
DATE: January 11, 2017

REPORT TITLE: **GROWTH MANAGEMENT STRATEGY UPDATE**

FROM: Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer
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RECOMMENDATIONS

That the growth allocation and related servicing master plans be guided by the provisional allocations identified in the report of the Commissioners of Finance, Corporate Services, and Public Works, titled “Growth Management Strategy Update” subject to the new Provincial Growth Plan amendments;

And further, that future revisions to growth allocations and related plans, as well as the Growth Management Regional Official Plan Amendment be developed in partnership with local municipal staff and the development industry.

REPORT HIGHLIGHTS

- The Growth Management Committee was established in fall 2013 to address key planning issues and develop strategies to mitigate the risks associated with managing growth in Peel.
- The Growth Management Strategy has integrated planning, infrastructure and financing implications and includes consultation with local municipalities and the development industry to develop a provisional growth allocation.
- For the first time growth allocations and servicing have been planned together to optimize infrastructure and minimize cost with the objective of reducing Peel’s Development Charge cost-revenue gap.
- This report outlines a provisional allocation to guide further development of the growth allocation, Regional Official Plan Amendment, and more detailed infrastructure master plans, all subject to the new Provincial Growth Plan amendments and stakeholder feedback.
- Advancing a provisional allocation to a final allocation is subject to several dependencies such as the Provincial Coordinated Land Use Planning Review which is expected to include new requirements for land use designations, land budget methodology, density targets, and residential intensification rates as well as designation of prime employment lands and transit related requirements.
- Changes to the provisional allocation will be incorporated into a revised allocation. The allocation and corresponding Regional Official Plan Amendment will be reviewed with the municipalities and development industry for feedback before being finalized.

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- Further work is underway on servicing to scope specific projects, incorporate timing and cost implications with input from the development industry and the municipalities to form the basis of updated servicing master plans.
- As part of the strategy, a monitoring plan and exception management plan supported by the use of alternative financing tools, including area rating and front end financing, has been scoped with input from the stakeholder groups. This financing model will continue to be refined with stakeholders to manage Peel's growth financing risk.
- Regional staff in collaboration with local municipal staff and the development industry will evaluate the effect that provincial legislation and announcements will have on the scope and timing of a Growth Management Regional Official Plan Amendment. Every effort will be made to incorporate the necessary adjustments while achieving the key objective of developing a Regional Official Plan Amendment, servicing master plans, a Monitoring/Exception Plan and a final Development Charges By-law by June 2018.

DISCUSSION

1. Background

Growth management is “a dynamic process, incorporating a variety of plans, regulations and programs, in which governments anticipate and seek to accommodate community development in ways that balance competing land use goals and coordinate local with regional interests.”¹

The Growth Management Committee was established in 2013 to address key planning issues and develop strategies to mitigate the risk associated with managing growth in Peel.

Growth management is a current Term of Council Priority (TOCP) with Council directing:

- A new, collaborative approach to engaging the local municipalities and the development industry
- To explore alternative infrastructure financing options to inform the next Development Charges (DC) By-law update.

The key objective of the Plan and Manage Growth TOCP is to manage and reduce the cost-revenue gap. This will reduce the financial risk to the Region associated with issuing debt to pay for growth infrastructure that could impact future utility and property tax rates should development not occur as forecasted.

The following strategies were developed to support the Plan and Manage Growth TOCP and positive accomplishments have already been attained in each of them. These accomplishments are listed below along with the strategies:

- Manage Growth Allocations
 - Identified a provisional growth allocation to 2041 with a total servicing cost \$140 million lower than the high cost option.
- Manage Infrastructure Investments
 - 2041 servicing estimates were developed that are \$290 million lower due to the use of updated consumption and peaking assumptions.

¹ Porter DR, 2008. Managing growth in America's communities. 2nd edition. Island Press; Washington, USA.

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- Manage Revenues
 - New process of collecting most residential DCs at subdivision agreement resulted in approximately \$100 million in earlier DC collections in 2016.
- Internal Integration and External Collaboration
 - Formal working groups have been established with local municipal staff and the development industry to provide valuable input into the development of a provisional growth allocation to 2041 and to work towards the reduction of the cost revenue gap.

