

Council Information Package

Index of Attachments

Circulation Date: March 2, 2018

Note: If a Member of Council wishes to include any of the enclosed documents on a future Council or Committee of the Whole agenda, please email Legislative Services at clerks@newmarket.ca.

General Correspondence Items

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February 14, 2018
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February 27, 2018



THE EDUCATION CENTRE - AURORA

60 Wellington Street West, Aurora, Ontario L4G 3H2

Tel: 905.722.3201 905.895.7216 905.727.3141 416.969.8131

Fax: 905.727.1931

Website: www.yrdsb.ca

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CAO		✓
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DEPARTMENT		
CLERKS		
CONCERNS		

February 14, 2018

Mayor Tony Van Bynen
Town of Newmarket
395 Mulock Drive, P.O. Box 328 Station Main
Newmarket, ON L3Y 4X7

Dear Mayor Van Bynen,

I am honoured to be joining the York Region community as the new Director of Education for York Region District School Board.

YRDSB serves over 124, 000 students in schools in each of the nine municipalities of York Region. We are one of the largest employers in the region with over 15,000 employees. We partner with EarlyON programs for preschool learners, as well as many before and after care programs and special interest service providers within our schools to provide childcare, continued learning and community activities. Our students spend approximately six hours a day within our school settings.

Our Board strives to advancing student achievement and well-being through public education, which motivates learners, fosters inclusion, inspires innovation and builds community. Our board priorities include math, mental health, modern learning, equity, leadership and innovation.

I look forward to partnering with you and Council as closely as possible to support the students and families we serve. If there are opportunities for partnership that present themselves in the months ahead, please make me aware so that we may discuss how we can support each other for the betterment of our York Region communities.

I look forward to meeting you in person in the future.

Sincerely,

Louise Sirisko
Director of Education
York Region District School Board

cc: C. McBain, Chair of the Board



February 16, 2018

Ms. Lisa Lyons
Director of Legislative Services/Town Clerk
Town of Newmarket
395 Mulock Drive, P.O. Box 328
Newmarket, ON L3Y 4X7

LEGISLATIVE SERVICES		
INCOMING MAIL	REFD TO	COPY TO
FEB 23 2018		

Dear Ms. Lyons:

Re: Comments on Proposed Provincial Food and Organic Waste Framework

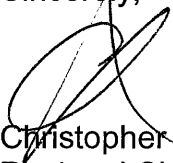
Regional Council, at its meeting held on February 15, 2018, adopted the following recommendations of Committee of the Whole regarding "Comments on Proposed Provincial Food and Organic Waste Framework":

1. Council endorse comments identified in Attachment 1, which were submitted to the Ministry of the Environment and Climate Change in response to Environmental Bill of Rights posting 013-1814: Proposed Food and Organic Waste Framework. Key recommendations for endorsement include:
 - a. Build on work of stakeholders to implement food waste education initiatives
 - b. Food rescue policies must address concerns about poverty reduction and food safety
 - c. More consultation needed on data collection and metrics for all sectors impacted by the Framework
 - d. Disposal ban implementation must be contingent on successful expansion of infrastructure
 - e. Province should support technologies that maximize resource recovery and support climate change action goals
 - f. Compostable packaging materials must be designated under extended producer responsibility
2. The Regional Clerk circulate this report to the local municipalities and the Ministry of the Environment and Climate Change.

A copy of Clause 7 of Committee of the Whole Report No. 2 is enclosed for your information.

Please contact Laura McDowell, Director, Environmental Promotion and Protection at 1-877-464-9675 ext. 75077 if you have any questions with respect to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher Raynor". The signature is stylized with a large, sweeping loop at the beginning and a long, thin tail that extends downwards and to the right.

Christopher Raynor
Regional Clerk

/C. Clark
Attachments

Clause 7 in Report No. 2 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on February 15, 2018.

7

Comments on Proposed Provincial
Food and Organic Waste Framework

Committee of the Whole recommends:

1. Receipt of the presentation by Lindsay Milne, Manager, Sustainable Waste Management, Environmental Services.
2. Adoption of the following recommendations contained in the report dated January 18, 2018 from the Commissioner of Environmental Services:
 1. Council endorse comments identified in Attachment 1, which were submitted to the Ministry of the Environment and Climate Change in response to Environmental Bill of Rights posting 013-1814: Proposed Food and Organic Waste Framework. Key recommendations for endorsement include:
 - a. Build on work of stakeholders to implement food waste education initiatives
 - b. Food rescue policies must address concerns about poverty reduction and food safety
 - c. More consultation needed on data collection and metrics for all sectors impacted by the Framework
 - d. Disposal ban implementation must be contingent on successful expansion of infrastructure
 - e. Province should support technologies that maximize resource recovery and support climate change action goals
 - f. Compostable packaging materials must be designated under extended producer responsibility
 2. The Regional Clerk circulate this report to the local municipalities and the Ministry of the Environment and Climate Change.

Report dated January 18, 2018 from the Commissioner of Environmental Services now follows:

1. Recommendations

It is recommended that:

1. Council endorse comments identified in Attachment 1, which were submitted to the Ministry of the Environment and Climate Change in response to Environmental Bill of Rights posting 013-1814: Proposed Food and Organic Waste Framework. Key recommendations for endorsement include:
 - I. Build on work of stakeholders to implement food waste education initiatives
 - II. Food rescue policies must address concerns about poverty reduction and food safety
 - III. More consultation needed on data collection and metrics for all sectors impacted by the Framework
 - IV. Disposal ban implementation must be contingent on successful expansion of infrastructure
 - V. Province should support technologies that maximize resource recovery and support climate change action goals
 - VI. Compostable packaging materials must be designated under extended producer responsibility
2. The Regional Clerk circulate this report to the local municipalities and the Ministry of the Environment and Climate Change.

2. Purpose

This report requests Council endorsement of Regional and local municipal staff comments provided to the Ministry of the Environment and Climate Change (the Ministry) responding to the Environmental Bill of Rights posting 013-1814: Proposed Food and Organic Waste Framework (the Framework). These comments were submitted on January 15, 2018 (Attachment 1). As part of the Region's submission, staff requested that the Ministry consider any additional comments received from Council in February.

3. Background and Previous Council Direction

Staff submitted comments on the proposed Food and Organic Waste Framework to meet the Ministry's timeline for input

On November 16, the Ministry of the Environment and Climate Change released the *Proposed Food and Organic Waste Framework* for comment on the Environmental Bill of Rights (EBR) Registry, with a closing date for comments of January 15, 2018. The proposed Framework includes two components: *the Food and Organic Waste Action Plan* and the *Food and Organic Waste Policy Statement*. Both pieces were commitments under the *Strategy for a Waste-Free Ontario, 2017*.

Due to timing of the EBR posting, Council input was not possible ahead of the comment submission deadline. Region staff consulted with local municipal partners to solicit input into the comment letter. Staff recommendations also aligned with comments jointly submitted by the Regional Public Works Commissioners of Ontario, Association of Municipalities of Ontario, Municipal Waste Association and City of Toronto (Attachment 2). Staff submitted comments and requested that the Ministry consider any additional comments from Council as part of the Region's official submission.

Council previously endorsed five key recommendations regarding the strategic direction of the Province's Framework

In July 2017, staff submitted comments to the Ministry on a discussion paper developed to solicit input on key priorities for improving management of Food and Organic waste in Ontario. Table 1 summarizes the recommendations [endorsed by Council](#) in response to that discussion paper and provides a brief update on how those recommendations were considered in the proposed Framework developed by the Ministry.

