



City of
Peterborough

To: **Members of the General Committee**

From: **Cynthia Fletcher**
Commissioner of Infrastructure and Planning Services

Meeting Date: **March 4, 2019**

Subject: **Report IPSPL19-009**
Proposed Amendment No. 1 to the Growth Plan for the Greater Golden Horseshoe, 2017

Purpose

A report to inform Council on the Proposed Amendment 1 to the Growth Plan for the Greater Golden Horseshoe, 2017 and Staff's response.

Recommendation

That Council approve the recommendation outlined in Report IPSPL19-009 dated March 4, 2019, of the Commissioner of Infrastructure and planning Services, as follows:

That Report IPSPL19-009 be received for information.

Budget and Financial Implications

There are no budget and financial implications resulting from the approval of the report recommendation.

Background

On January 15, 2019, the Ministry released proposed Amendment No. 1 to the Growth Plan for the Greater Golden Horseshoe, 2017 (the Growth Plan), for public consultation. The proposal is available for public review and comment on the Environmental Bill of Rights Registry (EBR Registry Number: 013-4504) until February 28, 2019.

According to the Ministry, the Growth Plan sets the direction for accommodating growth and development in the region by requiring municipalities to use land and resources more efficiently, reduce outward growth, use existing infrastructure to fullest potential, and create complete communities. To achieve these goals, the current Growth Plan includes policies that require the City to conduct its planning in a way that:

- is in accordance with population and employment forecasts established in the Growth Plan;
- plans to achieve a minimum of 50% of annual residential development occurring within the built-up portion of the city to 2031 and transitioning to 60% from 2031 to 2041;
- achieves a minimum population and employment density of 150 persons and jobs per hectare in the City's Urban Growth Centre (UGC) (i.e. downtown commercial core) as defined in the Growth Plan and illustrated on Schedule A1 – City Structure of the Official Plan by 2031;
- achieves a minimum average population and employment density of 80 persons and jobs per hectare across the City's Designated Greenfield Area (DGA);
- directs major office and institutional employment to the urban growth centre and to major transit station areas;
- plans for industrial and commercial uses close to transportation facilities such as highways, rail and airports; and
- coordinates growth with infrastructure management and investment; and,
- identifies ways to reduce greenhouse gas emissions and address climate change adaptation goals in accordance with the Ontario Climate Change Strategy, 2015 and the Climate Change Action Plan, 2016.

Additionally, the current Growth Plan requires municipalities to undertake a series of studies and plans to guide local land use planning including:

- a land needs analysis using a provincially-established methodology;

- an employment strategy that, among other things, identifies density targets for employment areas and identifies intensification opportunities for employment areas;
- an intensification strategy to achieve the minimum intensification target and intensification throughout the delineated built up area;
- a housing strategy to support achievement of intensification and density targets;
- watershed plans; and,
- infrastructure master plans.

Many of these studies and plans are required to be prepared at the time of a municipal comprehensive review (MCR), such as the City's current Official Plan review, in order to inform new official plan policy. Presently, municipalities have until July 1, 2022 to update their official plans to ensure they conform to the Growth Plan.

In the fall of 2018, Planning Staff participated in a number of technical working group sessions hosted by the Ministry of Municipal Affairs and Housing (MMAH) to discuss various aspects of Growth Plan implementation. The proposed changes reflect some of the specific solutions discussed in these working groups.

Proposed Amendment No. 1

In the EBR post, Amendment No.1 is described as intending to address potential barriers to increasing the supply of housing, creating jobs and attracting investments. Key amendments, and their potential effects on planning in Peterborough, are described here.

