

February 8, 2013

CL 2-2013, February 7, 2013
ICPC 2-2013, January 30, 2013
Report ICP 6-2013

Bonnie Nistico-Dunk, City Clerk
City of St. Catharines
P.O. Box 3012
St. Catharines, ON L2R 7C2

SENT ELECTRONICALLY

Recommendation Report
Places to Grow ("P2G"), Proposed Amendment 2
Date of Amendment: November 2012
ICP 6-2013

Dear Ms. Nistico-Dunk,

Regional Council, at its meeting of February 7, 2013, approved the following recommendations of its Integrated Community Planning Committee:

That Report ICP 6-2013, January 30, 2013, respecting Recommendation Report, Places to Grow ("P2G"), Proposed Amendment 2, Date of Amendment: November 2012, **BE RECEIVED**;

That this report **BE FORWARDED** to the Ministry of Infrastructure as Regional Council's formal comments on Proposed Amendment 2 to the Growth Plan for the Greater Golden Horseshoe ("Places to Grow");

That the Ministry of Infrastructure **BE REQUESTED** to meet with Niagara Region staff to resolve the comments identified in this report; and

That a copy of this report **BE FORWARDED** to the Local Area Municipalities in Niagara.

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A copy of Report ICP 6-2013 is enclosed for your information.

Yours truly,



Janet Pilon
Regional Clerk
:nld

cc: P. Robson, Commissioner, Integrated Community Planning
M. L. Tanner, Associate Director, Regional Policy Planning
G. Bowie, Policy Planner
S. McPetrie, Administrative Assistant, Integrated Community Planning
N. Smagata, Administrative Assistant
J. Feren, Legal Services
M. L. Macara, Legal Services

Niagara Region

REPORT TO: Integrated Community Planning Committee

SUBJECT: Recommendation Report
Places to Grow ("P2G"), Proposed Amendment 2
Date of Amendment: November, 2012

RECOMMENDATIONS

1. That this report **BE RECEIVED** for information;
2. That this report **BE FORWARDED** to the Ministry of Infrastructure as Regional Council's formal comments on Proposed Amendment 2 to the Growth Plan for the Greater Golden Horseshoe ("Places to Grow");
3. That the Ministry of Infrastructure **BE REQUESTED** to meet with Niagara Region staff to resolve the comments identified in this report;
4. That a copy of this report **BE FORWARDED** to the Local Area Municipalities in Niagara.

PURPOSE

The purpose of this report is to provide Council with information on the proposed Amendment 2 to the Growth Plan for the Greater Golden Horseshoe, 2006. This report aligns with the 2012-2015 Council Business Plan under the theme "Responsive Region".

BUSINESS IMPLICATIONS

There are no financial implications associated with this report. However, should the Proposed Amendment 2 to the Growth Plan be put into effect, the next update to the Regional Policy Plan will need to conform to the population and employment forecasts in the Amendment.

REPORT

The Growth Plan

Ministry of Infrastructure's *Growth Plan for the Greater Golden Horseshoe, 2006* ("Places to Grow") establishes policies and forecasts to support municipalities in planning for the land base and the infrastructure to accommodate growth now and into the future. The original Schedule 3 (Appendix I) from the Growth Plan includes the population and employment forecast figures for the Region of Niagara to the year 2031. These figures form the basis for a number of the Region's plans and strategies, such as the growth management strategy (Niagara 2031 implemented through Regional Policy

Plan Amendment 2-2009), the Regional Policy Plan, development charges study, the recently completed master servicing study for water/wastewater, and the ongoing transportation strategy update. The growth forecasts are also the basis for affecting compliance through a number of related plans and strategies undertaken by the twelve local municipalities.

Overview of the Amendment

The purpose of the Amendment is primarily to update the growth forecasts and extend the horizon of the forecasts and policies from the year 2031 to 2041. Under provincial policy, municipalities are permitted to make available land for urban development for a time horizon of up to 20 years. Since 2031 is only 18 years away, the Province is proposing to extend the plan to 2041 to allow municipalities to further plan for long term growth.

The proposed Amendment 2 will replace Schedule 3 with a revised Schedule 3 containing population and employment forecasts for 2036 and 2041 in addition to 2031, which essentially remains unchanged (with the exception of forecasts for certain counties and their municipalities where the Province has further broken down the forecasts to the municipal level). Appendix II includes the revised Schedule 3 to the Growth Plan.

Overview and Comments - Proposed Amendment 2

The proposed amendment consists of two components: a Technical Report with key assumptions and analysis that was used to establish the 2036 and 2041 forecasts and the text of the amendments to the Growth Plan document itself. An overview of each together with the comments from staff is provided in the balance of this report.

