

Associated with the deferral of the Motion, staff committed to prepare a report providing information to assist Council in its deliberation of the Motion at the April 21, 2021 Council meeting. This report (LPS45-21) has been prepared to serve that purpose.

Discussion

This Report provides commentary that addresses three specific matters contained in the motion and describes how staff can adjust the work program in response to the motion, if passed:

1. An analysis that builds on Concept 3 and that accommodates employment growth to 2051 without a settlement area boundary expansion;
2. An analysis on the creation of a permanent Food Belt/Agricultural Preserve; and,
3. A comparative assessment of greenhouse gas emissions for each Growth Concept.

The following provides information on each of these matters, organized into 3 sections.

1. An Analysis that builds on Concept 3 that accommodates Employment Growth to 2051 without a Settlement Area Boundary Expansion

Concept 3 is entitled “80% Densification/Employment Area Greenfield Expansion Only” as it proposes to accommodate all population growth and a significant proportion of employment growth within the existing approved settlement areas of the Region, and a potential settlement boundary expansion of 980 hectares for Employment Land Employment (ELE) uses.

In contrast to the Sustainable Halton process, the Integrated Growth Management Strategy analysis (beginning with the Growth Scenarios based on ‘Local Plans and Priorities’ and continuing into the development of the Growth Concepts), has been based on recognizing a shift away from low density land extensive manufacturing and warehousing towards new employment forms focused on mixed use, compact urban form. This shift acknowledges that there will still be a smaller, but still significant proportion of employment growth in the Region that relies on employment uses requiring larger parcels of land in proximity to road and rail corridors.

The employment land assumptions underpinning the Growth Concepts adhere to the policies of the Growth Plan, 2019 as amended. The Growth Plan requires that the employment forecasts contained in Schedule 3, or higher forecasts, be used by the Region for planning and managing growth to the planning horizon of the plan (i.e. 2051). Schedule 3 establishes a planned employment of 500,000 jobs to 2051 for Halton.

The Growth Plan also directs that the Land Needs Assessment Methodology established by the Province be used by the Region to assess the quantity of land required to accommodate forecasted growth to 2051.

The Land Needs Assessment Methodology directs that the Region assess the potential of the existing supply of designated employment lands to accommodate the forecasted employment growth to 2051, and identify the amount of additional land required to accommodate forecasted employment through settlement boundary expansion (based on appropriate density assumptions), if necessary. Assumptions with respect to Work from Home can be factored in to the methodology to estimate employment land requirements more accurately.

The Land Needs Assessment Methodology states that municipalities should ensure that employment lands are provided in sufficient quantity to meet overall employment demand, and that they include attributes important to businesses, including:

- servicing;
- visibility, access to highways, proximity to other major goods movement facilities, as well as public transit access;
- a range of sizes of available sites to meet market choice, including vacancy factors for lands that may not develop by 2051; a sufficient supply of large parcels to accommodate land extensive uses; and strategic sites to attract investment that may otherwise locate outside Ontario;
- proximity to sensitive uses (i.e. land use compatibility)

The Growth Concepts presented in the Discussion Paper each contain different employment land needs that are largely driven by the magnitude of conversion of existing employment land and on the magnitude of Major Office Employment directed to Strategic Growth Areas, such as Urban Growth Centres and Major Transit Station Areas. Initial analysis suggests that all concepts would require an expansion to achieve overall employment growth to 2051 and accordingly they propose adding from 980 ha (Concept 3) to 1,220 ha (Concept 4) of new Designated Greenfield Area for employment purposes.

To determine the adequacy of current land supply for employment uses, and whether there is a need for additional employment land to be added to the settlement areas of the Region, the Schedule 3 employment forecast to 2051 must be disaggregated into the main employment categories of: Population-Related Employment (PRE), Major Office Employment (MOE), Employment Land Employment (ELE) and Rural Employment.

To determine whether there is a need for additional urban employment land, it is almost entirely Employment Land Employment that generates potential need. Rural Employment is minor and located outside the settlement area. Population-Related Employment consists of retail/commercial and institutional (i.e. schools/hospitals) jobs, which are largely accommodated as part of the Community Area. Major Office Employment is accommodated in office buildings of greater than 20,000 square feet, is not land extensive, and can be located in strategic nodes and corridors, as well as Employment Areas. In contrast, Employment Land Employment is primarily accommodated in low-rise industrial/warehouse buildings which are land extensive.

The analysis underpinning the Growth Concepts has incorporated the trend to “work from home” (included as part of Population-Related Employment) occasionally or part of the week, which has been accelerated by the current global pandemic, resulting in an increase in office vacancy rates. While the pandemic may slow Major Office Employment growth to some degree, it is expected to continue to be a significant part of the growth in employment in the Region to 2051. A related effect of the pandemic has been an acceleration in the growth and reliance on facilities that support the supply chain, which has triggered demand for logistics and warehousing uses, and increased demand to accommodate Employment Land Employment. There has been a significant increase in the development in Employment Areas in all parts of the Region in the past several years. These findings appear to be consistent with the ideas that are being presented by StrategyCorp in relation to their assignment to examine COVID-19 Impacts on the Economy and Employment, which is addressed in Report No. LPS16-21 re: “White Paper on COVID-19 Impacts on the Economy and Employment.”

