

UNLOCKING ECONOMIC OPPORTUNITY BEYOND THE GREENBELT

THROUGH DYNAMIC PLANNING POLICY



CONTENTS

03 Introduction

04 Ontario's Growth Challenge, Places to Grow and the Greenbelt

06 The Outer Ring

08 The Historical Evolution of Ontario Planning Policy

09 Smart Growth and the Economy

10 New Challenges: Fiscal Barriers to Economic Development

11 New Challenges: Unintended Consequences

14 Specific Policy Impediments

15 Key PPS Reforms from 2014 Review

16 Preserving the Greenbelt, Promoting Economic Development

16 The UK Experience: Evolution of the National Planning Framework

17 From Outer Ring to Ontario's Next Economic Opportunity

18 Summary Conclusions and Recommendations

INTRODUCTION

Ontario is on the cusp of major change: many smaller 'Outer Ring' communities are now facing one of two possible futures; the prospect of being reduced to largely single purpose bedroom communities of Toronto or reigniting their local economies to once again become self-sustaining, complete communities.

The review of the Greater Golden Horseshoe (GGH) Growth Plan, the Greenbelt, Oak Ridges Moraine and Niagara Escarpment Acts provides a timely opportunity to examine what role the planning framework has to play in creating thriving, complete communities throughout the entire region, particularly given how much has changed since the framework was first introduced.

While Ontario faces some big challenges as a result of the global recession, it is well positioned for economic renaissance. Toronto, one of the most vibrant and prosperous cities in North America, is fueled by its position as a financial services hub and remains a strong driver of prosperity. Parts of the province that have lost ground over the years have the potential to regain that ground due to a number of positive factors: a highly educated and skilled labour force, current low natural gas prices, declining oil prices and a low dollar.

There is now a window of opportunity to realize new manufacturing and other economic activities.

A robust economic development strategy for the province needs to be multifaceted, combining all of the tools at the government's disposal, in an integrated fashion. Planning policy can be an accelerator of economic development. The province should recognize the impact planning policy can have and utilize this tool to catalyze opportunity in the communities beyond the Greater Toronto Area (GTA), within the Outer Ring.

This paper explores how this can be made possible while examining how an evolution of land-use planning can build upon the success of Places to Grow well into the next decade.

ONTARIO'S GROWTH CHALLENGE, PLACES TO GROW AND THE GREENBELT

In 2007, the American Planning Association (APA) selected the Growth Plan for the GGH as one of two recipients of the Daniel Burnham Award for a Comprehensive Plan. It was the first time a Canadian region won the award and reflected the success of the province's comprehensive new approach to planning in the 21st Century, a strong endorsement of its Places to Grow (PTG) framework.

Launched in 2003 and designed for a period of unparalleled growth, Ontario's government and planning professionals knew then that when times are good, planning can direct growth, achieving a balance that preserves the environment and manages sprawl. After witnessing unprecedented growth, particularly in the GTA, Ontario's government recognized that when left unchecked, urban sprawl would jeopardize the benefits of growth by marring the landscape, robbing agricultural lands for new development and undermining environmental protections.

Today, the GTA is home to nearly half of the province's population and the government projects that by 2041 an additional three million people will settle in the region, bringing the total to approximately 9.4 million from its current 6 million.¹ The sustained rate of growth the GTA has experienced is unprecedented and illustrates just how prescient policymakers were when PTG was first introduced. However, while the GTA soars, outlying areas dwindle, suffering population declines of 18 per cent over the same period.

The natural evolution of Ontario's planning policy should be calibrated to recognize the growing need for economic development in the regions beyond the GTA. This policy evolution should be accomplished in a manner that builds on the strength of the GTA while drawing on the rest of the province's complementary economic attributes.

Indeed, a one-size-fits-all approach to planning is proving to be less viable in 2015 as the GTA prospers and, in relative terms, communities beyond the GTA face economic decline.

While PTG remains the appropriate solution to the problem of unchecked growth leading to sprawl in Toronto, it is not as well-suited in its current application to the so-called Outer Ring.

Furthermore, there are also some unintended consequences of the plan that when left unchecked could create significant public policy challenges. Of these, the most pressing areas that the planning framework review should address are:



**Job creation and economic
development in the Outer Ring**



Housing affordability



Infrastructure renewal

Dynamic planning policy can play a catalytic role in the economic success of Ontario's less urban centres. Given the realities of global economic competition and the need to sustain wealth-creating employment in Ontario, perhaps it is time to give the revised PPS primacy in areas where growth is so badly needed and where it can also be more easily accommodated.



Today, the GTA is home to nearly half of the province's population

Today, approximately
6 MILLION
people live in the GTA



It is estimated that by 2041
the population will climb to
9.4 MILLION



population of
outlying areas
declines of
-18%
over the
same period.

However, while the GTA soars, outlying areas dwindle, suffering population declines of 18 per cent over the same period.



