

**THE CORPORATION OF THE
TOWNSHIP OF WELLESLEY**



EMPLOYMENT LANDS STRATEGY

February 2017

TABLE OF CONTENTS

Contents

1.0 INTRODUCTION	4
2.0 PURPOSE OF REPORT	5
3.0 PLANNING POLICIES	5
3.1 Provincial Policy Statement	5
3.2 Places to Grow - Growth Plan for the Greater Golden Horseshoe	9
3.3 Regional Official Plan	11
3.3.1 Expansion of Township Urban Areas (TUA)	11
3.3.2 Expansion of Rural Settlement Areas	12
3.4 Township of Wellesley Official Plan	13
4.0 EVALUATION CRITERIA	15
5.0 GROWTH FORECAST AND DENSITY TARGETS	16
5.1 Regional Population and Employment Forecast	16
5.2 Employment Land Requirements	16
5.3 Existing Employment Patterns	16
5.4 Future Employment Patterns	17
5.5 Methodology for Determining Land Needs to 2031	18
5.6 Township's Historical and Existing Employment Trends	19
5.7 Employment Forecast to 2031	21
5.8 Land Needs Associated with Employment Growth 2006 to 2031	21
5.9 Current and Future Density Trends	22
5.10 Supply of Lands for Employment Lands Employment	23
5.11 Available Lands	23
6.0 ALLOCATION OF LANDS	25
6.1 Hawkesville	26
6.2 Wallenstein	27
6.3 Crosshill	27
6.4 Linwood	28
6.5 St. Clements and Heidelberg	28

6.6 Bamberg/Paradise Lake/Kingwood/Macton..... 29

6.7 Wellesley 29

6.8 Rural Employment Areas..... 29

7.0 LAND USE COMPATIBILITY 30

8.0 CONCLUSIONS AND RECOMMENDATIONS 33

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1.0 INTRODUCTION

In March 2014, Township Council adopted Official Plan Amendment No. 7 (OPA No. 7) following a five-year review of the Township's Official Plan. The purpose of this amendment was to update the Township's Official Plan, which was last reviewed in 2003, to ensure it conformed to the Growth Plan for the Greater Golden Horseshoe (2006), the new Provincial Policy Statement (2014), and the Region of Waterloo's new Regional Official Plan (ROP). The Region of Waterloo subsequently approved OPA No. 7, in part, with modifications and the amendment came into effect on March 23, 2015.

When Township Council adopted OPA No. 7 in 2014, all the policies and maps in the new ROP were still under appeal before the Ontario Municipal Board (OMB) as part of a prolonged appeal that began in 2010. One of the key outstanding issues of this appeal related to the Region's land budget methodology and, in particular, whether the Region of Waterloo had designated sufficient land to accommodate its forecasted growth to 2031. Given that this issue was still before the OMB, and that the Township's Official Plan had to conform to the area municipal growth allocations set out in the ROP, Township Council could not consider or propose the expansion of any existing settlement area boundaries when it had adopted OPA No. 7. It was generally acknowledged, however, that Township Council could revisit this issue in the future and, if necessary, initiate a follow-up amendment to the Township's Official Plan once the OMB had made a decision with respect to the ROP and the Region's future land requirements.

On June 18, 2015, the OMB approved the new ROP after a negotiated settlement was reached among the various parties to the hearing. As part of the settlement, the Region submitted a detailed Settlement Land Budget (June 2015) that outlined the Region's urban land requirements to 2031.

The Settlement Land Budget prepared by the Region, contains two conclusions related to employment lands, noted below:

- 1) Sufficient capacity exists within the overall non-residential Designated Greenfield Area as provided for in the ROP to accommodate forecasted employment to the year 2031; and
- 2) Notwithstanding the above, consideration should be given to the designation of additional non-residential land within the Township of Wellesley as required to accommodate forecasted employment growth within the Township.

Based on the Region's Settlement Land Budget, which was prepared as a part of the municipal comprehensive review of the ROP, justification exists for the designation of additional employment land in the Township of Wellesley to accommodate the Township's forecasted employment growth to 2031. For the purposes of this report the focus of new employment lands is Crosshill, Hawkesville and Wallenstein. The reasons for considering these three areas are outlined throughout this strategy.

2.0 PURPOSE OF REPORT

This employment land strategy has been prepared to support the inclusion of additional employment lands in the Township of Wellesley as contemplated in Region of Waterloo's Settlement Land Budget of June 2015. In particular, the purpose of this report is to:

- 1) determine the amount of additional employment land required in the Township to 2031;
- 2) conduct a locational analysis to determine the most appropriate direction of any potential expansions to the boundaries of a settlement area; and
- 3) provide recommendations regarding the Township's employment land requirements and provide background support for potential future amendments to the Township's Official Plan.

3.0 PLANNING POLICIES

Any proposals to designate additional employment lands in the Township must comply with the applicable policies of the Provincial Policy Statement, the Places to Grow – Growth Plan for the Greater Golden Horseshoe, the Regional Official Plan, and the Township Official Plan. The parts of these documents related to the expansion of settlement area boundaries are discussed below,

3.1 Provincial Policy Statement

The Provincial Policy Statement (PPS) provides overall policy direction on matters of Provincial interest related to land use planning and development in Ontario. It contains a set of policies that support appropriate development while protecting natural resources, public health and safety, and the quality of the natural environment. Under the Planning Act, any planning decision of Township Council must be consistent with the PPS.

The Provincial Policy Statement ("PPS") is a document intended to be read in its entirety and for all relevant policies to be applied to each situation. The complexity of the policies in the PPS invariably leads to conflict between these policies. The PPS does not assign priority to certain policies over others. Part III of the PPS "How to read the Provincial Policy Statement" acknowledges the complexity of inter-relationships among environmental, economic and social factors in land use planning. This means that the decision maker is required to balance the opposing interests against one another and determine where the public interest and good planning principles lay and no policy is to be given priority over any other policy.

The following sections of this Employment Land Strategy provide relevant PPS policies and a discussion of how these policies apply to the new employment land proposals.

Section 1.1 of the PPS addresses Managing and Directing Land Use to Achieve Efficient and Resilient Development and Land Use Patterns and contains the following specific policies.

1.1.1 Healthy, livable and safe communities are sustained by:

- a) promoting efficient development and land use patterns which sustain the financial well-being of the Province and municipalities over the long term;
- b) accommodating an appropriate range and mix of residential (including second units, affordable housing and housing for older persons), employment (including industrial and commercial), institutional (including places of worship, cemeteries and long-term care homes), recreation, park and open space, and other uses to meet long-term needs;
- c) avoiding development and land use patterns which may cause environmental or public health and safety concerns;
- d) avoiding development and land use patterns that would prevent the efficient expansion of settlement areas in those areas which are adjacent or close to settlement areas;
- e) promoting cost-effective development patterns and standards to minimize land consumption and servicing costs;
- f) improving accessibility for persons with disabilities and older persons by identifying, preventing and removing land use barriers which restrict their full participation in society;
- g) ensuring that necessary infrastructure, electricity generation facilities and transmission and distribution systems, and public service facilities are or will be available to meet current and projected needs; and
- h) promoting development and land use patterns that conserve biodiversity and consider the impacts of a changing climate.

Section 1.1.1 of the PPS provides direction on various factors which influence how to maintain healthy and safe communities. Policies a), b) and e) speak about promoting and accommodating efficient and cost effective development while providing an appropriate range and mix of residential and employment lands. Policy c) notes that development patterns that cause environmental and public health concerns should be avoided.

