

May 9, 2024

Honorable Paul Calandra
Minister of Municipal Affairs and Housing
minister.mah@ontario.ca

Re: ERO 019-8462 – Concerns with Proposed Changes to Ontario Planning Act (Bill 185) and Provincial Planning Statement (ERO 019-8462)

Dear Minister,

On behalf of Canadian Manufacturers & Exporters (CME) and its members, I am writing to provide input regarding the proposed changes to the draft Provincial Planning Statement (PPS).

CME has long advocated for a balanced approach to land planning in Ontario. While we do need a rapid acceleration of housing development and densification of residential areas to meet the needs of our economy, we cannot take an ‘anything goes’ approach that creates pressure and uncertainty on employment lands.

This view was consistently reflected in the [comments submitted last year](#) in response to ERO #019-6813, our contribution to the [Race for Space](#) report published by Toronto Region Board of Trade, consultations with manufacturers for Ontario’s [Advanced Manufacturing Council](#) and our January paper named [Manufacturing Ontario’s Future](#) (see p. 6 for the relevant recommendation). The below draws from this work and more recent consultation of our members, following the posting of the updated PPS.

After reviewing the updated document, we wish to acknowledge the following positive elements:

- **Protection for Airport Lands.** New language to protect airports from land uses that may cause a potential aviation safety hazard; and
- **Restrictions on Employment Land Conversions.** Section 2.8.2, subsection 5 contains new language making conversions conditional on municipalities having sufficient land to accommodate employment growth under the approved Official Plan. This is a welcome addition, but it is early to assess the extent to which it will provide enough protection outside of the immediate Toronto area.

On this second point, it is worth noting that Ontario’s manufacturing sector, which historically concentrated around the Greater Toronto Area, has been steadily decentralizing over the last few decades, with the most significant opportunities for expansion now being in Southwestern Ontario and other regions.

Therefore, we would welcome more details on the impact of new PPS provisions on planning processes outside of land constrained regions, and the safeguards in place to limit negative impacts on employment lands.

To that end, we would make the following recommendations to further improve the PPS:

1. Section 2.8.2 could be further strengthened by the addition of language allowing the Minister of Municipal Affairs or the Minister of Economic Development, Jobs and Trade to step in if a municipality is considering employment land conversions that negatively impact businesses.
2. Re-instate a process to consolidate employment land conversion at one point in time, similar to the previously removed Municipal Comprehensive Review (MCR). In absence of such a process, we remain concerned that a patchwork of land planning processes will emerge, generally increasing complexity and red tape for Ontario businesses. This is especially true for manufacturers with several facilities across the province.
3. The province has not yet articulated a process to replace the Provincially Significant Employment Zones (PSEZ), to ensure it maintains strategic oversight on the management of lands connected to manufacturing facilities and critical infrastructure, in support of the province's long-term economic needs. We believe the upcoming release of an Advanced Manufacturing Strategy provides a perfect opportunity to develop such a process, and the PPS should include some reference to that effect.
4. Guiding language in the PPS would bring greater clarity to new authorities in Bill 185 which create new exceptions under anti-bonusing rules contained in the *Municipal Act* and the *City of Toronto Act*. Based on our analysis, those could be used by the province or municipalities to attract new manufacturing investment with measures such as property tax abatements (a tool routinely used by U.S. agencies to poach manufacturing firms from Canada).

CME advocated for similar provisions in the past and strongly believe in adding them to our investment toolbox. We also believe a transparent and consistent approach would be most effective to ensure fairness and predictability in the pursuit of new investments. To those ends, the PPS would be an appropriate vehicle for a policy statement, which could include, for example, that provisions are to be used to attract investment that is net new to Ontario.

We look forward to discuss these recommendations with you at the earliest opportunity.

Sincerely,



Vincent Caron
Director, Policy & Ontario Government Relations

CC Honourable Victor Fedeli, Minister of Economic Development, Job Creation and Trade