Technical Report:

A. Forecast Methodology:

The Technical Report contains the key assumptions of population and employment forecasting that are used to establish the forecasts. The following are key factors in the assumptions:

- The forecasts use key Ontario Ministry of Finance inputs:
 - Ontario's Long Term Report on the Economy (2010)
 - Ontario Population Projections Update, 2011-2036 (2012)
- The population forecasts reflect updated Census of Canada information for 2006 and 2011, notably:
 - Increasing fertility rates;
 - Rising life expectancy;
 - Continued migration into the Greater Golden Horseshoe ("GGH") as well as from the Greater Toronto Area to other areas in the GGH such as Niagara;
 - An aging population to 2041;
 - The same or fewer households due to the aging population;

- Increasing employment participation by older adults.
- The employment forecasts reflect the updated information from the Ministry of Finance and the 2006 Census, notably:
 - Manufacturing will continue to play an important role in the GGH with manufacturing output increasing while job growth, due to technology changes, will not see an increase;
 - The employment focus will shift with increases in service sector jobs (e.g. transportation and warehousing, finance, insurance, real estate, professional and scientific, business and other building services, health, education, information, culture);
 - The addition of a new category of employment break down called “Rural Based Employment”.

Comments:

In general terms, the forecast assumptions are consistent with the major reports on population, employment and the economy. The assumptions drive the inputs to the forecast and thus it is important to understand them.

Staff generally concur with the above assumptions related to population. The assumptions, on the population side, are generally consistent with the Region's forecast inputs and the experience from the 2006 and 2011 Census'. One area is noted of concern: the number of households. The 2011 Census results for Niagara clearly showed increases in numbers of households even with decreases in population in certain local area municipalities. The household formation rate should be re-assessed for Niagara in light of the 2011 population information especially as it relates to trends towards smaller family size and an aging population.

Regarding the assumptions for employment, staff note the following:

- The employment growth to 2031 is not consistent with forecasts for employment prepared by Dillon/Watson for Niagara 2031. The employment base figures are not aligned resulting in an underestimation of employment used as the forecast basis. This needs further explanation by the Province.
- The employment forecasts do not adequately account for two key population drivers that are significant in Niagara:
 - Aging population including aging through immigration to Niagara from other parts of the GGH;
 - Increasing labour force participation of older adults.
- The employment forecasts do not adequately account for the planned employment growth in the Niagara Economic Gateway Zone and Centre. Niagara Region, (supported by the Province), has made significant investments in the long term future of the Gateway including the Regional Policy Plan Amendment, the Gateway Community Improvement Plan, and the Gateway Marketing Strategy. Planned infrastructure improvements, including

water, wastewater, and road improvements (such as the East-West Corridor initiative and the 406 extension), will enhance the Gateway's attractiveness for employment and job creation. While the Gateway is in its early stages, Niagara Region and the Province have invested significantly in the Gateway and will continue to do so. These investments are not recognized in the forecast.

- The addition of the category of "Rural Based Employment" is notable and supported. The agricultural and rural economy of Niagara is important and contributes over \$2B annually to the Region's economy. The forecast shows an increase of 33% in the forecast period for agriculture/rural employment. In comparing other GGH upper tier municipalities, the following is observed:
 - Durham, York, and Waterloo are forecasted to have increases of just under 50% of Rural Based Employment to 2041;
 - Simcoe County is forecasted to have an increase of over 50% of Rural Based Employment to 2041.

The Rural Based Employment forecast for Niagara Region needs to be revisited. Consistency with other upper tiers at a minimum must be established as this is to be anticipated given the role of agriculture in the Region's economy as well as the inclusion of Rural Employment Lands in the Gateway. Additionally, with investments through the Vineland Research and Innovation Centre, Niagara College's programs, and Brock Universities programs, the agricultural economy will grow; other GGH Regions do not have similar knowledge based investments in their communities.

B. Amendment 2 and Niagara 2031

Proposed Amendment 2 includes a revised forecast for population and employment to 2031. These forecasts were reviewed against Niagara 2031 for comparative purposes. The following are the key points of note:

- Niagara 2031 forecast a population of 545,000 people in Niagara in 2031. Proposed Amendment 2 forecasts a population of 544,000 people in Niagara in 2031. This much greater consistency in forecasts is noted; it is also to be expected given that both forecasts were updated using the 2006 Census of Canada information. The difference of 1,000 people in the two forecasts is attributable to the Amendment 2 forecast including 2011 Census information; the Niagara 2031 forecast was completed prior to the 2011 Census being available.

