

PLANNING JUSTIFICATION REPORT

PROPOSED BOUNDARY ADJUSTMENT

City of Stratford, County of Perth, Township of Perth South

DRAFT



January 2020

1.1 Background

The City of Stratford (“**City**”), the County of Perth (“**County**”), and the Township of Perth South (“**Township**”) have agreed to consider a proposal for the annexation of lands (the “Boundary Adjustment”) currently situated in the Township into the City’s municipal boundaries and are seeking public input. The proposed Boundary Adjustment is to create a new industrial land base in the City to facilitate future development for industrial employment, extending the City’s existing industrial land area known as the Wright Business Park. The additional industrial lands will respond to current demands, for industrial development. Industrial development in this area requires servicing from the City.

The properties subject to the annexation would create additional industrial land supply in the immediate proximity of existing industrial areas. Initial analysis of the properties suggests a strong potential for significant industrial growth and diversification that benefits the City, Township, and County.

As outlined in the *Municipal Act, 2001*¹, all of the Councils of the municipalities affected by a municipal restructuring proposal are required to hold a public meeting to receive input on the proposed restructuring. It is not unusual for all involved municipalities to hold a joint public meeting. On a future date, after the public meeting and public consultation, a by-law recommending the restructuring proposal must be approved by Council of each of the three municipalities.

A Joint Public Meeting, will be held on January 16th, 2020 at the Rotary Complex in Stratford. This meeting will provide information about the proposed municipal boundary adjustment and will provide an opportunity to hear from interested parties.

This planning justification report has been prepared to outline the details of the annexation proposal, and in particular the land use planning considerations in the context of current provincial and local planning policy, including the proposed changes to the Provincial Policy Statement that were introduced in 2019. The policies of the County of Perth Official Plan, and the City of Stratford Official Plan are also considered in this report.

In the event that the municipal boundary adjustment proposal is approved, the lands will remain subject to the County of Perth Official Plan and the Zoning By-law of the Township of Perth South until such time as applications are made in accordance with the provisions of the *Planning Act* to amend the land use designation and zoning of the annexed lands.

The economic growth, new employment opportunities and spin-off effects from the development of the annexation lands will benefit the City, Township and County. The

¹ Sections 171 – 173 of the Ontario *Municipal Act, 2001* and implementing O. Reg 216/96

development of the annexation lands will foster the current and future well-being of all three municipalities.

1.2 Annexation Lands

The lands subject to the proposed annexation into the City from the Township are located along Highway 7 and Line 29 (formerly Gibb Road) in Perth South (“**Annexation Lands**”) and are described as follows (see Figure 1):

The lands subject to the proposed annexation into the City from the Township are located along Highway 7 and Line 29 (formerly Gibb Road) in Perth South (“Annexation Lands”) and are described as follows (see Figure 1 and Appendix B):

Property 1 (18.83 Hectares)

Part of Lot A, Concession 4 in the Gore of the Township of Downie, designated as Part 1, on Compiled Plan of Survey attached as Appendix B, now in the Township of Perth South, County of Perth being all of PIN 53272-0109;

Part of Original Road Allowance between Lots A, and Lot 5, Concession 4 in the Gore of the Township of Downie, known as Perth Road 113, designated as Part 2, on Compiled Plan of Survey attached as Appendix B, now in the Township of Perth South, County of Perth being part of PIN 53272-0108;

Part Lot A, Concession 4 in the Gore of the Township of Downie, designated as Part 3, Compiled Plan of Survey attached as Appendix B, now in the Township of Perth South, County of Perth being part of PIN 53272-0076;

Part of Lot A, Concession 4 in the Gore of the Township of Downie, designated as Part 4, Compiled Plan of Survey attached as Appendix B, now in the Township of Perth South, County of Perth being part of PIN 53272-0158;

Part of the Original Road Allowance between Concession 4 and Concession 5 in the Gore of the Township of Downie, known as Line 29, designated as Part 5, Compiled Plan of Survey attached as Appendix B, now in the Township of Perth South, County of Perth being part of PIN 53272-0002.

Property 2 (111.17 hectares)

Part of Lot 1, Concession 5 in the Geographic Township of Downie, designated as Part 1, Compiled Plan of Survey attached as Appendix B, now in the Township of Perth South, County of Perth being all of PIN 53265-0008;

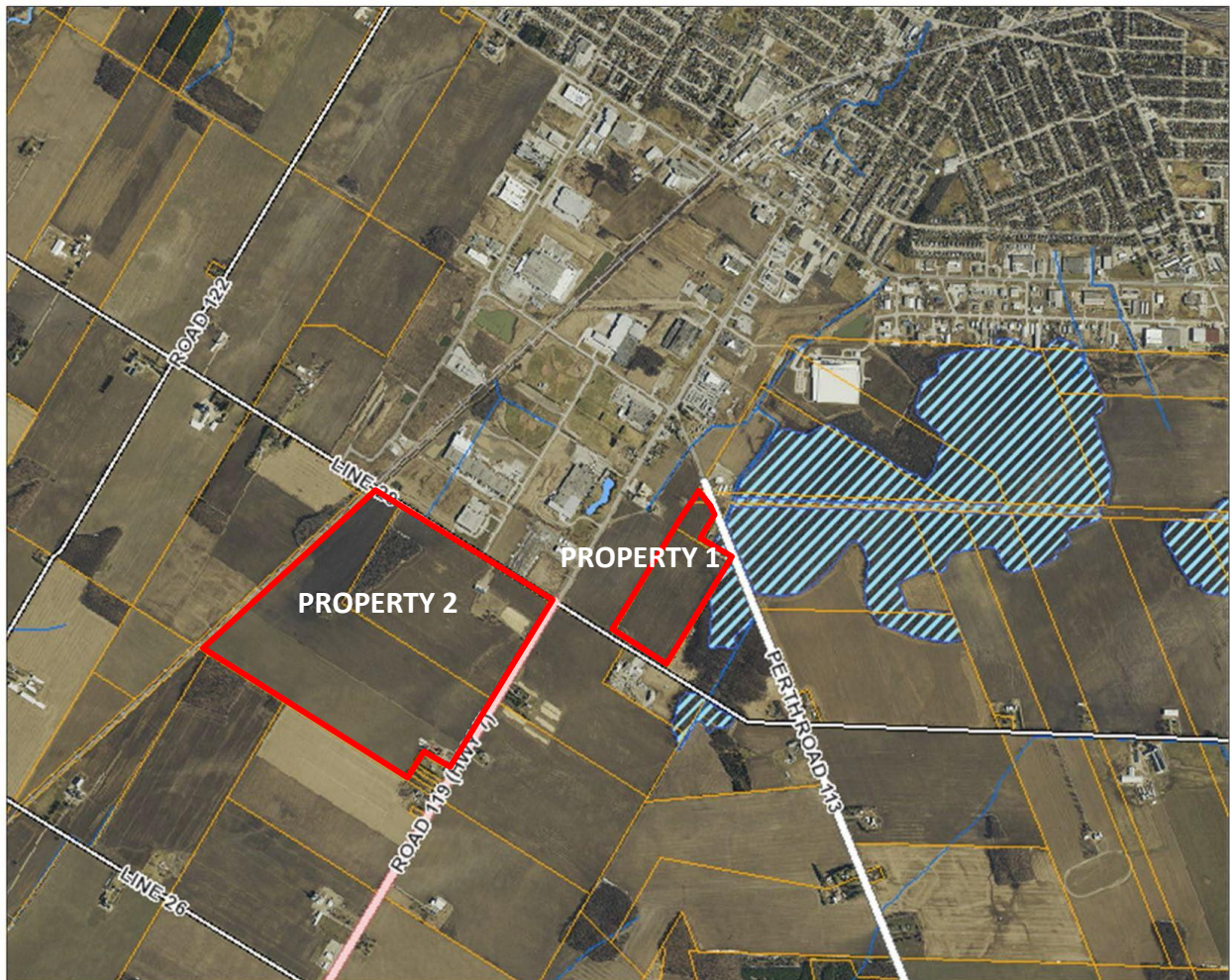
Part of Lots 2, 3, and 4, Concession 5 in the Geographic Township of Downie, designated as Part 2, Compiled Plan of Survey attached as Appendix B, now in the Township of Perth South, County

of Perth being all of PIN 53265-0007;

Part of the Original Road Allowance between Concession 4 and 5 in the Geographic Township of Downie, known as Line 29, designated as Part 3, Compiled Plan of Survey attached as Appendix B, now in the Township of Perth South, County of Perth being part of PIN 53264-0002.

The total area to be annexed is approximately 130 hectares.

