



TO: Development and Infrastructure Committee
FROM: Planning and Building
**SUBJECT: Report providing information on the Official Plan Review:
Transmittal of Final Phase 2 Employment Lands Study**

Report Number: PB-17-14

Wards Affected: All

File Numbers: 505-08-02

Date to Committee: March 24, 2014

Date to Council: February 18, 2014

Recommendation:

Receive the Final Phase 2 Employment Lands Study Report prepared by Dillon Consulting and Watson & Associates for the purpose of informing the City's long term Employment Lands Strategy.

Purpose:

The purpose of this report is to:

- Transmit the "Employment Lands Study Phase 2 Final Report" prepared by Dillon Consulting and Watson & Associates, dated January 27, 2014.
- Highlight the opportunities, issues and recommendations of the Phase 2 Employment Lands Study (Phase 2 ELS).
- Describe the shifts from the Draft to the Final version of the Phase 2 ELS Report.
- Report on the feedback received as part of the consultation on the Draft Phase 2 Employment Lands Study and the Draft Conversion Policies.

Planning for the City's neighbourhoods is an important alignment consideration between the Strategic Plan and the Official Plan Review. The Strategic Plan identifies a direction to complete the policy work on a study of employment lands available in Burlington with the expected result being that there is available land to attract new business in order to increase the number of people both living and working in Burlington.

Background:

The Phase 2 ELS is a component of the City's Official Plan Review which will inform the development of the City's Employment Lands Strategy. The Phase 2 Study is a component of the overall Employment Lands Policy update. Its mapping and findings focus first on the vacant employment lands supply and second on high level issues related to employment lands in the City of Burlington. The Phase 2 ELS does not constitute the finalization of the City's Official Plan Review (municipal comprehensive review).

1.0 Purpose of Employment Lands Study Phase 2

The purpose of the Phase 2 ELS report was to:

- Build on the understanding developed through the findings of the Phase 1 work
- Examine 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 direction to inform policy development for Employment lands throughout the City

As the Phase 2 ELS was in progress, four key additional areas of work were identified:

- Key Stakeholder Consultation which had not been included in the initial scope of the exercise was included to echo the same process undertaken in the Phase 1 ELS.
- A Servicing Assessment of the Vacant Employment Land Inventory was undertaken to gain an understanding of servicing constraints at the aggregate level.
- An alignment exercise undertaken with Burlington Economic Development Corporation's Employment Lands Operational Plan.
- The detailed consideration of the findings of Phase 1 and Phase 2 and their relationship.

Ultimately, the findings of both the Phase 1 ELS and the Phase 2 ELS will provide the basis for the development of a long term strategy for employment lands in the City of Burlington.

2.0 Key Employment Lands Studies

To date the progress made in the planning of employment lands in the City has included the preparation of the following three key information sources:

- Employment Lands Study, (2011, prepared by Metropolitan Knowledge International and MMM Group) (referred to as the Phase 1 Employment Study (Phase I ELS).
- The Employment Lands Study Phase 2 (Phase 2 ELS)
- Securing our Prosperity: Employment Lands Operational Plan (September 14, 2012, Burlington Economic Development Corporation).

For a more complete discussion of the various studies please refer to PB-101-12.

These employment studies have provided information on various elements of employment land planning primarily focused on the vacant employment lands available within the City and secondarily focused on the issues and opportunities that will affect the City's employment lands over the long term. Considerable collaboration has occurred to date between the Planning and Building Department and Burlington Economic Development Corporation (BEDC) as well as the consulting teams (Phase 1 and Phase 2). The collaboration has provided the opportunity to review methodologies, assumptions and various considerations relevant to planning for employment lands.

Pertinent Council Resolutions

This report is the third in a series of reports related to the Phase 2 ELS. On December 2, 2012, staff report titled Draft Employment Lands Study, Phase 2 (PB-101-12) transmitted the draft report prepared by Dillon Consulting and Watson and Associates. On December 10, 2012, Council approved the following:

Receive the Draft Employment Lands Study Phase 2 prepared by Dillon Consulting Limited; and

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

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.

