

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
October 10, 2019

Report of the Commissioner of Corporate Services and Chief Planner

Employment Area Conversion Process Update

1. Recommendations

Council receive this report for information.

2. Summary

This report provides Council with an update on the employment area conversion evaluation process for the Municipal Comprehensive Review (MCR) and progress to date.

Key Points:

- For the first time, the Growth Plan requires York Region to designate employment areas in the Regional Official Plan and to assess requests for employment area conversions
- The Region has received 58 site-specific conversion requests to be considered through the MCR
- Staff are currently assessing requests for employment area conversions starting with application of the York Region employment area conversion criteria endorsed by Regional Council in March 2019 (Phase 1)
- Individual letters were distributed to each landowner informing them of Regional staff's preliminary Phase 1 recommendation based on the criteria evaluation and to invite them to meet to discuss staff's initial evaluation
- Phase 2 of the evaluation process is in progress and includes a broader analysis of employment lands, their context within the Regional and local structure, implications on the land budget and infrastructure, and the changing nature of job delivery
- Both phases consider materials submitted for the site-specific conversion requests as well as local municipal staff input and/or local municipal Council recommendations
- Upon completion of phase 2, results of the final assessment will be presented to Council with recommendations in Q1 2020

3. Background

Upper and single-tier municipalities are required to assess employment area conversion requests and designate employment areas in the Regional Official Plan

Planning for employment is an important component of the Regional Municipal Comprehensive Review (MCR). To inform the development of an updated Regional Official plan, a number of reports are presented to Council as outlined in Table 1.

Table 1
MCR Workplan

| Timing | Status | Report Title |
|---------|--------|--|
| Q1 2019 | ✓ | Employment Land Conversion Criteria |
| Q2 2019 | ✓ | Planning for Intensification - including draft MTSAs |
| | ✓ | Planning for Employment - including trends analysis |
| | ✓ | Implementing the Agricultural System |
| Q3 2019 | ✓ | Growth and Infrastructure Alignment |
| Q4 2019 | | Update on Public Consultation |
| | | Employment Area Conversion Process Update |
| Q1 2020 | | Planning for Growth - including draft forecast and land needs, and employment conversion recommendations |
| | | Major Transit Station Areas Update |
| | | Natural Heritage Planning |
| | | Policy Directions Report |
| Q2 2020 | | Intensification and MTSAs - Final Recommendations |
| | | Climate Change |
| | | Planning for Employment - Final Recommendations |

As part of planning for employment, the Growth Plan now requires York Region to designate and set density targets for employment areas in the Regional Official Plan (ROP) and to assess requests for employment land conversion. These are new Regional responsibilities, as previously employment designations were only included in local Municipal Official Plans.

For the first time, following the completion of the Region's current Municipal Comprehensive Review (MCR), the ROP will include an employment area designation.

Assessing employment areas is an essential component of planning for employment to deliver future jobs across the Region

Through the MCR, staff are undertaking extensive research and analysis in planning for employment to 2041 and beyond leading to an update of the ROP. The Region is forecast to grow to 900,000 jobs by 2041, growth of approximately 264,000 jobs from 2018. The following reports to Council support planning for this employment growth.

1. [Employment Area Conversion Criteria](#) and York Region [2018 Employment and Industry Employment](#) reports presented to Council in March 2019
2. [Planning and Employment](#) background report including historical and future employment trends in May 2019
3. Employment forecast (by employment type) and land need assessment to 2041, that will identify proposed employment land areas which incorporate recommendations on the requests for conversion to be presented to Council in Q1 2020; this report will include recommendations on each employment conversion request
4. Planning for Employment report including recommendations on employment area designations and a policy framework
5. Draft policies and mapping of employment areas in the ROP to be presented to Council in 2020

Assessing conversion requests is an essential component of planning for employment as Council decides where to deliver future jobs across the Region and protects appropriate land to ensure the ongoing long-term economic viability of the Region. Employment planning is a key input into the MCR and can have significant impacts on the work being undertaken to determine land needs.

Planning for employment through the MCR is being co-ordinated with the update of York Region's Economic Development Action Plan which sets out strategic actions for economic growth and business attraction in the Region.

Employment is categorized into four types for land needs and forecasting purposes

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

1. Employment Area: employment within official plan designated employment areas (business parks, industrial areas)

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

Employment area conversion requests apply only to the employment area employment category. Employment areas are defined in the Provincial Policy Statement (2014) as “areas designated in an official plan for a cluster 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.

Employment area conversions occur when sites within an official plans designated employment area are re-designated to accommodate non-employment uses such as residential or major retail. Conversions have a direct impact on the land budget and infrastructure assessment work in two ways:

1. Impact land available to accommodate forecasted 2041 employment area employment jobs, and
2. Converted sites accommodate population growth on lands not originally contemplated to do so

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

Employment areas are fundamental to the Region’s economic vitality and resiliency 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, is close to Toronto Pearson Airport and potential future Pickering Airport, is home to the CP intermodal CN MacMillan rail yard, and has a strong network of 400 series highways.