FIGURE 1: ANNEXATION LANDS

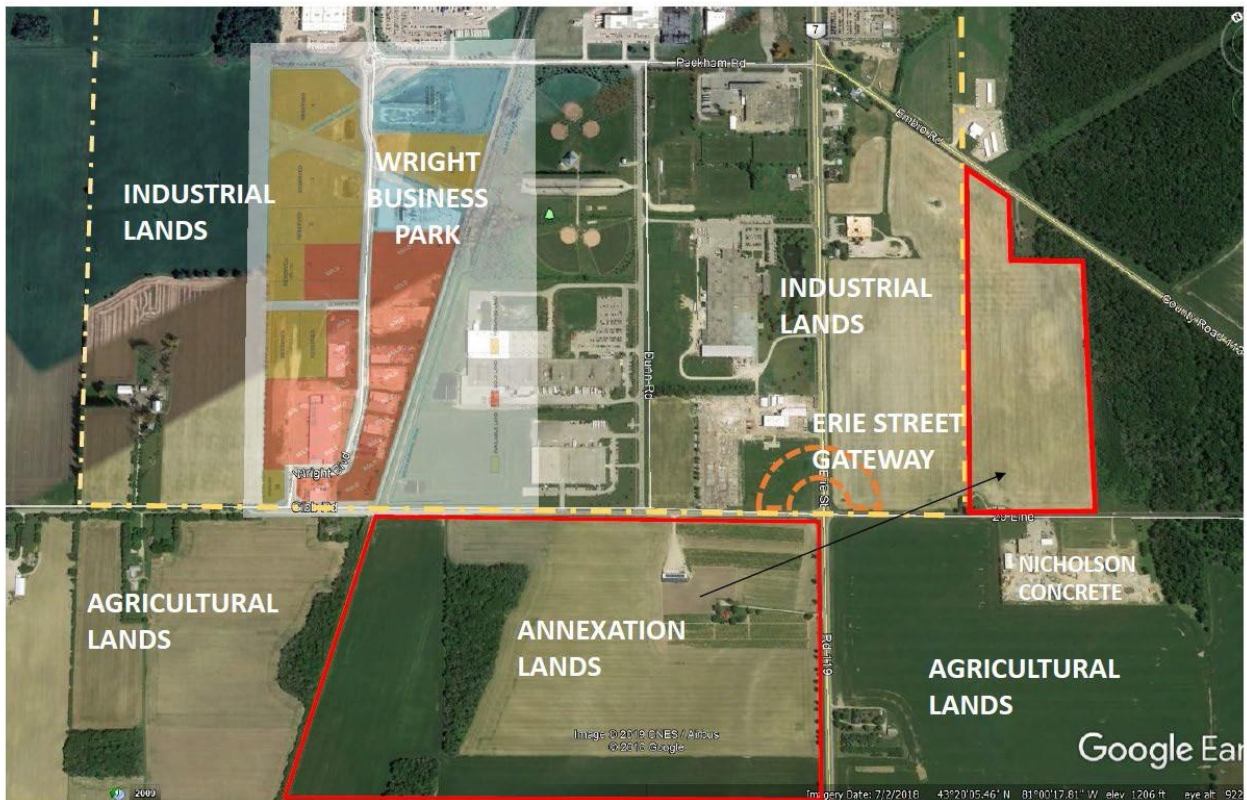


1.3 Surrounding Lands

The lands surrounding the Annexation Lands within the Township of Perth South are predominantly agricultural. There is an existing industrial use (Nicholson Concrete) located towards the east of the Annexation Lands, on Line 29/Gibb Road (See Figure 2).

Towards the north, the Annexation Lands abut existing industrial lands (Wright Business Park) situated within the Stratford City limits. The area where Erie Street meets the City's existing southern limit is identified as a "Gateway" in the City's Official Plan. The associated policy objectives are discussed further in this report.

FIGURE 2: SURROUNDING LANDS



1.4 City of Stratford: Previous Boundary Adjustments

The City currently has a deficit of industrial land based on a Provincial Policy. Additional lands are necessary to accommodate large users and the development of an industrial park of 1-3 acre lots that are currently in high demand with the City having no inventory available. The City has a long history of growth through annexation (1,826 acres since 2000, 20% employment lands). The RBC data centre in 2006 and Wright Business Park in 2005. The proposed Annexation Lands are an extension to the Wright Business Park.

Over the past 20 years the City of Stratford has undertaken a series of annexations in response to the demand for additional lands to meet residential and employment growth pressures (see Figure 3).

In total, approximately 150 hectares have been annexed for employment uses since 2003, with the most recent boundary adjustment occurring in 2006.

The 2003 lands annexed for employment uses are designated “Industrial Area” in the City’s Official Plan and are located outside of the built boundary. The purpose of the built boundary is to allow the City to conduct a statistical analysis and it is not and should not be considered an urban boundary. These lands are zoned General Industrial (I2) with special provisions and a holding provision. The zoning permits a broad range of general industrial uses in the I2 zone. The Zoning By-law states that the Holding Provision (H) shall not be removed until the City has confirmed that sufficient water, sanitary sewer and storm sewer services are available to the lands. These lands contain a stormwater management facility and other uses. A portion of the lands is vacant.

Year of Annexation	Purpose	Area in Hectares (acres)
2001	Northeast Secondary Plan	84.2 ha (208.1 acres)
2004	Stratford West Secondary Plan	130.6 ha (322.7 acres)
2005	Northeast Secondary Plan	57.4 ha (141.8 acres)
2007	Stratford West Secondary Plan	126.5 ha (312.6 acres)
2011	Residential	38.4 ha (94.8 acres)
2016	Residential / Commercial	16.0 ha (39.5 acres)
2015	Residential	115.65 ha (285.8 acres)
2019	Residential / Commercial	20.0 ha (49.4 acres)
Subtotal Residential		588.75 ha (1,454 acres)
2003	Employment	45.6 ha (112.8 acres)
2005	Employment	83.2 ha (205.6 acres)
2006	Employment	21.6 ha (53.4 acres)
Subtotal Employment		150.4 ha (371.6 acres)
TOTAL		739 ha (1,825.6 acres)

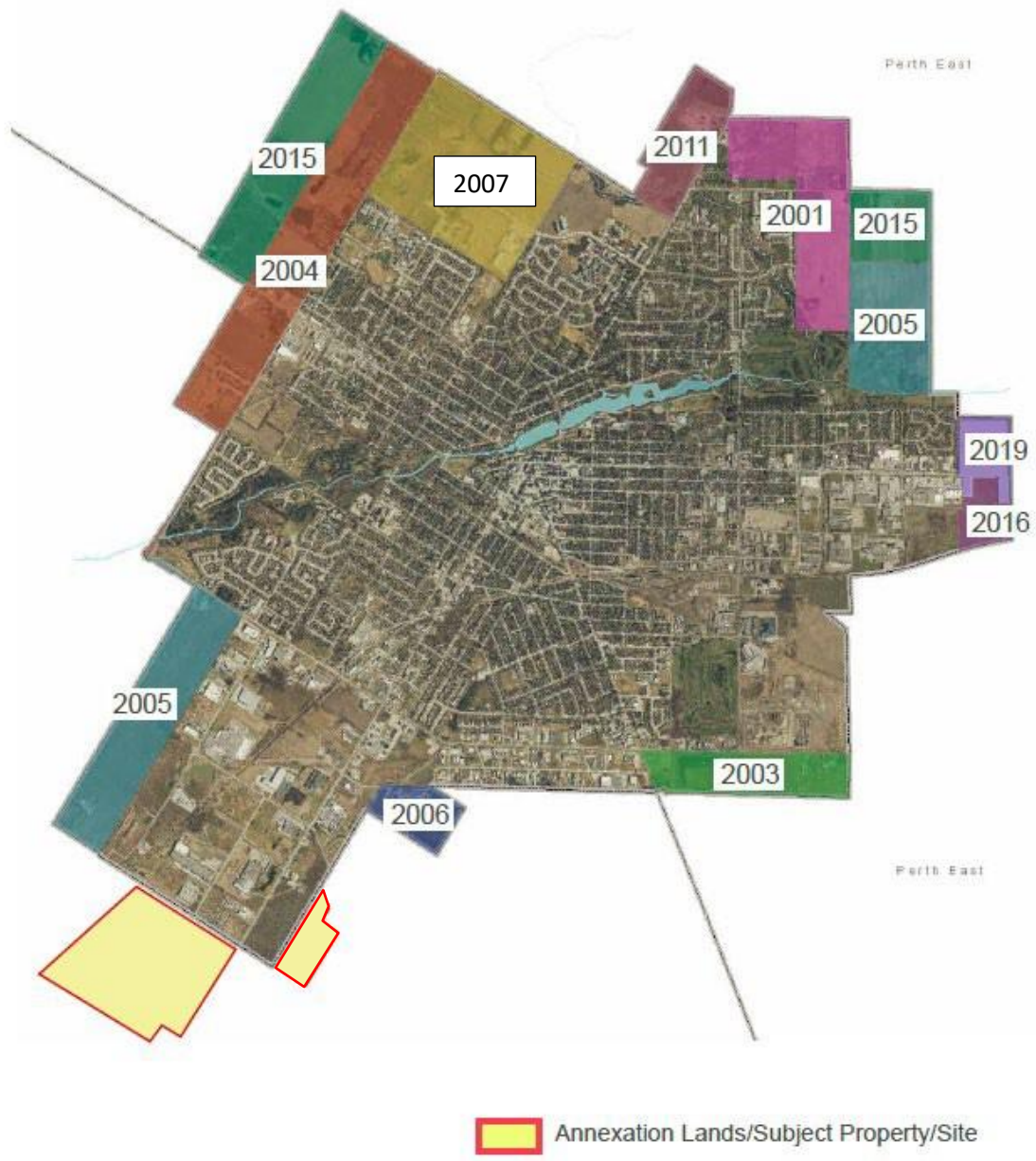
In 2005 an area of 83.2 hectares was annexed for the expansion of the Wright Business Park and included four (4) parcels of land to the west of the existing industrial development fronting onto Wright Boulevard. These lands are designated “Industrial Area”, in the City’s Official Plan and are located outside of the built boundary. A portion of the lands contains natural features. The lands are zoned Prime Industrial Holding (I1-H) with special provisions and a holding provision, General Industrial (I2-H) with special provisions and a holding provision and Park (P) zone where the natural features exist. The Zoning By-law states that the Holding Provision (H) shall not be removed until the City of Stratford has confirmed that sufficient water, sanitary sewer and storm sewer facilities are available to the lands. A portion of these lands are subject to a hydro easement.

