

MEMORANDUM

To: Adrian Smith and Tara Buonpensiero, Region of Peel

From: Stefan Krzeczunowicz

Date: January 17, 2022

Re: Response to Caledon Comments on SABE

This memorandum provides comments on the Town of Caledon's proposed configuration of future employment areas in the south part of Caledon. The employment areas form part of the Region of Peel's Settlement Area Boundary Expansion (SABE) plan, which is being developed through its Municipal Comprehensive Review (MCR). The Town's proposal, which is set out in Staff Report 2021-0468, differs from the Region's plan in several key respects.

Maps comparing the Region's plan with the Town's proposed employment areas are attached to this memorandum.

A. SUMMARY OF THE TOWN'S PROPOSAL

Very broadly, the Town proposes to make three changes to the Region's plan for the SABE employment area:

- Increase the total employment area from 1,400 hectares to 1,650 hectares to reflect "the projected need for employment lands and historical absorption rate which Caledon has faced".
- Reconfigure employment areas so that they are "adjacent to existing employment, along Highway 410 and the GTA West Corridor", and protect the Provincially Significant Employment Zone (PSEZ) in Bolton. This involves adding employment areas in the Bolton PSEZ, in the area west of Heart Lake Road and south of the GTA West Highway Corridor, and in the area either side of Airport Road between Old School Road and the Highway Corridor. It also involves removing employment area

east of Hurontario north of the GTA West Highway Corridor and around the Hurontario Old School Road intersection south of the Corridor.¹

- Increase the amount of land identified outside the SABE as Future Strategic Employment Land Reserve by 500 hectares to ensure the “protection of employment land for long-term uses”.

The Town also proposes to reduce the community areas in the SABE from 3,000 hectares to 2,800 hectares by planning for higher densities in those areas; 70 persons and jobs per hectare instead of the 65 persons and jobs per hectare being proposed by the Region.

The difference in the total SABE area is therefore marginal: 4,400 hectares being proposed by the Region; 4,450 hectares being proposed by the Town.

B. REGION'S SABE IS SUPPORTED BY DETAILED TECHNICAL ANALYSIS

This section sets out the various considerations and technical studies that form the basis of the Region's SABE plan in respect of employment areas.

i. Growth Plan Direction

The MCR is in large part an exercise to bring the Region's Official Plan into conformity with the Provincial plan *A Place to Growth: Growth Plan for the Greater Golden Horseshoe* (the Growth Plan). The Growth Plan recognizes the importance of ensuring that there is an adequate supply of employment areas in the SABE, both for traditional industries and for service sector and knowledge-based businesses that warrant such locations, and sites for a broad range of other employment uses.

Specific direction in planning for employment is provided in s.2.2.5 of the Growth Plan. Among the policies in this section are those that:

- generally promote increasing employment densities;

¹ Statements from the Town's Mayor at a Town Council meeting of December 14, 2021, indicate that the removal of this employment area north of the Corridor was not Council's intention (see delegation and discussion starting at 50:10 of the meeting).

- direct the Region to designate employment areas for clusters of business and economic activities in its official plan; and
- promote the location of employment areas for manufacturing, warehousing, logistics, and appropriate associated uses and ancillary facilities adjacent to or near major goods movement facilities and corridors, including major highway interchanges (e.g. the GTA West Corridor).

This direction is broadly reflected in the Town's goals for its proposed employment areas. To that extent, both the Region and the Town have applied the Growth Plan policies in establishing their respective SABE proposals.

ii. Land Needs Assessment

The Town proposes to include an additional 250 hectares of employment area in the SABE. However, it is not clear whether the additional employment area is required to accommodate higher employment growth, or lower densities on employment areas, or provide for significant vacant lands in 2051 beyond what is assumed in the Region's published Land Needs Assessment (LNA). The LNA has been undertaken pursuant to Growth Plan Policy 2.2.1.5, which requires that the Region use the Province's prescribed methodology for assessing land needs to 2051.²

