



Planning and Building Department

TO: Community Development Committee

SUBJECT: Draft Employment Lands Study, Phase 2

Report Number: 101-12

File Number(s): 505-08

Report Date: November 23, 2012

Ward(s) Affected: 1 2 3 4 5 6 All

Date to Committee: December 3, 2012

Date to Council: December 10, 2012

Recommendation: RECEIVE the Draft Employment Lands Study Phase 2 prepared by Dillon Consulting Limited.

DIRECT the Director of Planning and Building to conduct public consultation regarding the Draft Employment Lands Study Phase 2.

DIRECT the Director of Planning and Building to provide a Directions Report which considers the findings of the public engagement and presents the Final Employment Lands Study Phase 2 report.

Purpose:

- Address goal or action in strategic plan
 - Establish new or revised policy or service standard
 - Respond to legislation
 - Respond to staff direction
 - Address other area of responsibility
-

Reference to Strategic Plan:

- Vibrant Neighbourhoods
- Prosperity
- Excellence in Government
- N/A

The Employment Lands Study Phase 2 is a critical strategic direction document to support the development of Official Plan policies to meet the requirements of the *Planning Act*, the *Provincial Policy Statement*, and *Places to Grow*.

Continuing to ensure that the city has an appropriate mix and supply of employment lands will provide a solid foundation from which the city may consider means of increasing the number of people both living and working in Burlington.

Background:**Employment Lands Study, 2011**

In 2010 staff were directed to undertake a comprehensive study of the City's employment areas. The consortium of Metropolitan Knowledge Incorporated (MKI) and MMM Group Ltd was the successful proponent retained to carry out the study. The terms of reference identified five major components:

- Determination of the existing and projected supply and demand of vacant, developable employment lands to meet the City's needs until 2021 and 2031.
- Determination of the potential for intensification and re-development of existing buildings and the supply of vacant buildings in the Employment areas and the effect on demand for vacant employment lands
- Trends and expected changes in the nature of employment uses and the effects on demand.
- Assessment on the feasibility of achieving the employment densities identified in the Provincial Growth Plan and what steps a municipality can take to help achieve these targets.
- Analysis of the effects on traffic, land values and compatibility of permitting certain types of non-employment uses with employment areas.

The key findings of the Employment Lands Study were presented in PB-37-11. One of the key findings was the need to complete a policy review to address specific considerations. These considerations formed the basis for the Employment Lands Study Phase 2.

Employment Lands Operational Plan

Concurrent to the development of the Employment Lands Study Phase 2 the Burlington Economic Development Corporation developed Securing Our Prosperity: Employment Lands Operational Plan.

The document recognized the importance of the growth of the industrial and commercial sectors to the long term financial sustainability of the City of Burlington and identified that employments lands ready for development are a critical tool for

economic development. Further discussion of the Employment Lands Operational Plan is provided on page 6.

Discussion:

Purpose of the Employment Lands Study Phase 2

The purpose of the Employment Lands Study Phase 2 report was to:

- build on the understanding developed through the findings of the Employment Lands Study, 2011.
- develop a more detailed understanding of the vacant employment lands and their characteristics, including their availability for development.
- identify opportunities and issues for Employment Lands throughout the City.
- provide Council with strategic directions to inform policy development for Employment Lands throughout the city.

Ultimately, the findings of the Employment Lands Study (2011) and those from the Employment Lands Study Phase 2 will provide the basis for Employment Lands policy to be developed through the Official Plan review. The draft Official Plan policies arising from the comprehensive Official Plan Review will be released in early 2014. They must demonstrate the City's ability to provide an ample supply of employment and to promote economic development and competitiveness to meet the municipal obligations relating to employment lands identified in section 2.2.6.2 a) of *Places to Grow*.

Summary of the Employment Lands Study Phase 2

The Employment Lands Study (2011) identified the need to investigate a number of policy issues with a focus on the vacant employment land inventory. Dillon Consulting Limited and Watson & Associates Economists Limited were retained by the City to undertake this study. The study reviewed each parcel of the city's vacant employment land inventory to assess the characteristics of the parcels relative to the forecasted demand. The study has:

- Identified lands that, by virtue of their size, features or location, should be identified as strategic lands intended to be retained exclusively for employment uses in the long term. The consultant has provided recommendations on a policy framework designed to protect these prime locations.
- Provided criteria for consideration of requests for conversion, or for expansion to the range of permitted uses on employment lands. The criteria take into account considerations such as locational factors, and the need to balance preservation of employment lands with other policy objectives of the City in the context of greenfield build-out.

- Reviewed existing policies governing non-employment uses within the employment lands and propose any changes warranted in support of the City's employment lands protection objectives.
- Recommended a policy framework to support intensification of employment lands. The study has explored possible approaches to employment land intensification and recommended associated implementation tools.
- Reviewed the City's brownfield policies to ensure alignment with City employment land objectives.

Although included in the original terms of reference the report does not consider process improvements for consideration of private applications for employment land conversions. Instead, staff in Planning and Building have developed an approach for responding to inquiries related to employment land conversion and will be developing a standard approach for preconsultation, supported by the recommendations in Section 6 of the report.

