

DRAFT FOR DISCUSSION



PLANNING ISSUE #3: ECONOMIC DEVELOPMENT

DISCUSSION, DIRECTIONS + RECOMMENDATIONS FOR
REVISIONS TO THE OFFICIAL PLAN

MIDLAND OFFICIAL PLAN REVIEW

The Planning Partnership
Municipal Planning Services
Plan B Natural Heritage
urbanMetrics
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Table of Contents

Purpose	1
How this report is laid out	1
Policy Background	2
Definitions	2
Provincial Policies	2
Growth Plan Policies	3
County Policies	4
Existing Midland OP Policies	4
Current Studies	6
Previous Plans & Studies	9
Public Comments	11
Discussion	11
Directions and Recommendations	14



Purpose

Smaller Ontario communities are in the midst of a demographic and economic shift which requires re-evaluating how the Town addresses economic development. Going forward, it will be important to not only protect employment lands to accommodate future employment growth, but to adapt to an increasingly diverse economy where employers and investors may look beyond industrial and office park settings.

The existing Official Plan (OP) policies provide a good basis for supporting economic development goals. The focus moving forward will be to provide additional detail with respect to the role played by the Downtown, the waterfront and the commercial centres and corridors for future economic growth. Additionally, it will be important to explore whether greater protection for existing employment lands should be provided.

This report also serves as a link between the commercial and industrial land needs research conducted by urbanMetrics, which has been ongoing throughout the OPR process, and the policy issues around implementing these findings.

In this report, the relevant Provincial policies, the Simcoe County Official Plan and municipal documents, including the Municipal Comprehensive Review for the Midland Bay Landing project, the 2015 Employment and Commercial Land Needs Update, the 2014 Huronia Economic Alliance Economic Development Strategic Action Plan and the existing Town OP are reviewed and summarized to form a basis for this discussion.

How this report is laid out

This report, and all “planning issue” reports for this phase of the Midland Official Plan Review (OPR), are structured to provide a clear understanding of the policy background and basis for the various matters to be addressed in the OPR.

The reports begin with the policy background consisting of the relevant definitions in a grey inset box, and the applicable Provincial, County and municipal policies and reports in a blue inset box. The policy background is followed by the public comments received on each planning issue. These sections then feed into a discussion of the issues, through which guiding Directions are identified, and the consultant recommendations for the OPR based on these Directions.

Policy Background

Definitions

EMPLOYMENT AREA means areas in an Official Plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities. (County OP)

Provincial Policies

Policy reference - Provincial Policy Statement (2014): Section 1.3 (Employment).

- Under the PPS, the Province requires planning authorities to promote economic development and competitiveness by:
 - Providing an appropriate mix and range of employment and institutional uses to meet long-term needs
 - Maintaining a range and choice of suitable sites for employment uses and take into account the needs of existing and future businesses
 - Encouraging compact, mixed use development that incorporates compatible employment uses to support liveable and resilient communities
 - Ensuring the necessary infrastructure is provided to support current and projected needs (Section 1.3.1)
- Moreover, the Province requires municipalities to plan for, protect, and preserve designated Employment Areas, and to protect Employment Areas in proximity to major goods movement facilities and corridors for employment uses that require those locations (Section 1.3.2.1).
- Further, under Section 1.3.2.2, the conversion of Employment Areas to non-employment uses is only permitted through a comprehensive review, and only where it is demonstrated that:
 - The land is not required for employment purposes over the long-term
 - There is a need for the conversion

Growth Plan Policies

Policy Reference - Growth Plan, Office Consolidation, June 2013: Section 2.2.6 (Employment Lands).