Employment Planning

If approved, Amendment No. 1 will:

- remove the requirement for municipalities to prepare an Employment Strategy;
- provide municipalities the ability to designate employment areas through an Official Plan Amendment in advance of the next MCR;
- provide flexibility to convert lands within an existing employment area to non-employment uses outside of a MCR process, prior to the next MCR, provided a significant number of jobs is maintained on those lands;
- provide municipalities direction to maintain job levels on-site when redeveloping employment lands located outside of employment areas;

- clarify that within existing office parks, non-employment uses should be limited;
- remove the concept of “prime employment areas” and introduce “provincially significant employment zones” that will be identified by the province;
- provide stronger direction for municipalities to designate and preserve lands adjacent to major goods movement facilities and corridors (e.g. highways, railways, etc.) for employment purposes;
- provide stronger direction for municipalities to provide an appropriate interface to maintain land use compatibility between employment areas and adjacent non-employment areas;
- remove the concept of “innovation hubs” which were intended to be locations where private, public and academic sectors could collaborate and interact to promote innovation; and,
- provide flexibility for municipalities to establish multiple density targets for employment areas rather than a single target.

For the City of Peterborough, staff does not anticipate that these changes will significantly affect the way employment land planning is conducted in the city. Through the development of a new Official Plan, staff expects to identify and protect employment areas, to limit the conversion of employment area lands, and to provide an appropriate interface between employment and non-employment uses.

Concurrent with the release of Amendment No. 1, the Province has released a proposed framework for provincially significant employment zones (EBR Registry Number: 013-4506). No provincially significant employment zones are identified for Peterborough.

Upon initial review, removing the need for an employment strategy would appear to benefit Peterborough because it will reduce the City’s reporting obligations to the province and should speed up the process for preparing the City’s new Official Plan. However, because the City will need to identify density and intensification targets for employment areas, staff anticipates undertaking an equivalent employment assessment to inform the new Official Plan regardless of the policy change.

One issue that may cause concern in Peterborough is the requirement to maintain a similar amount of jobs on redeveloping employment land sites located outside of employment areas. In Peterborough, there are a number of employment land sites in or near the Central Area that would fit this criteria. In staff’s opinion, the requirement to maintain jobs on these sites could limit redevelopment opportunities where the site is better suited for non-employment uses and may therefore act as a disincentive to redevelopment. Also, the proposed policy does not specify what “similar” means; is it in reference to the number of jobs on the site at the time of redevelopment, or is it in

reference to the number of jobs that has historically been located on the site? For long-standing manufacturing sites, the level of employment located on the site today is likely significantly less than it was in the past.

In staff's opinion, a better approach to facilitating the redevelopment of employment land sites outside of designated employment areas would be to encourage maintenance of employment on the site (rather than require) while also ensuring that sufficient land is available in employment areas to accommodate job growth to the horizon on of the Growth Plan.

Settlement Area Boundary Expansions

In provincial policy, a settlement area is a land use planning concept that refers to a built up area where development is concentrated and has a mix of uses as well as lands that are designated in an official plan to accommodate development to the horizon of the official plan in accordance with provincial policy. A settlement area does not necessarily coincide with municipal boundaries. Presently, the City of Peterborough's settlement area coincides with the municipal boundary as it existed in 2009 and therefore lands within the Coldsprings hamlet that were annexed in 2013 are not considered part of the City's settlement area.

Presently, the Growth Plan specifies that expansions to a settlement area can only occur through a MCR, such as the City's Official Plan review. Furthermore, the Growth Plan requires a number of detailed studies to support proposed settlement area expansions. As part of the Official Plan review, staff has been reviewing the City's land needs to 2041 to ensure that sufficient lands are designated for development in the Official Plan for that time frame. Notwithstanding the work that occurs through a MCR process, sometimes municipalities wish to adjust or expand their settlement areas outside of the MCR process (perhaps to address pressing land needs or to capitalize on an opportunity). Under the current Growth Plan, that is not permitted.

Amendment No. 1 proposes to add a new policy to the Growth Plan that would allow settlement area adjustments outside of the MCR process where there is no net increase in the settlement area size and subject to criteria. Additionally, Amendment No. 1 proposes to add a policy to allow for settlement area expansions of up to 40 hectares outside the MCR process, subject to criteria.