An area of 21.6 hectares south of Griffith Road was annexed in 2006 and currently accommodates

stormwater management ponds and the RBC facility. These lands are designated “Industrial Area” in the City’s Official Plan and are located within the built boundary and are zoned General Industrial (I2) with special provisions, General Industrial (I2) with special provisions-floodplain (FP) and Park- Floodplain (P-FP).

The proposed boundary adjustment would add an additional 130 hectares contiguous to the City’s existing industrial area representing a logical development of the existing industrial uses and City servicing (Wright Business Park expansion).

FIGURE 3: CITY OF STRATFORD ANNEXATIONS 2001-2019



Currently the City has deficit in its industrial land bank. Development interest in 1-2 acre lots are high, and the City is unable to accommodate any development larger than 20-23 acres.

1.5 Proposed 2020 Boundary Adjustment

Staff from the County, Township and City have undertaken initial discussions with the Ministry of Municipal Affairs and Housing (MMAH) respecting the proposed boundary adjustment. The following summarizes the key steps that are required before a final recommendation can be considered by the Minister of MMAH:

- 1) City of Stratford and the Township of Perth South negotiate a potential boundary adjustment/compensation agreement. The City and Township are in the final stages of negotiating this agreement.
- 2) Draft restructuring proposal that includes terms of the boundary adjustment agreement (completed).
- 3) Submit draft and legal description of the lands to be subject to the boundary adjustment to Ministry of Municipal Affairs and Housing staff.
- 4) Stratford, Perth South and the County of Perth must each provide notice (may be a combined notice) of the proposed boundary adjustment to the public, including to First Nations and nearby landowners, and hold at least one public meeting. The draft proposal (fact sheet) must be available at the time notice is provided (completed).
 - a. Proposed Public Meeting Date: January 16th, 2020
- 5) The final proposal must be approved by all three Councils for the proposal to proceed, the scheduled Council meetings are as follows:
 - a. January 23rd for the County of Perth;
 - b. January 27 for the City of Stratford; and
 - c. January 28th, 2020 for the Township of Perth South.
- 6) Proof of prescribed degree of support (i.e. Clerk’s Declaration) of the final proposal is submitted to the Minister for approval. If approved by the Minister, the order is made available for public inspection and the boundary adjustment becomes effective.

It is noted that the provisions of the Ontario *Municipal Act, 2001* do not provide for an appeal to a decision of Council, nor the decision of the Minister, respecting a municipal boundary adjustment.

2.1 PLANNING ANALYSIS

The Annexation Lands are currently located with the ‘Agricultural’ designation in the County Official Plan and are Zoned Agriculture (A) and Natural Resource Environment (NRE) in the Township of Perth South Zoning By-law. In the event that the municipal boundary adjustment proposal is approved, the lands will remain subject to the County Official Plan and Township Zoning By-law until such time as a land use planning application is made in accordance with the provisions of the *Planning Act* for the development of the lands.

2.2 Provincial Policy Statement (PPS)

The Minister of Municipal Affairs and Housing, under Section 3 of the *Planning Act*, can issue policy statements that provide direction to other ministries, municipalities and agencies on matters of provincial interest as they relate to land use planning. These policy statements are developed in consultation with other ministries and are updated from time to time. The latest PPS came into effect on April 30, 2014 and any land use decision by any authority that affects a planning matter must be consistent with the PPS.

The 2014 Provincial Policy Statement provides a policy-led planning approach that recognizes the complex inter-relationship among environmental, economic and social factors in land use planning. The PPS supports a comprehensive, integrated and long-term approach to planning and recognizes linkages among policy areas. (Part III)

The PPS recognizes that the Province's natural heritage resources, water, agricultural lands, mineral aggregate resources, cultural heritage and archaeological resources provide important environmental, economic and social benefits. The wise use and management of these resources over the long term is a key provincial interest. The province must ensure that its resources are managed in a sustainable way to conserve biodiversity, protect essential ecological processes and public health and safety, provide for the production of food and fiber, minimize environmental and social impacts and meet its long-term economic needs. (PPS, Part IV). The Provincial Policy Statement (PPS 2014) provides policy direction on matters of provincial interest related to land use planning and development. Section 3 of the Planning Act requires that decisions affecting planning matters "shall be consistent with" policy statements issued under the Act. Section 1 of the PPS outlines policies associated with future development and land use patterns.

In July 2019, the Minister of Municipal Affairs and Housing (**MMAH**) introduced proposed changes to the PPS. The draft PPS policies which are relevant to the Annexation have been considered in this report.

2.3 PPS: Relevant Policies and Analysis

The following policies are relevant to the proposed boundary adjustment which will add lands into a settlement area for employment uses.

Section 1.1 of the PPS supports land use patterns that promote "*efficient development and land use patterns which sustain the financial well-being of the Province and municipalities over the long-term*" (Sec 1.1.1 a).

The PPS further directs that "*sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of up to 20 years*". The 2019 draft PPS policies revise this requirement to provide for up to a 25-year time

horizon, and also allowed for planning of employment areas beyond the 25-year time frame. (Sec 1.1.2).

The PPS states that “settlement areas” should be the focus of growth and development (Sec. 1.1.3.1)

The proposed addition of future employment lands promotes efficient development and land use patterns that help to sustain the financial well-being of the City over the long term; the addition of lands adjacent to the City’s Industrial Park will strengthen the City’s competitive position in terms of land marketability, increasing the municipal tax base. The proposed boundary adjustment incorporating the Annexation Lands into the City represents a logical extension to the City and responds to current pressures for employment growth and directs future development to the settlement area.

The annexation results in a contiguous settlement boundary (expansion of the Wright Business Park) that enables the efficient use of the settlement area. The Annexation Lands identified as “Property 1” will allow for the existing farm unit property, currently split by the municipal boundary, to be entirely included within the City limits (see Figure 4).

FIGURE 4: ANNEXATION LANDS



The Annexation Lands proposed to be added to the settlement area for employment use, are situated adjacent to the existing industrial area (Wright Business Park) and promotes a cost-effective development pattern by minimizing servicing costs.

The proposed land use pattern is not assumed to create new risks to the environment or public safety. Any future employment use of the lands would be subject to all applicable Municipal and Provincial policies to ensure adequate protection of the environment and public safety. Any development applications shall be reviewed by the Province and City to ensure that any new development proceeds in a manner that is reasonable and in conformity with the Official Plan, consistent with the Provincial Policies, and that ensures that all necessary permits / approvals are obtained from the Conservation Authority, Ministry of Environment, Conservation and Parks, and Ministry of Natural Resources and Forestry to name a few

The PPS allows for the expansion of a settlement area only at the time of a *comprehensive review*, and subject to the following requirements as outlined in Section 1.1.3.8:

- a) sufficient opportunities for growth are not available through *intensification*, *redevelopment* and *designated growth areas* to accommodate the projected needs over the identified planning horizon;
- b) the *infrastructure* and *public service facilities* which are planned or available are suitable for the development over the long term, are financially viable over their life cycle, and protect public health and safety and the natural environment;
- c) in *prime agricultural areas*:
 1. the lands do not comprise *specialty crop areas*;
 2. alternative locations have been evaluated, and
 - i. there are no reasonable alternatives which avoid *prime agricultural areas*; and
 - ii. there are no reasonable alternatives on lower priority agricultural lands in *prime agricultural areas*;
- d) the new or expanding *settlement area* is in compliance with the *minimum distance separation formulae*; and
- e) impacts from new or expanding *settlement areas* on agricultural operations which are adjacent or close to the *settlement area* are mitigated to the extent feasible.

The proposed 2019 changes to the PPS add flexibility to the process for settlement area boundary expansions. For example, minor adjustments are allowed subject to specific requirements. The 2019 PPS policies also highlight that the study requirements for a comprehensive review should be proportionate to the size/scale of development.

