

Planning Justification Report

City of St. Thomas New Industrial Park and PowerCo Site

**Official Plan Amendment and Zoning By-Law
Amendment**



Prepared for the City of St. Thomas
by Arcadis
September 28, 2023

Table of Contents

Contents

1	Introduction	1
1.1	Objective of Planning Justification Report	2
2	New Industrial Park Site and Surrounding Context	3
2.1	Site Description.....	3
2.2	Surrounding Context.....	5
3	Proposed PowerCo Plant and New Industrial Park	7
3.1	PowerCo EV Battery Manufacturing Plant.....	7
3.2	Industrial Park	8
4	Initial Employment Land Needs Assessment	10
4.1	Jobs Assessment.....	10
4.2	Employment Land Needs Assessment.....	11
5	Planning Policy and Regulatory Framework	13
5.1	Planning Act.....	13
5.2	Provincial Policy Statement (2020).....	14
5.3	City of St. Thomas Official Plan	17
5.3.1	Official Plan Update	21
5.4	City of St. Thomas Zoning By-law 50-88	21
5.5	City of St. Thomas Airport Zoning By-Law 36-2019	24
6	Proposed Amendments	26
6.1	Requested Rezoning by Way of Ministerial Zoning Order.....	26
6.2	Proposed Land Redesignation	29
7	Supporting Studies	30
7.1	Natural Heritage.....	30
7.2	Archaeology and Cultural Heritage.....	33
7.3	Functional Servicing & Storm Water Management Report.....	34
7.4	Transportation Impact Study.....	35
8	Planning Analysis and Justification	36
8.1	Consistent with Provincial Policy Direction	36
8.2	Consistent with the City of St. Thomas Official Plan Policies	36

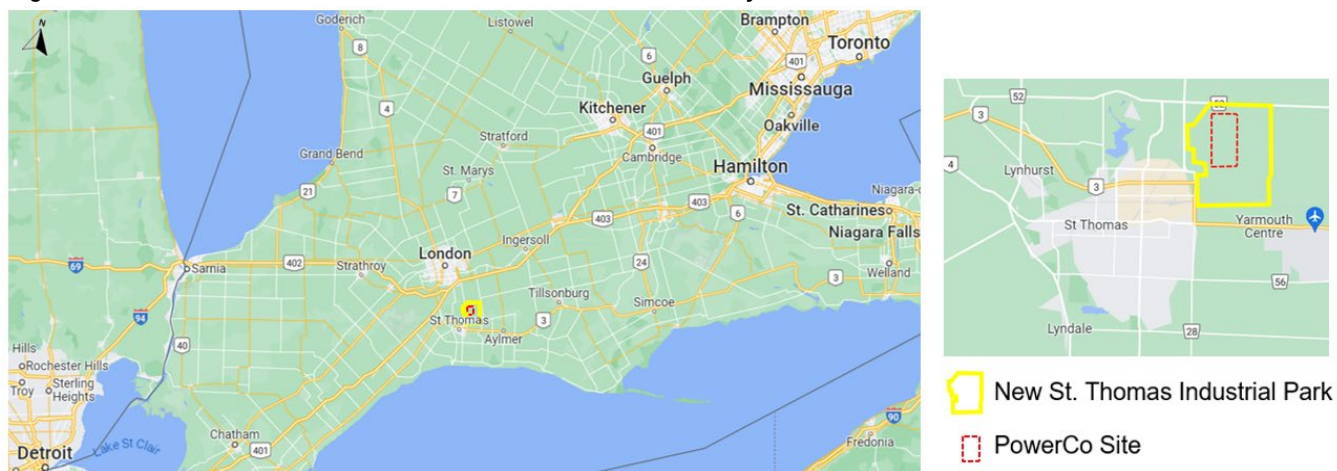
8.3	Consistent with Zoning Intent	36
9	Conclusion	37
	Appendix A – Employment Land Needs Assessment	38
	Appendix B – City of St. Thomas and Municipality of Central Elgin Official Plan Land Use Schedules	39
	Appendix C – Draft Zoning By-law Amendment	40
	Appendix D – Draft MZO.....	41
	Appendix E – Draft Official Plan Amendment	42

1 Introduction

Arcadis Professional Services (Canada) Inc. (“Arcadis”) was retained by the City of St. Thomas to undertake a planning and initial employment land needs analysis for a new 617-hectare industrial park proposed in the north-east part of the municipality (herein referred to as “the new Industrial Park”).

Over the past several years the City of St. Thomas has been acquiring lands to address recommendations from a 2018 City of St. Thomas Employment Lands Review and to position itself to attract a major new industrial development. In April 2023, PowerCo SE, a subsidiary of Volkswagen Group, officially announced its intention to develop a 1.39 million square metre electric vehicle (EV) battery manufacturing plant (“plant”) on a 152-hectare site within the new Industrial Park (hereinafter referred to as “the PowerCo Site”). PowerCo considers the Site location, shown in **Figure 1-1**, as strategic given it is within the heart of the Great Lakes Automotive Corridor, less than 10 kilometres (km) south of London, Ontario and near major cities such as Toronto and Detroit. It also will have prime access to a regional research and innovation cluster, talented workforce, good transport infrastructure and established supply chains.¹

Figure 1-1: Location of New Industrial Park and PowerCo Site in the City of St. Thomas and Southern Ontario



In addition to the PowerCo plant directly employing an estimated 3,000 people, a substantial amount of new supporting indirect and induced jobs are expected to be created in St. Thomas as a result of the plant. The Arcadis employment land needs analysis concluded that the entirety of the 617 gross hectare new Industrial Park is required to accommodate PowerCo, resulting indirect and induced jobs and other anticipated employment growth in the City through to 2041. Approximately half (47%) of the new Industrial Park is already designated for employment and industrial uses and approximately 35% is already zoned for industrial uses. The City of St. Thomas is seeking to:

- Rezone, through a Ministerial Zoning Order (MZO), the entirety of the City-owned 617-hectare new Industrial Park as ‘EL – Employment Lands Zone’ with site specific permissions, except an approximately 10 hectare woodlot south of the PowerCo Site which will maintain its NH zoning. The requested rezoning would include approximately 388 hectares of land being rezoned from ‘OS1 and OS2 - Open Space Zone’ and ‘NH - Natural Heritage Zone’ to ‘Employment Lands Zone’; and
- Redesignate, through a City-led Official Plan Amendment (OPA), approximately 317 hectares within the new Industrial Park from ‘Agricultural’, ‘Natural Heritage’ and ‘Natural Hazard’, to ‘Employment Lands’.

The MZO would also remove the current Holding (“h”) provision on approximately 91 hectares of ‘EL’ zoned lands and rezone approximately 90 hectares of ‘C1 – Industrial Zone 1’ land.

¹www.volkswagen-newsroom.com/en/press-releases/volkswagen-and-powerco-se-will-build-their-largest-cell-factory-to-date-in-canada

All required environmental clearances and approvals have been obtained from provincial and federal agencies and other technical studies have been completed or are underway in support of the requested rezoning, the proposed redesignation and a pending Draft Plan of Subdivision application.

1.1 Objective of Planning Justification Report

Arcadis has prepared this Planning Justification Report on behalf of the City of St. Thomas in support of the proposed redesignation and requested rezoning of the new Industrial Park and PowerCo Site. The remainder of this report is structured as follows:

- Section 2 provides a description of the new Industrial Park, the PowerCo Site and the surrounding context;
- Section 3 provides a description of the PowerCo plant and how the remainder of the new Industrial Park may be developed;
- Section 4 summarizes the employment land needs assessment for the City of St. Thomas and job estimates to 2041;
- Section 5 provides an overview of the relevant provincial and municipal policies and regulations that guide land use and development and how the proposed new Industrial Park and PowerCo plant and proposed amendments conform to and supports these policies and regulations;
- Section 6 presents the proposed amendments, with a draft Zoning By-law Amendment, draft MZO and draft Official Plan Amendment provided in an appendix;
- Section 7 provides a summary of the supporting technical studies that have been prepared, or are underway, in support of the requested rezoning and the proposed redesignation and the pending Draft Plan of Subdivision application;
- Section 8 provides a planning justification that summarizes the appropriateness of the new Industrial Park and PowerCo plant and the proposed amendments; and
- Section 9 presents Arcadis's final conclusions and recommendations for the approval of the requested rezoning and the proposed land redesignation.

2 New Industrial Park Site and Surrounding Context

The following sections provide a description of the location and physical attributes of the new Industrial Park and the PowerCo Site, an overview of the surrounding area and the larger context.

2.1 Site Description

The proposed new 617-hectare Industrial Park is located within the north-east part of the City of St. Thomas. As shown in **Figure 2-1** it is generally bound by:

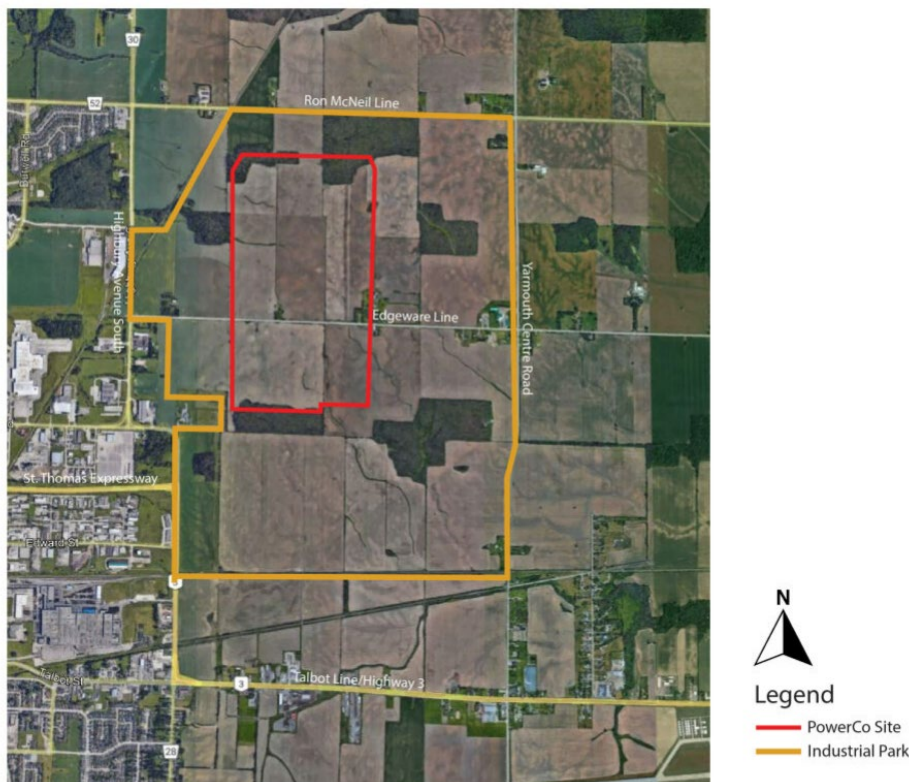
- North: Ron McNeil Line/Highway 52 (frontage of approximately 1.76 km);
- South: Canadian National Railway (CN) rail line (Cayuga Spur line);
- East: Yarmouth Centre Road (frontage of approximately 2.87 km); and
- West: Highbury Avenue South and Centennial Avenue (frontage of approximately 2.43 km) and the Ontario Southland Railway (OSR) rail line.

The lands are legally described as:

PLAN OF SURVEY OF PART OF LOTS 9, 10, 11 & 12 RANGE 2 NORTH OF EDGEWARE ROAD AND PART OF LOTS 9 & 12 AND ALL OF LOTS 10 & 11 RANGE 1 NORTH OF EDGEWARE ROAD AND PART OF ROAD ALLOWANCE FOR EDGEWARE ROAD AND PART OF LOTS 9 & 12 AND ALL OF LOTS 10 & 11 CONCESSION SOUTH OF EDGEWARE ROAD Also Known As RANGE 1 SOUTH OF EDGEWARE ROAD AND PART OF ROAD ALLOWANCE BETWEEN CONCESSION 9 & CONCESSION SOUTH OF EDGEWARE ROAD Also Known As RANGE 1 SOUTH OF EDGEWARE ROAD AND PART OF LOTS 11, 12, 13, 14 & 15 CONCESSION (GEOGRAPHIC TOWNSHIP OF YARMOUTH IN THE CITY OF ST. THOMAS COUNTY OF ELGIN

The 152 hectare PowerCo Site is located south of Ron McNeil Line, within the northwest portion of the new Industrial Park. It is generally rectangular in shape.

Figure 2-1: Proposed New Industrial Park and PowerCo Site



Source: Arcadis based on 2022 Google Earth Imagery

The City of St. Thomas owns the entirety of the new 617-hectare Industrial Park, with lands brought into the City's municipal boundary through the following annexations:

- Approximately 324 hectares annexed from the Municipality of Central Elgin in 2022; and
- Approximately 283 hectares annexed from the Municipality of Central Elgin through Bill 63 in March 2023.

As detailed in Section 5.3 of this report, while a large portion of the new Industrial Park and the PowerCo Site is currently designated for employment or industrial uses, most lands were being used for agricultural purposes, with some rural residential dwellings or farm homestead:

- PowerCo Site: four (4) single-family houses, agricultural buildings and fields; and
- Remainder of new Industrial Park: five (5) single-family houses, agricultural buildings and fields.

A section of the OSR rail line runs through the northwest portion of the new Industrial Park. Edgware Line currently runs east-west through the centre of the new Industrial Park. As detailed in Sections 3 and 6 of this report, this road will be reconfigured as part of the new internal road network for the Industrial Park.

Through Railway City Transit (RCT), the City of St. Thomas provides a Conventional Transit System with five (5) bus routes, a Parallel Transit System for people with accessibility limitations and On Demand Transit. The closest existing bus stops to the new Industrial Park are on Route 1 – Northside Route, approximately 1 km west. The new Industrial Park is within the On Demand Zone. St. Thomas has an extensive active transportation system, but currently there are no dedicated cycling lanes or trails abutting or within the new Industrial Park. As further described in Sections 3 of this report, transit and cycling infrastructure will be extended to service the new Industrial Park.

As shown above in **Figure 2-1**, a number of woodlots were located within the new Industrial Park. Approvals were obtained to clear all but the approximately 10 hectare woodlot located directly south of the PowerCo Site. There were a few minor watercourses and drainage features supporting past farming practices which have also been removed. Additional information on the approvals is provided in Section 6 of this report. Currently work is underway to clear and grade the PowerCo Site (see **Figure 2-2**), and the remainder of the new Industrial Park. All of the existing residential dwellings and agricultural buildings will be demolished.

Figure 2-2: Existing Site Conditions

Northwest Portion of new Industrial Park (with PowerCo Site)



Northeast Portion of New Industrial Park



South Portion of New Industrial Park



Source: City of St. Thomas July 18, 2023 Drone Imagery <https://www.st-thomas.org/drone-views.html>

2.2 Surrounding Context

As shown in **Figure 2-3**, the following land uses are currently located adjacent to or immediately surrounding the new Industrial Park:

- North: Ron McNeil Line / Highway 52, agricultural land and associated buildings and four (4) houses;
- East: Yarmouth Centre Road, agricultural land and associated buildings and four (4) houses;
- South: CN rail line and agricultural land; and
- West: Highbury Avenue South, Centennial Avenue, OSR rail line, the Elgin Middlesex Pumping Station, various industrial and commercial buildings, vacant land and one (1) house.

Figure 2-3: Surrounding Land Uses to the Site and the Property



Within a broader 500-metre radius surrounding the new Industrial Park, lands to the north and east, which are located within the Municipality of Central Elgin, are primarily agricultural with some rural residential. To the south, also within Central Elgin, is land which is designated 'Major Industrial' but is currently being used for agricultural purposes, followed by commercial and light industrial uses along Talbot Line (Highway 3). Lands to the west are primarily industrial (developed and some vacant land), with many businesses related to the automotive industry and warehousing. At the north, lands west of Highbury Avenue South contain natural open space, single-family residential, parkland and some commercial retail.

There are a few active development applications within 500 metres of the new Industrial Park. At 340 Highbury Avenue, approximately 20 metres west of the new Industrial Park, Site Plan Approval was recently granted for a small commercial plaza. A number of Minor Variance applications are seeking parking reductions for new industrial development (e.g. at 70 Dennis Road, 45 Highbury Road, 131 South Edgeware Road and 258 Edward Street).

The Municipality of Central Elgin did recently approve an amendment to the Township of Yarmouth Zoning By-law No. 1998 to rezone approximately 140 hectares of lands directly south of the new Industrial Park, between Talbot Line (Highway 3) and the Canada Southern Rail Line and Centennial Avenue and Yarmouth Centre Road, to position the land for future industrial development.

Within the context of the larger surrounding area, the new Industrial Park and PowerCo Site are well-positioned to be served by a range of commercial, retail and other major services and infrastructure that exists in the City of St. Thomas and adjacent municipalities. For example:

- The St. Thomas Municipal Airport is located approximately 3 km southeast;
- Downtown St. Thomas is located approximately 6 km southwest;
- Highway 401 is located approximately 15 km north; and
- The City of London is less than 10 km northwest (e.g. approximately 6 km to the municipal boundary and approximately 30 km to the downtown).

3 Proposed PowerCo Plant and New Industrial Park

As noted, over the past several years the City of St. Thomas has compiled a total of 617 gross hectares of land to establish a new Industrial Park to meet economic growth forecasts and attract and accommodate the new PowerCo electric vehicle (EV) battery manufacturing plant. Approximately 460 hectares of the new Industrial Park is anticipated to be net developable land. The other land is required for new municipal roads, rail spurs, municipal servicing infrastructure and utilities, and the approximately 10-hectare woodland that is to be preserved.

As shown in **Figure 3-1** and detailed in the sections below, the PowerCo plant is estimated to total 1.39 million square metres (15 million square feet) and will be located on a 152 net hectare parcel within the new Industrial Park. The remainder of the net Industrial Park (i.e. approximately 308 net hectares) will accommodate a range of supporting or related industrial businesses, other industrial development and accessory commercial retail services to serve the Industrial Park workers. A conservative estimate assumes the total gross floor area within the new Industrial Park at full-build out may be in the range of 2.12 million square metres.

Figure 3-1: Estimated Net Industrial Park Land Area and Future Industrial Development

	Estimated Developable Area (net hectares)	% of Developable Area	Estimated Development (square metres)
PowerCo	152	33%	1,393,545
Remainder of New Industrial Subdivision	308	67%	722,570
Total New Industrial Park	460	100%	2,116,115

Notes: The estimated development for the remainder of the new Industrial Subdivision is based on the 102 m² per industrial employee standard set in the City of St. Thomas 2020 Development Charge Background Study and the 23 jobs per net hectare and 102 m² per employee standards set in the 2018 City of St. Thomas Employment Land Review. The net land area is subject to change based on ongoing engineering and Draft Plan of Subdivision work.

3.1 PowerCo EV Battery Manufacturing Plant

PowerCo SE is a subsidiary of Volkswagen Group, which is one of the world’s leading manufacturers of automobiles and commercial vehicles. It manages Volkswagen Group’s global battery business, from raw material sourcing and development to the construction and operation of gigafactories. In April 2023 PowerCo made a formal announcement that it would be building a new EV battery manufacturing plant in St. Thomas. As shown in **Figure 3-2**, the plant will be comprised of six (6) production blocks totalling approximately 1.39 million square meters (15 million square feet), a truck staging area, employee parking and rail spurs.

Figure 3-2: Illustrative Rendering of PowerCo EV Battery Manufacturing Plant



Source: PowerCo and City of St. Thomas: www.stthomas.ca/news/what_s_new/volkswagen_power_co_s_e_to_build_gigafactory

The buildings are anticipated to be approximately 40 metres in height (50 metres to the top of the chimneys). Other associated PowerCo facilities will be located on nearby land (e.g. a training and welcome centre).

Ground breaking for the plant is planned for early 2024 and production is projected to begin in 2027. Annual production capacity of up to 90 GWh is expected in the final expansion phase, with the production of batteries for up to one million electric vehicles per year. This will bolstering domestic battery manufacturing capacity to meet current and future demand for EVs. It is PowerCo's first overseas gigafactory and it will be the largest manufacturing plant in Canada. The plant is part of a larger plan involving the Canadian federal and provincial governments to support battery value creation and raw material security in order to promote e-mobility.²

3.2 Industrial Park

As noted above and shown below in **Figure 3-3**, the new Industrial Park will contain a number of new municipal roads, rail spurs, municipal servicing infrastructure (e.g. stormwater management ponds and pumping station) and utility corridors and sub-stations. Public transit and cycling infrastructure is intended to be extended into the area. The remaining land (approximately 308 hectares) will be subdivided into large blocks to accommodate a range of industrial, logistics, warehousing and related ancillary uses, which will help support local workers.

Figure 3-3: Industrial Park Site Plan – Preliminary Draft



Source: City of St. Thomas based on 2022 Google Imagery

²www.volkswagen-newsroom.com/en/press-releases/volkswagen-and-powerco-se-will-build-their-largest-cell-factory-to-date-in-canada

It is anticipated that most of the industrial development will be in the form of low-rise buildings with surface parking and landscaping. Some businesses may also utilize portions of their sites for outdoor storage. A conservative estimate assumes that at full-build the non-PowerCo lands within the new Industrial Park may accommodate approximately 722,570 square metres of building area.

As noted, the approximately 10-hectare woodland located directly south of the PowerCo Site will be largely preserved and new tree planting and landscaping will be provided on the Site. More detailed site and building plans will become available at the Draft Plan of Subdivision and building permit stage.

4 Initial Employment Land Needs Assessment

In April 2018, Dillon Consulting, in partnership with Watson and Associates Economists Ltd., completed the “City of St. Thomas Employment Lands Review”. The review estimated that the City’s total employment base would increase from 17,400 in 2017 to 23,800 in 2041, representing a growth of approximately 6,500 employees, or an annual employment growth rate of 1.3%. Of the anticipated growth, the review stated that the industrial sector would account for 58% of the City’s total employment growth over the same period, adding approximately 160 industrial jobs annually or 3,250 employment land jobs to 2041.

The review forecasted employment land demand in the City of St. Thomas to be 175 hectares (140 net hectares) between 2017 and 2037. With an employment land supply of 79 hectares, the City was deemed to have a land supply deficit of 96 hectares. In order to meet the projected employment land needs, it was recommended that the City designate 102 hectares (77 net hectares) of agricultural land along Edgeware Line east of the City’s existing industrial and that it prepare an implementation plan for industrial expansion within this area. ³

In August 2022 Watson and Associates Economists Ltd. prepared a Population and Households Projection Report for the City of St. Thomas. The study forecasted that the City’s population would steadily increase from 43,200 in 2021 to 65,100 by 2051 (including the undercount), representing a population increase of 1.4% annually over the 30-year period. Employment data for 2023 from Environics Analytics indicates that the City had 23,303 working age residents which were distributed throughout a variety of industries. The sector which employed the most of the City’s residents is the manufacturing sector representing 16.7% (3,885 jobs). This is followed by the healthcare and social services and the retail trade sectors, representing 13.9% (3,235 jobs) and 12.1% (2,831 jobs) respectively. A large share of residents migrating to St. Thomas are anticipated to be younger working-age residents, given local economic growth opportunities across a range of export- and service-based sectors, local housing opportunities, as well as potential for out-commuting within the County’s commuter-shed.

