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# HALDIMAND COUNTY

## Report EDT-02-2025 Phase 3 North Caledonia Employment Lands Feasibility and Servicing Study



For Consideration by Council in Committee on June 17, 2025

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### Objective:

To receive Council's endorsement of the results of Phase 3 (final phase) North Caledonia Employment Lands Feasibility and Servicing Study and to seek Council's approval for the proposed next steps.

### Recommendations:

1. THAT Report EDT-02-2025 Phase 3 North Caledonia Employment Lands Feasibility and Servicing Study be received;
2. AND THAT Council endorse the recommendations outlined within EDT-02-2025 Phase 3 North Caledonia Employment Lands Feasibility and Servicing Study;
3. AND THAT Council approve the recommended next steps contained within report EDT-02-2025 Phase 3 North Caledonia Employment Lands Feasibility and Servicing Study.

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**Approved:** Cathy Case, Chief Administrative Officer

### Executive Summary:

A Council priority project, the purpose of the North Caledonia Employment Lands Feasibility and Servicing Study (NCELFS Study) is to complete the necessary investigations and due diligence to determine the road map for future development of employment lands in Caledonia. Phase 1 and Phase 2 have been completed and previously presented to Council. The focus of this report is to provide Council with an overview of the Phase 3 results, stakeholder engagement and provide considerations for next steps.

The final phase (Phase 3) translates the strategy into action, offering recommendations for land administration, marketing, partnerships, and Official Plan (O.P.) policy direction. It culminates in a clear implementation plan to support the successful long-term development strategy for the employment lands. Building on prior phases, the study refines the employment land vision in light of evolving Provincial policy, particularly the 2024 Provincial Planning Statement (P.P.S.), as well as the findings of Phase 2, which recommends interim partial servicing (water only) as a viable means of development while mitigating municipal fiscal risk.

## Background:

The Consultant Team of Watson & Associates Economists Ltd. (Watson), WSP Canada Group Limited (WSP) and GM BluePlan Engineering (GM BluePlan) were retained in the summer of 2022 to prepare an Employment Lands Feasibility and Servicing Study for lands on the north side of Caledonia. The subject lands are located in North Caledonia, bounded by Greens Road to the south, Mines Road to the west, and Highway 6 to the east.

The key objectives of the NCELFS Study are to continue to promote economic development within Haldimand County by ensuring there is an adequate supply of employment land to attract target employment sectors and businesses. This study provides direction on the type of employment which should be attracted to the employment lands, the competitiveness of employment lands in Haldimand County compared to the surrounding regional area, a plan for how these lands should be serviced and financed, a high-level marketing plan, and implementation policies. In accordance with this review, the attached report represents the final North Caledonia Land Feasibility and Servicing Study (Attachment 1).

The NCELFS Study has been completed in three (3) phases which are summarized below.

### Phase 1: Site Evaluation and Servicing Strategy (completed May 2023)

This phase focused on understanding development potential by evaluating physical constraints, infrastructure capacity, and market positioning. It included a detailed location analysis, assessment of labour force and economic base, identification of target employment sectors, a cost-competitive analysis, the development of a functional servicing design to support future employment uses, and an infrastructure costing analysis.

### Phase 2: Financial Analysis and Business Planning (completed August 2024)

Building on the findings from Phase 1, this phase involved creating a detailed financial model to assess the costs, revenues, and long-term financial implications of developing the site. It included scenario testing based on the cost estimates for servicing and infrastructure, and the preparation of a business plan outlining feasible development approaches.

Phase 2 analyzed both operating and capital impacts of four potential business case scenarios including:

1. The study area is privately developed and traditionally designed and operated;
2. Haldimand County invests in conceptual planning, then sells the plans to a developer;
3. Haldimand County acts as a land developer in partnership with the private sector: and
4. Haldimand County acquires, develops, services and sells the land parcels

Through the detailed analysis it was identified that none of the four (4) scenarios provide a net positive annual impact over the 30-year time horizon, both with and without the consideration of development charge (DC) cashflows, generally due to the significant capital costs required to service the development, along with the annual lifecycle replacement costs for the infrastructure. As Haldimand County is required to debt finance these works, this imposes a negative burden on Haldimand County's finances over the long term and would represent a burden to the taxpayers.