Minor adjustments to settlement areas without a comprehensive review would be permitted where there is no net increase in land within the settlement area. In this case, as there will be a minor increase, a comprehensive review is required, however, the policies would allow the review to be scoped to reflect the relatively small scale of the expansion. (Sec 1.1.3.8). The proposed boundary adjustment promotes the efficient use of land and resources by locating future industrial development adjacent to the City’s existing industrial park (Wright Business Park).

According to information provided by City staff and investStratford, the City has confirmed that the current availability of industrial land within the City boundaries is limited, particularly for large industrial users. Industrial land uses are generally located in the southern and southeastern areas of the City, so the proposed boundary adjustment represents a logical direction of growth to incorporate additional industrial employment uses.

The industrial lands within City the built boundary are either built out or reserved to accommodate future planned development. The City owned Wright Business Park has only a couple of small lots remaining for development that would be suitable for small scale development but could not accommodate a medium to large industrial employment use.

The lands designated for Industrial uses located outside of the built boundary are situated in designated greenfield areas and subject to a holding provision, to ensure that municipal servicing is provided prior to initiating development. There are also constraints to developing the vacant lands currently designated for Industrial uses situated within the City limits that include hazards lands, wetlands, easements, lands used for park and recreational purposes, and areas identified within a wellhead protection area. Also, one of the city-owned parcels is land locked, difficult to service and inappropriate for development purposes.

A recent letter from Invest Stratford to GSP Group (copy attached) notes the recent resurgence of manufacturing activity in the area and articulates support for adding additional industrial areas to accommodate employment growth.

The City’s letter states:

“A comprehensive review of available vacant employment lands was compiled – accounting for lands that are recreation facilities, under contract for development and owned by operating companies for expansion, it was determined that 242.63 acres are existing. Very few of these lands are shovel-ready (fewer than 50 acres), and many will be complex to service and/or highly encumbered by easements for rail, electric utilities, etc. Further exacerbating the opportunity for growth is the lack of available industrial buildings for lease or sale. Recent statistics show a less than 2% availability rate in Stratford – the lowest in 11 years.”

This demonstrates that sufficient opportunities for growth are not available through *intensification*, *redevelopment* and *designated growth areas* to accommodate the projected

needs over the identified planning horizon (PPS 1.1.3.8a). Given that the Annexation Lands are situated immediately adjacent to the existing urban area, the City of Stratford can provide programs and services to future employees that work and live in the City. The Wright Business Park includes open space and recreational facilities that are available for all residents of Stratford. The City has recently extended public transit to the Wright Business Park that will also service the Annexation Lands.

The existing and planned infrastructure and public services available are suitable for the proposed Annexation Lands over the long term, and all infrastructure required for the annexation area will be provided to protect public health and safety, as required by the PPS. Based upon the City's review of the requirements for the extension and upgrade of municipal infrastructure to service the Annexation Lands, the extension of services and utilities can be economically and efficiently provided, as required by PPS Section 1.1.3.8 b).

Development and Site alteration is not permitted in significant woodlands or significant wildlife habitat unless it has been demonstrated that there will be no negative impacts on the natural features or their ecological functions. The PPS also states that development and site alteration shall not be permitted in habitat of endangered species and threatened species, except in accordance with provincial and federal requirements. All necessary studies/reports and analysis in support of any proposed development will be required to meet Provincial and Municipal standards.

The Annexation Lands are identified by the Canadian Land Inventory as Class 1 agricultural lands, but do not meet the PPS definition of a *specialty crop area*. As the majority of Perth County is mapped as prime agricultural land (class 1-3), and in particular the lands surrounding Stratford, there is no alternative direction for a boundary adjustment that would avoid prime agricultural lands (Section 1.1.3.8 c)

It is most appropriate from a land use conflict perspective to direct future industrial development to areas that are currently used for that purpose. This also promotes the efficient servicing of the Annexation Lands.

The proposed boundary area expansion must comply with the Province's Minimum Distance Separation (MDS) Formulae. This formulae is a land use planning tools that are used to determine setback distances between livestock facilities, manure storage facilities and anaerobic digesters and surrounding non-agricultural land uses. The objective of the MDS formulae is to minimize land use conflicts and nuisance complaints related to odour. The two separate MDS formulae (MDS I and MDSII) act reciprocally to site both new development and new or expanding livestock facilities.

In accordance with MDS guidelines, design capacity for all unoccupied barns on a lot must be included in MDS 1 calculations. All MDS calculations will be completed and required to support any development and the Annexation Lands.

Policy 1.7.1 of the PPS states that long-term economic prosperity should be supported by several actions. Subsections 1.7.1 a. and b. are applicable to the Annexation Lands and state that communities should promote opportunities for economic development and community investment readiness and optimize the long-term availability and use of land, resources, infrastructure, electricity generation facilities and transmission and distribution systems, and public service facilities.

2.4 PPS Summary

The City wishes to improve its competitive position to attracting new industrial development. The addition of the Annexation Lands for the purposes of employment lands will allow for future development of the lands adjacent to an existing industrial area. The City has reviewed its existing industrial land inventory and has confirmed that the development of the Annexation Lands for industrial purposes is more economically viable than utilizing lands currently designated for future employment use that are situated outside of the built boundary. The Annexation Lands proposed to be added to the settlement boundary as employment lands are currently designated as agricultural lands and this planning report justifies their redesignation by confirming conformity with the PPS.

This planning report supports the settlement boundary adjustment and their ultimate use as employment lands.

In summary, the proposed boundary adjustment:

- will create much-needed opportunities for employment growth adjacent to the existing industrial area;
- promote a cost-effective development pattern by minimizing the costs associated with providing and/or extending municipal services;
- results in a continuous settlement area boundary, promoting compact form and allowing for the efficient use of land;
- does not include lands that are comprised of designated specialty crop areas;
- promotes development in proximity to existing transportation corridors including Highway 7 and the existing railway; and,
- conforms with all other relevant policies of the PPS, and is consistent with the draft changes to the PPS introduced in 2019; and
- The annexation of property brings the entire property into the City limits

For the reasons summarized above and provided throughout this planning report, the removal of the subject agricultural lands as part of the boundary adjustment is consistent with the Province’s interests as outlined in the PPS.

2.5 County of Perth Official Plan

The County of Perth Official Plan (“CPOP”) guides land use planning throughout the County, excluding the separated municipalities of the City of Stratford and the separated Town of St. Marys (“Town”).

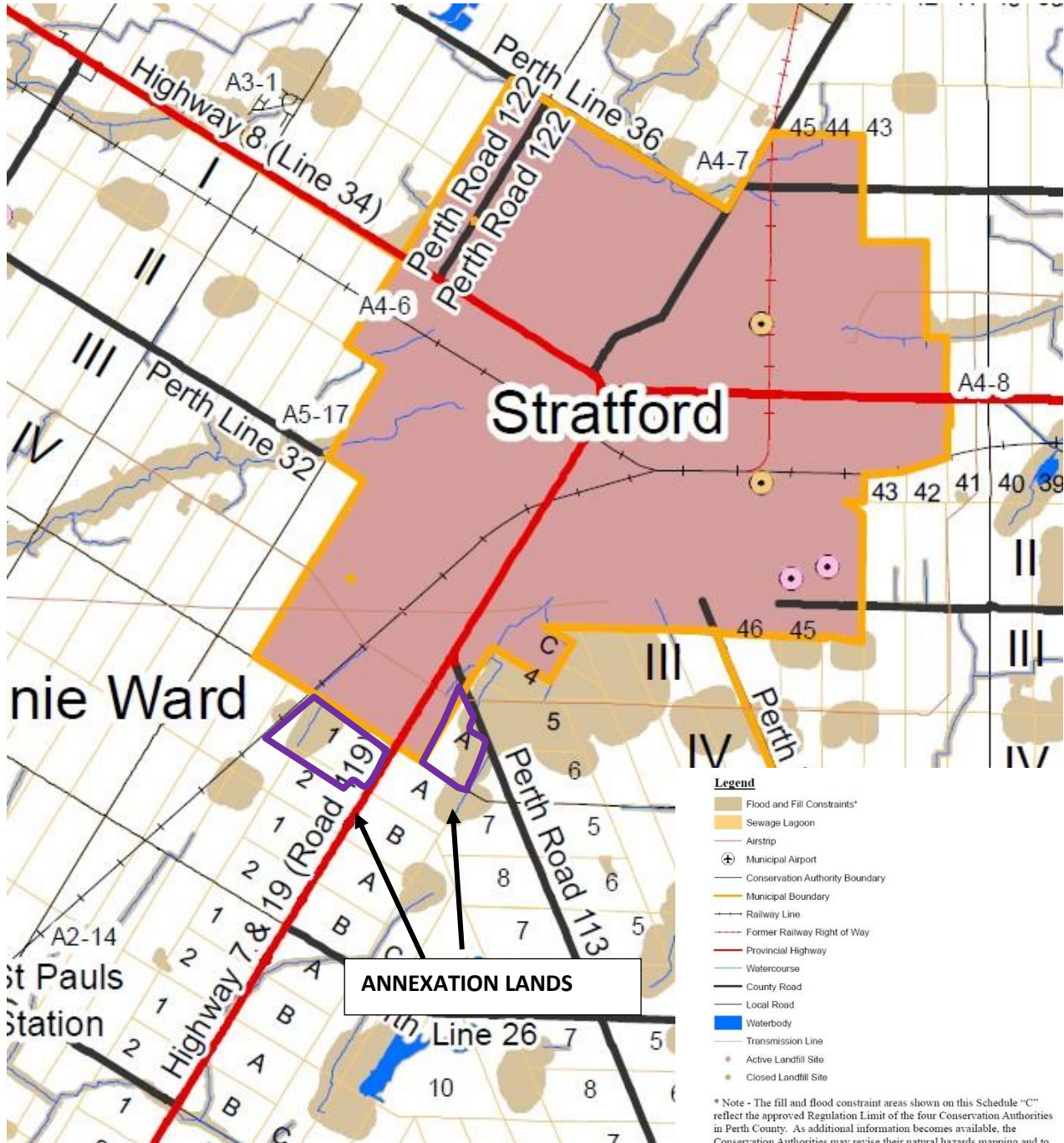
The County of Perth is currently in the process of preparing a new, updated Official Plan as part of a PPS 2014 conformity exercise. The CPOP will be informed by updated mapping, including the Perth Natural Heritage System Study initially released in October 2018, and updated in June 2019 together with a Comprehensive Review, prepared by Watson & Associates, July 2019.