Table 1
Summary of Past Recommendations
and how they were addressed in Proposed Framework

Council-endorsed Recommendations	Ministry's Response in Proposed Food and Organic Waste Framework
Focus on food waste reduction as the primary opportunity for improvement	The Ministry has increased focus on reducing food and organic waste at the source. The Framework takes a reduction first approach with actions that prioritize food and organic waste reduction at the top of the Ontario Food Recovery Hierarchy.
Focus diversion efforts on multi-residential, industrial, commercial and institutional (IC&I) sector	The Framework strives to increase resource recovery for multi-unit residential buildings and the IC&I sector (including schools and manufacturing establishments) proposing diversion targets to be achieved by 2025 (based on size and thresholds).
Engage with public health agencies to inform policy on food donation	The Ministry intends to develop food safety guidelines to support safe donation of surplus food.
Streamline regulations and approval processes to support innovation	The Ministry will support resource recovery infrastructure using modern regulatory approaches (risk-based and electronics service delivery) to review existing approval processes; providing support for innovative demonstration projects (e.g. waste pilot projects).
Ensure the disposal ban considers implications on collection practices and includes processing contingencies	The Ministry will consider phased-in timelines (beginning 2022) and geographical boundaries in banning food and organic waste from ending up in disposal sites. Extensive consultation is planned starting in 2018.

Region's comments that were not addressed by the Ministry in the draft Framework were re-emphasised in the Region's most recent response including:

- Producer responsibility for all end-of-life management costs, including branded organics and compostable packaging regardless of which stream captures the material
- Greater engagement of public health departments to develop and share consistent messaging on holistic impacts of food waste (including climate change/health impacts, food security)
- Consideration of contingency plans for processing interruptions and practical enforcement options prior to implementing any landfill disposal ban of organic waste

The proposed Framework is a high level document that strives to meet the following four objectives:

1. Reduce food and organic waste
2. Recover resources from food and organic waste
3. Support resource recovery infrastructure
4. Promote beneficial uses of recovered resources

The Proposed Action Plan identifies 17 strategic actions summarized in Attachment 3 to be taken by the Province in the short term (2018-2020) and longer term (2021 and beyond) to address those four objectives.

The Proposed Policy Statement provides policy direction to further the provincial interest related to waste reduction and resource recovery of food and organic waste. It governs parties involved with food and organic waste in Ontario, including municipalities, waste generators and resource recovery system operators. This is the first policy statement to be issued under the *Resource Recovery and Circular Economy Act, 2016*.

The policy direction requires municipalities and other planning authorities to ensure that official plans are consistent with the proposed Policy Statement by the end of the period determined under subsection 26 (1) of the *Planning Act*. Through the Municipal Comprehensive Review, York Region Planning will update Regional policies, as necessary, to ensure alignment with the Policy Statement.

4. Analysis and Implications

York Region leads the Province in waste diversion

York Region has been a leader in offering a comprehensive suite of waste management services to its residents. The Resource Productivity and Recovery Authority recently released the 2016 verified diversion rates and the Region ranked highest in the large urban category and the highest overall in the Province with a diversion rate of 65.7 per cent (Attachment 4). The overall provincial diversion rate is 49.2 per cent. Local municipalities have actively pursued waste collection programs for materials such as textiles, electronics and batteries in addition to more traditional curbside collection programs as illustrated in Attachment 5.

Region’s SM4RT Living Plan sets first long term target for food waste reduction in the Province

The Region and its local municipal partners were one of the first municipalities to establish a long term target for food waste reduction under the [SM4RT Living Plan](#). The SM4RT Living Plan also established baseline and data tracking approaches and continues to develop educational programming, including a comprehensive multi-year food waste reduction strategy through the Good Food program.

Staff support the direction and scope of the proposed Framework

Given the Region’s investment in food waste reduction efforts through the SM4RT Living Plan, staff are encouraged to see how much of the Region’s earlier feedback was incorporated into the proposed Framework documents. While the Framework is a step in the right direction, Table 2 provides a summary of further recommendations included in the Region’s response to the Ministry. Further details on these recommendations are included in Attachment 1.

Table 2
Summary of Recommendations made on Proposed Framework

Recommendations	Rationale for Recommendation
Build on work of stakeholders to implement food waste education initiatives	Through the work of the Ontario Food Collaborative, lessons learned have been shared amongst municipalities and health units in Ontario. Staff recommended the Ministry continue to work with the Ontario Food Collaborative and other stakeholders throughout the food value chain, building on existing successes to ramp up educational programming throughout the province.
Food rescue policies must address concerns about poverty reduction and food safety	Staff recommended that organizations receiving donated food be appropriately funded to safely deal with donated food and comply with the requirements of Ontario Regulation 252 to provide adequate refrigeration and equipment. Continued collaboration between Public Health and Environmental Services is needed to support further food waste reduction in York Region. Public Health staff recommended the Ministry consider surplus food rescue programs as a short term complement, not a replacement, for efforts to address food insecurity issues.
More consultation needed on data collection and metrics for all sectors impacted by the Framework	Staff support setting separate targets for single family, multi-residential and IC&I sectors as current diversion performance varies widely between these sectors. However, the proposed diversion rate metric is not clearly defined making it difficult to assess the Region’s current performance against the proposed target. Staff recommended that the Ministry consult with key stakeholders including municipalities on data collection approaches that can build on existing efforts to gather data needed to track resource recovery and waste reduction.

Comments on Proposed Provincial Food and Organic Waste Framework

	<p>Staff also recommended the Ministry gather baseline data and service expansion targets for multi-residential and IC&I sector prior to tracking performance targets.</p>
<p>Disposal ban must be contingent on successful expansion of infrastructure</p>	<p>Region staff are encouraged to see that extensive consultation is planned starting in 2018 to develop a plan for implementation of the ban. There is concern that timing of the ban may be too aggressive to allow for proper planning and expansion of infrastructure. Staff recommended the Ministry maintain a flexible timeline until more information is known about capacity requirements.</p>
<p>Province should support technologies that maximize resource recovery and support climate change action goals</p>	<p>The proposed Framework recognizes the need to streamline approvals and develop more end markets to support growth in processing capacity. Staff recommended the Ministry focus on supporting technologies that maximize recovery of resources from organic waste such as biofuel and compost/digestate. These technologies not only divert organic waste from landfill, but also contribute to renewable energy.</p> <p>Staff support the Ministry's direction not to consider technologies that directly discharge into the sanitary sewer system as an approach for reaching targets. Many variations on food waste grinder technologies exist so more guidance from the Ministry may be needed around what types of technologies are covered by this policy.</p> <p>In addition to streamlined approvals, infrastructure investment is needed to support capture and usage of biofuels such as renewable natural gas, to make these technologies more financially viable in the coming years. Staff recommended the Ministry continue aligning food and organic waste policy with funding programs and priorities from the Climate Change Action Plan to maximize beneficial outcomes.</p>
<p>Compostable packaging materials must be designated under extended producer responsibility</p>	<p>Compostable packaging is a growing trend. The Framework sets policy direction for producers to ensure their products meet a recognized standard for compostability however it does not recognize the disconnect between existing certification standards and real world conditions in many municipal composting facilities. Staff recommended the Province collaborate with producers, municipalities, service providers and owners and operators of resource recovery systems on standards to ensure these products are managed and recovered for beneficial use instead of disposal.</p> <p>Extended producer responsibility traditionally is implemented through regulations as a designated material. Rather than try to establish a separate extended producer responsibility regime for compostable products and packaging under this framework, municipalities have advocated that the current amendment to the Blue Box Program Plan under the <i>Waste Diversion Transition Act, 2016</i> obligate all compostable products and packaging.</p>

5. Financial Considerations

Organics processing is most costly for the Region

Table 3 shows the breakdown of waste processing costs by stream. Organics processing is the highest cost curbside collected waste stream to process. By focusing efforts on food and organic waste reduction, cost avoidance can be realized. Staff will continue to advocate for producer funding for branded organics to offset source separated organic waste collection and processing costs.

