



**SUBJECT: Local input into the Region of Halton's Integrated Growth Management Strategy**

**TO: Committee of the Whole - Workshop**

**FROM: Department of City Building - Planning Building and Culture**

Report Number: PB-19-19

Wards Affected: all

File Numbers: 502-02-70

Date to Committee: September 12, 2019

Date to Council: September 23, 2019

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**Recommendation:**

Receive and file department of city building report PB-19-19 regarding the "City of Burlington Growth Analysis Study, (June 2019)", prepared by Dillon Consulting and Watson and Associates for the purpose of informing the growth analysis work being undertaken by Halton Region through the Integrated Growth Management Strategy (IGMS); and

Direct the City Clerk to forward a copy of report PB-19-19 on the City of Burlington Growth Analysis Study to Halton Region; and

Direct the Director of City Building to report back to Council on Halton Region's IGMS in the Fall of 2019.

**Purpose:**

A City that Grows

- Promoting Economic Growth
- Intensification
- Focused Population Growth

The purpose of the City of Burlington Growth Analysis Study was to identify an appropriate level of population and employment growth that can be anticipated for the City between now and 2041. The study findings are intended to help inform the growth analysis work being undertaken by Halton Region through the Integrated Growth

Management Strategy (IGMS) by providing a finer grain analysis of the growth opportunities within the City of Burlington.

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## **Background and Discussion:**

### **City of Burlington 2008 Intensification Study**

In 2008, the City undertook an Intensification Study to better understand the intensification opportunities in the City which could accommodate growth to 2031. It was recognized at that time that the City's supply of greenfield land was diminishing and a more comprehensive approach to planning for intensification was needed. The study focused on key areas within the City's urban area and included a site by site analysis to identify opportunities for infilling and redevelopment. This study, which laid out a general framework for longer term growth planning in the City, determined a reasonable estimate of residential units, people and jobs, which could be provided through intensification by 2031. The study also concluded that Burlington was expected to exceed the 40% intensification target in the Growth Plan that is applied Region wide. The study findings were used to inform the growth analysis work that was undertaken by Halton Region through their Sustainable Halton process, which resulted in population and employment growth forecasts to 2031 as well as intensification and density targets for the City and the other municipalities in the Region.

### **Halton Region's Official Plan Review and Integrated Growth Management Strategy**

Halton Region is currently undertaking a review of their Official Plan, as required by the *Planning Act*. The Region's Official Plan Review (ROPR) commenced in April 2014 and is being undertaken in three phases. Phase one was completed in October 2016 with the completion of a Directions Report which identified the key policy areas for review through the ROPR and established a high level work plan to complete the detailed research and policy development to be undertaken in phases two and three of the ROPR.

One of the key policy areas identified by the Region is the Integrated Growth Management Strategy (IGMS) which is a growth strategy for the Region to the planning horizon year of 2041 that will incorporate the population and employment forecasts for the Region in accordance with Schedule 3 to the Growth Plan for the Greater Golden Horseshoe. The result of the IGMS work will be an updated growth strategy for the Region and its local municipalities which is based on the integration of land use, infrastructure and financial considerations, that conforms to both Provincial and Regional policy directives.

Phase two work on the IGMS began in the spring of 2018 with a kick-off meeting with the local municipalities. Since then, staff have been actively engaged with the Region on the IGMS work through participation on technical committees, attending meetings and workshops as well as providing background data to support the development of the growth scenarios, which were shared with Regional Council on June 19, 2019.

### **City of Burlington Growth Analysis Study**

Recognizing the growth work being undertaken by the Region through the IGMS as a region-wide provincial conformity exercise, City staff saw the opportunity to engage a consultant to undertake growth analysis work at the local level to inform the process at the Region and provide support to City staff and Council in reviewing and providing feedback to the Region on the IGMS work.

#### **Study Process and Work Plan**

In the fall of 2018, the City retained Dillon Consulting with support from Watson and Associates to undertake an analysis of the City's population and employment growth trends to better understand what an appropriate level of population and employment growth might look like for the City between now and 2041. The study findings are intended to inform and support the process being undertaken at the Region by providing a finer grain analysis of growth opportunities in the City and is not intended to supersede the Region's process. City staff also recognize that components of the growth analysis study could be used or leveraged for other city projects and initiatives.

The project work plan prepared by Dillon and Watson for the growth analysis study included:

- A review of growth related background data;
- A review of the policy context to gain a better understanding of the long-term growth potential for the City;
- Confirmation of the estimated long-term supply of land within the City for residential and non-residential growth;
- An economic, socio-economic and demographic trends analysis which will also include commentary on local factors and economic drivers which are anticipated to influence future residential and non-residential development trends in the City;
- The development of three city-wide population, housing and employment growth forecasts, including the identification of a preferred growth forecast;
- Identifying potential opportunities and challenges associated with the city's ability to achieve the preferred growth forecast.