- The 1,400 hectares of employment area identified for the SABE under the LNA reflects the land needed to accommodate the employment growth allocated to Caledon and agreed to by the Region and lower-tier municipalities in Peel. Adjusting Caledon's employment allocation at this late stage of the MCR process would lead to significant and wide-ranging changes to many components of the new Official Plan (not just the SABE employment area need).
- The current (2021) density of employment in employment areas in Caledon is 27.2 jobs per net hectare. This figure includes the many truck storage sites and other areas of the Town that have little to no jobs associated with them. The LNA assumes a density of 33 jobs per net hectare on new employment areas developed between 2021 and 2051 (based on an assumed 80% site net to gross factor and 45% site coverage). This assumption reflects Growth Plan policies that seek to increase the density of employment areas and promote a more diverse employment base (see above). It also reflects the relatively higher density on sites developed by

² *Land Needs Assessment Methodology for the Greater Golden Horseshoe, 2020*, released in accordance with Growth Plan policy 5.2.2.1 c).

Amazon and Canadian Tire in recent years and the gradual shift towards business activities that are more intense than traditional logistics and warehousing. In the absence of additional analysis to the contrary, it is recommended that these assumptions not be changed in addressing Caledon's proposal.

- Pursuant to the Provincial LNA Methodology, the LNA considers market contingency factors in determining the SABE employment area need. A 3% long term vacancy provision is included in the assessment of employment area. Contingencies for "buffer" lands surrounding the Maple Lodge Farms facility in Brampton, and for possible employment area conversions associated with some of the Region's Major Transit Station Areas (MTSAs), are also incorporated into the analysis. These contingencies have the effect of increasing the employment area requirement for the Caledon SABE.

The LNA does not provide for there being significant vacant employment areas in Caledon in 2051. In the past, when municipalities planned for land to meet needs over shorter time periods (typically 10 years), such vacant lands might have been considered in order to satisfy market competition and site selection choice in the horizon year. However, the horizon year for this MCR is thirty years into the future. As such, the Region and Town can address faster-than-anticipated rates of employment area absorption, should they take place, during the regular MCR updates that will occur between now and 2051.

That said, with the Growth Plan employment forecasts established as minimums, Provincial policy would permit the increase in designated employment area in the SABE should the Region wish to provide additional protection for employment uses and a variety of competitive sites in Caledon over the long-term.

In short, while the need for the Town's 250 hectares of additional SABE employment areas is not established by the Region's LNA, the Town's proposal is permitted under Provincial policy.

iii. Real Estate Market Analysis

As part of the SABE work, the Region commissioned a technical study to identify preferred locations for new employment areas in Caledon from a real estate market perspective.³ The study applied a number of site selection principles to different areas within a Focus Study

³ Cushman and Wakefield, *Peel Region Settlement Area Boundary Expansion (SABE) Study: Employment and Commercial Opportunities Technical Study*, November 2020 (addendum May 2021 to address a "No GTA West" scenario).

Area (FSA) in southern Caledon with a view to identifying the best location for employment areas. The principles include:

- Real estate factors – geographic location; availability and cost of business premises, or cost of land and new building construction; and location of customers and suppliers;
- Economic factors – availability of raw materials and intermediate goods (production inputs); labour force availability; labour cost; and government incentives; and,
- Infrastructure factors – transportation; telecommunications; and utilities.

The majority of these factors were considered to be relatively uniform across the FSA. Nevertheless, the study identified areas that were particularly well suited to employment uses given their proximity to existing employment hubs, infrastructure networks, a labour supply, and proposed GTA West Highway interchanges. The employment areas recommended in the final *SABE Study* (or *Planning Justification Report*) and, ultimately, in the Regional staff's recommended SABE are broadly consistent with the findings of this technical study.

It is noted that while the market study acknowledged the importance of flat, unencumbered land in the employment area site selection process, it did not undertake a detailed survey of the topography of the FSA. The “on the ground” suitability of key employment areas, based in part on a review of environmental features and site visits, influenced the final Regional staff recommendations on how those areas should be configured (see below).

iv. Fiscal Impact Analysis

The SABE technical background work included a Fiscal Impact Analysis which compared different SABE growth scenarios. The analysis demonstrated that, under most scenarios, the potential tax revenue generated by new employment areas in the SABE is anywhere between 20% and 25% of the total additional tax revenue generated.