Through the Phase 2 work the scope of the project evolved to include a servicing assessment related to the ability to develop those vacant employment lands identified in the Employment Lands Study. The servicing assessment was deemed necessary to understand existing barriers posed by inadequate infrastructure which may delay development of the vacant employment lands within the city.

Brief outline of study contents

- Introduction
- Policy Context
- Market Analysis (Demand)
- Employment Lands Analysis
 - Supply characteristics
 - Municipal servicing assessment
- Opportunities and Issues
- Recommendations

Key study findings

Sections 6 outlines both recommended policy directions and a recommended implementation program. The policy directions are summarized below:

- Strengthen the policy framework for employment land protection in recognition of the fact that the City has a finite supply of designated employment lands which must be protected from unwarranted conversions. Enhanced criteria which should be considered in addition to the existing criteria are described as well as the supporting information or special studies which may be required to assist the decision-making process.

- Build a strategy to promote office development in the downtown area and mobility hubs. This recommendation builds on the finding of the market analysis recognizing a variety of industry clusters with preference for prestige office settings. The Downtown Vision exercise has shown that there is an emerging interest in attracting offices downtown and any strategy could be grounded in work already initiated by BEDC.
- Leverage existing assets and work with BEDC to build a proactive approach to economic development. The data collected as part of the analysis presented in the draft study could contribute to the development of customized marketing packages targeted to the identified sector opportunities.
- Implement a pilot brownfield redevelopment program to build on existing technical work completed by the City and BEDC.
- Work with the Region of Halton to track alignment of employment growth with Best Planning Estimates or the City's progress beyond those minimum standards through the development of a monitoring program that tracks among other measures the following key metrics on an annual basis:
 - Amount of vacant designated land;
 - Amount of designated and serviced land available for development;
 - Vacancy rate by sector;
 - Number of jobs created by target sector;
 - Annual land uptake by sector; and,
 - Industrial land prices.
- Develop a phasing strategy for those sites which are presently un-serviced and require off-site extensions. This will involve working closely with the Region of Halton and the private sector to determine approximate timing of when the lands will be available for development. This strategy should be articulated in the Official Plan Review and should, where required, provide direction for secondary planning.
- Consider preparing community improvement plans (CIPs) for some employment areas to facilitate reinvestment in areas (for example where some lands have remained vacant while the surrounding areas have developed and evolved into mature business parks and industrial areas). A CIP should consider means of enhancing the function and attractiveness of areas such as:
 - public realm design improvements,
 - transportation improvements including pedestrian and active transportation infrastructure, and
 - infrastructure improvements water, stormwater and wastewater improvements.

A CIP would also provide the City with the ability to make strategic land acquisitions (either for land assembly and re-sale purposes or to resolve long term ownership issues). A list of priority areas should be developed by the City in conjunction with BEDC.

- Consider developing secondary plans for larger greenfield areas which have the potential to accommodate a significant portion of the City's long term employment, will require substantial investments in servicing and would benefit from secondary planning.
- Investigate opportunities to limit the amount or type of institutional uses on serviced employment lands. The municipality should consider including a more comprehensive policy for locating institutional uses within employment designations that considers the long-term viability of the employment area and takes a broader perspective than just the health and safety implications. The study recommends considering a number of options.
- Investigate opportunities for intensification. The opportunity to consider this direction can be undertaken as part of the City's Official Plan review.
- Continue dialog with local utilities with a focus on their respective long term plans, capital plans and strategies which may have the potential to impact the future development of the City's vacant lands and also those areas where intensification potential has been identified.

Differentiating the Employment Lands Study Phase 2 from the Employment Lands Operational Plan

These two studies have two somewhat different perspectives on the issue of employment lands. Each takes its own approach including assumptions, terminology and data. Care must be taken in understanding these approaches and how each contributes to the development of a strategy that meets policy requirements under the *Planning Act* and recognizes the pressures on the city in addressing our obligations and concerns in planning for build out within the fixed urban area. The following is a summary of the key elements of both studies.

Employment Lands Study Phase 2

- This study responds to the policy requirements of the *Planning Act*, the *Provincial Policy Statement*, and *Places to Grow*. The study is based on the Policy Scenario presented in Employment Lands Study (2011) and on the employment growth allocated to the city by the Region of Halton through the Sustainable Halton process in accordance with Schedule 3 of the *Places to Grow Plan*.
- This study has undertaken a detailed analysis limited only to the identified vacant employment lands identified in the Employment Lands Study (2011) (see Appendix A). The analysis is related to the characteristics of the supply as well as developing an understanding of the municipal servicing available or planned
- The findings of this study will contribute to the development of a long term land use planning strategy for employment lands within the City. This will be accomplished by using the findings to assist the city in developing policy in

response to accommodating forecast employment growth, Provincial objectives related to employment land planning in the Greater Golden Horseshoe, protecting economic competitiveness, and for considering employment land conversion.

