

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
March 7, 2019

Report of the Commissioner of Corporate Services and Chief Planner

Proposed Employment Area Conversion Criteria

1. Recommendations

1. Council endorse the proposed employment area conversion criteria in Attachment 4 to be applied by staff when assessing requests for employment area conversions during the Regional Municipal Comprehensive Review (MCR) to inform recommendations to Council.
2. Staff apply the criteria in consultation with local municipal staff and landowners to inform a draft land budget to be considered by Council later this year.
3. The report be circulated by the Regional Clerk to local municipalities and the Ministry of Municipal Affairs and Housing.

2. Summary

This report provides employment area conversion criteria to be applied by staff when considering requests for employment area conversions during the Regional MCR.

Key Points:

- Employment areas contain 53% of the Region's 2018 employment base and are key to maintaining a competitive, diverse, and thriving economy
- To date, the Region has received 30 requests to convert sites within employment areas to non-employment uses (equating to 6% of the employment area land base) through the MCR
- The Growth Plan provides minimum criteria for assessing requests for employment area conversions
- Staff have developed additional Regional criteria that provide for a comprehensive, transparent, and equitable review process
- Proposed criteria were informed by existing official plan policies in York Region and other Ontario jurisdictions and refined through consultation with local municipal staff
- Land owners and the development industry will be consulted on staff's application of the criteria to evaluate requests for conversion

3. Background

Employment Area needs will be assessed through the Municipal Comprehensive Review

Through the MCR, York Region will be updating employment policies and the employment forecast in the Regional Official Plan (ROP). The Region is forecast to grow to 900,000 jobs to 2041, growth of approximately 264,000 jobs from 2018. To plan for this employment growth, staff will be bringing forward the following reports to Council in 2019 and early 2020:

- Historical and future employment trends in the Region and beyond
- Updated policies and mapping of employment areas in the York Region Official Plan
- Employment forecast (by employment type) and land needs assessment to 2041, incorporating recommendations on requests for conversions

Planning for employment through the MCR will also be coordinated with the update of York Region's Economic Development Action Plan which sets out a strategic course of action for economic growth and business attraction in the Region.

For forecasting and land needs assessment purposes, employment is categorized into four types:

1. Employment area: employment within designated employment areas
2. Major office: employment in free standing office buildings of 20,000 square feet or greater
3. Population-related: employment serving the local population such as retail and community services
4. Rural: jobs dispersed throughout rural areas

Criteria presented in this report apply to the employment area category. Employment areas are defined in the Provincial Policy Statement 2014 (PPS) 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". Residential and major retail uses are prohibited in employment areas. A more detailed description of the other three employment categories can be found in Attachment 1 and existing employment area boundaries are identified in Attachment 2.

Employment area conversions occur when sites within employment areas are re-designated to accommodate non-employment uses such as residential or major retail. Conversions have a direct impact on the land needs assessment which will determine if additional employment area land is required to accommodate the 2041 employment forecast.

Long term protection of employment areas is important to the Regional economy and integral to the Greater Golden Horseshoe economic market

Employment areas are strategic to the Region and play a vital role in the broader Greater Golden Horseshoe (GGH) economy. York Region is centrally located within a one day drive

to global markets in the United States, close to Toronto Pearson Airport, and home to the CP intermodal, CN MacMillan rail yard, and a strong network of 400-series highways.

Significant portions of two regionally, provincially, and nationally significant employment zones identified by the Neptis Foundation (shown in Attachment 1) are also located in southern York Region. These clusters provide a significant number of jobs in rapidly growing industries such as Information and Communications Technology (ICT), distribution, and logistics outside of Toronto's downtown core for workers across the GGH.

York Region has approximately 2,590 hectares of vacant employment land, representing approximately one third of the total York Region inventory of designated employment areas. Maintaining a long term supply of employment land is important for live/work opportunities for residents within York Region. Ensuring that these areas remain successful in attracting employment growth is vital for economic growth in the GGH and has the added benefit of reducing commute times and transit trips to downtown Toronto.