Neither the 2018 Employment Land Review Study nor the August 2022 Population and Households Project Report recommendations accounted for a gigafactory, such as PowerCo, locating in St. Thomas. The Site offers prime access to the regional research and innovation cluster, talented workforce, good transport infrastructure and established supply chains.⁴ The PowerCo development represents the largest auto investment in the Province’s history. The PowerCo Site, was selected in part due to its strategic location within the heart of the Great Lakes Automotive Corridor, less than 10 km southeast of London, and its proximity to major cities such as Toronto and Detroit. The plant is expected to generate about \$200 billion in value.⁵ Thousands of new supporting indirect and induced jobs are expected to be created in St. Thomas as a result of the PowerCo plant, which will require a substantial amount of designated and zoned employment land.

Arcadis undertook a review of growth management work undertaken to-date as part of the City of St. Thomas’s ongoing Official Plan review, a demographic and market trend analysis in order to prepare an initial employment land needs assessment. It concluded that the entirety of the 617 gross hectare new Industrial Park, plus additional land elsewhere in the City, is required to accommodate PowerCo and the resulting indirect and induced jobs and other anticipated employment growth through to 2041. The following provides a brief summary of the key findings of the employment land needs assessment. Additional details are provided in **Appendix A**.

4.1 Jobs Assessment

Figure 4-1 provides an overview of the job estimates associated with the ongoing operation of the PowerCo plant. Given the timing of the announcement (March 2023) versus the timing for the completion of the Employment Land

³ Through recent discussions with the City of St. Thomas’ growth management consulting team, it was noted that this employment forecast is likely conservative given various microeconomic factors that have emerged since the time of the study. Any increase in the employment forecast could result in the need for additional employment lands.

⁴ www.volkswagen-newsroom.com/en/press-releases/volkswagen-and-powerco-se-will-build-their-largest-cell-factory-to-date-in-canada

⁵ <https://www.pm.gc.ca/en/news/news-releases/2023/04/21/volkswagens-new-electric-vehicle-battery-plant-will-create-thousands>

Review (April 2018), Arcadis has assumed that these job estimates will be above and beyond the job growth identified in the 2018 Employment Land Review.

Figure 4-1: Job Estimates Associated with the PowerCo Plant

Job Type	Job Estimates
Direct	3,000
Indirect / Induced (Ontario)	20,500
Estimate Local Indirect Jobs	5,100

The following outlines the assumptions associated with each input:

- **Direct Jobs:** the direct jobs estimate is based on the quoted jobs from the Volkswagen Press release⁶, which identifies the “potential to create up to 3,000 highly skilled jobs at the factory...”
- **Indirect/Induced (Ontario) Jobs:** with the estimated annual revenue for the build-out of the plant³, Arcadis used the Statistics Canada Input-Output multipliers for motor vehicle electrical and electronic equipment manufacturing (BS336320) to generate an estimate of indirect/induced jobs within Ontario. Indirect jobs produce the goods or services required by the direct jobs (e.g. employees producing energy or chemicals used by the PowerCo plant) and induced jobs are those created when direct and indirect employees go out and spend their incomes on goods and services, such as food, entertainment, child care, etc. The 20,500 indirect/induced jobs estimated by Arcadis may be conservative, as news reports have suggested up to 30,000 indirect jobs may be created by the PowerCo plant⁷; and
- **Estimate Local Indirect Jobs:** based on a review of case studies⁸, Arcadis has taken a conservative approach by estimating that approximately 20% of all indirect/induced jobs would be local or within Elgin County, which physically includes the City of St. Thomas. Given that St. Thomas is a major centre for employment in Elgin County, Arcadis has assumed the full share of employment could be allocated locally within the City. A larger proportion of the indirect jobs resulting from the PowerCo plant could end up being local versus establishing outside of Elgin County.

4.2 Employment Land Needs Assessment

Based on the job estimates shown above in **Figure 4-1**, Arcadis estimates that 362 net hectares will be required to accommodate the anticipated new direct and local indirect jobs in St. Thomas (see **Figure 4-2**). This is based on the following assumptions:

- The 3,000 direct jobs are required on the PowerCo site, which is 152 net hectares; and
- The 4,200 local indirect jobs will require 210 net hectares. This is based on the long-term anticipated employment land density of 20 jobs per net hectare.

Figure 4-2: Job Estimates Associated with the PowerCo Plant

	Direct	Local Indirect	Total
Jobs	3,000	4,200	7,200
Density (jobs/net ha)		20	
Land Need (net ha)	152	210	362

⁶ www.volkswagen-newsroom.com/en/press-releases/volkswagen-and-powerco-se-will-build-their-largest-cell-factory-to-date-in-canada

⁷ Province of Ontario News Release – Office of the Premier (April 21, 2023) “Volkswagen’s New Electric Vehicle Battery Plant Will Create Thousands of New Jobs”, <https://news.ontario.ca/en/release/1002955/volkswagens-new-electric-vehicle-battery-plant-will-create-thousands-of-new-jobs>

⁸ “Outlook for jobs creation in European Battery Industry” - Menon Economics

As shown in **Figure 4-3**, the resulting land needs assessment indicates that an additional two (2) net hectares of land will be required elsewhere in the City to accommodate the forecasted employment growth to 2041. The land demand analysis does not account for additional land that may be required the City to accommodate new commercial retail and institutional growth.

Figure 4-3: Net Employment Land Needs Assessment City-Wide to 2041

	Area (net ha)
Total New Industrial Park (net)	460
Less: PowerCo Site (within New Industrial Park)	152
Less: 2018 Employment Land Review Recommendation (City-wide)	77
Less: Local Indirect Job Land Need	210
Less: Vacancy Factor (5%)	23
Surplus/Deficit (City-wide)	-2

Factoring in the land need of the direct and local indirect jobs, the recommended employment land designation from the 2018 Employment Land Review, and a land vacancy factor, it is Arcadis’s opinion that the entirety of the 617 gross hectare new Industrial Park, including the proposed 317 gross hectares to be redesignated to ‘Employment Land’, and approximately 465 hectares to be added to the urban Settlement Area, are required to accommodate the anticipated job growth from the PowerCo development and from planned employment growth in St. Thomas to 2041. The City’s existing demographics and labour force, and anticipated future growth, will provide a strong and skilled workforce to help meet the job demands of the PowerCo development.

As further detailed in Section 6 of this report, in order to accommodate future employment land job growth the following amendments are being sought:

- Through a requested Ministerial Zoning Order (MZO), the City of St. Thomas is seeking to rezone the entirety of the City-owned 617-hectare new Industrial Park as ‘EL - Employment Lands’ with site-specific permissions, except for an approximately 10 hectare woodlot south of the PowerCo Site which would maintain its NH zoning. The requested rezoning would include approximately 388 hectares of land being rezoned from ‘OS1 and OS2 - Open Space Zone’ and ‘NH - Natural Heritage Zone’ to ‘Employment Lands Zone’; and
- Through a City-led Official Plan Amendment (OPA), the approximately 317 hectares of land within the new Industrial Park would be redesignated from ‘Agricultural’, ‘Natural Heritage’ and ‘Natural Hazard’, to ‘Employment Lands’.

The initial employment land need findings are based on currently available information and subject to change based on refinements to the engineering/design of the new Industrial Park and additional jobs/revenue information from PowerCo or the City of St. Thomas through its ongoing Official Plan Review process.

5 Planning Policy and Regulatory Framework

This section provides a summary of the planning policy documents, regulations and guidelines that currently govern land use and development within the new Industrial Park and the PowerCo Site. It also describes how the proposed development and the required Official Plan Amendment (OPA) and Zoning By-law Amendment (ZBLA), which is being sought by way of MZO, support provincial and municipal policies and planning objectives.

Current mapping does show that some of the new Industrial Park lands are within the regulatory areas of the Kettle Creek Conservation Authority (KCCA) and Catfish Creek Conservation Authority (CCCA) with features subject to various federal, provincial and municipal environmental or natural heritage policies. However, as detailed in Section 7 of this report, all necessary permits and approvals were obtained from the Department of Fisheries and Ocean (DFO), Environment and Climate Change Canada (ECCC), the Ministry of Natural Resources and Forestry (MNR) and the Ministry of Environment Conservation and Parks (MECP) to remove all woodlots, except for the woodlot located directly south of the PowerCo Site that is being preserved, and to alter watercourse and drainage features. Work is underway to clear and grade the PowerCo Site and the larger new Industrial Park.

The permits and approvals obtained from DFO, ECCC, MNR and MECP support the proposed redesignation of 'Natural Heritage', 'Natural Hazard', 'Watercourses' and 'Waterbody' lands to 'Employment Lands' along with the requested rezoning. As such, this planning justification report has focused on policies pertaining to urban growth, infrastructure and employment areas.

5.1 Planning Act

The Planning Act, R.S.O. 1990, c. P.13 (the "Act"), last consolidated June 8, 2023, deals with land use planning in Ontario and outlines how land is controlled and the roles of various levels of government and the public in regard to land use matters. It is intended to provide the basis from which municipalities may approve regulations related to land use development.

As per Section 2 of the Act, the Minister, council of a municipality, a local board, a planning board and the Tribunal, in carrying out their responsibilities under this Act, shall have regard to, among other matters, matters of Provincial interest such as:

- a) *the protection of ecological systems, including natural areas, features and functions;*
- b) *the protection of the agricultural resources of the Province;*
- c) *the conservation and management of natural resources and the mineral resource base;*
- d) *the conservation of features of significant architectural, cultural, historical, archaeological or scientific interest;*
- e) *the supply, efficient use and conservation of energy and water;*
- f) *the adequate provision and efficient use of communication, transportation, sewage and water services and waste management systems;*
- g) *the minimization of waste;*
- h) *the orderly development of safe and healthy communities;*
 - (h.1) *the accessibility for persons with disabilities to all facilities, services and matters to which this Act applies;*
- i) *the adequate provision and distribution of educational, health, social, cultural and recreational facilities;*
- j) *the adequate provision of a full range of housing, including affordable housing;*
- k) *the adequate provision of employment opportunities;*
- l) *the protection of the financial and economic well-being of the Province and its municipalities;*
- m) *the co-ordination of planning activities of public bodies;*
- n) *the resolution of planning conflicts involving public and private interests;*
- o) *the protection of public health and safety;*

- p) *the appropriate location of growth and development;*
- q) *the promotion of development that is designed to be sustainable, to support public transit and to be oriented to pedestrians;*
- r) *the promotion of built form that,*
 - a. *is well-designed,*
 - b. *encourages a sense of place, and*
 - c. *provides for public spaces that are of high quality, safe, accessible, attractive and vibrant;*
- s) *the mitigation of greenhouse gas emissions and adaptation to a changing climate.*

The Act requires that local planning decisions are consistent with the policy statements issued under subsection (1) that are in effect on the date of the decision and conform with the provincial plans that are in effect on that date, or shall not conflict with them, as the case may be. As further detailed in Sections 5.2 and 7 of this report, the proposed PowerCo plant and the larger new Industrial Park has regard for provincial plans and provincial interest, particularly the adequate provision of employment opportunities, the appropriate location of growth and development the mitigation of greenhouse gas emissions and adaptation to a changing climate. The City of St. Thomas and its technical consultants have worked closely with provincial and federal agencies to ensure the appropriate means to remove and protect ecological systems, including natural areas, features and functions.

Section 47 of the Act authorizes the Minister of Municipal Affairs and Housing (MMAH) to make a minister's zoning order (MZO) for regulating the use of land, buildings and structures anywhere in Ontario. MZOs are a critical tool that can be used to support and expedite the delivery of government priorities, including transit-oriented communities, affordable housing, long-term care homes and strategic economic recovery projects by removing potential barriers and delays. An MZO prevails over any other ZBL in effect in the area.

The proposed PowerCo plant and the larger new Industrial Park is a major economic initiative for which there are very tight timelines for when operations need to commence in order for the initiative to be successful with Ontario at the forefront with EV. As such, a standard municipal (or Ontario Land Tribunal) rezoning process where the processing, review and approvals process can take a very long time, was not possible. This is why the City of St. Thomas is seeking an MZO.

5.2 Provincial Policy Statement (2020)

The Provincial Policy Statement 2020 (the "PPS") provides policy direction on matters of provincial interest relating to land use planning and development and sets the policy foundation for regulating land use and development of land. The PPS was issued under Section 3 of the *Planning Act* and the current PPS came into effect on May 1, 2020, replacing the PPS issued on April 30, 2014. In this regard, Section 3 of the *Planning Act* requires that land use planning decisions be consistent with the PPS.

The PPS encourages growth to be within or adjacent to a settlement area and away from significant or sensitive resources and areas that may pose a risk to public health and safety. The overriding vision of the PPS states that, "the long-term prosperity and social well-being of Ontarians depends on maintaining strong communities, a clean and healthy environment and a strong economy". Land use must be carefully managed to accommodate appropriate development to meet the full range of current and future needs, while achieving efficient development patterns. Arcadis has considered the PPS in its entirety, and the following sections and policies of the PPS are of particular relevance to the new Industrial Park and PowerCo plant.

Communities

Section 1.1.1 of the PPS provides direction on how to establish "*healthy, livable, and safe communities through:*

- a) *promoting efficient development and land use patterns which sustain the financial well-being of the Province and municipalities over the long term;*
- c) *avoiding development and land use patterns which may cause environmental or public health and safety concerns;*

- e) *promoting the integration of land use planning, growth management, transit-supportive development, intensification and infrastructure planning to achieve cost-effective development patterns, optimization of transit investments, and standards to minimize land consumption and servicing costs;*
- f) *ensuring that necessary infrastructure and public service facilities are or will be available to meet current and projected needs;*
- g) *preparing for the regional and local impacts of a changing climate”*

The PowerCo plant is considered to be Ontario’s largest industrial development and a major economic initiative that will create not only thousands of direct jobs, but thousands of indirect and induced jobs. The plant and the larger surrounding new Industrial Park will enhance and vitalize the local economy and support future growth of the area. The new Industrial Park is being planned to ensure efficient development and land use patterns, avoid environmental or public health and safety concerns and the provision of necessary infrastructure to meet the needs of future business needs. The PowerCo plant and supporting businesses that may be established in the Industrial Park will bolster EV production and usage, thus helping cut emissions and fight climate change.

Settlement Areas

The PPS provides direction for focusing growth and development to Settlement Areas and the expansion of a Settlement Area only when there has been demonstrated need and benefit:

- 1.1.3.1 *“Settlement areas shall be the focus of growth and development.”*
- 1.1.3.2 *“Land use patterns within settlement areas shall be based on densities and a mix of land uses which:
 - a) *efficiently use land and resources;*
 - b) *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;*
 - c) *minimize negative impacts to air quality and climate change, and promote energy efficiency;*
 - e) *support active transportation;*
 - f) *are transit-supportive, where transit is planned, exists or may be developed; and*
 - g) *are freight-supportive.”**
- 1.1.3.6 *“New development taking place in designated growth areas should occur adjacent to the existing built-up area and should have a compact form, mix of uses and densities that allow for the efficient use of land, infrastructure and public service facilities.”*
- 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 to accommodate growth and to satisfy market demand 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;*
 - 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.**

The western portion of the new Industrial Park and part of the PowerCo Site is within the Settlement Area of the City of St. Thomas, as it is currently defined. Through its ongoing municipal comprehensive review the City has identified the need to expand the Settlement Area boundary to encompass the entirety of the new Industrial Park. Approximately 474 hectares of the 617 hectare new Industrial Park is not within the currently defined Settlement Area of the City of St. Thomas. As detailed in Section 4 of this report, no other opportunity exists to satisfy the

PowerCo land requirements and associated market demand for employment land. The proposed new Industrial Park represents an efficient use of land and resources and an ideal location for development, given its adjacency to the urban area of the City of St. Thomas, proximity to rail, the airport and major highways and surrounding existing and planned uses. New municipal infrastructure will be available to service the lands and businesses. Supporting studies demonstrate that impacts to adjacent or near by agricultural operations will be minimal and can be mitigated.

Land Use Compatibility

With regards to land use compatibility, the PPS provides guidance on the development of major facilities and sensitive land uses for sustained operational viability:

- 1.2.6.1 *“Major facilities and sensitive land uses shall be planned and developed to avoid, or if avoidance is not possible, minimize and mitigate any potential adverse effects from odour, noise and other contaminants, minimize risk to public health and safety, and to ensure the long-term operational and economic viability of major facilities in accordance with provincial guidelines, standards and procedures.”*

The proposed land uses which will immediately surround the PowerCo Site will primarily be other industrial and employment uses and natural heritage. The plant will be located at least 400 metres away from any residential dwellings. The larger Industrial Park will be surrounded by employment uses, agricultural land and some rural residential housing, separated from the boundaries of the Industrial Park by municipal roadways. The PowerCo plant and other future industrial development will be subject to strict noise, air quality and environmental standards to ensure minimum disturbance or risk to neighbouring properties.

Employment

The PPS contains many policies and objectives pertaining to economic development and employment land. The following are of particular relevance to the proposed Industrial Park:

- 1.3.1 *“Planning authorities shall promote economic development and competitiveness by:*
- a) *providing for an appropriate mix and range of employment, institutional, and broader mixed 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) *facilitating the conditions for economic investment by identifying strategic sites for investment, monitoring the availability and suitability of employment sites, including market-ready sites, and seeking to address potential barriers to investment;*
 - d) *encouraging compact, mixed-use development that incorporates compatible employment uses to support liveable and resilient communities, with consideration of housing policy 1.4; and ensuring the necessary infrastructure is provided to support current and projected needs.”*
 - e) *ensuring the necessary infrastructure is provided to support current and projected needs.”*
- 1.3.2.1 *“Planning authorities shall plan for, protect and preserve employment areas for current and future uses and ensure that the necessary infrastructure is provided to support current and projected needs.”*
- 1.3.2.2 *“At the time of the official plan review or update, planning authorities should assess employment areas identified in local official plans to ensure that this designation is appropriate to the planned function of the employment area.*

Employment areas planned for industrial and manufacturing uses shall provide for separation or mitigation from sensitive land uses to maintain the long-term operational and economic viability of the planned uses and function of these areas.”

1.3.2.3 *“Within employment areas planned for industrial or manufacturing uses, planning authorities shall prohibit residential uses and prohibit or limit other sensitive land uses that are not ancillary to the primary employment uses in order to maintain land use compatibility.*

Employment areas planned for industrial or manufacturing uses should include an appropriate transition to adjacent non-employment areas.”

The PowerCo plant will be one of the largest manufacturing plants in Canada and it is part of a larger plan involving the Canadian federal and provincial governments to support battery value creation and raw material security in order to promote e-mobility. Together, the new plant and resulting business growth will result in an estimated 8,100 new local jobs. Through years of planning and technical work, the City of St. Thomas has identified the new Industrial Park as a strategic site to promote economic development and investment. The 610 hectares are required to accommodate PowerCo and provide market-ready sites for other businesses.

Through the ongoing comprehensive servicing, stormwater management and transportation planning for the new Industrial Park and the broader area, the new development will satisfy policies 1.3.1 e), 1.6.1 and 1.6.7.1 that require necessary infrastructure and transportation be provided to support current and projected needs and that infrastructure, transportation systems and public service facilities are coordinated and integrated with land use planning and growth management.

Policy 1.8.1 directs planning authorities to support energy conservation and efficiency, improved air quality, reduced greenhouse gas emissions and prepare for the impacts of climate change. The PowerCo EV battery plant and supporting industries that are expected to establish in the new Industrial Park, is critical to the City of St. Thomas and the Province of Ontario supporting this policy. The PPS does provide policy direction for the protection of natural features. As previously noted a number of woodlots must be removed in order to accommodate this critical economic development initiative. As per policy 2.1.2 of the PPS, natural features should be restored and where possible improved. The City of St. Thomas is working with the relevant agencies on a compensation for the woodlots that had to be removed within the new Industrial Park.

5.3 City of St. Thomas Official Plan

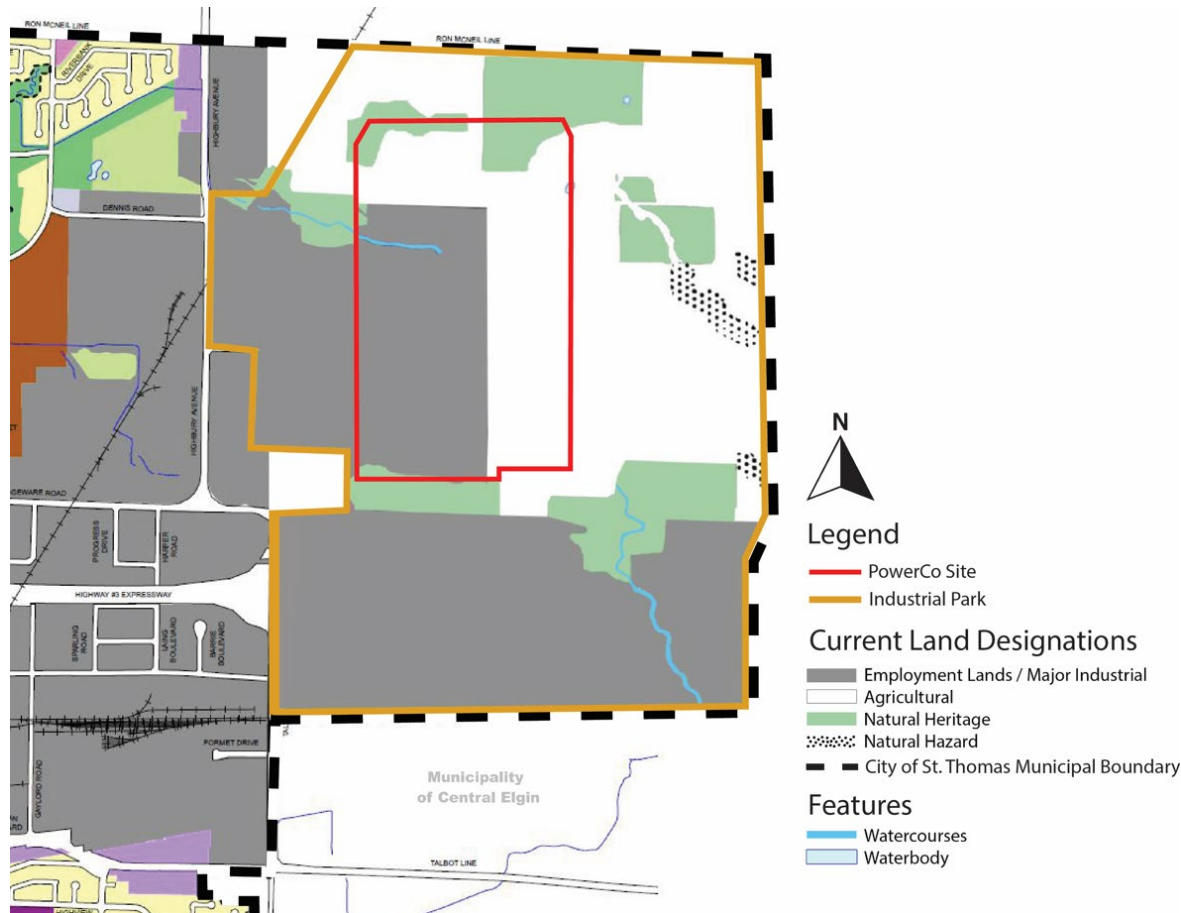
The City of St. Thomas Official Plan (OP) was adopted by City Council on December 10, 2013. It was last amended in June 2018 and last consolidated in February 2021.