On January 14, 2013, a staff report titled Official Plan Review: Directions Report on the Draft Employment Land Conversion Policies; and, Proposed Strategic Assessment of Vacant Employment Land inventory. On January 28, 2013, Council approved the following:

Endorse the draft employment land conversion policies contained in Appendix B of planning and building report PB-17-13-1 for the purposes of consultation in conjunction with the Employment Lands Study Phase 2 Draft Report; and

Direct the Executive Director of the Burlington Economic Development Corporation and the Director of Planning and Building to conduct an assessment of the vacant employment land inventory to assist with the evaluations of

conversion applications, and to inform employment land operational plans, marketing of sites/districts, servicing priorities and secondary plans for employment areas.

Discussion:

1.0 Consultant's Findings and Recommendations

The Employment Lands Study Phase 2 Final Report provides an overview of the opportunities and issues that the City will face related to employment lands. Those opportunities and issues are generally captured below. For a complete discussion please refer to Section 5 of Employment Lands Study Phase 2 Final Report (Appendix A).

Opportunities:

- Burlington benefits from access and geographic proximity to markets.
- Burlington has a sufficient supply of vacant employment lands to accommodate forecasted growth. The City has a net effective vacant employment lands supply of 248.3 hectares. The supply is expected to accommodate the forecasted growth of 149 hectares between 2011 and 2031. The forecast vacant employment land supply at 2031 would be approximately 99 ha.
- Burlington has a sufficient supply of serviced¹ land.
- There are opportunities for public-private sector coordination.
- The majority of lands within the vacant land inventory are designated and zoned for employment land uses, suggesting that the development application process for most investors will likely entail typical municipal permits and approvals (site plan approval, building permits, etc.) and should not represent a major barrier to development.

¹ "Serviced" in the context of the Phase 2 ELS means that development of these lands can be accommodated without major off-site extensions to the water, wastewater and stormwater system to get to the property boundary. It is relevant to note that this analysis was performed at the aggregate level – but the ability to service a specific development would be confirmed through the submission of development applications for review by the Region of Halton and the City of Burlington based on specific demand requirements and phasing/timing.

- A number of lands have strategic locational advantages and the range of locational advantages are varied (all lands are within 3 km of a 400 series highway; many highly visible high profile sites along the 407 and to a lesser degree along the QEW; some sites afford rail access; small amount of sites are within walking distance of a GO Station or mobility hub).
- There is a considerable range of parcel sizes within the inventory which should provide flexibility for small and medium sized users.
- Industrial land prices are competitive relative to other GTA municipalities. Industrial and commercial property tax rates are also competitive with most GTA municipalities.
- Burlington may be well positioned to capitalize on potential greenfield demand (translated from municipalities closer to build out namely Brampton and Mississauga) for industrial and office commercial sectors in the west GTAH, and position itself well to accommodate future employment growth.
- The majority of lands in the inventory are greenfield sites, which likely are not subject to site contamination issues.
- There are opportunities for mixed use development. Beyond those lands which are designated for traditional employment uses there are also opportunities for developing mixed use nodes outside of the designated employment areas. Over time mixed use areas like the Downtown and Mobility Hubs are expected to play an important role in accommodating some of the City's employment growth.
- There is an opportunity for the City and BEDC to be more proactive in the promotion of employment land development.

Issues:

- There will be pressure for the conversion of employment lands. Protecting the City's designated employment lands is of paramount importance for the long term health and sustainability of the City. Given the extent of the Greenbelt, it is expected that the current supply of vacant designated lands represents the City's finite long-term supply. The existing conversion policies and the draft modifications to those policies will help to guide decision making to ensure that lands with strategic importance are protected from unwarranted conversion.
- Competition for greenfield employment land development will continue to be a major challenge. While there are built out municipalities nearby, there are also a number of municipalities advancing greenfield business park developments.