While the Town's employment area proposal was not one of the tested scenarios, one Scenario—Scenario 4 (Minimum Intensification)—did examine the financial impact of higher population growth in Caledon *as well as an additional 200 hectares of employment area in the SABE*. The additional 200 hectares was based on the amount of employment in Caledon remaining the same as in other scenarios; only the density of jobs on employment land was changed (i.e. reduced). Employment area was added north of the GTA West Highway

Corridor around Sandhill and around the intersection of the Highway Corridor with the extension of Highway 410.

Caution is required in applying the results of the fiscal impact analysis to the Town's employment area proposal. That said, the analysis indicates that:

- Higher current value assessment generated under Scenario 4 was mostly attributable to the additional residential lands rather than the additional employment areas. The potential additional tax revenue generated by the 200 hectares of employment area was relatively minor.⁴
- Scenario 4 exhibited the highest transportation, water, and wastewater servicing capital costs.⁵

Recognizing its limited applicability to the matter at hand, there is little indication in the fiscal analysis to suggest that the Region would experience a material financial benefit from the additional 200 hectares of employment area being proposed by the Town. In fact, if it is the Town's expectation that some of these lands will be vacant *but serviced* in 2051 then there may well be negative fiscal consequences for the Region if the lands are not carefully phased.

v. Community Area and Build-Out Considerations

The Region's SABE work also involved technical studies that addressed: transportation, public health, public facilities, cultural heritage, archaeology, employment and commercial opportunities, agricultural impact, climate change, natural environment, and mineral aggregate resource impact.⁶ A key part of planning for the SABE employment areas was to "triangulate" the results of these studies. For this, particular attention was paid to the role employment areas play in:

- defining community area boundaries, and maintaining the distinct identity of Caledon's two main urban communities—Bolton and Mayfield West;

⁴ See Hemson Consulting, *Settlement Area Boundary Expansion Study: Final Concept Map and Fiscal Impact Analysis*, September 2, 2021, p.40 (Table 13).

⁵ Hemson, *SABE Study*, September 2, 2021, p.44 (Table 16).

⁶ The studies are available at <https://www.peelregion.ca/officialplan/review/focus-areas/settlement-area-boundary.asp#study-reports>

- supporting the achievement of complete communities, where a more compact urban form prevails in community areas, people of all ages abilities can access the necessities of daily living; and
- setting the stage for ultimate build out of the “Whitebelt” lands in Caledon.

How these considerations factored into the Region’s SABE recommendations is discussed below.

vi. Summary of Hemson SABE Recommendations

The initial planning justification for the proposed SABE employment areas, based on the triangulation of the technical studies described above, was set out in Hemson’s *SABE Study* of September 2, 2021. The report identified five areas that are appropriate for locating new employment areas in the SABE based on the Growth Plan policies and the principles and conclusions set out in the real estate market analysis and related technical studies.⁷

vii. Long Term Strategic Employment Land Reserve

Under the Growth Plan, planning authorities may plan for the long-term protection of employment areas provided lands are not designated beyond 2051.

In keeping with this provision, and considering the need to identify additional employment lands suitable for employment land employment from a strategic perspective to help meet employment targets, the *SABE Study* preserved an area between the GTA West Corridor and the rural settlement of Sandhill as “Future Strategic Employment Land Reserve”. While not formally to be designated as urban lands, it was proposed that the Region, through the Official Plan, express its intent to study these lands for future employment uses through subsequent municipal comprehensive reviews. In the interim, the Region should explore opportunities to promote dry industrial uses in the Land Reserve through special Regional Official Plan policies.

Anchored by Sandhill, an Industrial/Commercial Centre whose function under the Town’s Official Plan is to provide, at a small scale, a supportive function to Bolton and Mayfield West for industrial and commercial development, this area represents the logical northward expansion of the proposed Tullamore employment area post-2051. It offers good highway

⁷ For full discussion see Hemson, *SABE Study*, September 2, 2021, pp.52-54.

access. Given the high cost involved, full water and wastewater servicing to this area prior to 2051 is premature.