Although the City is currently going through a MCR process for the new Official Plan and does not anticipate needing to adjust or expand its settlement area outside of that process, staff welcomes this proposed change as it will provide the City with options in the future should the need arise. The criteria proposed in Amendment No. 1 for supporting settlement area adjustments and expansions will ensure that this flexibility is not used in a way that is detrimental to the MCR process and contrary to good planning.

Furthermore, Amendment No. 1 proposes to remove reference to the variety of detailed studies that are currently required to support a settlement area expansion and instead implement criteria requiring demonstration of (among other things):

- sufficient capacity in infrastructure and public services;
- financial viability of required infrastructure and public services;
- avoidance of negative impacts on watershed conditions and the water resource system;
- avoidance of impacts on the Natural Heritage System; and,
- avoidance of Prime Agricultural areas.

Staff support this proposed amendment as it creates flexibility for preparing scoped studies, if need be, to support a settlement boundary expansion and therefore allowing the City to address potential expansion in a faster and more cost efficient manner.

Under the current Growth Plan, outer ring municipalities like Peterborough are required to identify “excess lands” if they have more land designated for urban development within their settlement area than is required to meet the growth projections for the Plan. Development on excess lands is to be prohibited to the horizon of the Growth Plan.

Presently, if the City has identified excess lands, and it has gone through a MCR process to justify a settlement area expansion, the City would be required to remove an amount of excess lands from the settlement area that is larger than the area of expansion. Amendment No. 1 proposes to remove this requirement. Staff support this amendment. Establishing a settlement area boundary is a comprehensive process that requires significant study. Removing land from a settlement area now that will otherwise be suitable for development in the future will only create the need for duplicating a MCR process in the future. Staff support keeping an excess lands designation in place until such lands are required for development.

Agricultural and Natural Heritage Systems

On February 9, 2018, the Province released mapping to identify a Natural Heritage System (NHS) and an Agricultural System (AS) for the Greater Golden Horseshoe. In accordance with the Growth Plan, this mapping came into effect immediately and provided municipalities no opportunity to refine the mapping based on local conditions or information except through a MCR process. The effect of the mapping, in combination with Growth Plan policy, is to strengthen protection for these features and to limit opportunities for incompatible development. No portion of the provincial NHS or the AS is located within the City of Peterborough however most of the City’s boundary abuts either the NHS or the AS.

In 2014, the City adopted the Lily Lake Secondary Plan which contemplates the development of a stormwater management pond, sanitary sewer, and trail facility on lands immediately adjacent to the City, in the Township of Selwyn. To support these facilities, a developer in the Lily Lake area has received severance, zoning by-law and official plan approvals from the Township and the County of Peterborough based on site specific environmental studies. Upon the release of the provincial NHS and AS mapping, the future of these planned facilities was thrown in doubt because of the lack of an implementation transition or the ability for municipalities to refine the mapping outside a MCR process.

Amendment No. 1 proposes to create a transition period for implementation of both the NHS and AS mapping. Under the proposal, existing municipal official plan mapping would remain in effect until the NHS and AS mapping is incorporated into by way of an official plan amendment. In the process of incorporating the NHS and AS mapping into their official plan, municipalities would also have the opportunity to refine the mapping to reflect local conditions and knowledge. Once the NHS and AS mapping has been incorporated into an official plan, further refinements to the mapping could only occur through a MCR process.

Insofar as this proposal affects the lands in the Lily Lake area that have been planned for City facilities, staff support this proposal because it will provide a transition period to address planning matters that pre-date the provincial mapping release. Also staff supports the proposal because it will provide an opportunity to make local planning decisions based on more detailed information than what was used to establish the NHS and AS mapping.

Intensification and Density Targets

As noted, the Growth Plan requires the City to plan to achieve minimum intensification and density targets. Additionally, the Growth Plan currently allows for municipalities to seek an alternative intensification target at the time of a MCR and for outer ring municipalities to seek an alternative density target for DGAs at the time of a MCR.

