



STRENGTHENING ONTARIO'S COMPETITIVENESS

RESTORING BALANCE IN LAND-USE PLANNING
TO SUSTAIN A ROBUST ECONOMY



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ONTARIO’S LAND USE PLANNING AS LEVER FOR ECONOMIC PROSPERITY

The legislated planning framework in Ontario has undergone significant changes in the last decade.

“Places to Grow” was in large part driven by the need to accommodate and manage significant growth pressures while also protecting the natural environment from excessive growth and sprawl. Fundamental to this was the desire to create more compact urban forms and the efficient use of infrastructure. By all accounts the framework has been successful in managing growth and encouraging intensification.

Today, Ontario faces different pressures than it did ten years ago. While promoting a healthy environment and a culture of conservation in Ontario remain critical issues, the new challenge that must be met is one of balancing these issues with the need to strengthen the economy that helps Ontario’s communities to develop and prosper, ensuring the well-being of Ontario’s families. Ontario’s land use planning framework can be an important and primary tool in meeting this challenge. A more comprehensive approach that carefully considers the sustainment of a robust economy as a key policy driver can achieve this balance.

The comprehensive policy review(s) currently underway, including the Provincial Planning Policy Statement, the Places to Grow Act and the various Provincial Plans, Policies and Regulations, is the perfect opportunity to create a visionary approach that will help to grow Ontario’s economy in a sustainable and longer term way, also providing the long term framework necessary for development of strong and complete communities which use land, resources and infrastructure efficiently.

Embedding an explicit commitment to the sustainment of a robust economy into the planning framework as a cornerstone policy will be a first step in incenting the behaviour necessary to achieving the balance so important to Ontario’s future. This would help improve the PPS and Places to Grow reviews currently underway.

STRENGTHENING ONTARIO'S COMPETITIVENESS

PUTTING THE ECONOMY AT THE HEART OF POLICY

Tools for achieving balance: The Province should develop separate legislation with a singular focus on the sustainment of a robust economy. This Act would provide a clear signal to stakeholders that the government is oriented towards growing the economy and ensuring the well-being of Ontario's families. This focus would not be at the expense of a healthy environment, a culture of conservation or other policy considerations, but it would aim to ensure that Economic Development is given the weight it deserves in public policy decision-making, at both the macro- and micro-levels, including:



1. A focus on efficient government process – reflecting accelerating and less-predictable global business cycles and typical commercial/industrial production cycles; competent intra-governmental activity ensuring reductions in cost, delay and especially, foregone opportunities.

2. A focus on fairness for Ontario's regions– to acknowledge importance of broadly-distributed economic benefits, in relation to purely local and non-economic considerations, and to ensure that emphasis on a robust economy are shared beyond existing metropolitan agglomerations. Too of ten very local NIMBY considerations deny a large number of Ontarians broad-based regional economic and infrastructure benefits. We have to ensure all communities and regional economies benefit from job creation and economic growth.

3. A transportation focus – to recognize the continuing, valuable and fundamental role of automobile and truck-transport in and for Ontario – using intelligent transportation, goods-movement logistics, self-financing arterial infrastructure, including toll-highways and high-speed, inter-urban rail and bus, as well as air and ports. Ontario relies on a healthy automobile industry, both for employment and reflecting the transportation mode of preference of the overwhelming majority of Ontarians. Transportation and land-use Policy should aim to accommodate the automobile and commercial truck in a sustainable, modern way, creating a strong economy with growing employment through investments in infrastructure for Ontario's transportation systems.

4. A fiscal sustainability focus – to move to new mechanisms for building and maintaining new communities and their infrastructure, emphasizing

long-term / useful-life “user-pay” and self-financing by beneficiaries. Reduced reliance on government-financing (debt-supported capital grants and transfer payments) or government-managed financing mechanisms (development charges), replaced by P3s and pension-fund-supported long-term financing.

This type of legislation will help ensure the sustainment of robust economic growth for Ontario's families, while continuing to promote a healthy environment and a culture of conservation in Ontario.

5. The lack of an established hierarchy of interest (stated or legislated) results in conflict, misunderstanding and misrepresentation or abuse of policy which in turn results in delays in efficient decision making. Consequently, the only real tool for resolution has become costly interventions, i.e. Ontario Municipal Board appeals and/or Ministerial intervention under the Environmental Assessment Legislation.

6. With few practical constraints, there is a risk that any environmental or social consideration, no matter how marginal, will be given greater weight than the benefits associated with emphasizing a robust economy or the responsible exercise of property rights. The time it takes to resolve these issues, if they are resolved, adversely affects investment plans and runs the risk of undertakings being sidelined by changes in economic cycles. There is a recognized tendency towards environmental considerations superseding decisions supporting new projects, plans and developments, complicating planning policy with regards to infrastructure and economic growth.

