



August 4, 2023

The Hon. Steve Clark
Ministry of Municipal Affairs and Housing
17th floor, 777 Bay Street
Toronto, Ontario
M7A 2J3

Re: ERO Submission on proposed policies adapted from A Place to Grow and Provincial Policy Statement to form a new provincial planning policy instrument

Dear Minister Clark,

The **Toronto Region Board of Trade** (the Board), the chamber of commerce for Canada's largest regional economy representing 11,500 members, welcomes the opportunity to make a submission on the proposed policies adapted from A Place to Grow and Provincial Policy Statement to form a new provincial planning policy instrument.

The Board's submission is rooted in its vision to make the Toronto region one of the most competitive and sought-after business regions in the world. A critical element of fulfilling the mission to be a catalyst for a vibrant, globally competitive region is ensuring there are necessary protections and supply of employment lands to meet the needs of businesses that want to locate and expand in the region.

The Government of Ontario's decision to revoke ***A Place to Grow: Growth Plan for the Greater Golden Horseshoe*** pursuant to section 7(7) of the Places to Grow Act, 2005, includes changing the definition of employment. This change, along with the absence of many policies from the Growth Plan and PPS 2020 that protected employment lands, will have the unintended consequence of harming existing businesses and making it difficult for new businesses to locate by facilitating ad hoc employment land conversions for housing.

Once again, the Board appreciates the opportunity to comment on these proposed policy changes. We look forward to further opportunities to work with the province on developing an industrial lands strategy that enhances the competitiveness and productivity of this critical region.

Sincerely,

Roselle Martino

Senior Vice President, Public Policy & Economic Blueprint Institute
Toronto Region Board of Trade

Toronto Region Board of Trade Submission on proposed policies adapted from A Place to Grow and Provincial Policy Statement to form a new provincial planning policy instrument

The Board understands that the proposed policy changes under Bill 97, PPS 2023, and last year's Bill 23 - the More Homes Built Faster Act of 2022 are intended to address the urgent challenge of building all types of housing more quickly across Ontario. An acute housing shortage and high prices threatens to undermine our ability to attract and retain talent and makes our region less competitive across North America and globally.

The Board, however, has significant concerns regarding the proposed policy changes because of the potential to damage the region's diversified economic base. While the urgency to build homes matters, land-use policies targeting a growth in housing stock must be balanced against the equally important need to ensure employment lands of sufficient size and types are available to create the foundation for a prosperous region.

The Board has and continues to advocate for the need to build all types of housing. But this cannot be done at the expense of businesses that may be forced to relocate elsewhere - even south of the border - because of conflicts that arise from the lack of a regional employment lands strategy.

It is worth noting that while residential land supply was one of the six key considerations to develop Bill 97 and the proposed PPS as it relates to employment land planning, the economic impact of employment lands does not appear to have been given equal weighting. It was loosely included under the need to maintain long-range population and employment forecasts. Not giving these productivity-generating zones their due weighting will threaten regional economic development and the prosperity of the province.

The Board therefore urges the province to consider the impact of the change in the definition of "employment" in the Planning Act and other proposed changes. Specifically, the Board recommends the province:

- Delay the implementation of PPS 2023 until a thorough review is done to ensure the necessary safeguards are built in the PPS. This review should include respecting the call by various municipalities to delay the date PPS 2023 and Bill 97 come into effect to enable a thorough review of the unintended consequences of policy changes on employment lands.
- Ensure that a comprehensive review includes development of regional inventory of existing, available, and underutilized employment lands as the evidence base to develop criteria to protect employment lands.
- Develop a regional industrial land strategy which includes standardized criteria and buffers, and guard rails against ad hoc conversions. This involves working closely with the province's Advanced Manufacturing Council, the federal industrial growth plan strategy, key business stakeholders such as the Board and Canadian Manufacturers and Exporters, and municipalities.
- Act prudently with the use of Minister's Zoning Orders (MZO), under Section 47 of the Planning Act. This is especially the case for municipal decisions on conversion requests that were made based on extensive reviews following the Growth Plan and existing PPS under the Municipal Comprehensive Review. Ad hoc decisions that overturn municipal planning decisions at this juncture, before a fully fleshed out regional industrial land strategy is developed, could harm the regional economy.

Why the province needs a regional industrial employment land strategy

With more than 8 million residents and 3.5 million jobs, the Toronto region is an economic powerhouse that generates nearly two-thirds of Ontario's GDP, and a quarter of Canada's. In a world where geopolitics are restructuring global supply chains, Ontario needs a strong regional strategy to inform employment land policies as they are a critical component of a diversified economy. Lands most vulnerable to conversion are often located close to transportation, talent, and markets. They are also home to significant numbers of jobs and economic productivity that contributes to the prosperity of the Toronto region.

Consider, for example:

- The Board's analysis shows that the Pearson Economic Zone, a multi-jurisdictional employment area in and around Toronto Pearson International Airport, contributes \$53.4 billion to Ontario's economy with more than 400,000 jobs.
- The Board's own analysis shows that there are almost 250,000 manufacturing jobs in Goods Production Districts and 90,000 manufacturing jobs in Services & Mixed-Use Districts across the Toronto region. These 'business districts' typologies developed by the Board are based on employment lands and other major concentrations of jobs. Goods Production Districts are key employment lands that prominently feature industrial operations.