The success of the Region's employment areas are fundamental to economic vitality and resiliency

The Region's employment areas are very successful and provide the following economic benefits:

- accommodate 53% of the Region's 2018 total employment base of 636,630 jobs
- have recently attracting major employers like TD, Desjardins and Honda
- support economic vitality and resiliency through a diverse range of industry sectors
- contribute to a healthy tax base and generate revenue through new construction
- support export-based businesses with land extensive or location-specific requirements at lower land costs

Provincial and regional policies provide direction to protect employment areas and assess conversion requests

Provincial Plans and policies highlight the need to protect and preserve employment areas for the long term, including beyond the 20 year horizon. Provincial policies also identify the importance of protecting employment areas along major transportation corridors to support the movement of goods.

Policies in the Growth Plan for the Greater Golden Horseshoe (Growth Plan) have been strengthened and now require upper-tier municipalities to designate and map employment areas in the Regional Official Plan. Conversion of employment areas to non-employment uses may only be considered through a Regional MCR based on a minimum set of criteria. Provincial policies also prevent appeals of employment conversions and conversion polices in upper- tier official plans, once approved by the Province.

Similar to the Growth Plan, policies in the Regional Official Plan emphasize the long term protection of employment areas. The Regional Official Plan prohibits non-employment uses such as residential, major retail, and other retail and commercial non ancillary uses in employment areas. Ancillary retail uses (uses directly supporting the needs of the business park) are limited to 15% of an employment area.

The Province is proposing Amendment 1 to the Growth Plan

On January 15th 2019, the Province released proposed Amendment 1 to the Growth Plan and a Proposed Framework for Provincially Significant Employment Zones. Changes related to employment area conversion policies include:

1. Provincially Significant Employment Zones – 29 areas across the GGH that are important to the provincial economy and should not be converted outside of an MCR. Five of these areas have lands in York Region.
2. A policy that would allow consideration of employment area conversions in advance of the next MCR outside of Provincially Significant Employment Zones.

[Staff's position](#) on proposed Amendment 1 is that all requests for employment area conversions be considered comprehensively through the MCR process.

4. Analysis

York Region has received 30 requests for employment area conversions as part of the MCR to date

Between 2012 and 2016, approximately 240 hectares of land in employment areas were converted through local Official Plan Amendments. Since the MCR began in 2014, the Region has received an additional 30 requests for employment area conversions. Together, these requests cover approximately 500 hectares of employment land and account for an estimated 6% of the Region's total employment area land base. Details on these requests are provided in Attachment 3. Each request will be assessed against the proposed criteria.

Criteria provide a tool to assess conversion requests comprehensively and inform recommendations to Council

Provincial and regional planning policies direct municipalities to build compact, mixed-use, complete communities. This includes planning for employment in the right locations. In some circumstances, a conversion to a non-employment use may be appropriate if it supports other planning objectives and/or enhances the urban structure. For instance, a conversion request may be in a location suitable for an intensified land use or an area where the original employment area context has changed.

Allowing conversion of designated employment areas to non-employment uses, however, can have short and long term implications on the supply and viability of employment areas.

The introduction of residential or major retail uses in an employment area reduces available land supply and has potential to disrupt the viability of the employment area by conflicting with existing uses or growth of future businesses. Employment areas are the only viable home for businesses with location-specific needs that require land extensive sites in proximity to goods-movement corridors and away from other sensitive land uses. Additionally, introducing non-employment uses into an employment area can increase land costs for adjacent sites.

The proposed conversion criteria will be utilized by staff to inform recommendations on whether a conversion request is appropriate and enhances policy objectives in the Regional Official Plan, or if it will negatively impact the long term supply and/or viability of employment areas.