Table 3
Processing Cost by Waste Stream

Waste Stream	Cost/Tonne
Organics	\$170
Residual Waste	\$110
Yard Waste	\$73
Blue Box	\$72

Improved approvals process, disposal ban and potential funding may influence timing of Region-owned organics facility

A feasibility study looking at technology options for a possible Region-owned organics processing facility was completed in 2017. Options under consideration, including co-digestion with biosolids from Regional wastewater treatment facilities, are well aligned with the provincial direction to capture energy and nutrients from organic waste. The timeline for construction of the facilities is aligned with the end of current organics processing contracts in 2027 however proposed improvements to the approvals process for these facilities, combined with possible increased demand for processing capacity from expansion of green bin programs to more multi-residential buildings may advance planned timelines for a Region-owned organics facility. New funding opportunities may also be available to allow earlier construction. Changes to the *Development Charges Act, 2015*, permit municipalities to include funding for the collection of organics and recycling as well as the treatment and management of organics and recyclables as services eligible for funding from development charges. Staff will continue to monitor for additional funding opportunities should the Ministry make these available to help grow organics processing capacity through implementation of the Framework.

6. Local Municipal Impact

Multi-residential organics programs will be expanded under proposed policy statement

The Framework proposes targets and mandating that multi-residential buildings provide options to reduce and divert food and organic waste. The Ministry has not indicated an intention to revise the 3Rs regulations to place responsibility for multi-residential servicing on to municipalities but for those who provide collection of garbage and recycling, it is possible that serviced buildings may seek support for organics in the future. For those municipalities already providing organics or seeking to expand that program, the proposed policy framework could prove beneficial in supporting efforts to get buildings engaged.

Proposed updates to the Ontario Building Code ensuring new construction includes infrastructure to support organics diversion aligns well with development standards that local municipalities are implementing. The proposed updates would support making three-stream diversion accessible in new multi-residential buildings. For older building stock, implementing organics diversion programs may be challenging; it was recommended that the Province consider making building retrofits eligible for future funding opportunities.

Proposed disposal ban may require additional resources to support curbside education and enforcement

As highlighted in past responses to the Ministry, enforcement of a disposal ban on food and organic waste at the curb would be challenging, particularly where current collection practices include use of black bags/containers for curbside garbage and front-end containers at multi-residential buildings. Municipalities would require time and resources to adjust curbside collection programs and enforcement staff to accommodate such a ban. It was recommended that the Province consult with municipalities on appropriate enforcement tools for implementation of a landfill ban.

7. Conclusion

The Region supports the Ministry's efforts to address food and organic waste in the province in a holistic and inclusive approach. The proposed Framework is a good first step to set the direction and identify areas of action. There is still much work to be done to move Ontario towards a circular economy in all aspects of waste. Staff will continue to collaborate with local municipalities and the Province to advance this work. Timely updates to Council will be provided as work continues.

Comments on Proposed Provincial Food and Organic Waste Framework

For more information on this report, please contact Laura McDowell, Director, Environmental Promotion and Protection at 1-877-464-9675 ext. 75077.

The Senior Management Group has reviewed this report.

January 18, 2018

Attachments (5)

#8135742

Accessible formats or communication supports are available upon request

Attachment 1

January 15, 2018

Ian Drew
Senior Policy Advisor
Ministry of the Environment and Climate Change
Climate Change and Environmental Policy Division
Resource Recovery and Policy Branch
40 St. Clair Avenue West
Floor 8
Toronto, Ontario
M4V 1M2

Please note that this letter is the first part of a two-part submission and accompanies a table of detailed recommendations.

Dear Mr. Drew:

Re: York Region Response – EBR Number 013-1814 - Proposed Food and Organic Waste Framework

York Region staff thank the Ministry of the Environment and Climate Change (the Ministry) for the opportunity to comment on the proposed Food and Organic Waste Framework (the Framework) posted on the [Environmental Registry](#) on November 16, 2017. Municipalities such as York Region can be strong partners to assist the Ministry in transitioning Ontario towards circular economy. Staff request that Ministry consider recommendations included in this letter and accompanying Appendix 1 when moving forward with the Framework and continue to consult with municipalities throughout future phases of the process, including development of any regulations.

York Region Council endorsed comments will be submitted following February meeting

Due to timing of the consultation period, York Region Council endorsement of staff comments was not possible prior to submission. Consequently, this response will be considered by Council in February and any additional comments made by Regional Council will be communicated to the Ministry in late February 2018. It is requested that the Ministry consider any supplementary comments from Council as part of this submission.

The Region supports the Ministry's efforts to address food and organic waste in the province, taking a holistic and inclusive approach. The proposed Framework is a positive step to set the direction and identify areas of action. There is still much work to be done to transition Ontario towards a circular economy.

Region staff are encouraged to see that the Ministry has incorporated much of its preliminary feedback from the Discussion Paper into the proposed Framework. In this letter, staff have identified areas of the proposed Framework that we recommend as priorities for further refinement. Detailed recommendations and supporting rationale are included in Appendix 1.

Build on work of stakeholders to roll out food waste promotion and education initiatives

York Region has demonstrated leadership in addressing food waste reduction in its communities. Under the Region's [SM4RT Living Plan](#), a long term target for waste reduction has been established (including 15% reduction in food waste by 2031), with baseline and data tracking approaches developed and ongoing educational programming. In November 2014, the Region initiated the Ontario Food Collaborative (Food Collaborative) and has since contributed significant resources to work with and share lessons learned amongst municipalities and health units across Ontario.

The Food Collaborative brings together more than 30 stakeholders from provincial, regional, and municipal governments, including food businesses and industry organizations, taking a holistic food systems approach and supporting consumers to eat well and reduce food waste.

Through Food Collaborative projects, promotional and education tools are being developed including a *Municipal Waste Audit Guide* and communication toolkit. Staff recommend that the Ministry continue to work with the Food Collaborative and other stakeholders throughout the food value chain (including producers, processors, retailers, waste and health educators), building on existing successes to deliver educational programming province-wide.

Ministry should engage public health departments to develop and share messaging around the health impacts of food waste

Region staff recommend the Ministry engage with Public Health as a partner to increase awareness on food waste reduction; particularly around linkages to food safety, healthy eating, climate change and associated human health impacts. Staff are pleased to see the food waste correlation to generation of greenhouse gas emissions (GHGs) as explained in the Framework. There is also strong evidence on the health impacts of climate change (see Ministry of Health's 2016 Climate Change & Health Toolkit). The Framework is missing the linkage between food waste, climate change and human health. York Region's food waste reduction program benefitted from strong collaboration between environmental and health teams to build messaging and tools that can be used across both sectors to maximize reach and impact.

Food rescue policies must address concerns about food safety

York Region Public Health currently works with non-profit organizations that rely on donated food to build awareness about safe donations to priority populations. Public Health supports the recommendation that a provincial guidance document on safe donations be developed as an interim measure. It is recommended that organizations receiving donated food be appropriately funded to safely deal with donated food and comply with requirements of Ontario Regulation 252 to provide adequate refrigeration and equipment.

Food rescue is not a preferred solution to address food insecurity or food waste reduction

Diverting waste to food rescue/food banks should not be viewed as a suitable way to reduce and prevent food waste or address the problem of food insecurity. The food rescue sector is not able to address the large and growing problem of household food insecurity (inadequate or constrained access to food due to financial constraints) in our communities. The most effective way to address the root cause of food insecurity is through policies that ensure sufficient and consistent income for all households. Finding more effective solutions to reducing waste at the source is a more appropriate way for dealing with food waste than diverting it to the food rescue sector. Staff recommend the Ministry consider surplus food rescue programs as a short term complement, not a replacement, for Ontario's efforts to address food insecurity issues.

More consultation needed on targets, data collection and metrics for all sectors impacted by the Framework

Region staff support setting separate targets for single family, multi-residential and IC&I sectors as current diversion performance varies widely between these sectors. However, the metric proposed is not clearly defined and does not align with the Authority datacall, which tracks tonnes diverted as a percentage of total waste managed. Nor does it align with York Region's SM4RT Living target that uses annual per capita waste generation by stream to track reduction efforts. It is recommended that the Ministry consult with key stakeholders including municipalities on data collection approaches that can build on existing efforts to gather data needed to track resource recovery and waste reduction under the new policy framework.