On March 19, 2018, Council authorized staff to pursue an alternative density target of between 55 and 65 residents and jobs per hectare combined for new subdivisions approved in the DGA after the new Official Plan is approved. Currently, the Growth Plan requires that the City plan to achieve an average density of 80 residents and jobs per hectare across the entire DGA by 2041. Additionally, Council authorized staff to seek an alternative intensification target of 55% of all new residential development to occur annually within the Built-up Area between 2031 and 2041 instead of 60%. The rationale for seeking these requests was described in Report PLPD18-005.

In accordance with Council's resolution dated March 19, 2018, and following consultation with Ministry staff and further review of the City's residential development patterns and land needs, staff made a formal request to the Minister of Municipal Affairs and Housing

for an alternative density target for the DGA on October 29, 2018. Prior to the release of Amendment No. 1, the Ministry had been reviewing the City's request however a formal response has not been issued.

As proposed, Amendment No. 1 would apply varying density targets for DGAs that are more in keeping with the character of the communities to which they are being applied:

- 60 residents and jobs per hectare for the City of Hamilton and the Regions of Peel, York and Waterloo;
- 50 residents and jobs per hectare for the Cities of **Peterborough**, Barrie, Brantford, Guelph and Orillia as well as the Regions of Durham, Halton and Niagara; and,
- 40 residents and jobs per hectare for the City of Kawartha Lakes and the Counties of Peterborough, Brant, Dufferin, Haldimand, Northumberland, Simcoe and Wellington.

Similarly, Amendment No. 1 also proposes to apply varying intensification targets as follows:

- 60 per cent of all residential development to occur annually within the Built-up Area for the City of Hamilton and the Regions of Peel, York and Waterloo;
- 50 per cent of all residential development to occur annually within the Built-up Area for the Cities of **Peterborough**, Barrie, Brantford, Guelph and Orillia as well as the Regions of Durham, Halton and Niagara; and,
- Maintain or improve on existing target in the applicable upper tier or single tier official plan for the City of Kawartha Lakes and the Counties of Peterborough, Brant, Dufferin, Haldimand, Northumberland, Simcoe and Wellington.

For the City of Peterborough, the proposed density target for the DGA would remain the same as what exists in the Official Plan today (based on the 2006 version of the Growth Plan). Should this target be maintained, it is staff's opinion that new development in the DGA will still need to be built at an average density of approximately 80 residents and jobs per hectare to ensure that the average density for the rest of the DGA meets the required 50 residents and jobs per hectare. The need for additional density in new developments is triggered by a need to make up for lower density developments in the City's DGA that were planned prior to the Growth Plan coming into effect in 2006 but were unbuilt at the time. Planning new developments at a density of 80 residents and jobs per hectare development will be significantly higher than what Council endorsed on March 19, 2018.

In the City's letter to the Minister dated October 29, 2018, staff noted there is insufficient evidence to suggest that building new development at an average of density 80 residents and jobs per hectare would be viable without causing market disruption. Accordingly, in that letter, staff also requested that the Minister update the City's delineated built boundary pursuant to Section 5.2.2.1 a) of the Growth Plan. This request was a reiteration of a comment previously made to the Ministry in 2016 when the Growth Plan was first released for consultation in draft form.

Generally, staff supports the proposed density target in Amendment No. 1 however, in order to maintain development densities in a range that was supported by Council and in a range that is viable in the Peterborough market, staff feels it is necessary to update the City's delineated built boundary.

With respect to intensification, Amendment No. 1 would remove the need for the City to increase its intensification levels from 50 per cent to 60 per cent between 2031 and 2041. Staff supports this amendment because it is more in keeping with what staff feel is feasible for Peterborough and because it will facilitate the achievement of higher densities in the DGA. The amendment is generally in line with the City's request to the Minister and staff notes that the intensification target of 50 per cent is a minimum target and that the City is not restricted from achieving higher levels of intensification.