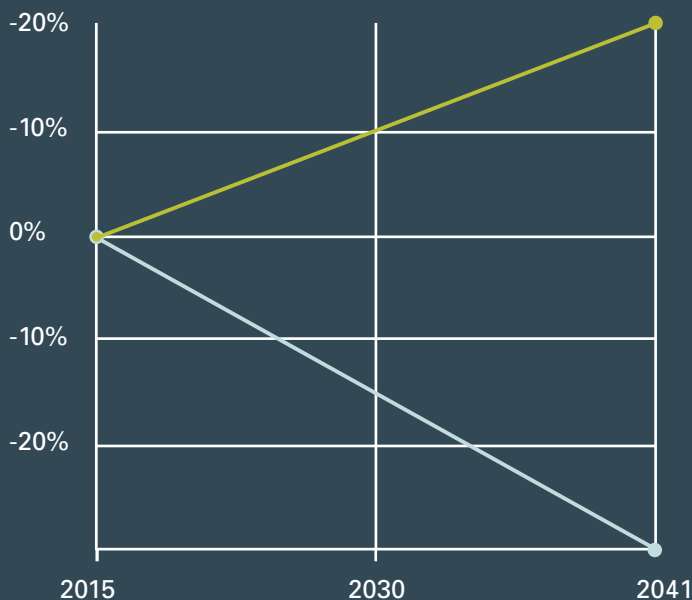
THE OUTER RING

OUTER RING OF MUNICIPALITIES (WITHIN YELLOW)²



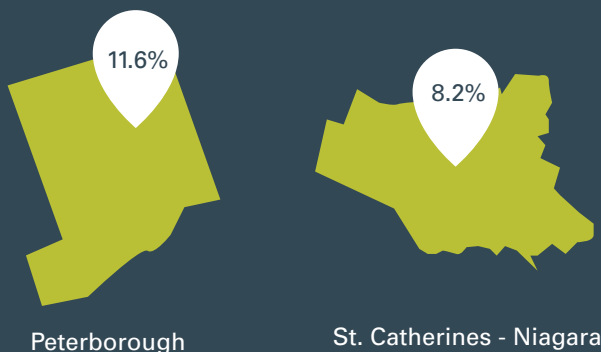
The Outer Ring (inset) once represented a constellation of economic nodes, centred in places like Niagara and St.Catharines, Brantford, Kitchener, Guelph and Peterborough. These communities were once viable manufacturing, agricultural and industrial bases that supported themselves independent of the GTA economy. They were diverse, cost-efficient and self-sustaining economic communities, and supported the provincial economy through a vibrant and thriving industrial and commercial base. Today, that economic and employment base has been eroded. Too many of these areas lack balanced urban and economic structures; they are now part of the GTA constellation, serving often as 'bedroom communities' for commuters.

OUTER RING VS. GTA POPULATION BY 2041



The economic future of the Outer Ring is under threat. While the GTA's population is predicted to soar by 2041, according to Ministry of Finance projections, the population of the Outer Ring is expected to drop nearly 20 per cent over the same time period.³ Much of the reason for the decline is due to the loss of major employment opportunities closer to home, particularly in the manufacturing sector. Without exception, each economic region beyond the Greenbelt has lost almost 20% per cent of the manufacturing jobs that existed in 2000. As a result, the GTA has become the source for employment while much of the Outer Ring continues to hollow out. The strain this brings on infrastructure are so severe that they were the top election issues in 2014.

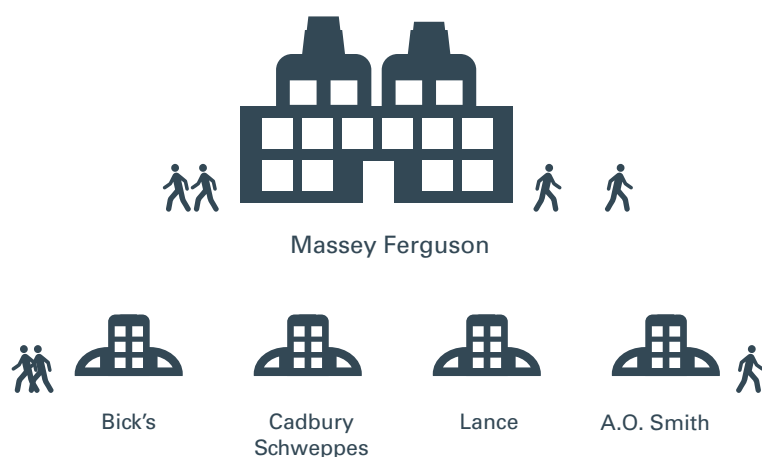
REGIONS WITH HIGHEST UNEMPLOYMENT RATE



In fact, of the top five Canadian regions with the highest rate of unemployment, two can be found in Ontario, within the Outer Ring, including Peterborough (11.6%) and St. Catharines-Niagara (8.2%).⁴ Of those who are employed in the Outer Ring, 40 per cent are in precarious or part-time employment conditions⁵; gone are the days when these communities were economic nodes offering value-added, full-time employment.

Indeed, the closure of Massey-Ferguson in Brant County more than thirty years ago was just a harbinger of things to come. There are now countless contemporary examples of more iconic brands closing for good across this region. Bick's, CanGro Corp, Cadbury Schweppes, Lance and A.O. Smith just to name a few.⁶ The impacts of these closures are well understood throughout the region and something the simple label, 'Outer', has come to represent.

Without a replacement for these large employers, anchors for a community, it becomes increasingly difficult for municipalities in the Outer Ring to be truly self-sustaining as they are unable to produce enough income, local jobs and the taxes that come with it.