York Region is also home to significant portions of two regionally, provincially and nationally significant employment zones identified by the Neptis Foundation. These two employment zones include clusters of jobs in rapidly growing industries such as Information and Communications Technology (ICT), and distribution and logistics outside of Toronto’s downtown core and provide jobs for workers across the GGH.

York Region’s employment areas are home to a large number of global operations and major employers including TD, Desjardins and Honda, contribute to a healthy tax base, support export-based businesses and provide good paying jobs to residents within York Region and across the GGH. It is important that a healthy supply of land is maintained in the Region’s employment areas to continue to attract businesses and employees into the Region, and provide live work opportunities with shorter commute times.

Staff are assessing requests for employment area conversions through the Regional Municipal Comprehensive Review

The Growth Plan now requires the assessment of conversions through a Regional Municipal Comprehensive Review (MCR) as part of the process to designate employment areas in the Regional Official plan (ROP). Previously, employment designations were addressed at the local municipal level. The 2019 amendments to the Growth Plan allow for conversions of employment lands up until the next MCR, if not identified as a Provincially Significant Employment Zone. However, the Regional MCR is now underway and it is appropriate for conversion requests to be considered comprehensively and reported to council with consideration of the Regional land budget exercise. Final analysis and recommendations in this regard on conversion requests will be reported to Regional Council in Q1 2020.

In March 2019 Council endorsed [employment area conversion criteria](#) to assist staff in assessing requests to re-designate employment areas to accommodate non-employment uses. The conversion criteria were developed with local municipal planning staff and provide for an initial assessment of conversion requests.

Staff are evaluating conversion requests in two phases. Phase 1 includes a comprehensive evaluation of each request on a site-specific basis applying the criteria. Phase 2 involves consideration of conversion requests through a broader employment area analysis considering the context of the request within the Regional and local urban structure, assessing implications on the forecast and land budget and infrastructure, and the changing nature of job delivery. The final phases of the process involve Councils consideration and direction in Q1 2020 and ultimately Provincial approval of the Region's MCR process and ROP update.

On September 23rd 2019, the Minister of Municipal Affairs and Housing announced a review of the land needs assessment methodology (Attachment 1). This review and finalization of the methodology may delay reporting on land needs.

4. Analysis

Council endorsed employment area conversion criteria provide a tool to assess conversion requests comprehensively using five core principles

The Growth Plan contains a minimum set of high level conversion policies that must be considered when assessing requests for employment area conversions. To assist with this process, in March 2019 York Region conversion criteria were endorsed by Council to provide staff with a comprehensive, equitable and transparent process for the first step in assessing conversion requests on a site-specific basis.

The criteria have been organized into five core principles which align with conversion policies in the Growth Plan and ROP and work together to support the Region's long term vision. The core principles staff are considering when assessing each request for employment area conversion are:

- Supply: Maintaining an adequate and diverse supply of vacant employment parcels of various sizes and characteristics is vital to meeting regional and long-term employment area needs, including protecting lands beyond the 2041 planning horizon
- Viability: refers to the ability of an employment area to operate successfully and sustain success over the long-term
- Access: Protection of sites within the vicinity of major highways, rail yards and airports is important for goods-movement purposes and desirable from an economic development perspective
- Infrastructure: Ensuring existing or planned infrastructure such as sewage, water, energy and transportation as well as public service facilities are in place
- Region-wide interests: Ensuring Regional and local planning objectives are not compromised and considers cross regional boundaries (if applicable)

The Council endorsed criteria assist staff in identifying those sites that can reasonably be supported considering specific site characteristics, the request and supporting material. Staff have been applying the criteria using a consistent approach across all nine local municipalities that reflect Region-wide interests.

The criteria include two mandatory criteria which prohibit support for conversions on a site-specific basis:

- Lands in recently designated and largely vacant employment areas (i.e. Keswick Business Park, Queensville, adjacent to Highway 404 in East Gwillimbury (ROPA 1) and North West Markham (ROPA 3), and Highway 400 North in Vaughan (ROPA 52)); and,
- Lands in areas where the entire perimeter of the site is surrounded by lands designated and intended to remain designated for employment area purposes.

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

Prior to the site-specific conversion criteria being recommended to Council in March 2019, through workshops hosted by the Region local municipal staff provided input into their development. Regional staff also 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 criteria in the PPS and the Growth Plan. These municipalities developed criteria to ensure the specific needs of the economy and local context were being met when assessing requests for conversions. Criteria endorsed by others, along with local municipal input, were integral in development of the York Region criteria.