Balancing the competing policy statements of this section of the PPS requires consideration of the potential impacts of introducing employment land uses in proximity to sensitive uses. Additional guidance with respect to land use compatibility is provided in the MOECC Guideline D-6, Compatibility Between Industrial Facilities and Sensitive Land Uses. A review and consideration of the D-6 Guidelines are contained in Section 7.0.

PPS Section 1.1.3.1 states that Settlement areas shall be the focus of growth and development, and their vitality and regeneration shall be promoted.

The proposed settlement expansions outlined in this Employment Lands Strategy continues to maintain the focus of growth and development within Settlement areas.

Vitality and regeneration are not defined in the PPS and there is a subjective nature to these terms. Vitality implies being strong and successful and for settlement areas that includes a strong community that provides opportunities for employment, recreation and housing options. Regeneration implies renewal and redevelopment within a settlement area. These proposed new employment areas do not directly lead to regeneration but could be a catalyst for regeneration elsewhere in the community.

1.1.3.2 Land use patterns within settlement areas shall be based on:

a) densities and a mix of land uses which:

1. efficiently use land and resources;
2. are appropriate for, and efficiently use, the infrastructure and public service facilities which are planned or available, and avoid the need for their unjustified and/or uneconomical expansion;
3. minimize negative impacts to air quality and climate change, and promote energy efficiency;
4. support active transportation;
5. are transit-supportive, where transit is planned, exists or may be developed; and
6. are freight-supportive; and

b) a range of uses and opportunities for intensification and redevelopment in accordance with the criteria in policy 1.1.3.3, where this can be accommodated.

Section 1.1.3.3 of the PPS states that *Planning authorities shall identify appropriate locations and promote opportunities for intensification and redevelopment where this can be accommodated taking into account existing building stock or areas, including brownfield sites, and the availability of suitable existing or planned infrastructure and public service facilities required to accommodate projected needs.*

The existing settlement areas where employment lands have been proposed are identified in the Township Official Plan as being service settlements. These settlements are characterized as having residential, commercial/industrial and institutional uses and provide services and facilities for the residents as well as surrounding community. In the context of Hawkesville, the subject lands are adjacent to both residential and industrial uses. Thus, the proposal for employment lands can be seen as both an intrusion of industrial land uses into a residential area, and as an extension of current industrial uses abutting a residential area. In the settlement of Crosshill, the proposed employment lands abut two residential properties with site specific zoning that permit industrial/commercial uses. In Wallenstein, the proposed employment lands are adjacent to an existing industrial use and an institutional use. The new employment land areas do not require the extension of new municipal infrastructure. To be consistent with this policy the proposed locations for new employment lands need to be appropriate as noted in this policy. Further discussion about the appropriateness of these lands is contained in Section 7.0 of this report and discussion of the MOECC D-6 guidelines.

Section 1.1.3.8 of the PPS set outs the policies related to the expansion of settlement area boundaries.

1.1.3.8 A planning authority may identify a settlement area or allow the expansion of a settlement area boundary only at the time of a comprehensive review and only where it has been demonstrated that:

- 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.*

In determining the most appropriate direction for expansions to the boundaries of settlement areas or the identification of a settlement area by a planning authority, a planning authority shall apply the policies of Section 2: Wise Use and Management of Resources and Section 3: Protecting Public Health and Safety

The land needs analysis provided in this strategy justifies the need for additional employment lands and this can only be done through expansion of one of the settlement areas in the Township. These needs cannot be met through intensification or redevelopment within existing settlement areas. All of the proposed expansion areas utilize existing infrastructure and are financially viable.

All of the expansions would be onto prime agricultural lands. There are no other alternative locations in the Hawkesville and Wallenstein areas as all of the surrounding lands are prime agricultural lands. There are lands that are not prime agricultural lands adjacent to and north-east of Crosshill. These lands are also adjacent to existing residential uses and do not have appropriate access to an open and maintained municipal road. For these reasons these lower capability lands in the Crosshill area are not appropriate for new employment uses.

The PPS further states under Employment Areas, Section 1.3.1 that:

1.3.1 Planning authorities shall promote economic development and competitiveness by:

- a) *providing for an appropriate mix and range of employment and institutional uses to meet long-term needs;*
- b) *providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;*
- c) *encouraging compact, mixed-use development that incorporates compatible employment uses to support liveable and resilient communities; and*
- d) *ensuring the necessary infrastructure is provided to support current and projected needs*

The new employment lands are providing additional employment opportunities in the Township and are consistent with this section of the PPS.

Section 3.0 of the PPS contains policies related to Protecting Public Health and Safety. This section prohibits or restricts development in areas where hazards are present, such as floodplains or hazardous sites such as mining or oil and gas sites. None of these situations exist in the areas proposed for expansion of the settlement areas.

As noted earlier in this report the policies of the PPS will sometimes be in conflict, but must be read as a whole. The proposed new employment lands are consistent with many policies in the PPS that include providing employment areas, wise use of resources and creating vital communities. The review and public consultation with respect to these proposals identified land use compatibility and potential impacts to the public health and safety as the primary concern. For the compatibility and health and safety concerns the MOECC Guidelines D-6 should be consulted.

3.2 Places to Grow - Growth Plan for the Greater Golden Horseshoe

The Provincial Growth Plan for the Greater Golden Horseshoe (Growth Plan) was prepared and approved under the Places to Grow Act, 2005 and took effect on June 16, 2006. The Growth Plan was established to better manage growth in the Greater Golden Horseshoe to the year 2031. It applies to all of the municipalities within the Greater Golden Horseshoe including the Township of Wellesley. The Growth Plan is intended to guide decisions on a broad range of matters, such as transportation, infrastructure planning, land use planning, urban form, housing, natural heritage and resource protection, in the interest of better managing growth while promoting economic prosperity. Any planning decision of the Township Council must conform to the Growth Plan as implemented through the ROP. The key policy of the Growth Plan pertaining to settlement expansions include:

2.2.8 Settlement Area Boundary Expansions

1. The policies in this section apply only to the expansion of a *settlement area* within a municipality.
2. A *settlement area* boundary expansion may only occur as part of a *municipal comprehensive review* where it has been demonstrated that –

- a. sufficient opportunities to accommodate forecasted growth contained in Schedule 3, through *intensification* and in *designated greenfield areas*, using the *intensification target* and *density targets*, are not available:
 - i. within the *regional market area*, as determined by the upper- or single-tier municipality, and
 - ii. within the applicable lower-tier municipality to accommodate the growth allocated to the municipality pursuant to this Plan
- b. the expansion makes available sufficient lands for a time horizon not exceeding 20 years, based on the analysis provided for in Policy 2.2.8.2(a)
- c. the timing of the expansion and the phasing of development within the *designated greenfield area* will not adversely affect the achievement of the *intensification target* and *density targets*, and the other policies of this Plan
- d. where applicable, the proposed expansion will meet the requirements of the Greenbelt, Niagara Escarpment and Oak Ridges Moraine Conservation Plans
- e. the existing or planned infrastructure required to accommodate the proposed expansion can be provided in a financially and environmentally sustainable manner
- f. in *prime agricultural areas*:
 - i. the lands do not comprise *specialty crop areas*
 - ii. there are no reasonable alternatives that avoid *prime agricultural areas*
 - iii. there are no reasonable alternatives on lower priority agricultural lands in *prime agricultural areas*
- g. impacts from expanding *settlement areas* on agricultural operations which are adjacent or close to the *settlement areas* are mitigated to the extent feasible
- h. in determining the most appropriate location for expansions to the boundaries of *settlement areas*, the policies of Sections 2 (Wise Use and Management of Resources) and 3 (Protecting Public Health and Safety) of the PPS, 2005 are applied
- i. for expansions of *small cities and towns* within the *outer ring*, municipalities will plan to maintain or move significantly towards a minimum of one full-time job per three residents within or in the immediate vicinity of the small city or town.