It is important to note that the Province is not requiring updates to the 2031 forecasts through the Regional Policy Plan and the local Official Plans to align to the new 2031 figures. This is to focus work on the path forward and conformity with the 2036 figures in the next updates of the Regional Policy Plan and the local Official Plans. This approach is noteworthy and supported because most local area municipalities (10/12) have completed new Official Plans and it is not appropriate for a major review to be required so closely after the new Official Plans were

completed. That being said, Niagara Region has consistently taken the position that the Niagara 2031 forecasts are the basis for growth and infrastructure planning; this approach will continue. Discussions with local municipalities, through the Area Planners, will include this particular issue of conformity as well as other issues related to Proposed Amendment 2.

- The population growth between 2031 and 2041 is significant. Using the 545,000 figures as the 2031 forecasted population, the 2041 forecast of 614,000 people means an increase of 69,000 persons in the ten year period of 2031-2041. The forecasted population in 2041 will be dependent on an increase in immigration to the Region. Land constraints within Toronto, York, Hamilton and other major municipalities in the Greater Golden Horseshoe (GGH) will result in a shift in growth to Simcoe, Barrie, Waterloo and Niagara (the "Outer Ring"). The Niagara Region will receive about 18% of the Outer Ring's total immigration, which represents approximately 2,275 people per year by 2041. The Region will have a share of population growth in the 2031-2041 period of 5.2%, which is significantly higher than the 2.3% in the 2001-2031 period. Even with this anticipated change, Niagara Region's share of the overall "Outer Ring" is expected to decline from the current percentage of 4.9% (2011) to 3.77% (2041). This issue needs further explanation given the attractiveness of Niagara to migration from the GTA; the forecasted aging population and attractiveness of the Region to this demographic.
- Job information from the Census of Canada is only available for 2006 currently. The 2011 Census job information will not be available for some months. The forecasts for both Niagara 2031 and proposed Amendment 2 differ throughout the forecast period to 2031 which results in a difference of 8,540 jobs by 2031. The following table shows the differences:

Year	Niagara 2031	Proposed Amendment 2	Difference
2001	186,000	182,270	-3,730
2011	207,420	201,000	-6,420
2021	229,410	219,000	-10,410
2031	243,540	235,000	-8,540
2001-2031	57,540	49,000	-8,540

In reviewing the main document and the above table, staff notes the following:

- The difference in the 2001 figures is significant and needs further explanation – these should be based on actual figures. The amendment figures get translated through the forecast so ensuring the base 2001 figures are aligned is very important.
- Analysis of the overall proposed amendment shows the following concerns:

- The “activity rate” (the proportion of the population working) in Niagara 2031 is 0.45 (i.e. for 1,000 persons in the Region, 450 are in the workforce). Proposed Amendment 2 shows an activity rate of 0.435 which is of concern. This is an overall decrease of jobs by 15 jobs per 1,000 population.
- The percentage share of employment for Niagara in the GGH outside the GTA and Hamilton in 2011 is 4.51% (the “Outer Ring”). In 2041, this percentage is forecast to be 3.6% representing an overall decrease. This means job growth is expected to be greater in areas such as Simcoe, Waterloo, and Brant/Brantford than is currently the case. There is no explanation provided for this. With the work done on Niagara’s agricultural economy as well as the Gateway, (and the seeming lack of recognition of these efforts), the decreasing proportion of the “Outer Ring” employment is of concern.

C. Text of Proposed Amendment 2

The text of Proposed Amendment 2 changes the forecast period to 2041 for the Growth Plan. The Proposed Amendment includes transition provisions that would require the Region and the Local Area Municipalities to update their population and employment forecasts, in the various Official Plans, at the next 5 year review. For Niagara Region, this would commence in approximately 2015/2016. This transition is appropriate given most municipalities in Niagara have recently updated their Official Plans or adopted new Official Plans and in light of the settlement of certain appeals of Amendment 2-2009.

D. Implications for Niagara Region

A forecasted population of 614,000 in 2041 would have significant implications on infrastructure and transportation. Further discussion with the Province is required with regards to infrastructure and transportation planning implications, most notably the Niagara-GTA Corridor and GO Transit.

With such an increase in both population and employment, land will also need to be made available for accommodating growth before 2041. While the population estimate is optimistic, it should still be viewed as an opportunity to prepare for significant growth in terms of both population and employment. The updating of the Region’s land supply, work that is currently underway, is the critical next step in analyzing the proposed population and employment forecasts.

CONCLUSION

The Ministry of Infrastructure has requested comments on the Proposed Amendment by February 8, 2013. It is appropriate that the comments contained in this report be forwarded as Regional Council’s comments together with a request for face-to-face discussion to resolve the issues identified in this report. Following that, there may still be a need to underscore some of these issues as part of Niagara Week at Queen’s Park, 2013.

REPORTS PERTINENT TO THIS MATTER


- **ICP 75-2012 (July 18, 2012)**
Population and Employment Forecast Review – Growth Plan for the
Greater Golden Horseshoe

Submitted by:



Patrick Robson
Commissioner
Integrated Community Planning

Approved by:



Mike Trojan
Chief Administrative Officer

This report was prepared by Greg Bowie, Planner, and Mary Lou Tanner, MCIP, RPP, Associate Director, Regional Policy Planning.