The difficulty facing investors in the development sector has caused many to flee the jurisdiction or to shelve investment plans. Planning decisions need to happen more efficiently, with a clear defined and cost effective process if they are to incent the correct behavior, contributing to a strong economy with returning and growing employment. Only by introducing an ‘economic’ priority alongside environmental and conservation policy can this be achieved. We should propose a new Act with an explicit interest in a robust economy to achieve these goals.



AN ONTARIO ‘PROSPERITY ACT’

POLICY DIRECTION

Time-limited, renewable set of policy measures equivalent to a four-year provincial or local political term):

1. Avoids need for new statutory legislation or further research and consultation.
2. Relies on under utilized potential in existing legislation, supplemented by new regulations and policy initiatives, and existing and ongoing feedback.
3. A “nodes and corridors” framework for accommodating and networking growth and for promoting the expansion of a robust economy within Ontario.
4. Create a network of Nodes-and-Corridors for improved performance of transportation and utilities (water and sewer, telecommunications, energy, etc.) and resource-management (construction materials, agricultural products, oil and natural gas, energy-generation, solid-waste management, resource-recovery and disposal).
5. A “complete communities” approach to land-use regulation to ensure Ontario meets the needs of its families. This would include more efficient distribution of fundamental economic activity and related employment, without ignoring the economic importance of locational factors, such as access to markets, clusters of economic activities, or convenient availability of source materials and skilled labour.

Regional and municipal policies would emphasize the following priorities:

1. Fair distribution of economic activity, where economic and infrastructure conditions are favourable.
2. More weight to varied regional benefits relative to local impacts.
3. Acknowledgement of the contribution of fundamental economic and employment-creation activities related to manufacturing, commercialization of research, resource extraction and processing, food-processing and rural economic development activities beyond primary agriculture.
4. Re-engineering existing suburban communities to reflect these priorities, where these communities choose not to grow further.
5. Permission for metropolitan communities to ‘deflect’ growth to economically viable, non-metropolitan willing hosts (by Provincial re-allocation of density or population growth targets).
6. An evaluation of available employment lands.

PURPOSE AND OBJECTIVES

1. Position Ontario to respond creatively – and more efficiently – to Ontario’s economic pressures.
2. A focus on retaining, returning and growing employment across all of Ontario’s regions to the benefit of Ontario’s families.

REORIENTING THE PLANNING REVIEWS ACCORDING TO THE PROSPERITY ACT

The planning reviews now underway would be subsumed under the ‘Prosperity Act’ and reflect the principles and approach outlined above. In practice, this means the following key changes:



1. ‘Employment Land’ needs should not be constrained by the PPS and Places to Grow Act. The new growth forecasts indicate the potential for the build out (mature state) of the GTA to be reached by 2041-51. Invariably, there will be some downward pressure on these forecasts once the separate review of the GreenBelt is completed. One of the unintended consequences of the reviews proceeding as they are now is that they will diminish the supply of competitive, well-situated employment lands. Increasingly, there are suggestions and some anecdotal evidence that intensification policies are having the effect of displacing or discouraging vital existing and new manufacturing and production facilities within the inner GTA – this necessarily shifts employment lands outside of the GTA, where the current planning framework does not provide the flexibility to meet this need.

2. A 20-year planning horizon for land and infrastructure is too limited, particularly if the development sector must take more responsibility for financing. A longer term view is essential.

3. Ontario must address the issue of planning grid-lock and perpetual regulatory review. Even with an urban designation in existence it can take 3-5 years and sometimes longer to secure approvals and the infrastructure essential for a new business/industry to locate. In the case of a major international industry with significant land holdings, Places to Grow will not permit any new urban designation. In today’s economy, the business decision will be to locate or expand elsewhere – Ontario competes with other jurisdictions and unless we continue to increase the attractiveness of our investment climate we will lose the competition.

4. The review of the PPS (on planning) and Places to Grow must take into account the impending mature state of the GTA, the role and function of the Outer Ring Municipalities and the unique circumstances and needs of the communities involved.

5. The PPS must develop a more comprehensive approach to agricultural policy, rather than the current limited site-specific application of policy. This approach/policy framework must recognize the issues facing agriculture are not solely land supply/availability-based. Rural economic development contributes to the employment options available to support rural communities and families, and sustain rural community services, like schools and hospitals.