- To promote economic development, the Growth Plan states under Section 2.2.6 that municipalities will:
 - Provide an appropriate mix of employment uses
 - Maintain a range and choice of suitable sites for employment uses to support a wide range of economic activities
 - Protect Employment Areas for future use
 - Ensure necessary infrastructure to support employment needs
- Under Section 2.2.6 the Growth Plan states that municipalities may permit conversion of Employment Areas to non-employment uses through a municipal comprehensive review only where:
 - There is a need for the conversion
 - The municipality will meet the employment forecasts
 - The conversion will not adversely affect the overall viability of the Employment Area
 - The conversion will not adversely affect the achievement of the intensification target or density targets
 - There is existing or planned infrastructure to accommodate the proposed conversion
 - The lands are not required over the long term for designated employment
- The Province released Amendment 1 to the Growth Plan in January 2012, which included revised population and employment projections for the City of Barrie, City of Orillia, and the County of Simcoe. These policies direct a significant portion of future growth to communities where “development can be most effectively serviced, and where growth improves the range of opportunities for people to live, work, and play in their communities”, with a particular emphasis on “Primary Settlement Areas” including: Barrie, Alcona, Bradford, Alliston, Collingwood and Midland/Penetanguishene.

County Policies

Policy Reference - Simcoe County Official Plan, Modified as per Approval August 31st, 2015 (Updated March 10, 2016): Section 3.2 (Population and Employment Projections/Allocations); and Section 3.5 (Settlements).

- One of the goals of the County OP is to “further community economic development which promotes economic sustainability in Simcoe County communities, providing employment and business opportunities.”
- Policy 3.2 (Table 1) sets out the population and employment allocations for each local municipality based on Schedule 7 of the Growth Plan Amendment for the Simcoe Sub-Area. The Town of Midland has been allocated a population of 22,500 and 13,800 jobs by 2031.
- Under Policy 3.2.9, “Each local municipality will identify, plan for, protect and preserve employment areas in their official plans for current and future employment uses.”
- Under Policy 3.2.10, the County will consider the conversion of employment lands within Employment Areas to non-employment uses through a municipal comprehensive review and following the requirements set forth under the Growth Plan Section 2.2.6.
- Under Policy 3.5.26 the downtowns and main streets of primary settlement areas are the focal points for residential, commercial, and institutional uses, and shall:
 - Establish safe and pleasant pedestrian environments that encourage movement by foot, bicycle and transit
 - Provide attractive streetscapes
 - Encourage downtown economic development initiatives
 - Provide a range of housing types and costs

Existing Midland OP Policies

Policy Reference - Town of Midland Official Plan (2002): Section 2.1 (Economic Development); and Section 3.1 (Employment Areas).

- Under Section 2.1 Economic Development of the Town OP, economic development is encouraged “to create a positive business environment to provide local employment opportunities.” The Town initiatives are to:
 - a) Promote and strengthen the downtown district as a significant location for commercial retail uses, administration, business, services, hotel and convention facilities

- b) Provide strategically located highway commercial facilities based on the need for expansive land requirements and optimum business exposure. These areas can also be considered as strategic locations for large footprint retail developments
- c) Attract new industries, support existing businesses and capitalize on the assistance and initiative programs of senior levels of government
- d) Stimulate and encourage the growth of the tourist industry by providing areas for the development of visitor attractions and the utilization of federal and provincial assistance programs
- e) Provide a strategic plan for economic development
- f) Strive to ensure a source of qualified labour
- Section 3.1.2 of the OP states the Town's objectives with regards to Employment Areas, as follows:
 - a) To provide opportunities for a diversified economic base which supports a healthy, stable economy and enhances employment opportunities
 - b) To provide for and maintain an adequate supply of developable land
 - c) To reduce and respect the natural conflicts between business uses and residential and public uses
- Section 3.1.3 states the range of uses permitted in Employment Areas, including a range of industrial uses, along with some commercial, and institutional uses.
- Section 3.1.4 indicates the criteria for permitting a re-zoning and change of land use, as follows:
 - 3.1.4.1 Current industrial lands should generally be reserved for manufacturing and related uses. Lands on the periphery of industrial areas, or adjacent to major roads, may be considered for commercial and service related uses as long as these uses are viewed as being compatible and would not interfere with adjacent industrial uses
 - 3.1.4.2 The proposed change will promote the use of land or building space otherwise deemed not suitable in terms of the former use
 - 3.1.4.3 Adequacy of municipal services and facilities"
- Section 3.6 establishes land use policies for the Restricted Rural designation with the primary objectives of the designation related to long-term compatibility and orderly future development.