On March 2, 2023 Bill 63, which adjusted the boundary between the City of St. Thomas and the Municipality of Central Elgin, obtained Royal Assent. Bill 63 stipulates that, *“The official plan of the Municipality of Central Elgin in respect of the annexed area is deemed to be an official plan of the City of St. Thomas on the effective date, and remains in force until it is revoked or amended to provide otherwise”.*

At this time the City of St. Thomas has not formally updated its OP schedules to incorporate the expanded municipal boundary and new lands. **Figure 5-1** was prepared to illustrate the current land use ‘Employment Land’, ‘Major Industrial’, ‘Agricultural’, ‘Natural Heritage’ and ‘Natural Hazard (overlay) designations of the new Industrial Park, following the annexation. The figure also shows ‘Waterbody’ and ‘Watercourse’ features which are listed on Schedule A of the Official Plan.

Appendix B contains the individual Land Designation Schedules for the City of St. Thomas and the Municipality of Central Elgin, which do not yet reflect the annexation, and a figure of the compiled Land Designation Schedule with an overlay defining the annexation.

Figure 5-1: Current Official Plan Designations of the New Industrial Park and PowerCo Site



Source: Arcadis based on City of St. Thomas and Municipality of Central Elgin Official Plan schedules

Note: Draft for Information Purposes Only. An official version will be prepared by the City of St. Thomas in the future.

Approximately 43% of the PowerCo Site and 47% of the larger new Industrial Park is already designated 'Employment Land' or 'Major Industrial'. **Figure 5-2** details the approximate land areas by current designation within the new Industrial Park.

Figure 5-2: Land Areas Under Current Official Plan Land Designations within the New Industrial Park

CURRENT DESIGNATION	WITHIN POWERCO SITE (HA)	WITHIN REMAINDER OF INDUSTRIAL PARK (HA)	TOTAL INDUSTRIAL PARK (HA)
Employment Lands	65	63	128
Major Industrial	0	162	162
Agricultural	77	170	247
Natural Heritage	10	62	72
Natural Hazard (Overlay)	0	8	8
Total	152	465	617

As detailed in Section 6 of this report, approximately 317 hectares within the new Industrial Park (87 hectares of which are within the PowerCo Site) are proposed to be redesignated from 'Agricultural', 'Natural Heritage' and 'Natural Hazard (Overlay)' to 'Employment Lands'. The OPA will also rename the 'Major Industrial' lands that were

previously designated under the Municipality of Central Elgin Official Plan to 'Employment Lands' and apply the land use policies of the City of St. Thomas Official Plan.

Employment Lands

Section 5.10.2 of the St. Thomas OP provides the following goals for Employment area:

- (i). to provide and maintain a sufficient supply of land, in amount and variety of sizes, to accommodate employment growth;
- (ii). to monitor local, regional and provincial trends with respect to the demand for employment land to ensure that the City maintains an adequate supply in appropriate locations at all times;
- (iii). to limit development in employment areas to industrial activities and operations supportive or compatible with industry as well as ancillary retail and service commercial uses that support the workers and uses in the employment areas;
- (iv). to provide a range of employment opportunities for the City;
- (v). to ensure in employment areas the requirements of industry remain paramount;
- (vi). to provide appropriate locations for employment uses that have features that are not compatible with other adjacent sensitive land uses to relocate into the employment area;
- (vii). to continue to support industrial development and promotion programs;
- (viii). to protect and preserve employment lands in the long term;
- (ix). to protect employment lands in proximity to goods movement facilities and transportation corridors.

As per policy 5.10.4, permitted uses in the Employment designation include:

- i. industrial uses that involve assembling, fabricating, manufacturing, processing, repairing, warehousing, wholesaling and distribution uses, production of pharmaceuticals and medical products, communications, utilities, storage of goods and materials, service trades and construction uses; office uses including those accessory to industrial uses; research and information processing;
- ii. public and private recreation facilities, park and open space areas, public and institutional uses;
- iii. non-retail service commercial uses including but not limited to, restaurants, child care services, personal service uses, automotive body shops, automotive service uses, may be permitted on a limited basis provided the uses are compatible with the development and operation of industrial uses and serve the employment area;
- iv. gas and service stations including the sale of convenience goods and carwash provided they are located at an intersection of arterial or collector streets as shown on Schedule "B";
- v. transport trucking terminals are permitted but must front on or be near a road classified as an arterial or collector street on Schedule "B".

To achieve the City's employment goals, the OP includes the following detailed policies:

- | | |
|----------|--|
| 5.10.3.2 | The City will actively support and promote economic development through the implementation of their Economic Development Strategies and land banking where possible. The City will encourage economic activities in the areas of advanced manufacturing, life sciences, small knowledge-based business, information technology, business services and the environment as future opportunities for employment growth. |
| 5.10.3.3 | Large format and stand-alone retail uses, shopping centres, home improvement centres and retail commercial strip development are not permitted within the Employment designations. |

- 5.10.3.6 Industrial operations shall comply with the applicable Ministry of Environment and Climate Change Guidelines for Compatibility Between Industrial Facilities and Sensitive Land Uses.” The implementation of these guidelines shall be accomplished through the implementing zoning by-law and site plan approval.

Policy 4.3.5 of the OP directs industrial uses and developments to be concentrated in the northeastern part of the City and adjacent to the railway right-of-way, with policy 4.3.10 directing Council to ensure the City has a sufficient land supply for industrial uses for a twenty year period.

Within the designated ‘Major Industrial’ lands annexed from the Municipality of Central Elgin, a full range of manufacturing, fabricating, processing, assembling, storage and warehousing/bulk storage of goods and materials; repair and service operations, intermodal trans-shipment facilities including railway and marine uses, and municipal works yards are permitted. Accessory uses to a permitted “Major Industrial” use may include administrative offices for the permitted industrial use, a cafeteria; commercial uses accessory to the industrial use such as limited retail facilities for the sale of a portion of the goods produced on the premises and compatible public use.

Natural Heritage

Policy 8.3.1.2 describes lands designated ‘Natural Heritage’ as containing:

- I. Habitat of Endangered Species or Threatened Species: as identified by the Ontario Ministry of Natural Resources' official species at risk list, as updated from time to time;
- II. Significant Wetlands: as identified by the Ministry of Natural Resources and/or the local Conservation Authority;
- III. Areas of Natural and Scientific Interests (ANSI's), Life Science, (Provincial and Regional): as identified by the Ministry of Natural Resources;
- IV. Significant Valleylands: as identified by the Municipality in cooperation with the local Conservation Authority;
- V. Significant Wildlife Habitats: as identified by the Ministry of Natural Resources, the appropriate Conservation Authorities and/or the Municipality;
- VI. Fish Habitats: as identified by the local conservation authority in cooperation with the Federal Department of Fisheries and Oceans;
- VII. Significant Woodlands: as identified by the Municipality in cooperation with the local Conservation Authority; and
- VIII. Environmentally Sensitive Areas (ESA's): as identified by the appropriate Conservation Authority.

As per policy 8.3.2.2 permitted uses within the Natural Heritage designation are passive open space, walking/biking trails, forest and resource management uses, conservation uses, erosion and flood control, low-intensity public and private recreation uses, necessary public utilities, infrastructure and services, existing agricultural use and accessory buildings and structures thereto. Development and/or site alteration associated with a permitted use shall only be permitted when it can be demonstrated in accordance with the policies of subsection 8.3.4 of this Plan, that there will be no negative impacts to the natural heritage features and/or their ecological functions. Section 3.1 of the Central Elgin OP contains similar policies for Natural Heritage lands.

With the exception of the woodlot which is to remain, south of the PowerCo Site, given the approvals from DFO, ECCC, MNRF and MECP to remove woodlots and alter drainage courses, the new Industrial Park lands will not contain the above-noted features. As such the existing designation should no longer apply, nor should the previously associated ‘Natural Hazard’, ‘Watercourses’ and ‘Waterbody’ designations.

In summary, the new PowerCo plant and development within the larger new Industrial Park and the proposed OPA is consistent with the visions, goals and policies of the OP.

5.3.1 Official Plan Update

The City of St. Thomas is currently reviewing and updating its OP to provide direction through to 2046. The new OP's growth forecasts will take into account the 3,000 jobs being created with the PowerCo plant, the additional indirect and induced jobs anticipated to be created locally and associated residential growth. The final updated OP is anticipated to be presented to Council for Adoption in 2024. The proposed redesignation of the PowerCo and new Industrial Park lands will be reflected in the new updated OP either through a separate OPA to the current OP or as part of the new comprehensive update.

5.4 City of St. Thomas Zoning By-law 50-88

The City of St. Thomas Zoning By-law 50-88 (ZBL) was adopted by City Council on April 18, 1988, with regular office consolidations and recent amendments available on the City's website.

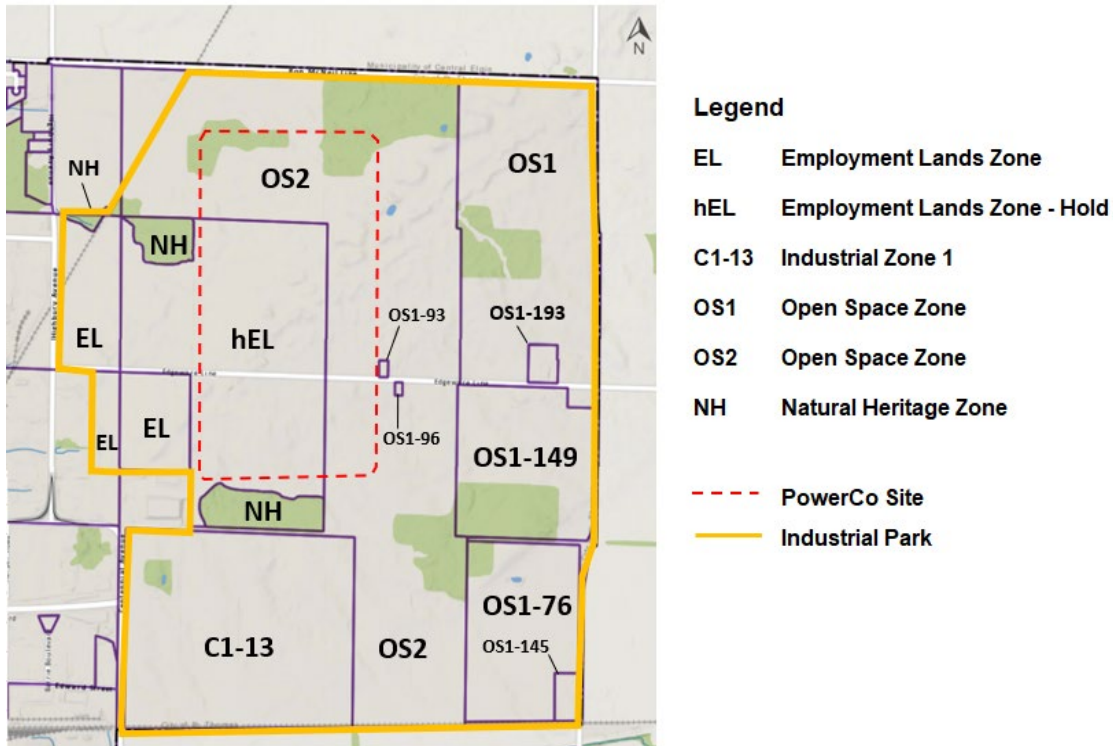
As noted, Bill 63 adjusted the boundary between the City of St. Thomas and the Municipality of Central Elgin. The Bill stipulates that:

“To the extent that they apply to the annexed area, the following by-laws of the Municipality of Central Elgin and the County of Elgin are deemed to be by-laws of the City of St. Thomas and remain in force in the annexed area until they expire or are repealed or amended to provide otherwise”.

The City of St. Thomas has updated its Zoning By-law mapping to incorporate the expanded municipal boundary and new lands that were regulated under the Township of Yarmouth Zoning By-law No. 1998 (Consolidation December 2022).

As shown in **Figure 5-3**, the Industrial Park is currently zoned 'EL - Employment Land Zone', 'hEL - Employment Land Zone Hold', 'C1- Industrial Zone 1', 'NH - Natural Heritage Zone', 'OS1 - Open Space Zone 1', 'OS2 – Open Space Zone 2'.

Figure 5-3: Current Zoning of the New Industrial Park and the PowerCo Site



Source: Arcadis based on City of St. Thomas Zoning

Approximately 43% of the PowerCo Site and 35% of the larger Industrial Park is already zoned ‘EL - Employment Land Zone’, hEL – Employment Land Zone Hold’, or ‘C1 – Industrial Zone 1’. **Figure 5-4** details the approximate land areas by current zoning within the new Industrial Park.

Figure 5-4: Land Areas Under Current Zoning within the New Industrial Park

CURRENT ZONING	WITHIN POWERCO SITE (HA)	WITHIN REMAINDER OF INDUSTRIAL PARK (HA)	TOTAL INDUSTRIAL PARK (HA)
EL - Employment Lands	0	38	38
hEL - Employment Lands Hold	65	26	91
NH – Natural Heritage		15	15
C1-13 Industrial Zone 1	0	90	90
OS1 - Open Space 1 Zone	0	166	166
OS2 – Open Space 2 Zone	87	130	217
Total	152	465	617

As detailed in Section 6 of this report, approximately 388 hectares within the new Industrial Park (87 hectares of which are within the PowerCo Site) are proposed to be rezoned from ‘OS1 and OS2 – Open Space Zone’ and ‘NH - Natural Heritage Zone’ to ‘EL - Employment Lands’. The requested rezoning would also remove the Holding (“h”) provision on approximately 91 hectares of ‘EL’ zoned lands and rezone approximately 90 hectares of land that were previously zoned ‘C1 – Industrial Zone 1’ by the Township of Yarmouth Zoning By-law No. 1998 to ‘EL’. The entirety of the new Industrial Park, with the exception of the 10-hectare woodlot, is proposed to be subject to site-specific EL permissions.

As per Section 21A.1 of the ZBL, permitted uses within the EL zone include:

- a) adult entertainment parlour
- b) agriculture
- c) animal clinic
- d) auction sales
- e) automotive body shop
- f) automotive service business
- g) automotive trade
- h) builders depot
- i) bulk storage
- j) business of leasing vehicles and equipment
- k) car rental business
- l) construction trade
- m) industrial repair shop
- n) machine shop
- o) manufacturing
- p) non-retail service commercial uses
- q) pharmaceutical and medical product industry
- r) private recreation facilities
- s) railway
- t) self storage business
- u) scientific and technology development
- v) transport trucking terminal
- w) warehousing
- x) wholesale establishment
- y) uses accessory to the foregoing

Part of the PowerCo Site is designated hEL. The holding (“h”) zone provisions for these EL lands may not be removed until supporting documentation has been completed to the satisfaction of the City, including but not limited

to a natural heritage review (environmental impact, scoped subwatershed or master drainage plan), municipal servicing report (sanitary & sanitary capacity, piped water, storm water management), traffic impact assessment, transit review and utilities).

As per provision 21A.4.1.7 of the ZBL, in the EL zone, no building or structure shall be erected or used for the purposes of an Adult Entertainment Parlour if the lot on which such Adult Entertainment Parlour is located is within 500 metres, measured in a continuous path over the shortest distance, of a residence, a school, a church, a day nursery or a public park in this zone or any other zone or a Residential or Open Space and Park Zone. Existing uses are permitted as interim uses. While provision 4.1.7 of the ZBL allows a public authority to use any land, building, or structure for any public service use in any zone, provision 4.1.7.3 prohibits hospitals and schools within the M1 - General Industrial Zone.

Figure 5-5 details the provisions of section 21A.4 of the ZBL that pertain to built form.

Figure 5-5: Zoning Provisions of the Employment Lands (EL) Zone, City of St. Thomas By-law 50-88

EL PROVISIONS	REQUIREMENT
Minimum Lot Area	No minimum
Minimum Lot Frontage	15 metres
Minimum Front Yard Depth	6 metres
Minimum Rear Yard Depth	1 metre (except where the rear yard of a lot within this zone abuts a Residential Zone or a street, in which case the minimum yard depth shall be 6 metres).
Minimum Side Yard Depth	a) Interior Lot - Where neither interior side yard abuts a Residential Zone, the total depth of both side yards shall not be less than 6 metres but neither yard shall be less than 1 metre. Where an interior side yard abuts a Residential Zone, the minimum side yard depth shall be 6 metres on the side that so abuts and shall be 1 metre on the other side. b) Exterior Lot - The minimum exterior side yard depth shall be 6 metres. The minimum interior side yard depth shall be 1 metre unless such yard abuts a Residential Zone, in which case, the minimum interior side yard depth shall be 6 metres.
Maximum Height	No maximum

As per Section 21.1.6 of the ZBL, the following minimum parking requirements apply in Employment zones:

- a. Warehousing: 1 space per 200 m² of the first 1,000 m² of floor area and 1 space per 450 m² of the remainder of the floor area in excess of 1000 m²;
- b. Building Supply Business & Wholesale Business: 4.5 spaces per 100 m² of floor area.
- c. Automobile Service Business 4.5 spaces per 100 m² of floor area plus 5 spaces for temporary vehicle storage;
- d. Business Office: 3.0 spaces per 100 m² of floor area;
- e. Manufacturing: 2 spaces per 100 m² of the first 1000m² of floor area and 1 space per 100 m² of the remainder of the floor area in excess of 1000 m²;
- f. Restaurant: 20 spaces per 100 m² of floor area; and
- g. All Other Uses: 1 space per 30 m² of floor area.

There are no loading space requirements in the EL zone.

As shown above in **Figure 5-3**, the southern portion of the new Industrial Park is currently zoned 'C1 – Industrial Zone 1'. Uses permitted within the C1 Zone include industrial-commercial uses, office uses in connection with an industrial-commercial use, industrial commercial accessory uses and living quarters or a watchman or caretaker and his family whose duties are essential to the maintenance of an industrial-commercial use, and which living quarters shall be permitted only on the same lot or land where such industrial-commercial use is located.

The site-specific provision 13 permits the following additional uses:

- a) transportation facilities;
- b) warehousing;
- c) wholesaling;
- d) automotive trade; and
- e) accessory uses.

The remainder of the new Industrial Park site is currently zoned 'OS1 and OS2 - Open Space' and 'NH - Natural Heritage', with some site-specific requirements/limitations. The only permitted uses in the OS1 zone are farm uses, rural-residential uses, institutional uses, home occupations and accessory uses. The only permitted uses in the OS2 zone are farm uses, rural-residential uses lawfully used for such purpose on the day of passing of the by-law, home occupations and accessory uses. The NH zone only permits the conservation of natural environment and forest, wildlife and fisheries management uses. Some of the OS1 and OS2 zoning does not reflect the OP which designates the lands as 'Employment Areas' and 'Major Industrial'.

5.5 City of St. Thomas Airport Zoning By-Law 36-2019

In 2013, the City of St. Thomas entered into an agreement with the Municipality of Central Elgin relating to the protection of airport approaches through federal airport zoning. An aeronautical consultant was hired to develop the technical specifications required for the ZBLs. Each municipality approved their own versions of the by-law covering their respective jurisdictions in 2019. The City's by-law is referred to as the Airport Zoning Protection By-law (AZPB) 36-2019.

Section 5.0 of the AZPB sets out building restrictions and prohibits the construction of any building or object which would penetrate one of the following surfaces:

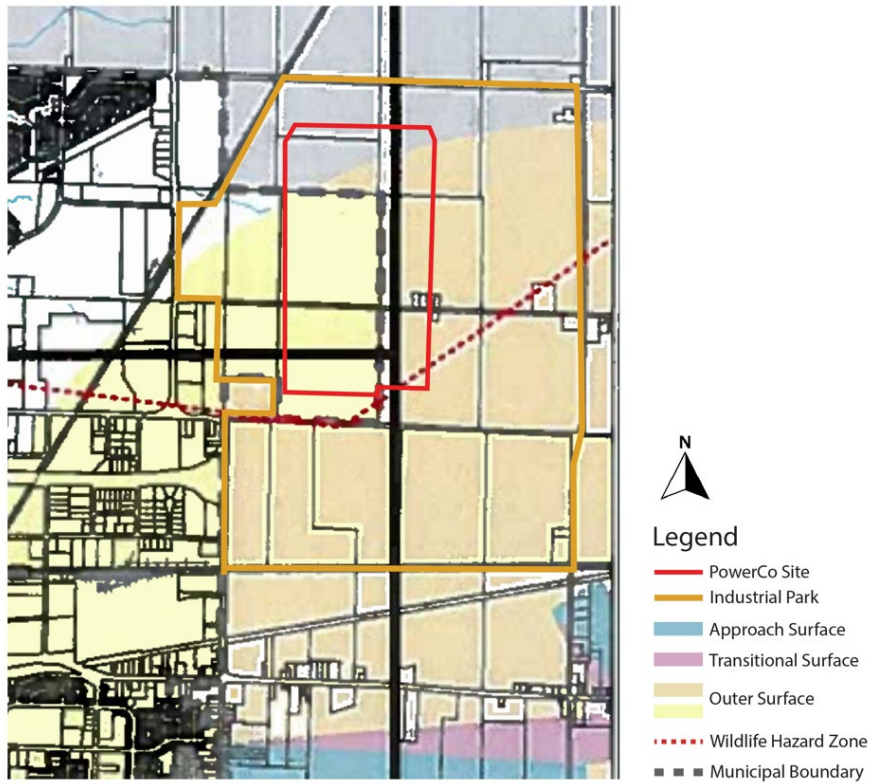
- Approach Surface;
- Outer Surface; and
- Transitional Surface.

As per Appendix A of ZBL 36-2019, the Outer Surface is an imaginary circular-shaped surface with its centre located at each respective existing or future runway threshold, with a radius of 4000 metres. It is situated at a constant elevation of 45 metres above the Airport Reference Point (i.e. centre of runway) and 280.16 metres above sea level at coordinates of Northing 4735165.20 Easting 491086.35, but where that elevation would place the Outer Surface at an elevation of less than 9 m above the ground, the Outer Surface will be located at 9 metres above the ground. As illustrated in **Figure 5-6**, the Outer Surface limit does intersect the new Industrial Park and the PowerCo Site.

Buildings being considered inside the Outer Surface must not exceed 280.16 metres above mean sea level (AMSL). Relief or adjustments to the ZBL, by way of ZBLA or MV, may be granted if the approval authority determines building construction within restricted surfaces would not be incompatible with the safe operation of the Airport or an aircraft.

With the recent change to the City of St. Thomas boundary brought about by Bill 63, the AZPB mapping requires adjustments to revise the City boundary and to add two new map parts to the mapping to show regulated areas on the new City lands. The amendment will not involve any changes to the technical regulations of the By-law. It is purely a mapping exercise to update the AZPB as a result of the recent boundary change. A Public Meeting for the amendment was held on August, 14, 2023. City staff have circulated the mapping to Transport Canada for its review and comment, before the amendment goes back to Council for approval.