This report considers the existing Official Plan, based on the 2019 Consolidation, together with the updated mapping and information that has been prepared to inform the ongoing update to the Official Plan.

The serviced urban areas of the City and Town are geographically within the County but do not form part of the County. These separated municipalities do serve as growth and development areas for the rural/agricultural areas surrounding them including the Township. Although the CPOP does not apply to the City, the City is recognized as a primary settlement area within the County, and *“an important business and commerce centre”* and *“important for industrial activities”* (Section 2.3). The CPOP intends that settlement area will accommodate most of the non-farm related growth to occur in the County.

The existing Official Plan, as amended, designates the Annexation Lands as “Agriculture” and “Natural Resources / Environment” on Schedule ‘A’ Land Use Plan to the CPOP (see Figure 5). The “Natural Resources / Environment” designation reflects the woodlands on the Annexation Lands located south of Line 29/Gibb Road. These woodland areas are also identified as ‘Flood and Fill Constraints’ in Schedule ‘C’ Land Use Constraints (See Figure 6).

**FIGURE 6: COUNTY OF PERTH OFFICIAL PLAN,
LAND USE CONSTRAINTS, SCHEDULE 'C'**



- Legend**
- Flood and Fill Constraints*
 - Sewage Lagoon
 - Airstrip
 - Municipal Airport
 - Conservation Authority Boundary
 - Municipal Boundary
 - Railway Line
 - Former Railway Right of Way
 - Provincial Highway
 - Watercourse
 - County Road
 - Local Road
 - Waterbody
 - Transmission Line
 - Active Landfill Site
 - Closed Landfill Site

* Note - The fill and flood constraint areas shown on this Schedule "C" reflect the approved Regulation Limit of the four Conservation Authorities in Perth County. As additional information becomes available, the Conservation Authorities may revise their natural hazards mapping and to the extent that these most recent mapping updates may not be reflected on this Schedule, the limits of these areas should be determined through consultation with the appropriate Conservation Authority.

Given the limited extent of natural features in the County, the CPOP takes a strong position in respect to the protection, preservation and enhancement of natural features (Section 2.4) with corresponding policies found in Section 11 and discussed further below.

As a priority for Economic Development, the CPOP supports “the co-operation and co-ordinated efforts of the various economic development parties/partners throughout the County in order to achieve both the broader economic development strategy and the specific economic goals and objectives” (Section 3.4).

The CPOP policies prioritize the protection and preservation of the physical resource base, supporting farm operators and farm operations, and minimizing land use incompatibilities in agricultural areas. It provides a very clear direction that Perth County's good agricultural resource base must be protected and preserved to ensure future food and fibre production by present and future generations of farmers in Perth County (Section 5).

The proposed boundary adjustment will remove approximately 130 hectares of land from the County's agricultural resource base. As discussed earlier in this report, these lands are required to meet the growing requirement for employment lands within the City, a critically important industrial employment area for the County. The proposed boundary adjustment will require that the Annexation Lands be redesignated to allow for industrial uses. This may occur once the lands have been brought into the City of Stratford's municipal area.

The policies in Section 11 restrict development in significant woodlands and encourages local municipal zoning by-laws to preclude development and site alteration in significant woodlands. This is more restrictive than the PPS, which would require that site alteration in significant woodlands be required to demonstrate “no negative impact” on features or functions.

For woodlots in the Agricultural area, the following policy applies: “It is a policy of this Plan that all woodlots be retained and that the clearing of woodlots will not be permitted with the exception of any clearing permitted in accordance with the provisions of the County of Perth's Tree Cutting By-law. Where clearing of a woodlot or part of a woodlot area is permitted under the Tree Cutting By-law, it is a policy of this Plan that, at a minimum, an area equivalent in size to that cleared be planted and maintained as woodlot. (Section 5.5.5)”

Any future development on a portion of the proposed Annexation Lands that are currently recognized as “significant woodland” shall be subject to the policies of the PPS, and in particular the “no negative impact” test. Any development on the Annexation Lands will require an updated Environmental Impact Study to confirm no negative impact and that the appropriate mitigation measures as a result of any proposed development of the Annexation Lands. Annexation Lands will not be constrained by the existing natural features as any development shall be subject to the implementation of the appropriate mitigation measures, if necessary, as set out in the Preliminary Environmental Impact Statement prepared prior to allowing any development.

2.6 County Official Plan Update 2019-2020

In the fall of 2018, the County initiated a comprehensive review of its Official Plan. The update, which is expected to be finalized in 2020, will reflect recent changes in provincial policy and legislation, an updated Natural Heritage Systems Study, and consolidation of local official plans for Listowel, Milverton and Mitchell.

The Draft Perth Natural Heritage System Study was released in dated October 2018 and updated in July 2019. Based on a review of the updated mapping, the Annexation Lands are not located in a Significant Groundwater Recharge Area and there are no Significant Valleylands or Areas of Scientific and Natural Interest within the Annexation Lands. There are woodlands located on the Annexation Lands that have been identified as “Significant, Ecologically Important” features (see Figure 7). This is consistent with the areas shown as Natural Resource Environment (woodlands) on the current CPOP Land Use Schedule. As noted above, any future development of the areas identified as significant woodlands require support of an EIS to specifically address impacts and mitigation if this feature is to be removed. A preliminary assessment of this area has been completed and draft mitigation measures recommended.

The proposed mitigations may include but are not limited to:

- Compensating for the removal of any woodlands in the form of tree planting;
- Entering into agreements that all stormwater management facilities or open spaces will be naturalized to attract a diversity of aerial insects and increase foraging opportunities for bats and birds;
- Wherever possible implementing tree planting in areas that expand existing woodlands and/or form protective edges around woodlands;
- Increasing forest cover in riparian areas or other aquatic features that promote the persistence of aerial insects;
- Implementing appropriate mitigation measures for bats based on the most recent guidance from the Ministry of Environment, Conservation, and Parks, Ministry of Natural Resources and Forestry, and Bat Conservation International;
- Appropriately designed stormwater management pond and drainage on-site to meet municipal, provincial, and Upper Thames River Conservation Authority;
- Implementing sediment and erosion control during construction activities;
- Stabilizing soils following any vegetation removal.

In July 2019, a Policy Directions Report was prepared along with a report titled Official Plan Update – Comprehensive Review prepared by Watson & Associates Economists Ltd. (“Watson Report”). Although the analysis provided for Perth County excludes the City of