Currently, the Growth Plan only allows municipalities to seek an alternative intensification target at the time of a MCR and it only allows outer ring municipalities, like the City of Peterborough, to request an alternative DGA density target at the time of a MCR. Amendment No. 1 proposes to lift these restrictions so that any upper tier or single tier municipality in the Growth Plan area may request an alternative intensification or density target at any time. Staff supports this proposal as it gives municipalities more flexibility to seek planning solutions that are in keeping with local contexts.

Major Transit Station Areas

The Growth Plan requires municipalities to identify strategic growth areas that will be a key focus for intensification and development. One such area is a Major Transit Station Area (MTSA) which, in the Peterborough context, is defined as the area around a major bus depot in an urban core.

Most of the proposed amendments in Amendment No. 1 that related to MTSA's do not apply to the City of Peterborough because our MTSA is not located on a subway line or on a priority transit corridor identified on Schedule 5 of the Growth Plan. Notwithstanding this, Amendment No. 1 would allow the City to define and establish development policies for its MTSA in the Official Plan outside of the MCR process. Given that the City is currently undertaking a MCR, the City is already in the process of defining the MTSA in the Official Plan.

Climate Change and Environmental Sustainability

Currently, the Growth Plan references Ontario's Climate Change Strategy, 2015 and is structured to contribute towards the Ontario Climate Change Action Plan, 2016. Specifically, the Plan identifies a goal of moving towards low carbon, and ultimately, net-zero communities (energy efficient communities that balance their energy consumption with renewable energy supplies). Also, the Plan references a goal to reduce greenhouse gas emissions to 37 per cent below 1990 levels by 2030 and to 80 per cent by 2050.

Amendment No. 1 would remove references to the Ontario Climate Change Strategy and Action Plan as well as references to net-zero. In their place, reference will be made to Ontario's new environment plan, Preserving and Protecting our Environment for Future Generations (released November 29, 2018), and the concept of sustainable communities. Furthermore, Amendment No. 1 proposes to remove the existing greenhouse gas emission target and replace it with a target 30 per cent below 2005 levels by 2030 which is aligned with a target made by the federal government under the 2015 Paris Agreement. If approved, the amended Growth Plan will take a less aggressive approach to climate change than the existing Plan.

In 2016, Council adopted the Greater Peterborough Area Climate Change Action Plan (Report CSD16-031) which included targets for greenhouse gas emission reductions and a number of strategies for achieving those targets. Generally, Amendment No. 1 does not impact the City's implementation of the Action Plan however it does provide, for municipalities in the process of preparing climate change action plans, a more flexible benchmark for communities to aspire to should they wish.

Watershed Plans and Infrastructure Master Plans

Presently, the Growth Plan requires municipalities to undertake watershed and subwatershed plans that will identify and require protection of water resource systems, key hydrologic features and areas, and their functions in order to:

- inform the completion of water, wastewater, and stormwater master plans;
- coordinate planning for potable water, wastewater, and stormwater systems among municipalities that share an inland water source or receiving water body (such as the Otonabee River);
- support the approval of proposals for large-scale development proceeding by way of secondary plans, plans of subdivision and vacant land plans of condominium; and,
- support any proposals for settlement boundary expansion.

If approved, Amendment No. 1 will provide greater flexibility for municipalities to undertake studies that are equivalent to watershed and subwatershed plans. Staff supports this proposal.

In December 2018, the City issued a Request for Proposals to undertake a watershed planning study for the entire city. The study is expected to commence this year and take two years to complete. Notwithstanding that the City is embarking on a comprehensive watershed planning process, having flexibility in the Growth Plan to undertake scoped studies that meet the intent of watershed planning to support policy development and/or proposed land development will enable the City to address immediate planning matters while the larger watershed planning study unfolds.

Furthermore, the Growth Plan currently requires the coordination of infrastructure planning through the preparation of master plans for infrastructure such as:

- sewage, water and stormwater management systems;
- waste management systems;
- electricity generation, transmission and distribution systems;
- communications/telecommunications systems;
- transit and transportation corridors and facilities; and
- oil and gas pipelines and associated facilities.