These important employment regions could be at risk under the proposed policy changes. In the absence of a robust employment lands policy linked to provincial and federal ambitions for manufacturing and other land consumptive businesses such as auto, logistics, bio pharma, food and beverage manufacturing and aerospace, caution is recommended to prevent harms to the regional economy.

Comments on Specific Policy Changes

Among the many policy changes and impacts, five stand out as concerning for the Board:

Definition of employment: Bill 97 proposes a new definition of employment that removes institutional and commercial uses (i.e. retail and office and institutional) and limits it to manufacturing, research and development, warehousing and goods movement.

- **Comment:** The Board's view is that the decision to remove institutional and commercial uses (i.e. retail and office) from the definition of employment is a major policy shift, the implications of which have not been fully considered.
 - An analysis by the City of Toronto has shown that the revised definition has the "potential to remove approximately 25% of the City's General Employment Areas (including office parks) and risk approximately 150,000 jobs currently located in these areas through future land use change." Such analysis will similarly impact employment lands in other parts of the region.
- The province should consider the point raised by several municipalities in their submissions that commercial, office and institutional areas act as important buffers for heavier industrial and other uses that often create conflicts with residential development over traffic, noise, and other issues. Doing away with these buffers without a proper evidence base and consideration of its impact create problems for existing businesses, scare away new businesses, and hurt the economy.

Municipal Comprehensive Review (MCR): The proposed PPS does not require a Municipal Comprehensive review (MCR), the once-every-five-year strategic review when municipalities ensure their official plans to

conform with the province's regional Growth Plan. Currently, this is the only window within which to bring a conversion request forward.

- **Comment:** The MCR process by which municipalities update their Official Plans to conform with provincial regulations is an important opportunity for a considered and strategic approach to understand conversion requests and their impact on the region. A conversion request in one municipality has the potential to impact employment lands in a neighbouring municipality, and regional supply chains. This includes an opportunity as well to consider conversions in the context of other infrastructure investments, including transit. Doing away with this policy will result in conversion requests being considered and allowed in an ad hoc manner, without consideration of the cumulative impacts.

Minister's Zoning Orders (MZOs) and Conversion requests: The province has always had the powers under Section 47 of the Planning Act to override municipal decisions on conversion requests and other land use decisions.

- **Comment:** Municipalities have recently gone through a lengthy review process to bring their official plans in conformity with existing provincial land use policies under the MCR. For the most part they have been conservative in granting conversion requests based on several factors including their role in the economy, and proximity to conflicting land uses. In a post COVID world where hybrid and remote work is becoming normalized, there is growing interest in the future of suburban office parks and their potential to be used for housing. While some commercial, institutional and office lands have the potential to be turned into housing, especially those near rapid transit, it must be just one of the considerations. The impact of large-scale housing near employment lands must also be a key consideration.
- Considering the proposed changes and concerns about its impact on employment lands, the Board suggests that the province act prudently and be selective on its use of MZOs to override municipal decisions on conversion requests, until a better understanding of its impact is developed through analysis and evidence.

Provincially Significant Employment Zone Overlay: The proposed PPS does not include the provincial overlay of Provincially Significant Employment Zones (PSEZ), a policy for large lots of land with high economic and strategic importance. These lands that contain, office, industrial, commercial, and institutional uses are often located near transportation infrastructure and/or with high concentrations of employment that are also vulnerable to conversion to residential uses.

- **Comment:** The Board is cognizant that the PSEZ is a one-size fits all designation that exacerbated conversion pressures by two different levels of employment lands – those that are provincially significant with greater protections and remaining municipal employment lands.
 - It is worth noting that the PSEZ framework was a stop gap measure developed to stem the loss of finite and important employment lands from conversion pressures. Further work to refine the policy and implement it in a more fulsome way was never undertaken by the province.
 - The development of a more robust PPS 2023, which could include a more refined delineation of different types of employment lands, is an opportunity to do the work needed to understand which lands need protection and where flexibility might be an option. Until that happens, the Board recommends that existing PSEZ protections be reflected in PPS 2023 like what has been done for language in the Growth Plan regarding the Greenbelt which has been included in PPS 2023.

Regional Planning: The province has decided to revoke A Place to Grow: Growth Plan for the Greater Golden Horseshoe pursuant to section 7(7) of the Places to Grow Act, 2005 and replace it with a new PPS that will guide land use planning in Ontario, ending how land use has been planned in Ontario for almost 20 years by municipalities.

- **Comment:** Considering the decision to revoke the Growth Plan, there is an urgent need for the province to advance a comprehensive regional inventory of employment lands which includes both industrial and commercial lands. This inventory can be used to enable decisions on conversion requests and form the development of a regional economic development strategy that considers municipal, provincial, federal and business interests. Such an evidence base that is regional in nature alongside criteria needed to ensure buffers and transitory zones exist, can be the building block for a more nuanced industrial lands policy.