



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Planning Committee
From: Jameson Pickard, Senior Policy Planner
Sarah Wilhelm, Manager of Policy Planning
Date: Thursday, March 11, 2021
Subject: **Employment Area Conversions**



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1.0 Purpose

The purpose of this report is to provide Council an overview of:

- the Provincial policy framework related to Employment Area conversions; and
- the principles that will guide staff's development of criteria for the evaluation of Employment Area conversion requests received through the Municipal Comprehensive Review (MCR).

An Employment Area conversion is a process to consider re-designating lands within an Employment Area to accommodate non-employment uses such as residential or major retail.

2.0 Background

The Province recently completed an amendment to A Place to Grow - Growth Plan for the Greater Golden Horseshoe, 2019 (Growth Plan), which extended the planning horizon of the plan to 2051. The revised forecasts for the County anticipate at least 160,000 people and 70,000 jobs by 2051.

As part of our growth management work through the MCR, the County is completing a County-wide Land Needs Assessment (LNA). The LNA will look at the total amount of land available in Community Areas and Employment Areas and compare it to how much land the County requires to accommodate the forecast population and employment growth.

3.0 Employment Area Conversion Policy Framework

In the County, the Growth Plan and the Provincial Policy Statement, 2020 (PPS) work together to implement a policy framework that provide for the long term viability and success of Employment Areas. These policies ensure that Employment Areas are protected from sensitive land uses, are positioned to take advantage of major goods moving facilities and are managed effectively to accommodate employment growth to 2051.

Ensuring employment opportunities are available for the future is a key component of building complete communities and therefore, conversion requests are subject to specific Provincial

policies. Specifically, policy 2.2.5.9 of the Growth Plan requires the County to consider Employment Area conversions through the MCR process and provides specific policy criteria that must be demonstrated to permit a conversion. The evaluation of conversion requests through the MCR process allows the County to comprehensively assess the merits of each request against land supply, land need and other localized considerations.

The Growth Plan and PPS both define Employment Areas as:

“Areas designated in an official plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices and associated retail and ancillary facilities.”

Within the County Official Plan, Urban Industrial lands and Rural Employment Areas meet the definition of Employment Area. However, given the restrictive Provincial policy regime applicable to Rural Employment Areas, the County is not recommending any conversions to these lands through the MCR.

4.0 Employment Area Conversion Guiding Principles

Attached in Appendix A is a memo from our consultants, Watson & Associates, which provides an overview of employment in Wellington and identifies key principles that the County should consider in their approach to developing criteria to evaluate Employment Area conversion requests.

These principles are based on a best practice review of municipalities in the Greater Golden Horseshoe, applicable Provincial policy and the consideration of the unique context of the County’s Employment Areas. The guiding principles are as follows:

1. Provide specifically designated Employment Areas opportunities to establish themselves and their viability;
2. Protect Employment Areas in proximity to major transportation corridors and goods movement infrastructure to ensure businesses have access to a transportation network that safely and efficiently moves goods and services;
3. The configuration, location, and contiguous nature of Employment Areas need to be maintained in order to prevent fragmentation and provide business supportive environments;
4. Provide a variety of Employment Area lands in order to improve market supply potential and Regional attractiveness to a variety of employment sectors and business sizes;
5. Retain the employment and job potential of Employment Areas;
6. Support efforts of transformative change in a Brownfield Area if it can be demonstrated that the site has the characteristics of a Strategic Growth Area;
7. Align with County interests and policies related to Employment Areas in order to support achieving municipal goals and mandates of planning for, protecting, and preserving Employment Areas; and

8. Limit and/or mitigate land use incompatibilities where necessary.

5.0 Next steps

Subject to Council's endorsement of this report, staff will use the guiding principles to develop more detailed criteria (in addition to the conversion criteria contained in the Growth Plan) to evaluate Employment Area conversion requests. These criteria will be incorporated into a submission guide which will be posted on the project web page and advertised through the County's various social media platforms. Formal requests for Employment Area conversions, will be evaluated by staff and the consultant team. Staff will also seek feedback from member municipalities.