- Section 3.6.2 limits uses in the Restricted Rural designation to agriculture, single-detached dwellings, home based businesses and existing uses.
- Section 3.6.6 is a special policy applicable to existing cluster of mixed use development along Highway 93. The objective of the policy is to restrict development in these locations until a secondary plan is prepared.

Current Studies

Planning Justification Report as part of the Municipal Comprehensive Review for the Midland Bay Landing project

The Municipal Comprehensive Review for the Midland Bay Landing project was required for the redesignation of the Midland Bay Landing site (formerly the Unimin lands) from Employment Area to Waterfront Mixed-Use. The Waterfront Mixed-Use designation allows for the development of a vibrant, compact and complete waterfront community while retaining public access to the waterfront, consistent with the master planning exercise that was previously completed. The process involved the conversion of 16.24 hectares of employment land on Midland's waterfront, immediately adjacent to the Downtown. A number of studies were completed, including the Growth Management Strategy (2009), the Employment Area Policy Review (2010), and the subsequent Employment and Commercial Lands Strategy Update (2012) which concluded that the Midland Bay Landing site is not considered a core employment land asset and therefore may be considered for conversion. The report concluded:

- The conversion of 16.24 hectares of employment lands in the Midland Bay Landing Site is justified, represents good planning and is in the best interests of the Town.
- The supply of available employment land in the Town far exceeds the anticipated demand and is therefore not needed to meet long term demand.
- The conversion meets the requirements of Provincial and County planning documents.

2015 Commercial and Industrial Land Needs Update, Town Of Midland – Draft, 2016

The following consists of a summary of the background work completed to date by urbanMetrics for the purposes of the Official Plan Review. The full report may be read in a separate document. While the research below will form the basis of the final economic and growth management policies, the **Discussion** and the **Directions + Recommendations** sections later in this report provide the policy-driven application of this work and will contribute towards the implementation of urbanMetrics' research in the OPR.

Introduction and Background

This report is an update that builds upon the previous analysis and findings, and identifies issues and options with regards to intensification of existing areas, employment density targets and the need to protect Employment Areas from conversion to other uses.

The 2012 Employment and Commercial Land Needs Study (ECLNS) was completed approximately three years ago. The study was undertaken as means to address several significant policy changes and events which had occurred since the previous Midland Growth Management Study was undertaken. Notable changes, from a land use policy perspective, include the following:

- Between 2008 and 2011, many communities across Ontario experienced an economic downturn, from which many are still recovering. Between 2006 and 2011, the Town of Midland population grew only 1.5% – this rate of growth falls well below the level needed to meet the Provincial Growth Plan target by 2031.
- In January 2012, the Province released Amendment 1 to the Growth Plan for the Greater Golden Horseshoe, which altered the population and employment targets for Simcoe County, including the Town of Midland.
- In 2012, Statistics Canada released the Census of Canada population figures, which now provide updated numbers for the Town of Midland for 2011.
- In June 2012, the County of Simcoe released its new draft Official Plan for public review.

The findings of the 2015 update report are as follows:

Population and Growth

Recognizing that Midland has traditionally been an employment hub for the surrounding communities, the updated Growth Plan target ratio of new jobs to new residents (i.e. 0.3:1) is very low between 2006 and 2031. Similarly, the target ratio of new jobs to new residents is very low between 2011 and 2031, at 0.4:1. These updated growth projections should be considered conservative and reflect the following underlying assumptions:

- The aging population will reduce the overall size of the working age population in Midland.
- Activity rates in Midland (defined as the share of local employment base in relation to resident population) will likely decline in future years, as anticipated by the Growth Plan.

- A more balanced live/work relationship will be achieved throughout the County as a whole.

Employment Targets

The total employment growth target for Simcoe County between 2006 and 2031 is 70,500 new jobs. Approximately half (i.e. 47.4%) of future job growth has been allocated to either the City of Barrie or the City of Orillia. By comparison, the employment allocated to Midland represents a modest 2.6% of the Simcoe County total, which is significantly lower than Midland's historic share of the County's overall employment base (i.e. 6.5% in 2006).

Non-Residential Development Growth Trends

The 2012 ECLNS identified that the total value of construction permits in the Town of Midland witnessed a significant decline between 2007 and 2011. Even with this decline, the total value of commercial building outpaced industrial activity during the past nine years. Industrial development has continued to account for a rather small portion of total building permit activity in Midland, lagging well behind commercial and residential development.

