

Attachment-8 Staff Review and Planning Analysis

Provincial Planning Statement, 2024

The Provincial Policy Statement, 2024, came into effect on October 20, 2024. The Provincial Policy Statement (PPS) provides direction on matters of provincial interest related to land use planning and development and replaced both the Provincial Policy Statement, 2020 and A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019 with a focus on housing-supportive policies.

Section 2.1 provides that planning authorities establish population and employment growth forecasts based on Ontario Population Projections, modified as appropriate from those published by the Ministry of Finance. To capture this projected growth, the City designates specific lands as residential or employment.

The application does not contribute to the City's employment growth targets as an employment use is not proposed. The proposed Industrial Supply Outlet use is commercial in nature and does not fulfill the intent of the Official Plan and therefore cannot be measured against these targets.

Section 2.1.6 states that planning authorities should support the achievement of complete communities by: accommodating an appropriate range and mix of land uses, housing, transportation, employment, public service facilities, recreation, parks, open space, and other uses to meet the long term needs of the community; Improving accessibility for people of all ages and abilities by addressing land use barriers; and improving social equity and overall quality of life for people of all ages, abilities, and incomes.

The PPS identifies the subject lands as part of Guelph's Northwest Industrial Park Designated Employment Area (see Figure 2 in attachment 3 – Existing Official Plan Designations and Policies). Designated Employment Areas ensure that sufficient amount of employment land is available to uphold the desired range and mix of uses serving the long-term needs of the community. Section 2.8.2 of the plan describes a series of policies governing designated employment areas.

Policy 2.8.2.1 requires the City to plan for, protect and preserve employment areas for current and future uses, and ensure that the necessary infrastructure is provided to support current and future uses, and ensure that the necessary infrastructure is provided to support current and projected needs.

Policy 2.8.2.2 specifies that the City shall protect employment areas that are located in proximity to major goods movement facilities and corridors, including Highway 6 located approximately 500 metres to the east of the subject lands. Employment areas shall be protected for employment area uses that require locations in proximity to freight corridors or other goods movement facilities.

Section 2.8.2.3 directs planning authorities to manage, protect, and plan for employment uses over the long term. This policy is achieved by prohibiting sensitive and non-employment uses, including commercial uses as well as including an appropriate transition to adjacent non-employment areas.

The proposed development is not consistent with Section 2.8.2.3 as it proposes utilizing employment lands for a non-employment commercial use in the form of the applicant's defined "Industrial Supply Outlet" use. This does not meet the policy's intent of reserving

employment lands for economic growth and the creation of new employment opportunities.

Section 2.8.2.5 states planning authorities may remove land from employment areas if the land is not needed in the long term; the overall vitality will not be negatively impacted; existing infrastructure is available to accommodate the proposal; and the municipality has sufficient lands to accommodate project employment growth

The proposed development intends to remove employment lands reserved to satisfy long-term employment needs. To preserve the vitality of the employment area, Section 2.8.2.5.2 directs planning authorities to avoid negative impacts to employment areas, or where not possible, minimizing and mitigating potential impacts to existing or planned employment areas uses. Considering avoidance is possible by considering other more appropriately designated lands, the proposed application is inconsistent with Section 2.8.2.5.2. Although sufficient infrastructure is in place to support the proposed development, staff maintain that employment lands in Guelph should be reserved for employment uses, while commercial style uses should be directed towards commercial designated lands.

The application as proposed would occupy land in a designated Employment area for non-employment use. This would result in the reduction in the overall employment lands for as long as the proposed use continues to exist on the site. The development of a standalone commercial use in an Industrial area creates a land use barrier for future expansion and development of the local industry and is not consistent with Employment Area policies found in Section 2.8.2.

Policy 4.7 of the PPS directs that a City's Official Plan is the most important vehicle for implementation of the PPS. A more detailed review on how the proposal is consistent with the above PPS policies, as well as policies in the City's Official Plan will be outlined later in this analysis.

In conclusion it is the professional opinion of staff that this application is not consistent with the Provincial Planning Statement (2024), particularly regarding section 2.8.2 for preservation of employment areas.

City of Guelph Official Plan Conformity

The subject lands are designated as "Industrial" on Schedule 2 of the Official Plan. The subject lands are also identified to be within an Employment Area on Schedule 1b of the Official Plan.