In the context of full build-out of the Whitebelt lands, the Future Strategic Employment Land Reserve may be seen as an extension of a long stretch of employment area extending northwards from Tullamore and serving as the ultimate boundary between the Bolton and Mayfield West communities.

viii. Regional Staff Recommendations

The SABE Study and background technical studies also examined the implications for planning for the SABE employment areas assuming that construction of the GTA West Highway, including the northerly extension of Highway 410, does not proceed. The following recommendations for altering the configuration of the employment areas under this “No GTA West” scenario were made in the SABE Study:

- Extend the employment area surrounding the Brampton Caledon Airport, north of Mayfield West, east of Highway 10 to reflect the new appeal of such lands for employment uses. The Region should implement appropriate buffers to ensure appropriate transition between this expanded employment area and the largely residential hamlet of Campbell’s Cross to the north-east.
- Convert community area around the intersection of Highway 10 and Old School Road to employment area in order to more appropriately connect employment lands to the north with Highway 410.
- Given the uncertainty of the long-term development of the FSA around Sandhill, remove the Future Strategic Employment Land Reserve.
- Move the northern boundary of the employment area north of Tullamore south from the highway corridor to Old School Road. This reconfiguration reflects the reduced appeal of these lands for employment uses and recognizes that several major arterial roads, including Old School Road, will likely need to be widened in part to accommodate traffic that would otherwise have travelled on the highway.
- Convert employment area north of the highway corridor and west of Bolton to community area in order to reflect the somewhat reduced appeal of this area for employment uses and to ensure there is sufficient community area in the SABE. Note that no change should be made to employment area south of the highway corridor in this part of the FSA.

Most of these changes were incorporated into the Regional staff recommended SABE (see map below).

C. COMMENTS ON THE TOWN'S PROPOSED CHANGES

This section provides comments on the Town's proposed employment area configuration in light of the analysis set out above.

i. Area 1 – Area East of Hurontario and North of the GTA West Highway Corridor

The Town proposes removing the entire area east of Hurontario and north of the GTA West Highway Corridor from the SABE. The SABE Study includes the majority of this area in the SABE on the basis of its relatively flat topography that is suitable for land extensive employment uses and large property parcels, good road links (including to the GTA West Corridor and Highway 10), and the opportunity to connect to sustainable transportation modes. Together with the lands west of Hurontario, the employment area is centred on the Brampton Caledon Airport and the airport may attract related employment uses.

The relatively peripheral location of the lands within the FSA could mean that this area is better suited for longer-term employment growth. Nevertheless, the SABE technical studies support all or most of these lands being included in the SABE to accommodate growth to 2051.

ii. Areas 2 and 3 – Area West of Heart Lake Road and South of the GTA West Highway Corridor and Future Strategic Employment Area North of Highway Corridor East and West of Dixie Road

The SABE Study identified employment area to the north-east of the existing Mayfield West settlement area boundary on the basis that the area offers strong potential for near and long-term employment activities due to existing adjacent employment uses in Mayfield West and excellent connections to Highway 410 and the GTA West Highway Corridor. The area includes all lands between Heart Lake Road and Dixie Road south of the GTA West Corridor in order to reinforce the clustering of employment activity around the highway interchange and to accommodate additional employment area requirements in the SABE.