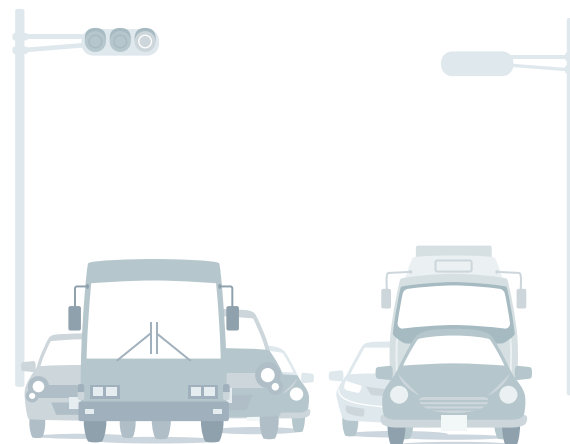


The decline in local revenues has led to significant fiscal pressures at the local level, manifesting itself in under capitalized infrastructure. This necessarily creates new financial demands on the provincial treasury for infrastructure spending. Simply put, the tax base in these communities is not keeping pace with the need for infrastructure renewal.⁷ In fact, municipalities in Ontario face an infrastructure gap of at least \$60 billion that will take 10 years to close, leaving local governments with a bill of \$6 billion each and every year⁸.

Furthermore, the lack of local employment options closer to home not only impacts municipal infrastructure, such as water and waste water services, but provincial infrastructure as well. Countless longer distance commuters have been forced to travel further to find decent employment in the GTA, increasing demands on the province for transportation infrastructure.

The majority of the province's \$2.5B commitment to road improvements is now dedicated to the Outer Ring of

municipalities to deal with the crush of vehicles filling the system. While the Government's commitment to two-way GO service will help reduce congestion, the per kilometre cost of the necessary line upgrades only makes sense where volumes exist throughout the day.⁹ The longer the route traveled, the less economical the upgrade. There is an alternative but that depends on a recognition that the Outer Ring is a unique jurisdiction with its own economic challenges and opportunities quite distinct from the GTA.



If these communities were better able to attract employment on their own, complete communities could emerge again and, in turn, the demands placed on the Inner Ring would lessen.

The application of a singular policy framework to the entire Greater Golden Horseshoe creates a disconnect between the realities of the Outer and Inner Rings. A more nuanced approach could lead to greater complementarity between these regions and alleviate issues on both sides of the Greenbelt, which is ostensibly the current dividing line, or area, between 'Inner' and 'Outer' rings.

Doing so would also incent the creation of new economic development opportunities based on a fit-for-location strategy that recognizes land-use planning as a fundamental lever to create jobs.

This paper does not advocate a rejection of Places to Grow or its complementary Acts (Greenbelt, Oak Ridges Moraine, Niagara Escarpment). On the contrary, this paper proposes a necessary and complementary evolution of Places to Grow to accommodate different regions with different economic circumstances. Doing so allows policy to keep pace with systemic issues and long term policy issues; and with the stated goal of greater prosperity for Ontario as a whole.

THE HISTORICAL EVOLUTION OF ONTARIO PLANNING POLICY

Planning policy has always played a critical role in Ontario's success.

The provincial planning framework has evolved continuously since the late 1960s and early 1970s to take account of the changing pressures municipalities face either to encourage growth or better manage it, and doing so has served Ontario well.

When a more interventionist approach in planning was first introduced, it was designed to account for the significant and rapid growth during the 1970s. The effects of the previous decades had led to a surge in population and a new push into the fringe of what was then the City of Toronto. Design for Development policies were introduced and these were soon followed by the Toronto-Centred Region (TCR) plan and other legislative initiatives, such as extensive environmental assessment requirements for major municipal servicing proposals and the creation of the Niagara Escarpment Planning Area from Tobermory to Niagara Falls.

Together, these policies created a system under which no significant municipal planning policies or major urban development decisions could be made by municipal governments without the explicit consent of the province, according to policies imposed by the province and adjudicated by the Ontario Municipal Board (OMB).

After a tumultuous decade of institutional reform (municipal restructuring) and centralized planning control, successive Ontario Governments, of all political stripes, gradually disengaged from a very activist role, placing greater responsibility on municipal governments, notably regional municipalities, to make basic land-use planning decisions. A more hands-off, laissez-faire approach to planning by the province caused municipalities to pursue different visions of growth led by strong Regional Governments, which were also growing in size and number.

By the late 1990s however, the types of development pressures that originally motivated the province to intervene in municipal planning in the 1970s had resurfaced. Urbanization was taking on a regional character that overwhelmed municipal boundaries, leading to the

amalgamation of the City of Toronto largely for planning and policy-development purposes.

More celebrated was the high-profile contest over development north of Toronto on the Oak Ridges Moraine, where urban sprawl was seen as spoiling important natural features affecting such things as water quality, natural habits for wildlife and the aesthetic character of rural and open space areas in the GTA. Equally pressing was the desire to preserve the Niagara tender-fruit lands from urban encroachment.

In response to these pressures, the Government of the day adopted the policy of Smart Growth, made popular at that time by a number of US jurisdictions. Smart Growth signalled a return of the province to an active role in directing municipal development plans, while effectively removing large parts of the GTA from potential urban development. Policies compelling more intensive residential and commercial development in designated urban centres were combined with policies and plans restricting conversion of agricultural lands and other open spaces, along with a renewed focus on public transit. The Oak Ridges Moraine was preserved by redirecting urban growth to the east of Toronto (as part of the Pickering / Richmond Hill land exchange).

Ontario's Smart Growth evolved into the Growth Plan and the Places to Grow legislation, effectively a recommitment to urban growth planning by the province embodied by the advancement of the award-winning Growth Plan with firm population growth targets, restrictive policies on conversion of agricultural lands beyond the Greenbelt, and similar measures.