As noted above, the assumptions of the Growth Concepts already recognize that the distribution of employment growth by category is expected to be more oriented to Major Office Employment and less to Employment Land Employment, when compared to historical employment growth. In the past 30 years, Major Office Employment has captured approximately 15.5 percent of employment growth in Halton. Historic and Forecasted Employment by Employment Category is shown on Figure 1.

Figure 1: Historic and Forecasted Employment by Employment Category

	2001	2011	2021	2031	2041	2051
Major Office Employment (MOE)	15,600	23,900	31,100	41,300	55,000	74,100
MOE % Share	8.2	10.2	11.1	11.8	13.1	14.8
Population-Related Employment (PRE)	68,000	96,400	125,100	146,900	177,300	209,400
PRE % Share	35.9	41.2	44.5	42.0	42.2	41.2
Employment Land Employment (ELE)	96,600	104,200	115,400	152,000	177,700	206,400
ELE % Share	51.0	44.5	41.0	43.4	42.3	41.3
Rural Employment	9,200	9,500	9,600	9,800	10,000	10,100
Rural % Share	4.9	4.1	3.4	2.8	2.4	2.0
Total Employment	189,400	234,000	281,200	350,000	420,000	500,000

In the Growth Concepts it has been assumed that a significant shift will take place to Major Office Employment in the Region, notwithstanding the expected continued predominance of downtown Toronto, the Toronto airport, Markham, etc. The Growth Concepts assume the share of Major Office Employment as a proportion of total employment growth between 2031 and 2051 ranging from less than 22 percent for Concept 4 to over 28 percent for Concept 3.

In response to the proposed motion, staff are prepared to complete an analysis that builds on Concept 3 to accommodate employment growth to 2051 based on no expansion at all of the existing Halton settlement area boundary. The analysis would include some of the information profiled in this report and would provide an opportunity to solicit broader perspectives on the changing nature of employment in Halton as discussed by the StrategyCorp analysis.

To achieve the employment forecasts in the Provincial Growth Plan, with no urban boundary expansion, it would reflect a significant shift that may not be feasible from a land economics perspective. For example:

- A shift from Employment Land Employment to Major Office Employment would assume that Halton Region would capture a significantly disproportionate large share of office growth relative to the balance of the Growth Plan municipalities. There is risk and uncertainty in the market for Major Office uses given the impacts of the COVID-19 pandemic.

- Employment land is needed to accommodate not only logistics and warehousing, but advanced manufacturing (and high paying jobs), which if not provided in Halton, will be provided elsewhere, resulting in a loss of potential assessment growth and the opportunity to improve the activity rate of Halton and its local municipalities. Capitalizing on the inherent market for Employment Land Employment opportunities would effect a greater diversification of economic activities in Halton.
- While there is some intensification potential for Employment Land Employment on existing designated Employment Lands, the amount of intensification required to negate the need for additional employment land would be significant. It is important that intensification targets (i.e. employment densities) are not overstated as it could have the effect of misaligning the required investment in infrastructure in relation to job and assessment growth. There could be an inherent financial impact to municipalities as a result.
- The current designated supply of employment land appears to be sufficient to accommodate Employment Land Employment growth to 2041, depending on the degree additional proposed employment land conversions are advanced and other more detailed assumptions in the land needs assessment. Subject to this analysis in the development of the Preferred Growth Concept, a settlement area expansion to accommodate employment may only be necessary for growth in the 2041 to 2051 period.

Should Council support the motion, staff are prepared to advance the analysis with the above qualifications being more closely examined and discussed as part of the public engagement program.

Development of a Preferred Growth Concept

It is important that the information contained in this report, together with the forthcoming information on COVID-19 Impacts on the Economy and Employment being prepared by StrategyCorp, be discussed as part of the public consultation already underway on the *Growth Concepts Discussion Paper*. Subsequently, public input received would be considered in the development of a Preferred Growth Concept, thereby ensuring that new and emerging economic and employment trends are appropriately considered.

As noted in the *Growth Concepts Discussion Paper*, amongst the Key Considerations for the development of a Preferred Growth Concept, were questions relevant to a discussion of future employment land needs:

- To what degree can Halton municipalities shift employment demand in a desired direction? (i.e. Major Office versus Employment Land Employment)
- Where in the vicinity of major highways should new employment land be located?
- Where should new Employment Areas be located to best support goods movement and proximity to existing and planned major transportation infrastructure investment?

Staff are prepared to supplement these questions with those generated by this report and the White Paper prepared by StrategyCorp, to inform the development of a Preferred Growth Concept that will capturing an increasing share of Major Office Employment and directing it to Strategic Growth Areas, while providing an adequate supply of land for critical Employment Land Employment.