Baseline data gathering and service expansion targets recommended for multi-residential and IC&I sector

Region staff are pleased to see that the Framework addresses the lag in organics diversion in the multi-residential and IC&I sectors through policy directives requiring that these sectors implement waste reduction and diversion programs and setting targets for reduction and diversion performance to be met by 2025. Staff support implementing measurable targets to assess progress; however variability in access to diversion programs across the province and limited waste data available for these sectors make it challenging to track against performance targets in the short term. It is recommended that the Province focus first on collaborating with stakeholders to: establish a baseline of program accessibility for multi-residential and IC&I customers; identify key metrics and data collection standards and; develop targets for increasing service provision to bring communities up to a consistent standard. The Province should commit to completing these tasks within an 18 month period prior to implementing and tracking performance standards.

Disposal ban implementation must be contingent on successful expansion of infrastructure

Region staff are encouraged that extensive consultation is planned in 2018 to develop an implementation plan for the ban. Staff are concerned that timing of the ban is too aggressive to allow for proper planning and expansion of infrastructure. It is recommended that the Ministry remain flexible about the ban's implementation until more information is known about capacity requirements and enforcement infrastructure required.

It is also recommended that the Ministry conduct an economic analysis for the ban to identify implications and gather evidence as well as lessons learned from provinces that have implemented bans before taking action on implementation.

The Region has raised a number of concerns in past consultations with the Ministry, including:

- Limited capacity for organics processing in Ontario;
- Challenges with enforcement at the curb or at transfer/disposal facilities when collection is done in black bags or front end bins;
- Concerns about increased illegal dumping or shipment of waste out of province by private contractors and;
- Need for contingency exemptions to accommodate unplanned service interruptions.

The Ministry is encouraged to work with Region staff to address these concerns during future consultations. Staff recommend the Ministry take a strong consultation approach to evaluate enforcement tools before implementing the ban.

Province should support technologies that maximize energy and nutrient recovery and support climate change action goals

Region staff are pleased that the Framework recognizes the need to streamline approvals and develop more end markets to support growth in processing capacity. This will be essential to meet increased demand as more communities and IC&I facilities adopt measures to meet waste reduction and resource recovery targets. Staff recommend the Ministry focus on supporting technologies that maximize the recovery of resources from organic waste, particularly those that produce both biofuel and compost/digestate. These technologies not only divert food and organic waste from landfill, but also contribute to the province's supply of renewable energy. In addition to streamlined approvals, infrastructure investment is needed to support capture and use of biofuels such as renewable natural gas, to make these technologies more financially viable in the coming years. Staff recommend the Ministry continue aligning food and organic waste policy with funding programs and priorities from the Climate Change Action Plan to drive beneficial outcomes.

The proposed Policy Statement addresses the need for innovation in capturing organic waste from streams where source separation is challenging. Staff are encouraged to see mixed waste processing identified as a possible opportunity to address this challenge. Staff support the Ministry's direction not to consider technologies that directly discharge into the sanitary sewer system as an approach for reaching waste reduction and resource recovery targets. Compared to other resource recovery options, food

grinder technology accommodates a more limited range of feedstocks and consumes additional limited and costly wastewater treatment capacity. There are many variations on food waste grinder technologies and more guidance from the Ministry is required around what types of technologies are covered by this policy.

Compostable packaging and branded organics must be designated under extended producer responsibility

Compostable packaging is a growing trend. The Framework sets policy direction for producers to ensure their products meet a recognized standard for compostability however it does not recognize the disconnect between existing certification standards and real world conditions in many municipal composting facilities. The policy statement encourages municipalities and facility operators to support new technology and innovation in recovery of compostable packaging and branded organics but does not explicitly support designation of these materials under extended producer responsibility. This step is vital to help offset costs for managing these materials, including investment in new technologies for capture and processing.

Rather than try to establish a separate extended producer responsibility regime under this framework, Region staff recommend that the current amendment to the Blue Box Program Plan under the *Waste Diversion Transition Act, 2016* obligate stewards for end-of-life management of compostable/biodegradable/bioplastic packaging and branded organics. Municipalities, service providers as well as owners and operators of resource recovery systems that recover these materials must be compensated by obligated stewards for management of these materials. Staff also recommend the Province collaborate with producers, municipalities, service providers as well as owners and operators of resource recovery systems on standards to ensure these products can be managed and recovered to ensure beneficial use.

Region staff thank the Ministry for the opportunity to provide a response to the draft Framework

Region staff thank the Ministry for considering these comments and for engaging municipalities on developing the Framework. Staff welcome opportunities for continued consultation, including participation in the Ministry's *Food & Organic Waste Stakeholder Working Group* as the Ministry moves forward with the Framework.

Tackling the challenge of food and organic waste in Ontario will require collaborative action and application of innovative solutions from stakeholders across the value chain. We look forward to further discussions with the Province on our response.

York Region Response
EBR Number 013-1814 - Proposed Food and Organic Waste Framework

If you have any questions regarding this submission, please contact Laura McDowell, Director, Environmental Promotion and Protection at Laura.McDowell@york.ca.

Sincerely,

Erin Mahoney M. Eng
Commissioner, Environmental Services
The Regional Municipality of York

Appendix 1: York Region Detailed Comments – Proposed Food and Organic Waste Framework
#8031310

Copy to:
Municipal Resource Recovery & Research Collaborative
Fred Jahn, Chair, Regional Public Works Commissioners of Ontario
Trevor Barton, Chair, Ontario Food Collaborative
Dr. Karim Kurji, York Region Medical Officer of Health



York Region Detailed Comments – Proposed Food and Organic Waste Framework – EBR 013-1814

Please note that this is the second part of a **two-part submission**, and it will be accompanied with a **cover letter**

PART A – Action Plan

Section 1: Reduce Food Waste

Page	Recommendation	Rationale
Promotion and Education		
p.12 Action 1	Ministry staff engage with the Ontario Food Collaborative to advance food waste reduction efforts	<ul style="list-style-type: none"> • Leveraging efforts underway by Ontario Food Collaborative to develop standardized promotion and education tools and resources helps ensure consistent messaging and reduces duplication of efforts.
p. 12 Action 1	Ministry staff engage with Public Health departments to collaborate on programs to increase awareness about health aspects of food waste	<ul style="list-style-type: none"> • Collaborating with Public Health departments on food waste reduction campaigns helps to align messaging to consider the holistic impacts of food waste. Campaigns should also incorporate a fulsome discussion of food waste including: <ul style="list-style-type: none"> ○ Climate change/health benefits ○ Healthy eating strategies ○ Menu planning including providing clarity on the true meaning of “best before” dates. • Public Health has significant expertise in this area and can be a powerful partner to disseminate resources to the public.
p.12 Action 1	Link food waste with climate change and human health impacts in promotional campaigns to identify true impacts of food waste.	<ul style="list-style-type: none"> • Increasing awareness of how reducing food and organic waste also reduces GHGs emissions from production and manufacturing of food, the transportation of food and organic waste, and the disposal of food and organic waste has the potential to help improve understanding of the full range of impacts of food waste.