- Currently, there is a limited number of vacant employment sites capable of developing into vibrant, transit-supportive, mixed use employment nodes. Some employment activities will occur on non-traditional employment lands. The market will be very competitive as municipalities all over the GGH are looking to attract higher end professional services, creative industries, IT and business and financial services to support their own revitalization efforts. These industries have a different business culture and place greater emphasis on high quality design, vibrant and transit accessible work places. A strategy will be required to attract denser forms of major office and mixed use development into the mobility hub areas and the downtown to ensure that the City is well-positioned to compete for the full range of service sector employment.
- It is possible that the Mixed Use lands may not be developed to include an employment function. The existing policy framework allows for a range of uses, including office uses, but does not *require* that any portion of the site when developed, include an employment function. Without minimum stated requirements there is a potential risk that none of the mixed use lands will be developed with an employment function. A small portion (5%) of the City's vacant employment land inventory is designated for mixed uses.
- Institutional uses, such as places of worship, within employment areas can limit the type of employment use on adjacent lands. Currently the Official Plan permits institutional uses within (almost) all designations in the Plan. This approach has the potential to slowly erode the finite supply of vacant lands.
- There are a number of potential "future brownfield" sites. To prepare for the longer term the City must implement a formal brownfield strategy.
- There is a small supply of large serviced sites. While there is a range of parcel sizes in the inventory there are only seven parcels which are greater than 10 hectares. Larger sites are considered to be desirable for a range of industries as the larger sites provide flexibility. A typical 10 hectare development would have the potential to accommodate 200 to 500 jobs. Because of the size of parcels they represent significant investment opportunities. Of the seven large sites, only three are serviced (totaling 65 hectares), with the other four requiring off-site extensions.
- Servicing may be a challenge if growth does not occur as the Best Planning Estimates have forecast. Over time there will be a need for the City to clearly articulate where and when employment growth occurs to ensure that its strategic priorities are accounted for in the Region's long range infrastructure planning.

The report also provides mapping and analysis of the vacant employment lands supply at the finer grain level by presenting four of the five strategic employment areas identified in the Employment Lands Operational Plan:

- 403 West Corridor Employment Lands
- 407 Corridor Employment Lands
- QEW Central Corridor Employment Lands
- Bronte Meadows Employment Lands
- Downtown (no mapping)

This mapping is presented in Figures 5-1 through 5-5 of the Employment Lands Study Phase 2 Final Report (Appendix A).

Consultant's Recommendations

The Employment Lands Study Phase 2 Final Report provides recommendations to build the long term strategy for employment lands for the City. Those opportunities and issues are generally captured below. For a complete discussion of each of the recommendations please refer to Section 6.1 of Employment Lands Study Phase 2 Final Report (Appendix A).

Recommendation 1: Strengthen the policy framework to fully utilize the employment generation and economic potential of the employment lands

Recommendation 2: Build a strategy to promote office development in the Mobility Hubs and the Downtown Urban Growth Centre.

Recommendation 3: Leverage existing assets and work closely with BEDC to build a proactive approach to economic development.

Recommendation 4: Implement brownfield redevelopment program.

Recommendation 5: Work with the Region of Halton to track alignment of growth with Best Planning Estimates.

Recommendation 6: Develop a phasing strategy for the City's un-serviced lands.

Recommendation 7: Consider preparing community improvement plans for some employment areas.

Recommendation 8: Consider developing secondary plans for larger greenfield areas.

Recommendation 9: Investigate opportunities for limiting the amount or type of institutional uses on serviced employment lands.

Recommendation 10: Prepare a comprehensive strategy for employment land

intensification.

Recommendation 11: Continue dialog with local utilities.

2.0 Finalizing the Draft Employment Lands Study Phase 2 Report

There have been three key shifts from the Draft Phase 2 Employment Lands Study to the Final Phase 2 Employment Lands Study (Appendix A) which are discussed below.

2.1 Methodology

In PB-17-13 a discussion of the methodologies, assumptions and various considerations relevant for planning for employment lands was provided.

A challenge that had not been anticipated was the difference between the findings of the Phase 1 ELS and the Phase 2 ELS. Although the direction and general findings were ultimately consistent (by 2031 there will be sufficient land to accommodate projected employment growth on vacant employment lands) the assumptions applied to arrive at those conclusions in each case were different. The discussion with Council prompted some further review.

Since that time discussions with the Phase 1 ELS consultant and the Phase 2 ELS consultant provided an opportunity to review the assumptions and methodology of both studies in detail.

