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To	Mayor A. Nuttall and Members of Council
Subject	Joint Land Needs Assessment Verification of Industrial Land Needs
Date	March 5, 2025
Ward	All
From	S. Schlichter, Director, Economic & Creative Development
Executive Member Approval	M. Banfield, RPP, Executive Director of Development Services B. Araniyasundaran, P.Eng. PMP, General Manager, Infrastructure & Growth Management
CAO Approval	M. Prowse, Chief Administrative Officer

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The purpose of this Memorandum is to provide members of Council with information concerning direction motion 24-A-130 from December 11, 2024, in which Council requested that as part of the report back on the Joint Land Needs Assessment, that staff verify the developable industrial land needs identified by Hemson.

To support providing a response to Council's direction on this matter, staff from Corporate Asset Management (CAM), Development Services, and Economic & Creative Development (ECD) met with representatives of Hemson on January 21, 2025. The purpose of this meeting was to verify the process undertaken by Hemson in its review of the data provided by the City and to identify where potential discrepancies in the interpretation of the future development prospects of the City's inventory of designated employment lands.

## Key Findings

### Hemson's Methodology in Determining the Developable Industrial Lands Needs

Based on the conversation with Hemson, staff do not dispute its methodology through this most recent stage of the Joint Needs and Analysis Study.

Hemson's methodology generally appears to have assessed available lands from a gross hectares of designated employment lands perspective, less Natural Heritage System (NHS) features as outlined in the Official Plan mapping. Hemson leveraged recent aerial photography and site visits to ultimately determine their developable industrial land needs.

Given that the developable limits of a site are refined through a development application, in which an Environmental Impact Assessment (EIA) is completed to ultimately determine the net development of a site, the Official Plan Natural Heritage System mapping is the most appropriate data to use to determine net developable lands at a high level.

## City of Barrie Employment Land Strategy

On November 13, 2024, staff provided a confidential report to General Committee related to an update of the City's Employment Lands Strategy (ELS), which was subsequently adopted by Council on November 20, 2024 via Motion 24-G-239.

The approach used by staff in the update of the ELS varies in methodology from what was completed by Hemson under the Joint Needs and Analysis Study, as the purpose of the strategy update was to focus on identifying the 'investment readiness' of developable acreage for employment uses. This assessment involved a granular, 'ground-truth' degree of analysis.

Staff in ECD, in close consultation with counterparts in CAM and Development Services, developed an assessment of the City's employment lands through the definition of 'investment readiness' as those sites that are fully serviced or readily serviceable (e.g. water, wastewater, electricity, natural gas, telecommunications) and free (or largely free) of major development constraints (e.g. appropriate zoning is in place, limited environmental or natural heritage considerations) for the purposes of addressing current market needs. A series of scenarios were developed that did not address lands that are not serviced and outside of the 2025-2035 capital plan.

Considerations such as long-term future infrastructure development requirements and land development limitations such as challenging site topography or overall configuration were also taken into account. In cases where an EIA has been previously completed for a site, further refinement of the development limits is reflected in also staff's inventory.

As such, the data provided by Hemson for their analysis focused on identifying all vacant employment lands, and differed from the City's assessment in the following areas:

- lands with recently approved development applications;
- lands outside of 2025-2034 capital plan – at the time of writing of the staff report;
- and lands in which the City knows to have constraints (contamination, topographical, environmental features etc.)

Upon review of Hemson's data in comparison to the City's assessment of 'investment-ready' sites, some discrepancies were identified due to staff's more inherent, intimate knowledge and understanding of the local context. This provides for the ability to further refine the net developable acreage of individual properties than would have been addressed through the scope of work applicable to Stages 1 and 2 of the Joint Needs and Analysis Study.

### Analysis

Staff looked at 8 recently approved employment divisions and site plans, to determine the average amount of land that is developable based on recent examples. Subdivision developments generally have less developable areas, as they require internal roads, servicing and stormwater management. It is reasonable to assume that 75% of the gross area for an industrial subdivision or site plan is developable. Site plans can have a much higher developable area; however, this is dependent on site specific environmental features.

Address	Lot Area (ha)	Development Area (ha)	% Developable	Development Type
1 Big Bay Point Road	13.869	12.4821	90%	Site Plan
40 Harvie Road	38.05	28.4	75%	Subdivision
45 McKay Road	40.84	31.3	77%	Subdivision
50 Welham Road	26.06	15.948	61%	Subdivision
80 Big Bay Point Road	15.61	9.68	62%	Subdivision
80 Saunders Road	0.469	0.4221	90%	Site Plan
140 Lockhart Road	37.15	28.21	76%	Subdivision
545 Dunlop Street West	8	5.88	74%	Site Plan
<b>AVERAGE</b>			<b>75%</b>	

## Background Information

### Recent Changes to the Definition of Employment in the Provincial Policy Statement

- On October 30, 2024, Council received a memo which outlined the changes within the issuance of a new Provincial Planning Statement, 2024 (PPS 2024) by the Ministry of Municipal Affairs and Housing (MMAH), that will replace the Provincial Policy Statement, 2020 and A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019.