York Region Detailed Comments – EBR 013-1814
Proposed Food and Organic Waste Framework

		<ul style="list-style-type: none"> • There is strong evidence on the health impacts of climate change, including the Ministry of Health’s 2016 Climate Change & Health Toolkit. • In most cases, linkages between food waste, climate change, and human health are not made, which impacts public understanding of the full impacts of food waste.
Waste Reduction and Resource Recovery in Schools		
p. 12 Action 2	Ministry staff work with School Boards to develop standard guidelines for provision of three stream waste management programs	<ul style="list-style-type: none"> • Access to green bin programs in schools varies depending on the individual school board and administration. Developing standard guidelines will be key to successful implementation of three-stream waste programs in Ontario schools. • Targeted promotion and education materials for schools will help improve the effectiveness of three-stream programs in schools.
Surplus Food Rescue and Food Safety Guidelines		
p. 15 Action 5	Develop food safety guidelines (as outlined under Action 5) to ensure effective access and funding for agencies that receive donated food	<ul style="list-style-type: none"> • York Region staff strongly support development of food safety guidelines for safe donation of surplus food. • Providing additional funding opportunities for non-profits organizations that rely on donations would help these organizations afford adequate refrigerated storage and equipment including hand sinks. This would help these groups more easily comply with <i>Regulation. 562: Food Premises</i> and provide greater ability to safely store healthier food choices for users of these programs.
p. 15 Action 5	Ministry staff consult with Public Health on new and existing reclamation programs in the proposed guideline	<ul style="list-style-type: none"> • Considering and incorporating education and regulatory requirements early in the process helps improve outcomes and increases awareness when programs are rolled out.
p. 15 Action 5	Rescue of surplus food programs be used as a complement, not a replacement, for Ontario’s efforts to address food insecurity issues	<ul style="list-style-type: none"> • “Rescue of surplus food” or food redistribution is not a solution for food insecurity; these measures provide short term support and should only be used to complement Ontario’s efforts to address food insecurity issues. • Policies should enable access with dignity to high-quality, safe, nutritious and culturally-appropriate foods. • While the Food and Organic Waste Framework addresses food waste, it does not consider food insecurity. Parallel programs should

		also be developed to address food insecurity issues. Initiatives included under the Food and Organic Waste Framework address “food response” which aims to provide more food for those in need but don’t addressing the root cause of food insecurity (inadequate income).
Data Collection Mechanisms to Measure Progress in Waste Reduction and Resource Recovery		
p. 16 Action 7	Ministry staff consult with all key sectors targeted on standardized data collection and measurement metrics	<ul style="list-style-type: none"> • The metric proposed is not clearly defined and does not align with the Authority datacall. • A standardized data collection mechanism with consistent metrics will be essential to monitor and report on progress across municipalities in Ontario.
p. 16 Action 7	Build upon existing municipal data collection mechanisms in order to not create additional reporting and/or monitoring burden on municipalities	<ul style="list-style-type: none"> • Progressive municipalities such as York Region are already measuring and collecting comprehensive data with monitoring of key performance indicators (KPIs) on solid waste management. Rather than developing new processes, the Province should leverage proven existing data collection mechanisms.. This will help reduce the future burden on municipalities and ensure continuity of data, which has been collected by municipalities for over ten years.
p. 16 Action 7	Framework prioritize robust data collection, baseline development, and service expansion targets for multi-residential and IC&I sectors	<ul style="list-style-type: none"> • There is limited data available to confirm the current state of waste reduction and resource recovery in multi-residential and IC&I sectors. Lack of a baseline makes it challenging to track against performance targets.
p. 16 Action 7	Ministry staff provide resources (i.e. technical and financial expertise) to help advance diversion efforts and support data collection	<ul style="list-style-type: none"> • Waste reduction strategies undertaken in most York Region facilities align with the proposed Framework. • Majority of the IC&I sector are small businesses and many may not have access to the technical and financial resources necessary for implementation. Without additional support, these businesses may have more challenges meeting proposed requirements. • Phasing in implementation requirements in larger businesses first can help develop and test potential supports for smaller businesses.

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		<ul style="list-style-type: none"> • Significant technical and language barriers may exist in the multi-residential sector, building awareness of organics programs will be key to meeting targets.
p. 18	Provide sufficient time for IC&I to implement organic waste collection programs.	<ul style="list-style-type: none"> • Waste reduction strategies undertaken in most York Region facilities align with the proposed Framework. • York Region staff are continuing to expand these organics collection programs as new facilities are constructed.

Section 2: Recover Resources from Food & Organic Waste

Page	Recommendations	Rationale
Disposal Ban on Food and Organic Waste		
p. 19 Action 9	Implementation date for disposal ban must be delayed and/or remain flexible to allow for development of sufficient organics processing capacity	<ul style="list-style-type: none"> • Organics processing capacity in the Ontario is currently very constrained with limited facilities able to process materials. This will be a greater challenge for the multi-residential sector given their high contamination rates. • Based on the shortage in processing capacity, a 2022 implementation date for an organics landfill ban is unreasonable. • Disposal bans for organic materials should not be implemented or be mandatory until sufficient processing capacity has been established.
p. 19 Action 9	Conduct an economic analysis to identify implications of a disposal ban and gather evidence from leading provinces.	<ul style="list-style-type: none"> • Before moving forward with an organics disposal ban, impacts must be effectively quantified. • The Province should conduct a cost benefit analysis to identify the functional impacts and costs of bans implemented in other provinces. • Identify financial implications and lessons learned from provinces that have implemented bans before taking action.

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<p>p. 19 Action 9</p>	<p>Consult with municipalities to ensure enforcement tools consider challenges at the curb or transfer/disposal facilities, taking into account implications on collection practices and municipal costs</p>	<ul style="list-style-type: none"> • Curbside collection programs vary by the municipality, a ban needs consider a wide-array of enforcement challenges. • Enforcement will be challenging given that current collection practices generally include use of front end containers at multi-residential buildings and black bags in single family residential areas. • Ministry’s assessment must consider potential impact on municipal budgets, resources and programs. • Simply placing bans on transfer/disposal sites will not effectively address the issue.
<p>p. 19 Action 9</p>	<p>Contingency must be included under a ban for organics processing interruptions and loads with high contamination rates</p>	<ul style="list-style-type: none"> • There have been a number of service interruptions for organics processing facilities in recent years. • Service interruptions can necessitate landfilling of organic material due to limited available processing capacity, which must be accounted for under any ban. • Even with robust education efforts, material from communal collection sites such as multi-residential buildings and public spaces can have unacceptable levels of contamination that may impact the quality of the end product. Consideration should be given to a threshold of contamination where disposal would be permitted while corrective action is taken to address the problem at the source.
<p>Resource Recovery in Multi-unit Residential and IC&I Buildings</p>		
<p>p. 20 Action 10</p>	<p>Review development standards put in place by larger municipalities; and adopt different techniques and approaches depending on age of the multi-residential buildings</p>	<ul style="list-style-type: none"> • Review development standards put in place by larger municipalities, who have significant experience with multi-residential waste collection. • Gain insights on best practices and lessons learned for waste management system design already in place. • Ministry should adopt different techniques and approaches depending on age of the multi-residential buildings.

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p. 20 Action 10	Provide funding incentives for existing multi-residential buildings that need to retrofit their waste management infrastructure to support food and organic waste separation. This could include purchasing new front-end containers or retrofitting waste chutes and storage areas.	<ul style="list-style-type: none"> Older buildings were built to manage single waste stream; will need funding incentives as they adopt changes to meet Province's policy direction.
	Consult with IC&I stakeholders (including municipal building owners) to identify implementation challenges	<ul style="list-style-type: none"> This will result in a number of changes, which will require time to address. Challenges will vary but could include: <ul style="list-style-type: none"> Meeting timelines Budget impacts that need to be planned Potential need to cancel and re-tender contracts Ensuring contractors and building users able to meet the changing requirements.

Sections 3 & 4: Support Resource Recovery Infrastructure & Beneficial Practices

Section/Page	Recommendations	Rationale
Modernization of Approvals and D-Series Land Use Compatibility Guidelines		
p. 22-25 Action 12 and Action 14	Staff support changes to the approval process for siting facilities and associated D-series guidelines but potential health impacts should be a consideration in process	<ul style="list-style-type: none"> Staff support changes to the approval process for siting facilities and associated D-series guidelines given the historic challenges in siting these facilities. Approvals/guidelines should also consider a range of potential health impacts associated with air quality (emissions from the facility and transportation activities) and nuisance (e.g. noise and odour). Air pollutants are associated with negative health outcomes including cardiovascular disease, respiratory disease, and cancer. Mitigation measures for these risks should be considered in the assessment.