Infrastructure planning is to be based on long-range scenario-based land use and financial planning evaluations and must be informed by other plans such as asset management plans, community energy plans, watershed plans and environmental assessments, as applicable, and requires significant coordination across divisions within the City and with external stakeholders and infrastructure service providers.

With respect to integrated infrastructure planning, Amendment No. 1 proposes to remove explicit reference to the need for infrastructure master plans and instead identify the need for “relevant studies” that achieve desired outcomes as already stated in the Growth Plan. Staff has no objection to this proposal and note that it will provide the City with added flexibility when it plans for infrastructure.

General Tone and Mechanics

Amendment No. 1 will change the tone and mechanics of the Growth Plan from one that is very prescriptive and rooted in social equity to one that is more flexible and rooted in addressing market needs and demands. Staff supports this approach as it acknowledges

that communities across the Greater Golden Horseshoe are unique and that there is a need for more locally-based decision making in growth management.

Other Comments

In 2016, the City commented on the Draft Growth Plan for the Greater Golden Horseshoe, 2016. These comments were received by Council in Report PLPD16-060. Through the approval of the Growth Plan in 2017, many of the City's comments were addressed however a couple comments remain with respect to major institutions and complete streets.

Presently, the Growth Plan requires major office and "appropriate major institutional" development to be directed to urban growth centres, MTSA's or other strategic growth areas (Section 2.2.5.2). While the Growth Plan defines major office uses based on their floor area and job population, it does not define major institution. Three of the City's largest employers, Trent University, Sir Sandford Fleming College, and the Peterborough Regional Health Centre, are institutional uses. None of these employers are located within an urban growth centre, a MTSA, or a strategic growth area. Accordingly, staff is concerned that the Growth Plan will limit expansion and development opportunity for these employers. In staff's opinion, major institution should be defined in the plan to facilitate interpretation of the Plan. Although staff supports the promotion of institutional development in the Central Area, staff would not support the restriction of expansion and development opportunity at existing major institutions.

Section 3.2.2.3 of the Growth Plan requires municipalities to adopt a complete streets design approach when constructing, reconstructing or refurbishing streets. Although staff supports the principle of complete street design, staff is concerned that the Plan could be interpreted to apply to all forms of road work. Often, the City undertakes projects such as sewer replacement and pavement rehabilitation that involves road work however this work does not include additional enhancements that affect street design. If the City is required to apply a complete streets approach to all road work, the cost of completing regular maintenance work will increase significantly. Accordingly, staff suggest that the Plan needs to be amended to provide municipalities the flexibility to interpret how complete streets principles will be implemented.

Summary of City Comments

Generally, staff support the changes proposed in Amendment No. 1 as it will provide the City with more autonomy in making land use planning decisions while still operating within a provincial growth management framework.

In light of the City's letter to the Minister of Municipal Affairs and Housing dated October 31, 2018, staff's key concern with Amendment No 1 is the need to review and expand the City's delineated built boundary pursuant to Section 5.2.2.1 a) of the Plan to facilitate

achievement of both development densities and forms that are viable in Peterborough's Designated Greenfield Area.

In a letter to the Ministry dated February 28, 2019, staff reiterated this comment in accordance with our previous request and Council's resolution dated March 19, 2018.

Additionally, to improve implementation of the Growth Plan, staff recommends that the following amendments also be included in Amendment No 1:

1. That when considering the redevelopment of employment lands located outside of employment areas, municipalities be required to encourage maintenance of employment on the site (rather than require) and/or ensure that sufficient land is available in employment areas to accommodate job growth to the Plan horizon;
2. That major institutional development be defined in the Plan; and,
3. That the Plan be amended to clarify municipalities' ability to determine how complete streets principles are implemented.

Staff attended an Amendment No. 1 consultation session hosted by the Ministry of Municipal Affairs and Housing on February 19, 2019 in Cobourg and provided these recommendations directly to Ministry staff. Ministry staff advised that they will take into consideration as they finalize Amendment No. 1.

Submitted by,

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