Proposed criteria build on Growth Plan policies to account for the regional context and increase transparency and consistency

The Growth Plan contains minimum high level conversion policies that must be considered when assessing requests for employment area conversions. Through a MCR, conversion of lands within employment areas to non-employment uses may only be considered where it can be demonstrated that:

- 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
- d) the proposed uses would not adversely affect the viability of the employment area or the achievement of minimum intensification and density targets
- e) there are existing or planned infrastructure and public service facilities to accommodate the proposed uses

Regional staff identified a need for additional criteria that would assist with assessing the context of the Region's employment areas. In many cases, Growth Plan criteria are too general and do not address key provincial and Regional Official Plan objectives, including:

- protection of employment areas adjacent to 400-series highways and other goods-movement infrastructure
- provision of choice through a range of site sizes, particularly a healthy supply of large-scale parcels

Criteria that expand on Growth Plan criteria provide staff with a more comprehensive, equitable and transparent process for assessing the 30 requests for employment area conversions received to date.

The proposed conversion criteria were developed with local municipal staff and through a review of Official Plan policies in York Region and other jurisdictions in Ontario

In developing the proposed conversion criteria, Regional staff undertook a review of Regional and local Official Plan policies and employment area conversion criteria in other Ontario municipalities. The Cities of Ottawa, Toronto, Mississauga, Burlington, Hamilton and Milton have developed employment area conversion criteria that complement the criteria in the PPS and the Growth Plan (where applicable). It was evident that each criterion had been developed to ensure the specific needs of the municipality's economy and local context were being met when assessing requests for conversions.

In developing additional criteria, staff hosted a number of workshops with regional and local municipal staff.

York Region employment area conversion criteria will help assess requests for conversions using five core principles

The proposed employment area conversion criteria have been organized into five theme areas which align with conversion policies in the Growth Plan and Regional Official Plan in working together to support the Region's long term vision. The theme areas highlight the five core principles staff will be considering when assessing each request for employment area conversion. The following provides an explanation of each theme area. The proposed employment area conversion criteria are in Attachment 4.

1. Supply

Preserving an adequate and diverse supply of employment land is vital to meeting overall regional and local long-term employment needs. The Region's proposed criteria expand on the Growth Plan by prohibiting employment area conversions in recently designated and largely vacant employment areas and by preserving large-size employment parcels to meet the future needs of businesses with specific locational requirements. This includes protection of lands that are planned beyond the 2041 planning horizon.

2. Viability

Viability is the ability for an employment area to operate successfully and sustain success over the long-term. While Growth Plan conversion policies speak to preserving the viability of employment areas, more specifically this includes factors such as impacts to existing businesses operations, opportunities for future business investment, linkages between businesses and compatibility of land uses. Regional criteria prohibit consideration of requests if the entire perimeter of the site is surrounded by lands designated and intended to remain designated for employment purposes.

3. Access

Both the Growth Plan and Regional Official Plan encourage protection of sites in the vicinity of major highways, rail yards and airports. There are however, no specific conversion policies in the Growth Plan that consider the importance of these areas. In addition to these sites being valuable for goods-movement purposes, access to major transportation infrastructure is desirable from an economic development perspective. Proposed Regional criteria would consider the location of a site when assessing requests for employment area conversions.

4. Infrastructure

Growth Plan criteria recognize the importance of ensuring availability of existing or planned infrastructure such as sewage, water, energy and transportation as well as public service facilities prior to converting employment areas. The York Region Official Plan also emphasizes the importance of providing residents and employers with high quality public services and infrastructure systems.

5. Region-wide Interests

Under the Growth Plan, the Region is now responsible for planning employment areas and assessing employment conversions. Together with local municipal partners, it is the Region's responsibility to ensure that Regional and local planning objectives are considered and met. While Growth Plan conversion policies require proponents to identify a need for a conversion, additional Regional criteria under this theme ensure a proposed conversion would not compromise any other regional or local municipal planning objectives and considers potential issues that cross regional boundaries.

Proposed conversion criteria protect employment areas beyond the planning horizon and prohibit conversions in employment areas that have yet to develop

As stated in the PPS, employment areas may be planned beyond the planning horizon. To that end, even if the Regional land needs assessment determines a surplus of employment land, the attached criteria will be used to assess the merits of conversion requests up to and beyond the 2041 planning horizon.