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<p>p. 26 Action 15</p>	<p>Staff strongly support alignment with Agricultural Soil Health Strategy to address compost/digestate in a holistic manner and actions to develop end markets for compost</p>	<ul style="list-style-type: none"> • Region staff strongly support the Ministry working with their municipal partners to align the Framework with the Agricultural Soil Health Strategy. • Staff have strongly supported this type of alignment in the past and are pleased to see the Ministry addressing the issue from a holistic perspective.
<p>p. 26-28 Action 15</p>	<p>Staff strongly support actions in the Framework to develop end markets for compost/digestate that matches the material to the end use</p>	<ul style="list-style-type: none"> • In some cases, development of end markets has been challenging for compost/digestate. • Provincial promotion of these materials as a beneficial soil amendment will help develop end markets for these materials, which will in turn improve the economics of food and organic waste diversion. • Mapping the right material to the right use, as proposed in the framework, has the potential to help improve markets for end products from a range of systems, including those that accept sanitary products, diapers and pet waste.

PART B – Policy Statement

Section/Page	Recommendations	Rationale
Section 2 – Targets		
p. 40 Policy 2.1	Ministry establish sector specific working groups (municipalities, IC&I, multi-residential) to provide guidance on targets, key metrics/data collection standards, and baseline year/calculations (not identified in the Framework)	<ul style="list-style-type: none"> • Ability to meet targets by 2023 and 2025 will vary by sector. In many areas, low-hanging fruit has already been addressed, which will result in diminishing returns for future programs. • Each sector (municipalities, IC&I, multi-residential) will be unique, obtaining sector-specific input will help inform targets and to effectively address barriers and implementation challenges that will arise. • Establishing a working group within each sector (municipalities, IC&I, multi-residential) can help facilitate discussion and guidance on targets, metrics, data collection standards and baseline year calculation. • The Province should clarify if diversion targets apply only to new buildings or if they are also required for existing buildings. • Policy 2.1 proposes significant changes in reduction/diversion rates for a number of sectors in a short period of time but no baseline year has been identified. • Targets are ambitious and it is challenging for stakeholders to comment on the feasibility of meeting these targets without a baseline. Clarity needs to be provided on the year that will be used and the method for calculating the target metric.
p. 40 Policy 2.1	Develop service-level targets to harmonize programs and data collection across Ontario	<ul style="list-style-type: none"> • Currently, there is a general lack of consistency in service levels across sectors and a lack of quality data to develop baselines. • Developing service level targets will help harmonize access to programs across Ontario • In the short-term a data collection program must be developed to allow for consistent and comparable data. • In the longer-term, performance targets should be set once sufficient data on program performance is available.

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p. 41 Policy 2.5	Staff support exclusion of food waste grinder technologies that discharge to sanitary sewer systems but request clarity on types of technologies included	<ul style="list-style-type: none"> As compared to other resource recovery options, food grinder technology accommodates a more limited range of feedstock and places additional burden on limited wastewater treatment capacity.
Section 4: Resource Recovery from Food and Organic Waste		
Policy 4.6	Clarify how activities such as home composting and community composting will be credited toward targets	<ul style="list-style-type: none"> Municipalities have long-standing backyard-composter programs and there has been an increased amount of community composting and community gardens. Given that municipalities will be required to meet ambitious targets, it will be important for data systems to consider these activities.
Policy 4.10	Work with multi-residential sector stakeholders to develop guidance for retrofitting older buildings that may lack space for organics diversion infrastructure	<ul style="list-style-type: none"> Many multi-residential buildings were built before diversion programs were a consideration, which has contributed to challenges in diversion. Consideration will need to be given to providing flexibility in how existing multi-residential buildings will be addressed. Many building and site footprints do not readily permit storage of materials or for standard waste collection vehicles to access sites for pick up. Province should consult with the multi-residential sector to determine how best to address these challenges.
Section 5: Compostable Products and Packaging		
p. 50 Policy 5.1	Establish ‘Green Bin compatible’ compostable labelling standards that ensure that materials included will break down in commonly used processing technologies	<ul style="list-style-type: none"> BPI certified compostable products and packaging do not necessarily break down in existing organics processing systems. This has been an on-going challenge for the sector. Compostable packaging often ends up in the residue stream from organics processing facilities because they don’t break down quickly enough during the composting process. It will be necessary to develop a standard to identify materials that will break down in processing systems commonly used in Ontario to provide clarity to all parties on what can and can’t be accepted in Green Bin programs.

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p. 50 Policy 5	Expand designated materials list in proposed amendment to the Blue Box Program Plan under <i>Waste Diversion Transition Act, 2016</i> to obligate stewards for compostable/biodegradable/bioplastic packaging and branded organics	<ul style="list-style-type: none"> • With the Blue Box program transitioning to an Extended Producer Responsibility (EPR) program and organics being expanded, some producers may try to shift their products out of the blue Box stream. • Requiring producers to be responsible for end-of-life management costs for compostable packaging and branded organics, regardless of the stream would help minimize free-riders and promote Ministry’s goal of circular economy • This may also enable increased innovation by producers.
Relationship to Municipal Official Plans and Policy Statements		
p. 38	Align Policy Statement updates with other waste legislation to allow for Official Plans to be updated in a single amendment.	<ul style="list-style-type: none"> • York Region Official Plan policies (Section 7.4) contains policy and targets to work the long term of objective of zero-waste in keeping with York Region’s SM4RT Living Plan and Provincial requirements. • This includes policies that address waste diversion within the ICI, multi-residential, and construction sectors. • Through the Municipal Comprehensive Review, York Region Planning will update policies as necessary, to ensure alignment with the Policy Statement. • To simplify this process, it is recommended that any changes to waste management requirements be released in a single policy statement to allow for items to be considered in a holistic manner by Regional Council.
p. 38	Consider aligning implementation of three-stream waste collection requirements with existing standards.	<ul style="list-style-type: none"> • York Region supports implementation of three-stream waste diversion in multi-residential buildings through sustainable development incentive programs such as the “Sustainable Development through LEED” and Servicing Incentive Program. • Other municipalities may have also adopted similar standards, it would be beneficial for the Ministry to consider how to align their requirements with those that have already been adopted as a best practice by a wide range of municipalities.

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Other Misc. Recommendations		
p. 36 Part II	Conduct first review of the Policy Statement within five years of implementation	<ul style="list-style-type: none"> Proposed review timeline of ten year a significant amount of time for a new program. A shorter time frame to review would help address issues such as adoption rate from stakeholders and report on progress. A review timeline of five years would help the Ministry adjust the program to better meet its goals.
p. 57	GHG emissions, air quality (reductions in criteria air contaminants) should be included as performance measurements in the framework.	<ul style="list-style-type: none"> Reducing GHG emissions provides health co-benefits by reducing criteria air contaminants that are linked to multiple adverse health outcomes. Tracking these benefits can help identify health benefits that can support the program in reviews of the framework and legislation.
p. 57	Framework should support climate change adaptation activities such as reducing urban heat islands (e.g. supporting local food through green roofs/community gardens) should be included in the food waste framework strategy	<ul style="list-style-type: none"> While the proposed Food Waste Framework focuses on the mitigation side of climate change (e.g. reducing GHG emissions) there is an opportunity for this initiative to contribute to climate change adaptation and community resiliency. Adapting to climate change such as addressing urban heat islands (e.g. supporting local food through green roofs/community gardens) should be included in the food waste framework strategy.
p. 59	Define “disposal” as it is proposed to appear in the legislation	<ul style="list-style-type: none"> “Resource Recovery” and “Resource Recovery Systems” have been defined terms to including, but not limited to food and organic waste. While some policies using these terms are drafted in a way that is specific to food and organic waste, others are not. Ensuring policies are clear, unambiguous and specific to food and organic waste will make them more effective. . ”Disposal” should be defined in the Framework in the manner that it is proposed to appear in the legislation, to help provide line-of-sight on implications of the term as it relates to the Framework.