These strategies will drive the following outputs:

- Draft Growth Management Regional Official Plan Amendment (ROPA) and land budget;
- Updated servicing master plans and associated capital plans;
- Final Growth Management ROPA;
- Monitoring and Exception Plans; and,
- Development Charges By-law update.

While work is underway towards all of these outputs the recent focus in Growth Management has been on the development of growth allocations (forecasted population and employment) based on the current provincial targets. Developing a final growth allocation that considers implications for servicing and financing risk is necessary for a Growth Management ROPA. This Growth Management ROPA is a key output of the Peel 2041 Official Plan process initiated by Regional Council in May 2013 in order to implement population and employment allocations provided in Amendment 2 to the Growth Plan for the Greater Golden Horseshoe (2006).

In 2015, the Provincial government initiated a coordinated review of the major Provincial land-use plans that regulate land in Ontario (Provincial Coordinated Review). The Provincial Coordinated Review will impact the following growth related plans (Provincial Plans) all of which impact the Region of Peel:

- Growth Plan for the Greater Golden Horseshoe (2006)
- Niagara Escarpment Plan (1985)
- Oak Ridges Moraine Conservation Plan (2002)
- Greenbelt Plan (2005).

Potential changes and amendments to these Provincial Plans are being considered as part of the Provincial Coordinated Review. Specifically the potential amendments to the Growth Plan for the Greater Golden Horseshoe (2006) (Growth Plan) includes new requirements for land use designations, land budget methodology, density targets, and residential intensification rates as well as designation of prime employment lands and transit related requirements. Final amendments to the Provincial Plans are not expected to be released until late Winter/Spring 2017.

Based on the recommendations of this report, Regional staff will continue to collaborate with local municipal staff and the development industry to develop a Growth Management ROPA, servicing master plans and a DC By-law guided by a provisional allocation, subject to the impacts of provincial changes to the Provincial Plans. These potential impacts will be assessed as part of ongoing consultation with the local municipalities and the development industry and may result in revised growth allocations and adjustments to related servicing and financing plans.

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2. Consultations

On March 3, 2016, the Growth Management Committee (GMC) directed staff to establish an Inter-Municipal Working Group (IMW) to review growth infrastructure options and to engage affected stakeholders including the development industry. To date 23 formal meetings with stakeholders and numerous informal conversations have occurred.

These meetings are intended to facilitate early and in-depth discussion between the parties regarding the risks and opportunities for managing growth in Peel. This input has been used to work towards the development of a provisional allocation. (Stakeholder & Consultants summary are available for viewing at the Office the Regional Clerk).

Municipalities

Regional and local municipal coordination is critical to meeting the goals of the Growth Management Strategy. Formal consultations have occurred through the IMW. Other less formal consultations have also occurred through groups such as the Regional and Area Municipal Planning Commissioners Group. This work has illustrated the complex relationships between the Region of Peel (Region) and each of the local municipalities, as well as the need for each municipality to coordinate between its own internal planning, infrastructure, finance and legal teams to address growth management issues. (Inter-Municipal Growth Management Workgroup Terms of Reference is available for viewing at the Office of the Regional Clerk).

Development Industry

A Growth Management Development Industry Workgroup (DIW) has been formed, as directed by council to engage in consultation with the development industry. There has been positive interest from the development industry to the Region's commitment to earlier involvement in the Development Charge By-law update process. Examples of success to date include input on growth scenarios as well as the commencement of reviews of a set of identified technical inputs for the next DC By-law update. (Growth Management Development Industry Workgroup Terms of Reference is available for viewing at the Office of the Regional Clerk).

The development industry representatives have raised concerns about the potential for not achieving non-residential forecasts within the timeframes and locations projected. As a result, ongoing testing of the implications of delayed employment will be conducted and will inform decision-making on the timing of infrastructure and risk management for investment.