Given these results, the consultants further explored variations of Scenario 1 – the scenario that was the most favourable of the 4 assessed – which might provide a positive cashflow by the end of the forecast period and improve the financial feasibility of developing the area for employment purposes. The alternate developer-driven scenarios include:

- 1a) Partial municipal servicing (water only with private wastewater solution)
- 1b) One large development within each of the two phases (east and west sides of the future Highway 6 corridor extension). There would only be two lots under this scenario and there are no

local/internal works (water, wastewater, stormwater and roads) assumed by Haldimand County as part of this scenario. This scenario does provide for full municipal water to the development area (i.e. property line). The internal works would be privately owned and operated.

- 1c) Industrial condominium model – Under the industrial condominium model, lifecycle and operating costs related to internal works for water, wastewater, roads and stormwater would be removed from the analysis given that this infrastructure would be owned and maintained by the landowner.

Of the Scenario 1 variations, the most realistic and favourable is 1 a) which is what informs directions in Phase 3.

Phase 3: Implementation and Land Management (completed June 2025)

- The final phase translates the strategy into action, offering recommendations for land administration, marketing, partnerships and Official Plan (O.P.) policy direction. It culminates in a clear implementation plan to support the successful long-term development strategy for the employment lands. Building on prior phases, the study refines the employment land vision in light of evolving Provincial Policy, particularly the 2024 Provincial Planning Statement (P.P.S.) as well as the findings of Phase 2, which recommends interim servicing (water only) as a viable means of development while mitigating municipal fiscal risk.

## **Analysis:**

The focus of this report is to translate previous work completed in Phase 1 and Phase 2 into action, offering recommendations for land administration, marketing, partnerships, and Official Plan (O.P.) policy direction.

Since the completion of the Phase 1 Report in May 2023, significant changes to the Provincial land use policy framework have occurred. Most notably, the release of the Provincial Planning Statement (P.P.S.), 2024, introduces a redefined “Employment Area” that now exclusively pertains to industrial-type uses such as manufacturing, warehousing and related employment functions. As such, several of the sectors identified in the Phase 1 vision – such as business services, professional and technical services, and employment-supportive uses- are no longer permitted as primary uses within designated Employment Areas under the P.P.S., 2024. It was necessary to revisit and revise the employment land visioning work to ensure conformity with the updated definition and policy direction.

Under the P.P.S., 2024, Employment Areas now have a more general industrial orientation and accommodate largely industrial uses such as advanced manufacturing, logistics, distribution, construction, agri-business and transportation sectors.

The financial analysis and business plan completed during Phase 2 identified the financial challenges to a fully serviced (water and wastewater servicing) in the near term. While full municipal servicing remains the long-term objective, it is not a prerequisite for all types of industrial development. Many industrial uses can operate effectively in “dry” conditions – that is, with municipal water and private or limited wastewater solutions – particularly in sectors such as logistics, warehousing, construction and light manufacturing. These uses often have low water and wastewater demands and can be accommodated through phased or alternative servicing models without compromising functionality. Interim servicing solutions can be both financially viable and attractive to the right industries, provided that there is adequate transportation access, land readiness and clarity on future servicing plans.

## Revisiting the Target Sector Analysis

As a result of incorporating both the P.P.S., 2024 changes and the refocus from full municipal servicing to partial (water only) servicing, the target sectors proposed for the North Caledonia Employment Area have been updated to include the following:

- a. **Manufacturing/Light Industrial:** Sub-sectors that are water-dependent but generate limited wastewater, such as electrical components, furniture manufacturing, packaging, certain textiles, vehicle part assembly, and clean technologies (e.g., solar panels, EV infrastructure, electronics), can operate effectively in a water-only context. These operations often focus on assembly, light fabrication, or compound testing, and align with long-term economic development objectives while functioning within interim servicing constraints.
- b. **Distribution and Logistics:** Warehousing and logistics facilities typically have modest water demands and minimal wastewater generation, focusing on storage, handling and goods movement. These operations are particularly well suited to interim-serviced areas with lower employment intensity.
- c. **Agribusiness:** Activities such as grain storage, agricultural equipment sales, food packaging, and non-food greenhouses represent agri-business operations with low water use and limited sanitary needs making them compatible with partial servicing.
- d. **Construction and Trade Services:** Industrial-oriented uses such as modular or precast manufacturing, trades-based light manufacturing, and contractor support facilities (e.g., service bays, repair shops, fabrication) can function with minimal wastewater needs while generating employment and supporting broader economic activity. These uses are distinct from passive storage or laydown yards and align with the P.P.S., 2024 intent for Employment Areas to accommodate job-generating, industrial functions.

The selected sectors described above are viable in an interim-serviced Employment Area because they typically involve limited daily water use, minimal wastewater generation, and can function at lower employment densities in early phases. These uses generally rely on water for employee needs and light operational requirements, and can operate using private or interim servicing solutions such as holding tanks or septic systems. Site layouts may initially be more land-extensive but still offer meaningful job creation and alignment with the industrial intent of designated Employment Areas.

As full municipal servicing becomes available, this Employment Area is expected to support more intensive development and increased employment densities. Some of the initial uses can scale up or evolve – for example, into higher-throughput manufacturing, multi-tenant industrial buildings, or service-intensive uses that require wastewater connections. Site planning should anticipate this transition by protecting servicing corridors, coordinating road alignments, and designing lots that can accommodate intensification.

## Marketing Recommendations

A marketing program is required to successfully assist Haldimand County in the promotion and sale of properties in the North Caledonia Employment Area. It is noted that the employment lands within the study area and associated marketing plan are privately owned and planned for private development.

The objective is to support the creation of a coordinated marketing strategy that fosters a collaborative partnership between Haldimand County and private landowners. This approach is intended to align efforts, promote the strategic value of the lands, and attract investment that advances Haldimand's broader economic development goals. The marketing strategy should build on the existing, established efforts to attract investment. For the North Caledonia Employment Area, particularly, key focus should be given towards the target sectors previously identified, including light industrial, distribution and logistics, agri-business and construction.

## Key Marketing Messaging

To achieve the objective of a water-only serviced approach (as an interim solution), Haldimand County's messaging must clearly communicate its intent and the desired outcomes. At a minimum, the messaging should include:

- Vision for the Employment Area, including the mix of uses, amenities, and access
- Proximity to airport
- Access to Highway 6 and GTHA (Greater Toronto Hamilton Area) and GGH (Greater Golden Horseshoe) markets
- Flexibility of zoning and lot size
- Competitive industrial tax rate
- Competitive cost of land and lower operations costs
- Available incentives (future) to attract prospective businesses
- Intent to promote and attract environmentally sustainable investment
- Key sectors of interest
- Possible infrastructure development in the future (emphasizing water-only) as an interim solution and vision of development of full services in the future).

While the strengths have been identified above, it is also important to clearly identify that there will be challenges in promoting these lands as serviced by water only. Some of these include:

- Competition with larger urban centres and amenities, including transit coverage for labour force access;
- Development of infrastructure – water, roads, energy, etc.; and
- Marketing to and attraction of water-only businesses limits the potential audience.

The North Caledonia Employment Lands represent a strategic growth opportunity, offering immediate access to municipal water and highway proximity. However, full wastewater servicing is not yet available, meaning early phases will rely on interim private systems. This positions the site as attractive for certain uses, such as warehousing or tech assembly, but not yet viable for heavier industrial operations that require full municipal servicing. Attracting investment in this context requires a careful balance. On one hand, Haldimand County can explore ways to remain competitive with other jurisdictions to secure new industry. On the other hand, it should consider tools to ensure that early development aligns with long-term infrastructure planning, environmental standards, and municipal fiscal capacity. The challenge is to facilitate early investment without introducing long-term servicing liabilities, incompatible uses, or undermining Haldimand County's ability to deliver future phases in a coordinated way.