#8031218



January 15, 2018

Ian Drew, Senior Policy Advisor
Ministry of the Environment and Climate Change
Climate Change and Environmental Policy Division
Resource Recovery Policy Branch
40 St. Clair Avenue West, Floor 8
Toronto, ON M4V1M2

Dear Mr. Drew,

RE: Proposed Food and Organic Waste Framework - EBR Registry Number: 013-1814

The Association of Municipalities of Ontario (“AMO”), the City of Toronto, the Regional Public Works Commissioners of Ontario (“RPWCO”) and the Municipal Waste Association (“MWA”) collectively submit these comments on behalf of municipal governments regarding EBR Registry 013-1814 on the Ministry’s Food and Organic Waste Framework. We appreciate the consultative approach the Province has taken on this file and also applaud the government’s continued efforts to drive resource recovery.

Municipal governments support the Ministry’s work on this important environmental issue and appreciate the consideration shown to the unique circumstances rural, northern and remote communities face. However, at the outset we must highlight a remaining challenge: The lack of a funding source for implementation of these programs. Financing the implementation of these programs will be extremely difficult for many communities.

Vision, Guiding Principles and Objectives:

Municipal governments are supportive of the Framework’s aspirational vision to move towards zero food and organic waste and zero greenhouse gas emissions from the waste sector. We also support the guiding principles outlined in the Framework and the key objectives:

1. Reduce food and organic waste
2. Recover resources from food and organic waste
3. Support resource recovery infrastructure
4. Promote beneficial uses of recovered resources

Part A: Proposed Food and Organic Waste Action Plan

The Action Plan identifies strategic commitments to be taken by the Province to address food and organic waste.

1. Reduce Food Waste:

The municipal sector strongly supports initiatives to prevent food waste and agrees with the Ministry’s recommendations in the Action Plan to drive this outcome.

We support the Ministry's recommendation to develop a multi-stakeholder promotion and education campaign to support food waste prevention and reduction. The provincial campaign should be developed and implemented to drive awareness and behavior change to reduce the amount of food waste generated. In the United Kingdom, the "Love Food, Hate Waste" campaign has successfully reduced avoidable household food waste by 21%¹.

The campaign should be done on a Provincial basis and be collaborative nature across the entire supply chain. This should include brand holders, retailers, the various levels of government, consumers, and the waste management sector.

2. Recover Resources from Food and Organic Waste

Municipal governments support the recommendation to amend the 3R's Regulations to include food and organic waste and increase resource recovery across the IC&I sector. Diversion of food waste in the IC&I sector has lagged behind the results achieved in the residential sector.² Municipal governments have long understood the importance of waste reduction and diversion and have dedicated resources and funding to achieve results. Similar broad based dedicated efforts have not been made in the IC&I sectors.

The challenge with using the 3R's Regulations has historically been the inability of the Province to ensure compliance and enforcement. In order to be successful this needs to be addressed. The Action Plan makes reference to the need for data gathering and reporting by generators. These requirements could also encompass waste management service providers and potentially be used by the Ministry to oversee and monitor compliance.

The Action Plan recommends the implementation of a food and organic waste disposal ban. As mentioned in our previous submission on the Discussion Paper: Addressing Food and Organic Waste in Ontario - EBR Registry Number: 013-0094, any consideration of food and/or organics disposal restrictions or ban needs to take into account the differences in Ontario between densely populated urban areas and remote/rural sparsely populated areas. It should also take into account the hard work already taken by municipalities to fund infrastructure, collection and education programs to drive the majority of organics diversion in the province.

Most other jurisdictions that have successfully implemented disposal bans have taken factors like these into considerations. They have done so by providing consideration for:

- the timing of when the ban is applied to various entities,
- whether the ban or restriction is based on the source of the waste, type of waste, or properties or a combination thereof,
- the process or set of rules that allow for exemptions,

¹ BC government, Organics Case Studies. Available at https://www2.gov.bc.ca/assets/gov/environment/waste-management/recycling/organics/casestudies/cs_1_wrap.pdf.

² Reports on Organic Waste Management in Ontario, prepared for the Ontario Ministry of the Environment and Climate Change, 2015

- actions to encourage development of processing infrastructure and end markets are as aggressive as the diversion targets,
- the application of different mechanisms for compliance, and
- temporary exemptions should processing challenges occur.

Municipal governments are encouraged that the Province has included considerations on how best to implement a ban that addresses many of the above suggestions such as exemptions for rural, northern and remote communities as well as phased-in timelines and geographical considerations. We are also glad to see the Province's commitment to consultation before any new requirements are implemented.

However the ban might be implemented, there will be additional costs that will be borne by municipalities that need to be factored in. Given the associated greenhouse gas reductions, the Province should look at ways to offset municipal costs through the Climate Action Plan, infrastructure funding or other similar programs. Jurisdictions such as California have shown that organics diversion activities have one of the best cost-per-tonne reductions.³

Municipal governments support the Province's commitment to increase recovery of food and organic waste in multi-unit residential buildings and the review of the Building Code is welcomed. We also encourage expansion of the scope of this review to include the design requirements for the safe and efficient delivery of collection services to residential developments. This will be important to ensure that new buildings are designed to support resource recovery and municipal governments would encourage the Province to consider expanding the scope of the review to include paper products and packaging and other streams that may be targeted in the future. We would also encourage the Province to consider funding mechanisms for infrastructure and other resource recovery mechanisms such as chute diverters that may drive resource recovery in existing buildings. In addition to infrastructure improvements, there needs to be extensive promotion and education which again points to the need for a provincial campaign.

The definition of what constitutes a multi-unit residential building should be examined. The definition should be expanded sufficiently to include all types of multi-unit residential buildings and complexes with six or more dwelling units. This would include condominiums, co-operative housing complexes, town homes etc. As some of the more intensely developed areas of the Province strive to reach intensification targets, we are seeing more developments opt for extremely compact designs that preclude municipal servicing for waste management services. It will be critical to ensure these privately serviced developments are mandated to comply with this Framework.

3. Support Resource Recovery Infrastructure

In order to realize the ambitious outcomes envisioned in this Framework it will be pivotal for the government to move quickly to remove some of the current barriers to ensure new capacity can be developed to accommodate new increasing volumes.

³ Available at <http://www.lao.ca.gov/handouts/resources/2016/Cap-and-Trade-Report-Provides-New-Information-042016.pdf>.



Municipalities strongly support streamlining the approvals process and reviewing existing requirements. We are aware of a number of examples where process improvements or new infrastructure plans have been abandoned due to these barriers. Municipalities are prepared to meet quickly with the government and other stakeholders to explore options to reduce approval timelines for new facilities or changes to current approvals.

It is important to emphasize that this is not about making it easier to get approvals for organic processing facilities. These facilities do pose potential environmental risks so they should have appropriate controls in place. Municipalities often are forced to become involved when environmental rules are too lax. Instead, this is about ensuring organizations who are seeking an approval for change, an expansion or a new facility have a clearer and more prompt path to receive a response.

The actions proposed in the Action Plan are a good start to modernizing Ontario's approval regime for resource recovery systems, however we feel more could be done. Some options include:

Exemptions:

A number of activities that the Ministry of the Environment and Climate Change currently regulate should be considered exempt (with appropriate boundaries), such as collection facilities (e.g. community recycling depots), and small community compost facilities.

Use of Qualified Professionals:

Allow for modifications to approved facilities or infrastructure without the requirement of a formal Environmental Compliance Approval amendment but with sign-off by a qualified professional. Many modifications to waste processing facilities have little potential negative environmental impacts and in many cases offer environmental benefit (e.g. renewable natural gas processing, new sorting processes/screens, slight variations in feedstocks). For organic processing facilities, ensuring these changes can happen in a timely manner is especially important to allow them to adapt to changing markets or incoming stream. The current process of potentially waiting 300 days (the current median) for an approval is simply not practical.