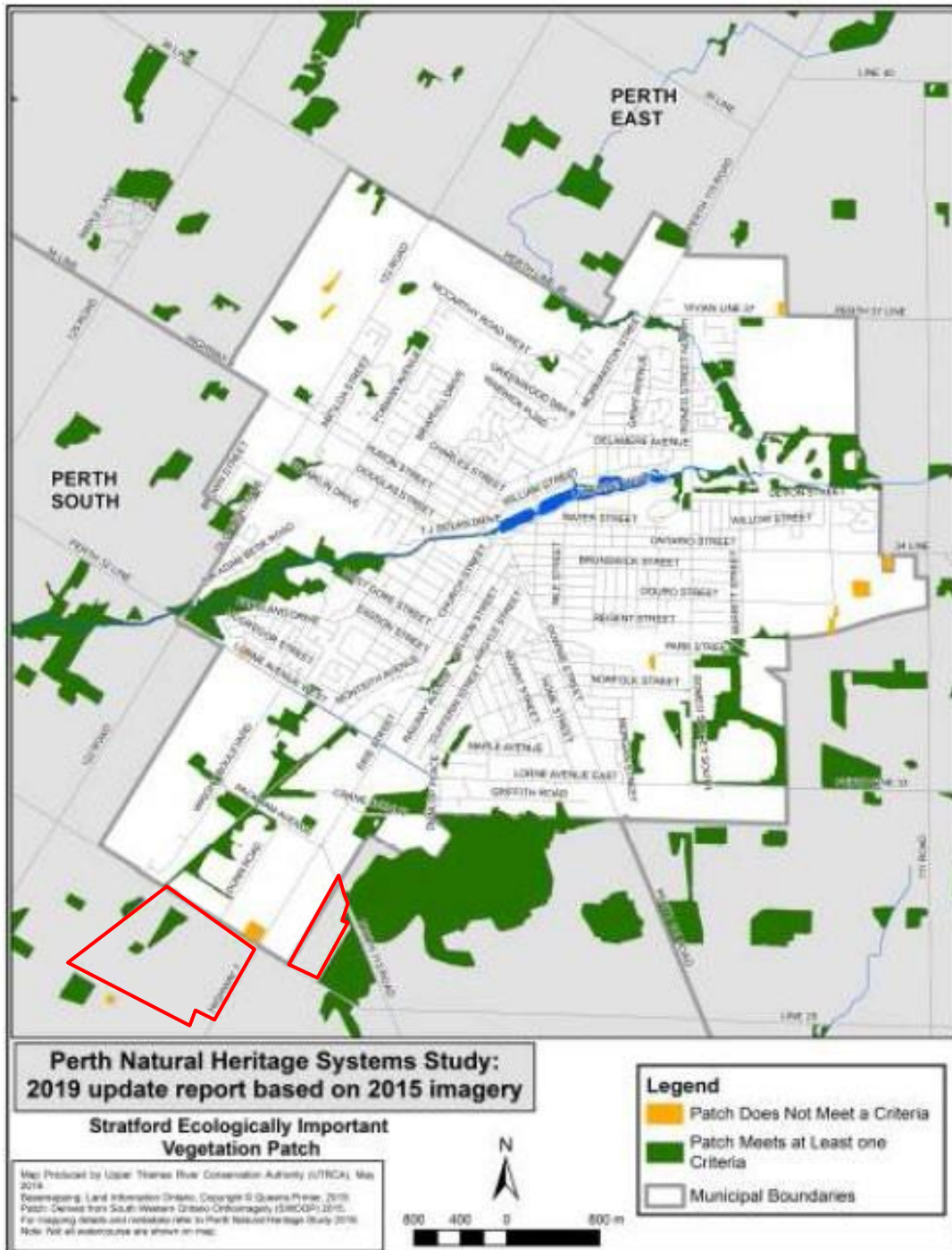
Stratford and the Town of St. Marys, which are outside of the County administrative area, it is recognized that the City and Town collectively account for approximately 50 percent of the population within the geographic limits of the County and are major centres for employment in the County.

The Watson Report states that “collectively, the County’s supply of designated employment land within its urban serviced area and urban fringe area is sufficient to accommodate employment demand over the 20-year planning horizon at a County-wide level”. The report indicates that the County’s net developable employment land supply, with adjustments for environmentally sensitive/constrained lands, to be approximately 141 net hectares (Sec 4.3). The report projects that future industrial employment in the County (excluding the Town and City) will add approximately 1,200 jobs through 2041, accounting for 28% of employment growth (Section 5.5.2).

The proposed boundary adjustment will not impact the current supply of employment lands within the County’s administrative area to meet the projected growth requirements.

FIGURE 7: PERTH COUNTY NATURAL HERITAGE SYSTEM STUDY, 2019

Appendix B-7. Patches that meet Ecologically Important Criteria in Stratford



2.7 City of Stratford Official Plan (CSOP)

The City of Stratford undertook a review and update to its Official Plan (CSOP) in 2012. The update incorporated then current planning policies and regulatory initiatives, as well as emerging issues and trends in sustainable community planning.

The CSOP review was informed by a series of background reports, including a Growth Forecast prepared by Watson & Associates Ltd. The Watson Report included an Economic and Socioeconomic Profile for the City of Stratford within a regional and provincial context. Specific attention was also given to recent trends within existing and emerging economic sectors anticipated to drive economic growth and residential development in Stratford over the short- and longer-term period.

The updates were contained in Official Plan Amendment No. 21 (OPA No. 21) which was approved by the Province in July 2016. The CSOP, as updated by OPA 21, is intended to guide development in the City to the year 2033.

The Watson report noted that the City experienced strong employment growth between 1996 and 2001, but slowed significantly in 2001-2006, averaging 214 and 80 jobs per year, respectively. This represented an average annual growth rate of 1.1% and 0.4%, respectively, which was lower than both the County and the Provincial average. According to the report, the City's economy is highly oriented towards manufacturing and the accommodation and food services sectors.

During 1992-2011, Stratford averaged approximately 196,000 square feet of non-residential floor space construction annually. The industrial sector has accounted for 71% of all non-residential floor space construction over the past five years. The industrial development activity during the 2007-2011 period was largely associated with a handful of large-scale projects, including the Hayashi Canada auto parts plant and the RBC data centre (note that the RBC Lands were previously annexed by the City from the Township).

Regarding employment lands, the City prepared and adopted Official Plan Amendment No. 15 (OPA No. 15) and Zoning By-law No. 197-200 in December 2007 to re-designate and rezone lands annexed into the City in 2003, 2005 and 2006 for industrial uses. OPA No. 15 re-designated lands from "Agriculture" and "Special Policy Area" in the County of Perth Official Plan to "Industrial Area" and "Industrial Special Policy Area" in the City of Stratford Official Plan. These industrial lands were adjacent to existing industrial lands in the south part of the City and represented a logical extension of the City's municipal boundary to accommodate employment growth, similar to the growth being proposed by this proposed boundary adjustment.