Employment Areas Strategy - Industrial

The Town of Midland has five areas that are designated as "Employment Area" in the Official Plan and zoned as "Industrial and/or Institutional" in the Town of Midland's Zoning By-law 2004-90. The 5 areas include:

- Highway 12 West Employment Area
- Highway 12 East Employment Area
- Mid-Town Employment Area
- Olive Street Employment Area
- Waterfront Employment Area

Between 2015 and 2031, the Town of Midland will need to physically accommodate some 1,680 new jobs. Given that the Town of Midland market is currently supported by 121.6 hectares (300 acres) of vacant industrial land, the Town has an oversupply of land in terms of achieving and supporting its 2013 employment growth targets. The report indicates that the removal of the Midland Bay Landing (formerly Unimin) lands from the Employment Lands designation did not have an impact on the supply of vacant industrial land as it was not considered vacant during the 2012 study.

The report also notes that the employment land supply in the Town of Midland is significantly over represented and places no real challenge in terms of Midland's ability to accommodate its employment growth allocation.

Employment Lands Strategy – Commercial

In terms of the distribution of space, approximately half of the Town's commercial space is found outside of major shopping centres or the downtown core, although the vast majority of this space is found in the following locations:

- Along Yonge Street
- King Street north of Highway 12
- Scattered on William and Vindin Streets

Commercial lands in Midland are primarily concentrated in the Downtown, "Big Box" development at Highway 12 and Jones Road (SmartCentres), and along County Road 93 (Mountainview and Huronia Mall).

It is important to recognize that the total amount of vacant retail space in Midland has increased considerably since 2011, which presents an opportunity for some future retail space to be accommodated in existing vacant units, rather than in new commercial developments.

The existing supply of commercial lands located outside of the core significantly exceeds the amount of space that could reasonably be developed over the next 25 years. Although the downtown is currently functioning well, with minimal vacancies, there is a risk that commercial development in peripheral locations could curtail its ability to grow.

The report recommends against the addition of any further commercial lands that would compete directly with the downtown core.

Previous Plans & Studies

Employment and Commercial Lands Strategy Update, 2012

The Employment and Commercial Lands Strategy Update was prepared by urbanMetrics in 2012 and was an update to the Economic and Commercial sections of the May 19, 2009 Midland Growth Management Strategy. The update was prepared to address a number of policy changes that occurred since the 2009 report, including Amendment 1 to the Growth Plan which altered population and employment targets for Midland, the release of the 2012 County of Simcoe OP, the 2011 Census of Canada data, and the low population growth of 1.5% for Midland between 2006 and 2011.

- The study provided an employment lands strategy, a commercial lands strategy, and an intensification strategy, with the aim of bringing the Midland Official Plan into conformity with the Provincial Policy Statement (PPS), Places to Grow (Growth Plan), and the recently adopted County of Simcoe Official Plan.

- The amended Growth Plan allocations resulted in increased population growth but reduced employment growth for Midland. As per the amended targets, the Town of Midland is planned to increase its population from 16,900 to 22,500 and to increase its employment base from 12,000 to 13,800 between 2006 and 2031.
- The Highway 12 West Employment Area is the least developed and Highway 12 East is the most active but contains 40 hectares of vacant land. The other three areas are constrained by surrounding residential and other land uses with no vacant land availability. The report found that the Town has 400 hectares of Employment Area land, 30% (121.7 hectares) is currently vacant.
- The report recommended against any further commercial designations that would compete directly with the core, and where feasible to encourage the redesignation of surplus highway commercial sites to other uses, including residential and tourist uses not appropriate for the core.

Huronian Economic Alliance Economic Development Strategic Action Plan, 2014

The four municipalities of Midland, Penetanguishene, Tay, and Tiny formed the Huronia Economic Alliance ("HEA") in 2011 and are focused on driving economic growth and investment in the region.