At this time, Staff is targeting a submission deadline of May 1st, 2021 for all Employment Area conversion requests. This deadline will be confirmed when we post the Employment Area conversion criteria on the project webpage.

Recommendation

That the "Employment Area Conversions" report be endorsed by Council and forwarded to our member municipalities for information.

Respectfully submitted,



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Manager of Policy Planning

Appendix A – Employment Area Conversion Guiding Principles

APPENDIX A

Employment Area Conversion Guiding Principles Memo

Technical Memorandum

To	Sarah Wilhelm, Manager of Policy Planning, County of Wellington
From	Jamie Cook, Director; Brad Post, Senior Consultant, Watson & Associates Economists Ltd.
Date	March 1, 2021
Re:	Employment Area Conversion Principles

Fax ☐ Courier ☐ Mail ☐ Email ☒

The purpose of this memo is to recommend principles for Employment Area conversions to be used in the development of criteria for review of Employment Area conversion requests as part of the County of Wellington Municipal Comprehensive Review (M.C.R.).

The Employment Area principles have been prepared by drawing on the following:

- A review of best practices across the Greater Golden Horseshoe (G.G.H);
- Relevant Provincial planning policies and supporting documents related to A Place to Grow, the Province's Growth Plan for the G.G.H., hereafter referred to as the Grow Plan, 2019, and Provincial Policy Statement (P.P.S.), 2020; and
- The evolving nature of Employment Areas within the County of Wellington with respect to land use, economy and transportation.

This memo is intended to provide the following:

- An overview of the impetus of planning for and protecting Employment Areas in County of Wellington;
- Suggested principles to guide the approach to the employment conversions criteria development and evaluation process;
- Definitions of common terms; and
- Provincial policies or direction.

1.1 Planning for Employment Areas in County of Wellington

When considering the County's regional competitive ranking, a major factor influencing the future competitiveness of the County's economic base is the structure and quality of its Employment Areas. In the County of Wellington, Employment Areas typically include a broad range of light, medium and heavy industrial lands, as well as rural Employment Areas.

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Employment lands form a vital component of County of Wellington's land-use structure and are an integral part of the local economic development potential of the County.

They are also home to many of the County's largest employers. Through development of its Employment Area land base, the County is better positioned to build more balanced, complete, and competitive communities. Thus, a healthy balance between residential and non-residential development is considered an important policy objective for the County of Wellington.

Employment Areas accommodate primarily "export-based" employment sectors which typically reach markets well beyond the "trade area" of the County of Wellington population base. This includes a wide range of industrial uses (e.g. manufacturing, distribution/logistics, transportation services), specific multi-tenant commercial and institutional uses, as well as ancillary/accessory retail uses which generally support the industrial/business function of the County's Employment Areas.

It is important to recognize that structural changes in the broader economy are altering the nature of economic activities in Employment Areas and impacting the built form and character of these lands. It is also important to recognize that tomorrow's industries have site, space and built-form requirements that are fundamentally different from traditional industrial sites which exist today. This may include requirements related to broad infrastructure, high-speed internet services,¹ transit access, energy efficiency, building and urban design standards, eco-industrial design principles and labour force access. Site configuration and integration of uses is also evolving particularly in prestige employment areas which often integrate operations combining office, research and development, warehousing and logistics, and on-site manufacturing in a "campus-style" setting.

With an increasing emphasis on "knowledge-based sectors," major office, flex office and multi-purpose facilities encompassing office and non-office uses are becoming an increasingly dominant built form. Recognizing these recent structural changes in the regional economy, there has been a shift in planning philosophy that calls for developing Employment Areas to provide for a wider range of amenities and employment-supportive uses which complement both knowledge-based and traditional industrial sectors.

¹ It should be noted that the Government of Canada is investing in the infrastructure of high-speed internet network (High-Speed Access for All: Canada's Connectivity Strategy) and by 2026 95% of Canadians will have access to high-speed internet and with access to all Canadians by 2030.