## Implementation Plan

### Covenants

In many municipalities, real estate covenants provide a legal mechanism to control land use, enforce build-out timelines, and even reclaim land if development does not occur as agreed. However, these covenants are typically only enforceable when the municipality owns and sells the land. In the case of North Caledonia, where the lands are privately owned Haldimand County can use this mechanism under the Planning Act and development agreements registered on title to secure similar outcomes. Site plans and subdivision agreements can include servicing obligations, use restrictions, and design standards that prepare lands for future connections. Servicing agreements registered on title can bind both current and future landowners to connect to municipal wastewater infrastructure when it becomes available. Holding (H) symbols can also be used to delay development approvals until certain conditions are met. While these tools do not allow Haldimand County to enforce buildout deadlines or repossess undeveloped land, they can provide a strong legal framework for managing servicing risks and

sequencing growth, while ensuring that lands are developed as efficiently and orderly as possible. Ultimately, Haldimand County should continue to collaborate with landowners to ensure that the long-term vision for these lands is maintained.

The tools discussed above should be viewed as potential governance mechanisms that support Council and staff in making consistent, strategic decisions. Council may wish to explore options to approve or defer development based on servicing availability, set thresholds for infrastructure investment, and ensure land-use permissions reflect both market and policy realities. Council could also consider establishing a trigger-based capital planning mechanism – for example, initiating a new feasibility analysis for sewer extensions once 75% of Phase 1 lands are developed. Policies such as this signal Haldimand County’s long-term commitment to developing the North Caledonia site as a fully serviced Employment Area to landowners. This enhances the marketability of the lands and provides Haldimand County with a long-term strategic guiding framework.

### Development Concept and Phasing Strategy

A two-phase development concept and phasing strategy is recommended, with the western portion of the Study Area, Phase 1, to be advanced prior to the eastern, Phase 2, portion. This phasing strategy is based on land availability, natural environment constraints, and the absence of a confirmed timeline for the Highway 6 realignment, which places limitations on the connection of the proposed Phase 2 road to existing Highway 6. That said, the phasing strategy remains flexible and will be determined by a number of factors including development interest.

Servicing study findings were presented to Council on September 19, 2023, highlighting environmental constraints, including the need to preserve woodlands, wetlands, and regulated watercourses and floodplains. The Study also highlighted jurisdictional considerations relating to: new road connections required to be limited to within 800 metres from existing intersections of the existing Highway 6; a prohibition of new road connections being permitted to the Future Highway 6 extension; and, a prohibition on servicing extensions through the intersection of Highway 6 / Haldimand Road 66.

### Policy Recommendations

Additionally, the final report includes a number of updates being recommended to Haldimand County’s Official Plan and Zoning By-law to ensure the necessary protections and policies are implemented to maximize the development potential of these lands. These recommendations include:

- Redesignation of the lands in the Official Plan to an appropriate designation suitable for industrial uses within the urban settlement boundary that permits the development of on-site private servicing (partial) until the time municipal servicing (full) is available;
- Recommendation that the lands be redesignated to Industrial with a site-specific area policy that specifies the types of permitted uses within the Official Plan;
- Application of a Holding Symbol to restrict permitted uses to only legally existing uses, until such a time that the conditions are satisfied, and development may proceed. This is to ensure that development does not outpace the provision of necessary infrastructure, that the required technical studies can be undertaken, and that there is no encroachment of land uses that may conflict with the planned function of employment lands;
- Inclusion of site-specific policy recommendations related to
  - Employment Density
  - Servicing
  - Land Use compatibility
  - Urban Design
  - Parking and Loading Areas
  - Outdoor storage
  - Sustainability

- Approvals, Permitting and Agreements; and
  - Incentives (to be further explored through the planned Community Improvement Plan Review in progress with a future report to be brought forward to Council with recommendations)
  - Required Consultation including Indigenous communities, Grand River Conservation Authority, the Ministry of Transportation and utility providers.
- Finally, a zoning by-law amendment is recommended to implement the Holding Symbol and associated conditions, as well as specific matters established by the recommended site-specific policy.

## Next Steps

Following Council's approval of the final report, staff recommend taking the next steps to continue to advance the development potential of these lands.