Figure 5-6: Subject Site with City of St. Thomas Airport By-law Zoning



Source: Arcadis based on City of St. Thomas Airport Zoning mapping

6 Proposed Amendments

In order to facilitate one of the largest industrial developments in Ontario history and meet the future employment land needs of the City of St. Thomas, lands within the new Industrial Park and PowerCo Site must be redesignated and rezoned for employment uses. The City of St. Thomas is seeking to rezone the entirety of the Industrial Park, except for the woodlot south of the PowerCo Site, by way of Ministerial Zoning Order (MZO) and then to amend its Official Plan to reflect the MZO.

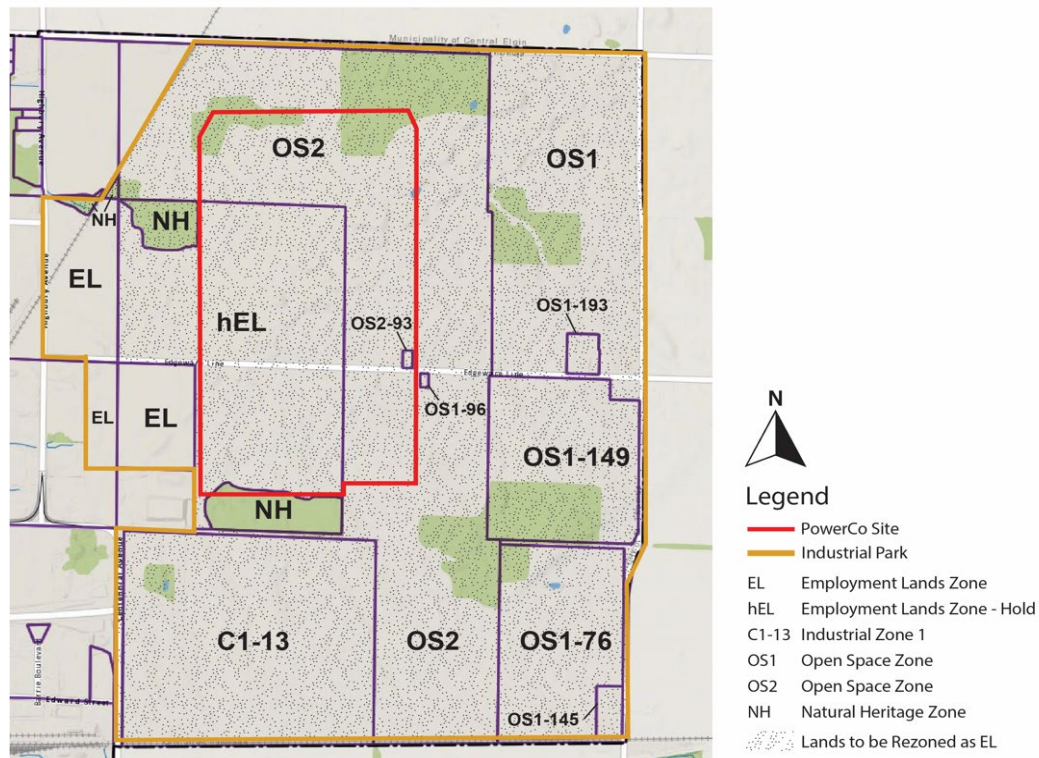
As noted in Section 5 and further detailed in Section 7 of this report, all required environmental clearances and approvals have been obtained from provincial and federal agencies in support of the requested rezoning of the NH and OS lands. Other technical studies have also been completed in support of the proposed amendments or are underway as part of the pending Draft Plan of Subdivision application.

6.1 Requested Rezoning by Way of Ministerial Zoning Order

Approximately 43% of the PowerCo Site and approximately 35% of the larger new Industrial Park is already zoned for employment and industrial uses. The City of St. Thomas is seeking to obtain an MZO to rezone the entirety of the City-owned 617-hectare new Industrial Park as 'EL – Employment Lands Zone' with site specific permissions, except an approximately 10 hectare woodlot south of the PowerCo Site which will maintain its NH zoning.

The requested rezoning would include approximately 388 hectares of land being rezoned from 'OS1 and OS2 - Open Space Zone' and 'NH - Natural Heritage Zone' to 'Employment Lands Zone'. It would also remove the current Holding ("h") provision on approximately 91 hectares of 'EL' zoned lands and rezone approximately 90 hectares of land from 'C1 – Industrial Zone 1' (see **Figure 6-1**). The requested MZO to rezone the entirety of the Industrial Park, including those lands which are currently zoned EL, is also being sought given site-specific EL provisions are being introduced for all lands.

Figure 6-1: Lands Proposed to be Covered by the Requested MZO and Rezoned to EL - Employment Lands



Source: Arcadis based on City of St. Thomas Zoning By-law

Figure 6-2 details the proposed zoning provisions which would apply to the entirety of the EL zoned lands within the Industrial Park. The existing EL provisions of ZBL 50-88 are proposed to be generally being applied as is to the new Industrial Park.

Figure 6-2: Proposed Site-Specific Zoning Provisions for the Employment Lands (EL) within the New Industrial Park

EL PROVISIONS	ZONING BY-LAW 50-88 REQUIREMENT		PROPOSED PROVISIONS
Permitted Uses (subsection 21.1)	(a) adult entertainment parlour (b) agriculture (c) animal clinic (d) auction sales (e) automotive body shop (f) automotive service business (g) automotive trade (h) builders depot (i) bulk storage (j) business of leasing vehicles and equipment (k) car rental business (l) construction trade (m) industrial repair shop	(n) machine shop (o) manufacturing (p) non-retail service commercial uses (q) pharmaceutical and medical product industry (r) private recreation facilities (s) railway (t) self storage business (u) scientific and technology development (v) transport trucking terminal (w) warehousing (x) wholesale establishment (y) uses accessory to the foregoing	Additional Permitted Uses: (a) Gigafactory (b) Business Office (c) Commercial or Technical School (d) Gas bar (e) Research and Development Facility (f) Restaurant (g) Day Care Prohibited Uses: (a) Adult entertainment parlour (b) All uses listed under Subsection 4.1.2 of the Zoning By-law (Salvage Yard, a wrecking yard or motor vehicle, junk yard, scrap yard, body rub parlour)
Permitted Buildings and Structures	No building or structure shall be erected except for the uses permitted in subsection 21.1.		No Change – but applies to new list of permitted uses
Required Services	No building or structure shall be erected or used for any purpose permitted by subsection 21.1 unless the following municipal services are available to service the building or structure and the land on which it is situated: i) a water supply system; and ii) a sanitary sewage system and a storm sewer system.		No Change – but applies to new list of permitted uses
Zone Regulations	No building or structure shall be erected or land, building or structure used except in accordance with the regulations set forth below.		No Change
Minimum Lot Area	No minimum		No Change
Minimum Lot Frontage	15 metres		No Change
Minimum Front Yard Depth	6 metres		No Change
Minimum Rear Yard Depth	1 metre (except where the rear yard of a lot within this zone abuts a Residential Zone or a street, in which case the minimum yard depth shall be 6 metres).		No change

EL PROVISIONS	ZONING BY-LAW 50-88 REQUIREMENT	PROPOSED SITE-SPECIFIC AMENDMENTS
Minimum Side Yard Depth	<p>(a) Interior Lot - Where neither interior side yard abuts a Residential Zone, the total depth of both side yards shall not be less than 6 metres but neither yard shall be less than 1 metre. Where an interior side yard abuts a Residential Zone, the minimum side yard depth shall be 6 metres on the side that so abuts and shall be 1 metre on the other side.</p> <p>(b) Exterior Lot - The minimum exterior side yard depth shall be 6 metres. The minimum interior side yard depth shall be 1 metre unless such yard abuts a Residential Zone, in which case, the minimum interior side yard depth shall be 6 metres.</p>	No Change
Maximum Height	No maximum	No Change
Holding Zone	Where the symbol "h" appears on a Zoning Map or on a Special Zoning Map with a Zone Symbol or Special Zone Symbol, notwithstanding the provisions of that zone or special zone, unless this by-law has been amended to remove the relevant "h" symbol, those lands shall not be developed or used except in compliance with the provisions of the applicable zone, or for such other uses set out in the relevant Holding Provisions below. The relevant holding provisions are denoted by the number (if any) immediately following the symbol "h" on the Zoning Map or Special Zoning Map.	No holds intended for Industrial Park or PowerCo Site
Permitted Interim Uses	Existing uses.	No Change
Holding Zone Provisions	To ensure the orderly development of the lands, the "h" symbol shall not be removed until supporting documentation has been completed to the satisfaction of the City, including but not limited to natural heritage review (environmental impact, scoped subwatershed or master drainage plan), municipal servicing report (sanitary & sanitary capacity, piped water, storm water management), traffic impact assessment, transit review and utilities.	No holds intended for Industrial Park or PowerCo Site
Minimum Parking	<p>a. Warehousing: 1 space per 200 m² of the first 1,000 m² of floor area and 1 space per 450 m² of the remainder of floor area in excess of 1000 m²;</p> <p>b. Building Supply Business & Wholesale Business: 4.5 spaces per 100 m² of floor area;</p> <p>c. Automobile Service Business 4.5 spaces per 100 m² of floor area plus 5 spaces for temporary vehicle storage;</p> <p>d. Business Office: 3.0 spaces per 100 m² of floor area;</p> <p>e. Manufacturing: 2 spaces per 100 m² of the first 1000 m² of floor area and 1 space per 100 m² of the remainder of the floor area in excess of 1000 m² of floor area;</p> <p>f. Restaurant: 20 spaces per 100 m² of floor area; and</p> <p>g. All Other Uses: 1 space per 30 m² of floor area.</p>	No minimum parking requirements
Definitions		Gigafactory: A large industrial facility where the components, products and activities associated with the electrification and decarbonization technologies are produced. This also includes any uses, facilities, structures, activities, treatment, storing, testing, transferring, and transporting of the products and technologies associated with a giga factory use.

It is assumed that adequate off-street parking will be established by the new industrial businesses/users and therefore no minimum parking requirements are being proposed.

Full natural heritage reviews and transportation studies have been undertaken for the new Industrial Park, and municipal services and utilities are being provided throughout. As such no holds are being sought with the requested site-specific zoning.

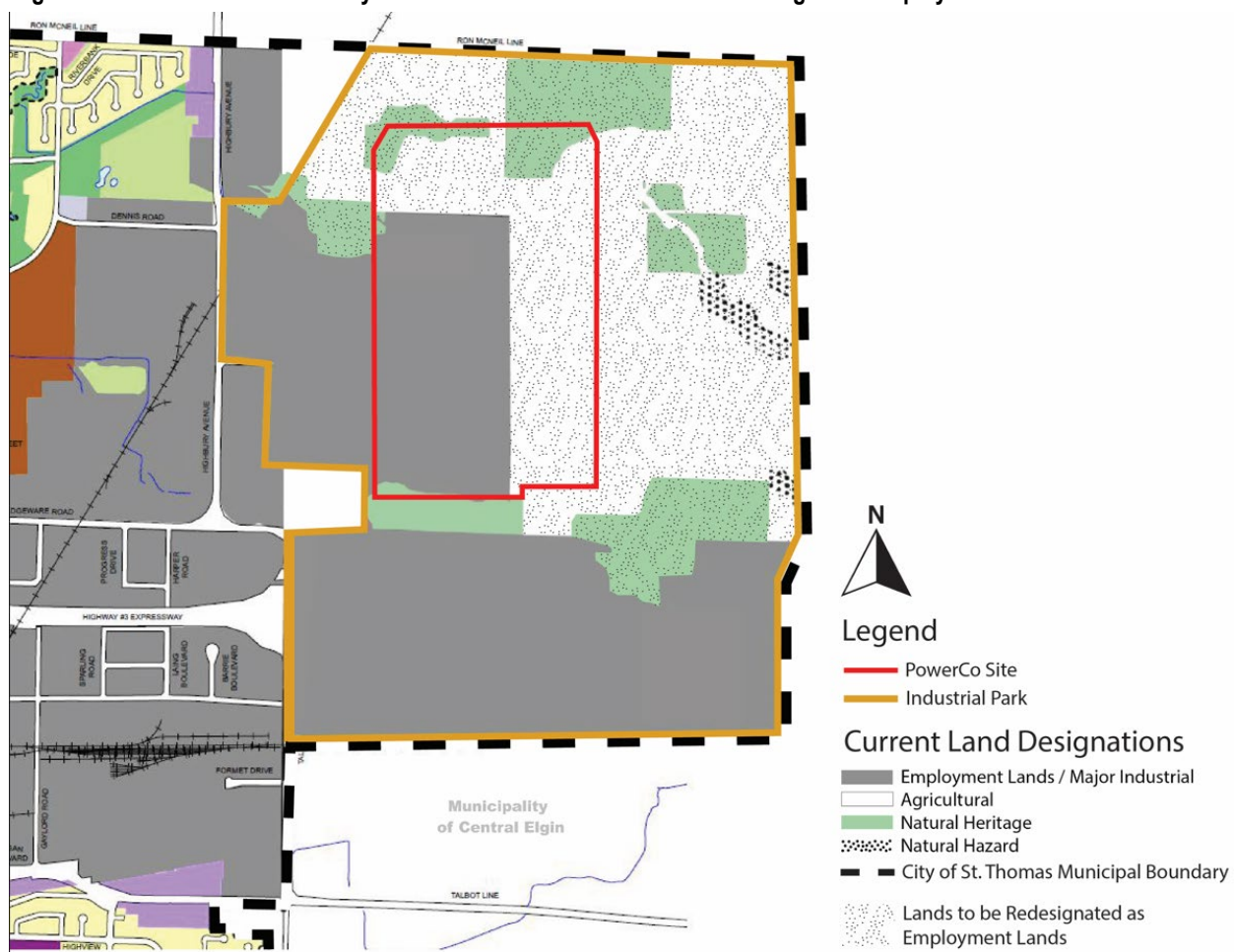
A proposed Draft Zoning By-law Amendment is provided in **Appendix C** and a Draft Ministerial Zoning Order is provided in **Appendix D**.

6.2 Proposed Land Redesignation

To reflect the requested MZO and EL zoning, the City of St. Thomas would amend its OP and redesignate approximately 317 hectares from ‘Agricultural’, ‘Natural Heritage’ and ‘Natural Hazard (Overlay)’ to ‘Employment Lands’ (see **Figure 6-3**). The 10-hectare woodlot south of the PowerCo Site will maintain its ‘Natural Heritage’ designation.

The OPA will also re-name the “Major Industrial” lands that were previously designated under the Municipality of Central Elgin Official Plan to “Employment Lands” and apply the land use policies of the City of St. Thomas Official Plan. A draft of the OPA is located in **Appendix E**.

Figure 6-3: Lands to be Covered by the Official Plan Amendment and Redesignated Employment Lands



Source: Arcadis based on City of St. Thomas and Municipality of Central Elgin Official Plan mapping

7 Supporting Studies

A number of technical studies have been completed or are underway in support of the proposed redesignation and rezoning, as well as the pending Draft Plan of Subdivision application. As detailed below, all required environmental approvals have been obtained from provincial and federal agencies in order to support the proposed redesignation and rezoning.

The following provides a brief summary of the status and findings of the natural heritage and ecology, archaeological, transportation and servicing studies. Geotechnical and hydrogeological investigations, environmental site assessments and air studies have also been completed. Full copies of the reports can be made available upon request.

7.1 Natural Heritage

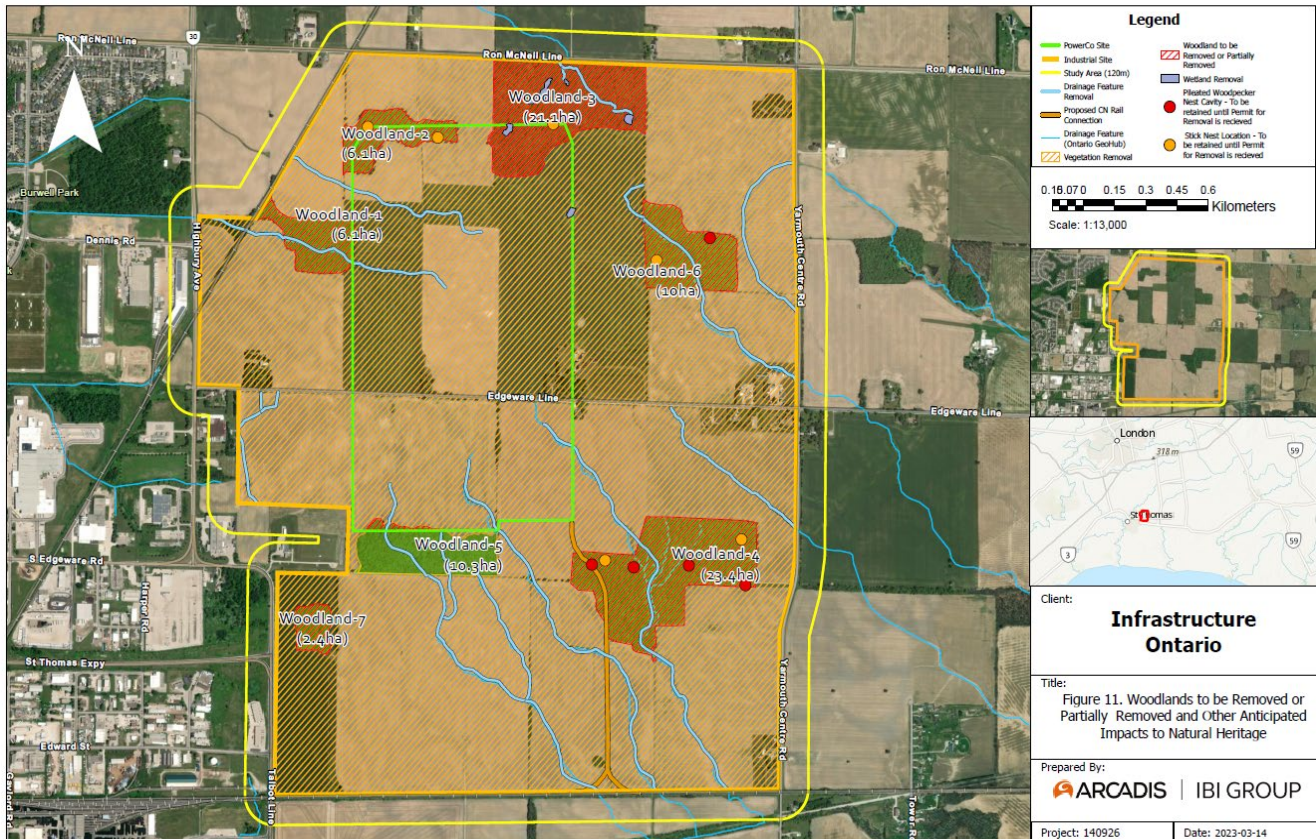
R.V. Anderson Associates Limited (RVA) was retained by the City of St. Thomas to complete due diligence screening and ecological evaluation as relates to natural heritage features and functions protected under relevant provincial and federal legislation for the new Industrial Park. Additional field work and agency consultation was conducted by Arcadis. The findings of the natural heritage analysis were documented within the following:

- Stage I: Information Request – Tree Inventory on City Lands prepared by BioLogic Incorporated (January 29, 2019);
- Ecological Due Diligence Report prepared by RVA (June 9, 2022):
 - Appendix A: Species at Risk Table; and
 - Appendix B: Ministry of Natural Resources and Forestry (MNRF) Information Request submitted by BioLogic dated January 29, 2019.
- Memorandum: Supplemental Species at Risk Surveys for St. Thomas Development Lands prepared by RVA (August 5, 2022):
 - Appendix A: Species at Risk Screening Table; and
 - Appendix B: MECP Correspondence.
- Information Gathering Form for St. Thomas Development Lands (February 7, 2023);
- Application for an Overall Benefit Permit (February 27, 2023);
- Additional Species at Risk Surveys for St. Thomas Industrial Lands Site – Butternut, American Chestnut, and American Badger prepared by RVA (March 8, 2023):
 - Appendix A: Additional Butternut Evaluation Information.
- Memorandum: Additional Bat Habitat Surveys and Species at Risk Assessment for Woodlot 5 (June 7, 2023):
 - Appendix A: Field Data.
- Derek Morningstar Report for Bat Acoustics (October 2023); and
- Technical Memorandum – Project Connect: Natural Heritage Summary by Arcadis IBI Group (April 24, 2023).

The new Industrial Park lands are primarily comprised of active agricultural fields, however, as shown in Figures 1-3 of the Ecological Due Diligence Report (RVA 2022), as of early 2023 the lands did contain seven (7) woodlands. The woodlands were predominantly Dry-Fresh Sugar Maple Deciduous Forest (FOD5-1), Fresh-Moist Sugar Maple Deciduous Forest (FOD6) and Fresh-Moist Oak Sugar Maple Deciduous Forest (FOD9-1) communities. The lands also contained a number of drainage features, both man-made (e.g. municipal drains) and natural associated with the topography.

With the supporting natural heritage analysis and documentation, permits and approvals were obtained from federal and provincial agencies to support clearing of the woodlands, with the exception of the woodland south of the PowerCo Site which is being preserved (shown as Woodland 5 in **Figure 7-1**) and to alter drainage and fish habitat.

Figure 7-1: Woodlands to be Removed and Woodland to be Maintained



Source: Arcadis based on 2022 aerial imagery

Prior to the commencement of any on-site work the following permits and approvals were obtained:

- A Permit under Subsection 17(1) in accordance with the criteria in Clause 17(2)(d) of the Endangered Species Act, 2007 (ESA) from the Ministry of Environment Conservation and Parks (MECP) (Permit #SW-D-001-23);
- A Fisheries and Oceans Canada Letter of Advice from the Department Fisheries and Oceans (DFO) (File #23-HCAA-00322);
- Ministry of Natural Resources and Forestry (MNR) Licences to Collect Fish for Scientific Purposes (#1102748) and Wildlife Scientific Collector's Authorization (#1102754);
- A City of St. Thomas Tree Removal Permit (Permit #2023-142);
- A Damage or Danger Permit Under the Migratory Birds Regulations (MBR) from Environment and Climate Change Canada (ECCC) (Permit #DA-OR-2023-6308); and
- Approval for the removal of stick nests from MNR (Authorization #1102910).

The following provides a brief overview of the policies and legislation applicable to woodlands, drainage features and wetlands, the RVA and Arcadis assessment of potential bird, fish, mammal and amphibian habitat within the new Industrial Park and the permits and approvals that were obtained. Copies of the natural heritage reports, memos, application forms and permits can be provided upon request, though the summary of RVA SAR field work

in 2023 is pending, awaiting final bat data analysis. Final surveys are being analyzed by RVA to comply with D Permit conditions.

Federal Migratory Birds Convention Act (MBCA)

The MBCA and *Migratory Birds Regulations* (MBR) protect migratory bird populations and individuals by regulating potentially harmful anthropogenic activities which may cause harm to the nests, eggs, and any part of a listed bird species. If a protected species or their nest is encountered during project activities, the project must comply with the prohibitions of the MBCA. The regional bird breeding window is April 1 through August 31 and vegetation disturbance and tree removal should be avoided during this time to avoid incidental taking of nests.