Please refer to Appendix B for a detailed comparison of the assumptions of the Phase 1 ELS, the Draft Phase 2 ELS, and the Final Phase 2 ELS. The consultants responsible for Phase 1 and for Phase 2 agree that the approaches taken in each respective Phase of the Employment Lands Study work are reasonable. In general both the Phase 1 and Phase 2 report use similar methodologies in comparing supply and demand. However, the precise number with respect to demand and supply are different as a result of different assumptions related to density, employment mix (ICI) and share of total employment on employment lands. The two reports also consider different planning horizons: the Phase 1 report considered the timeframe of 2006 to 2031 and the Phase 2 report considered the timeframe of 2011 to 2031.

One key outcome of the Employment Lands Study Phase 2 Report was to recommend a policy framework for employment lands. Notwithstanding the different assumptions in methodologies the consultants reached similar conclusions. The Employment Lands Study Phase 2 Report that the City has a sufficient supply to meet the Region's 20 year growth projections and that the supply of land will be needed for the long term (beyond 20 years). Nearly all of the City's designated employment lands are of strategic importance.

2.2 Planning Act Protection

The *Planning Act* includes two sections of interest in the discussion related to employment lands and specifically employment land conversion. Sections 22 (7.1) and 22 (7.3):

Appeals restricted re certain amendments

(7.1) Despite subsection (7) and subsections 17 (36) and (40), there is no appeal in respect of,
(a) a refusal or failure to adopt an amendment described in subsection (7.2); or
(b) a refusal or failure to approve an amendment described in subsection (7.2).
2006, c. 23, s. 11 (6).

Same

(7.3) If the official plan contains policies dealing with the removal of land from areas of employment, subsection (7.1) also applies in respect of amendments requested under subsection (1) or (2) that propose to remove any land from an area of employment, even if other land is proposed to be added. 2006, c. 23, s. 11 (6).

The City of Burlington, on December 9, 1996 adopted a corporate policy titled “Non-Residential Conversion Policy”. The last Official Plan Review incorporated Council’s policy into the Official Plan.

This point had not been mentioned in the previous draft and is now included. While this is positive in terms of supporting a Council decision on employment land conversion it should be noted that since the Employment Lands work is occurring within the Five Year Official Plan Review, modifications to policy, designations and requests for conversion may still be subject to appeal.

2.3 Intensification

The final report, in response to comments from key stakeholders, added discussion about the limitations of a traditional land budget analysis. The need to shift to the promotion of intensification on employment lands is noted as a direction for consideration. The land budget approach is an appropriate tool but the comments from stakeholders and the findings from this study may signal the need to supplement the

traditional land budget analysis with new approaches and data in the future. The tool, in this case a traditional land budget analysis, must be appreciated for its strengths – examining the vacant supply of employment lands and projecting the long term demand for these lands. An opportunity exists in the future to identify new ways of dealing with forecasting and accommodating employment growth in the City. An appropriate and conservative approach would recognize that intensification may not be adequate to meet the employment targets set out in Places to Grow and distributed by the Region of Halton. Monitoring will be required to document and verify trends.

3.0 Next Steps

- Present the Employment Land Conversion Process and formal inquiries received to date (Future Report, Q2, 2014).
- Provide a discussion of the Strategic Vacant Land Assessment (Future Report, Q2, 2014).
- Provide Draft Directions for Employment Policies for Council endorsement for consideration in the conversion process (Future Report, Q2, 2014).

Strategy/Process

Share the findings of the Phase 2 ELS with agencies and stakeholders and gain endorsement from Council to use the findings to develop a long term Employment Lands Strategy for the City.

Options Considered

Not applicable

Financial Matters:

Last reported total \$93,751.00²

As noted in PB-17-13 additional costs were at the time being incurred as a result of the direction to ensure alignment with the Employment Lands Operational Plan. At the completion of the alignment work with the Employment Lands Operational Plan the total cost increased to \$119,989.05.

² All costs are inclusive of HST to be consistent with earlier reporting.