Employment planning has significant implications on the Region's land needs assessment work

The Region's MCR work includes updating the ROP forecast horizon from 2031 to 2041, distributing the York Region forecast of 1.79 million people and 900,000 jobs to the nine local municipalities and undertaking a land needs assessment to determine urban boundary expansion needs to accommodate growth to 2041.

Careful consideration of employment area conversions is required to protect for the Region's long-term economic viability which relates to more than just the number of jobs that are delivered. There are a variety of economic sectors in the Region that are not always compatible with residential or other non-employment uses. These sectors may have noisy processes or produce odours or emissions, and frequently have significant trucking operations that benefit from being close to major goods movement corridors and away from sensitive land uses. These sectors provide good high paying jobs to the Region's labour force and have specific location criteria. If options are not available for these types of businesses in the long-term, they may locate elsewhere.

Converting employment lands to residential can impact the land needs assessment. Every conversion request supported accommodates a portion of the Region's population growth in areas not originally contemplated to do so. Given that many requests propose higher density mixed use developments the population potentially accommodated can be significant, in some cases hundreds of people per hectare. This has implications on the land budget and may also impact the timing of, and/or need for future infrastructure projects.

The MCR and ROP are required to conform to the Growth Plan and provincial land needs assessment methodology. Converting a significant amount of land originally not contemplated to accommodate population could potentially result in an oversupply of greenfield lands resulting in a conformity conflict with the Growth Plan.

Employment area conversion requests within provincially significant employment zones can be considered during the current MCR

The Growth Plan provides a framework for provincially significant employment zones identified by the Minister of Municipal Affairs and Housing. While the province continues to define and delineate these areas, lands within these zones are deemed to be important to the province's economy and are not able to be converted outside of a municipal comprehensive review. The Growth Plan identifies twenty-nine zones across the Greater Golden Horseshoe, including four zones within York Region. Collectively, these zones cover a significant portion of the Region's employment land base in southern York Region.

Regional staff have supported identifying provincially significant employment zones to protect the Region's employment land base and are currently in discussion with the Province to refine the proposed zone boundaries based on Council direction.

The identification of areas as Provincially Significant does not impact the employment area conversion request process described in this report, as lands within identified provincially significant zones can be converted during the Regional MCR.

Staff are undertaking the evaluation of employment area conversion requests in two phases, the first of which is a site-specific assessment based on Council approved criteria

To date staff have received 58 employment area conversion requests and evaluated 52 received prior to May 1st 2019. Staff are evaluating the conversion requests in two phases. Since Council endorsed the criteria in March, staff have substantially completed Phase 1 which included a site-specific evaluation of each request applying the criteria. This included a review of the materials submitted for the site-specific conversion request as well as local staff input and/or local Council input (when available) on conversion requests. Local municipal Council recommendations have been received from a number of municipalities and are being considered in phase 1 and phase 2 of the process.

As part of the first phase, individual letters were distributed to each landowner informing them of Regional staff’s preliminary recommendation based on the criteria evaluation, noting that there would be a subsequent phase for consideration, and inviting them to a meeting to discuss staff’s initial evaluation. The process for evaluating conversion requests is outlined in Figure 1.

**Figure 1
Employment Area Evaluation Process**



Phase 1 discussions are wrapping up and will inform finalization of Phase 1 results

Regional and local planning staff have participated in individual phase 1 meetings with conversion applicants. These meetings are currently wrapping up for the 52 requests considered to date. In a few instances, additional information has been presented to staff

which requires further consideration prior to finalizing Phase 1 results. The additional requests are being considered.

As part of these Phase 1 discussions, at each meeting, staff have clarified the evaluation process, noting that consideration of requests will continue in phase 2 considering the range of employment uses and potential for mixed use.

At the time of writing this report:

- 8 conversion requests are supported by staff based evaluation of the Phase 1 criteria, several additional requests are under consideration based on additional information provided at the landowner meetings
- 5 requests fall into the first mandatory criteria, prohibiting further consideration of site specific requests within recently designated and largely vacant employment areas
- A further three requests meet the second mandatory criteria prohibiting their support on a site-specific basis as they are fully surrounded by employment lands. Given that all 3 of those requests are located immediately adjacent to existing rapid transit corridors, they are being considered through Phase 2
- The remaining requests (i.e. apart from those already supported, or those within the recently designated, vacant areas) are candidates for Phase 2 consideration (currently 39)
- 6 requests received after May 1, 2109 are also being evaluated

To date, Regional and local staff are mostly aligned. Conversion requests that may compromise strategically located employment areas such as those within 400 series highway corridors, collectively could have a significant impact on the land needs assessment, and those with compatibility challenges, need to be thoroughly discussed through Phase 2.

A summary of the requests, their status and location are included in Attachments 2 and 3.