- a. Ongoing Landowner/Developer consultations
  - Discussion of how to continue to move the development of these lands forward and how to work together
  - Development of an engagement strategy / memorandum of understanding that includes defining roles and responsibilities of each party, timelines, development preferences, etc.
  - Review of recommended policy changes and real estate covenants to ensure these meet expectations/requirements and work towards implementation
  - Discussion of next steps and how to proceed forward – i.e., completion of required studies, marketing strategy etc.
- b. Implementation of Key Policy Changes and Exploration of Incentives
  - Implement recommended policy changes and covenants through updates to the Official Plan and Zoning By-law
  - Explore potential incentive options to encourage development of these lands through the Community Improvement Plan (CIP) review process (currently in progress). Any changes/recommendations will be presented to Council for consideration as part of the CIP review.
- c. Review of Best Practices and Development of a Marketing Plan
  - Continue to explore best practices of private/public partnerships for the promotion and development of employment lands
  - Explore potential funding opportunities to assist with the completion of studies/plans to advance these lands
  - Develop a marketing strategy to promote the employment lands for investment attraction;

In summary, the North Caledonia Employment Lands Feasibility and Servicing Study presents a comprehensive and phased framework for unlocking strategic employment growth in Haldimand County. The study responds to regional economic opportunities, fiscal realities, and evolving Provincial Policy direction, ensuring that Haldimand County can attract and accommodate industrial investment in a responsible and market-aligned manner.

Over the course of the three phases between 2022 and 2025, the study assessed the developability, financial feasibility, and implementation strategy for the future North Caledonia Employment Area. Phase 1 established baseline conditions – physical constraints, infrastructure capacity, and market positioning – while identifying preliminary target sectors. Phase 2 utilized detailed financial models to test a range of development delivery scenarios. These models revealed that under traditional, fully-serviced approaches, the lands would generate negative cashflows and exceed Haldimand County's debt tolerance. Phase 3 translated this analysis into a realistic path forward, recommending a phased implementation strategy with interim water-only servicing.

Haldimand County's geographic position further strengthens the case for near-term industrial development. Located along the Highway 6 corridor and within reach of Hamilton, Brantford and key routes, North Caledonia is well-positioned to attract industrial investment, particularly from businesses seeking lower-cost, accessible sites. A cost competitiveness analysis shows that Haldimand offers clear advantages over regional comparators in terms of development and operating costs, though incentive tools may still be considered to accelerate absorption.

The study sets out a balanced and responsive approach to employment land development in Haldimand County. By addressing the realities of infrastructure financing and aligning with the new P.P.S., Haldimand County can move forward with confidence, supporting job creation, leveraging regional economic advantages, and maintaining control over long-term servicing investments. The recommended strategy positions North Caledonia for success as a phased, market-ready Employment Area that evolves with municipal capacity and regional demand. It offers the flexibility to respond to changing market conditions while preserving key infrastructure corridors and phasing tools that ensure future servicing is delivered efficiently and sustainably. Through this approach, Haldimand County can enable near-term development without compromising long-term objectives, ensuring that the infrastructure investment, land use policy, and economic development efforts remain aligned over time. As growth pressures intensify across the region, North Caledonia stands as a strategic and adaptable asset within Haldimand County's broader employment land portfolio. Ongoing monitoring of development activity and employment yields will be a critical next step to inform infrastructure planning, policy updates, long-term Employment Area land needs, and the timing of full municipal servicing.

### **Financial/Legal Implications:**

While, there are no immediate financial requests, there may be in the future once staff have had an opportunity to meet with the landowners and develop a path forward. For example, there may be future budgetary requests for the implementation of the planning policies, various studies, incentives and marketing of these lands most likely in partnership with the landowners.

### **Stakeholder Impacts:**

Stakeholder engagement has been a key activity throughout the three phases of the North Caledonia Employment Lands Feasibility and Servicing Study. The most recent stakeholder engagement that has taken place includes presentations to the following groups.