After the presentation of the Draft Employment Lands Study Phase 2 the need to undertake additional meetings to deal with questions of methodology was identified. The extra work included further revisions to the Employment Lands Study (reflected in this report) and a series of meetings and discussions. This had the effect of increasing the total cost of the study to \$136,928.88.

Total Financial Impact

N/A

Source of Funding

OP0008

Other Resource Impacts

Not applicable

Public Engagement Matters:

On March 19, 2013 the City invited key stakeholders to learn more about the Phase 2 Employment Lands Draft Study and the draft employment conversion policies. Key stakeholders were defined to include those individuals who had been part of the Phase 1 ELS consultation as well as all individuals who had, through the Phase 1 ELS or Phase 2 ELS process, submitted inquiries pertaining to the conversion of employment lands. Approximately 60 invitations were sent by mail or e-mail including the details of the event including location, time and purpose. It should be noted that since that time additional parties have submitted inquiries some of whom may not have been invited to this event. All individuals who made inquiries about employment land conversion received correspondence which advised them of the Employment Lands Study and the Official Plan Review process and directed them to the Official Plan Review website including reference to both the draft Phase 2 ELS and the draft conversion policies.

Fourteen individuals signed in and participated in the event including private sector and public sector stakeholders including the Region of Halton and Burlington Economic Development representatives. Dillon Consulting and Watson and Associates presented a detailed overview of the Phase 2 ELS process and results covering:

- Employment Lands and the Study and its process
- The prevailing world wide trends,
- Market Conditions
- Supply and Demand
- Five key employment areas – highlights

- Highlights on conversion and intensification
- Key Recommendations

The complete presentation is provided in Appendix C to this report.

The consultants then prompted a group discussion of the following four questions.

- What can the City do to enhance the marketability of vacant lands? What new tools or municipal projects should be explored (e.g. more physical improvements / upgrades, financial incentives)?
- What else should the City be doing to ensure that Burlington's employment lands stay competitive?
- Institutional uses are currently permitted in all designations within the City of Burlington. What should the municipality do to limit impacts on the viability of future employment uses that may result from sensitive institutional uses?
- Are the proposed conversion policies appropriate? What enhancements or modifications would you recommend?

The feedback and discussion from the tables have been captured in the Final Phase 2 Report as Appendix D "Stakeholder Session Notes" (Appendix A to this report). Following the event a number of individuals provided further comments which have also been captured. Many concrete suggestions for changes to the draft employment conversion policy have also been provided. Future reports discussing draft directions for policy changes will capture and respond to these comments.

Throughout the process, independent of the consultation event the City has received a variety of comments from property owners and developers throughout the City. The comments were primarily related to the potential for employment land conversion, or inquiries about the process and status of the employment lands work. Several pieces of correspondence spoke specifically to concerns with the Draft Phase 2 ELS report. For the most part these comments have been included in the Final Phase 2 Report as Appendix D (Appendix A to this report). Stakeholder and agency comments not captured in the Phase 2 Report are attached to this report as Appendix D.

3.2 Steering Committee Consultation

A Steering Committee composed of representatives from the City of Burlington, Burlington Economic Development and Halton Region provided guidance throughout both Phases of the Employment Lands Studies. BEDC and Halton Region provided comments and support in the finalization of the Phase 2 ELS.

Conclusion:

The Final Phase 2 Employment Lands Study along with the Phase 1 Employment Lands Study will serve to shape the long term strategy for Employment Lands in Burlington.

Respectfully submitted,

Alison Enns, Senior Planner

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Appendices:

- a. Employment Lands Study Phase 2 Final Report, dated February 28, 2014
- b. Comparison of Assumptions: Final Phase 1 ELS; Draft Phase 2 ELS; and, Final Phase 2 ELS
- c. Employment Lands Study Phase 2 Stakeholder Workshop Presentation
- d. ELS stakeholder and agency submissions

Notifications: (after Council decision)

Name:	Mailing or E-mail Address:
Region of Halton	
BEDC	

Approved by:

Bruce Krushelnicki, Director of Planning and Building
Tom Eichenbaum, Acting General Manager of Dev. and Infrastructure
Jeff Fielding, City Manager

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