Smart Growth suited this period of economic expansion and helped shape it, particularly the need for new transit. Today, Ontario is growing differently and the framework should respond, as it always has, by evolving to meet changing needs, particularly in areas where attracting growth is now the predominant issue.

SMART GROWTH AND THE ECONOMY

The development of northeastern Ontario, the rural electrification program, the building of the 401, provincial wastewater and freeway systems for Peel Region coincident with the development of Bramalea and Mississauga – Ontario has benefitted from inspired leadership on planning issues.

Places to Grow is no exception and an exemplary embodiment of the principles of Smart Growth. However, the broad application of the framework across the entirety of the GGH does not reflect the economic disparity that exists between regions of the area nor the opportunity that exists on both sides of the Greenbelt if a different application of the framework were applied.

Curiously, Growth Plans do reflect the disparity between northern and southern Ontario but make little to any distinction between the very real differences between the GTA and the Outer Ring.

A more economically driven application of the existing framework could spur growth. In fact in 2014, the Ontario Government recognized this need by making changes to the Provincial Policy Statement (PPS) which were intended to give voice to economic principles. The impact of these

changes have yet to be felt for a variety of reasons, including contradictions with current planning policy. For example, the PPS encourages development along strategic trade corridors, like 400-series highways, yet this is often at odds with land classifications and protections in place along those corridors.

With the planning policy reviews underway, there is an opportunity to give life to the economic opportunity the PPS is designed to incent, by further integrating those principles into decision-making.

The same approach could easily be applied to other parts of the province, including southwestern Ontario or the North where greater flexibility in the system has been identified as an instrumental feature of the quest to attract new employment.

Historically, Ontario's planning policy has always evolved to meet provincial challenges and aspirations. It is time for the next evolution, to accelerate opportunity and meet new challenges.



NEW CHALLENGES: FISCAL BARRIERS TO ECONOMIC DEVELOPMENT

Ontario is now working hard to attract growth rather than contain it and although the GTA has been largely immune from the downward trend in the economy, the Outer Ring has not.

The province has within its power the ability to intervene where economic development is a priority. There is no better example of this positive interventionist approach than in its successful courtship of the automotive industry. Ontario is now home to 95% of the country's vehicle production and that is in large part due to the successful marketing and investment push made by successive administrations to court, among others, Honda in Alliston, GM in Ingersoll and Toyota in Woodstock and Cambridge.

Ontario is now home to 95% of the country's vehicle production



Unfortunately, municipalities do not possess the same tools as the province, e.g., taxation policy or other incentives, to effectively mount the same courtship process.

Development charges are inadequate beyond the GTA where it is increasingly difficult to bear the substantial costs necessary to build longer term, employment-centred infrastructure to support growth.

With pressure for non-residential property tax rates to be held firm and/or with industrial tax revenues declining, each increase in net municipal expenditures results in a disproportionately larger burden on residential taxpayers.

Moreover, there is the reality in both Inner and Outer Ring areas, that industry will relocate elsewhere if there is not both the quantity and quality of suitable sites available. This is a lost opportunity for the province as a whole.

Introducing more innovation in municipal financing of infrastructure could remove one of the barriers preventing municipalities from realizing the full benefits of smart growth.

A new model could reduce risk for municipal taxpayers by engaging the private sector in new ways, developers and pension funds alike. At the same time new financial tools might allow for long range planning and intra or even inter-jurisdictional investments in new infrastructure as well as better risk transfer away from cash-strapped municipalities (and the demand that in turn places on the province). Utilizing bonds or other funding mechanisms to fund tax increment approaches or utility districts could create greater flexibility for municipalities, and bring more private sector money to the table. Development charges should not be the only option for smaller jurisdictions struggling to plan for longer term economic growth.

With new approaches to financing municipal infrastructure, supported by a more flexible approach to the planning framework in the Outer Ring, vibrant, complete communities could flourish in places that today are struggling to attract growth.

NEW CHALLENGES: UNINTENDED CONSEQUENCES

The Greater Golden Horseshoe Plan presupposes that the entire area from the Kawarthas to Simcoe, Brant to Niagara can be treated as a single place, its component municipalities and regions broadly equal to each other in economic generation or the distribution of population. Unfortunately, as a means to characterize the area for planning purposes, using the GGH as a geographic reference point leads to some skewed conclusions, which in turn have created some unintended consequences just beyond the GTA.

Intensification as a planning policy has been a great success in the area for which it was designed, but the reality is that intensification is not as viable in communities beyond the GTA.

Consequently Places to Grow should be considered in a variety of contexts:



affordability and housing choice, both inside and outside the GTA, that is responsive to market demands;



the availability, suitability and readiness of employment lands and the ability to respond in a nimble fashion to employer needs; and,



the opportunity to plan for the protection of agricultural lands while providing complementary opportunities and financial security for farmers.

Housing Affordability (and Choice)

Reduced housing affordability is a well-documented consequence of land containment policies. One of the unintended consequences of the Greenbelt and the Growth Plan has been rising housing costs in the GTA (both resale and new). As prices soar, affordability has become the primary determinant of where people choose to live¹⁰, and intensification policies are only increasing the pressure. The fact is, many families are being priced out of the GTA and have no option but to seek out more affordable options further afield with the resulting impact on quality of life, road congestion and transit requirements.



Unfortunately, it is likely that we are only starting to see the implications of high prices; given the time lag in the approval and construction process, this trend is likely to continue at an alarming rate over the next few years as pressures work their way through the system.