The proposed settlement area expansion to accommodate additional employment lands complies with the policies of section 2.2.8. The need for the additional employment land has been justified within the planning horizon and is being undertaken as part of the ROP land budget which is part of the comprehensive review of the ROP. There are no appropriate uses that avoid prime agricultural lands and the impacts to surrounding agricultural uses are minimal. The policies of the PPS have been considered as part of this strategy.

3.3 Regional Official Plan

The Ontario Municipal Board approved a new Official Plan for the Region of Waterloo on June 18, 2015. The Regional Official Plan (ROP) establishes the overall policy framework for land-use planning within Waterloo Region including the Township of Wellesley. It allocates future population and employment growth to the Township, determines the reurbanization and density targets to be set out in the Township's Official Plan, and plays a critical role in coordinating infrastructure investments and other matters while allowing for effective local decision-making. The ROP also ensures that Provincial interests in planning matters, as expressed in the PPS, the Growth Plan and the Greenbelt Plan, are appropriately addressed. The policies of the new ROP related to settlement area expansions are discussed below:

3.3.1 Expansion of Township Urban Areas (TUA)

The expansion of Township Urban Areas, including the Village of Wellesley, may be considered through Policies 2.B.3 and 2.B.6 of the ROP. Both of these policies are noted below:

- 2.B.6 Future expansions to the boundaries of Township Urban Areas are only permitted onto lands within the Countryside Line as shown on Map 7 in this Plan, and will be subject to the following:
 - (a) the proposed expansion will be in conformity with the provisions set out in Policy 2.B.3 (a) to (g) inclusive; and
 - (b) the proposed expansion will maintain, or move significantly towards, a minimum of one full-time job per three residents within the Township Urban Area

- 2.B.3 Future expansions to the boundaries of the Urban Area are only permitted onto lands within the Countryside Line as shown on Map 7 where:
 - (a) the expansion is justified through the preparation of a Regional Land Budget completed by the Region as part of a five-year municipal comprehensive review of this Plan, or the completion of a municipal comprehensive review as otherwise initiated by Regional Council;
 - (b) the density targets and reurbanization targets contained in this plan have been met or exceeded for the Region as a whole, or it can be clearly demonstrated that achievement of such targets will not be hindered by the proposed expansion;
 - (c) sufficient opportunities to accommodate the population and employment forecasts in this Plan, through reurbanization and in Urban and Township Designated Greenfield Areas, are not available:
 - i) within the region as a whole; and
 - ii) within the applicable Area Municipality to accommodate the growth allocated to the Area Municipality by this Plan;

- (d) the expansion provides sufficient lands for a time horizon not exceeding 20 years, using the density targets, reurbanization targets and other policies in this Plan. In conformity with the provisions of subsection 2.B.3 (a) and the Schedule 3 2031B forecast of the Places to Grow: Growth Plan for the Greater Golden Horseshoe, and to further implement the Ontario Municipal Board decision relating to the final approval of this Plan, justification exists for the designation of a maximum of 170 ha of Urban Designated Greenfield Area for residential purposes over and above that included in the Urban Area as of the time of the final approval of this Plan. This additional land will be designated in accordance with the provisions of subsections 2.B.3 (i) and (j);
- (e) the existing or planned infrastructure required to accommodate the proposed expansion can be provided in a financially and environmentally sustainable manner and is consistent with any applicable Regional and/or Area Municipal infrastructure master plan;
- (f) the expansion is of a sufficient size to be developed as a complete community by itself, or can be integrated with existing development to contribute to a complete community;
- (g) any applicable watershed studies have been completed consistent with the policies in Section 7.F, prior to the approval of the expansion;

Any proposed expansions to the Wellesley TUA would require the approval of an amendment to the ROP. The TUA is not proposed to be expanded through this process.

3.3.2 Expansion of Rural Settlement Areas

A minor expansion of an existing Rural Settlement Area may be considered through ROP Policy 6.G.8 which states,

- 6.G.8 Area Municipalities, in collaboration with the Region, may give consideration to permitting a minor expansion to a Rural Settlement Area or Rural Employment Area to accommodate the future employment, recreational or institutional needs of the Township. Any such expansions will require an amendment to the Area Municipal official plan and will only be considered as part of the municipal comprehensive review of the Area Municipal official plan where:
- (a) sufficient opportunities to accommodate the proposed employment, recreational or institutional use within existing Township Urban Areas, Rural Settlements or Rural Employment Areas are not available; or
 - (b) the site is zoned for the specific use;
 - (c) within the Prime Agricultural Area designation:

- i) the land does not comprise a specialty crop area;
 - ii) there are no reasonable alternatives that avoid the Prime Agricultural Area; and
 - iii) there are no reasonable alternatives on lower priority agricultural lands in the Prime Agricultural Area;
- (d) the potential impacts on any surrounding agricultural operations are mitigated to the extent possible; and
- (e) the minor expansion complies with all other applicable policies in this Plan.

The proposed settlement area expansion to accommodate additional employment lands complies with the policies of section 6.G.8 of the Region of Waterloo Official Plan.

3.4 Township of Wellesley Official Plan

The Official Plan is the Township's central planning document that guides decisions on a wide range of issues, including land use, housing, infrastructure, environmental protection, resource management and other planning matters. It represents Township Council's vision for growth and change within the township to the year 2031, in the interest of promoting a sustainable, liveable and prosperous community.

In March 2014, Township Council adopted Official Plan Amendment No. 7 (OPA No. 7) in accordance with Section 26 the Planning Act. This section requires municipalities to, not less frequently than every five years, revise their Official Plans as required to ensure that it conforms to any changes in the Province's planning policies. In keeping with this requirement, OPA No. 7 updated the Township's Official Plan to bring it into conformity with the Growth Plan for the Greater Golden Horseshoe (2006), the new Provincial Policy Statement (2014), and the Region of Waterloo's new Regional Official Plan (ROP).

The Region of Waterloo subsequently approved OPA No. 7, in part, with modifications and the amendment came into effect on March 23, 2015. The Township Official Plan policies related to employment land strategy are contained in Section 1.9.1 of the OP as outlined below:

- 1.9.1 In conjunction with the approval of this Plan, and any future *municipal comprehensive reviews* of the policies and mapping of this Plan, Township Council will adopt by resolution, an Employment Land Strategy to outline how the Township will accommodate the employment forecasts shown in Table 1 of this Plan, and achieve the *reurbanization* and density targets set out in Sections 2.7.2 and 2.7.3 of this Plan.

The Policies of the Wellesley OP in relation to settlement area expansions replicate the policies that are contained in the ROP as noted above and have not been included in

their entirety. For reference these policies are contained in Sections 2.7.4 Urban Area Expansions/Rationalizations.

