



May 10, 2024

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

Re: ERO SUBMISSION ON PROPOSED PROVINCIAL POLICY STATEMENT TO FORM A NEW PROVINCIAL PLANNING POLICY INSTRUMENT AND BILL 185 (CUTTING RED TAPE TO BUILD MORE HOMES ACT, 2024)

Dear Minister Calandra,

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 Act and Provincial Policy Statement to form a new provincial planning policy instrument.

The lack of enough housing of all types and its affordability threatens to undermine our ability to attract and retain talent and makes our region less competitive across North America and globally. This is why the Board has publicly applauded your efforts on this front.

This submission, however, is rooted in our belief that while housing matters greatly, the proposed regulatory and policy changes in Bill 185, and previously in Bill 97 and the draft Provincial Planning Statement, will significantly weaken protections for critical employment lands in the Toronto region.

Without clear policy guardrails and/or the reversal of some of the proposed changes, the province unintentionally risks imposing a significant constraint on the ability of businesses to invest, grow, and create jobs in Ontario. Worse, it also makes it harder for new businesses to locate and expand, incentivizing continued loss of jobs in the Toronto region. At risk are more than 1.5 million jobs and the base of a diversified regional economy that contributes 25 per cent of Canada's GDP.

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,

David Campbell
Associate VP, Policy & Research
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

Overall Comment:

As we stated in our earlier submission on August 4, 2023, the Board understands that the proposed policy changes in the proposed Provincial Planning Statement build on measures in Bill 185, and previously in Bill 97, and Bill 23 - the More Homes Built Faster Act of 2022. They are intended to address the urgent challenge of building all types of housing more quickly across Ontario. An acute housing shortage and high prices threaten 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. Otherwise, businesses may be forced to relocate elsewhere - even south of the border - or decide not to invest because of increased land speculation and the potential for conflicts between residents and businesses over noise, traffic, and hours of operation. This will only exacerbate a worrying trend of high value Ontario jobs moving elsewhere.

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.

This is why it is worth noting that while residential land supply was one of the six key considerations considered to develop the proposed changes as it relates to employment land planning in Bill 97 and the proposed PPS, 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.

In addition to considering our submission below on the Board's key points of concern, the Board urges the Government of Ontario to use this opportunity to delay the implementation of PPS until a thorough review is done to ensure the necessary safeguards are built in for employment lands.

The province can also use this opportunity for a comprehensive review which includes development of regional inventory of existing, available, and underutilized employment lands as the evidence base to develop criteria on when and how to protect employment lands. This includes understanding the potential for having different types of categories of employment lands that could become the basis for a

considered and nuanced regulatory and policy response that supports both jobs and housing. Examples of critical employment lands in need of protection include:

- 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. This is an example of an economic zone that is strategically important and economically significant.
- Similarly, the Toronto Port Lands is a regionally significant zone that brings in cement and aggregate for the City of Toronto, salt for its roads and sugar for the large and fast-growing food manufacturing sector. Because they rely on marine shipping, leveraging the St. Lawrence Seaway and the Great Lakes, these industries are able to lower costs, be greener, and reduce congestion on the main highways coming into and across the city. Yet as a recent Toronto Industry Network paper found, the footprint of the Port is under pressure from other pressures including housing and other uses, and there is an urgent and strategic need to consider what part of can be designated as employment areas in need of protection.
- More broadly, the Board's own analysis also 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.

Submissions on Specific Policy Changes

The Right to Appeal: Bill 185 introduces a new provision which limits the right of appeal by third parties other than certain prescribed parties to appeal official planning and zoning bylaw amendments.

- **Comments:**
 - While the Board understands the change is aimed at curbing at delays in the building of housing due to NIMBY appeals, the change casts too wide a net.
 - Importantly, it limits the right to appeal by businesses with concerns over land use conflicts when housing is placed too close to business uses that are incompatible.
 - Concerns by residents over noise, traffic, and hours of operation for manufacturing, warehousing, and logistics businesses can impair business operations and investment decisions. Housing in the flight path of an airports such as Billy Bishop Toronto City Airport or Toronto Pearson International could also harm airport operations and growth opportunities.

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. While the Bill has received Royal Assent, it does

not come into effect until the new PPS is approved – which provides an opportunity to consider the consequences of such a change.

- **Comments:**

- The Board’s view is that the outright removal of institutional and commercial uses (i.e. retail and office) from the definition of employment is a major policy shift that has the potential to cause upheaval on strategically important employment lands. It is too blunt a tool and can thwart existing and future business investments and decisions if guard rails are not put in place to avoid a narrow definition which negatively impacts the economy.
- Institutional and commercial (including office) uses are interspersed among industrial, commercial, and logistics uses on employment lands. That is why they act or are treated as buffers or transition zones between industry and housing.
- A narrow interpretation of the change has the potential to cause upheaval and loss of employment land supply through increased speculation and land use conflicts. This is why 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 would create problems for existing businesses, scare away new businesses, and hurt the economy.
 - A 2024 analysis by the City of Toronto has shown that the revised definition has the potential impact on 54% of business in employment areas (or 16% of all establishments in the City). This is the equivalent of about 49% of jobs on employment lands (196,838 jobs or 13% of all jobs in the City) that could be impacted by the new definition of employment areas.

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 remains concerned about the draft PPS 2024 still contains language that ends the PSEZ designation- meant to identify strategically and regionally significant employment areas and protect important employment lands with industry and job concentrations from ad hoc conversions.
- 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 intended, but never undertaken by the province.

- The development of a more robust framework, 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 like what has been done for language in the Growth Plan regarding the Greenbelt which has been included in draft PPS.

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.

- **Comments:**

- 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.
- The decision to revoke the Growth Plan and replace it with a new PPS that will guide land use planning in Ontario, ends how land use has been planned in Ontario for almost 20 years by municipalities. This increases the urgency and the need for the province to advance a comprehensive regional strategy for employment lands which includes both industrial and commercial lands. Decisions on conversion requests, buffers, and transition zones as well as the identification of what needs protection requires an evidence base that is used to inform municipal, provincial, federal and business interests must be considered through a lens of its impact on the regional economy.

Minister’s Zoning Orders (MZOs): A new framework for Minister’s Zoning Orders includes the ability of a mayor with strong mayor powers to propose a MZO and for all proposed MZO’s to be listed on the Environmental Registry of Ontario.

- **Comments:**

- 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.
- The new provisions, including the ability of mayors with strong powers to bring forward a request and the publication of all proposed MZOs on the ERO will create more transparency and an opportunity for feedback.