The Town proposes to expand this area to include the area west of Heart Lake Road and South of the GTA West Highway Corridor. It also proposes a 500 hectare Future Strategic Employment Land Reserve north of the Highway Corridor east and west of Dixie Road. While the intrinsic site selection factors do not preclude employment area and land reserve designations for these lands, the Region should consider the possibility that,

- Build out of these areas for employment uses could effectively and permanently separate the Mayfield West community areas east and west of Highway 410. This prevents Mayfield West from developing in a logical, contiguous fashion and in a manner that preserves its distinct identity within the Region.
- The community area planned east and west of Bramalea Road would at build out be stranded between large employment areas to the east, north, and west. Without the connectivity to the larger part of Mayfield West, and its relatively small size, the Region and Town could find providing the full range of municipal services, including integrated and viable transit services, to this “island” of residential development difficult.

iii. Area 4 – Area Between Old School Road Either Side of Airport Road

The Town’s proposal and the SABE Study agree that employment area should extend northward from Tullamore either side of Airport Road. These lands would be framed by the Greenbelt “finger” west of Torbram Road to the west and by Innis Lake Road to the east. Building on the nascent employment hub in Tullamore, the lands leverage planned road improvements along Airport Road and the proposed intersection of Airport Road with the GTA West Highway for the movement of goods. Farm properties on these lands, particularly east of Airport Road, exhibit a high degree of fragmentation and are generally less suited for long-term protection as agricultural uses. Designation of these lands as employment uses would set the stage for the long-term (post-2051) development of employment activities north of the highway. Analysis provided in the Employment and Commercial Opportunities Technical Study is consistent with the notion of an enterprise zone at this location, should this be implemented through future planning by the Town.

The point of difference between the Town and the Region is minor: whether to extend the “Tullamore Hub” employment area northward to Old School Road (per the Region) or all the way to the GTA West Corridor (per the Town). The SABE Study indicates that this question depends largely on whether the GTA West Highway is constructed or not. With no highway, the major east-west transportation route will be Old School Road. With the highway, it makes sense for the employment areas (and adjacent community areas) lands to extend to the Highway Corridor.

In this context, the Regional staff recommendations may be considered prudent given the current formal opposition of Regional Council to construction of the highway and the likelihood that the lands at issue (north of Old School Road) can be expected not to be needed in the short-term. The Town’s proposal is nevertheless supported by the SABE technical studies.

iv. Area 5 – Bolton Provincially Significant Employment Zone

The SABE Study recommends an employment area in Bolton to the immediate west of the approved ROPA 30 lands and centred on the easternmost intersection of the GTA West Highway Corridor. These lands fall almost entirely within the Bolton PSEZ, are easily accessed from the highway, and represent the logical extension of existing and well-established employment areas in Brampton to the south. They also offer good access to labour and opportunities to access existing public transit routes in Bolton and Brampton.

In the absence of the GTA West Highway, the SABE Study recommends converting the employment area north of the Highway Corridor and west of Bolton to community area in order to reflect the somewhat reduced appeal of this area for employment uses and to ensure there is sufficient community area in the SABE.

The Town's proposes to expand the Bolton employment area to include the entire Bolton PSEZ, in part to respond to a perceived "need to protect the PSEZ in Bolton per Provincial direction in A Place to Grow: Growth Plan for the Greater Golden Horseshoe". There are several issues with the Town's proposal:

- The northerly extension of the employment areas significantly reduces the community area expansion in the north-west part of Bolton. This reduction of community area jeopardizes the "critical mass" of residential development that is required to optimize the planned MTSA in this area, focused around a GO Station, and the substantial transportation investment that is required in the area to ensure a complete community.
- The northerly part of the Bolton PSEZ is less suitable for employment expansion based on its distance from the GTA West Corridor.
- The southerly part of the Bolton PSEZ contains wetlands and other environmental features that inhibit the development of large, land extensive uses required for the full range of employment activity.
- Finally, the Region is not in our view required to designate the Bolton PSEZ as employment area. Certainly the PSEZ has been defined by the Minister for the general purpose of long-term planning for job creation and economic development. However:
 - Land uses within a PSEZ are not restricted to employment uses.