Through the DIW the Building Industry and Land Development Association (BILD) has provided specific feedback relating to the growth management process. It is BILDs position that the principle "growth should pay for growth" has been oversimplified and the burden of paying for critical infrastructure has been unfairly shifted onto new homeowners. BILD has asked that the Region consider looking to other revenue sources outside of development charges to recover the cost of growth. These alternative revenue sources include utility rates and property taxes. This issue was explored as part of the 2015 DC By-law update and remains a position of BILD.

Economic Development

An issue consistently raised during consultations is how to deal with the challenge of achieving non-residential development. Job growth is expected to drive significant portions of the Region's future growth and related infrastructure requirements. In recent years

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however job growth has not kept pace with Provincial or Regional forecasts. This has been detailed previously to Council including as part of the 2015 DC By-law update and through a dedicated Growth Management Workshop in 2015 at which senior local economic development officials made presentations.

The Region's major contribution to attracting business investment has traditionally been ensuring the provision of servicing infrastructure across both residential and non-residential lands. In response to GMC direction to consult with stakeholders discussions were held with local municipal economic development teams to review the effect of the growth allocation on economic development.

Coordination with Utilities

As directed by Regional Council, meetings with public utilities (natural gas, electricity) have been held to review the proposed areas of growth and receive feedback on the corresponding servicing. Once completed, the final infrastructure plan and allocation will be reviewed with utilities to ensure all servicing is put in place according to the timing in the plan.

3. Growth Scenarios

A key focus of the consultations with the local municipalities and the development industry has been the development of several growth allocation scenarios for testing purposes. The information obtained from this testing was used as building blocks to develop the provisional allocation. Most of these allocation scenarios reflect different ways that the Provincial 2041 forecast of 1.97 million in population and 970,000 in employment for Peel Region could be distributed. The scenarios are a tool for exploring infrastructure and financing options along with opportunities for balancing principles of allocating growth.

In addition, some scenarios used in assessing implications differed from Provincial forecasts, these include, higher than overall regional population due to higher than forecasted intensification in Mississauga and lower than forecasted non-residential growth in Peel due to delayed employment growth.

Scenario Development & Evaluation

To create the scenarios a detailed process was used involving the use of technical assumptions and calculations related to the demographic characteristics of census areas, household formation, housing supply, employment trends, as well as professional knowledge of land use designations, existing supply, and other matters.

Based on input from the local municipalities and the development industry, adjustments have been made to the assumptions and scenarios. Hemson Consulting Ltd. undertook the technical analysis for scenario development with input and review from Watson & Associates Economists Ltd. (Growth Forecast Planning Assumptions for Growth Scenarios Tested - is available for viewing at the Office of the Regional Clerk).

The process of evaluating the allocation scenarios was guided by direction from Municipal Official Plans, the Regional Official Plan, provincial plans, and a series of principles to manage growth and professional judgement from Regional and local municipal staff and consultants from the fields of engineering and planning. (See Appendix I for guidance documents).

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The scenarios for distributing growth allocations that were developed are summarized in the following table.

| Scenarios and Considerations | | Description |
|------------------------------|--|--|
| 1 | 2016 Base | 2014 base updated with current applications, census data, etc. |
| 2 | Brampton Base – Without 40 per cent activity rate | Test of Brampton at 890,000 in population with additional population allocated to both Caledon and Mississauga, 40 per cent activity rate not achieved. |
| 2A | Brampton With 40 per cent Activity Rate (requested by Brampton) | Test of Brampton with 890,000 in population and achievement of a 40 per cent activity rate for employment |
| 3 | Greenfield Policy | Test of implications of increased greenfield and reduced intensification versus Base scenario |
| 4 | Market Employment Consideration | Test of implications of employment growth using recent historical employment trends to 2041 |
| 5 | Infrastructure Phasing Consideration | Test of benefits / costs of alternate phasing of major trunk sewer and water infrastructure to inform all scenarios |
| 6 | Proposed Provincial Growth Plan Policy | Test to gain an understanding of proposed amendments, further direction to be provided by the Province is anticipated in the winter or spring of 2017 |
| 7 | Transit Oriented/Intensification (requested by Mississauga) | Test of higher transit supportive intensification, primarily in Mississauga; test to get Mississauga population close to 1 million |
| 8 | GTA West Corridor High Employment (requested by Caledon) | Test of higher employment land, employment primarily in Caledon resulting from GTA West infrastructure |
| 9 | Extreme Focused Intensification (requested by Mississauga) | Test of extreme intensification focused in Mississauga Note: Forecasts exceed the Provincial Growth Forecasts |
| 10 | Provisional Growth Scenario | This scenario aims to respond to Local municipal, Regional and Provincial growth objectives and industry input and meet Growth Plan Amendment 2 requirements for 1.97 million population |
| 10A | Brampton 40 per cent Activity Rate - revised | Test based on Provisional but adjusted for 40 per cent activity rate in Brampton |