A project kick-off meeting was held in the fall of 2018 which included staff from various internal city departments, acting a project steering committee. Various background data

related to land use and development was also provided to the consulting team to assist with their review and analysis. In March 2019, a workshop was held with internal city staff which provided the opportunity for the consulting team to share the findings of their analysis and for staff to provide feedback on a draft of the growth analysis study. The feedback received was used in the preparation of the final Growth Analysis Study, appended to this report (Appendix A).

### **Study Purpose & Components**

As indicated, the purpose of the Growth Analysis Study is to identify an appropriate level of population and employment growth that the City can anticipate between now and 2041. The study takes into consideration both supply and demand factors while addressing the following key questions:

- How much land supply is there to accommodate future long-term population and employment growth in the City?
- What are some of the recent broader macro-economic and regional growth trends which will influence growth in Burlington?
- What do the City's recent economic, demographic and real estate trends tell us about future growth potential?
- What is the potential range of population and employment growth that the City can expect between now and 2041 based on available supply and market trends?
- Given the range of potential growth and multiple opportunities for development, what are the phasing considerations for residential and employment growth?

The analysis in this study relies on a number of different sources including components of the City's adopted Official Plan, Halton Region Official Plan, the Growth Plan for the Greater Golden Horseshoe as well as provincial guidelines (e.g. MTO Transit Supporting Guidelines). Data related to the City's active development applications and building permits was also relied upon to complete the analysis.

#### ○ Adopted New Official Plan

The study recognizes the direction received by Council to undertake a scoped review of the building heights and densities contained within the adopted new Official Plan. The methodology used in the analysis builds upon the urban structure and intensification opportunities identified through the City's growth framework in the adopted new Official Plan. However, building height permissions in the adopted new Official Plan were not used in the analysis. As such, any changes that result from the scoped re-examination of the adopted new Official Plan are anticipated to be within the supply scenarios tested.

- Mobility Hub Work

The study also recognizes the work that has been undertaken to date on the Mobility Hubs. For the downtown, the Urban Growth Center boundary and density target established in the Growth Plan were used in the supply analysis, while the population and employment ratios were based on the detailed mobility hub work. Similarly, for the GO Station mobility hubs, two density targets were used in the supply analysis; one reflective of the density target identified in the adopted new Official Plan, while the other reflective of the density target established in the Growth Plan. The population and employment ratios used in the analysis were based on the mobility hub draft precinct plans.

Supply Analysis

A review of the City's active development applications was completed to inform the analysis of the supply of land available for both residential and non-residential growth. These development applications represent a snap shot in time and reflect development applications ranging from those under review by City staff to those currently under construction.

The supply analysis completed as part of this study helped to understand how much additional growth the City could expect based on current policies and plans. A top-down approach was used to estimate supply by applying a density target (people and jobs/ha) along with population and employment ratios to different areas of the City to identify the full build out potential. However, for some areas of the City which are not anticipated to accommodate much of the new growth, a factor was applied to identify full build out potential. Full build out is assumed to be post 2041 and represents a conceivable end state where land has been fully optimized.

Economic, Demographic and Real Estate Trends

In addition to the supply work, the report also includes an analysis of the recent economic, demographic and real estate trends and what that may mean for the City's future growth potential.

- Economic trends considered in the analysis include the provincial and national economic outlook, as well as trends within the Greater Toronto and Hamilton Area (GTHA); specifically, industrial and office development activity.
- Within Halton Region, employment absorption trends, and historical employment growth were considered.
- For the City, historical employment growth by sector and trends in non-residential building permits were also included in the analysis.

- Demographic and real estate trends considered in the analysis included current and historical population growth within Halton Region and its area municipalities, housing occupancy trends within Burlington, as well as historical residential building permit activity.
- Trends in GTA housing prices, household income growth, and the changing ethnic makeup in the Region were also included in the analysis.

### *Growth Drivers and Disruptors*

The report also explores key regional and local factors and disruptors which are anticipated to drive population, housing and employment growth within the City of Burlington. These key factors and disruptors include regional infrastructure assets, quality of life, a competitive regional economy, technological change, and attracting millennials and future generations. The report also explores the long term residential and non-residential outlook for the City of Burlington.

### *Note on Growth Related Matters not addressed in the Growth Analysis Study*

It is important to note that there are matters related to growth that did not form part of the scope of this study including infrastructure opportunities and constraints, as well as financial impacts. However, these matters will be assessed through the Region's Integrated Growth Management Strategy.