The MBR, 2022 includes special protection for 18 species of migratory birds, including year-round nest protection for Pileated Woodpeckers, unless they have been shown to be abandoned. No Pileated Woodpeckers were observed during the Arcadis or RVA field work, but nest cavities considered suitable for the species were found in Woodlands 4 and 6. Permission from Environment and Climate Change Canada (ECCC) is required for the Pileated Woodpecker nests to be removed or destroyed. The five (5) nest cavities were reported through the ECCC online Registry for Abandoned Nests, and an Application for a Damage or Danger Permit under the Migratory Birds Regulations was submitted. Through consultation with ECCC, a permit was received on March 15, 2023 to allow the relocation of the five (5) candidate Pileated Woodpecker nest cavities to Woodland-5, where they will remain unharmed by Project activities.

Federal Species at Risk Act (SARA)

The SARA is administered by Environment and Climate Change Canada (ECCC) to prevent wildlife species from being extirpated or becoming extinct, to provide for the recovery of wildlife species that are Extirpated, Endangered, or Threatened as a result of human activity, and to manage species of Special Concern to prevent them from becoming Endangered or Threatened. Threatened, Endangered, or Extirpated species (identified on Schedule 1) are afforded both individual and habitat protection on federal lands and at risk migratory birds and aquatic species are also afforded protection from being killed harmed, harassed or taken, as well as protection from damage or destruction of their residence on private lands. Pertinent to this application, Barn Swallow (*Hirundo rustica*, Threatened) nests (residences) were identified on structures on the site. Under SARA, the nest, occupied or not, is considered a residence in Ontario “from May 1st or the date when adults are first seen building or occupying the nest, whichever is earlier, to August 31st or the date when a bird is last seen at the nest, whichever is later.” The buildings in which the Barn Swallows were observed nesting in were removed outside of the time period during which they would be considered a residence under the ESA.

The SARA is administered by Environment and Climate Change Canada (ECCC) to prevent wildlife species from being extirpated or becoming extinct, to provide for the recovery of wildlife species that are Extirpated, Endangered, or Threatened as a result of human activity, and to manage species of Special Concern to prevent them from becoming Endangered or Threatened. Threatened, Endangered, or Extirpated species are afforded both individual and habitat protection on federal lands and at-risk migratory birds and aquatic species are also afforded both individual and habitat protection on federal lands and at risk migratory birds and aquatic species are also afforded protection from being killed harmed, harassed or taken, as well as protection from damage or destruction of their residence on private lands. Pertinent to this application, Barn Swallow (*Hirundo rustica*, Threatened) nests (residences) were identified on structures on the site. Under SARA, the nest, occupied or not, is considered a residence in Ontario “from May 1st or the date when adults are first seen building or occupying the nest, whichever is earlier, to August 31st or the date when a bird is last seen at the nest, whichever is later.” The buildings in which the Barn Swallows were observed nesting in were removed outside of the time period during which they would be considered a residence under the ESA.

Federal Fisheries Act

The *Fisheries Act* (Government of Canada 1985) is administered by Fisheries and Oceans Canada (DFO) and provides a framework for the proper management and control of fisheries and the conservation and protection of fish and fish habitat. Section 34.4 of the *Fisheries Act* prohibits any work, undertaking or activity (other than fishing) that results in the death of fish; Section 35.1 prohibits the harmful alteration, disruption, or destruction of fish habitat (HADD); and Section 36 prohibits the deposition of deleterious substances.

Candidate fish habitat was observed on the new Industrial Park lands during site investigations in the form of flow paths, man—made drainage features and ponds. Within the RVA 2022 Study Area, only one (1) water feature was observed to provide suitable habitat for fish (i.e., Heydon Drain) in an area that had been modified to encourage ponding and pooling. Fish and fish habitat investigations were conducted by Arcadis in March 2023 to confirm fish use of the modified Heydon Drain, as were additional investigations by RVA on drainage features at the western extent of the site as a component of a related project. No fish were encountered during either investigation, but the drains sampled by RVA were identified by DFO as ‘Class C’ drainage features that support baitfish communities with no top predators. In conjunction with follow-up discussion with DFO, it was concluded that direct fish habitat is not present on site and fish are not expected to be encountered over the course of the in-water works but that drains along the western extent of the site do provide indirect fish habitat.

Ontario Fish and Wildlife Conservation Act (FWCA)

The FWCA sets policies and regulations concerning the use of fish and wildlife resources in Ontario. In instances where wildlife will require collection or relocation at any point in the project (i.e., through trapping / collection and relocation), permits and approvals under the FWCA may be required. The probability of wildlife being found in the Industrial Park and not leaving on their own accord is low. A site-specific MNRF *Wildlife Scientific Collectors Authorization* (#1102754) has been acquired to allow capture and relocation of any turtle and frog species encountered.

Ontario Endangered Species Act

The *Endangered Species Act* protects members of species listed as Endangered, Threatened, or Extirpated on the Species at Risk in Ontario (SARO) List and prohibits the damage or destruction of the habitat of species listed as Endangered or Threatened. A permit, agreement, or conditional exemption is required for activities that would have an adverse impact on Endangered or Threatened species or their habitat. The *Endangered Species Act* is applicable as one (1) provincially listed SAR was confirmed present (i.e., Butternut in Woodland 3).

A permit from the MECP was received under Subsection 17(1) in Accordance with the Criteria in Clause 17(2)(d) of the *Endangered Species Act, 2007* (Permit Number: SW-D-001-23) for activities that would have an adverse impact on Endangered or Threatened species or their habitat. This “D Permit” applies to the following species which are listed on the SARO list (*O. Reg. 230/08* made under the *Endangered Species Act*) and are either confirmed present with the Study Area or have a high potential for occurrence; American Chestnut – Endangered; Butternut – Endangered; Red-headed Woodpecker – Endangered; American Badger (Southwestern Ontario population) – Endangered; Little Brown Myotis – Endangered; Northern Myotis – Endangered, and Tri-colored Bat – Endangered. Three Butternut trees were encountered over the course of review by RVA. Two were genetically tested for hybridity, with one being found to be a pure Butternut in retainable condition (Class 2), while a third was assessed as unretainable (Class 1) via a Butternut Health Assessment. Permission to remove the Butternut tree, with compensation, was granted through the D Permit. No other SAR protected under the ESA have been confirmed using the site to date, however assessment of active season bat auditory recordings are ongoing.

The D Permit was issued as it will result in significant social or economic benefit to Ontario, but will not jeopardize the survival or recovery of species at risk. A number of mandatory conditions, including species-specific requirements, are being met by the City, including monitoring and determining appropriate compensation for impacts to natural heritage features.

7.2 Archaeology and Cultural Heritage

A series of archaeological assessments have been completed by TMHC Inc. for the City of St. Thomas between 2021 and 2023 for the proposed Industrial Park lands. A total of 154 archaeological locations were identified in the new Industrial Park area to date, with seven locations identified for further Stage 3 archaeological assessment and/or Stage 4 mitigation. All of the archaeological studies and associated mapping have been completed for almost the entirety of the new Industrial Park, with the exception of the residential properties around the perimeter to be completed. All Stage 2 reports completed to date has been reviewed by the Ministry of Citizenship and Multiculturalism (MCM) and accepted into the Provincial Register.

One Stage 3 assessment and two Stage 4 excavations are currently outstanding at this time, with anticipated fieldwork completion in Fall 2023 and anticipated report review in Fall 2023 to Winter 2024. One archaeological location is being subject to long term avoidance and protection, as it is located within a woodlot that is being preserved (south of the PowerCo Site).

It is our understanding that Ministry of Economic Development, Job Creation and Trade (MEDJCT) has undertaken consultation with Indigenous communities regarding the proposed Industrial Park, and consultation is ongoing as the project progresses. MEDJCT is consulting with Aamjiwnaang First Nation (FN), Caldwell FN, Chippewas of the Thames FN, Chippewas of Kettle & Stony Point FN, Walpole Island FN, Oneida Nation of the Thames, Six Nations of the Grand River and the Haudenosaunee Confederacy Chiefs Council/Haudenosaunee Development Institute on all aspects of the project, including the proposed zoning change.

7.3 Functional Servicing & Storm Water Management Report

The new Industrial Park will be completely serviced by municipal water, sanitary and storm. As part of the ongoing Draft Plan of Subdivision work, Arcadis engineers are designing the servicing. A draft functional servicing and stormwater management report has concluded the following:

Drainage and Storm

The new Industrial Park lands currently drain to three (3) outlet locations:

- Area 101 drains west to a culvert under Highbury Avenue, which outlets to a tributary of Kettle Creek;
- Area 102 drains east to the Martyn Drain Branch B; and
- Area 103 drain southeast toward a drain that discharges to a tributary of Catfish Creek to the east.

Under the future proposed conditions, the developing area is assumed to have an overall impervious surface coverage (asphalt, rooftops, concrete, etc.) of 85%. The existing drainage outlet locations will be maintained, slightly altered to reduce drainage toward the west increase drainage toward the east. The existing Martyn Municipal will need to be altered/removed to accommodate the development.

Three (3) stormwater management (SWM) ponds are proposed, one for each of the three proposed drainage areas. The locations and footprint size are shown in Figure 3-2, within Section 3 of this report. The ponds will each have an active storage depth of approximately 1.80 metres, which will retain and release events up to the 100 year storm at a controlled rate to each receiving outlet. The following are the proposed stormwater management criteria:

- Quantity Control: Proposed conditions peak flows to each outlet location are to be controlled to existing conditions levels for events up to the 100-year storm;
- Quality Control: Stormwater quality control is required to an Enhanced Protection Level as per the Ministry of Environment, Conservation and Parks (MECP) Stormwater Planning & Design Manual (2003); and
- Thermal mitigation of runoff and plant process water is required.

As per MECP criteria, it is assumed that the ponds will be required to provide an Enhanced Protection Level of stormwater quality control (80% total suspended solids removal). To achieve this level of control, the ponds will be configured as wet ponds with permanent pool storage to settle particulate matter. The inlet to the pond will include a forebay to settle and retain sediment. There may be requirements for a water balance.

Sanitary

Edgware Line has approximately 600m of an existing 375mmØ Sanitary Sewer that connects into a 375mmØ sanitary sewer on the east side of Highbury Avenue. This sanitary sewer continues for approximately another 100 metres into the PowerCo Site itself. The municipal sanitary sewers at Edgware Line/Highbury Avenue can convey around 100L/s of flow. It is understood that this will accommodate future development requirements.

The ultimate outlet for the sanitary is the Burwell Sanitary Pumping Station and downstream upgrades to this pumping station and downstream sanitary sewer will be required.

Water

The Industrial Park is located just northeast of the Elgin Middlesex Pumping Station, which receives water from the Elgin Area Primary Water Supply System (EAPWSS). The water supply to EMPS can service this project (4.26 million m³/hr).

The Elgin Water Treatment Plant has a current capacity of 91 million litres per day. There are backup systems, redundant systems, and detailed management systems detailed using ISO14001 Environmental Management System (EMS). There are two (2) redundant pipelines connecting the Elgin Treatment Plant and St. Thomas. Immediately southwest of the Site there is a booster station and reservoir with a capacity of 54,000,000L with the available space and connections to double that volume.

The City will provide two connection points for redundancy. Edgeware Line has 600m of an existing 300mmØ watermain connected to a 400mmØ watermain on the east side of Highbury Avenue which is within the City's high pressure zone. As the PowerCo Site is constructed, there will be approximately 100m of watermain within the Industrial Park that will need to be removed and replaced deeper or in a configuration suited to the Site. A second water pipeline will be constructed by the City of St Thomas and will connect to the Industrial Park near the southern limits. The final location/alignment of the new water pipeline is to be determined upon further due diligence and engineering. The new Industrial Park and the PowerCo Site will be connected via two (2) independent watermains along different routes.

7.4 Transportation Impact Study

A Traffic Brief prepared by RVA for the City of St. Thomas found that during the mid-day rush hour and shift change time, the proposed PowerCo plant may generate 2,000 passenger vehicle traffic and 54 truck trips. All the arterial corridors connecting Highway 401 and the City of St. Thomas have deemed to have sufficient capacity to accommodate the forecasted traffic associated with the plant and other industrial development. A number of new roads and improvements to existing roads and highways will need to be undertaken, such as:

- Widening of Highbury Avenue from Highway 3 to Ron McNeil Line to a 5-lane (4-lanes with center turning lane where needed) cross section;
- Southward extension of Highbury Avenue connecting to Talbot Line;
- New local roadways (east/west and north/south) to connect the PowerCo lands to higher-order roadways, and to provide transportation connectivity to adjacent development blocks;
- Protection for roundabouts at major intersections to reduce inbound and outbound vehicle delay; and
- Protection for a potential connection to Highway 3 is provided to improve truck access to the primary facility, subject to a Ministry of Transportation (MTO) access spacing review.

Beyond the new Industrial Park the following highway improvements are also proposed:

- New interchange at Highway 401 and Highway 4/Colonel Talbot Road;
- Highway 4 between Highway 401 for 3.6 km to just north of the planned Talbotville Bypass;
- New 4 lane Talbotville Bypass, including expansion of the remaining 0.8 km of Highway 4;
- Expansion of Highway 3 to 4 lanes for 7.5 km from the Talbotville Bypass to Centennial Avenue; and
- Extension of Highway 3 from Centennial Avenue easterly to Yarmouth Centre Road.

As part of the ongoing Draft Plan of Subdivision work, Arcadis engineers and transportation planners are designing a series of new roads for the new Industrial Park. A new major arterial is proposed to run east west through the south portion of the Industrial Park, from the existing intersection of the ST. Thomas Expressway and Centennial Avenue easterly to Yarmouth Centre Road. Arcadis is leading a Class Environmental Assessment (EA) study for this new road.

8 Planning Analysis and Justification

The following sections build upon the planning review and rationale detailed in Section 4 of this report and summarize how the proposed development of an EV battery plant and the larger new Industrial Park conforms with and supports provincial and municipal policies and how the requested MZO and proposed OPA are appropriate and represent good planning.

8.1 Consistent with Provincial Policy Direction

The PPS directs municipalities to facilitate conditions for economic investment by identifying strategic sites for investment and ensuring a sufficient supply of serviced employment land is available to meet current and future land use needs. The proposed Industrial Park is consistent with the PPS by providing a strategic site to accommodate the new PowerCo plant and additional lands that can support a mix of industries and economic activities, while ensuring compatibility with the surrounding area. There is no other already designated site within the City that can satisfy the PowerCo land requirements and associated market demand for employment land. The proposed expansion of the St. Thomas Settlement Area, adjacent to the City's built-up area, is logical and justifiable.

The permits and approvals obtained from various federal and provincial agencies support the redesignation of 'Natural Heritage' and 'Natural Hazard' (Overlay) to 'Employment Lands' and removal of the 'Watercourses' and 'Waterbody' features on OP Schedule A, along with the proposed rezoning. The proposed EV plant and supporting development will help mitigate against greenhouse gas emissions and adapt to a changing climate.

The proposed PowerCo plant and the larger new Industrial Park is a major economic initiative that requires expedition of the planning process in order to meet important development timelines and production targets. As such the proposed MZO permitted under Section 47 of the *Planning Act* is appropriate.

8.2 Consistent with the City of St. Thomas Official Plan Policies

Policies of the City of St. Thomas OP directs Council to ensure the municipality has a sufficient land supply for industrial uses, including various sized parcels, for a twenty year period, and for industrial uses and new employment development to be concentrated in the northeastern part of the City, adjacent to the railway right-of-way. The proposed PowerCo plant and new Industrial Park is consistent with the City's OP policies for supporting and promoting economic development, ensuring there is sufficient land to accommodate growth and it is within the intended location for new employment uses.

Approximately 43% of the PowerCo Site and 47% of the larger new Industrial Park is already designated for employment uses. The supporting technical studies and permits and approvals granted to clear and grade the lands for development support the proposed redesignation of 'Agricultural' and "Natural Heritage' lands to 'Employment Lands', as the current designations are no longer appropriate. The proposed development is consistent with the City's policies which promote efficient use of land and resources. Partial municipal infrastructure exists for the new Industrial Park and technical studies have demonstrated that municipal infrastructure can be expanded to properly service the lands and future businesses.

8.3 Consistent with Zoning Intent

Approximately 43% of the PowerCo Site and 35% of the overall new Industrial Park is already zoned for employment purposes. Some of the current OS and NH zoning is inconsistent with the City's current OP Employment Land and Major Industrial designations. As noted above, the provincial and municipal policy frameworks support the establishment of a new Industrial Park in St. Thomas that can accommodate the PowerCo plant and other industrial uses. It is Arcadis's professional opinion that the requested rezoning of the lands to EL, with site-specific permissions, is more consistent with the overarching provincial and municipal policy frameworks than the current OS1, OS2 and NH zoning.

9 Conclusion

The PowerCo Site and the entirety of the 617-hectare Industrial Park lands are required to meet the immediate needs of PowerCo and future employment growth in the City of St. Thomas. Based on our analysis of the new Industrial Park and the PowerCo Site, the adjacent and surrounding lands, supporting studies and the applicable planning policy framework, it is our opinion that the proposed PowerCo EV battery plant and other industrial development is an appropriate form of land use and built form and constitutes good land use planning that is in the public interest. Furthermore, it is our professional opinion that the proposed amendments:

- Are consistent with the policies of the PPS;
- Conform with the intent of the City of St. Thomas OP;
- Are consistent with the intent of the City of St. Thomas ZBL; and
- Facilitates the development of vacant and underutilized employment land and provides additional land for employment uses to meet the City's forecasted needs.

Respectfully submitted this 28th day of September 2023.

Regards,

ARCADIS



Amy Shepherd, MSC, MCIP, RPP

I hereby certify that this Planning Justification Report was prepared by a Registered Professional Planner, within the meaning of the Ontario Professional Planners Institute Act, 1994, and is for the new Industrial Park in St. Thomas, including the PowerCo Site, only.

Appendix A – Employment Land Needs Assessment

SUBJECT

St. Thomas Industrial Development – Growth Management
(DRAFT)

DATE

September 28, 2023

DEPARTMENT

Real Estate, Economics, and Planning

COPIES TO

Watson and Dillion

TO

City of St. Thomas

OUR REF**PROJECT NUMBER**

143030

NAME

Matthew Heather matthew.heather@arcadis.com

Amy Shepherd amy.shepherd@arcadis.com

1.0 Introduction

Arcadis Professional Services (Canada) Inc.'s Real Estate, Economics and Planning ("REEP") team has been asked to provide a growth management analysis and land needs assessment to support the planning rationale for redesignating and rezoning lands within the City of St. Thomas for a proposed new industrial park (herein after referred to as the "new Industrial Park").

The new Industrial Park is located in the north-east quadrant of St. Thomas between Ron McNeil Line and the CN Rail line. It totals 617 gross hectares, with an estimated 460 hectares of net developable land¹. In April 2023 PowerCo, a subsidiary of Volkswagen, officially announced its intention to develop a 15 million square foot (1.39 million square metre) electric vehicle (EV) battery manufacturing plant on a 152 net hectare parcel within the new Industrial Park (herein after referred to as "the PowerCo Site") and associated uses in the surrounding new Industrial Park.

Approximately 43% of the PowerCo Site and approximately 35% of the larger new Industrial Park is already zoned for employment and industrial uses. The City of St. Thomas is seeking to obtain a Ministerial Zoning Order (MZO) to rezone the entirety of the City-owned 617-hectare new Industrial Park as 'EL – Employment Lands Zone' with site specific permissions, except an approximately 10 hectare woodlot south of the PowerCo Site which will maintain its 'NH - Natural Heritage' zoning.

To reflect the requested MZO and EL zoning, the City of St. Thomas would amend its OP and redesignate approximately 317 gross hectares of land within the new Industrial Park from 'Agricultural', 'Natural Heritage' and 'Natural Heritage (Overlay)' to 'Employment Lands' and to rezone approximately 388 gross hectares of land from 'OS1 and OS2 - Open Space Zone' and 'NH - Natural Heritage Zone' to 'Employment Lands Zone'.

The purpose of this memo is to quantify the employment land needs resulting from the direct and anticipated indirect jobs resulting from the PowerCo plant to determine the overall future land requirements for the expected employment growth. Arcadis has assessed the City's growth management work undertaken to-date, provided an analysis of the demographics in St. Thomas, and conducted a preliminary land needs assessment to estimate future employment land.

***The findings of this memo are based on current information and subject to change based on refinements to the engineering/design of the new Industrial Park and additional jobs/revenue information from PowerCo or the City of St. Thomas.**

¹ Note: subject to change based on ongoing environmental and engineering works.

Summary of Findings

The following provides a summary of the findings included in this memo:

- **Employment Lands Review (2018):** Dillon Consulting's "City of St. Thomas Employment Lands Review (April 2018)" recommended that the City designate an additional 77 net hectares (102 gross hectares) of Employment Land on the east side of Highbury Avenue to accommodate the anticipated employment land employment growth of 3,250 to 2041. Through recent discussions with St. Thomas' growth management consulting team, it is noted that this employment forecast is likely conservative given various microeconomic factors that have emerged since the time of the study. Any increase in the employment forecast could result in the need for additional employment lands.
- **Job and Land Need Estimates:** The PowerCo plant is expected to create an estimated 3,000 direct jobs. Based on the anticipated accessory uses associated with the battery plant and the expected generation of indirect/induced jobs Arcadis anticipates that the development of the PowerCo plant could result in 4,200 local jobs beyond the job growth envisioned in the 2018 Employment Lands Review. This growth is expected to require 152 net hectares of land for the direct jobs and 210 net hectares of land for the local jobs.
- **Land Need Assessment for the Remainder of the Industrial Park (2025 to 2041):** factoring in the land needs associated with the projected local job growth, the recommended employment land designation from the 2018 Employment Land Review, and a land vacancy factor, Arcadis estimates that there is sufficient demand to designate all of the new Industrial Park lands for employment uses. The resulting land needs assessment indicates that an additional two (2) net hectares of land will be required elsewhere in the City to accommodate the forecasted employment growth.
- **Demographics:** A Population and Household Projections Report prepared in August 2022 by Watson & Associates Economists Ltd. for the City of St. Thomas estimates that the City's population would grow from 43,200 in 2021 to 65,100 by 2051. The Watson growth estimates were prepared before the announcement that PowerCo, along with new 3,000 direct jobs, would be locating to the City of St. Thomas. It is reasonable to assume that with this new large economic driver the City will experience even higher levels of population growth.

St. Thomas is primarily comprised of a 'Working Age' (25-64) demographic, which represents 50.8% of the City's population. The most prevalent industry in St. Thomas is manufacturing, which could allow PowerCo to leverage the existing workforce from the local area and for the City to experience higher levels growth than experienced historically or previously forecasted. Watson anticipates that a large share of residents migrating to St. Thomas will be younger working-age residents, given local economic growth opportunities across a range of export- and service-based sectors, as well as potential for out-commuting within the County's commuter-shed.