Scenario Servicing Cost Estimates

For each of the scenarios, high level servicing cost estimates for water, wastewater and Regional transportation infrastructure were prepared.

These estimates were intended to determine how sensitive the overall growth program costs are to different growth allocations and to see if there was an identifiable approach to growth that would result in significant cost savings for the Regional infrastructure program.

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The estimate for each growth scenario reflects the cost for growth related infrastructure that is anticipated to be required to service growth out to the 2041 planning horizon. It is important to note that these high-level cost estimates are preliminary in nature, focus on major projects, and that more detailed costing for all projects will need to be provided for the final allocation.

The analysis of the preliminary costing did not indicate that material differences existed for the total projected capital costs between the scenarios. The total variance between the highest and lowest cost scenarios was less than three per cent or \$270 million over the 25 year planning horizon against an overall estimate of just over \$9 billion. This small variance is the result of efficiently utilizing existing and planned infrastructure. This was the first time this principle has been considered this early in the growth allocation process.

Water and wastewater services were identified as having the most cost variances between scenarios. The cost estimates for these services were based on per capita consumption and peaking factor assumptions that have been updated since the 2013 servicing master plan exercise. Development industry feedback was considered in this update. Using these new assumptions reduced the cost estimate for water and waste water infrastructure required by 2041 by approximately eight per cent or \$290 million. (See Appendix II for details of the costing analysis and the methodology used to arrive at water and waste water estimates).

It is projected that beyond 2041, the Region will be entering a new cycle of major infrastructure investment to address continued growth. This understanding among all stakeholders for initial infrastructure planning beyond 2041 is one of the most important benefits that have been realized in the work to date.

Development of Provisional Allocation

In recognition of pending provincial amendments to the Provincial Plans and the timeline of June 2018 for completion of all growth planning as well as an update to the DC By-law, a provisional allocation has been developed which will allow planning to continue and which can be refined once the provincial amendments are released in late Winter/Spring 2017.

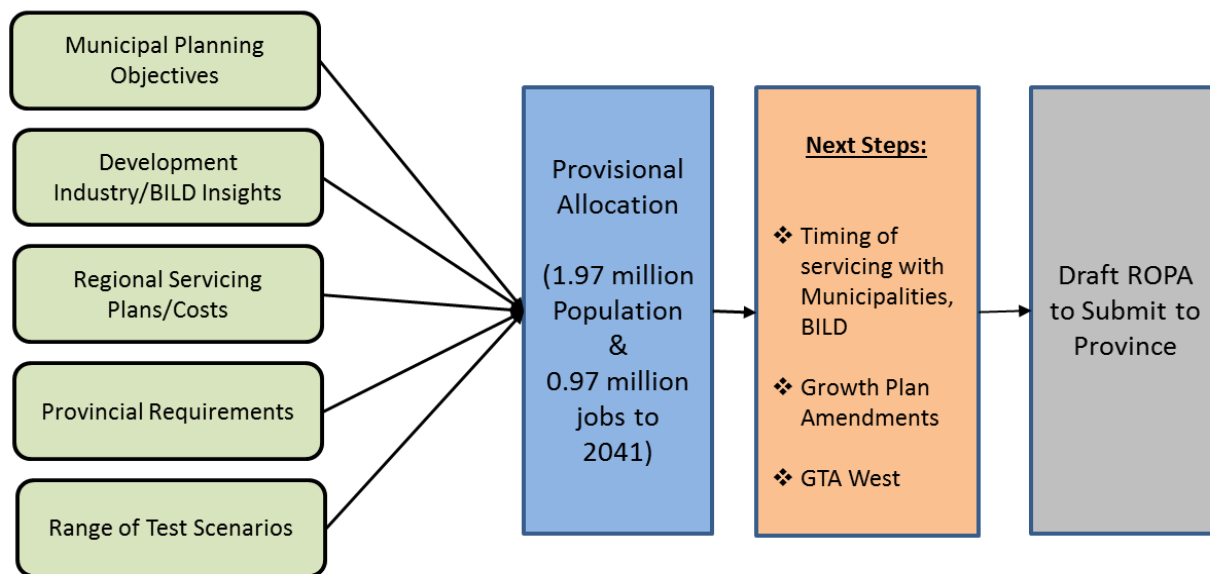
Starting with a base forecast, and informed by the available census data, approved developments, municipal growth objectives and development industry input the various growth scenarios were constructed. These scenarios allowed for testing of assumptions and stakeholder objectives.