- The Minister has provided no specific direction for how planning in the Bolton PSEZ is to be implemented through the MCR, even though the Minister is explicitly authorized to provide such direction by Growth Plan policy 2.2.5.12.
- Growth Plan policy 5.2.2.3 allows the Province to review and update the Bolton PSEZ in response to a municipal request. Such a request is incorporated into the Region's proposed SABE plan.
- The only other Growth Plan policy dealing with PSEZs (2.2.5.10 c)) has the effect of protecting lands within the Bolton PSEZ from conversion to non-employment uses "until the next MCR". Implied in this policy is that the MCR process provides the Region with an opportunity to review the appropriate land use designations for the PSEZ.

v. Increasing the DGA Density in the SABE

The Town proposes to reduce the community areas in the SABE from 3,000 hectares to 2,800 hectares by planning for higher densities in those areas; 70 persons and jobs per hectare instead of the 65 persons and jobs per hectare being contemplated by the Region.

Analysis of the densities of proposed and recently constructed subdivisions in Brampton, Caledon, and Halton Region undertaken as part of the SABE work demonstrates that communities of 70 persons and jobs per hectare are being built in designated greenfield areas.⁸ That said, many of these communities are being developed in or near areas that are more heavily urbanized than the Caledon SABE, which is still largely rural and agricultural. Higher density housing in the SABE can be expected to develop gradually over the planning period to 2051. In this respect, it is noted that Mayfield West Phase 1 is partially constructed and partially under construction at 65 persons and jobs per hectare.

D. CONCLUSION

We support the Town's desire to maximise opportunities for employment areas and plan for higher DGA densities in the SABE. Both of these goals reflect Growth Plan priorities and good planning principles and represent a very progressive approach to planning for long-term growth in Caledon. In particular, higher densities will support the development of

⁸ For example Mount Pleasant in Brampton (70 pjh), Mount Pleasant Village (Fletcher's Meadows) in Brampton (north of the railway) (85 pjh), and Milton Boyne Survy in Milton (under construction at ~75 pjh).

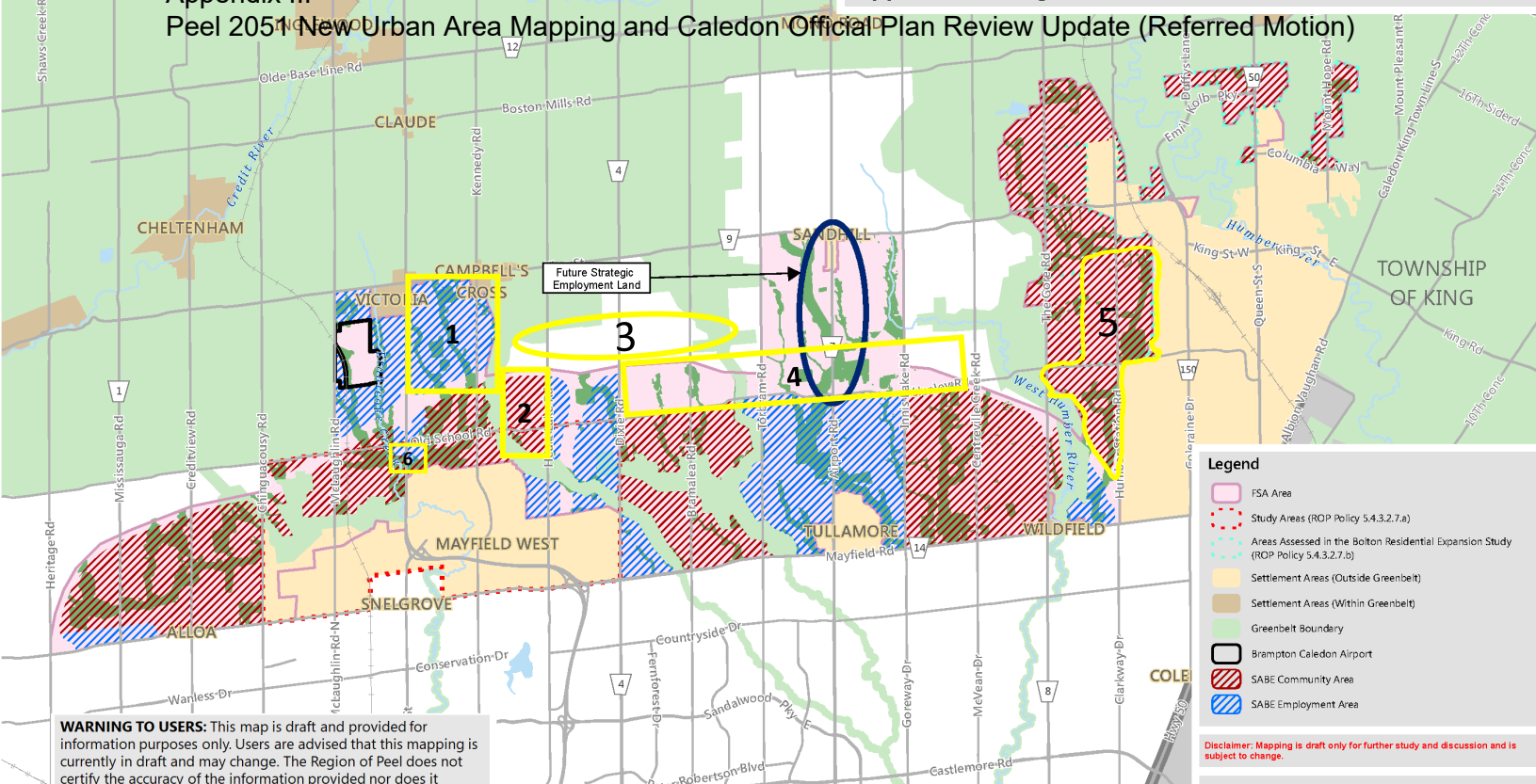
transit oriented communities, particularly around major transit station areas being planned for in the SABE.