Most troubling, in the medium-term, is the risk faced by many Ontarians who face an extraordinary leveraging of their net income, through high-ratio, low-interest mortgages (even with the CMHC limits). Any meaningful increase in interest rates over the next 5 years could have a devastating effect on these families.

Preserving the Greenbelt is desirable, but there needs to be a 'relief' valve for families seeking affordable housing. That relief valve could come in the form of incenting the growth of more complete communities on the other side of the Greenbelt, places where families can both live and work.

Attracting Jobs

Ontario's ability to attract new employment depends on its ability to compete effectively with other jurisdictions. Many of our neighbouring states are today attracting North American-based manufacturers and producers who are actively looking to re-locate parts of their production from Asian countries to jurisdictions "closer to home." New York, Ohio and Michigan are all taking advantage of low natural gas prices and competitive labour markets to fuel their manufacturing renaissance. Ontario shares many of the same attributes as these areas and could be competing more effectively for these jobs, particularly in the Outer Ring. A comprehensive approach to supporting Ontario's competitive advantage should include planning policy tools that are flexible enough to allow for Outer Ring communities to respond to opportunities.



One area that merits more attention is the published employment lands supply list, which is currently using somewhat misleading growth numbers and allocations. The supply is exaggerated in large part because the emphasis on developing a genuinely adequate, employment-ready pipeline of land suitable to employers (particularly large-scale employers) is not the focus of the planning framework. Too often, the land supply is actually comprised of disjointed and ill-served parcels too small to warrant interest by larger employers.

In other cases, the supply number is inflated in part because of the challenges associated with bringing Brownfield sites to development outside of Toronto. In the Outer Ring, the economics of remediation do not always work like they do in the GTA. The majority of sites in the Outer Ring typically require high-cost remediation and the inclusion of them to the exclusion of other, perhaps more strategic, larger parcels distorts the true 'availability' of employment lands in the published land supply.

For example, municipalities like Brantford are burdened by Brownfield sites they must include as part of their supply of employment lands even when the heavy and unpredictable cost of remediation has turned away a number of prospects (and these are not costs the municipality is able to bear on its own). In a nimble market, many employers prefer higher quality, quicker and less costly endeavours and this leads them elsewhere, often outside the province.



A rigorous examination of the quality of the employment land supply, particularly with respect to employer needs, is crucial. Indeed, when these qualitative factors are included in the analysis, the number of hectares available often plummets¹¹. When the ability of municipalities to turn this more limited supply into "shovel-ready" sites is also factored in, the quantity drops even further – placing these municipalities outside of consideration by many employers.¹²

Meanwhile, there is a well-documented pent-up potential for business reinvestment, as US firms are sitting on record financial reserves. The low dollar and favourable tax rates make Ontario attractive to global manufacturers and industrial processors. With the right planning framework and an eye to the need for Greenfield employment lands, Ontario could be poised for a economic expansion.

Protecting and Promoting Opportunity within the Agricultural Sector

The agriculture and agri-food industry in southern Ontario is generally experiencing a prosperous period and will likely continue to do so. Ironically, the broader economic and employment conditions in rural and small town Ontario, as we have noted, are not nearly so positive. Agri-business has the potential to alleviate some of this disparity, through broader synergistic land use.

In ensuring a vibrant rural economy, preservation of agricultural lands, particularly with lower classifications or fragmented ownership patterns, may only be one of a number of considerations. The ability to provide nearby off-farm employment or to introduce agri-business operations or businesses that source materials from agriculture can be equally important considerations.

Likewise, permitting growth in certain areas otherwise designated for agricultural or other uses can relieve urban growth pressures on higher priority areas, like tender fruit lands or escarpment lands. Another example would be to redirect greenhouse operations, agri-business, or logistics, away from tender fruit lands to lower-classification agricultural lands.

New policy should support sustainable development proposals that promote agri-business and loosen the classification systems that prohibit certain agri-processing and other related industries from flourishing alongside more traditional food growing and harvesting operations.

The Review(s) Can Address Unintended Consequences

PTG review processes should recognize what the revised Provincial Policy Statement has started to imply:

Land use planning can and should, by design, be a part of the province's economic development plan, managing growth where it is needed and spurring it along where it is lacking.

Furthermore, as the GTA and environs become less welcoming of industry and expansion, the ex-urban communities that comprise the Outer Ring could also serve as the relief valve for the growth issues inside the GTA: issues of housing affordability and choice, the need to attract major employers and provide quality employment for Ontarians and the need to grow and let flourish the agricultural sector.

A more flexible framework in the Outer Ring may point the way not only to greater economic success outside the Greenbelt but for the relief needed for communities in the GTA facing some of the unintended consequences of the planning framework's containment policies.

The reviews represent a unique opportunity to create a win:win for the province. It can alleviate the challenges listed here while also fostering economic development where it is so badly needed.



SPECIFIC POLICY IMPEDIMENTS

In addition to the unintended consequences we have just reviewed, there are a number of specific policy impediments that are inadvertently contributing to these consequences, including:



Economic impact assessments do not form part of the justification process;



Population projections and allocations assume a zero-sum premise;



The revised PPS conflicts with existing policy.

New Settlement Areas and Economic Impact Analysis

Proposals to create or expand a Settlement Area must secure an analysis of the following: servicing feasibility, transportation facilities, agricultural land quality, natural heritage features and functions, hazard lands, resource development and its potential cultural heritage and archaeological resources. In addition, the planning framework also states that the secondary plan or official plan amendment for settlement expansion shall indicate proposed land uses, major streets, road, storm water and utility services, population density and staging of development over a period of 10-20 years.