1.2 Protecting Employment Areas within the County of Wellington

Employment uses in Employment Areas (e.g. manufacturing, warehousing and logistics) typically require large tracts of land with good access to trade corridors near major highway interchanges and other major transportation facilities such as ports, rail yards, intermodal facilities and airports. Employment Areas may also accommodate industries which require adequate separation from sensitive land uses (e.g. residential uses, education and health care facilities, day care centres). In contrast to other urban land uses (e.g. Commercial, Mixed-Use and Residential Areas), Employment Areas provide the opportunity to accommodate industrial sectors that cannot be easily accommodated in other areas of the County. Both the Growth Plan, 2019 and the 2020 P.P.S. contain policies which protect employment areas in proximity to major goods movement facilities and corridors which require those locations.

The County of Wellington Official Plan includes the provincial criteria for employment land conversion under O.P. policy 4.2.2. As part of the Municipal Comprehensive Review, it is recommended that the County consider expanding the criteria to include local criteria.

Further, given the importance of the Rural Employment Areas within the County, and in some cases, as the only employment lands at the local municipal level, it is important that the County protect these lands from conversion. It is recognized that there is generally less pressure to convert rural employment areas, however it is not recommended that the County consider such areas for conversion during the MCR.

If not carefully evaluated, the conversion of Employment Areas to non-employment uses can potentially lead to negative impacts on County of Wellington's economy in several ways. Firstly, employment conversions can reduce employment opportunities, particularly in export-based sectors, creating local imbalances between population and employment. Secondly, employment conversions can potentially erode the County's employment land supply and lead to further conversion pressure as a result of encroachment of non-employment uses within, or adjacent to, Employment Areas.

Finally, employment conversions can potentially fragment existing Employment Areas, undermining their functionality and competitive position. Ultimately, poor planning decisions related to the conversion of lands within Employment Areas can potentially compromise the County's ability to attract and accommodate industries and develop functional Employment Areas of critical mass.

Given the potential negative impacts resulting from the conversion of Employment Areas it is recognized that there is a need to preserve such designated lands within County of Wellington for employment uses. Notwithstanding this focus on the long-term protection of Employment Areas, County of Wellington also recognizes that under some circumstances, an Employment Area conversion may be justified for planning and



economic reasons, but such decisions must be made using a systematic approach and methodology as set out herein.

1.3 Principles for Approaching the Evaluation of Employment Conversions

Given the importance of planning for and protecting Employment Areas, a series of principles, as listed below, for approaching the evaluation of employment conversions has been established. These principles are meant to provide further rationale to the employment conversion criteria. Again, it is noted that these principles were developed using policy directions and guidance from the P.P.S., 2020, Grow Plan (2019), as well as reference to best practices in protecting, planning, and developing employment lands. They were also developed recognizing the evolving nature of Employment Areas occurring in some parts of the County with respect to land use, economy and transportation.

1) Provide specifically designated Employment Areas opportunities to establish themselves and their viability;

There are specific designated Employment Areas that have previously been designated through an exercise which resulted in Council Approval (e.g. Council approved Official Plan Amendment, Secondary Plan, etc.) and because of externalities such as planning appeals, development agreements, funding agreements, etc., they have not yet established their marketability, viability, and/or presence. A conversion request within these specific designated Employment Areas would be premature and provide a barrier to the implementation of the Employment Area.

2) Protect Employment Areas in proximity to major transportation corridors and goods movement infrastructure to ensure businesses have access to a transportation network that safely and efficiently moves goods and services;

In contrast to other urban land uses (e.g. Commercial, Mixed-Use and Residential Areas), Employment Areas provide the opportunity to accommodate industrial sectors that cannot be easily accommodated in other areas of the County. The Growth Plan, 2019 and the P.P.S., 2020 contain policies which protect Employment Areas in proximity to major goods movement facilities and corridors which require those locations. To continue to be competitive and attractive to a broad range of industrial and commercial sectors, municipalities need to ensure that medium to large-scale vacant sites have good access to trade corridors near major highway interchanges as well as other major goods movement and transportation facilities such as ports, rail yards, intermodal facilities, and airports.