FIGURE 8: CITY OF STRATFORD OFFICIAL PLAN, LAND USE SCHEDULE

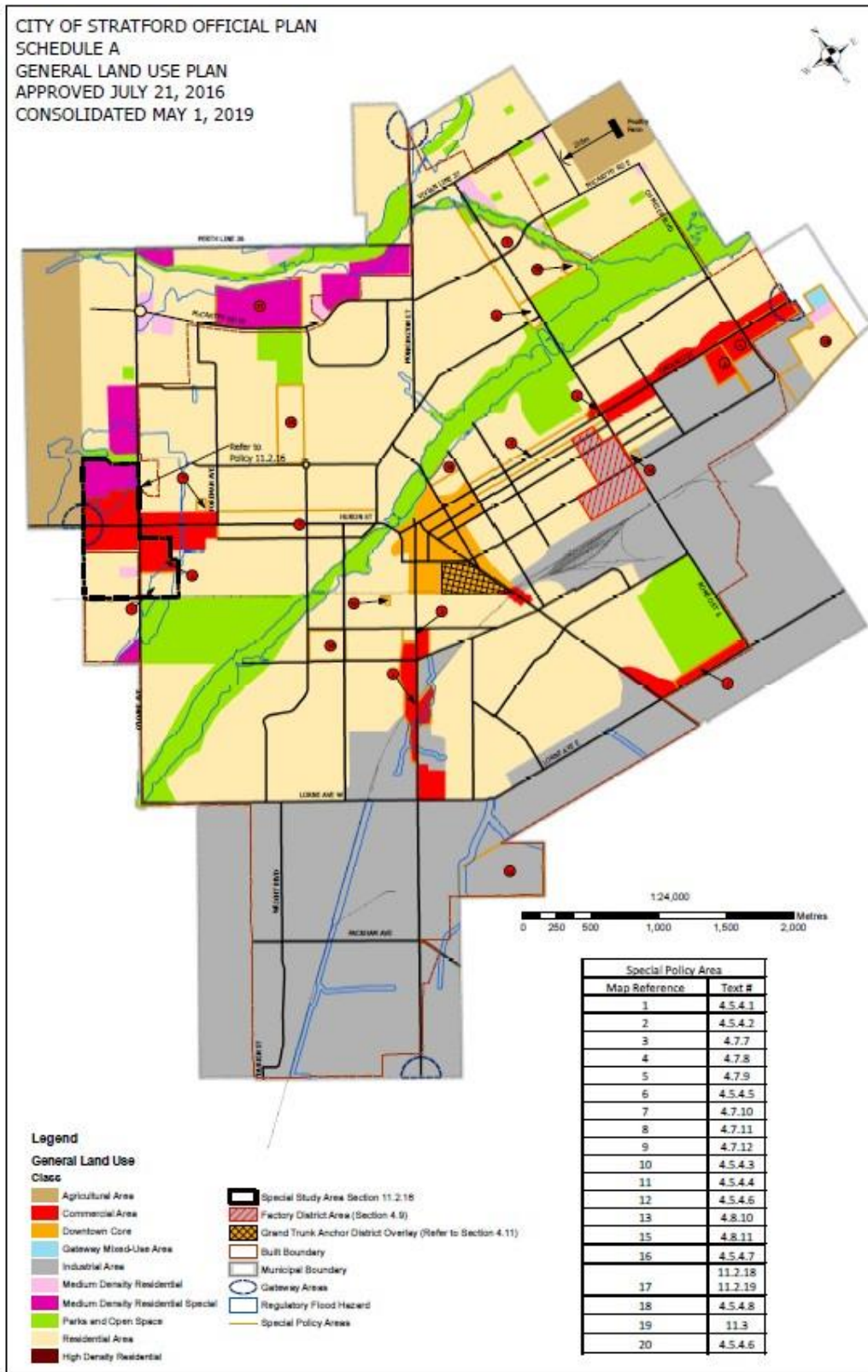
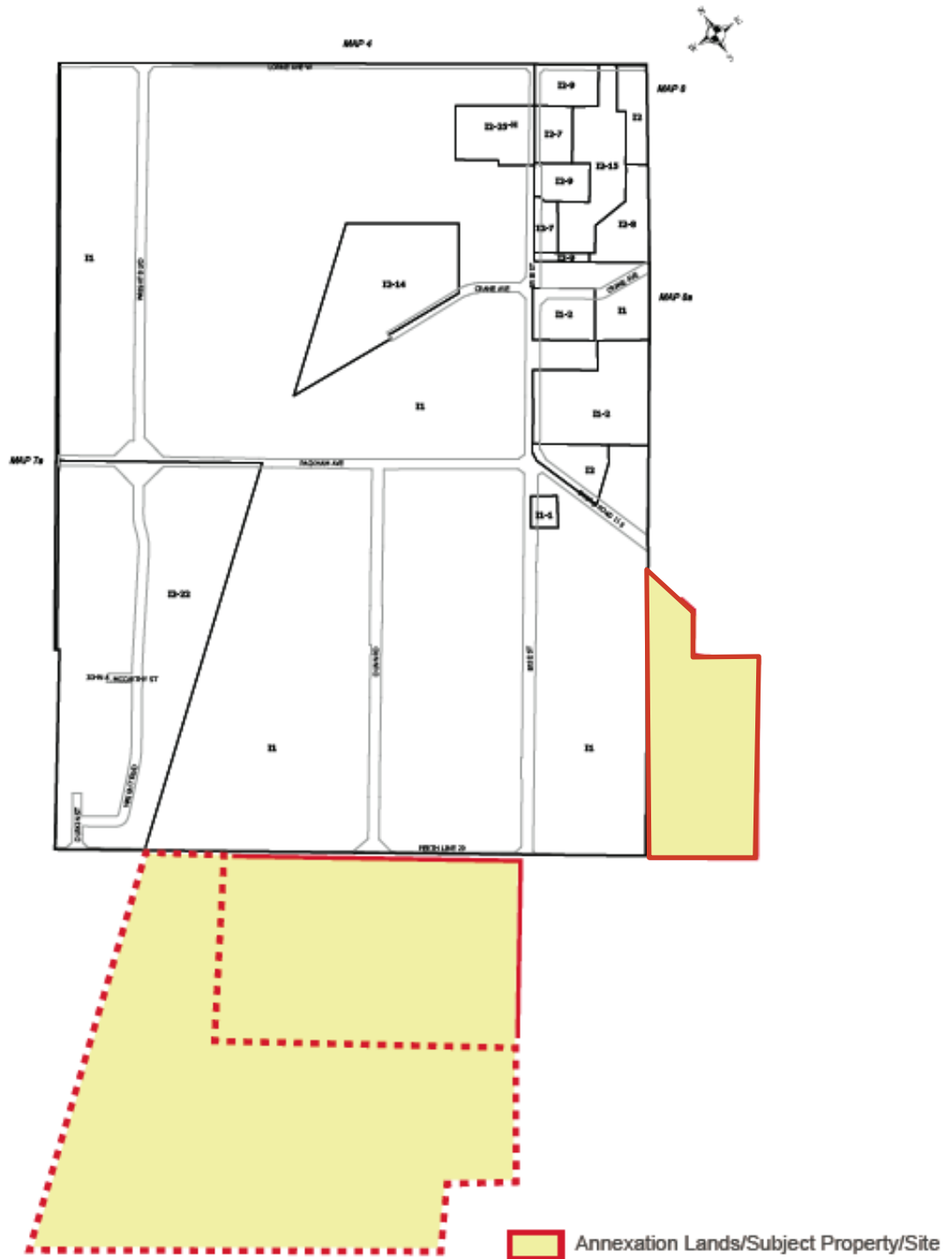


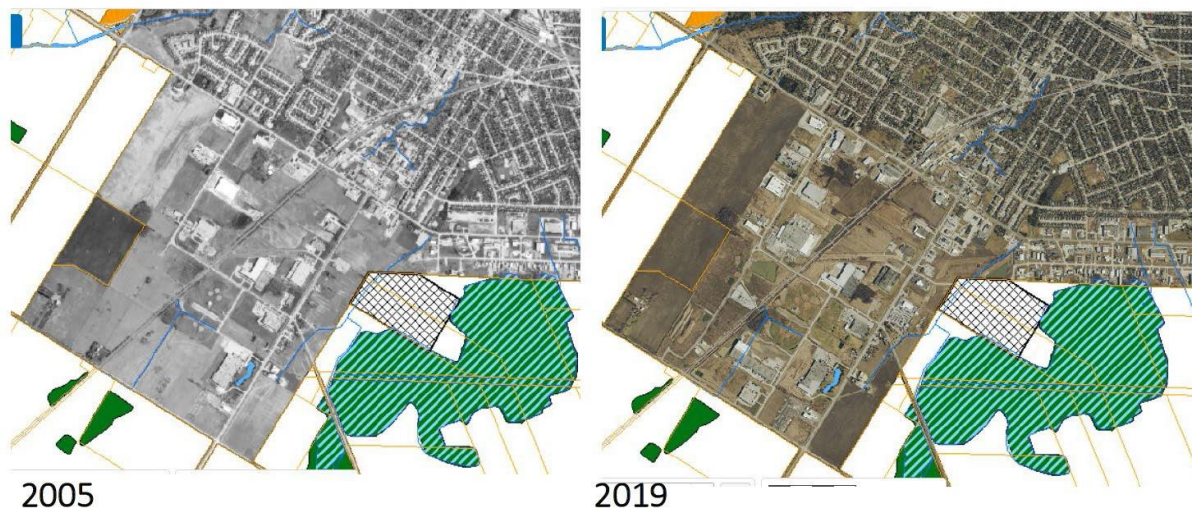
FIGURE 9: CITY OF STRATFORD, ZONING



It has been fourteen (14) years since the City last annexed lands for employment growth. The proposed boundary adjustment, is consistent with the CSOP policies which encourage the continued development of the City as a significant manufacturing and regional industrial service centre, as well as a major centre for a diversified range of other employment uses. The CSOP requires that the City ensure that “an adequate inventory of designated, zoned and serviced land is available for the expansion of existing industries and the accommodation of new industry”.

Industrial development in the past 10-15 years has consumed a large portion of the City’s industrial land area (see Figure 10). There are only a few lots within the Industrial area that are available to accommodate future industrial growth. None of the available lots are suitable to accommodate large industrial users or provide for lots in the 1-3 acres range.

FIGURE 10: STRATFORD INDUSTRIAL AREA 2005-2019



The location of the proposed Annexation Lands, adjacent to existing industrial lands, is appropriate and reduces the potential for conflicts with neighbouring non-industrial uses (see Figure 8).

The CSOP also states that employment areas in proximity to major goods movement facilities and corridors will be protected for employment uses which require such locations. The Annexation Lands are adjacent to Highway 7 and Line 29/Gibb Road, and the existing railway corridor, all representing major routes for the movement of goods.

The Plan is based on employment which is forecast to grow from 19,900 in 2006 to 22,600 in 2033 (Section 3.2.1). Recent development proposals indicate that this figure (absorption ratio) is conservative and does not include the potential for large manufacturing uses, with up to 500 jobs, looking to locate in this area.

The CSOP policies for economic development (Section 3.3) state that:

“the City will continue to maintain and enhance its economic strength and diversity building on its strengths as a light manufacturing and regional industrial service centre; arts, tourism, culture and education centre; and digital media cluster and agricultural centre. In particular, the City will:

i) ensure an adequate inventory of designated, zoned and serviced land is available suitable for accommodating the expansion of existing industry and the accommodation of new industry as well as other employment uses;

ii) attract industry and other employment uses by having land available at competitive prices, the City may acquire, service and resell land for industrial and other employment purposes;

The CSOP identifies two major industrial areas in the City; namely, the ‘Erie Industrial Park’ (identified by investStratford as “Wright Business Park”) located generally south of Lorne Avenue in the south end of the City and the ‘Romeo Industrial Park’ located south of Ontario Street and east of Romeo Street in the east end of the City. The proposed boundary adjustment would function as an extension of the Erie Industrial Park (“Wright Business Park”).

Erie Street, where it meets the current City limits, is also identified as an important “Gateway” to the City. The CSOP requires that development of lands in the Industrial Area designation along Erie Street be designed to reflect this key role in accordance with the policies of Section 6, Community Design Strategy (Section 4.8.9).