The most striking feature of this long list of requirements is what is missing: the economic impact of growth or a relevant calculation on the job creation associated with the change, particularly the longer term job creation related to viable new employment opportunities. The review currently underway provides the opportunity to embed the economic principles espoused in the PPS, within the planning framework.

A Zero-Sum Premise in Allocating Numbers

The commitment to compact urban form and complete communities is commendable but it is often interpreted as being largely or exclusively related to existing and projected growth nodes, which clearly favours both the GTA and established urban centres.

Furthermore, the zero-sum premise of the Growth Plan's population projections beyond the GTA means that allocating additional growth to one area (say, Wellington County / Guelph or Waterloo Region) can come at the expense of other areas (e.g., Niagara, Haldimand, Brant / Brantford).

There may be merit in reallocating population growth projections away from those communities within the GTA where growth is being resisted, to communities outside the GTA where growth would be welcomed.

Such transfer of growth allocation might also reduce the sprawl-inducing tendency of concentric GTA growth, in favour of less spatially significant growth around ex-urban communities or in 'new towns'. Indeed, doing so may help to preserve and protect the Greenbelt too.

For example, it might actually be preferable to create an entirely new or greatly expanded urban community, such as was done to create Kanata and Bramalea, making it possible to achieve other Plan objectives by designing-in urban sustainability features, like active transportation, energy conservation, transit accessibility, urban market gardens, and so on. The next evolution of Places to Grow should be flexible enough to have regard for this possibility.

KEY PPS REFORMS FROM 2014 REVIEW

The following provisions of the 2014 revised PPS need to be more formally asserted in the Outer Ring in order to realize the benefits these directions presumably sought to achieve, particularly the need to:



Enhance the protection for major industries and facilities from new and incompatible uses that can impact their ability to continue or expand | Policy 1.2.6



Strengthen the protection of corridors for goods movement and protect employment areas in close proximity to corridors and facilities for goods movement | Policies 1.3.2.3, 1.6.8



Support long-term planning for employment areas | Policy 1.3.2.4, including master planning of employment parks and industrial sites coupled with critical infrastructure and appropriate residential construction to create attractive propositions for investors and workers/residents alike.



Promote investment-ready communities, place-making and mixed-use areas to support economic development | Policies 1.3.1, 1.7.1

Realizing the Ambitions of the Revised PPS

The Growth Plan and the PPS recognize the need for incompatible uses to be removed from urban settlement, but there are other economically valid reasons to accommodate and even promote the creation of larger sites for employers, including the preferences of potential investors or the needs of modern industrial production, research and logistics.

As we have noted, the Ontario Government has recognized this fact-of-life when accommodating automobile assembly plants. They were accommodated on lands that might otherwise have been constrained because of agricultural or environmental considerations, but which proved marginal in relation to the long-term employment prospects of new, large-scale industrial development.

While the PPS now advocates for more consideration to economic development, any major proposal would effectively have to overturn pre-existing designations and their supporting policies since such policies were not updated to reflect changes to the PPS. Effectively, the new PPS will not be given life unless some direction is given on the application of its economic principles. Indeed, given the elaborate land-use planning approval process in Ontario, the objective of the PPS may not be able to be realized in the business cycle timetable governing global manufacturing, software engineering, and similar enterprises.

Giving primacy to the economic directives in the revised PPS for the Outer Ring should not be interpreted as a repudiation, or even a watering down, of the benefits of Places to Grow, it would simply be a recognition that the Outer Ring is different, faces unique challenges and merits its own Plan.

As long as the Outer and Inner rings receive the same treatment in planning, conflicts will arise between the necessary constraints on growth needed in the GTA and the need to unlock it beyond the Greenbelt.

PRESERVING THE GREENBELT, PROMOTING ECONOMIC DEVELOPMENT

Public support is high for the Greenbelt (including the Greenbelt's expansion through the recently completed Pickering /York Region land exchange), as well as for the establishment of the Rouge Valley National Park northeast of Toronto. It is also under immense pressure as commuters continue to seek cheaper alternatives for housing as close to the GTA as possible with more demands for building or upgrading rail lines and other modes of transit that cross the Greenbelt.

If the Greenbelt is to remain intact and immune from pressure, it must either endure greater demands for highway and transit infrastructure that cut across its boundaries to enable commuters to reach jobs within the GTA or the province will have to encourage more complete communities and jobs outside of the GTA.

Creating economic nodes throughout the Outer Ring through a more flexible approach to land-use planning could be the key to enabling the Greenbelt to survive and thrive. Already, fringe development threatens the space and adds to the infrastructure burden mentioned above.

A strategy to incent economic growth in the Outer Ring can create greater flexibility within the GTA and avoid the Faustian bargain of preserving greenspace at the expense of prosperity.

THE UK EXPERIENCE: EVOLUTION OF THE NATIONAL PLANNING FRAMEWORK

The United Kingdom can provide some valuable lessons as Ontario undertakes its planning policy review. Like Ontario, the UK has a centralized approach to planning which has existed for several years. Growth numbers are determined and allocated centrally while local municipalities are required to develop Official Plans accordingly.

For the same strong reasons Ontario undertook to curb sprawl and protect the environment, the UK also instituted robust Greenbelts and adopted intensification policies similar to Places to Grow.