Conclusion: It is Arcadis' opinion that the entirety of the new 617 gross hectare Industrial Park, including the 607 hectares for which a rezoning is being sought through a requested MZO and the proposed 317 gross hectares to be redesignated to 'Employment Land', is required to accommodate the anticipated job growth from the PowerCo plant and from planned employment growth in St. Thomas to 2041. This includes. The City's existing demographics and labour force will provide a strong and skilled workforce to help meet the job demands of the PowerCo development.

2.0 Site Location and Existing Land Designations and Zoning

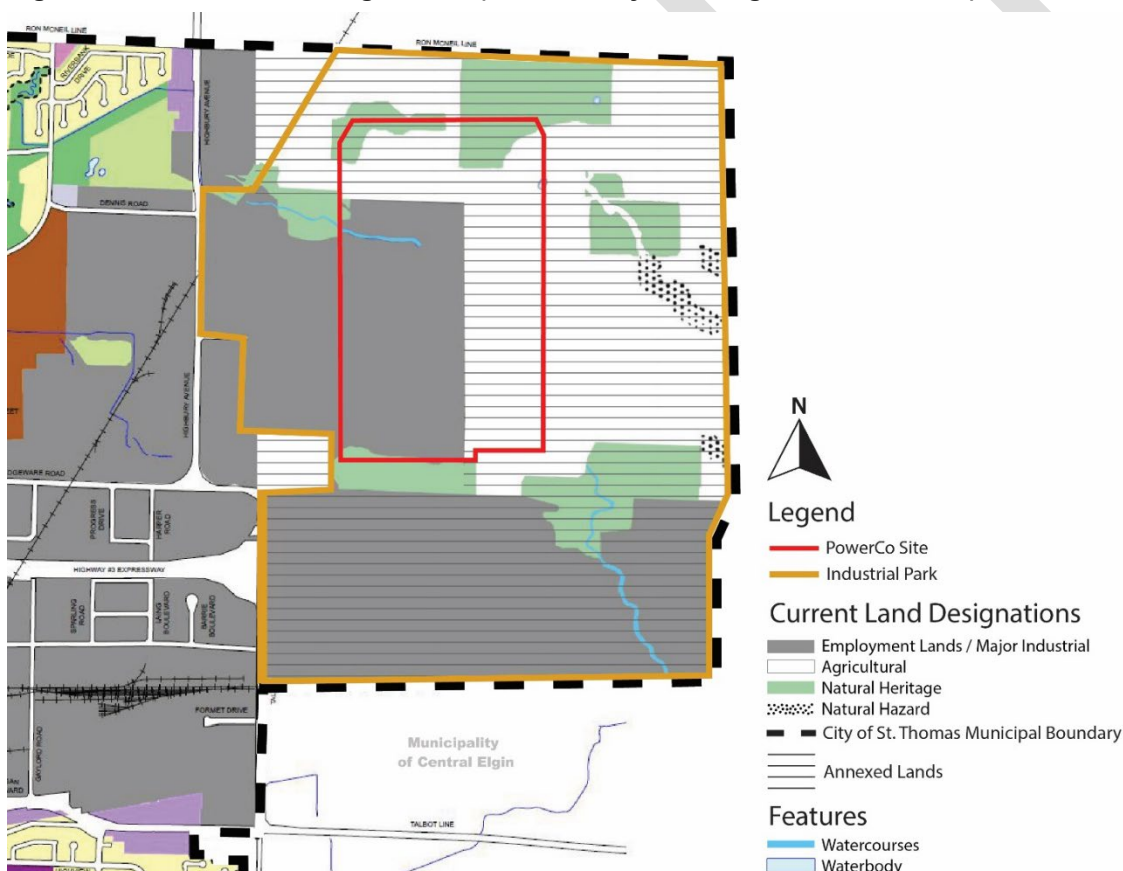
The new Industrial Park is located within the north east portion of the City of St. Thomas. The majority of the land is currently vacant and has historically been used for agricultural purposes. The City of St. Thomas owns the entirety of the new Industrial Park, with lands brought into the City’s municipal boundary through the following annexations:

- Approximately 324 hectares purchased by the City of St. Thomas from the Municipality of Central Elgin in 2022 (identified by Dillion in the 2018 Employment Land Review for employment land expansion); and
- Approximately 283 hectares annexed from the Municipality of Central Elgin through Bill 63 in April 2023 and purchased by the City.

Existing Official Plan Land Designations

Figure 1 illustrates the location of the new Industrial Park, which is outlined in yellow, and the PowerCo Site which is located in the middle of the Industrial Park and is outlined red. Figure 1 also illustrates how the current land designations under the City of St. Thomas Official Plan and the lands that were recently annexed.

Figure 1: Current Land Designations (with Overlay Showing Annexed Lands)



Source: Arcadis based on City of St. Thomas Official Plan mapping.

Approximately 43% of the PowerCo Site and 47% of the new gross Industrial Park land area is already designated ‘Employment Land’ or ‘Major Industrial’. **Figure 2** details the approximate land areas by current designation within the new Industrial Park.

Figure 2: Land Areas (Gross) Under Current Official Plan Land Designations within the New Industrial Park

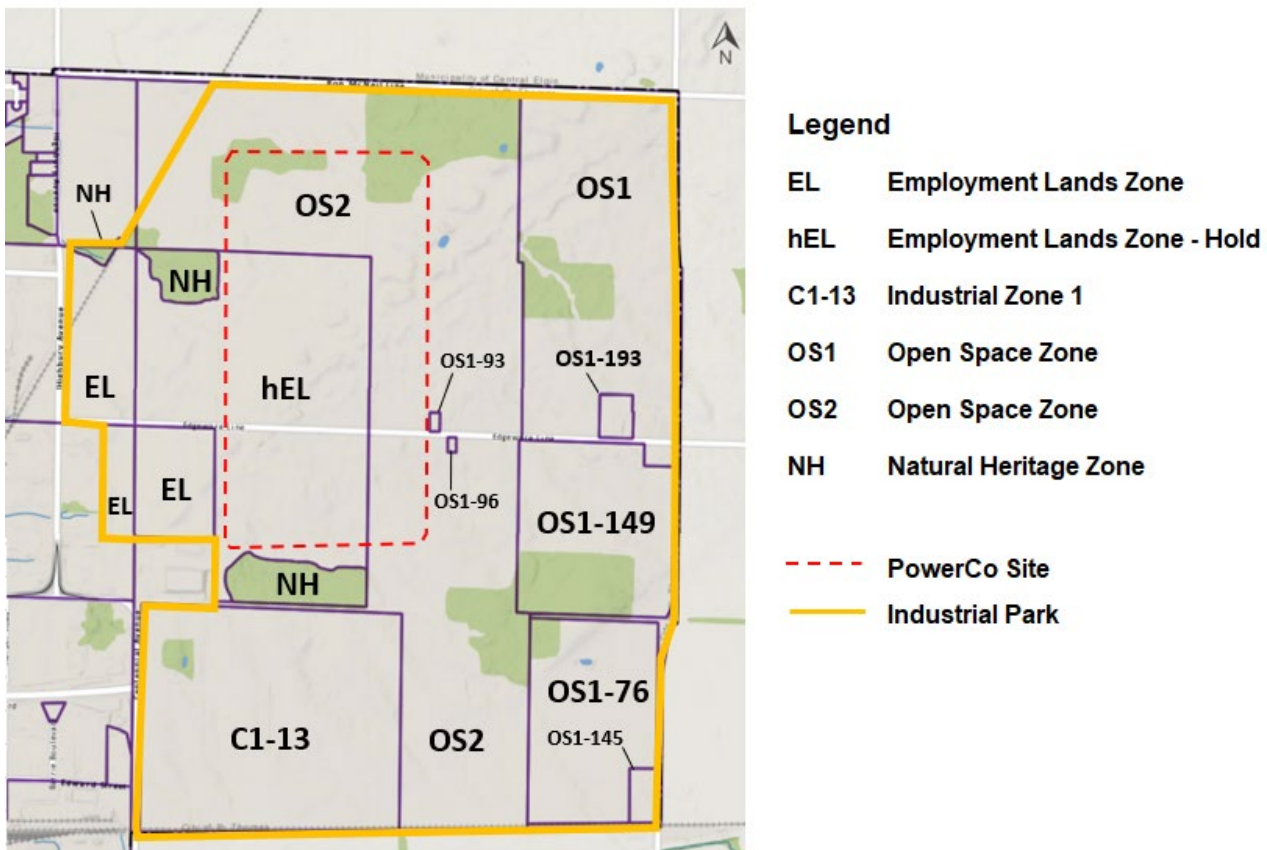
Current Designation	within PowerCo Site (ha)	within Remainder of Industrial Park (ha)	Total Industrial Park (ha)
Employment Lands	65	63	128
Major Industrial	0	162	162
Agricultural	77	170	247
Natural Heritage	10	62	72
Natural Hazard (Overlay)	0	8	8
Total	152	465	617

Approximately 474 gross hectares of the 617 gross hectare new Industrial Park is not within the currently defined Settlement Area of the City of St. Thomas.

Existing Zoning

As shown in **Figure 3**, the new Industrial Park lands are currently zoned 'EL - Employment Land Zone', 'hEL – Employment Land Zone Hold', 'C1 – Industrial Zone 1', "OS1 – Open Space Zone', 'OS2 – Open Space Zone' and 'NH – Natural Heritage Zone'.

Figure 3: Current Zoning of the New Industrial Park and the PowerCo Site



Source: Arcadis based on City of St. Thomas Zoning

Approximately 43% of the PowerCo Site and 35% of the larger gross Industrial Park is currently zoned 'EL - Employment Land Zone', 'hEL – Employment Land Zone Hold', or 'C1 – Industrial Zone 1'. **Figure 4** details the land areas by current zoning within the new Industrial Park.

Figure 4: Land Areas (Gross) Under Current Zoning within the New Industrial Park

Current Zoning	within PowerCo Site (ha)	within Remainder of Industrial Park (ha)	Total Industrial Park (ha)
EL - Employment Lands	0	38	38
hEL - Employment Lands Hold	65	26	91
NH – Natural Heritage		15	15
C1-13 Industrial Zone 1	0	90	90
OS1 - Open Space 1 Zone	0	166	166
OS2 – Open Space 2 Zone	87	130	217
Total	152	465	617

3.0 Proposed Rezoning and Redesignation

In order to facilitate one of the largest industrial developments in Ontario history and meet the future employment land needs of the City of St. Thomas, lands within the new Industrial Park and PowerCo Site must be redesignated and rezoned for employment uses. The City of St. Thomas is seeking to rezone the entirety of the Industrial Park, except for the woodlot south of the PowerCo Site, by way of Ministerial Zoning Order (MZO) and then to amend its Official Plan to reflect the MZO.

The new Industrial Park lands are primarily comprised of active agricultural fields, however, as shown in Figures 1-3 of the Ecological Due Diligence Report (RVA 2022), as of early 2023 the lands did contain seven (7) woodlands. The woodlands were predominantly Dry-Fresh Sugar Maple Deciduous Forest (FOD5-1), Fresh-Moist Sugar Maple Deciduous Forest (FOD6) and Fresh-Moist Oak Sugar Maple Deciduous Forest (FOD9-1) communities. The lands also contained a number of drainage features, both man-made (e.g. municipal drains) and natural associated with the topography.

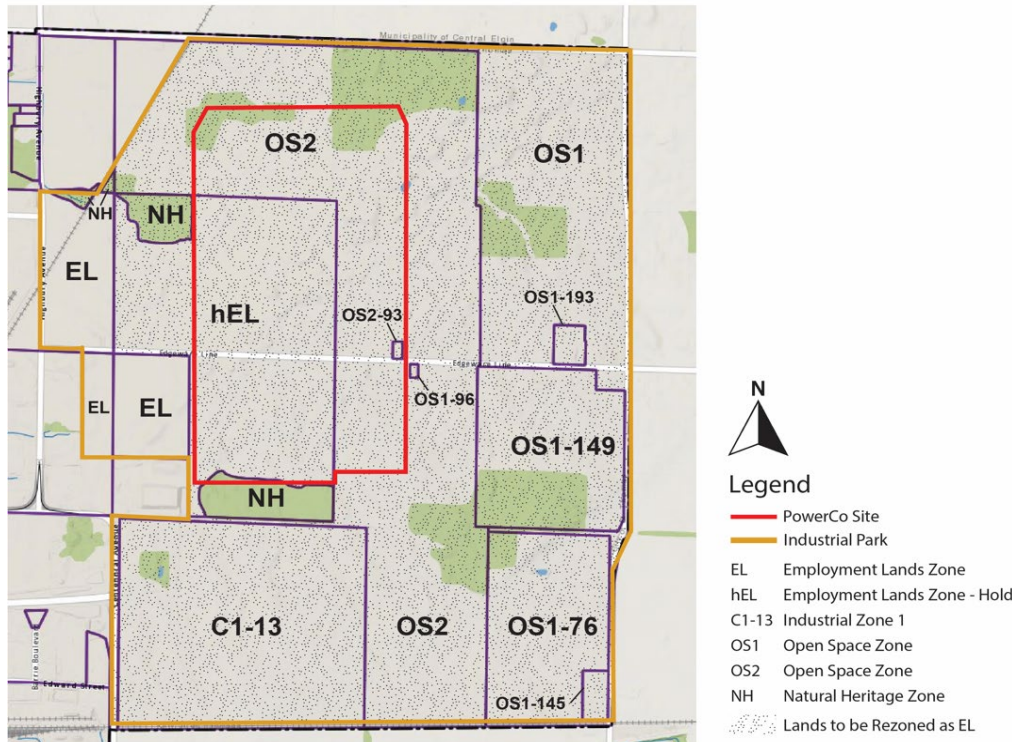
The proposed redesignation of the Agricultural, Natural Heritage and Natural Hazard (Overlay) lands and the proposed rezoning of the Natural Heritage and Open Space lands is supported by a series of natural heritage and environmental studies undertaken for the City of St. Thomas and the following permits and approvals issued by the federal and provincial ministries and agencies:

- Permit under Subsection 17(1) in accordance with the criteria in Clause 17(2)(d) of the Endangered Species Act, 2007 (ESA) from the Ministry of Environment Conservation and Parks (MECP) (Permit #SW-D-001-23);
- A Fisheries and Oceans Canada Letter of Advice from the Department Fisheries and Oceans (DFO) (File #23-HCAA-00322);
- Ministry of Natural Resources and Forestry (MNR) Licences to Collect Fish for Scientific Purposes (#1102748) and Wildlife Scientific Collector’s Authorization (#1102754);
- A City of St. Thomas Tree Removal Permit (Permit #2023-142);
- A Damage or Danger Permit Under the Migratory Birds Regulations (MBR) from Environment and Climate Change Canada (ECCC) (Permit #DA-OR-2023-6308); and
- Approval for the removal of stick nests from MNR (Authorization #1102910).

Proposed Rezoning

Approximately 43% of the PowerCo Site and approximately 35% of the larger new Industrial Park is already zoned for employment and industrial uses. The City of St. Thomas is seeking to obtain an MZO to rezone the entirety of the City-owned new Industrial Park as 'EL – Employment Lands Zone' with site specific permissions, except an approximately 10 hectare woodlot south of the PowerCo Site which will maintain its NH zoning. Figure 5 illustrates the approximate 607 hectare area subject to the requested rezoning.

Figure 5: Lands Proposed to be Covered by the Requested MZO and Rezoned to EL - Employment Lands

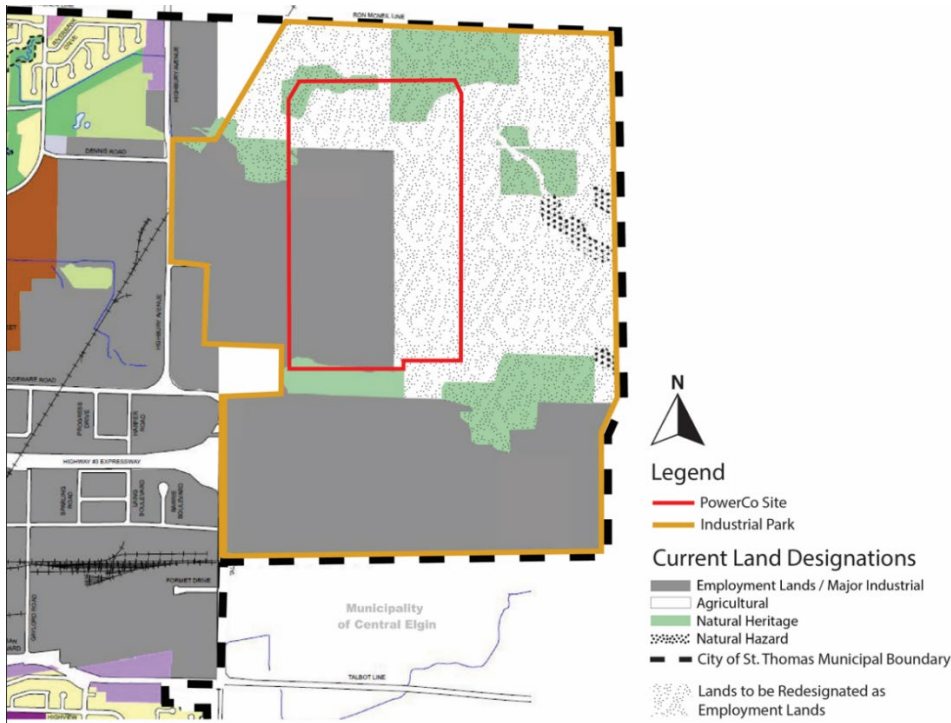


Source: Arcadis based on City of St. Thomas Zoning By-law

Proposed Redesignation

As shown in **Figure 6**, the City is seeking to redesignate approximately 317 gross hectares within the new Industrial Park (87 hectares of which are within the PowerCo Site) from 'Agricultural', 'Natural Heritage' and 'Natural Hazard (Overlay)' to 'Employment Lands'. The OPA will also rename the 'Major Industrial' lands that were previously designated under the Municipality of Central Elgin Official Plan to 'Employment Lands' and apply the land use policies of the City of St. Thomas Official Plan. With the exception of a very small portion, the woodlot directly south of the PowerCo Site will remain intact and maintain its 'Natural Heritage' designation. Portions of the other existing woodlots may also remain (e.g. the woodlot south of Ron McNeil), but are proposed to be redesignated to 'Employment Land'.

Figure 6: Existing Land Use Designations and Lands to be Redesignated Employment Lands



Source: Arcadis based on City of St. Thomas Official Plan mapping

Consistency with the Provincial Policy Statement

The Provincial Policy Statement (PPS) provides direction for focusing growth and development to Settlement Areas and the expansion of a Settlement Area only when there has been demonstrated need and benefit:

- 1.1.3.1 *“Settlement areas shall be the focus of growth and development.”*
- 1.1.3.2 *“Land use patterns within settlement areas shall be based on densities and a mix of land uses which:

 - a) *efficiently use land and resources;*
 - b) *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;*
 - c) *minimize negative impacts to air quality and climate change, and promote energy efficiency;*
 - e) *support active transportation;*
 - f) *are transit-supportive, where transit is planned, exists or may be developed; and*
 - g) *are freight-supportive.”**
- 1.1.3.6 *“New development taking place in designated growth areas should occur adjacent to the existing built-up area and should have a compact form, mix of uses and densities that allow for the efficient use of land, infrastructure and public service facilities.”*
- 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 to accommodate growth and to satisfy market demand 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;*
- 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.*

The western portion of the new Industrial Park and part of the PowerCo Site is within the Settlement Area of the City of St. Thomas, as it is currently defined. Through its ongoing municipal comprehensive review the City has identified the need to expand the Settlement Area boundary to encompass the entirety of the new Industrial Park. No other opportunity exists to satisfy the PowerCo land requirements and associated market demand for employment land. The proposed new Industrial Park represents an efficient use of land and resources and an ideal location for development, given its adjacency to the urban area of the City of St. Thomas, proximity to rail, the airport and major highways and surrounding existing and planned uses. New municipal infrastructure will be available to service the lands and businesses. Supporting studies demonstrate that impacts to adjacent or near by agricultural operations will be minimal and can be mitigated.

For further details, please see the associated planning justification report.

4.0 Growth Management

The following section provides an overview of the key growth management documents and inputs, which have informed the City's growth and expansion to accommodate future employment needs.

City of St. Thomas, Employment Lands Review (April 2018)

In April 2018, Dillon Consulting, in partnership with Watson and Associates, completed the "City of St. Thomas Employment Lands Review". The review stated that the City's total employment would increase from 17,400 in 2017 to 23,800 in 2041, representing a growth of approximately 6,500 employees, or an annual employment growth rate of 1.3%. Of the anticipated growth, the review stated that the industrial sector would account for 58% of the City's total employment growth over the same period, adding approximately 160 industrial jobs annually or 3,250 employment land jobs to 2041. From the analysis, Dillon forecasted the employment land demand to total 175 hectares (140 net hectares) between 2017 and 2037. The 2018 study recommendations did not account for a gigafactory, such as PowerCo, locating in St. Thomas.

While the City had a vacant employment land inventory of 152 hectares in 2018, employment land conversions and market feasibility constraints effectively reduced the employment land supply to 79 hectares, resulting in a land supply deficit of 96 hectares. In order to meet the projected employment land needs to 2041, it was recommended that the City designate 102 hectares (77 net hectares) of agricultural land along Edgeware Line east of the City's existing industrial area to bridge the gap between supply limitations and demand requirements. It was also recommended that the City prepare an implementation plan for industrial expansion within this area. Arcadis acknowledges that a portion of the additional 77 net hectares as recommended in the Employment Land Review could overlap with the new Industrial Park Site and has factored it into the preliminary land needs assessment in Section 5.

Through Official Plan Amendment 97 (February 2021) the recommended employment land conversions and subsequent urban boundary expansion occurred for residential uses but the recommended employment land redesignation did not occur, as the lands surrounding Edgeware Line resided within the jurisdiction of the Municipality of Central Elgin at the time. Through recent discussions with the City of St. Thomas' growth management team, it has been noted that the 2018 employment forecast is likely conservative given various microeconomic factors that have emerged since the time of the study. While the City's team is still working

through the update to the employment forecast, any increase in the employment forecast could result in the need for additional employment lands.

City of St. Thomas, Population and Household Projections Report (August 2022)

As part of the City’s ongoing Official Plan Review, Watson & Associates Economists Ltd. prepared a Population and Household Projections Report (August 2022) that also considered employment trends in the City and the larger Elgin County area. As noted in the Watson report, following the 2008/2009 global economic downturn and the subsequent closure of the St. Thomas Ford Assembly Plant in 2011, the City of St Thomas and the surrounding regional economy experienced a significant decline in direct manufacturing jobs and supporting industries. However, since 2016 export-based employment sectors within the City and surrounding regional economy have gradually recovered, contributing to stronger population growth and a strengthening housing market in recent years.

Today the City of St. Thomas is home to diverse and growing employment base which includes a mix of industrial, commercial and institutional businesses. Watson anticipates that looking forward, existing and emerging knowledge-based sectors, such as professional, technical and scientific services, finance and insurance, health care, educational services, and information technology are expected to represent the fastest growing employment sectors in the County. The federal-provincial joint investment to expand access to broadband internet will further allow for increased economic investment and subsequently drive job creation.