On April 29, 2019, Stratford City Council adopted Strategic Priorities 2018-2022. One section of the document is titled “Widening Our Economic Opportunities”. The priority statement is: “Strengthening Stratford’s economy by developing, attracting and retaining a diversity of businesses and talent”. Regarding industrial land, the document states that success by the end of this term can be measured by bringing new industrial land to market through purchasing, partnering with developers, installing infrastructure and starting new developments. The proposed boundary adjustment align with the Strategic Priorities of the City.

2.8 City’s Assessment of Existing Industrial Land Base

Since late 2014, the City of Stratford has experienced a resurgence of manufacturing activity. The current value of the Canadian dollar is starting to again attract interest from United States’ and foreign companies and investors. There are several existing companies in the City that have also expanded their operations or have plans to do so in the near future. Since approximately 2015, interest in City-owned employment lands has consistently been trending upwards.

As a result of increased economic activity, a Land Development Committee and internal working group of City Departments was formed by investStratford in 2017/18 to begin the process of reviewing options for industrial development and identifying those lands considered a priority for acquisition and/or servicing.

Phase 2 of the Wright Business Park was developed in 2009-2010. Approximately, ten (10) acres of the Wright Business Park was developed for a City-owned stormwater management (SWM) facility. Also, approximately 12 acres of the Wright Business Park were purchased by Festival Hydro for a new Transmission Station and the recently constructed battery storage facility. The use of these lands by the City and/or Festival Hydro meant that 55 acres of employment lands were left in the Wright Business Park for development purposes.

The remaining 55 acres of land for sale in Phase 2 of the Wright Business Park has been reduced to 22 acres. Also, a 12 acre lot in Phase 1 of the Business Park (originally under an option to purchase agreement) has become available, bringing the total City inventory of serviced employment lands to approximately 34 acres.

There are an additional 23 acres of City-owned employment lands located on Crane Avenue West. However, these lands have limited development potential due to a lack of servicing and deficient road access. The City is proceeding with the necessary road construction and servicing in order to bring these lands located along Crane Avenue West into the City's inventory in 2020.

We understand that investStratford, the City's Economic Development Corporation, is working with numerous industrial clients who are seeking 65-70 acres of industrial lands as a potential investment opportunity. investStratford has identified a need and existing demand for industrial lots with an emphasis on small 1-3 acre lot parcels, and larger lots up to 30 acres. Currently, there are no industrial lots available for development in the existing City-owned inventory to respond to the existing need. As a result the City of Stratford's competitiveness in the market for development opportunities has been reduced.

The review of the City's industrial land base by investStratford indicated that currently there are less than 20 acres of serviced privately owned industrially zoned lands within the City that are available on the market (for lease only). The remaining 25 to 30 acres of lands zoned for industrial purposes are either not appropriate due to the identified development constraints and/or costly to service. Private industrial building space is also limited within the City and is currently available for lease only.

investStratford has confirmed that there are very few privately owned and/or fully serviced industrial parcels actively on the market, and the sale of land in Wright Business Park has seen a marked increase. The Samsonite Canada development on C.H. Meier Blvd. and Sommers Generator facility on Erie St. have been the most significant industrial development in the City outside of the Wright Business Park in 2015-2019.

While investStratford assists and facilitates private land sales when appropriate, it has no influence on the motivation of the owner to sell or to list their properties at an appropriate market value. In some cases, privately-owned properties are being held by existing companies for future expansions of which investStraford has no control.

In order to continue to promote the retention and expansion of existing companies and attract new investment opportunities, the City simply cannot rely on a limited supply of private

industrial lands and the complexities associated with the ownership of such lands.

It is important for the continued viability of the City of Stratford that it continue to have an adequate inventory of City-owned employment lands in order to foster growth and remain competitive within Southwestern Ontario.

2.9 Township of Perth South

The proposed municipal boundary adjustment to annex land from the Township of Perth South to the City of Stratford is a partnership between the Township and the City. The goal of both the Township and the City is to develop serviced industrial lands for future development, while also respecting the importance of the agricultural land base to the region.

The Township of Perth South has previously successfully partnered with the City of Stratford in a similar arrangement for land development that included land annexation from the Township and a tax revenue sharing agreement, similar to the case here.

3.0 Summary and Conclusions

In response to the need for additional industrial employment lands, the City of Stratford, with the cooperation of the County of Perth and the Township of Perth South, has prepared a restructuring proposal to add approximately 130 hectares of land to the City of Stratford (Annexation Lands).

The Annexation Lands will be subject to a future *Planning Act* processes to redesignate the lands “Industrial Area”. The restructuring proposal requires the approval of the Minister of Municipal Affairs under the requirements of the *Municipal Act, 2001*.

The PPS requires that expansion of a settlement area boundary be supported by a comprehensive review, which must demonstrate the need for the expansion, and services that are planned or available. In prime agricultural areas, it must be demonstrated that there are no alternatives that avoid prime agricultural areas, and the new settlement area boundary must respect MDS formulae and impacts on agricultural operations adjacent to the settlement area are mitigated.

The criteria established in Policy 1.1.3.8 of the PPS for including prime agricultural areas in settlement area expansions have all been addressed. The Annexation Lands are not within a specialty crop area; the MDS 1 formula will apply to any proposed development; there is a demonstrated need for additional employment lands; and there are no reasonable alternative locations for expanding the Stratford settlement area for employment uses given that the entire City of Stratford borders prime agricultural areas in Perth County. The annexation proposal by the City is consistent with the settlement area policies in the PPS.

The PPS states that long-term economic prosperity should be supported by, among other matters, protecting agricultural resources. The annexation proposal represents the loss of

approximately 130 hectares (320 acres) of agricultural land in Perth County. The total farmland in Perth County is approximately 204,888 hectares (506,291 acres) with an average farm size of 91 hectares (225 acres). The Annexation Lands represent approximately 0.06% of the farmland in Perth County. While loss of prime agricultural land is not ideal, the loss must be balanced with the areas' needs for employment growth, leading to additional jobs and potential spin-off industries. Employment uses minimize conflicts with surrounding agricultural uses to a greater extent than residential uses.

The current amount of vacant industrial land in the City is approximately 98 hectares (242 acres) which is not sufficient at the current rate of absorption of 6.5 hectares (16 acres) per year. The City's Official Plan states that an adequate inventory of designated, zoned and serviced land will be available for the expansion of existing industries and the accommodation of new industry.

The PPS states that new development should occur adjacent to the existing built-up area to allow for the efficient use of land, infrastructure and public service facilities. The Annexation Lands are located directly south of Stratford's built-up area and represent an orderly progression of the existing industrial development. Infrastructure and public services are either currently available or upgrades are being planned for to accommodate future industrial development.

APPENDIX A

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August 19, 2019

City of Stratford Employment Land Supply Analysis

Background:

Stratford City Council and the investStratford Board of Directors support the need to bring more employment land which is easy to service into the City's inventory. As such, the development of new serviced employment lands has been identified as a key strategic priority for City Council. The Official Plan also contains economic development policies that state:

The City shall ensure an adequate inventory of designated, zoned and serviced land is available suitable for accommodating the expansion of existing industry and the accommodation of new industry as well as other employment uses; and, attract industry and other employment uses by having land available at competitive prices, the City may acquire, service and resell land for industrial and other employment purposes.

Overview of Vacant Industrial Land:

Since late 2014, the City of Stratford has experienced a resurgence of manufacturing activity. The current value of the Canadian dollar is attracting interest from U.S. and foreign companies. Many existing companies have also expanded their operations or have plans to do so in the near future.

Employment land absorption rate averages 16 acres per year – inclusive of City-Owned and Privately-held lands.

A comprehensive review of available vacant employment lands was compiled – accounting for lands that are recreation facilities, under contract for development and owned by operating companies for expansion, it was determined that 242.63 acres are existing. Very few of these lands are shovel-ready (fewer than 50 acres), and many will be complex to service and/or highly encumbered by easements for rail, electric utilities, etc.

Further exacerbating the opportunity for growth is the lack of available industrial buildings for lease or sale. Recent statistics show a less than 2% availability rate in Stratford – the lowest in 11 years. (CBRE, MWO Industrial Market Update, Summer 2019)

Analysis and Conclusion:

There is no available parcel of land to accommodate any large industrial user exploring development in Stratford – the necessity for annexation and amendments are required for any large project to move forward.

As required by the Provincial Policy Statement, a 20 year supply of employment lands would require 320 acres of inventory at current absorption rates. Based on current inventory, and without consideration for the difficulties of servicing and ownership of some of those lands, we are in deficit of 100 acres.

It is the professional opinion of investStratford, that in order to continue to promote the retention and expansion of existing companies, conform to the PPS and the attraction of new investment, the City simply cannot rely on such a limited supply of employment lands.

The addition of the lands in question are imperative for Stratford to foster growth and remain competitive within Southwestern Ontario and beyond.

Respectfully submitted,



Joani Gerber
Chief Executive Officer
investStratford