### *Key Findings of the Study*

The key findings of the Growth Analysis Study are summarized below based on the study's key questions. The final Growth Analysis Study (Appendix A) provides the more detailed analysis.

- How much land supply is there to accommodate future population and employment growth in the City?
  - The study identified a large supply of land in the City to accommodate growth.
  - The supply analysis shows the potential for the City to accommodate an additional 58,321 to 85,863 people and 22,669 to 53,137 jobs between now and full build out.
  - The majority of opportunities for future growth is within the City's built-up area, concentrated within the primary and secondary growth areas (as identified in the 2018 adopted new OP).
  - The available supply of land is only one of many factors that will shape the amount and pace of development in the City.
  
- What are some of the recent broader macro-economic and regional growth trends which will influence growth in Burlington?

- The City's economy is transitioning from goods to service production, which is similar to national and provincial trends.
  - Existing and emerging knowledge based sectors such as professional, technical and scientific services, health care, social assistance and educational services are expected to represent the fastest growing employment sectors for the City.
  - In addition to the growing knowledge's based sector, the industrial sector remains vitally important to the local and regional economy.
  - The industrial real-estate market is very strong signifying high demand for new space in Burlington, while the office market in the City is showing signs of strength.
  - The majority of employment growth over the last 15 years has been largely attributed to commercial/population-related and institutional sectors.
  - The City's economic base is also highly oriented to home-based occupations.
- What do the City's recent economic, demographic and real estate trends tell us about future growth potential?
    - Over the past 25 years, the City has experienced strong population growth across all major demographic groups; largely driven by steady net migration.
    - Residential development activity in Burlington has historically been dominated by ground-oriented housing, primarily within the greenfield areas.
    - A growing share of new development, both residential and non-residential is expected to occur within the City's built-up area. This shift is anticipated to result in an increase share of higher density housing forms.
    - This presents both an opportunity and challenge for the City and its residents. Population growth will likely bring new urban amenities and municipal services to the City, as well as local employment opportunities. However, this will require the City to accommodate an increasing share of families in higher density households, which is a trend the City is not currently seeing.
    - Residential market conditions in south Halton and within the City are generally moving in the same direction, with a need to build housing supply attractive to families in more compact residential development forms.
    - To facilitate a shift towards more compact high-density development, the City should consider the use of planning and/or financial tools as well as other policies to attract development.
    - The report identifies a number of key drivers suggesting that Burlington is well positioned to accommodate a portion of the region's economic and population growth that is anticipated.
    - While the City has limited control over evolving economic trends, it does have control over local land use planning policy, programs and initiatives aimed at

retaining /attracting investments, accommodating existing and new residents across all demographic groups and expanding its local labour force.

- What is the potential range of population and employment growth that the City can expect between now and 2041 based on available supply and market trends?
  - The report identifies that by 2041, the City could achieve a population range of 214,600 (0.5% annual growth rate) on the lower end to 254,400 (1.2% annual growth rate) at the higher end, with a recommended population scenario of 234,000 (0.9% annual growth rate).
  - The recommended scenario (referred to as the reference scenario) takes into account a wide range of emerging demographic and socio-economic trends, as well as the availability of land, and is well aligned with the City's planned urban structure.
  - With respect to employment growth, the report identifies that by 2041, the City could see the number of jobs range from 115,700 (0.7% annual growth rate) on the lower end to 135,300 (1.4% annual growth rate) at the higher end with a recommended employment scenario of 126,400 (1.1% annual growth rate) for the City.
  - Employment growth is expected to be balanced, with 49% of future growth accommodated within the City's Employment Areas and 51% being accommodated elsewhere in the city, with the commercial/population-related sector representing the largest share of growth.
  
- Given the range of potential growth and multiple opportunities for development, what are the phasing considerations for residential and employment growth?
  - Phasing considerations for residential and employment growth outlined in the report are based on existing and emerging planning policy framework at the provincial, regional and local level; active development applications, as well as market analysis, existing conditions and characterization of demands.
  - However, as the lands are in private ownership, it is difficult to predict or control the phasing of development.
  - Potential priority areas for residential growth in the short term include the Downtown, the Aldershot and Burlington GO Mobility Hubs and any remaining greenfield lands. In the medium term, areas include Uptown and higher profile secondary growth areas, while longer term potential priorities include the Appleby GO Mobility Hub and remaining secondary growth areas.
  - The City's vacant employment lands are identified as potential priority areas for short term employment land employment growth, although not all sites are actively

marketed for development. The expectation over the medium to longer terms is that employment growth will transition to infilling and intensification on employment lands, as the amount of vacant land gets smaller. Population-related employment is expected to occur in alignment with the residential phasing.