The UK has also been grappling with some of the unintended consequences that Ontario has experienced, as well as a difficult economic climate. The consequences are strikingly similar, including the need to incent job creation in economically stagnating communities beyond Greater London, a growing housing affordability issue within Greater London and a long-standing commitment to preserve and protect the 'countryside'.

In order to ameliorate these unintended problems and spur economic growth in outlying areas, revisions to the UK's National Policy Planning Framework were undertaken

following a comprehensive review. In particular, the review led to a provision that local authorities (municipalities) more proactively plan to meet the development needs of business, including:



creating an outline of potential barriers to investment



outlining infrastructure needed to support investment



developing an economic vision that accounts for options within and outside urban boundaries, a clear recognition that large-scale employers have different needs



requiring local plans to support sustainable growth in its agricultural sector by increasing rural enterprises¹³

FROM OUTER RING TO ONTARIO'S NEXT ECONOMIC OPPORTUNITY

Ex-urban or Outer Ring communities are clamouring for growth and have the economic underpinnings to make them as successful as they once were. These communities are situated along vital 400 series corridors that serve our economy, and are well placed to secure quality employment within or adjacent to current boundaries. While the region contains certain large anchor employers, particularly from the automotive sector, the planning framework makes it difficult to plan and pay for the long term infrastructure necessary to attract the complementary supply chain businesses that typically grow around these anchor employers.

Furthermore, many of these communities could provide a timely alternative to the emergence of “unwilling hosts”: GTA municipalities where growth is seen as a problem and where development and intensification are increasingly opposed. Employment land supply and availability along the key trade corridors found in the Outer Ring also represent lower cost options for employers now based in the GTA where land prices are rapidly forcing relocation decisions.

A specialized Growth Plan(s), or amendments to the existing GGH Plan for this region could be the incentive needed for economic revitalization. The solution would be based on Places to Grow but draw heavily on the revised elements of the PPS that give economic considerations their rightful place in decision-making. This is not a revolutionary idea but one already contemplated by the current framework.

Niagara's Gateway Economic Zone¹⁴ is a provincially designated area that was carved out of the planning framework in recognition of the region's long-standing economic malaise coupled with its vital location as one of the central gateways to our economy. The same conditions and issues¹⁵ apply today more than ever virtually throughout the entire Outer Ring.

Concepts such as the Gateway, facilitated by the PPS and given life by a new Plan (or Amendment) would allow the Outer Ring to be more nimble and responsive and thus competitive with jurisdictions south of the border when trying to attract employers and other drivers of economic development.

The balance created by this approach will also lead to more certainty, something every investor seeks. Developers will be encouraged to change their own game - responding less to GTA dynamics and development charges and more to longer term municipal, regional and even provincial interests. As a result, longer term partnerships could also be realized, enabling broader visions, cost savings and risk transfer for municipalities.

With economies still struggling to rebound from the recent recession and associated job loss, the planning policy reviews present an opportunity for both the Outer Ring and for the province.

A new approach could reduce pressure on the Greenbelt by creating viable communities beyond it. A new approach would invite new, risk taking private sector involvement in municipal infrastructure and enable planning for it at regional and even provincial levels, uniting a range of interests in the Outer Ring and creating a unique platform on which to realize the Government's economic development ambitions for the province.

An uptick in economic activity would do more than put people back to work near where they live. Any fiscal and economic growth will make existing provincial investments in healthcare, education and environmental services more fiscally and operationally sustainable, particularly at a time when closures and service cuts face many smaller communities.

It is time for a more nuanced approach to Ontario's planning policy. It is time for the Outer Ring to be seen for what it once was and could be again: the gateway to Toronto's burgeoning economy and a cluster of strong economies that do not depend entirely on proximity for their well-being. It is time for a policy that treats the Outer Ring as an important economic corridor and a collection of viable, complete communities. It is time for another evolution in the planning framework.

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

The consolidated review of Ontario's planning framework provides a unique opportunity to direct and manage growth for the benefit of all Ontarians. Where sprawl and growth should be contained, current policies have been effective in establishing a balance of interests. However in communities that are not enjoying prosperity, planning policy must also act as a catalyst to unlock economic growth rather than contain it. This is in keeping with the natural evolution of planning policy and is a tremendous opportunity for public policy to make a difference.

Doing so will not only preserve and protect the Greenbelt, limiting the infrastructure demands for services that cut across it to the GTA, but the environment in the Outer Ring as well. By introducing a more appropriate, strategic and comprehensive approach to economic development linked to land-use planning, the Outer Ring, will be better able to direct growth according to its employment needs along strategic corridors thus protecting larger, contiguous lands for agriculture or green space.

As the review moves forward, it should address three key issues:



It can do so by setting out the following approach during the review process:

- 1** As a condition of the review, implement an economic impact assessment of the policy framework on the Outer Ring of municipalities.
- 2** Examine the correlation between the current planning framework and the unintended consequences of it listed in this paper.
- 3** Create a new Growth Plan, plans or appropriate amendments for the Outer Ring, preserving the original GGH plan for the GTA while addressing the unique needs for the outer region(s) in a way that is more sensitive to the very real need for economic development (note: distinct plans or amendments are provided for under the Places to Grow Act).

As a result, the inter-regional disparity that comes from the current growth allocation process would be diminished and municipalities in need of growth would be encouraged to pursue regional approaches to servicing and longer term partnerships with the private sector to deliver it cost effectively.

The new planning framework can genuinely reflect back the very real differences that exist between the GTA and the outlying areas and develop a balanced approach to help generate prosperity in more economically stressed regions of southern Ontario.