As noted earlier, when Township Council adopted OPA No. 7 in 2014, all the policies and maps in the new ROP were under appeal before the Ontario Municipal Board (OMB). Given that the growth allocation issue was still before the OMB, and that the Township's Official Plan had to conform to the area municipal growth allocations set out in the ROP, Township Council could not consider or propose the expansion of any existing settlement areas when it had adopted OPA No. 7. The appeals related to growth allocation have been resolved and the Regional Land Budget (June 2015) is the guiding document for allocation of growth in the Region. Based on the conclusions in the land budget the Township is now able to consider settlement area expansions for additional employment lands.

Similar to the PPS, the Township of Wellesley OP is intended to be read in its entirety, and all relevant policies are to be applied to each situation. Competing policy statements will require the decision maker to carefully consider the opposing factors to determine where the public interest and good planning principles lie, and ensure that no policy is given priority over any other policy.

Section 1.6 of the Official Plan establishes the goals, which reflects the values and principles of the residents within the Township and consistent with the vision and objectives found in the Regional OP.

- 1.6
- a) Agriculture – To preserve and protect the valuable farm lands in the Township of Wellesley not only for the production of food and other products, but also as an important component of the township's economic base, a source of employment and as a basis for the township's rural community.
 - c) Environment – To maintain, enhance or wherever feasible restore the quality of the environment and the long-term health of the ecosystems represented in the township while providing for the changing needs of the population. All other goals should attempt to satisfy the requirements of the environmental goal so as to improve the quality of life for residents.
 - h) Economic Development and Financial Stability – To promote the development of the Township's economic potential by ensuring the continuing expansion of the economic opportunities and diversification of the economic base, in accordance with the policies of this Plan.
 - j) Commercial and Industrial – To provide for a broad range of commercial and industrial activities and services to meet the diverse needs of the Township's residents and businesses, as well as to generate employment opportunities, within a strong commercial structure focused on Wellesley's Urban Growth Centre, the Core Areas of the Rural Settlement Area and other appropriately located Rural Employment Areas.

Policies a) and c) identify natural resources and maintaining the Township's agricultural identity of significant importance. Policies h) and j) note that it is important to provide adequate employment opportunities to support the economic growth and potential of the Township.

4.0 EVALUATION CRITERIA

Taken together, the Provincial, Regional and Township planning policy documents provide a framework for evaluating any proposed settlement area expansions to accommodate the Township of Wellesley's employment needs to 2031. These key evaluation criteria are summarized below:

- is the proposed expansion based on a review of population and growth projections which reflect projections and allocations by the Region to the Township;
- does the proposed expansion consider alternative directions for growth and determine how best to accommodate this growth;
- does the proposed expansion utilize opportunities to accommodate projected growth through intensification and redevelopment;
- the expansion considers the potential impacts on any adjacent agricultural operations, including any reductions in tillable soils or pasture land, or alterations to the configuration of tillable lands that negatively impact the long-term viability of the agricultural operations;
- the expansion conforms to the *minimum distance separation formulae*;
- is the proposed expansion integrated with planning for infrastructure and public service facilities; and
- does the proposed expansion consider cross-jurisdictional issues;
- does the proposed expansion comply with applicable planning policies.

5.0 GROWTH FORECAST AND DENSITY TARGETS

5.1 Regional Population and Employment Forecast

The Waterloo Regional Official Plan (Section 2.A.4) has forecasted that the Township of Wellesley will need to accommodate approximately 2,400 additional people and approximately 1010 additional jobs from 2006 to 2031.

Table 1: Population and employment forecasts – Waterloo Regional Official Plan

	POPULATION		EMPLOYMENT	
	2006	2031	2006	2031
Twp. Of Wellesley	10,100	12,500	3,290	4,300
Region of Waterloo	497,200	729,000	268,310	366,000

5.2 Employment Land Requirements

Based on the Region's Settlement Land Budget (June 2015), which was prepared as a part of the municipal comprehensive review and subsequent approval of the ROP by the Ontario Municipal Board, justification exists for the designation of additional employment land in the Township of Wellesley to accommodate the Township's forecasted employment growth to 2031. An analysis of the Township's existing and future employment patterns as well as its forecasted employment follows.

5.3 Existing Employment Patterns

Employment in the Township is concentrated in the Rural Settlement Areas and within the Countryside as secondary farm occupations. The Wellesley Township Urban area has a compact commercial core area but very little designated Industrial/Commercial lands. The following chart identifies the Industrial/Commercial Lands that are designated in the Wellesley OP.

Table 2 – Wellesley Official Plan Dry Industrial/Commercial Designation

Settlement Area	Industrial/Commercial Designation (ha)
Wellesley	4.22
Crosshill	1.99
Hawkesville	14.05
Heidelberg	0.25

Linwood	3.72
St. Clements	15.69
Wallenstein	3.76
Schneider REA	14.05
Martin REA	3.82
TOTAL	61.55

The majority of the lands within this designation are already fully developed.

For the purposes of this report, the Township’s employment activities were divided into six broad categories: 1) work at home; 2) population-related employment; 3) employment lands employment; 4) secondary farm use employment; 5) farm worker; and 6) no fixed workplace.

Within these broader categories there are concentrations of certain type of businesses in the Township. For example there are many contracting businesses located in the Township rural settlement areas and they are often attracted by cheaper land prices and large areas for outdoor storage. There are a number of homebuilders, renovators and construction companies included in this category.

With the large agricultural land base in the Township, agriculturally related and supporting businesses such as feed mills and grain elevators are an important part of the employment base. For example, Jones Feed Mill operates in several locations within the Township and is one of most prominent agriculturally related industries in Wellesley Township.

The Township Official Plan also allows for secondary farm uses that can locate on farm properties that are intended to supplement the farm income. These uses are limited to 557 m² building area. There are several hundred of these types of uses throughout the Township and they are generally involved in some type of manufacturing activity. Some of these uses directly serve the farm community by making farm wagons, farm gates and fencing, or horse harnesses. Many other businesses are woodworking related, or manufacture more traditional industrial products, including parts and supplies for the automotive industry. Wellesley is somewhat unique in the Region by having a large part of our industrial base dispersed and located on and operated as part of active farm operations, rather than the more traditional industrial parks within our settlement areas.

5.4 Future Employment Patterns

The future employment pattern in the Township is likely to be similar to that seen in the past. There will be additional secondary farm occupations that will be located on farms throughout the Township; however, this growth should slow in the future as the number of available locations is limited. The amount of industrial/commercial growth in the Rural Settlement Areas will be limited, because of the lack of designated employment lands. A limited amount of additional employment lands will be brought on stream

through this current review process. The Village of Wellesley is the only settlement with full municipal services and currently it has no vacant designated employment lands.

The Township can still be an attractive area for small to medium sized manufacturing if lands remain affordable and available for new and expanded businesses. The Townships proximity to the larger urban centers within the Region and access to the GTA will continue to be a strong incentive for businesses to locate in Wellesley. Given the relatively lower price of industrial land in Wellesley versus larger urban areas in the region, market demand exists for employment lands in Wellesley to accommodate smaller scale manufacturing operations on both urban and rural employment lands. However, given the lack of market choice to accommodate demand, land absorption within this sector has been constrained.

Lower land prices are often cited as a basis for a more competitive industrial market. While industrial land prices are lower in Wellesley, so too are the subsequent returns on investment, leading to a “build-to-suit” driven market with little speculative construction occurring. This limits market choice and the ability to attract users with development time frames that cannot be satisfied by “build-to-suit” options. Lower industrial land values also pose potential financial challenges regarding the extension and/or expansion of municipal hard services such as water, sewer, roads and storm water. Often the costs associated with developing fully-serviced or partially serviced employment areas can far exceed the market value of industrial land for municipalities outside of the larger urban municipalities.