The HEA Strategy Document, prepared by Millier Dickinson Blais, is an action plan for economic development and has established a preferred framework in its approach to economic development and includes the following initiatives:

- Build an educated workforce
- Assist a changing manufacturing base
- Develop four season tourism
- Invest in healthcare
- Education institutions
- Agriculture-bioscience

Public Comments

- Intensification initiatives should be focused on older industrial/commercial areas, empty spaces and older buildings. Employment use intensification should be avoided on the waterfront.
- There is an abundant supply of land to accommodate economic opportunities, the uses should be integrated throughout the Town and existing opportunities should be managed properly.
- The policies that are required to preserve the rural areas from encroaching development should establish a hierarchy of protection for natural heritage without generalizing the entire area as only open space. Architectural guidelines can be used as a tool to assist with encroaching development.
- The rural area has an important role in economic development, farming requires agricultural land. There are opportunities for alternative types of food production within front/rear yards.
- The new Official Plan should include policies and permitted uses for creative industries, home occupations and live/work.
- Midland can attract new business opportunities by promoting partnerships, building a quality Midland brand, improving fiber optics infrastructure, improving transportation and connectivity to and from the Town, utilizing the waterfront to include kiosks and becoming a hub for creative businesses.
- The Town's key tourism related attributes are recreational activities including cycling, tennis, badminton and cross country skiing. Cycling trails need to be improved within Midland to key destinations and adjacent communities. A racquet club will enhance it further. Additionally, a conference centre will attract tourists to the waterfront and strengthen its position as a destination. Midland's history is important to promoting key tourism related attributes. Strong connections between Midland and other cultural heritage destinations, including churches, are needed.

Discussion

Evolving economic environment

- Historically in Midland, economic development focused on the attraction and retention of industries and the businesses that served them. As the industrial complex has eroded across Ontario, communities like Midland have been required to rethink their economic development strategies, moving away from the historic reliance on big industry, toward a more diverse economy that has the ability to respond to a changing economic environment.

- The key to this approach is less about industrial land supply, and more about leveraging the Town's quality of life/quality of place attributes and determining how to attract the appropriate corresponding employee profile.
- The updated Provincial Growth Plan target ratio of new jobs to new residents (i.e. 0.3:1) is considered very low between 2006 and 2031. This updated growth projection should be considered conservative and reflect the following underlying assumptions:
 - The aging population will reduce the overall size of the working age population in Midland;
 - Activity rates in Midland will likely decline in future years; and
 - A more balanced live/work relationship shall be achieved in Midland over time.
- A goal of the Town is to further community economic development which promotes the economic sustainability of Midland, providing employment and business opportunities of all types. The consultation process identified a number of **Guiding Principles** with respect to economic development, including:
 - Attract long-term economic development opportunities to keep Midland vibrant and robust; and
 - Attract a reinvigorated workforce that supports the new economy.

Meeting the land needs of employers

- An appropriate supply of commercial/employment land is critical to supporting economic development, a diversified tax base, and complete communities where residents have access to jobs, goods, and services.
- Between 2015 and 2031, Midland will need to accommodate some 1,800 new jobs. Recent studies indicate that the Town has an oversupply of lands identified as "Employment Areas" on Schedule "A" in terms of achieving and supporting its 2031 employment growth targets.
- While the Employment and Commercial Lands Strategy Update (2012) recommended the redesignation of surplus highway commercial sites to other uses, adopting a phasing approach to commercial development is another option to be considered. With a surplus of highway commercial sites, the timing of development needs to be better planned and managed from a market and servicing perspective.
- Midland should consider redefining the Employment Areas designation. Introducing more specific designations and policies for Employment Areas, Employment Lands and Mixed Use Districts will help to further define the land use structure and simplify

future decisions regarding the use and/or conversion of surplus lands within Employment Areas.

- The OP should include updated policies related to employment land conversion which are covered under the County's OP (Section 3.2.10).
- Development policies related to mineral aggregate uses should be updated. This could include the development of a stand-alone aggregate designation.