Permissible uses within the "Industrial" land use designation are intended to accommodate a range of industrial related employment uses, including manufacturing, repair and servicing operations, research and development, and warehousing uses. As outlined in Policy 9.5.2 a), the objective of this designation is to maintain a sufficient supply of industrial land to attract a diverse range of industrial development and to provide for the needs of expanding existing industries.

Policy 9.5.2.12 specifies that commercial uses are not to be permitted within the Industrial designation. The Industrial designation prioritizes the development of industrial uses and appropriate "complementary uses" to contribute to a functional and economically prosperous employment area that permits future light industrial growth. "Complementary use" is not defined in the City's Official Plan but is described in the Zoning By-law as "permitted within a multi-unit building in combination with a primary permitted use". The proposed Industrial Supply Outlet use is a commercial (retail) development and is the

primary use on a standalone lot. As a result, this proposal is not in keeping with the direction of policy 9.5.2.12.

Furthermore, the intent of permitting complementary uses in industrial zones is to allow for some non-industrial uses within industrial areas that would be primarily cater to the industrial businesses that surround it. The applicant's Planning Justification Report notes that the customer base primarily serves contractors, mechanics, farmers, tradespeople and industrial workers. However, there is no indication that the primary source of customers would be within the Northwest Industrial Park where the use is proposed to be located. Vehicle repair shops are not permitted within the industrial zone and there is only one active farm field within the industrial park. This suggests that many of the primary users of an Industrial Supply Outlet establishment would be coming from outside the industrial park, and that the use would cater to the wider public rather than specifically to industrial workers and businesses within the industrial park.

The proposed Industrial Supply Outlet use is defined by the applicant as "a building or part of a building where goods, wares, merchandise, substances, articles or things primarily intended to serve industrial uses are offered or kept for sale to such industrial uses and to the public". For comparison, the City's by-law defines a Home Improvement Warehouse use as "premises used for the storage distribution, sale or wholesaling of home improvement goods or materials such as lumber, furniture, appliances, audio-visual equipment, garden centre". The by-law defines a Vehicle Parts Establishment as "a premises where retail and wholesale sales occur of equipment and parts used to repair, service or customize vehicles".

The proposed industrial supply outlet would more appropriately be characterised as a speciality commercial store, similar to these Home Improvement Warehouse and Vehicle Parts Establishment uses which are not permitted within Industrial designated lands. These uses would more appropriately be located within in Service Commercial designated lands where they are permitted as of right, including the Service Commercial lands across the street from the subject lands along the north side of Woodlawn Road West, or vacant service commercial lands located along the south side of Speedvale Avenue West.

Section 3.8 of the Official Plan contains policies governing employment areas, and largely echoes the policies set forth in PPS that have been reviewed above.

Policy 3.8.1 iv) outlines the City shall promote economic development and competitiveness by planning for, protecting, and preserving employment land for current and future uses.

The proposed addition of a commercial use in an industrial zone does not preserve the site for future industrially driven economic development. The intent of the application does not conform with the protection of Employment lands that is prioritised in the Official Plan.

Policy 3.8.4 outlines that Employment areas are planned to achieve an overall density target of 40 jobs per hectare by the year 2051.

Although the applicant's planning justification report notes that the subject lands would receive approximately 55 jobs as a result the proposed development, it is the intention of Section 3.8.5 to achieve this density through jobs of the permitted industrial and appropriate alternative land uses.

The proposed use would more appropriately be classified as a commercial use and would therefore require an employment conversion. Policy 3.8.6 outlines five criteria that must be met for the City to permit a conversion of employment lands. These criteria are evaluated individually below:

- i) There is a need for the conversion at the proposed location on the basis that there are no alternative location(s) within the city where the use could be accommodated in conformity with the Official Plan.

The proposed use could be permitted in conformity with the Official Plan in Service Commercial designated lands. There is an abundance of Service Commercial lands immediately to the north and south of the Northwest Industrial Park. This includes lands along the north side of Woodlawn Road West, as well as vacant lands along the south side of Speedvale Avenue West. Additional Service Commercial lands can be found across the City.