Many industrial land inquiries in the Township involve accommodating expansions for existing businesses. To address these needs it is important to allocate any new Industrial lands throughout the Township. It has also been noted by staff at the Township that there are very geographic specific criteria for certain smaller businesses. Therefore, any new employment lands should be distributed strategically throughout the Township.

5.5 Methodology for Determining Land Needs to 2031

The methodology to determine the Township’s employment land needs followed five basic steps:

- 1) Review the Township’s historical and existing employment trends
- 2) Forecast the number of employees by employment category to 2031
- 3) Determine the amount of employment land needed to 2031
- 4) Determine the current inventory of vacant employment land
- 5) Compare future employment land needs with current supply of employment land

The primary data for this analysis is based on the 2001 and 2006 Census of Canada (and the 2011 National Household Survey) and the Region of Waterloo’s building permit database from 2011 to 2016. The Census (and the National Household Survey) collects employment data that includes place of work. Statistics Canada typically publishes this data according to the respondent’s place of residence (e.g., the number of residents in

Wellesley who work at a manufacturing-related workplace, irrespective of which municipality the workplace is located in). While this information is useful to understand the employment profile of a municipality's residents, it does not provide an accurate picture of the community's employment base.

To help overcome this problem, and to better assess the Township's employment land needs, the data in this report is based on custom tabulations provided by Statistic Canada that provides employment data by place of work rather than place of residence (e.g., the number of manufacturing-related workplaces in Wellesley, regardless of which municipality the employee is from). From a planning perspective, this information provides for a better analysis of the Township's current and historical employment patterns.

One of the difficulties with place of work data in rural communities is that Statistics Canada finds it challenging to locate places of work exactly. As a result, many jobs are simply assigned to 'somewhere in the township' rather than to specific addresses. To help alleviate this problem, the Region apportions the Statistics Canada numbers to addresses based on known square footages derived from assessment data, building permits and air photos.

5.6 Township's Historical and Existing Employment Trends

For the purposes of this report, the Township's employment activities were divided into six broad categories: 1) work at home; 2) population-related employment; 3) employment lands employment; 4) secondary farm use employment; 5) farm worker; and 6) no fixed workplace.

The work at home category includes employees who work in the same building as their place of residence, building superintendents and teleworkers who spend most of their work week working at home.

Population-related employment refers to employment that primarily serves the local population. Examples of such jobs include people working in retail, education, health care, accommodation and food services.

The employment lands employment category, which is the focus of this report, includes a wide variety of jobs that occur on lands set aside for industrial and commercial purposes. This category generally includes jobs in manufacturing, warehousing, wholesaling, construction and agriculture-related industries.

The fourth category, secondary farm use employment, refers to a range of economic activities that occur on various farm properties. These activities, which are intended to be secondary to the principal agricultural use of the property, include a range of commercial and industrial activities that provide an opportunity to supplement and diversify farm incomes.

The farm worker category refers to a range of traditional farming activities, including the growing of crops, raising livestock, maple syrup production, and other similar farm jobs. There is some overlap between farm workers and the work at home category.

The no fixed workplace category includes persons who do not go from home to the same workplace location at the beginning of each day. Such persons may include building and landscape contractors, travelling salespersons, independent truck drivers, and other similar jobs.

As shown in Table 1, the Township had an estimated 3,709 jobs in 2011, the latest year for which Statistics Canada data is available. Farm worker employment represents a significant part of the Township's economy, accounting for an estimated 883 jobs or 23% of the Township's total workforce in 2011. There were approximately 732 jobs (20%) in the secondary farm use employment category, 583 jobs (16%) in the population-related employment category, and 550 jobs (15%) in the employment lands employment category.

Table3: Historical Employment Township of Wellesley 2001 - 2011

	Work at Home	Population-Related	Employment Lands	Secondary farm use	Farm Worker	No Fixed Workplace	Total
2001	495	475	363	474	780	395	2,982
2006	550	530	330	565	675	455	3,105
2011	497	583	439	732	863	595	3,709

Between 2001 and 2011, the number of jobs in the employment lands employment category increased from 363 to 439 jobs, representing an average annual growth rate of 2.1%. The relatively slow growth in this category is likely related to the ongoing restructuring of Ontario's economy, including a gradual shift from manufacturing jobs to service sector jobs. However, this trend does not mean the Township should not plan for an adequate supply of employment land. This is because Wellesley's employment land is used by a variety of industrial uses, not just manufacturing-related activities.

Over the same period, the Township's highest job growth occurred in the secondary farm use category, which grew by an average annual rate of five per cent from 474 to 732 jobs. Based on our records, these farm shops have an average size of approximately 5,100 square feet. The Township does limited tracking of the number of employees in these farm shops, but based on our knowledge of these farm shops they average between three and four employees per shop. The growth in this employment category over the past decade may in part be attributed to the changing nature of agriculture in Ontario and the trend towards on-farm diversification. It is evident that some farmers in the Township have been turning to secondary farm uses to supplement farm income.

5.7 Employment Forecast to 2031

As shown in Table 4, the Township is anticipated to add approximately 1,195 new jobs between 2006 and 2031, representing an average annual growth rate of 1.5%. This employment forecast was obtained from the Township's current Official Plan, and is based on the municipal allocations of the population and employment forecasts set out in the Regional Official Plan (2015).

Table 4: Employment Forecast, Township of Wellesley 2006 - 2031

	Work at Home	Population-Related	Employment Lands	Secondary farm use	Farm Work	No Fixed Workplace	Total
2006	550	530	330	565	675	455	3,105
2031	570	700	600	950	730	750	4,300
Change	20	170	270	385	55	295	1,195

Source: Statistics Canada and Region of Waterloo

Employment growth to 2031 is forecast to generally follow the Township's historical employment patterns, with some minor adjustments to account for the employment trends noted above. The employment lands employment category is anticipated to increase by 270 jobs from 2006 to 2031, representing an average annual increase of 3.3 percent. Over the same period, the secondary farm use employment category is anticipated to have lower growth than in the past as the land base for new farm shops is fixed and new available locations will shrink over time. The growth in these businesses is forecast to average of 2.7 percent annually for a total of 385 new employees in 2031.

As with any forecasting exercise, there is some degree of uncertainty in making assumptions about the future. Consequently, the above forecasts should be interpreted with care and reviewed again as part of the next municipal comprehensive review of the Regional Official Plan.

5.8 Land Needs Associated with Employment Growth 2006 to 2031

The amount of land needed to accommodate the Township's employment growth depends in large part on the type of employment activity. For example, the Township's population-related employment growth (e.g., schools, local stores, health care services and places of worship) will occur primarily in settlement areas and will be planned as part of new residential developments. Similarly, the anticipated growth in the secondary farm use employment category will occur on existing agricultural properties and will not trigger the need for a settlement expansion.

Table 3 illustrates the amount of land needed to accommodate the Township's anticipated growth in the employment lands employment category. As noted above, the

Township’s employment land category is anticipated to increase by 270 jobs between 2006 and 2031. For this purposes of this report, the Township’s employment land needs were estimated using three broad employment density categories (i.e., 40 jobs per hectare, 25 jobs per hectare, and 20 jobs per hectare).