Staff are proposing that employment area conversion requests not be considered in the following recently planned employment areas, highlighted in Attachment 2: Keswick Business Park, Queensville, Highway 404 (ROPA 1), ROPA 3, and Highway 400 North (ROPA 52). To date, the Region has received conversion requests in Highway 400 North. Conversion of lands in these areas would be premature as they have not had the opportunity to develop and the nature and character of these areas has yet to be established. In many cases, this is due to pending servicing or the area may have recently been brought into the urban boundary to accommodate future employment area employment growth to 2031. As a result, preserving these areas for future employment uses is integral to meeting Regional and local municipal long term employment needs. These areas are more appropriately evaluated through a subsequent MCR.

Proposed Amendment 1 does not impact the proposed criteria to assess requests for employment area conversions

Proposed changes in Amendment 1 to the Growth Plan do not impact the way in which staff recommend assessing requests for conversions in employment areas. [Staff's position](#) on proposed Amendment 1 is that all requests for employment area conversions be considered comprehensively through the MCR, not in advance of the next MCR. Since the Region's MCR is well underway, it is appropriate to consider all requests for conversion comprehensively through that process.

Land owners will be consulted on the Region's preliminary evaluations of requests for conversions

Over the coming months, staff will be applying the criteria to evaluate requests for employment area conversions and generate preliminary recommendations. Results of preliminary assessments will be shared and discussed with land owners, local municipal staff, and other stakeholders as appropriate. Adjacent land owners for sites that staff recommend be considered for conversion will also be notified.

Preliminary assessments on requests for conversion will be presented to Council in conjunction with the draft forecast in fall 2019

Assessments on requests for employment area conversions are one of many inputs to the Region's employment forecast and policy update. The draft forecast is scheduled to be presented to Council in the fall of 2019 and will be informed by a detailed review of existing official plan policies, recommendations on requests for conversions, and analysis on historical and future trends. This work will also be an important input to the Economic Development Action Plan update.

Land owner conversion requests received by the Region by May 1st 2019 will be considered in the Region's draft forecast and land needs assessment tentatively scheduled for fall 2019. Through consultation with local municipal staff, land owners, and other stakeholders, recommendations on each request will be presented to Council with the draft forecast.

Planning and protecting employment areas supports goals of Vision 2051 and the Strategic Plan

Protecting employment areas has a strong policy framework in the ROP and links to Vision 2051's goal area of An Innovation Economy. Vision 2051 has links to economic growth in all eight goal areas.

A number of indicators under the Economic Vitality strategic priority area of the Strategic Plan focus on preservation of the Region's finite supply of employment areas, one of which is protection and securement of employment areas along 400 series highways.

5. Financial

Employment areas play a central role in the Region's economy. Availability of a wide range of employment land is integral to fiscal health of a community and can directly affect economic development and diversification of the assessment base. Employment growth also has potential to generate spinoff economic benefits.

6. Local Impact

York Region staff have met with local municipal planning staff to discuss protecting employment areas. Local municipal staff helped develop the proposed criteria and will be an integral part of the evaluation process. Extensive consultation with local municipal staff will occur when developing recommendations on each request for conversion. Local municipalities are key partners in the ongoing preservation, enhancement and planning of employment areas.

7. Conclusion

Employment areas are strategic and vital to the Regional economy. Employment areas accommodate over 53% of the Region's 2018 employment base and have a number of economic benefits. These include providing York Region residents with access to high-quality jobs, supporting a healthy tax base and accommodating export-based businesses with land extensive or specific location requirements at lower land costs.

To date, the Region has received 30 requests for employment area conversion. Staff have developed a set of proposed employment area conversion criteria (Attachment 4) to evaluate these requests. The Region's criteria build on Growth Plan policies and provide a comprehensive and equitable basis for evaluating requests for employment area conversions. Recommended treatment of lands subject to requests for conversion will be evaluated with local municipalities, land owners and other stakeholders as required before being presented to Council with the Region's recommended growth scenario in the fall of 2019.

For more information on this report, please contact Paul Bottomley, Manager, Policy, Research, and Forecasting at 1-877-464-9675 ext. 71530. Accessible formats or communication supports are available upon request.

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February 22, 2019
Attachments (4)
eDOCS #9111458