#### Note on differences between the City's Growth Work and Halton Region's Growth Work

It is important to recognize that the City's Growth Analysis Study was undertaken independently and in absence of any of the Region's IGMS work. As such, methodologies and assumptions used in the analysis and in the development of growth scenarios may differ. The work being undertaken by the Region and the work undertaken for the City should be viewed as two perspectives on growth management, with the City's study providing a local lens to the broader Region-wide IGMS work.

#### Additional Growth-Related Information

In September 2017, two City memos with growth tracking information were released as part of the Council Information Package. Burlington's Urban Growth Centre Density Analysis was released on September 8, 2017 followed by a City-Wide Population and Built-Up Area Residential Unit Growth Analysis released on September 15, 2017. Both documents indicated that the information and analysis contained within would evolve as new information became available, and staff would continue to monitor new data and periodically report back on how the city is tracking to the growth targets.

Updates to the Urban Growth Centre Density Analysis and City-Wide Population and Built-Up Area Residential Unit Growth Analysis have been prepared, and are included as Appendix B and C to this report.

#### **Strategy/process**

Once the Growth Analysis Study has been received by Council, it will be shared with Halton Region. The report will support the review of the IGMS technical work, inform the refinement of the growth scenarios and assist in the development of the Region's growth concepts and preferred growth concept. The report will also support the analysis and recommendations by staff to City Council, as part of the City's formal feedback to the Region.

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#### **Financial Matters:**

The Growth Analysis Study was developed at a cost of \$90,263 for consulting services which was funded through the Policy Reserve account.

## **Connections:**

Understanding the financial impact of growth is just one of many important considerations in discussions about growth.

### *Development Charges*

Development charges are fees collected by the municipality to recover eligible growth-related capital costs that occur as a result of new residential and non-residential growth to the extent permissible by the Development Charges Act (DCA). Development charges do not recover costs for operating expenditures or infrastructure renewal. These costs are paid for by new taxes from new homes and buildings, also known as assessment growth.

The City recently approved the 2019 Development Charges Background Study and Bylaw based on a growth forecasted period to 2031 consistent with Halton Region's Best Planning Estimates (June 2011) and adjusted with 2016 Census information.

Upon completion of Halton Region's Official Plan Review, the City will receive updated population and employment numbers to 2041, which will inform future Development Charges updates.

### *Fiscal Impact Study*

In 2016, the City retained Watson and Associates to undertake a Fiscal Impact Study to understand the net financial impacts of different types of development within the City by measuring the incremental operating and capital costs and revenues associated with development on the city's net tax levy.

The Fiscal Impact Study, which was shared with Council in May 2017 (Report F-13-17), concluded that in aggregate the fiscal impact of the anticipated residential and non-residential development to 2031 will have a positive fiscal impact on the City's financial position. However, the positive financial contributions will not fully mitigate the need for increases in tax rates to address full lifecycle funding requirements over the long-term.

The study, which was completed in order to provide general guidance to assist in decision making with respect to development types, should not be used in isolation of other equally important factors such as the physical, social, economic, cultural and environmental fabric of the city.

The Fiscal Impact Study is one of many factors to be considered in the context of broader municipal policies in the review of the Region's growth concepts developed through the IGMS work.

## **Public Engagement Matters:**

The Growth Analysis Study was prepared to help inform the Region's IGMS work being undertaken as part of their Official Plan Review.

Halton Region will be providing opportunities for public consultation throughout the Official Plan Review/IGMS process. The IGMS: Growth Scenarios, Halton Region to 2041 technical paper is available for public review and comment throughout the spring and summer of 2019. The Region will also be consulting with local municipal councils on the IGMS Evaluation Framework: Policy Tests to Assess the 2041 Refined Growth Concepts, in response to a motion from Regional Council at their June 19, 2019 Council meeting.

The public will have the opportunity to provide feedback on the IGMS through the Region's consultation process as well as through the City's formal feedback on the IGMS work.

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## **Conclusion:**

The consultants have delivered the City of Burlington Growth Analysis Study which will inform the growth analysis work being undertaken by Halton Region, and City staff will report back to Council on Halton Region's IGMS.

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Respectfully submitted,

Laura Daly, MCIP, RPP  
Planner II  
905-335-7600 ext.7746

Leah Smith, MCIP, RPP  
Manager of Policy and Research  
905-335-7600 ext.7385

## **Appendices:**

- A. City of Burlington Growth Analysis Study (June 2019)
- B. City of Burlington: City-Wide Population and Built-Up Area Residential Unit Growth Analysis (June 2019)
- C. City of Burlington: Urban Growth Centre Density Analysis (June 2019)

**Notifications:**

Curt Benson, Region of Halton

**Report Approval:**

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.