It has not been adequately demonstrated that there are no alternative locations within the City that could accommodate the proposed use in conformity with the Official Plan.

- ii) The lands are not required over the horizon of this Plan for the employment purposes for which they are designated.

The City is forecasted to add 33,000 jobs between 2021 and 2051. Through the employment lands strategy conducted in 2020, city staff forecast that Guelph will need approximately 319 hectares of additional employment land to satisfy this anticipated growth to 2051. At the time that this report was written, Guelph had an estimated supply of 354 hectares of vacant employment lands available for development, leaving a small surplus of 35 hectares. Since this report was published in 2020, changes to the Guelph Innovation District Secondary Plan have been approved by the Province that redesignated approximately 26 hectares of employment lands to accommodate other uses. As a result, the surplus of 35 hectares of employment lands has been reduced to a surplus of 9 hectares, or roughly 2.5% over the forecasted requirement. Staff note that this forecast assumes that 15% of employment growth will be accommodated through intensification of existing employment lands. If the City is unable to achieve these levels of employment intensification or continues to redesignate more employment lands, the remaining employment lands could be insufficient to accommodate the forecast demand.

- iii) Sufficient employment lands will be maintained to accommodate the forecasted growth to the horizon of this Plan.

As described above, the city has seen a substantial decrease in available employment lands since the employment lands strategy was approved in 2020. For this reason, the City must preserve remaining employment lands to accommodate the forecast growth to 2051.

- iv) The proposed uses would not adversely affect the overall viability of the employment area or the achievement of the minimum intensification and density targets, and other policies of this plan.

The proposal aims to create a commercial function that does not permit convenient redevelopment into an industrial use or an appropriate alternative land use for the employment area. This development will create a long-lasting land use incongruity. Additionally, the proposal intends to provide commercial (retail) employment opportunities, disqualifying the land from contributing to the job density targets.

- v) There are existing or planned infrastructure and public service facilities to accommodate the proposed uses.

The site is on full municipal services and does not require improvements to existing services to accommodate the development proposal.

An employment conversion is not supportable based on the above criteria. Recent changes to lands within the Guelph Innovation District could result in an insufficient availability of employment lands within the 2051 planning horizon. Uses such as the proposed Industrial Supply Outlet should be directed towards available service commercial lands to safeguard the City's remaining employment lands, in accordance with Sections 3.8 and 9.5.2 of the Official Plan.

Review of Proposed Official Plan Amendment

The purpose of Official Plan Amendment No. 107 is to amend the Official Plan by adding the following site-specific policy to Section 9.12.2 to permit the commercial development of the Subject Lands to include an Industrial Supply Outlet. The site-specific Official Plan policy is only required for the development area of the site identified in the site plan. The remaining portion of the subject lands is to remain within the Industrial designation.

The Subject Lands are municipally known as 81 Royal Road and are 2.0195 hectares in total area. This amendment affects the northern 1.231 hectares as identified on Schedule A. The subject lands are located within an Employment Area as shown in Schedule 1b: Structure Employment Areas of the Official Plan.

The removal of employment lands cannot be supported considering the need for employment lands within the planning horizon and the lack of contribution to the density of industrial jobs.

Official Plan policy 1.3.14 outlines criteria to consider when reviewing an application to amend the Official Plan. The criteria and an analysis of how the proposal conforms to the criteria is outlined below:

- i) The conformity of the proposal to the strategic directions of this Plan and whether the proposal is deemed to be in the overall interests of the City.

The application does not conform to the strategic direction of the Official Plan to protect employment lands and is deemed to not be within the interests of the City, as explained above.

- ii) The proposed development is consistent with applicable provincial legislation, plans and policy statements.

Staff have reviewed the proposal against the policies of the 2024 Provincial Policy Statement (PPS) and note the proposal is not consistent with the Provincial Planning Statement.

- iii) Suitability of the site or area for the proposed use, particularly in relation to other sites or areas of the city.

The site is not suitable for the proposed use as it is not permitted within the Industrial zone and would not contribute to employment area density calculations. The proposed Industrial Supply Outlet use is commercial in nature and should be directed towards nearby available Service Commercial lands.

- iv) Compatibility of the proposed use with adjacent land use designations.

The development of a commercial retail business is not likely to negatively impact adjacent industrial uses.