APPENDICES

Appendix I
Appendix II

Original Schedule 3
Revised Schedule 3

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Distribution of Population and Employment for the Greater Golden Horseshoe 2001-2031 (figures in 000s)								
	POPULATION				EMPLOYMENT			
	2001	2011	2021	2031	2001	2011	2021	2031
Region of Durham	530	660	810	960	190	260	310	350
Region of York	760	1,060	1,300	1,500	390	590	700	780
City of Toronto	2,590	2,760	2,930	3,080	1,440	1,540	1,600	1,640
Region of Peel	1,030	1,320	1,490	1,640	530	730	820	870
Region of Halton	390	520	650	780	190	280	340	390
City of Hamilton	510	540	590	660	210	230	270	300
GTAH TOTAL**	5,810	6,860	7,770	8,620	2,950	3,630	4,040	4,330
County of Northumberland	80	87	93	96	29	32	33	33
County of Peterborough*	56	58	144	149	16	17	60	60
City of Peterborough*	74	79			37	41		
City of Kawartha Lakes	72	80	91	100	20	23	25	27
County of Simcoe*	254	294	583	667	85	102	230	254
City of Barrie*	108	157			53	77		
City of Orillia*	30	33			16	17		
County of Dufferin	53	62	71	80	19	22	25	27
County of Wellington*	85	91	269	321	36	41	137	158
City of Guelph*	110	132			63	76		
Region of Waterloo	456	526	623	729	236	282	324	366
County of Brant*	35	39	157	173	16	17	67	71
City of Brantford*	94	102			39	45		
County of Haldimand	46	49	53	56	17	19	19	20
Region of Niagara	427	442	474	511	186	201	209	218
OUTER RING TOTAL**	1,980	2,230	2,560	2,880	870	1,010	1,130	1,240
TOTAL GGH**	7,790	9,090	10,330	11,500	3,810	4,640	5,170	5,560

Source: Hemson Consulting Ltd., "The Growth Outlook for the Greater Golden Horseshoe", January 2005

Note: Numbers rounded off to nearest 10,000 for GTAH municipalities, GTAH Total and Outer Ring Total, and to nearest 1,000 for outer ring municipalities.

* Separate forecasts for these municipalities for 2021 and 2031 will be determined.

** Totals may not add up due to rounding.

Distribution of Population and Employment for the Greater Golden Horseshoe to 2041 (figures in 000s)						
	POPULATION			EMPLOYMENT		
	2031	2036	2041	2031	2036	2041
Region of Durham	960	1,080	1,190	350	390	430
Region of York	1,500	1,700	1,790	780	840	900
City of Toronto	3,080	3,300	3,400	1,640	1,680	1,720
Region of Peel	1,640	1,870	1,970	870	920	970
Region of Halton	780	910	1,010	390	430	470
City of Hamilton	660	730	780	300	330	350
GTAH TOTAL**	8,620	9,600	10,150	4,330	4,580	4,830
County of Northumberland	96	105	110	33	37	39
County of Peterborough	61	73	76	18	21	24
City of Peterborough	88	109	115	42	54	58
City of Kawartha Lakes	100	101	107	27	30	32
County of Simcoe	416	456	497	132	141	152
City of Barrie	210	231	253	101	114	129
City of Orillia	41	44	46	21	22	23
County of Dufferin	80	81	85	27	31	32
County of Wellington*	122	126	130	54	54	56
City of Guelph*	175	183	191	92	97	101
Region of Waterloo	729	779	815	366	377	393
County of Brant	47	54	59	19	24	27
City of Brantford	126	154	169	53	73	82
County of Haldimand	56	61	64	20	24	26
Region of Niagara	511	579	614	218	249	267
OUTER RING TOTAL**	2,880	3,140	3,330	1,240	1,350	1,440
TOTAL GGH**	11,500	12,740	13,480	5,560	5,930	6,270

Note: Numbers rounded off to nearest 10,000 for GTAH municipalities, GTAH Total and Outer Ring Total, and to nearest 1,000 for outer ring municipalities.

* Population growth of 24,000 and employment growth of 12,000 are currently unallocated between the County of Wellington and the City of Guelph for 2031. The unallocated forecast portion is not included in the forecasts for these municipalities for 2031 but is included in the Outer Ring Total and in the GGH Total for 2031.

** Total may not add up due to rounding and unallocated amounts which are included in the totals.



PLACES TO GROW
PROPOSED AMENDMENT 2

SCHEDULE 3

Distribution of Population and Employment for the Greater Golden Horseshoe to 2041