Our view is that the Regional staff recommended SABE achieves these goals and is supported by the SABE technical studies. Fundamental alteration of the recommended SABE in response to the Town's reconfiguration of employment areas is therefore not required. That said, the Town's proposal:

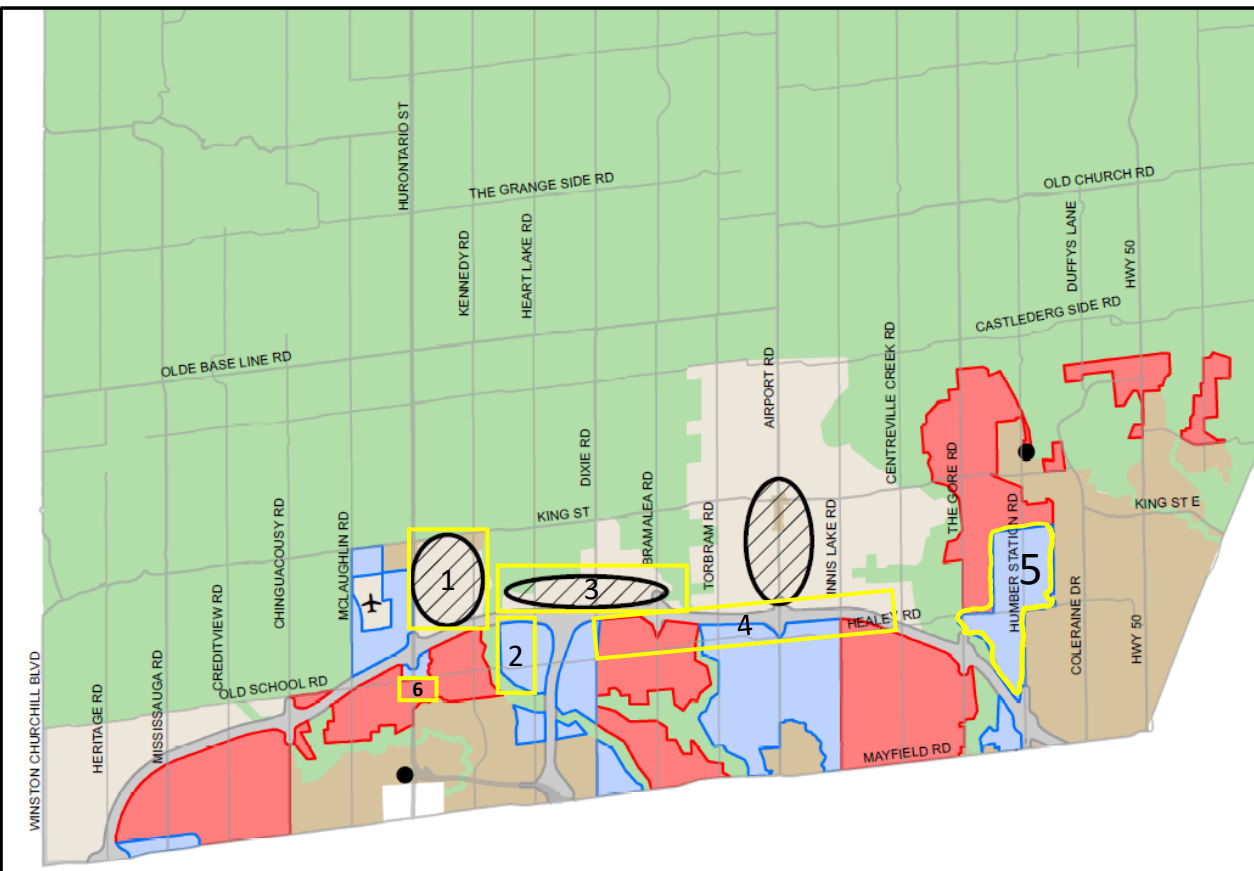
- while not needed to support Caledon's employment allocation, future employment area densities, and market contingency factors used in the Region's LNA, can be justified on the basis that the employment allocation is considered a minimum forecast under the Growth Plan;
- would likely result in significant vacant lands being available in Caledon in 2051. The Region may wish to effect this in order to preserve a variety of employment land use options over the long-term. Nevertheless, there will be ample opportunity to update the LNA over the next 30 years to reflect actual employment area absorption rates and careful attention will need to be paid to the phasing of employment areas with the additional designated lands;
- does not reflect the technical background work undertaken by the Region to support the Regional staff recommended SABE in respect of Area 1;
- though supported by the SABE technical background work in respect of Areas 2 and 3 does not fully consider the long-term implications of extending employment areas in those areas and potentially "stranding" residential communities to the east of Mayfield West;
- does not provide the "critical mass" of residential development in north-west Bolton to allow Bolton to fully develop as a complete community;