Incentives for investment

- There may exist the opportunity to utilize incentives and promotions to attract investment to Midland and to identify niche economic development opportunities that are unique to the area. The following are incentives and promotions to be considered:
 - Actively promote/incentivize development in new commercial and employment lands by investing in their public realm;
 - Incentivize employment and commercial development by waiving/reducing application fees, development charges, and/or parkland dedication requirements through a Community Improvement Plan;
 - Promote the Town's employment and commercial lands through strategic marketing efforts; and
 - Build and foster relationships with existing associations such as the BIA, the Southern Georgian Bay Chamber of Commerce and the Economic Development Corporation of North Simcoe to leverage partnerships and sources of funding.

Stemming from these discussion points are three **Directions** which frame the policy recommendations below.

Directions:

1. It is important to be innovative and to respond to all forms of the new economy within the evolving economic context of Midland, which includes leveraging the Town's quality of life/place attributes.
2. The Town needs to meet the needs of employment and business opportunities of all types.
3. The Town should consider establishing incentives to attract employers and/or investment.

Directions + Recommendations

Direction #1: It is important to be innovative and to respond to all forms of the new economy within the evolving economic context of Midland, which includes leveraging the Town's quality of life/place attributes.

It is recommended that:

- a) The Downtown District, the Midland Bay Landing site and the Mixed Use Districts be focal points for higher density residential, commercial, and institutional uses, and shall:
 - Establish **safe and pleasant pedestrian environments** that encourage movement by all modes of transportation;
 - Provide **attractive streetscapes**; and
 - Provide a **range and mix of housing types**, including affordable and special needs housing.

Direction #2: The Town needs to meet the needs of employment and business opportunities of all types.

It is recommended that:

- a) Section 2.1 of the existing Official Plan be revised to include wording that promotes economic development and competitiveness by:
 - Providing an **appropriate mix and range of business, industrial, commercial and institutional uses** to meet the long-term needs of the community;
 - Maintaining **a range and choice of suitable sites for all employment uses** and take into account the needs of existing and future businesses;
 - Protecting designated **Employment Areas** for future use; and
 - Ensuring **necessary infrastructure** to support employment needs.
- b) The use permissions within the Neighbourhood Districts be enhanced to consider **opportunities for creative industries, home occupations and live/work units**.
- c) The **Employment Areas be focal points for industrial and business park uses** and not permit residential development. The Town may consider limited, accessory or ancillary commercial or institutional uses within Employment Areas.

d) Land use policies for the Restricted Rural Areas designation continue with the primary objectives of the designation related to long-term compatibility and orderly future development. Development opportunities within the Restricted Rural Areas will, however, also **promote long-term diversity and viability of rural economic activities**. The current Official Plan limits uses to agriculture, single-detached dwellings, home based businesses and existing uses. Permitted uses will be enhanced to include:

- Dwellings for farm help, second units and gardens suites;
- Agri-Tourism uses, including bed and breakfast facilities;
- Resource-based recreational uses including golf courses;
- Institutional uses;
- Cemeteries;
- Innovative forms of rural development that respect the rural character of the area;
- Industrial uses that are appropriate in scale and are part of, and support the rural economy;
- Public uses and public and private utilities;
- Wineries, breweries or distilleries; and
- Home occupations, home based businesses and home industries and agri-businesses.

Appropriate policy frameworks will be provided to manage the scale and impact of these enhanced use permissions, and to ensure the protection of the primary objectives related to long-term compatibility and orderly future development.

In addition, the Town will continue to protect and support existing mineral aggregate operations.

Direction #3: The Town should consider establishing incentives to attract employers and/or investment.

It is recommended that:

a) The policy framework for economic development consider the utility and opportunity to implement **incentives and promotions to attract investment to Midland and identify niche economic development opportunities that are unique to the area**. The following are incentives and promotions to be considered:

- Use **Community Improvement tools** to reinvest in the Town's existing commercial and industrial areas, such as:
 - > Actively promote/incentivize development in new commercial and employment areas by investing in the public realm
 - > Incentivize employment and commercial development by waiving/reducing application fees, development charges, and/or parkland dedication requirements
- Promote the Town's employment and commercial lands through **strategic marketing** efforts.
- **Build and foster relationships** with long-standing associations such as the BIA, the Economic Development Corporation of North Simcoe, the North Simcoe Community Futures Development Corporation, the Southern Georgian Bay Chamber of Commerce and the County of Simcoe to leverage partnerships and leverage sources of funding.