#### Highlights of changes related to employment

<b>Employment Area Definition</b>	<ul style="list-style-type: none"> <li>employment area definition scoped to exclude institutional and commercial uses, including those retail and office uses not associated with a primary employment use</li> </ul>
<b>Employment Area Conversions</b>	<ul style="list-style-type: none"> <li>allows removal of land no longer required for employment area uses (formerly employment conversions), subject to criteria including need</li> <li>such removals are no longer required to be considered as part of a municipal comprehensive review (Growth Plan) or an official plan review or update (2020 PPS)</li> </ul>
<b>Compatibility</b>	<ul style="list-style-type: none"> <li>overall strengthening of policy requirements for land use compatibility between sensitive land uses and employment areas</li> </ul>

- On February 26, 2025, staff are holding a public meeting for a staff initiated Official Plan Amendment to update the Official Plan to conform with the PPS 2024, included in this update is a change to the definition of Employment Area from the previous Provincial Policy Statement (2020).
  - **Employment area:** means those areas designated in an official plan for clusters of business and economic activities including, ~~but not limited to,~~ manufacturing, research and development in connection with manufacturing, warehousing, offices, and goods movement, associated retail and office, and ancillary facilities. An employment area also includes areas of land described by subsection 1(1.1) of the Planning Act. Uses that are excluded from employment areas are institutional and commercial, including retail and office not associated with the primary employment use listed above.
- As a result of the change in the definition of employment lands, all the lands currently designated in the Official Plan as Employment Area – Non-Industrial are required to be removed from Employment areas in Map 1 – Community Structure.
- All lands designated as Employment Area – Non-Industrial are proposed to be redesignated as “Business Commercial”.
- There are 340 ha of Employment non-industrial lands that will be removed from employment areas. **However, these lands and uses that exist today can continue to exist and the lands will continue to act as an employment generator as they do today. These lands can also continue to be used for industrial purposes so long as they are not conflict with any sensitive land uses, but they will not necessarily add more jobs in Barrie.**
- The change in definition now allows the remaining 1,455 ha of employment lands; Employment Industrial and Employment – Restrictive designation to be protected for prime employment uses (industrial, manufacturing uses).
- Municipalities can consider the removal of land from employment areas at any time, including requests from landowners. The tests to be met include establishing that there is a need for the removal, and that the land is not required for employment uses over the long term. The absence of the municipal comprehensive review process for employment conversions places a risk to Barrie’s integral employment lands. Long-term uses and impact to the integrity of the employment land base is difficult to evaluate on a one-off basis.
- It was confirmed with Hemson that they did not consider the PPS changes in their analysis.
- Notwithstanding the above, these changes do put pressure on our existing employment areas and what is employment land today is not what employment land is going to be tomorrow.

### Successful Elements of a Strong Employment Lands Strategy

ECD staff regularly receive inquiries for information regarding serviced employment lands. These inquiries come from many sources, including local businesses looking to expand, developers inquiring regarding investment opportunities, and from brokers and site selectors acting on behalf of clients.

The analysis completed by staff in the updating of the City's ELS revealed that nearly 80% of vacant, serviced employment land parcels in Barrie are under 2 ha (5 acres) in size.

While inquiries for smaller properties and leasing information are frequent, inquiries for larger parcels (e.g. 5+ ha [12+ acres in size]) that are serviced and readily available, and also available for purchase, are often at the top of the search list.

In order to attract and retain business investment, the most suitable employment lands to meet the needs associated with the inquiries being encountered by staff should be:

- serviced with hydro, gas, roads, water, and sewer infrastructure;
- of the necessary size, location, and configuration, and generally be flat (typically rectangular in shape); and
- have a combination of other attractive features, such as a visible location and access to major transportation networks.

Large, contiguous parcels that are unimpeded by environmental/natural heritage features are in very short supply in Barrie, with less than 10% of vacant, serviced properties identified during the update of the ELS being in excess of 5 ha (12 acres).

ECD staff have received numerous requests for sites 20-40 ha (50-100 acres) in size, and sometimes larger, that the City is unable to satisfy due to the lack of available inventory and an overall lack of diversity in the supply and configuration of those lands.

A healthy supply of employment land (e.g. more than one suitable site available) is of vital importance in meeting the needs of prospective investors. With an extremely limited inventory of large land holdings, it is possible that site selectors exclude Barrie from consideration for future investment opportunities.

#### Key Considerations in Barrie's Ability to Meet Employment Land Demand

- ECD staff have received numerous requests for sites 20-40 ha (50-100 acres) or larger in size that the Department has been unable to satisfy due to the lack of available inventory and an overall lack of diversity in the supply and configuration of those lands.
- Invest Ontario, a Provincial Economic Development agency, operates an employment land database for suitable parcels across the province. The program generally prefers large parcels, typically 40 ha (100 acres) or greater.
- Recent site requests have included those in the 20-40 ha (50-100 acres) range, with some in excess of 100 acres. For reference the largest land parcel within the City of Barrie is 126.6ha (313 acre) with the largest with an employment designation being 42ha (103 acres).
- Regional examples of recent employment investments:

<b>Municipality</b>	<b>Example Investment</b>	<b>Parcel Size</b>	<b>Parcel Configuration</b>
Innisfil	Innisfil Heights	674.5 ha (1,600 acres)	Generally flat, rectangular, no natural heritage features, direct access to Highway 400
New Tecumseth	Honda Battery Plant	62 ha (155 acres)	Flat, rectangular, no natural features

- Most of the requests received by the City of Barrie for 50+ acre sites are geared toward lands deemed to be “investment ready”, of which the City of Barrie currently has none when applying the Province’s Investment Ready – Certified Site designation criteria.
- The City is challenged to provide serviced employment land to meet current and near-term market demand, particularly with respect to the size, configuration, and contiguous features of larger parcels of land.

**Appendix:**

Not Applicable

**Memo Authors:**

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**File #:**

**Pending # (if applicable):**

Not Applicable