6. Agriculture alone can’t keep rural economies going, even for farmers who routinely need to supplement their income. Employment options that match rural community needs and realities include wineries, food packing, processing, greenhouse operations and even bio-fuels. Some meat packing, aggregates extraction

and chemical processing are also more conducive to the rural environment but face opposition not from farmers, who depend on the supplemental income these complimentary industries create, but the urbanites and recent settlers whose interests are not fully aligned with the farmers they purport to defend.

7. Presently, local extensions or expansions to the Provincial Greenbelt can be initiated and submitted to the Province for approval. This can be done outside the full review of the Places to Grow Act and the Greenbelt Act. The existing provision does not exist in legislation and therefore is not an appealable or transparent, public process. This results in “incremental planning” contrary to the fundamental objectives of Places to Grow and the misuse of this tool to block or frustrate development. Economic, infrastructure and affordable housing considerations are of equal value to Ontarians: all socially beneficial land-use decisions, including expansion of green space, should be required to meet a similar sustainable development test.

“Economic development must assume its role in planning decisions to ensure a balance between environmental and conservation considerations and commitment to a robust economy.”



BARRIERS TO GROWTH WITHIN EXISTING LEGISLATION

Economic development must assume its role in planning decisions to ensure a balance between environmental and conservation considerations and commitment to a robust economy. Across the system, there are contradictions and conflicting interests between the Ministries responsible for land-use planning, approvals, infrastructure and the environment, including:

- 1.** The Planning and Development Act contains existing provisions for the sustainability of the agri-food sector by protecting agricultural resources and minimizing land use conflicts but without a seat at the table for OMAFRA and Economic Development, environmental legislation is paramount, for example:
- 2.** Endangered Species Act: the burden for remediation of sensitive areas is placed on land owners without local considerations for areas that can be maintained while being successfully integrated into sustainable development, i.e. many woodlots and wetlands.
- 3.** Conservation Authorities Act: the inclusion of watersheds and watercourses, which can include any depression in the ground capable of holding water, extends the authority of the Act and has been used as an impediment to development in areas where watercourses could be easily integrated into holistic plans. Ironically, by allowing administrative designation of marginal water features and habitat areas, municipalities and Ontario ministries are contributing to urban sprawl, as set-backs from ponds and vaguely delineated natural systems consume land that would otherwise be integrated into comprehensive servicing plans and residential communities.
- 4.** Environmental Assessment legislation could be streamlined to be more reflective of appropriate cycle-times, paralleling investors' pro-forma time-horizons, and industrial production-cycles, for foundational, employment-creating, economic activities.

IMPLEMENTATION: STRENGTHENING EXISTING TOOLS AND LEGISLATION

1. The Prosperity and Jobs Council has issued similar calls as did the Drummond Report. This proposal could be among the first indications that the broad recommendations put forward by those independent commissions are being incorporated into tangible benefits for Ontarians. This is an opportunity to demonstrate the lead role a PPS on the Economy can play in developing our economy as part of the comprehensive review to Places to Grow now underway.

2. The use of the Ontario Planning and Development Act to designate (or study) Economic Corridors (transport, utilities, 400-series frontage for producers), Economic and Employment Growth Centres, and potential New Communities linked by high-speed rail, BRT and toll-roads, for commercial and / or personal vehicles.

PLANNING AND THE ECONOMY

Forecasts project economic activity to be concentrated in the communities within the Greater Golden Horseshoe, particularly the Greater Toronto Area. This has been the pattern since the creation of Metro Toronto in the 1950s and the Design for Development policies originating in the 1960s.

However, in the past two decades the allocation of employment lands continues to be focused on the GTA despite shifts in the employment sector from light manufacturing to the service sector. At the same time, densification has rapidly increased the cost of establishing larger scale facilities while bringing undue pressure on housing affordability.

Meanwhile, communities on the periphery of the GTA, particularly Brant County (Brantford) and Niagara as examples continue to struggle to attract new business and the sustainment of jobs. Increasingly these communities become the bedroom communities of the GTA, forcing residents to commute extraordinarily long distances for work, which is disruptive not only to family life, but reduces the long term sustainability of these communities as the ratepayer base is not substantial enough to support the services growing populations require.

The successor legislation of Places to Grow must take an organic approach; assumptions that may have been appropriate a decade ago, may no longer serve Ontario's economy and families. These base assumptions should be reconsidered rather than simply recalculated and new policy developed based on the shifting priorities and needs of the contemporary Province.

Without an approach that balances both the economic imperatives and the environmental, affordability will continue to suffer in the GTA, outlying communities will struggle to compete and municipalities will be constrained by a policy that does not adequately allow for creative solutions to infrastructure financing and development, the keys to defining and attracting new business opportunities, contributing to prosperity and meeting the needs of Ontario's families.



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