May 8<sup>th</sup> – Senior Management Team

- No comments/concerns received

May 21<sup>st</sup> – Agricultural Advisory Committee

- Requested confirmation on the planning for stormwater drainage, water and wastewater
- Also interested in the current zoning for these lands

May 28<sup>th</sup> – Virtual Public Information Centre

- Consideration of the attraction of post-secondary and research institutions
- Support of interim private servicing, an opportunity to unlock the development potential
- Interest in ensuring the next update to the Caledonia Master Servicing Plan includes the work completed in this Study as well as comments received previously from current landowners
- Consideration for alternative options for stormwater management
- Request for support to engage with the Ministry of Transportation on moving this development forward



- Increased traffic concerns with vehicles avoiding Highway 6 and taking secondary roads to/from Hamilton and increased traffic as a result of the development of these lands and people travelling to/from work
- A request to understand the traffic impact along Mines Road and Haldibrook Road and what traffic calming measures or road improvements could be expected
- Support for Phase 2 (easterly lands, adjacent to Highway 6) going ahead first as a result of proximity of water servicing

#### June 2<sup>nd</sup> –Business Development and Planning Committee

- Any impact to these lands from the former gypsum mines (staff note: there are no impacts)
- Request for updated number of jobs per hectare as a result of partial servicing vs. full municipal servicing (staff note: interim number of jobs per hectare is anticipated to be 7-10; over planning horizon and with full services in future the target of 15 should be achieved)
- A suggestion was made about using the partial servicing as an incentive for development i.e. the lower costs for developing the lands. As well, consideration of forgiving development charges for any development within these lands
- Timing of the Highway 6 extension was raised
- Requested confirmation of the number of property owners within the study area and any feedback received related to partial vs full municipal servicing
- Inquiry about how much the County would be losing in taxes as a result of partial vs full servicing
- Committee inquired about next steps and timelines
- Member expressed importance of key servicing being available including high quality broadband

#### June 4<sup>th</sup> – Six Nations of the Grand River (SNGR)

- Inquiry of number of land owners, are there any large land owners and who are they?
- Haldimand County should consider the development of committee/person that has the responsibility for Duty to Accommodate.
- There will be challenges moving these lands forward as all developments will be subjected to a duty to accommodate. Is there an opportunity for SNGR and Haldimand County to work together on this?
- Early notification for any archaeological studies is appreciated. A standard agreement must be completed before any field monitoring takes place.
- Inquiry if environmental concerns raised at an earlier consultation have been addressed. SNGR has minimum requirements that are recommended. For example, a minimum of a 30 metre buffer from wetlands/natural areas is required. Impact assessment should include all species not just those identified by the Province. Environmental protection should go above and beyond minimum requirements and focus on avoidance and then mitigation. Important to have a commitment from Haldimand County that environmental considerations will be enshrined in future policy. The SNGR Environmental Levy Policy was shared with staff for review and consideration.
- Request in understanding the financial benefit of this development to Haldimand County and how much tax revenue of this size is received by the Province.

#### June 4<sup>th</sup> –Mississaugas of the Credit First Nations (MCFN)

- Technical studies, will they be undertaken by Haldimand County or developers?
- Encourage consultation and what does that look like specifically in terms of policy and practice.
- Encourage having a directive that studies must be completed in consultation with MCFN.

In addition, a survey was made available on the Haldimand County website following the Public Information Centre on May 28<sup>th</sup>. To date 5 responses have been received and include the following comments:

- More information needed including plans to address increased traffic in an already congested area. Also, further planning that considers addressing storm water so neighbouring areas don't have flood issues or contamination/pollution.
- Interested in knowing the types of businesses that will be established to assist children in making future educational/job training decisions.
- Traffic remains a huge concern as well as updates to the existing bridge.
- Concerns about water pressure reduction, environmental and wildlife impacts.
- Expressed interest in starting a business/investing and better understanding the proposed timeline.

### **Report Impacts:**

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

### **References:**

1. [EDT-06-2023 North Caledonia Employment Lands Feasibility and Servicing Study Phase 1](#)
2. [EDT-03-2024 North Caledonia Employment Lands Feasibility and Servicing Study - Phase 2 Update](#)

### **Attachments:**

1. North Caledonia Employment Lands Feasibility and Servicing Study – Phase 3 Final Report
2. Phase 3 Council Presentation