2. An Analysis on the Creation of a Permanent Food Belt/Agricultural Preserve

There are limited provincial legislative and policy tools currently available to the Region to create a permanent agricultural reserve. The Region currently identifies in its Official Plan protections for the Agricultural System, however, these protections must be reviewed on a regular basis as growth needs are defined, consistent with the requirements of the Planning Act and Growth Plan.

The ***Growth Plan*** is intended to direct where and how to grow in the Greater Golden Horseshoe. Rather than establishing permanent urban boundaries, the Growth Plan sets out a policy framework in which settlement area boundary expansions can be considered, provided that specific policy tests are met. Through its Official Plan the Region has no ability to set aside, on a permanent basis, lands which could not ultimately be considered for urban development. Any agricultural reserve established in the Regional Official Plan would not be permanent, and would have the potential to be reviewed at each municipal comprehensive review.

In contrast to the Growth Plan, the Provincial ***Greenbelt Plan*** (together with the Niagara Escarpment Plan and Oak Ridges Moraine Conservation Plan) identifies “where urbanization should not occur, in order to provide permanent protection to the agricultural land base and the ecological and hydrological features, areas and functions occurring on this landscape (Provincial Greenbelt Plan, 2017).” The Greenbelt is a broad band of permanently protected land which, amongst other goals, protects against the loss and fragmentation of the agricultural land base and supports agriculture as the predominant land use. Settlement areas outside of the Greenbelt are not permitted to expand into the Greenbelt Protected Countryside.

Through Report No. LPS29-21, Council considered recommendations on potential geographic areas within Halton which the Region should request be included for future study on growing the Greenbelt in response to a Provincial ‘Growing the Greenbelt’ initiative. It is the view of staff that the Growth Plan does not provide a legislative or policy basis on which to create a permanent Food Belt/Agricultural Preserve through the Regional Official Plan, and therefore efforts of the Region should be directed to growing the Greenbelt as the appropriate tool for creating/expanding a permanent agricultural preserve in Halton.

3. A Comparative Assessment of Greenhouse Gas Emissions for each Growth Concept

Another aspect of the Council Motion relates to an assessment of the relative impact on greenhouse gas emissions (GHG) that would be reasonably be expected to be associated with each of the Growth Concepts, be provided.

Staff are seeking a consultant with the required expertise and capability to complete GHG emissions modelling, which will provide meaningful information to assist in assessing the climate change impacts of each Growth Concept and the Preferred Growth Concept.

To respond to the request in the Motion, the scope of this work would include:

- Developing a customized GHG emissions model for the Region and the local municipalities (all assumptions will be specific to Halton Region).
- Assess differences in GHG emissions between Growth Concepts and for the Preferred Growth Concept. Anticipated key model inputs include land use, forest cover, carbon sequestration, and transportation usage.
- Identify co-benefits associated with growth management decisions (e.g. reduced household energy costs, access via transit and active transportation, health benefits).

Based on preliminary discussions, staff expect that the study will cost approximately \$100,000, and is expected to take approximately 2 months to complete. Therefore, final information would not be available for the planned Public Information Centres on the Growth Concepts.

Update on the Public Engagement Approach on the Growth Concepts

The public engagement approach for the *Growth Concepts Discussion Paper* was outlined in Report No. LPS18-21. Since that time staff have reviewed the approach to address Council's concerns related to undertaking engagement of this nature during the COVID 19 pandemic. This includes:

- increasing the number of Public Information Centres from 2 to 6, one in each local municipality, one specifically focused on the North Aldershot Planning Area, and a final wrap up at the end of the engagement period;
- revising the format of Public Information Centres to make them more like traditional Public Information Centres with opportunities for participants to ask questions in real time and breakout rooms to facilitate small group discussion;
- making Regional Planners available to discuss the Discussion Paper with residents, individually or in small groups, at a pre-set time;
- ensuring the needs of rural residents, with limited or no internet, are addressed.

At this time, no in-person engagement is proposed. If it is feasible to undertake in-person engagement the program may be revised.

Also scheduled are presentations to local municipal Councils, as follows, with some dates to be confirmed:

Burlington – April 6th
Halton Hills – May 3rd, afternoon
Milton – May 3rd, evening
Oakville – May 10th

The engagement period will need to be extended to address the range of issues being discussed. For example, the greenhouse gas emissions modeling is expected to take approximately 2 months, and will require approximately 45 additional days to be added to the public consultation window. Staff will report back to Council on the status of engagement efforts in May or June.

FINANCIAL/PROGRAM IMPLICATIONS

For the GHG emissions modelling exercise, the costs are expected to be in the range of \$100,000, subject to the confirmation of an acceptable proposal from a GHG emissions modelling consultant. These additional costs can be accommodated within the current budget for the Regional Official Plan Update (T8021D).

Respectfully submitted,



Curt Benson
Director, Planning Services and Chief
Planning Official



Bob Gray
Commissioner, Legislative and Planning
Services and Corporate Counsel

Approved by



Jane MacCaskill
Chief Administrative Officer

If you have any questions on the content of this report,
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Attachments: None