5.0 Jobs Assessment

Figure 7 provides an overview of the job estimates associated with the ongoing operation of the PowerCo plant. Given the timing of the announcement (March 2023) versus the timing for the completion of the Employment Land Review (April 2018), Arcadis has assumed that these job estimates will be above and beyond the job growth identified in the 2018 Employment Land Review.

Figure 7: Jobs Estimates

	Direct
Direct	3,000
Indirect/Induced (Ontario)	20,500
Estimated Local Jobs	4,200

The following outlines the assumptions associated with each input:

- **Direct Jobs:** the direct jobs estimate is based on the quoted jobs from the Volkswagen Press release², which identifies the “potential to create up to 3,000 highly skilled jobs at the factory...”
- **Indirect/Induced (Ontario) Jobs:** using the estimated annual revenue for the build-out of the plant³, Arcadis used the Statistics Canada Input-Output multipliers for Motor vehicle electrical and electronic equipment manufacturing (BS336320) to generate an estimate of indirect/induced jobs within Ontario. This estimate is considered conservative in comparison to estimates from various news releases, which suggest that upwards of 30,000 indirect jobs are expected³.
- **Estimated Local Jobs:** based on a review of case studies and our understanding of the function of the new Industrial Lands in supporting the PowerCo plant, Arcadis estimates that approximately 20% of all indirect/induced jobs would be local or within Elgin County, which physically includes the City of St.

² <https://www.volkswagen-newsroom.com/en/press-releases/volkswagen-and-powerco-se-will-build-their-largest-cell-factory-to-date-in-canada-15781>

³ <https://www.newswire.ca/news-releases/volkswagen-s-new-electric-vehicle-battery-plant-will-create-thousands-of-new-jobs-896198860.html>

Thomas. This assumption factors in the estimated local and regional draw, the broader societal and economic impacts of the investment ⁴, Arcadis’ understanding of the expected accessory skilled industry uses that VW is intending to bring specific to the directly support the site, and the broader land use permissions associated with the rezoning of the lands which includes commercial and service-related uses. Given that St. Thomas is a major centre for employment in Elgin County, Arcadis has assumed the full share of employment could be allocated locally within the City. A larger proportion of the indirect jobs resulting from the PowerCo plant could end up being local vs. establishing outside of Elgin County, which could also increase the amount of local jobs.

As previously noted, the estimates are based on current information that is available to Arcadis. The analysis is subject to change based on any changes to inputs or assumptions through further refinement of the project and through any future land needs assessment exercises by the City.

6.0 Land Needs Assessment

Figure 8 identifies the net developable area for the new Industrial Park (i.e. total area minus natural heritage/woodlot to remain, new roads, rail spur, stormwater management ponds and other infrastructure). The PowerCo Site represents 33% (152 ha) while the remaining 67% (308 ha) is comprised of the remainder of the new industrial subdivision.

Figure 8: Net Industrial Park Land Area

	Area (net ha)	% of Area
Total New Industrial Park (net)	460	100%
PowerCo Site	152	33%
Remainder of New Industrial Park	308	67%

Note: the net land area is subject to change based on on-going engineering and draft plan of subdivision work

Based on the job estimates from Section 4 of this memo, Arcadis estimates that 362 net hectares will be required to accommodate the anticipated new direct and local indirect jobs in St. Thomas (see **Figure 9**). This is based on the following assumptions:

- The 3,000 direct jobs are required on the PowerCo. site, which is 152 net hectares; and
- The 4,200 local indirect jobs will require 210 net hectares. This is based on employment land density of 20 jobs per net hectare as expected on the PowerCo site.

Figure 9: Net Employment Land Requirements Resulting from PowerCo

	Direct	Local Indirect	Total
Jobs	3,000	4,200	7,200
Density (jobs/net ha)		20	
Land Need (net ha)	152	210	362

Factoring in the land need of the direct and local indirect jobs, the recommended employment land designation from the 2018 Employment Land Review, and a land vacancy factor, Arcadis estimates that there is sufficient employment demand to designate all of the Annexed Lands for employment uses. As shown in **Figure 10**, the

⁴ “Outlook for jobs creation in European Battery Industry” - Menon Economics

resulting land needs assessment indicates that an additional two (2) net hectares of land will be required elsewhere in the City to accommodate the forecasted employment growth to 2041.

Figure 10: Net Employment Land Needs Assessment City-Wide to 2041

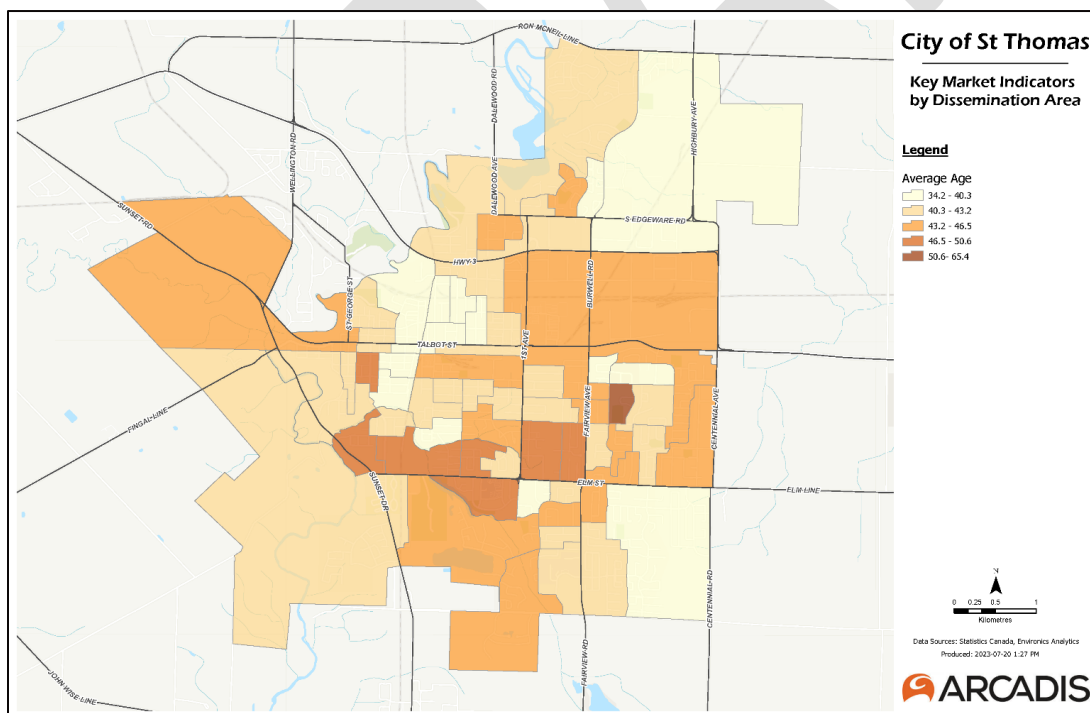
	Area (net ha)
Total New Industrial Park (net)	460
Less: PowerCo Site (within New Industrial Park)	152
Less: 2018 Employment Land Review Recommendation (City-wide)	77
Less: Local Indirect Job Land Need	210
Less: Vacancy Factory (5%)	23
Surplus/Deficit (City-wide)	-2

7.0 Demographic Overview

To provide an overall understanding of the St. Thomas market, Arcadis reviewed the Population and Household Projections Final Report (August 2022) prepared by Watson & Associates Economists Ltd. for the City of St. Thomas and conducted a demographic analysis using 2023 Environics Analytics data.

In 2023, St. Thomas was predominantly comprised of a 'Working Age' (25-64) demographic representing 50.8% of St. Thomas's overall population (see **Figure 11**). Seniors (65 and older) represent 21% of the total population while youth (0 – 24) account for 28% of St. Thomas's population. The median age of St. Thomas in 2023 is 43.8.

Figure 11: Average Age by Dissemination Area



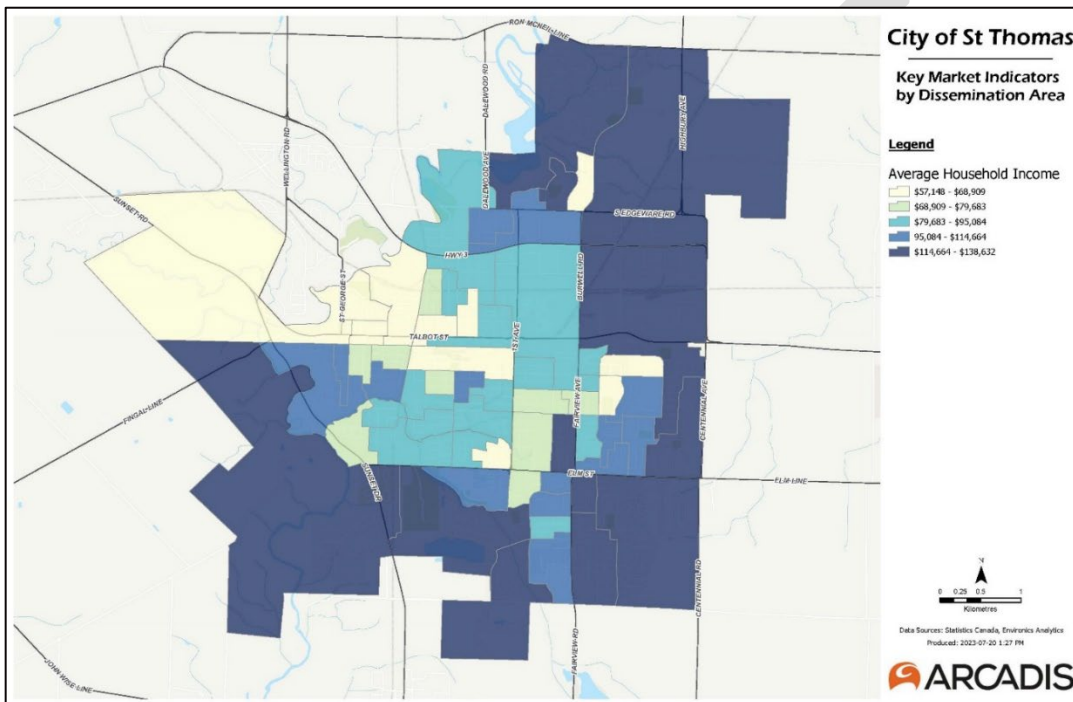
Note: Dissemination Area mapping for St. Thomas is based on previous municipal boundaries and excludes the annexed lands in the northeast, on which very few households exist.

In 2023, married couples without children made up the largest share of census families at 34%, followed closely by married couples with children (33%). Lone parent families account for 19% of the total household population in St. Thomas. The City’s average household size was 2.3 in 2023.

Of the 19,184 dwellings within St. Thomas, 12,486 (65%) are single-detached homes, 7% are semi-detached (1,424 homes), and 4% are townhomes (787 units). Apartments account for 23% of all dwellings with the majority having fewer than 5 storeys. Approximately 68% of all homes are owned in St. Thomas.

The City’s average household income in 2023 is \$92,768. An estimated 3.7% of households earn less than \$20,000 per year and 26.8% of households earn more than \$125,000 per year. As indicated in **Figure 12**, the highest earning households are located in the extremities of St. Thomas.

Figure 12: Average Household Income by Dissemination Area



Note: Dissemination Area mapping for St. Thomas is based on previous municipal boundaries and excludes the annexed lands in the northeast, on which very few households exist.

Employment data for 2023 from Environics Analytics indicates that the City had 23,303 working age residents which were distributed throughout a variety of industries. The sector which employed the most of the City’s residents is the manufacturing sector representing 16.7% (3,885 jobs). This is followed by the healthcare and social services and the retail trade sectors, representing 13.9% (3,235 jobs) and 12.1% (2,831 jobs) respectively. As shown in **Figure 13**, the most prevalent industry in St. Thomas is manufacturing which means that the introduction of the PowerCo site will be able to leverage an existing workforce from the local area while supplementing from outside St. Thomas.

Figure 13: 2023 Employment by Industry Categories within the City of St. Thomas

All Industry Categories	# of Employees (2023)	%
11 Agriculture, Forestry, Fishing And Hunting	305	1.3%
21 Mining, Quarrying, And Oil And Gas Extraction	52	0.2%
22 Utilities	190	0.8%
23 Construction	1,536	6.6%
31-33 Manufacturing	3,885	16.7%
41 Wholesale Trade	663	2.8%
44-45 Retail Trade	2,831	12.1%
48-49 Transportation And Warehousing	1,393	6.0%
51 Information And Cultural Industries	292	1.3%
52 Finance And Insurance	662	2.8%
53 Real Estate And Rental And Leasing	365	1.6%
54 Professional, Scientific And Technical Services	902	3.9%
55 Management Of Companies And Enterprises	15	0.1%
56 Administrative And Support, Waste Management And Remediation Services	1,325	5.7%
61 Educational Services	1,560	6.7%
62 Health Care And Social Assistance	3,235	13.9%
71 Arts, Entertainment And Recreation	356	1.5%
72 Accommodation And Food Services	1,710	7.3%
81 Other Services (Except Public Administration)	986	4.2%
91 Public Administration	1,040	4.5%
Total Working Age People	23,303	100.0%

Note: Employment is based on previous municipal boundaries and excludes the annexed lands in the northeast

The 2022 Watson study anticipated that the population of the City St. Thomas would steadily increase from 43,200 in 2021 to 65,100 by 2051(including the undercount), representing a population increase of 1.4% annually over the 30-year period. Comparatively, the Province of Ontario is forecast to grow 1.2% annually over the 2021 to 2046 period. Watson anticipated that a large share of residents migrating to St. Thomas will be younger working-age residents, given local economic growth opportunities across a range of export- and service-based sectors, as well as potential for out-commuting within the County’s commuter-shed. Driven by the relative affordability of housing in Elgin County and the City of St. Thomas as well as anticipated regional economic growth, this region is anticipated to attract increased net-migration relative to historical trends associated with working age adults and their families.

It is important to note that the Watson population growth estimate was prepared before the announcement that PowerCo, along with new 3,000 direct jobs, would be locating to the City of St. Thomas.

8.0 Conclusion

Based on the Land Needs Assessment, it is Arcadis’ opinion that the entirety of the of the new 617 gross hectare Industrial Park, including the 607 hectares for which a rezoning is being sought through a requested MZO and the proposed 317 gross hectares to be redesignated to ‘Employment Land’, is required to accommodate the anticipated job growth from the PowerCo plant and from planned employment growth in St. Thomas to 2041. The City’s existing demographics and labour force will provide a strong and skilled workforce to help meet the job demands of the PowerCo plant and other industrial businesses.

Appendix B – City of St. Thomas and Municipality of Central Elgin Official Plan Land Use Schedules

SCHEDULE "A" TO THE OFFICIAL PLAN OF THE CITY OF ST. THOMAS LAND USE PLAN

LAND USE DESIGNATION

- Residential
- Downtown Residential
- Talbot West
- Talbot Central
- Talbot East
- Power Centre
- Major Commercial
- Mixed Use Development
- Secondary Commercial
- Minor Commercial
- Highway Commercial
- Office Professional
- Employment Lands
- Business Employment
- Open Space and Conservation
- STORC Complex
- Natural Heritage
- Natural Hazard
- Railway Tourism
- Rural Area
- Ed / Rec Complex
- ★ Former Waste Site
- ◆ Transfer Station
- Sewage Treatment Plant

Note: Source MOE Waste Disposal Site Inventory - June 1991

Legend

- Railway
- Water Course
- Water Body
- St. Thomas Boundary



Schedule "A" forms part of the Official Plan of the City of St. Thomas and must be read in conjunction with the written text.

Prepared by the St. Thomas Planning and Building Services Department
12/04/2019

SCHEDULE "1"
 TO OFFICIAL PLAN AMENDMENT No. 97
 CITY OF ST. THOMAS

Schedule "A"

To The Official Plan of
**The Municipality of
 Central Elgin**

LAND USE PLAN



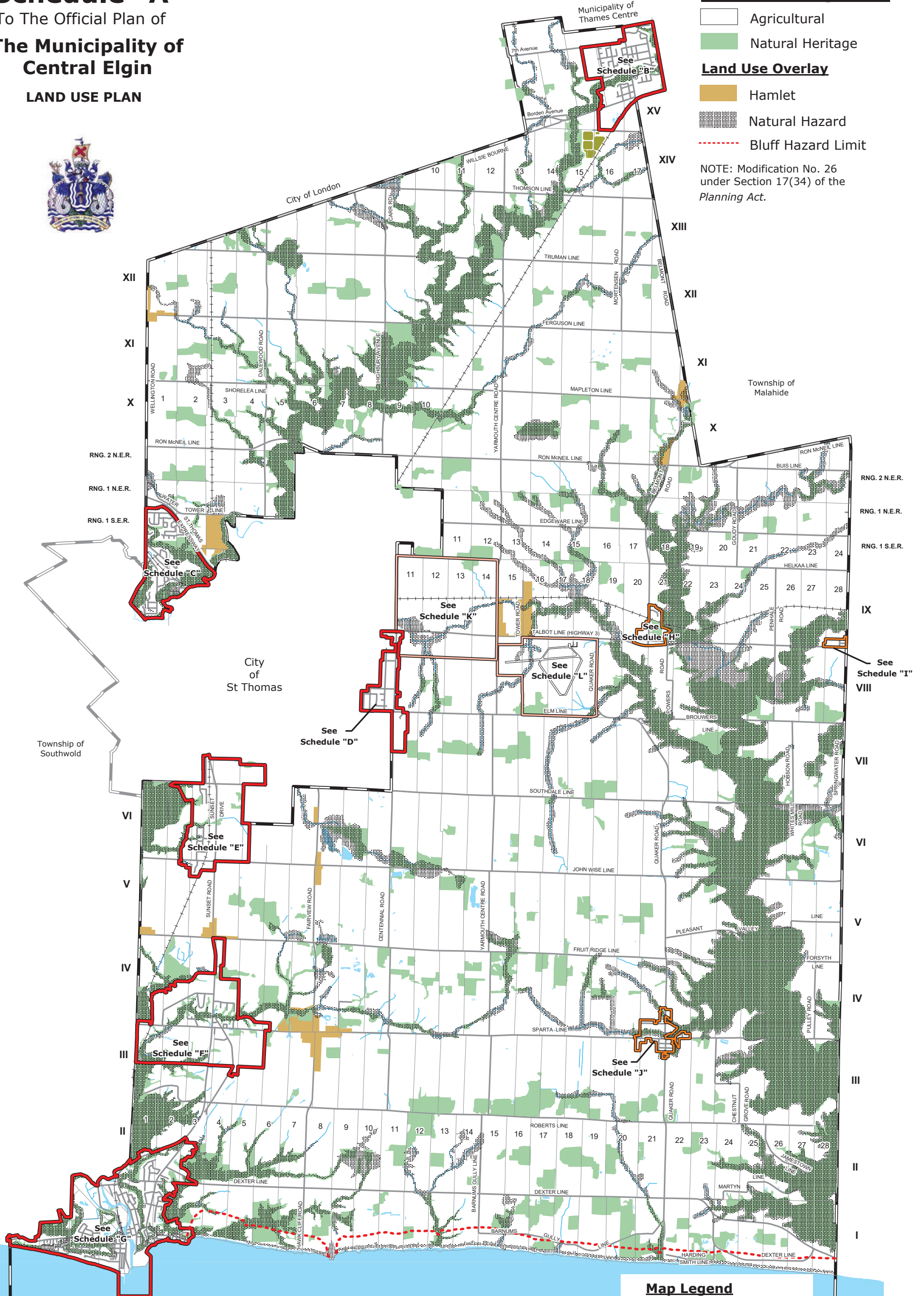
Land Use Designation

- Agricultural
- Natural Heritage

Land Use Overlay

- Hamlet
- Natural Hazard
- Bluff Hazard Limit

NOTE: Modification No. 26
 under Section 17(34) of the
Planning Act.