3) The configuration, location, and contiguous nature of Employment Areas need to be maintained in order to prevent fragmentation and provide business supportive environments;



Preserving the overall configuration, location, and contiguous nature of Employment Areas ensures the County can continue to be competitive and attractive to a broad range of industrial and commercial sectors. Any risks of Employment Areas becoming fragmented overtime are mitigated and businesses are enabled to establish relationships and synergies, thereby developing strong business supportive environments at various scales (i.e. locally and regionally).

4) Provide a variety of Employment Area lands in order to improve market supply potential and Regional attractiveness to a variety of employment sectors and business sizes;

Municipalities need to ensure a sufficient supply of municipally serviced (and/or serviceable) lands within Employment Areas, by location, access, site size, zoning, tenure, etc., are offered. This will ensure a sufficient market choice of designated Employment Areas are provided to accommodate a variety of employment sectors and business sizes. The County will need to ensure that it is a diverse supply of employment land supply, including a range of parcel sizes.

5) Retain the employment and job potential of Employment Areas;

Recommended Employment Area conversion should maintain or improve the County's overall ratio of jobs to population (i.e. employment activity rate), without undermining the functionality and competitive position of existing Employment Areas.

6) Support efforts of transformative change in a Brownfield Area if it can be demonstrated that the site has the characteristics of a Strategic Growth Area;

It is recognized that overtime large abandoned industrial sites, brownfields may provide opportunities to undergo transformative change over the long-term. Efforts which encourage transformative change on brownfield sites should be supported if it can be demonstrated that the employment conversion request supports the characteristics of a Strategic Growth Area as defined in the Growth Plan, 2019 or the principle number 5.

7) Align with County interests and policies related to Employment Areas in order to support achieving municipal goals and mandates of planning for, protecting, and preserving Employment Areas; and

It is recognized that there are various municipal interests and policies related to Employment Areas that speak to planning for, protecting, and preserving Employment Areas. As such, the purpose of this principle is to align as best as possible to mandates, goals, and objectives, for example, included in County Strategic Plan, Official Plans, Secondary Plans, etc., which provide insight on the County's vision towards planning, protecting, and preserving Employment Areas.



This alignment will also be identified through engagement with Area Municipalities as they provide local insights and circumstances throughout the course of the Employment Area conversion analysis. Area Municipal staff comments and Council resolutions addressing alignment with this principle will need to be provided in order to be considered while evaluating the conversion request.

8) Limit and/or mitigate land use incompatibilities where necessary.

The Growth Plan, 2019 and the P.P.S., 2020 contain policies that speak to avoiding or limiting land use incompatibilities with sensitive land uses (e.g. residential uses, education and health care facilities, day care centres). Employment Areas may also accommodate industries which require adequate separation from sensitive land uses.

1.4 Definitions

Employment Areas – Areas designated in an official plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities (PPS, 2020).

Market Supply Potential – The site and locational selection options available to different employment sectors and business sizes related to the choice of Employment Area Lands (e.g. various site sizes, locations, access, zoning, tenure, etc.).

Municipal Interests – mandates, goals, and objectives, for example, included in Corporate Strategic Plans, Official Plans, Secondary Plans, etc., which provide insight on the municipality's vision towards planning, protecting, and preserving Employment Areas. Municipal interests also include local insights and circumstances identified through engagement with Area Municipalities.

Provincially Significant Employment Zones (PSEZ) – Areas defined by the Province in consultation with affected municipalities for the purpose of long-term planning for job creation and economic development. Provincially significant employment zones can consist of employment areas as well as mixed-use areas that contain a significant number of jobs (Growth Plan, 2019). There are currently no PSEZs within the County of Wellington.