- v) The need for the proposed use, in light of projected population and employment targets.

The proposed use does not contribute to the 2051 Employment Target of 116,000 jobs in the correct capacity. While this target includes commercial jobs, a large portion of the forecast jobs will require industrial lands. It is crucial that the City protects available employment lands for industrial uses to attract appropriate industrial development.

- vii) The extent to which the existing areas of the city designated for the proposed use are developed or are available for development.

There are a significant number of appropriately zoned sites available throughout the City. This includes service commercial lands directly to the north of the subject lands, along the north side of Woodlawn Road West, as well as vacant service commercial lands along the south side of Speedvale Avenue West.

- viii) The impact of the proposed use on sewage, water and solid waste management systems, the transportation system, community facilities and the Natural Heritage System.

Engineering staff have identified concerns with the submitted Functional Servicing Report and Stormwater Management Report. These concerns would have to be addressed before staff could determine if the current servicing to the site is sufficient.

The proposal would have no impact on the Natural Heritage System.

- ix) The financial implications of the proposed development.

The subject lands would generate additional development charges and property taxes if developed.

The proposed Official Plan Amendment does not meet criteria i), ii), iii), v), vii) and viii) as outlined in Policy 1.3.14 of the Official Plan.

Location of Similar Uses in other jurisdictions

The applicant has identified 8 other Princess Auto stores in other municipalities across Ontario and asserts that they are each located within employment lands.

Staff have reviewed the Official Plan Designation and Zoning of all 15 current Princess Auto locations in Southwestern Ontario and the Greater Toronto Area. It was found that only 4 of the 15 were in lands that were designated and zoned as employment lands. The remaining 11 were located in commercially zoned and designated lands and were adjacent to other typical commercial uses. In Planning staff's opinion this highlights the commercial nature of the proposed use. Staff maintain that a service commercial zoned and designated area would be more appropriate for an Industrial Supply Outlet use.

Review of Proposed Zoning

Permitted Uses

Commercial Uses are not permitted in the B (Industrial) Zone. Through the proposed application for a site-specific B-18 Zone, a "Industrial Supply Outlet (Princess Auto)" will be added to Table 10.1 as permitted use. Additionally, Part B: Definitions will be amended to add the definition of an Industrial Supply Outlet.

Principal Entrance

The applicant has requested that the principal entrance of the development shall face south to the parking area, whereas section 10.4 requires the principal entrance to face the front lot line or the interior lot line. Although this does not provide a significant visual impact from the street, the orientation locates active frontage away from the street and instead provides a blank wall.

Off-Street Parking Requirements

The applicant is requesting to add a custom parking calculation for the proposed Industrial supply outlet use. This calculation is intended to be 5.0 parking spaces per 100 square metres of commercial floor space. There is no existing regulation in the Zoning By-law for an "Industrial Supply Outlet" as it is not an existing use. The calculation proposed for this new use is considerably greater than the comparable Retail Establishment calculation which requires a minimum of 3 spaces per 100 square metres of GFA.

A total of 140 vehicle spaces are provided. Of these 140 spaces, 7 will be barrier free spaces, 14 will be electric vehicle parking spaces, and 28 will be electric vehicle designed spaces.

Should Council choose to approve the requested amendment, staff would recommend adopting a minimum parking rate of 3 spaces per 100 square metres for an Industrial Supply Outlet, rather than the requested minimum parking rate of 5 spaces per 100 square metres.

As discussed above, staff are not supportive of the proposed commercial use in Industrial zoned lands.

Municipal Services and Infrastructure

Policy 6.1.3 of the Official Plan requires all new development to be on full municipal services, including sanitary sewers, water supply, stormwater management and transportation networks. Engineering staff have noted a number of concerns regarding the submitted Functional Servicing Report and Stormwater Management Report and are unable to confirm if the proposed development can be accommodated by existing services.

Community Energy Initiative

In addition to providing electric vehicle charging spaces and vehicle parking in accordance with zoning requirements, the applicant has indicated that the proposed development will utilize high efficiency rooftop heating and cooling units, as well as tankless water heaters. Improved insulation and high efficiency windows will also serve to reduce the carbon footprint of the proposed development.

Comments Received on the Applications

No public comments have been received to date on these applications.