Table 5: Employment Land Needs, 2006 - 2031

Employment growth 2006 to 2031	270 employees
Land needs at 40 jobs per hectare (served Designated Greenfield Area)	7 hectares
Land needs at 25 jobs per hectare (unserved Designated Greenfield Area)	11 hectares
Land needs at 20 jobs per hectare (unserved Rural Settlement Area)	14 hectares

The above density categories provide a general estimate of how much employment land the Township would require depending on where the land would be located. For example, under the Regional Official Plan, any employment areas located within a served Designated Greenfield Area (e.g., Village of Wellesley) must be planned to meet or exceed a minimum employment density of 40 jobs per hectare.

Any new employment lands identified through this process will be added to existing rural settlement areas. The average employment density in these rural settlement areas is approximately 20 jobs per hectare. As a result, there would be a need for approximately 14.0 hectares of employment land.

5.9 Current and Future Density Trends

The Township of Wellesley has a variety of dry industrial businesses including milling, custom wood and metal working, excavation and contract building. Large, unserved industrial operations, such as feed mills, require a significant quantity of land, but do not necessarily require large numbers of employees. On the other hand, industries such as building contractors and custom woodworking are more labour intensive and require less land, particularly if their work is done off-site.

The Region of Waterloo has established a density target to 25 jobs per hectare for unserved non-residential *designated Greenfield areas* of the Townships. The ability to achieve this density target is dependent on the type of industries which will locate on the newly designated lands.

To gain a better understanding of the Township’s current jobs per hectare density, Township staff surveyed nine of the major dry industrial employers in Wellesley Township. The businesses included woodworking, metal working, processing, feed milling and construction contractors.

As expected, there was a wide range of densities. Three of the surveyed industries met the Region’s density target of 25 jobs per ha. All together, these three businesses employ 86 people on a total of 2.2 ha of land.

Two of the industries surveyed fell just under the 25 jobs per ha target. All together, these two businesses employ 54 people on a total of 2.34 ha of land.

The other industries surveyed had a much lower employment density. All together, these four businesses employ 128 people on a total of 16.24 ha of land.

The Township anticipates attracting more employment uses that have a low job per hectare density (low employment and high land use), thus making meeting a density of 25 jobs per hectare more challenging.

5.10 Supply of Lands for Employment Lands Employment

To support job growth and economic vitality, the Township must plan to maintain an adequate supply of “shovel-ready” employment land. Although the Township may have several vacant properties currently designated for employment purposes, the lands may not be located in the areas where demand exists, or the owner may choose not to put the lands to market. This could lead to a situation where the Township has a sufficient supply of employment land, but a shortage of “shovel-ready” lands.

5.11 Available Lands

The Township has limited vacant lands currently designated for employment purposes. The following table contains a list of the lands that area available and vacant.

Table 7 – Approved Employment Land Areas

	Address	OP Designation	Area	Net Area *
1	1390 Hutchison Road	Schneider Rural Employment Area	11.1 ha	8.75 ha
2	Hutchison Road (Pt 2 Plan 58R-18073)	Wellesley Rural Employment Area (proposed vet clinic)	1.6 ha	1.6 ha
3	Herrgott Road	Dry Industrial/Commercial (St. Clements)	5.84 ha	3.8 ha
4	1023 Industrial Cres	Dry Industrial/Commercial	0.2 ha	0.2 ha
5	2593 Herrgott Road	Dry Industrial/Commercial	0.2 ha	0.2 ha

*Total area of lands minus environmentally constrained lands.

Site 1 – 1390 Hutchison Road

These lands are designated as a Rural Employment Area in the Township Official Plan. The property has been designated in the Township Official Plan for Industrial/Commercial purposes since 1998. Prior to bringing these lands into the Official Plan designation the property was zoned for industrial purposes as these lands were part of a former cheese factory. The former cheese factory building has been redeveloped for industrial use. The Official Plan designation was placed on these lands in 1998 to facilitate the future development of these lands through a plan of subdivision. In the intervening 18 years only two lots have been developed at the front part of these lands.

The development potential of these lands is limited primarily by a wetland feature in the middle of this land. There is also a provincially significant wetland feature in the north-east part the property that is partly on this land and the neighbouring land at 1430 Hutchison Road. These two wetland features are 1.3 hectares in area. The wetlands are unlikely to be developable; therefore, the exact area available for development will need to be determined through an environmental impact statement to determine the appropriate development limits on these lands.

Township staff has had several recent conversations with the landowner about the development of these lands. The landowner has indicated that because the environmental features impact the lot yield, and the costs to construct a road on this site, they are looking at options to make this development feasible. One of these options is to scale back the size of the development. There has been little progress on behalf of the owner to complete development of this property and the future development yield of these lands is limited. The most likely scenario for development of these lands is for the existing businesses to expand onto part of these lands or for one business to purchase the remainder of the lands and use them for their own purposes.

Site 2 – Hutchison Road

These lands are within the Wellesley Rural Employment area identified on Map 14 of the Wellesley Official Plan. These lands were severed in 2013 for future development as a veterinary clinic. The Wellesley Vet Clinic proposes to move from their current location in Wellesley to this site. The site is vacant, but is committed for development by the current owner.

Site 3 – Herrgott Road – St. Clements

These lands were brought into the Settlement Area of St. Clements in 2003. In 2013 the lands were severed into 5 lots. These lands abut a significant wetland feature and require the completion of detailed site plans and other studies in accordance with the requirements of the GRCA, MNR, Region of Waterloo and Township of Wellesley. The abutting environmental lands will restrict the total lands available for development and an allowance has been made for this in Table 7.

These lands have been available for purchase since 2013 and no development has occurred. These are the only shovel ready employment lands that the Township has at this time. These lands are available for development and have been accounted for in the overall employment lands for the Township.

Site 4 – 1023 Industrial Crescent (Lot 21, Plan 1667)

These lands are 0.2 ha in area and are currently vacant. The owner of these lands also owns two abutting lots that are currently developed and it is anticipated that this lot will be used as part of this owners business. Consequently these lands have not been included as part of the available lands for purposed of the employment lands forecast.

Site 5 – 2593 Industrial Crescent (Lot 1, Plan 1667)

This lot is 0.2 ha in area and does not have any buildings. There are no buildings on this site, but there is a gravel yard area which is used for outdoor storage and parking. Notwithstanding that there are no buildings on this site, it is being used for storage and these lands have not been included as part of the available lands for purposed of the employment lands forecast.

6.0 ALLOCATION OF LANDS

The above analysis of employment lands needs has identified that the Township requires 14.0 hectares of additional employment lands for the period 2006 to 2031. From these 14.0 hectares the shovel ready lands and any lands added through OPA since 2006 need to be discounted. The following table outlines the parcels of land to be removed from the 14.0 hectares.

Table 8 – Approved Employment Land Areas

Property	Area	Notes
Herrgott Road Land	3.8 ha	5 lots with some environmental constraint areas
Hutchison Road Lands	1.6 ha	Added through OPA #4
1270 Geddes Street	3.7 ha	Added through OPA #5
Total	9.1 ha	

In general any new employment lands should be allocated to one of the rural settlements areas rather than the Wellesley Township Urban area. The expansion of the Wellesley Settlement area to add employment uses should only be done following a full planning review of future growth needs for the Wellesley settlement area. This would include a review of appropriate servicing expansions as well as future land use patterns for the Township. In the absence of a plan for expansions in Wellesley it is premature to allocate any of this employment land to the Wellesley Settlement Area.

6.1 Hawkesville

The Hawkesville settlement has a large number of existing businesses and currently has 14.05 hectares of lands designated Dry Industrial/Commercial in the Official Plan.