Sensitive Land Uses – Uses that include buildings, amenity areas, or outdoor spaces where routine or normal activities occurring at reasonably expected times would experience one or more adverse effects from contaminant discharges generated by a nearby major facility. Sensitive land uses may be a part of the natural or built environment. Examples may include, but are not limited to residences, day care centres, and educational and health facilities (PPS 2020).

Specifically Designated Employment Areas – Employment Areas designated through an exercise which resulted in Council approval (e.g. Council approved Official Plan Amendment, Secondary Plan, etc.) and have not yet established their marketability,



viability, and/or presence through, for example, development or phases of a development, because of externalities such as planning appeals, development agreements, funding agreements, etc.

Strategic Growth Area – Within settlement areas, nodes, corridors, and other areas that have been identified by municipalities or the Province to be the focus for accommodating intensification and higher-density mixed uses in a more compact built form. Strategic growth areas include urban growth centres, major transit station areas, and other major opportunities that may include infill, redevelopment, brownfield sites, the expansion or conversion of existing buildings, or greyfields. Lands along major roads, arterials, or other areas with existing or planned frequent transit service or higher order transit corridors may also be identified as strategic growth areas (Growth Plan, 2019).



1.5 Provincial Policy or Direction

The following provincial policies and directions should be used to inform the employment conversion criteria:

Provincial Policy Document	Section	Policy
Provincial Policy Statement (2020)	1.2.6.1	<i>Major facilities and sensitive land uses</i> shall be planned and developed to avoid, or if avoidance is not possible, minimize and mitigate any potential <i>adverse effects</i> from odour, noise and other contaminants, minimize risk to public health and safety, and to ensure the long-term operational and economic viability of <i>major facilities</i> in accordance with provincial guidelines, standards and procedures.
	1.2.6.2	Where avoidance is not possible in accordance with policy 1.2.6.1, planning authorities shall protect the long-term viability of existing or planned industrial, manufacturing or other uses that are vulnerable to encroachment by ensuring that the planning and <i>development</i> of proposed adjacent <i>sensitive land uses</i> are only permitted if the following are demonstrated in accordance with provincial guidelines, standards and procedures: a) there is an identified need for the proposed use; b) alternative locations for the proposed use have been evaluated and there are no reasonable alternative locations; c) <i>adverse effects</i> to the proposed <i>sensitive land use</i> are minimized and mitigated; and d) potential impacts to industrial, manufacturing or other uses are minimized and mitigated.



Provincial Policy Document	Section	Policy
	1.3.1	<p>Planning authorities shall promote economic development and competitiveness by:</p> <ul style="list-style-type: none"> a) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses; b) facilitating the conditions for economic investment by identifying strategic sites for investment, monitoring the availability and suitability of employment sites, including market-ready sites, and seeking to address potential barriers to investment; and c) d) encouraging compact, mixed-use development that incorporates compatible employment uses to support liveable and resilient communities, with consideration of housing policy 1.4.
	1.3.2.1	<p>Planning authorities shall plan for, protect and preserve <i>employment areas</i> for current and future uses and ensure that the necessary <i>infrastructure</i> is provided to support current and projected needs.</p>
	1.3.2.2	<p>At the time of the official plan review or update, planning authorities should assess <i>employment areas</i> identified in local official plans to ensure that this designation is appropriate to the planned function of the <i>employment area</i>. <i>Employment areas</i> planned for industrial and manufacturing uses shall provide for separation or mitigation from <i>sensitive land uses</i> to maintain the long-term operational and</p>



