
HALDIMAND COUNTY

Report CAO-01-2022 Request for Minister's Zoning Order – Proposed New Community in Nanticoke



For Consideration by Council in Committee on March 1, 2022

OBJECTIVE:

To respond to Council direction for comments relative to a delegation from Empire Communities requesting a Minister's Zoning Order relative to establishing a new community on lands in the Nanticoke area.

RECOMMENDATIONS:

1. THAT Report CAO-01-2022 Request for Minister's Zoning Order – Proposed New Community in Nanticoke be received;
2. AND THAT the resolution as set out in Attachment 4 to Report CAO-01-2022, be adopted;
3. AND THAT a copy of Report CAO-01-2022 be submitted to the Minister of Municipal Affairs and Housing;
4. AND THAT adoption of the draft Minister's Zoning Order, as set out in Attachment 5 of Report CAO-01-2022, be recommended to the Province.

Respectfully Submitted: Craig Manley, MCIP, RPP, Chief Administrative Officer

EXECUTIVE SUMMARY:

The creation of a new community of this size and scale is unique in the Province. In order to consider the proposal on its merits through a subsequent proper and transparent planning process a Minister's Zoning Order is required to begin this review. At a high level the proposal provides an opportunity to align with a number of municipal and provincial objectives. In particular, it is highly unlikely that under the current approach the development of a significant employment area will materialize whereas converting some of these lands for residential use while ensuring compatibility with existing uses makes it much more feasible. The Mayor has advised that the proposal has been discussed with the Chief's of the Elected Council of the Six Nations of the Grand and the Mississaugas of the Credit First Nations as well as the local Member of Provincial Parliament who have expressed support in principle. Any request for a Minister's Zoning Order should be on the basis that it is a conditional first step in a thorough and public local planning review process incorporating meaningful consultation which will determine the project outcome.

BACKGROUND:

On February 14th, 2022 Council received a presentation from Empire Communities relating to a planned new complete community in the Nanticoke area on 4200 acres of land comprising:

- 40,000 residents in 15,000 dwellings plus
- 7500 to 11000 new jobs on employment lands and

- a further 7000 to 8000 jobs on commercial and institutional lands including retail, education, health care, financial services and social services that would support the new community;
- approximately 100 acres of waterfront property that would be improved and dedicated as a County recreational asset.

The addition of this size of new community would almost double the current population of the County.

The location is on lands recently acquired by Empire Developments in the area of Nanticoke. **Attachment 1** shows the subject lands. These lands have been surplus to the Lake Erie Works steel manufacturing plant for decades and were recently placed on the open market under a court ordered proceeding associated with the bankruptcy of the former US Steel company with the proceeds being used for the pension for former workers. The lands are outside of the Haldimand Tract. **Attachment 2** shows conceptually the transition of approximately 60% of the land (2500 acres) from employment uses to residential and related uses associated with the new community. This area was derived by applying Provincial setbacks from heavy industry (300 metres) and existing wind farm operations (550 metres). The balance of the land representing approximately 1700 acres would remain for employment purposes and is located adjacent existing industry.

In support of this presentation, Empire commissioned an economic analysis to estimate the financial benefits of the proposed new community:

Estimated macro-economic benefits:

- +/- \$9.3 billion in total GDP value-added to the Canadian economy;
- +/- 73,000 full time equivalent employment positions across Canada; and
- +/- \$3.8 billion in tax revenues for various levels of government throughout Canada.

Estimated local benefits:

- +/- \$ 5.5 Billion in new assessment to be added to County tax rolls resulting in \$80-90 million in additional tax revenue
- Development charge revenue for new infrastructure

Prior to delegating to Council in support of the request set out below the owner has completed a number of significant preliminary technical investigations that demonstrate at a high level the feasibility of proposal including:

- Noise, odour and air quality investigations to establish appropriate setback distances in accordance with Provincial standards to establish land use compatibility with existing uses including major industry;
- Engineering analysis relative to the ability to service the lands with sewer and water services;
- Geotechnical, hydrogeological and environmental analysis to ensure the property is suitable for the proposed uses.

It is noted also that Stage 1 and 2 archaeological assessments were completed for the majority of the lands by Golder Associates on behalf of Bruce Power in August 2009. This was done as part of the due diligence exercise by Bruce Power for a potential nuclear power plant. This work would serve as the foundation for additional stages of archaeological assessment.

ANALYSIS:

The Ask:

If something of this size and scale is to be considered on its merits it will require Provincial support in terms of allowing deviations from the Provincial Planning frameworks in effect. Without such deviations County Planning Staff could not recommend the proposal as it would conflict with Provincial Policy. As such it would require a Minister's Zoning Order to implement. Section 47 of the Planning Act allows the Province (Minister) at their discretion to supersede local and Provincial Planning regulations through the issuance of a Minister's Order that sets out the lands subject to the order, permitted uses, and terms of use. To initiate this process the Province has advised that a Council Resolution in writing is required. At the February 14th, 2022 Council Meeting the owner to the subject lands (Empire) requested that Council make such a request. Council passed a resolution directing that the Chief Administrative Officer provide an analysis and recommendations in this regard. The balance of this report responds to that direction.