With the benefit of this experience, scenario comparison, and testing, a provisional allocation was developed that reflects the Province's growth projections and principles associated with Provincial targets for density and intensification. It also balances local municipal growth objectives and the Region's need to maximize the use of existing and planned infrastructure.

The following diagram summarizes the process used to arrive at the provisional allocation and how it will help inform the draft Growth Management Regional Official Plan Amendment (ROPA).

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Collaborative Process to Develop Draft ROPA



The following table summarizes the provisional allocation by municipality.

| Provisional Allocation – Pending Release of New Growth Plan Amendments | | | | |
|--|---|-----------------------------|---|-----------------------------|
| Local Municipality | 2041 Population Forecast for Submission to Province | Population Growth 2016-2041 | 2041 Employment Forecast for Submission to Province | Employment Growth 2016-2041 |
| Mississauga | 935,000 | 183,000 | 565,000 | 90,000 |
| Brampton | 890,000 | 278,000 | 325,000 | 124,000 |
| Caledon | 145,000 | 76,000 | 80,000 | 53,000 |
| TOTAL | 1,970,000 | 537,000 | 970,000 | 267,00 |

(See Appendix III for maps and tables based on the provisional allocation. Additional information and tables documenting the details associated with the provisional allocation are available for viewing from the Officer of the Regional Clerk)

The following table compares the provisional allocation to the forecasts in the current Regional Official Plan (ROPA 24), as well as the existing and proposed Growth Plan amendments. As previously noted, the provisional allocation will be adjusted once these amendments are released in late Winter/Spring 2017. Staff are recommending that guided

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by the provisional allocation, foundational work continues on the development of a Growth Management ROPA and master servicing plans with the stakeholders.

| Major Growth Plan Targets for Peel | | | | | |
|--|-----------|-----------------------------------|---------------------------|----------------------|------------------------|
| Major Provincial Growth Plan Targets | | Current Growth Plan (Amendment 2) | ROPA 24 (current Peel OP) | Proposed Growth Plan | Provisional Allocation |
| Minimum Residential Intensification Rate ¹ (%) | 2015-2025 | 40 | 40 | 60 | 47 |
| | 2026-2031 | 40 | 50 | 60 | 52 |
| | 2032-2041 | NA | NA | 60 | 76 |
| | 2016-2041 | NA | NA | 60 | 59 |
| Population | 2031 | 1,770,000 | 1,640,000 | 1,770,000 | 1,770,000 |
| | 2041 | 1,970,000 | NA | 1,970,000 | 1,970,000 |
| Employment | 2031 | 880,000 | 870,000 | 880,000 | 859,000 |
| | 2041 | 970,000 | NA | 970,000 | 970,000 |
| Minimum Designated Greenfield Area (DGA) Density ² (r&j/ha) | | 50 | 50 | 80 | TBD |
| Minimum Urban Growth Centre (UGC) Density (r&j/ha) | | 200 | 200 | 200 | B-235 / M-338 |

Notes:

- ¹ -Proposed Growth Plan residential intensification rate of 60% is also applicable to Mississauga and Brampton
- ² -Proposed Growth Plan greenfield density target of 80 r&j/ha is applicable to non-prime employment areas. Density in DGA post 2031 will be guided by Growth Plan policies once approved and consideration of potential settlement expansion post 2031.