Provincial Policy Document	Section	Policy
		economic viability of the planned uses and function of these areas.
	1.3.2.3	Within <i>employment areas</i> planned for industrial or manufacturing uses, planning authorities shall prohibit residential uses and prohibit or limit other <i>sensitive land uses</i> that are not ancillary to the primary employment uses in order to maintain land use compatibility. <i>Employment areas</i> planned for industrial or manufacturing uses should include an appropriate transition to adjacent <i>non-employment areas</i> .
	1.3.2.4	Planning authorities may permit conversion of lands within <i>employment areas</i> to non-employment uses through a <i>comprehensive review</i> , only where it has been demonstrated that the land is not required for employment purposes over the long term and that there is a need for the conversion.
	1.3.2.5.	Notwithstanding policy 1.3.2.4, and until the official plan review or update in policy 1.3.2.4 is undertaken and completed, lands within existing <i>employment areas</i> may be converted to a designation that permits non-employment uses provided the area has not been identified as provincially significant through a provincial plan exercise or as regionally significant by a regional economic development corporation working together with affected upper and single-tier municipalities and subject to the following: a) there is an identified need for the conversion and the land is not required for employment purposes over the long term;



Provincial Policy Document	Section	Policy
		<ul style="list-style-type: none"> b) the proposed uses would not adversely affect the overall viability of the <i>employment area</i>; and c) existing or planned infrastructure and <i>public service facilities</i> are available to accommodate the proposed uses.
	1.3.2.6	Planning authorities shall protect <i>employment areas</i> in proximity to <i>major goods movement facilities and corridors</i> for employment uses that require those locations.
	1.6.8.2	<i>Major goods movement facilities and corridors</i> shall be protected for the long term.
	1.6.9.1	Planning for land uses in the vicinity of <i>airports, rail facilities and marine facilities</i> shall be undertaken so that: <ul style="list-style-type: none"> a) their long-term operation and economic role is protected; and a) b) <i>airports, rail facilities and marine facilities and sensitive land uses</i> are appropriately designed, buffered and/or separated from each other, in accordance with policy 1.2.6.
Place to Grow (2019)	2.2.5.5	Municipalities should designate and preserve lands within <i>settlement areas</i> located adjacent to or near <i>major goods movement facilities and corridors</i> , including major highway interchanges, as areas for manufacturing, warehousing and logistics, and appropriate associated uses and ancillary facilities.



Provincial Policy Document	Section	Policy
	2.2.5.9	The conversion of lands within <i>employment areas</i> to non-employment uses may be permitted only through a <i>municipal comprehensive review</i> where it is demonstrated that: <ul style="list-style-type: none"> a) there is a need for the conversion; b) the lands are not required over the horizon of this Plan for the employment purposes for which they are designated; c) the municipality will maintain sufficient employment lands to accommodate forecasted employment growth to the horizon of this Plan; d) the proposed uses would not adversely affect the overall viability of the employment area or the achievement of the minimum intensification and density targets in this Plan, as well as the other policies of this Plan; and e) there are existing or planned <i>infrastructure</i> and <i>public service facilities</i> to accommodate the proposed uses.
	2.2.5.10	Notwithstanding policy 2.2.5.9, until the next <i>municipal comprehensive review</i> , lands within existing <i>employment areas</i> may be converted to a designation that permits non-employment uses, provided the conversion would: <ul style="list-style-type: none"> a) satisfy the requirements of policy 2.2.5.9 a), d) and e); b) maintain a significant number of jobs on those lands through the establishment of development criteria; and a) c) not include any part of an <i>employment area</i> identified as a <i>provincially significant employment zone</i>.
	2.2.5.12	The Minister may identify <i>provincially significant employment zones</i> and may provide specific direction for planning in



Provincial Policy Document	Section	Policy
		those areas to be implemented through appropriate official plan policies and designations and economic development strategies.
	3.2.4.1	Linking <i>major goods movement facilities and corridors</i> , international gateways, and employment areas to facilitate efficient goods movement will be the first priority of highway investment.
	3.2.4.3	Municipalities will provide for the establishment of priority routes for goods movement, where feasible, to facilitate the movement of goods into and out of <i>employment areas</i> and other areas of significant commercial activity and to provide alternate routes connecting to the provincial network.
	Definition	Provincially Significant Employment Zones Areas defined by the Minister in consultation with affected municipalities for the purpose of long-term planning for job creation and economic development. <i>Provincially significant employment zones</i> can consist of <i>employment areas</i> as well as mixed-use areas that contain a significant number of jobs.