Chervin Custom Woodworks had previously applied for approval to allow for an expansion onto lands they own to the north of their existing location. These applications had been put on hold to allow for the Township to undertake this employment land strategy.

These lands identified as proposed new employment lands on Map 1, are approximately 3.69 hectares in area. These lands are currently vacant and are adjacent to industrial and institutional uses to the west and residential use to the north and east. This parcel is currently designated as Prime Agricultural in the Township Official Plan. Over time smaller parcels have been severed from these lands for both residential and industrial purposes and the Hawesville settlement area has grown to encompass this property on three sides. The parcel is too small and constrained by the surrounding uses to be used for any significant agricultural uses. Expanding the Hawkesville settlement area boundary to include these lands will not impact any properties surrounding the settlement area. The only active farm property in proximity to this site is at 3935 Herrgott Road. A settlement area in proximity to an agricultural operation has several potential impacts including, Minimum Distance Separation (MDS) requirements that could impact the location of barns on the property as well as potential nuisance complaints from non-farm uses. Adding this particular parcel to the settlement area will not add significant additional constraint to lands outside of the settlement area.

Designating these lands for employment uses will have impacts to existing properties within the settlement area. The primary impact would be from noise generated by the Chervin operation and vehicular movement on the site. Chervin had prepared a noise and land use compatibility study in 2014, and provided an update in 2016. Within this noise study there are recommended setbacks of 20 metres from the adjacent residential properties as well as a 3.0 metres high noise barrier, which can be an earthen berm or combination of berm and noise fence. With these mitigation measures in place the proposed expansion of Chervin onto these lands would be in compliance with the requirements of the MOECC Noise guidelines. If these lands are designated for employment uses through an Official Plan amendment to expand the settlement area, further details of the development will be identified and controlled through zoning by-law amendment and site plan.

An employment lands strategy was prepared in 2012 that recommended these lands be used for residential purposes. The lands adjacent to this site (Orville Court) were developed in the last few years and due to the type of soils in this area and the area required to accommodate a septic bed, each lot had to be greater than 1.0 hectare in size. Continuing to consider the Chervin lands for residential purposes when lots are required to be a minimum of 1.0 hectare in size is an inefficient and poor utilization of

land. The planning department does not recommend that these lands be used for residential purposes.

Adding the whole area into the settlement area for employment lands will use up approximately 75% of the available designation. All or part of these lands should be considered to be designated for future employment lands. It is preferable to designate all of these lands at this time. Although not all of these lands would be used immediately, Chervin has indicated that their plans for expansion, additional parking and storm water management requirements will require most of this area.

6.2 Wallenstein

The Wallenstein settlement area comprises two clusters of properties along Line 86. Both areas have a mix of residential, commercial, dry industrial and institutional uses. Residential is the predominant use within the Wellesley side of Wallenstein with one large industrial property at 7212 Line 86. There is a small area (1.1 ha) immediately to the east of these lands that could be considered for additional employment lands. This area abuts a school property and would not have a significant impact on the surrounding farm properties.

Any other location within this settlement area would have a greater impact on the viability of neighbouring farms. The potential for land use conflict between the residential uses and potential industrial uses is also a concern with introducing new industrial uses into other parts of the settlement area. The Region of Waterloo has provided comments on this proposal and identified that there are restricted sight lines on Line 86 in this location, which will impact access to these lands. As a result of these access concerns staff are not recommending that these lands be designated for employment uses at this time.

6.3 Crosshill

The Crosshill settlement area currently has a mix of residential, institutional, commercial and industrial uses. The majority of the settlement area is designated residential, with one main area of dry industrial/commercial designation on the north-west side of Crosshill. Those lands are used as a livestock assembly and trucking facility. Expanding the settlement area and adding additional employment area further to the west will impact adjacent non-farm residents in this area. There are also farm/livestock operations further to the west that would be impacted by a settlement area expansion to the west.

There are lands on the south-east side of Crosshill that could be considered for designation of dry industrial/commercial use. These lands are part of a 39.5 hectares farm parcel and removing 1.21 hectares from these lands should not significantly impact the viability of the remaining farm parcel. These lands abut on the west side to two residential properties with site specific zoning allowing industrial/commercial uses. Similar to other locations in Crosshill there are residential properties in proximity to

these lands. The details of specific uses on these lands and requirements for buffering can be determined through a zoning by-law amendment and site plan.

There are two smaller farm parcels to the east at 4600 Lobsinger Line and 4609 Lobsinger Line. The proposed expansion of Crosshill would move the settlement boundary closer to these properties. The settlement area expansion meets the required MDS Setback from the existing livestock facilities on these lands. Also, the ability of these farms to expand their livestock facilities is already limited by the existing Township property, which is closer to these barns than the settlement of Crosshill.

6.4 Linwood

The Linwood settlement area currently has a mix of residential, institutional, commercial and industrial uses. The largest industrial use in the settlement area is Jones Feed Mill. They have steadily expanded within their lands in the south-east corner of Linwood and currently have approximately 8.7 ha (21.5 acres) of land zoned both within the settlement area and outside of the settlement area. The zoning allows for a feed mill use on these lands. It is our understanding that Jones Feed Mill also owns 1001 Isabella Street which is a 20.5 ha (50 acre) property abutting their current site to the east.

During the preparation of the 2012 Employment Lands Strategy consideration was given to adding the lands at 1001 Isabella Street. These lands are larger than the 4.85 hectares of land that is identified as additional employment lands and consequently cannot all be added. These lands have access to Isabella Street and Manser Road. The Manser Road access is located between two residential properties and is not the preferred location for a new industrial entrance. The access from Isabella Street is within the GRCA regulated area as a result of the watercourse and slope issues in this location. These lands are not suitable for intensive agricultural uses, due to their size, limited access and location adjacent to the settlement area. This site could be considered for a future agriculturally related industrial use, without having to be located in the settlement area. This would include future expansion of the Jones Feed Mill use.

There are other higher priority lands that staff recommends for settlement expansions. For these reasons staff does not recommend that these lands be brought into the settlement area at this time.

6.5 St. Clements and Heidelberg

The settlement areas of St. Clements and Heidelberg are both located with the “Protected Countryside” designation on Official Plan map 10. The Protected Countryside policies in section 3.8 of the Official Plan are intended to protect this area from future development and prohibit future expansions of these settlement areas for new uses.

As a result of these policies staff is not recommending that any additional employment lands be allocated to these two settlement areas.

6.6 Bamberg/Paradise Lake/Kingwood/Macton

These four settlement areas are primarily residential settlement areas. Introducing employment land uses into these settlement areas, that could include dry industrial and commercial uses is not recommended. These settlement areas should remain residential in nature.

6.7 Wellesley

Although Wellesley does not currently have any vacant employment lands, staff do not recommend any additional lands be added to the village at this time. Before Wellesley is expanded and employment lands are added, a more comprehensive review of future development should be undertaken for the entire settlement area. It is important to look at the future of Wellesley for employment growth and residential growth together rather than designating lands in a piecemeal basis.

When the process of designating additional employment lands has been completed the Planning Department will start the process of looking at future growth and development in the Wellesley settlement area. Further information will be brought forward to Council prior to commencement of this study.

6.8 Rural Employment Areas

The Township Official Plan designates three Rural Employment areas; Wellesley Rural Employment Area, Schneider's Rural Employment area and M.K. Martin Rural Employment Area. At this time the Planning Department is not recommending that any expansions be considered to these areas. These designations apply to areas with a small cluster of commercial/industrial uses. Expanding these areas will have an impact on the surrounding agricultural uses. Also, there has been no identified need for additional lands in these locations.