Limitations of the Provisional Allocation

In order to meet the provincial requirements, not all of the objectives of municipalities or feedback from the industry could be incorporated into the provisional allocation.

The following are the key areas where local municipal aspirations were not completely addressed by the provisional allocation and a discussion of the commentary to date from the development industry.

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Mississauga Perspective

A key aspiration for the testing brought forward by Mississauga representatives on the IMW was for the City to achieve a total population of 1,000,000 by the year 2041. Through the development and review of the various scenarios Mississauga's forecast population was increased from the initial Base Scenario allocation of 905,000 to 935,000 in the provisional allocation.

While the provisional allocation does not forecast for the full 1,000,000 in population, this level of growth was tested in growth Scenario 9. Through this testing it was determined that attaining the 1,000,000 population goal would not be precluded by any high level servicing constraints. Therefore this level of population, although potentially challenging to achieve, could be considered in future planning exercises that may go beyond 2041 or react to changes in market conditions or Provincial direction in coming years.

Brampton Perspective

The Brampton IMW representatives emphasized the direction from Brampton Council that Brampton plan for a 2041 population of 890,000 and an employment activity rate in the order of 40 per cent by 2041. The provisional allocation does reflect the 2041 population forecast of 890,000 that was requested. This was a reduction from the 919,000 included in the Base Scenario.

The most current estimate of the City of Brampton's employment activity rate based on 2011 census data is 32.8 per cent. The provisional allocation forecast would see that activity rate increase to 37.7 per cent but would not result in the achievement of an activity rate of 40 per cent by 2041. At the request of Brampton IMW representatives growth Scenario 10A was developed which tested the impacts of a 40 per cent activity rate in Brampton.

To achieve this 40 per cent activity rate a further 20,000 in jobs would have to be allocated to Brampton for 2041 with corresponding decreases in Mississauga and Caledon.

Details of this are included in the following table.

| Municipality | Activity Rate Based on 2011 Census | Provisional Scenario 2041 Employment Target | Provisional Scenario Activity Rate | Brampton 40% Activity Rate Employment Target | Increase/ (Decrease) in Employment Target Required |
|-----------------------|---|--|---|---|---|
| Brampton | 32.8% | 325,000 | 37.7% | 345,000 | 20,000 |
| Caledon | 38.3% | 80,000 | 57.1% | 65,000 | (15,000) |
| Mississauga | 63.8% | 565,000 | 62.4% | 560,000 | (5,000) |
| Region of Peel | 50.1% | 970,000 | 50.9% | 970,000 | 0 |

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Given historical non-residential development levels, and limited land availability combined with increasing floor space per worker trends, achieving this target is potentially challenging. Achieving the employment activity rate of 37.7 per cent in the provisional forecast will require a significant shift in office development over historical trends along with additional institutional uses.

Caledon Perspective

The Inter-Municipal Workgroup (IMW) members from Caledon had requested that a scenario be tested that assumed expeditious approval and development of the GTA West highway. In this scenario employment in Caledon was forecast to reach 118,000 jobs by 2041. The provisional allocation includes a forecast of 80,000 jobs by 2041. The level of employment growth in the provisional scenario is dependent on aggressive economic development strategies and the provision of important infrastructure such as the GTA West highway.

Development Industry Input

Through regular meetings with Regional and local municipal staff, the Development Industry Workgroup (DIW) has been kept informed of the different scenarios as they have been developed. This has included reviews of the servicing required for each and the principles used while developing the provisional allocation. Early DIW input has been that the expected employment forecast included in the provisional allocation is unrealistically high, especially if the GTA West highway is not constructed. They have raised concern regarding the potential for revenue shortfalls and the over-development of infrastructure as a result.