- does not consider the topography of the SABE in determining employment areas in respect of Area 1 and the Bolton PSEZ;
- does not appreciate the flexibility afforded to the Region to decide, through the MCR, the most appropriate land use designation for the Bolton PSEZ; and
- in respect of a designated greenfield density of 70 persons and jobs per hectare, is supported by analysis of proposed and recently constructed subdivisions in designated greenfield areas in Peel and Halton.

Appendix III Peel 2051 New Urban Area Mapping and Caledon Official Plan Review Update (Referred Motion)

Appendix V - Region of Peel Staff Recommended Draft SABE



- 1 – Caledon map does not show employment near Campbell's Cross to the GTAW, instead show a Future Strategic Employment Reserve
- 2 – Caledon map shows area west of Heart Lake, south of GTAW as employment, we show community
- 3 – Caledon map shows a future strategic employment area north of GTAW and 410
- 4 – Caledon map shows community and employment up to GTAW and we show up to Old School
- 5 – Caledon map shows employment in Bolton area where we show Community (PSEZ)
- 6 – Caledon map shows community south of Old School Rd on either side of Hurontario, we show employment



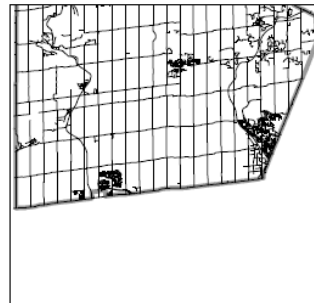
Schedule A

Town of Caledon
Draft Settlement Area
Boundary Expansion Concept

Legend

- MTSAs
- Future Strategic Employment Reserve
- Employment Area
- Community Area
- GTA West Preferred Route
- Settlement Areas
- Greenbelt, ORM, NEC Plan Areas
- Brampton-Caledon Flying Club

Key Map



Subject Lands