Map Legend

- Municipal Boundary
- Railway
- Watercourses
- Waterbodies
- Sewage Lagoons



Adopted by Council August 18 2022







Source Data Provided by:
 Kettle Creek Conservation Authority
 Catfish Creek Conservation Authority

Schedule "K"

To The Official Plan of
The Municipality of
Central Elgin
Employment Areas






LAND USE PLAN

Land Use Designation

-  Agricultural
-  Major Industrial
-  Commercial - Industrial
-  Natural Heritage
-  Natural Hazard
-  Hamlet

NOTE: Modification No. 31
under Section 17(34) of the
Planning Act

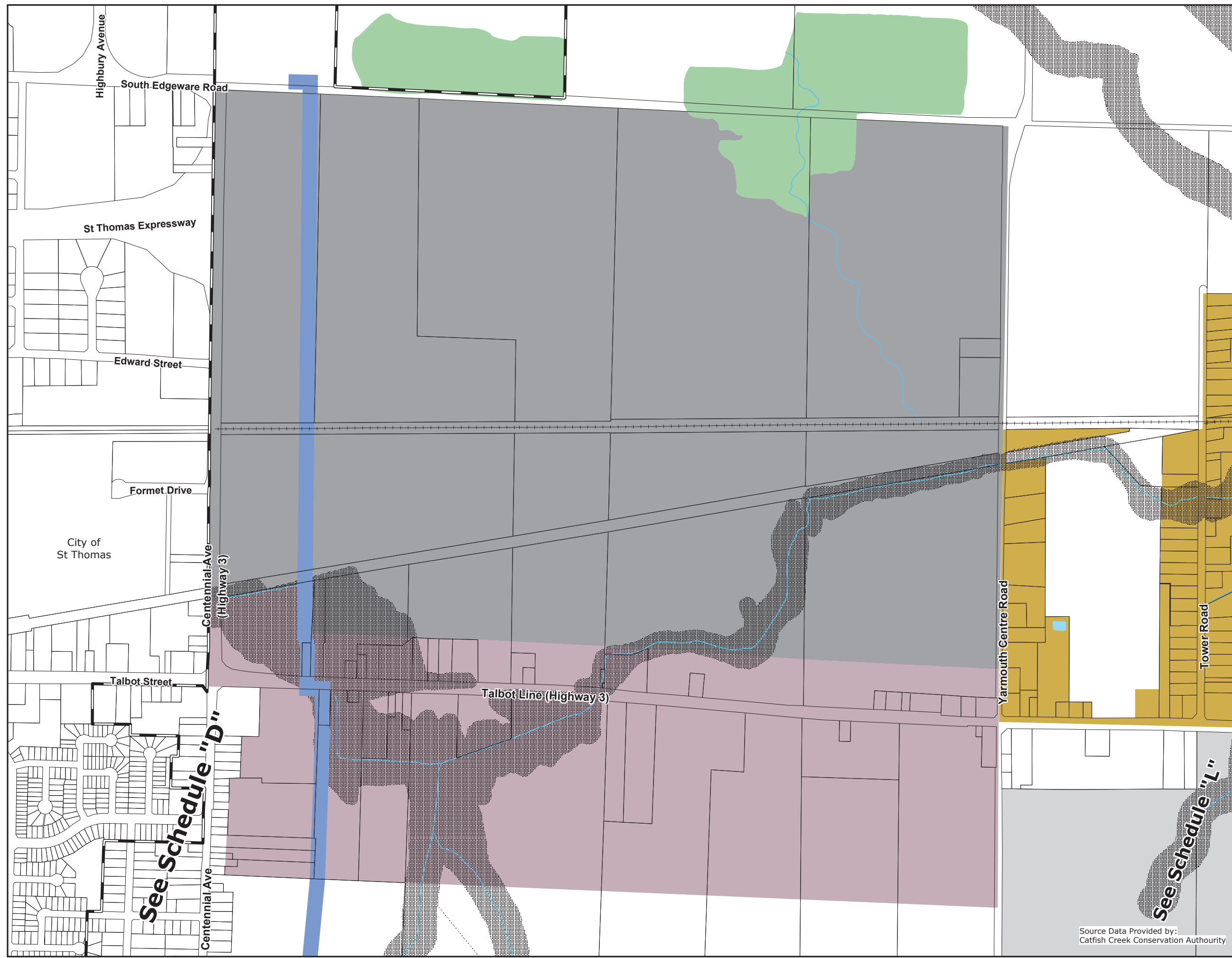
Map Legend

-  Municipal Boundary
-  Railway
-  Elgin Area Primary Water Supply Sytem
-  Watercourses
-  Waterbodies



Metres

Adopted by Council August 18 2022

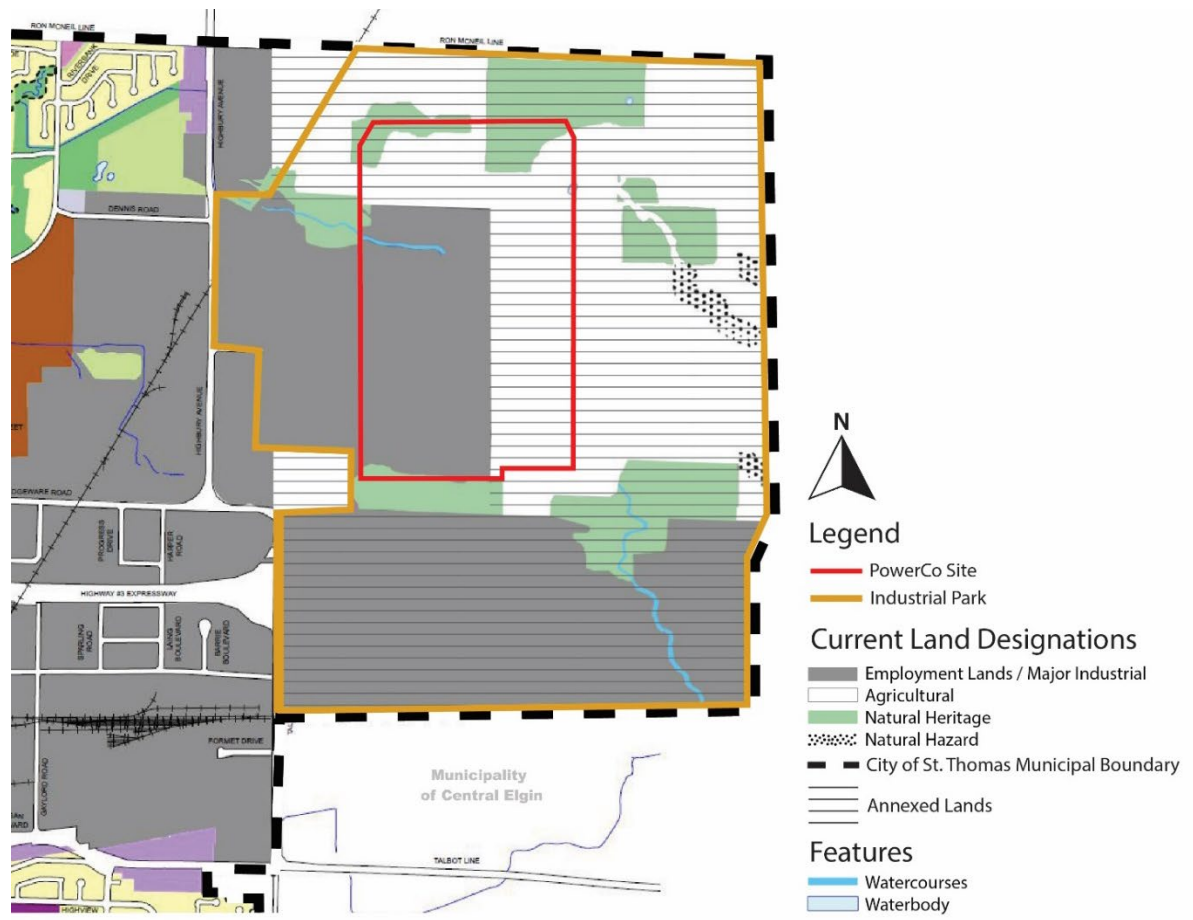


See Schedule "D"

See Schedule "L"

Source Data Provided by:
Catfish Creek Conservation Authority

Current Land Use Designations of the New Industrial Park and PowerCo Site, with Overlay Detailing Lands Annexed from the Municipality of Central Elgin



Appendix C – Draft Zoning By-law Amendment

DRAFT

CITY OF ST. THOMAS

BY-LAW No. XX-2023

A by-law to amend By-law 50-88

**THE COUNCIL OF THE CORPORATION OF THE CITY OF ST.
THOMAS ENACTS AS FOLLOW:**

1. That Zoning By-law No. 50-88 is amended by adding **Special Zone 21A xx** so that it reads:

21Axx Special Zone **(By-law XXX)**

(a) Area Affected

El_xx as shown on Special Zoning Map **xx**

(b) Additional Permitted Uses

Gigafactory
Business Office
Commercial or Technical School
Gas Bar
Research and Development Facility
Restaurant
Day Care

(c) Prohibited Uses

Adult entertainment parlour
All uses listed under Subsection 4.1.2 of the Zoning By-law (Salvage Yard, a wrecking yard or motor vehicle, junk yard, scrap yard, body rub parlour)

(d) Maximum Height

No maximum height

(e) Required Minimum Number of Parking Spaces

No minimum number of parking spaces

(f) Definition

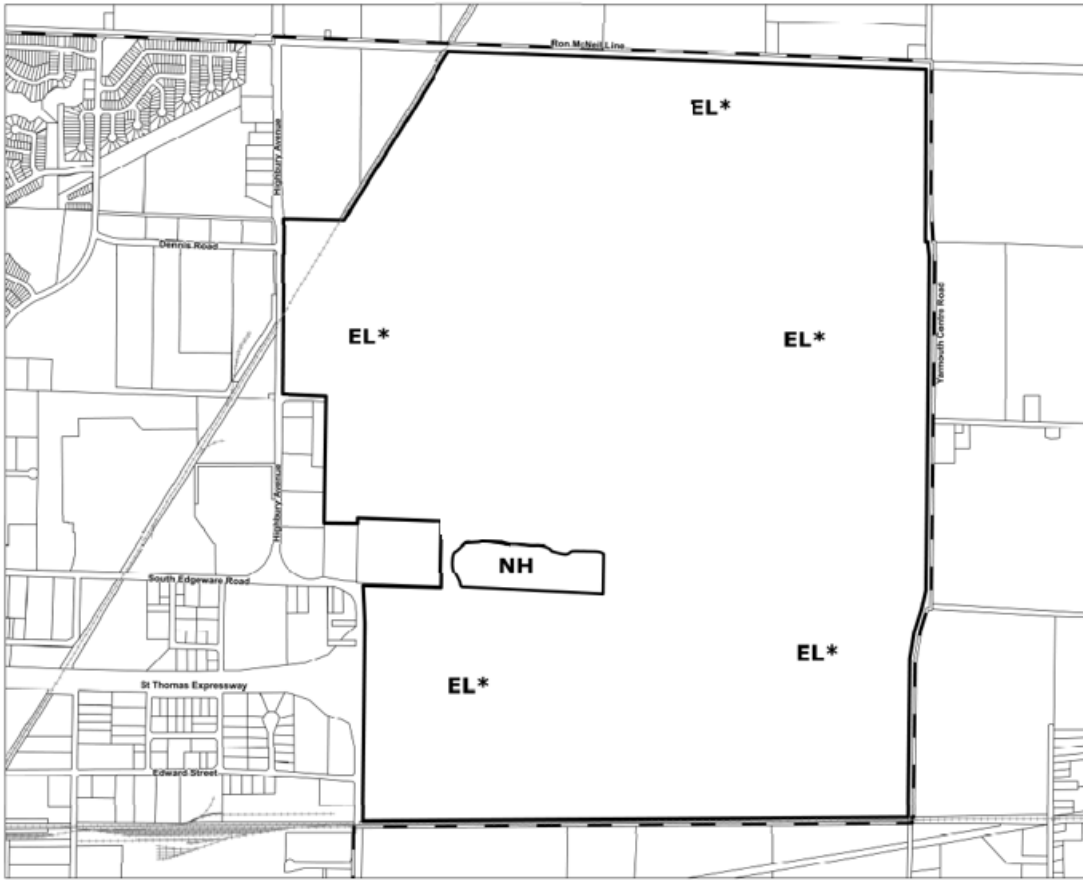
For the purposes of this subsection **21Axx**, "Gigafactory" means a large industrial facility where the components, products and activities associated with the electrification and decarbonization technologies are produced. This also includes any uses, facilities, structures, activities, treatment, storing, testing, transferring, and transporting of the products and technologies associated with a giga factory use

ENACTED AND PASSED this _____ day of _____, A.D. **2023**.

XXX,
Mayor

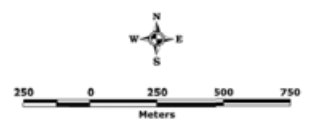
Maria Konefal,
City Clerk

(Seal of the City)



Special Zoning Map XX

Proposed Zoning



Appendix D – Draft MZO

DRAFT

ONTARIO REGULATION xx/xx

made under the

PLANNING ACT

Made: X, 2023

Filed: X, 2023

Published on e-Laws: X, 2003

Printed in *The Ontario Gazette*: X, 2023

ZONING ORDER – CITY OF ST. THOMAS

1. Definition

In this Order,

"Zoning By-law" means Zoning By-Law No. 50-88 of the City of St. Thomas¹.

2. Application

(1) This Order applies to lands in the City of St. Thomas, in the Province of Ontario, being the lands outlined in black and indicated on a map numbered xx and filed at the x office of the Ministry of Municipal Affairs and Housing located at xxx.

3. Special Zone 21Axx - Employment Lands Zone – EL xx

(1) This section applies to the lands located in the area shown as the *Employment Lands (EL*) Zone* on Map XX, referred to in section 2.

(2) Every use of land and every erection, location, or use of any building or structure is prohibited on the lands referred to in subsection (1), except for:

(a) uses permitted in the *Employment Lands (EL) Zone* of the Zoning By-law, except:

- Adult entertainment parlour
- All uses listed under Subsection 4.1.2 of the Zoning By-law (Salvage Yard, a wrecking yard or motor vehicle, junk yard, scrap yard, body rub parlour)

(b) The following additional uses:

- Gigafactory
- Business Office
- Commercial or Technical School
- Gas Bar
- Research and Development Facility
- Restaurant
- Day Care

Gigafactory means a large industrial facility where the components, products and activities associated with the electrification and decarbonization technologies are produced. This also includes any uses, facilities, structures, activities, treatment, storing, testing, transferring, and transporting of the products and technologies associated with a giga factory use.

(3) No maximum height shall apply.

(4) No minimum number of parking spaces shall apply.

¹ As per Bill 63, an Act respecting the adjustment of the boundary between the City of St. Thomas and the Municipality of Central Elgin, to the extent that they apply to the annexed area, the by-laws of the Municipality of Central Elgin and the County of Elgin are deemed to be by-laws of the City of St. Thomas and remain in force in the annexed area until they expire or are repealed or amended to provide otherwise.

4. Terms of use

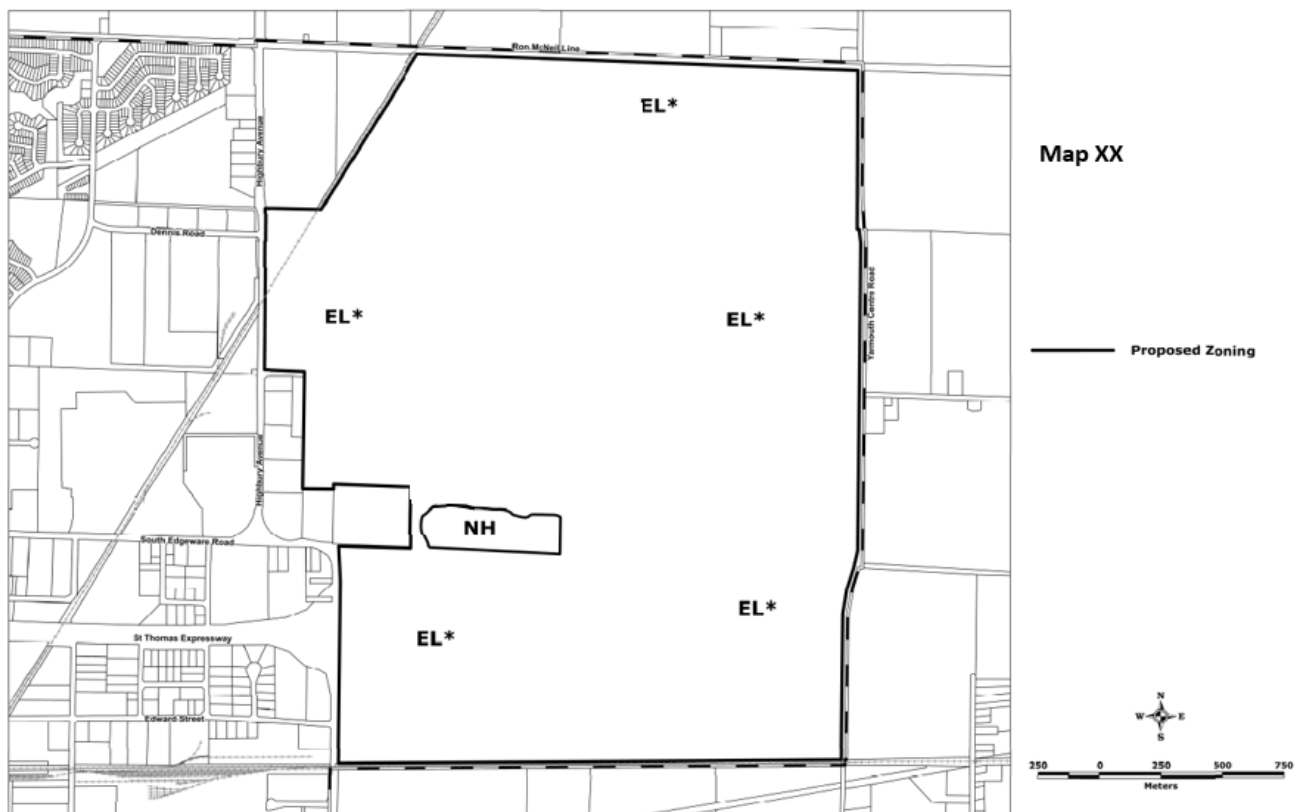
- (1) Every use of land and every erection, location, or use of any building or structure shall be in accordance with this Order.
- (2) Nothing in this Order prevents the use of any land, building, or structure for any use prohibited by this Order if the land, building or structure is lawfully so used on the day this Order comes into force.
- (3) Nothing in this Order prevents the reconstruction of any building or structure that is damaged or destroyed by causes beyond the control of the owner if the dimensions of the original building or structure are not increased and its original use is not altered.
- (4) Nothing in this Order prevents the strengthening or restoration to a safe condition of any building or structure.

5. Deemed by-law

This Order is deemed for all purposes, except the purposes of section 24 of the Act, to be and to always have been a by- law passed by the Council of the City of St. Thomas.

6. Commencement

This Regulation comes into force on the day it is filed



Appendix E – Draft Official Plan Amendment

DRAFT OFFICIAL PLAN

of the

CITY OF ST. THOMAS

AMENDMENT NO. XXX

PREPARED BY

CITY OF ST. THOMAS PLANNING DEPARTMENT

THE CITY OF ST. THOMAS

BY-LAW NO. _____

The Council of the Corporation of the City of St. Thomas, pursuant to Section 17(22) of the Planning Act, R.S.O. 1990, as amended, hereby enacts as follows:

1. That Official Plan Amendment No. XXX to the City of St. Thomas Official Plan, being the attached Explanatory Text, is hereby adopted.
2. This By-law shall come into force and take effect on the day of the final passing thereof.

Enacted and passed this xxxx day of xxxxxxx 202x.

Joe Preston, Mayor

Maria Konefal, City Clerk

TABLE OF CONTENTS

STATEMENT OF COMPONENTS

PART A - PREAMBLE TO AMENDMENT NO. XXX

- 1) Location
- 2) Purpose
- 3) Basis

PART B - THE AMENDMENT

- 1) Introductory Statement
- 2) Details of the Amendment
- 3) Implementation and Interpretation

PART C - THE APPENDICES

Appendix I:	Location Plan I
Appendix II:	Location Plan II

STATEMENT OF COMPONENTS

- PART A - THE PREAMBLE -** does not constitute part of this Amendment.
- PART B - THE AMENDMENT -** consisting of the following text and map, designated Schedule "I", constitute Amendment No. XXX to the Official Plan of the City of St. Thomas.
- PART C - THE APPENDICES -** do not constitute part of this Amendment. The appendices (I to V) contain the background data, technical justification and public involvement associated with this Amendment.

I, Lou Pompilii, Director of Planning and Building Services of the Corporation of the City of St. Thomas, do hereby certify that the following (Part B) is a true copy of Official Plan Amendment No. XXX as adopted by the Council of the Corporation of the City of St. Thomas (By-law No. XXX-XXXX).

Lou Pompilii
Director of Planning & Building Services

PART A - PREAMBLE

1. LOCATION

The properties affected by this amendment is municipally known as xxx.

The location of the subject lands is shown in heavy solid lines on the Location Plan found in Appendix I to this Amendment.

2. PURPOSE

The applicant is proposing to redesignate 317 hectares of lands from “Agricultural”, “Natural Heritage” and “Natural Hazard” designations to “Employment Lands” to facilitate the development of an industrial park to house the PowerCo EV Battery Plant, its associate supply chain and other businesses and industries. This OPA will also rename the “Major Industrial” lands that were previously designated under the Municipality of Central Elgin Official Plan to “Employment Lands” and apply the land use policies of the City of St. Thomas Official Plan.

3. BASIS

The basis of this amendment is as follows:

- In April 2023, PowerCo SE, a subsidiary of Volkswagen Group, officially announced its intention to develop a 1.39 million square metre electric vehicle (EV) battery manufacturing plant (“plant”) on a 152-hectare site within the new Industrial Park (hereinafter referred to as “the PowerCo Site”) to be located in newly annexed land of City of St. Thomas.
- In addition to the PowerCo plant directly employing an estimated 3,000 people, a substantial amount of new supporting indirect and induced jobs are expected to be created in St. Thomas as a result of the plant. The Arcadis Employment Land Needs Analysis concluded that the entirety of the new 617 gross hectare Industrial Park is required to accommodate PowerCo, resulting indirect and induced jobs and other anticipated employment growth in the City through to 2041. Approximately half (47%) of the new Industrial Park is already designated for employment and industrial uses and approximately 35% is already zoned for industrial uses.
- Ministerial Zoning Order (MZO) xxx was issued by the Minister of Municipal Affairs and Housing (MMAH) on xxx to rezone the entirety of the City-owned 617-hectare new Industrial Park as “EL – Employment Lands Zone” with site specific permissions, except an approximately 10 hectare woodlot south of the PowerCo Site which will maintain the currently existing “NH – Natural Heritage” zoning. The MZO includes approximately 388 hectares of land being rezoned from ‘OS1 and OS2 – Open Space Zone’ and ‘NH - Natural Heritage Zone’ to ‘EL - Employment Lands Zone’. The MZO also removed the Holding (“h”) provision on approximately 91 hectares of ‘EL’ zoned lands and rezoned

approximately 90 hectares of land that were previously zoned 'C1 – Industrial Zone 1' by the Township of Yarmouth Zoning By-law No. 1998 to 'EL' and apply the provisions of the City of St. Thomas Zoning By-law.

- The proposed Industrial Park is consistent with the Provincial Policy Statement (PPS) by providing a strategic site to accommodate the new PowerCo plant and additional lands that can support a mix of industries and economic activities, while ensuring compatibility with the surrounding area. There no currently designated Employment lands within the City that can satisfy the PowerCo land requirements and associated market demand for employment land. The proposed expansion of the St. Thomas Settlement Area, adjacent to the City's built-up area, is logical and justifiable.
- The permits and approvals obtained from various federal and provincial agencies support the redesignation of 'Natural Heritage' and 'Natural Hazard' (Overlay) to 'Employment Lands' and removal of the 'Watercourses' and 'Waterbody' features on OP Schedule A, along with the proposed rezoning.
- The proposed PowerCo plant and the larger new Industrial Park is a major economic initiative that requires expedition of the planning process in order to meet important development timelines and production targets.
- The proposed PowerCo plant and new Industrial Park is consistent with the City's OP policies for supporting and promoting economic development, ensuring there is sufficient land to accommodate growth and it is within the intended location for new employment uses.
- The supporting technical studies and permits and approvals granted to clear and grade the lands for development support the proposed redesignation of 'Agricultural' and "Natural Heritage' lands to 'Employment Lands', as the current designations are no longer appropriate. The proposed development is consistent with the City's policies which promote efficient use of land and resources. Partial municipal infrastructure exists for the new Industrial Park and technical studies have demonstrated that municipal infrastructure can be expanded to properly service the lands and future businesses.
- Approximately 283 hectares of lands were annexed from the Municipality of Central Elgin through Bill 63 in April 2023, and it is important to bring Official Plan policies and land use designations of those newly annexed lands into conformity with the City of St. Thomas Official Plan.

PART B – THE AMENDMENT

1. INTRODUCTORY STATEMENT

All of this part of the document entitled “Part B- the Amendment” constitutes Amendment No. XXX to the Official Plan of the City of St. Thomas.

2. DETAILS OF THE AMENDMENT

The Official Plan is amended as follows:

Item 1:

All lands numbered “XXX” on the Location Plan I attached in Appendix 1 to this amendment will be redesignated to “Employment Lands”, and the policies under City of St. Thomas Official Plan shall apply.

Item 2:

All lands numbered “XXX” on the Location Plan II attached in Appendix 2 to this amendment will be redesignated to “Employment Lands”.

3. IMPLEMENTATION AND INTERPRETATION

The implementation and interpretation of this Amendment shall be in accordance with the respective policies of the City of St. Thomas Official Plan.

PART C - THE APPENDICES

Appendix I: Location Plan I

Appendix II: Location Plan II

APPENDIX I

LOCATION PLAN I



APPENDIX 1

OFFICIAL PLAN AMENDMENT

LOCATION PLAN



LEGEND

— Subject Lands



APPENDIX II

LOCATION PLAN II



APPENDIX 2

OFFICIAL PLAN AMENDMENT

LOCATION PLAN



LEGEND

— Subject Lands