To address this concern the scenario that did not meet provincial requirements but which demonstrates the implications of delayed employment will continue to be tested (Scenario 4). This information will be important to review with DIW in the development of the final allocation, infrastructure timing and monitoring plan.

To facilitate this process a sub-group of the DIW will meet to review detailed assumptions such as water and waste water servicing, employment growth and non-residential allocation assumptions. This input will be taken into account while developing future aspects of the Growth Management Strategy.

Planning to Multiple Horizons

Another consideration of developing the provisional allocation is the existence of multiple planning horizons or milestones within the forecast to 2041.

The work to date on the provisional allocation has primarily focused on the 2041 allocation to communities. An annualized distribution has been prepared with initial consideration of infrastructure phasing and staging matters including a preliminary 2031 distribution of population and employment. The 2031B allocation to Peel from the Province provides an additional 130,000 people and 10,000 jobs over the current Peel Official Plan 2031 allocations. Assuming a regional 60 per cent intensification rate, that would allow for about 50,000 people to be allocated to Designated Greenfield Areas (DGA) and 80,000 people to the Built Up Area. Allocation to the DGA would include any further growth in the existing DGA beyond the 2031A allocation and any further settlement expansions. The next stage of infrastructure master planning work will include more detailed evaluation of staging and timing and those results will be used to further refine the timing set out in the forecast including the 2031 horizon year.

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Regional Council and the individual local municipal processes will determine the regional intensification rate and apply that allocation while, at a minimum, meeting the Provincial requirements including any limitations on settlement expansion resulting from new policies in the Provincial Plans. Notwithstanding what may be included in the forecast regarding settlement expansion, any expansion would be subject to the requirements of a Municipal Comprehensive Review. Regional staff anticipate further discussion and reporting on potential process and timing for settlement expansion after the new Growth Plan is released. The 2014 Provincial Policy Statement and draft policies in the new Growth Plan would allow for settlement expansion planning to the 2041 planning timeframe of the Growth Plan which is beyond the 20 year timeframe that would otherwise apply.

4. Dependencies

Stakeholders have identified that the success in optimally implementing a final allocation will require attention to a number of issues which are discussed below.

Growth Plan Amendments

As previously described, final amendments to the Provincial Plans are expected in Winter/Spring 2017. An expected amendment is the requirement for detailed reports addressing: designated employment areas, intensification, and transit nodes. It is proposed that these be jointly developed by the local municipalities and the Region, in consultation with the development industry.

Monitoring Implementation

Intrinsic to the Growth Management Strategy is the addition of an ongoing monitoring plan to review the achievement and impact of planning assumptions and to adjust planning accordingly. The importance of this is reflected in the recent shortfall of employment land development compared with provincial projections.

It is impossible to fully predict what may occur in the Region over the next 25 years just as what happened in the past 25 years was not fully predictable. For example, the increased emphasis on intensification through the Growth Plan post-dates the planning and establishment of existing infrastructure, which in some instances, will need to have its capacity augmented to accommodate increased demands.

The work to scope future monitoring has commenced through discussions with the Inter-Municipal Workgroup and Development Industry Workgroup. This work will continue to develop a monitoring plan in preparation for its use in 2018.

Addressing Proposals Outside the Approved Plan (Exception Management)

Based on the final allocation a staged infrastructure plan will be developed through the master planning process. It is foreseeable that there will be future development proposals that have infrastructure implications that would exceed this infrastructure plan. There will need to be a mechanism to consider these 'exceptions' on the merits of good planning principles to assess the desirability of the proposal, and its infrastructure implications. For the latter, alternative financing techniques can be considered to shift risk from the municipality, so that there is little or no widening of the Region's expected cost revenue gap.

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Employment Growth and Projections

Stakeholders, in particular the development industry, have noted that employment trends have become more complex.