The Municipal Perspective:

Ensuring Proper Analysis and Transparency:

As noted above if there is to be any consideration of the proposal, the Province needs to put in place a Minister's Zoning Order allowing the principle of the use which should include a 'holding' provision that sets out a series of conditions that must be addressed prior to any development taking place. From a municipal perspective this process should be complemented by a robust and open and transparent local planning process that:

- Ensures that all stakeholders including Provincial, local and Indigenous communities have an opportunity to be involved and be heard before any final design is approved – specifically that measures to ensure compatibility and the long term prosperity of existing heavy industry is maintained;
- Ensures that all required technical review studies and analyses are undertaken to demonstrate that the proposal is functional and that any infrastructure improvements required (water, sewer and roads) are identified and incorporated into any approvals and that archeological investigations are completed;
- All municipal community design criteria to provide for well designed, complete and attractive communities are met and that appropriate community amenities are provided;
- Ensures that all necessary agreements and other mechanisms including fiscal tools are in place to require that all development conditions are satisfied.

As such any Minister's Zoning Order should be conditional upon the completion and local approval of:

- a master plan, which is fully informed by public consultation, that lays out the series of streets, residential / commercial / institutional blocks, leisure and recreation areas (trails, parks), protected natural environment areas and significant servicing blocks (stormwater ponds, pumping stations);
- Detailed technical studies, including land use compatibility (i.e. air emission - noise, dust, odour), archaeology, environmental impact, hydrogeological, stormwater management, servicing, traffic impact and geotechnical;
- plan(s) of subdivision; and,
- refined site specific zoning that is informed by the master plan details.

The Minister's Zoning Order would allow the proposal to be considered on its merits and should simply be the first step in a thorough and public planning review process which will determine the project outcome.

Alignment with Municipal Objectives:

In consideration of the request for the municipality to ask for a Minister's Zoning Order the initial analysis suggests that the proposal concept has considerable merit and provides an opportunity to align with and achieve long-standing Provincial and municipal objectives. In this regard:

1. Opportunity for Economic Development:

For over 40 years the lands have been set aside for heavy industrial development and currently are part of a Provincially Significant Employment Area. Both the municipality and the Province have for years been actively marketing the land for employment in recognition that the land could be attractive for significant employment growth. To date, while several industries have looked at the lands, these efforts have largely been unsuccessful. The key reasons for this area:

1. There is no ability to provide wastewater servicing as the existing Lake Erie Industrial Park wastewater lagoons are at capacity.
2. There is a lack of natural gas infrastructure capacity in the area. The County has been advised that gas will not be extended until customers are in place.
3. Industries are wanting shovel ready opportunities and the additional cost to extend infrastructure is significant. Additionally the timing to do so does not normally align with industry development objectives which are typically short term.
4. The municipality has been in the 'catch-22' position of marketing land for employment purposes but not having the financial capacity on its own to front-end the significant costs of making the land shovel ready.
5. The amount of labour force available in the region and the relatively small population available has been identified as a constraint for significant employment uses.

The developer intends to retain a significant amount of land for employment purposes (40% or 1700 acres) to buffer existing industry and maintain the intent that these lands are intended to ultimately represent a significant employment node. The residential component provides the economic capacity to service the retained employment lands. Adding residential uses to the area will catalyze extending servicing capacity and natural gas to the employment lands, which creates a more desirable and shovel ready location for prospective businesses. It also provides a significant local population that coupled with existing residents provides a larger labour market for new businesses/industries. As a result this could ultimately grow the node as a major regional employment cluster. This serves to achieve local and Provincial objectives to create a significant employment area and is in generally consistent with Provincial policy that allows a mixture of uses in significant employment areas. The singular ownership of the lands and the capacity of the development company makes advancing the plan and achieving development far more likely than have existed previously.

2. The Proposal Aligns with Municipal Servicing Objectives:

The County owns a water treatment plant (WTP) on lands just to the east of the proposed development that was designed and has a Permit to Take Water (PTTW) providing the ability to scale up to one hundred times the current capacity of 16,000 m³. This plant was established and funded in large part by the Province in the 1970's in support of the Townsend New Community objectives of the Province at that time. The previous Provincial and municipal investment in this plant has sufficient capacity to service the proposed development, the greater Haldimand County area, and potentially neighbouring municipalities and communities. The proposal would optimize the existing water treatment infrastructure.