The planning framework is a critical tool in helping the province realize both its economic development and land-use ambitions.

Footnotes

¹Ontario Ministry of Finance, www.fin.gov.on.ca, “Ontario Population Projections”, Fall 2014

²Places to Grow website: https://www.placestogrow.ca/index.php?option=com_content&task=view&id=27... Lifted directly from Greater Golden Horseshoe Growth Plan

³See, for example, Adam Radwanski, “The long, slow decline of the nation’s industrial heartland”, *The Globe and Mail*, published Friday, May. 30 2014

⁴Ibid (original source material was Statistics Canada)

⁵Statistics Canada as compared to Ontario Ministry of Finance projections, 2014

⁶Mowat Centre, Summary Report, “Ontario Made: Rethinking Manufacturing in the 21st Century”, http://mowatcentre.ca/wp-content/uploads/publications/83_ontario_made_summary.pdf

⁷Federation of Canadian Municipalities Report, “State of Canada’s Cities and Communities, 2012”, <http://www.fcm.ca/Documents/reports>

⁸Towards a new Federal Long-Term Infrastructure Plan, August 2012, from AMO’s Submission to Infrastructure Ontario (Association of Municipalities of Ontario)

⁹Burda, Cherise and Haines, Graham, Pembina Institute, Report, “Making tracks to Torontonians”, January 2011

¹⁰Greater Toronto Board of Trade, Discussion Paper, “A Green Light to Moving the Toronto Region: Paying for Public Transportation Expansion” at http://www.bot.com/advocacy/Documents/Campaigns/DiscussionPaper_AGreenLight_March18_2013.pdf

¹¹IBI Study, 2014 on GTA land supply: Regardless of whether PTG looks out to 2031 or 2041, there is a shortfall of employment lands across the GTA of between 10,270 and 15,130 net hectares of employment land while the Outer Ring is forecast to have an unmet demand of 5,650 net hectares.

¹²Ibid.

¹³The Royal Town Planning Institute, London, UK, www.rtpi.org.uk, February 2012, updated February 2015

¹⁴Regional Municipality of Niagara, “Niagara Gateway Economic Zone and Centre Community Improvement Plan”, produced by RTI Consulting for the Region in October 2012, revised in 2014.

¹⁵Ibid.

About the Contributors

This paper benefitted from the collective experience and thought leadership of some of Ontario’s leaders in planning strategy and policy development, including:

Michael Fenn is a Senior Advisor at StrategyCorp, formerly Deputy Minister of Municipal Affairs & Housing, and prior to that, chief municipal administrator in Burlington and the Hamilton-Wentworth Region. During his tenure as Deputy Minister, Ontario took measures to preserve the Oak Ridges Moraine (on which the Greenbelt was subsequently based), and adopted the smart growth planning philosophy that led to the award-winning Places to Grow legislation and the Growth Plan. His pioneering work to promote ‘brownfields’ legislation in Ontario was recognized by the Canadian Urban Institute’s “Brownie Award”.

In 2014, Michael authored three major published studies: “Unlocking Ontario’s Advantages: Building new infrastructure on the foundation of existing public assets” (for the RCCAO); “Provincial-Municipal Relations in Ontario: Approaching an Inflection Point”, co-authored with André Côté (for IMFG, Munk School of Global Affairs, U of Toronto); and, “Recycling Ontario’s Assets: A New Framework for Managing Public Finances” (for the Mowat Centre, U of Toronto).

Michael is the recipient of a number of professional awards, including the Lieutenant Governor’s Medal of Distinction in Public Administration for Ontario, the top career award from both of Ontario’s largest municipal professional associations, and the “Canada 125 Medal” for community service to Burlington. In 2010, he was one of two Ontarians added to the Association of Municipalities of Ontario’s Honour Roll.

Dave McCleary has 42 years of experience in planning, public policy and project management having served in a variety of senior roles with the Regional Municipality of Halton, including Manager of Long Range and Policy Planning, Senior Policy Advisor and Executive Assistant to the Chief Administrative Officer and OMB Case Manager. Dave is also a member of PRAGMA Council, author of three Regional Official Plans, represented Halton Region on the Province’s Task Force on Planning, Transportation and Development in the GTA and involved in the creation of the Niagara Bi-National Economic Roundtable. Lastly, Dave was one of the principal advisers on the creation of Canada’s first urban national park, the Rouge.

Shirley Hoy joined StrategyCorp following several successful years in city government where she most recently served as the City Manager for the City of Toronto. Shirley also served as Assistant Deputy Minister in the Ministry of Municipal Affairs and Housing and Chief Executive Officer of the Ontario Housing Corporation in addition to her work as Chief Executive Officer of the Toronto Lands Corporation.

Jocelyn Deeks is an experienced professional urban and regional planner with over 12 years of experience having worked for the City of Toronto across multiple divisions, including positions in both city planning and economic development. Jocelyn was previously a senior policy advisor for the Ministry of Municipal Affairs and Housing, leading strategic policy development for improving Ontario’s built environment. Jocelyn is also a full member of the Ontario Professional Planners Institute and the Canadian Institute of Planners.

StrategyCorp was retained by the Walton Group of Companies, a Canadian, family-owned and operated real estate investment and land development company, to evaluate the planning framework in Ontario and the role land-use planning can play in incenting economic development. Walton’s Ontario team manages nearly 14,000 acres of land located along strategic employment corridors in Niagara, Brant and Simcoe Counties, and Ottawa.



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