Changes in employment type have been experienced such as reductions in manufacturing, and increases in sectors such as warehousing and distribution. In addition, there appears to be an increasing proportion of workers with 'no usual place of work'. Ongoing automation across many job sectors could also be impacting the amount and type of employment within the timeframe of this Growth Management Strategy.

In order to support effective planning in light of these changes, the Region requires a better understanding of several items such as:

- Employment Trends (including developer perspectives);
- Enablers/barriers to development (e.g., availability of large parcels of land; timelines for servicing/building permits);
- Implications of employment trends on transportation demands;
- Land needs of the various job sectors; and,
- Existing inventory of vacant serviced employment lands and capacity.

Building on the success of the development of the provisional allocation, there is an opportunity to work with local municipalities and the development industry to explore how to realize the proposed employment forecasts and or manage risk associated with long term infrastructure servicing in a changing environment. A proposed plan for this potential work will be provided in a future report.

Transit-Supportive Development

Successfully accommodating growth in Peel will require transportation networks that facilitate the efficient movement of goods and people. The Region's Long Range Transportation Plan indicates that building new roads and widening existing roads will be necessary, but insufficient to meet future travel demands. A substantial shift from personal vehicle use to transit, carpooling, walking and cycling will be required to avoid travel demand exceeding road capacity with resulting gridlock.

Initial discussions have been held with municipal transportation and planning staff to update them on the provisional allocation and to begin discussions on related implications. In these meetings it has been recognized that there is an opportunity to collaborate with local municipalities to identify what support is required to maintain the movement of goods and people in the Region, similar to achieving the employment forecasts. This potential work will be discussed ongoing with the relevant local municipal and Region staff.

Intensification

Existing Growth Plan intensification targets have been difficult to achieve and the proposed changes to this Provincial policy include an even greater proportion of intensification-type growth. Several approaches are available to transition existing older developments and communities to continue thriving with higher-densities and mixed uses. Public consultation will be undertaken to inform evaluations of these approaches.

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Next Steps

The provisional allocation will continue to be refined as necessary based on feedback from the Inter-Municipal Workgroup (IMW) and Development Industry Workgroup (DIW). Work will continue through the IMW and DIW to develop staged infrastructure plans based on the provisional allocation that are suitable for input into the servicing master planning processes, the Region's capital budget and DC By-law update. The intent will be to develop infrastructure plans that allow for flexibility in the future when reacting to market realities as they occur. Any substantial changes brought on by the requirements of the amendments to the Provincial Plans will have to be integrated into this foundational work.

Staff will also evaluate the potential changes to scope and timing of the Growth Management ROPA in light of the eventual changes made to the Provincial Plans. Every effort will be made to incorporate the necessary adjustments while achieving the key objective of developing a Regional Official Plan Amendment, servicing master plans, a Monitoring/Exception Plan and final Development Charges By-law by June 2018, all in support of closing the cost revenue gap.

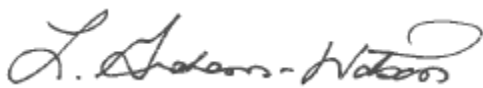
CONCLUSION

Good progress is being made toward achieving the goals of the Growth Management Strategy. The local municipalities and development industry stakeholders have been very helpful in designing this new approach and have provided valuable insights. Supplemental discussions have also commenced with local Economic Development staff and representatives of the utility companies. The development of a provisional allocation that has been achieved in a manner that includes development industry considerations, local municipal objectives, servicing objectives and provincial requirements is an important milestone.

The provisional allocation will be validated against the requirements of the amendments to the Provincial Plans and ongoing feedback from the local municipalities, the development industry and other stakeholders. Regional staff will continue to engage local municipal staff and the development industry to advance the Growth Management ROPA, the servicing master plans and financing plans.



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Approved for Submission:



D. Swarc, Chief Administrative Officer

APPENDICES

- Appendix I - Inputs for Evaluating Growth Scenarios
- Appendix II - Servicing Estimates Methodology
- Appendix III - Provisional Allocation Maps and Tables

For further information regarding this report, please contact Gayle Bursey, Director, Growth Management, at extension 4260, or by e-mail at gayle.bursey@peelregion.ca.

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