Given that the existing LEIP lagoons are at full capacity a new wastewater treatment plant (WWTP) will be required for the proposed development to be fully serviced. Currently the County owns 4 sewage

treatment plants and 4 sewage lagoons. The County is currently evaluating moving from a multiple facility approach to a more regional servicing approach through the re-direction of all wastewater generated from Caledonia, Hagersville, Jarvis, Townsend, the Lake Erie Industrial Park and the Nanticoke area to a new regional scale wastewater treatment facility. This strategy would see the wastewater from these areas re-directed to a single new plant located in Nanticoke with an outfall to Lake Erie. Under this scenario, the existing treatment plants in Caledonia and Hagersville would be decommissioned, as well as the wastewater treatment lagoons located in Jarvis, Townsend, and the Lake Erie Industrial Park. An Environmental Assessment is in place with approvals for this treatment plant and servicing analysis has been completed that demonstrates the technical feasibility of building a new WWTP and required conveyance system for a regional servicing approach. **Attachment 3** shows the Preliminary Servicing Plan for this system. The cost for the full buildout of such an endeavour is significant – approximately \$180 million. It should be noted that the system will be phased with the initial cost to build the new WWTP and provide servicing for the LEIP and proposed development is in the order of \$60 million.

The benefits of moving to regional water and wastewater treatment facilities are:

1. There are cost efficiencies in terms of economies of scale over the long term that will benefit ratepayers;
2. A new wastewater treatment plant is more environmentally secure, removes the discharge of one wastewater treatment plant from the Grand River and decommissions several old lagoon based systems;
3. It ensures long term sustained growth for the County as under the current approach several communities will reach technical limitations on sewage treatment capacity in 15-20 years;
4. It provides critical missing piece of servicing infrastructure for the industrial lands in the area making the opportunity for significant employment growth much more likely;
5. It allows for cost sharing with the private sector which makes it affordable and financially feasible.
6. It provides the opportunity to provide full services to adjacent First Nations communities.
7. It allows the creation of a regional water system allowing Haldimand to eliminate the current approach of purchasing water from Hamilton which comes from Lake Ontario and subsequently discharging it via the Grand River to Lake Erie – an existing Great Lake inter-basin water transfer that is not in alignment with current Provincial policies.

3. The Proposal Includes Significant Public Waterfront Land:

The proposed development envisions that approximately 100 acres of land that has previously not been in the public realm would be transformed into a major community recreation amenity serving both the new community and the wider County. There is very limited existing public waterfront land in the County and the addition of such an amenity would improve the overall quality of life for County residents and could serve to support County objectives to grow its tourism capacity, active recreational opportunities (to support physical and mental health) and further support economic development.

Alignment with Provincial Objectives:

It Provides an Opportunity to Improve the Economy of the Wider South-West Ontario Region:

The addition of 14,500 to 19,000 permanent jobs plus one time construction job benefits of 73,000 full time equivalent positions has the potential to transform the economic position of the wider region. In recent years Haldimand County has experienced a decline in employment largely resulting from

changes in industrial related fields. Other communities in this part of the Province have similarly faced declines. There is an opportunity to change this trend and to improve the economic well-being for this region. Importantly it would also provide nearby employment opportunities for members of the Six Nations of the Grand and Mississaugas of the Credit indigenous communities.

The Proposal Aligns with Provincial Objectives to Make Housing Available to Middle Income Households:

The affordability of housing is a significant issue for Ontario and Canada as a whole. Increasingly middle income households are finding it extremely difficult to find and purchase housing given significant costs. A Provincially appointed Housing Affordability Task Force has recently released a series of recommendations to address this issue including one to increase the production of housing supply to 1.5 million homes per year – nearly double the current production rate. Haldimand is located on the periphery of the Greater Toronto Area (GTA), is part of the Greater Golden Horseshoe and has seen increasing and substantial population growth stemming from demand from people looking to acquire more affordable housing. The addition of 15000 units that will include the full spectrum of housing types located in close proximity to the GTA will in some part help address ‘supply’ issues that contribute to housing unaffordability.

It Provides More Development Opportunity for Provincially Owned Land in the County:

The establishment of full servicing in the Nanticoke area with regional infrastructure systems would provide full servicing opportunities for significant Provincial land holdings in the County including land in Townsend and the former Ontario Power Generation station owned by OPG (a crown corporation) thus allowing greater development opportunity and potentially the ability to use the land for key provincial objectives including affordable housing.

FINANCIAL/LEGAL IMPLICATIONS:

Should the Minister’s Zoning Order be issued as part of the subsequent review process a comprehensive economic impact analysis will be undertaken to not only examine revenues but also demands for municipal services relative to existing service levels and the financial implications therein.

STAKEHOLDER IMPACTS:

In response to the request to support a Minister’s Zoning Order as outlined above Council passed a resolution allowing any member of the public to speak to the matter when considered at its meeting of March 1, 2022:

THAT the Procedure By-law be waived to allow the matter to be considered immediately following Public Meetings for Planning Applications, with delegations being permitted to speak to the matter without pre-registering.

Furthermore, the draft Minister’s Zoning Order incorporates ‘holding’ provisions that are intended to ensure that it is a conditional first step in a thorough and public local planning review process incorporating meaningful consultation which will determine the project outcome.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

ATTACHMENTS:

1. Location Map
2. Land Use Map
3. Servicing Plan
4. Resolution
5. Draft Minister's Zoning Order