Employment Lands Operational Plan

- This document responds to the need to understand opportunities inherent in the employment lands throughout the City and considers the means by which the city can support the marketing of those lands and shape the short, medium and long term economic prospects for the city. The study is based on the more aggressive Market Scenario presented in the Employment Lands Study (2011).
- This document considers the employment lands throughout the city. It considers both the vacant employment lands and identifies five strategic employment districts where opportunities for employment intensification appear to be present.
- This document quantifies the potential impact of employment lands, which yield a higher tax contribution and bring in proportionally more revenue than residential property taxes, to the long term economic health of the city.

Considerations in understanding the Employment Lands Study Phase 2 and the Employment Lands Operational Plan

Together both studies contribute to a greater understanding of employment lands within the City. The key differences can be summarized as follows:

1. The different geography of the two studies means that mapping will not match. The focus of analysis in the Employment Lands Study Phase 2 were those lands identified as vacant in the Employment Lands Study (2011). The five strategic areas identified in the Employment Lands Operational Plan will not capture every vacant employment parcel considered in the Employment Lands Study Phase 2. In order to bridge this, the Employment Lands Study Phase 2 will present, in mapped form, the findings of the vacant lands analysis relative to the five strategic areas.
2. The Employment Lands Study Phase 2 is based on, and can only consider, employment growth allocated to the City of Burlington by the Region of Halton through the Sustainable Halton process (Best Planning Estimates). This growth is captured in other documents such as the Region's Water and Wastewater Management Plan. The Employment Lands Operational Plan assumes degrees of intensification based on employment growth assumptions that exceed the Best Planning Estimates. This could mean that the development assumptions are not built into capital budget planning tools and may require consultation and cooperation to identify works outside of the scope of those documents.

3. The two studies use different definitions, and therefore different tests when considering the ability to develop employment lands. The Employment Lands Study Phase 2 classifies vacant lands as either:
 - 'Serviced' - development can be accommodated without major off-site extensions to the water, wastewater and stormwater systems. Applications for connections to the system still require applications with the Region of Halton and/or City of Burlington.
 - 'Serviceable with off-site extensions'- development will require extension(s) of the water, wastewater and stormwater systems. This could require off-site extensions to a nearby distribution line or in some cases could require coordination with adjacent lands to determine if an internal coordinated system needs to be provided in order to require a single connection point to an adjacent transmission watermain and/or a trunk sanitary sewer.

Alternatively, the Employment Lands Operational Plan uses the term 'shovel ready' which is defined as allowing a potential investor to purchase or lease a property, receive approvals and permits, connect to services and take occupancy within 18 months.

This also means cost assumptions will differ, first because the two studies consider different employment lands (vacant only, versus vacant and opportunities for intensification) and second because of the nature of the question. The differences between these definitions mean that the two studies complement each other by setting three different tests for municipal servicing.

Strategy/Process

By understanding the findings of the Employment Lands Study Phase 2 and the findings of the Employment Lands Operational Plan, the City will develop a long term strategy that ties the policies of the Official Plan to the responsibility to conform to the Regional Official Plan and Provincial Plans and Policies. This framework will set the stage to deliver on the marketing of this resource in a strategic manner to support the long term health of the city's employment lands and the long term financial sustainability of the City of Burlington.

Next Steps

With Council's endorsement consultation on the findings of the Draft Employment Lands Study Phase 2 will be initiated. The findings of the consultation will be reported back to Council along with the delivery of the Final Employment Lands Study Phase 2 in a Directions Report to Council. The development of policy in response to the approved Directions Report will take place within the Official Plan review and will be released for public consultation in early 2014.

Financial Matters:

The study was developed at a total cost of \$93,751.00. This included the original contract in the amount of \$50,511.00 (project account OPOOO8) and an additional \$37,855.00 for the municipal servicing analysis (General Manager's Account) and \$5,385.00 for consultation (project account OP0008) which is proposed to be completed in early 2013.

Additional costs are being incurred as a result of the direction to ensure alignment with the Employment Lands Operational Plan. These costs are being tracked and will be confirmed upon receipt of the final invoice from the consultant.

Communication Matters:

Consultation on the Draft Employment Lands Study Phase 2 will be undertaken in early 2012.

Conclusion:

This report presents the Draft Employment Lands Study Phase 2 and the key policy recommendations of the study. The report also provides background on the development of the Study and discusses the differences between the Draft Employment Lands Study Phase 2 and BEDC's Employment Lands Operational Plan.

The Employment Lands Study Phase 2, subject to the findings of consultation, will provide the basis for the development of a Directions Report and will subsequently assist in the development of revised employment lands policies through the Official Plan review.

Respectfully submitted,

Alison Enns, MCIP, RPP
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Appendices:

A. Vacant Employment Lands identified in the Employment Lands Study, 2011

Notifications:
(after Council decision)

Name	Mailing or E-mail Address

Approvals:

*required

 *Department City Treasurer General Manager City Manager

	To be completed by the Clerks Department
Committee Disposition & Comments	
	01-Approved 02-Not Approved 03-Amended 04-Referred 06-Received & Filed 07-Withdrawn
Council Disposition & Comments	
	01-Approved 02-Not Approved 03-Amended 04-Referred 06-Received & Filed 07-Withdrawn