7.0 LAND USE COMPATIBILITY

The Ministry of the Environment's "D" Land Use and Compatibility Guidelines should be consulted when a proposed change in land use will put potential incompatible uses together. The D-Series Guidelines are intended to inform municipalities when drafting and implementing planning policies and documents such as its official plans and zoning by-laws. For example, the D-6 Guideline is "intended to be applied in the land use planning process to prevent or minimize future land use problems due to the encroachment of sensitive land uses and industrial land uses on one another". Notably, the D-Series Guidelines are simply guidelines and, as a result, are not binding upon the Ministry or municipalities. The Guideline identifies the Ministry's recommended separation distances and other control measures to prevent or minimize potential adverse effects due to land use changes. The "D6" Guidelines contain a chart which categorizes industries into one of three different classes based on its operational aspects.

A Class I industrial facility is classified as a small scale, self-contained facility which stores its products indoors and infrequently produces emissions. Operations of Class I industrial facilities are restricted to daytime hours (7:00 AM to 7:00 PM) and there is infrequent movement of trucks around the facility. Class II industrial facilities are medium scale processing and/or manufacturing with outdoor storage of wastes or materials, which has the potential of creating periodic outputs of emissions and disturbance. Shift operations are permitted, resulting in operation of the facility outside of regular daytime hours and frequent movement of products and/or heavy trucks during daytime hours.

The MOECC Guidelines state a recommended separation distance of 20 m for Class I industry and 70 m for Class II industry. The use of the employment lands proposed to be added in Hawkesville is known to be the expansion of the Chervin Custom Woodworks. The use of the proposed employment lands in Crosshill and Wallenstein would be new uses. The Crosshill lands are proposed to be used for a butcher shop with processing and retail components. There is no known specific use for the lands in Wallenstein.

In a Noise Compatibility Study undertaken for Chervin in 2014 and updated in 2016, the operation of the facility was classified as a Class I industry, where a 20 m setback was deemed to be sufficient. At the time, Chervin's operation was restricted to daytime hours, outdoor storage was contained within trailers, and trucking was relatively infrequent. On September 19, 2016, Chervin was issued an Environmental Compliance Approval, subject to a list of terms and conditions. One of the outlined conditions requires that Chervin restrict its operations to the daytime period (between 7:00 AM and 7:00 PM). Chervin has prepared Land Use Compatibility Studies (Noise) and these Noise Compatibility Studies prepared for Chervin acknowledges that Chervin exhibits some characteristics of both a Class I and Class II industry.

The Township recognizes the importance of maintaining compatibility between land uses to maintain healthy, livable, and safe communities. Section 4.4.6 of the MOECC Guidelines D6 and Section 6.1 of the Township Official Plan strongly encourage consideration of land use compatibility when carrying out planning decisions.

To ensure sufficient separation between incompatible land uses, Section 6.1.2 of the Official Plan states that “The Township will prevent or minimize potential *adverse effects* due to the encroachment of *sensitive land uses* and potentially incompatible uses on one another. Compatible uses may be encouraged as a buffer between *sensitive land uses* and industrial areas, where the intervening use is compatible within both industry and the *sensitive land use*.” Section 6.1.3 states “Effective separation distances for minimizing the impacts of industrial activities on surrounding *sensitive land uses* will be applied by the Township in consultation with the Region and the Ministry of the Environment’s D-Series Guidelines.”

Hawkesville currently has existing industrial lands located in proximity to sensitive uses without buffers. These situations have resulted from historical uses of these lands and in some cases these uses may be compatible without specific buffers because of the nature of the uses. The lands proposed in Crosshill would be adjacent to residential properties that have been given site specific zoning permissions for industrial uses and across the road from existing residential uses. The lands in Wallenstein are located between an existing industrial use and an institutional use.

To ensure future industrial uses will be compatible with the surrounding land uses, the Township should implement specific Official Plan regulations to help guide appropriate development within the proposed employment lands. The MOECC Land Use Compatibility Guideline (D-1) states that the preferred approach to dealing with incompatible land uses is having an adequate separation distance. These guidelines also state that separation of incompatible lands uses should not result in the freezing or denying usage of the intervening land. In addition to separation distance, adverse effects may be able to be minimized or prevented at the site specific planning stage by incorporating other buffering techniques. Other types of buffers, on a case-by-case basis, may include berms, walls, fences, vegetation, and/or location and orientation of buildings and activity areas.

To be effective, a buffer must be appropriately designed, constructed and maintained. The buffer should permit the normal functioning of the two incompatible uses without conflict. There are a number of means and approaches that can be used to assist in achieving compatibility among land uses. The Township Official Plan currently sets out policies identifying the need to address land use compatibility. For the proposed settlement area expansions more site specific policies could be considered to address compatibility concerns. The Official Plan policies are implemented through zoning by-laws that contain specific regulations for permitted uses, required setbacks and other matters as appropriate. Any development on these new employment lands will also be subject to site plan control. Through the site plan process the finer details of site development including such matters as building location and massing, access, outdoor

storage, parking, landscaping, grading, etc. can be regulated and monetary deposits can be taken to ensure that any mitigation requirements are installed.

The MOECC D-6 Guidelines contain definitions of Classes of industry as well as areas of influence and recommended setbacks. The following are the definitions of a Class 1 and Class II Industrial Facility.

Class I Industrial Facility

A place of business for a small scale, self contained plant or building which produces/stores a product which is contained in a package and has low probability of fugitive emissions. Outputs are infrequent, and could be point source or fugitive emissions for any of the following: noise, odour, dust and/or vibration. There are daytime operations only, with infrequent movement of products and/or heavy trucks and no outside storage.

Class II Industrial Facility

A place of business for medium scale processing and manufacturing with outdoor storage of wastes or materials (i.e. it has an open process) and/or there are periodic outputs of minor annoyance. There are occasional outputs of either point source or fugitive emissions for any of the following: noise, odour, dust and/or vibration, and low probability of fugitive emissions. Shift operations are permitted and there is frequent movement of products and/or heavy trucks during daytime hours.

For the lands in Hawkesville, the Noise and Compatibility study prepared by the applicant has categorized the Chervin use as a class 1 industrial use. The Region of Waterloo reviewed the Noise and Compatibility Study and concurred with the Class 1 industrial classification.

The intent of this Employment Land Strategy is to identify employment land needs and designate lands as employment through an Official Plan amendment. The lands will not be zoned for specific uses as the landowners will need to provide specifics of uses and detailed development proposals to support specific zoning by-law amendments on these lands. The Region of Waterloo has provided circulation comments and is supportive of this approach as it will permit the evaluation of site specific land use compatibility and transportation impacts at a later stage when complete details of the developments are known.

8.0 CONCLUSIONS AND RECOMMENDATIONS

- The Employment Land Strategy and Regional Land Budget Wellesley identified a need for an additional 14 hectares of employment land within the planning horizon.
- Some new employment lands have been added within the planning horizon previously and accounting for these areas leaves a total of 4.9 hectares of new employment lands that can be designated at this time.
- The evaluation criteria outlined in Section 4.0 of this strategy have been met with regard to the recommended settlement area expansions.
- It is recommended that the Township consider allocating these new employment lands, in Crosshill and Hawkesville. The potential additional location of Wallenstein has constraints due to access.