The Phase Two evaluation of conversion requests is in progress and involves a comprehensive look at employment areas based on Regional and local context

Phase 2 of the evaluation process includes broader analysis and discussions with local municipal staff and stakeholders on employment planning and a more general assessment of employment areas in the Region. This second phase will consider the context within the Regional and local structure, implications on the land budget and infrastructure, and the changing nature of job delivery. It will assess employment areas to be designated in the ROP, whether some current employment areas should have more permissive uses and if select areas would be more appropriate for mixed uses (including non-employment uses).

The broader employment planning discussion through the second phase includes a review of the conversion requests not already supported based on Phase 1 results. Those requests that met the mandatory criteria related to recently approved and relatively undeveloped

employment areas are not proposed to be considered through the second phase. Those meeting the second mandatory criteria (fully surrounded by employment area) may be considered in Phase 2 if they are located immediately adjacent to existing rapid transit corridors. During this second phase, there is also opportunity to work with local staff to consider the range of employment uses that may be permitted on lands designated in the ROP or local official plan.

Where local municipal positions on the conversion requests have not already been received, staff will be requesting municipal comments to help inform the Phase 2 process. Local municipal positions will also be summarized and included in the Q1 report to Council.

Potential for Mixed-Use areas will occur in the Second Phase evaluation of conversion requests

Staff recognize that there is greater desire for more amenities in or adjacent to some employment areas and potential for mixed use designations in certain locations. Unless conversion of the land is fundamentally contrary to the objectives of the Growth Plan or ROP (i.e. those along 400 series highways), staff are taking a comprehensive look at the request in the context of local municipal and regional objectives to determine the appropriate extent of an employment area designation and associated policy provisions.

As has been identified in site-specific meetings with employment conversion applicants, the second phase of staff's assessment may result in some site-specific conversion requests that were not initially supported in the first phase being treated differently as a result of those broader discussions and objectives regarding employment area designations. This work is taking place over the coming months. The second phase will also include a mail out to properties adjacent to each conversion request. It is appropriate that landowners in the vicinity of a conversion request be made aware of a potential designation change through approval of a conversion as part of the MCR.

A comprehensive analysis of the potential servicing implications of the conversions will also form part of the Phase 2 analysis.

Employment Area evaluation results will be incorporated into the Region's draft forecast and land needs assessment scheduled for Q1 2020

Results of the evaluation assessments, including phases 1 and 2, will be incorporated into the Region's draft forecast and land needs assessment work scheduled for Q1 2020. Following Council's consideration of the draft forecast together with all of the employment land conversions requests, consultations will continue and employment area designations will be finalized and incorporated into a final forecast and land budget reflected in the draft ROP scheduled to be presented to Council in 2020.

Any additional employment conversion requests are being requested by November 29th 2019

Given the extent of work required to assess each employment area conversion request and the implications to the land needs assessment work, and to make an informed recommendation to Council, late requests may impact the Region's ability to deliver a draft ROP next year. As such, staff are proposing to send emails to stakeholders and update the Region's website to indicate that submissions received after November 29th 2019 will need to be referred to the next MCR.

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. The availability of a wide range of employment land is integral to the fiscal health of a community and can directly affect economic development and diversification of the assessment base. Employment growth also has the potential to generate spinoff economic benefits.

6. Local Impact

Local municipalities are key partners in the ongoing preservation, enhancement and planning of employment areas. York Region staff have consulted extensively with local municipal staff in both the preparation of the conversion criteria and throughout the employment area conversion evaluation process. Local municipal staff from all nine municipalities provided input and local municipal Council recommendations are being considered as part of the evaluation process. Extensive consultation with local municipal staff will continue to occur when developing final recommendations on each conversion request, the Region's employment forecast, policy update, and when designating employment areas in the ROP. Staff will be encouraging local municipal positions on conversion requests. These will be summarized in the attachment to the Q1 2020 forecast and land budget which will include staff's recommendation on each conversion request.

7. Conclusion

Employment areas are major drivers of economic activity in York Region. These lands will continue to play a significant role in the Region's economy by providing residents with access

to high quality good paying jobs, supporting a healthy tax base and accommodating export based businesses with land extensive or location specific requirements at lower land costs.

The Region's criteria build on Growth Plan policies and provide a comprehensive and equitable basis for the initial evaluation of requests for employment area conversions.

The second phase of the evaluation process includes broader discussions with local municipal staff and stakeholders on employment planning which will include a more general assessment of employment areas in the Region based on regional and local context and planning for future employment opportunities. Upon completion of the second phase, results of the final assessment will be presented to Council with the Region's draft forecast and land needs assessment in Q1 2020.

For more information on this report, please contact Paul Bottomley, Manager of Policy, Research and Forecasting at 1-877-464-9675 ext. 71530 or Sandra Malcic, Director Long Range Planning at ext. 75274. Accessible formats or communication supports are available upon request.

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Attachments (3)
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