A sign-off letter from a Qualified Professional confirming the outcome meets Ministry criteria could be provided to the Regional Office with updated drawings. This type of amendment would allow facilities to make timely changes enabling them to function within dynamic markets. This process needs to be transparent and the Qualified Professional must have the appropriate knowledge and skills and insurance. We would be pleased to work with the government to ensure the right balance.

Environmental Activity and Sector Registry:

The new Environmental Activity and Sector Registry (EASR) system could be broadened to deal with certain compost and anaerobic digestion facilities that have a relatively consistent risk profile. These facilities are well understood by the government and the types of conditions placed on many of them are already relatively standardized. The EASR system, where deemed necessary, could allow for a range of assessment to manage any risk exposure.



Review of D-Series Land Use Compatibility Guidelines:

The review of the D-Series guidelines needs to strike a balance between avoiding land use conflicts between resource recovery processing systems and adjacent properties while ensuring there is an ability to actually site sufficient numbers of these facilities, sometimes in urban areas, to be able to realize the ambitious targets the Province has set. We would be happy to work with the Province in the review of the D-Series Guidelines to ensure sufficient processing capacity infrastructure can be constructed.

4. Promote Beneficial Uses:

The Action Plan states that the Province will support markets for biogas and that the Climate Change Action Plan will provide financial support to encourage the use of cleaner, renewable natural gas. No details or commitments are provided however. The Province needs to connect policy frameworks for energy, climate change and resource recovery to ensure appropriate incentives for production of renewable natural gas are available to enable investments in infrastructure to support the ambitious resource recovery outcomes this Framework envisions. A specific recommendation is that the Province should include a minimum content of RNG derived from food and organic waste processing to help spur capital investment in processing infrastructure.

Municipalities remain supportive of the use of carbon offsets to help support this infrastructure through organic waste management and for Anaerobic Digestion (organic waste and manure). It should, however be underlined that based on the consultation process for the landfill gas protocol, we are concerned that Ontario specific conditions will not be properly taken into account and as a result the protocol may not be utilized. There is also concern around how a potential disposal ban may impact the ability to obtain these credits.

Municipalities are also supportive of incentives related to RNG that are identified in Ontario's Climate Action Plan such as creating Renewable Fuels Standard to increase the percentage of renewable content required in transportation fuels sold in the province; piloting a program that uses methane obtained from agricultural materials or food wastes for transportation purposes, with funding for commercial-scale demonstration projects; and setting a renewable content requirement for natural gas.

Incentives should be utilized to support processing infrastructure. This could include tools discussed in Ontario's Climate Action Plan such as utilizing the Green Ontario Fund or program for organics diversion which have been shown to have one of the best cost-per-tonne reductions⁴; and including carbon mitigation measures as a consideration in the environmental approvals process.

Municipal governments encourage the province to develop regulatory approaches that support the expansion and diversification of markets for soil amendment materials expected from the full scope of resource recovery approaches needed to achieve the province's targets. Clear quality standards and permitted uses (i.e. not requiring individual site Environmental Compliance Approvals) are needed to support the development of new resource recovery approaches such as mixed waste processing.

⁴ Available at <http://www.lao.ca.gov/handouts/resources/2016/Cap-and-Trade-Report-Provides-New-Information-042016.pdf>.

Finally, it is important to note that a number of paper products and packaging are processed through organics diversion programs (shredded paper, soiled pizza boxes and other paper products and packaging). These products and packaging are entirely funded by municipal governments. If one of the intents of the Strategy for a Waste-Free Ontario is to promote greater producer responsibility, we encourage the government to consider how responsibility could be extended to these alternative delivery models.

Part B: Proposed Food and Organic Waste Policy Statement

The Policy Statement is established under the Resource Recovery and Circular Economy Act, 2016 and provides direction to the province, municipalities, the IC&I sector, owners and operators of resource recovery systems and others to further the provincial interest in waste reduction and resource recovery as it relates to food and organic waste.

1. Ontario Food Recovery Hierarchy:

Municipal governments support the use of a hierarchy to prioritize actions in our move towards a sustainable model of waste reduction and resource recovery. We did note however that most hierarchies include an additional level of “Feed Animals” between Feed People and Resource Recovery⁵. We would suggest that the Province consider adding this level, it is included in other food waste hierarchies such as the one used in the United Kingdom.

2. Targets

The diversion targets need careful consideration. Details on organic program performance are limited and make it difficult to set accurate targets. Flexibility in how the diversion numbers are calculated will be important. The targets need to effectively measure prevention and reduction as well as diversion from disposal. We recommend consideration of a food and organic waste generation rate that considers the amount of organic waste that remains in the disposal stream and tracking this year-over-year.

The timeline to reach prescribed diversion targets also needs to be considered carefully. A community that has to design and implement a collection, transportation and processing system along with all requisite approvals can currently take up to a decade. We are concerned about the requirement to meet prescribed diversion targets in the 7-year timeline proposed. There needs to be consideration given unique circumstances that might impact the implementation timeline for these municipalities.

Municipal Governments would be happy to work further with MOECC and other stakeholders to set appropriate targets and timelines for the diversion programs.

⁵ US EPA Sustainable Management of Food, Food Recovery Hierarchy <https://www.epa.gov/sustainable-management-food/food-recovery-hierarchy> ; see also House of Commons, Food Waste in England, (April 30 2017) Food Waste Hierarchy. Retrieved from <https://publications.parliament.uk/pa/cm201617/cmselect/cmenvfru/429/429.pdf>

3. Reduce Food Waste

Similar to our comments earlier regarding the Action Plan, there should be a joint responsibility across the supply chain to drive the reduction of food waste. Waste service providers should have a role as well in helping to deliver promotion and education programs to drive food waste reduction.

Given the role the connection the Provincial government has to food delivery through the broader public sector and institutions like hospitals, long term care facilities, youth detention centres and jails, the Province has the ability to play a leading role in illustrating how food waste reduction can occur and providing best management practices. This role should be included.

4. Recover Resources from Food and Organic Waste

Municipal Governments have been leaders in diverting food waste and organics in Ontario.

In 2014, Ontario's residential sector diverted over one million tonnes of organic materials, including about 480,000 tonnes of green bin waste and 567,000 tonnes of leaf and yard waste. Some 37 municipalities in Ontario, covering about 70% of Ontario's population, have already implemented residential green bin programs⁶. Programs cover a wide range of organic materials, including food waste, soiled paper, and pet waste.

This is in stark contrast to the IC&I sector that has only diverted about 400,000 tonnes of organic material.⁷ It is important to note that certain sectors of the IC&I have made significant advancements in this area and should be recognized. However, as a whole, it has lagged behind the residential sector.

Diverting organic material is one of the more expensive and complex waste diversion programs. The cost to collect, transport and process organics is high given the putrescible nature of the material and the potential for odour.

Municipal governments support the Ministry's work on establishing thresholds for implementation of programs and giving special consideration to the unique circumstances rural, northern and remote communities face. However, some challenges remain.

Implementation of these programs requires a funding source. There have been some suggestions that allocating potential savings from Blue Box transition to full EPR could be used to fund these programs. This is **not** supported by Municipal Governments. There are many substantial unfunded mandates and budget pressures municipal governments are dealing with. Funding implementation of these programs will be extremely difficult for many communities.

⁶ Ontario Ministry of the Environment and Climate Change, 2017. This is an approximate figure. Green bin services are currently available in municipalities that represent about 71 per cent of Ontario's population (2011 Census data). Note that the actual figure should be lower given multi-unit residential buildings are offered services in only seven municipalities

⁷ 4 Reports on Organic Waste Management in Ontario, prepared for the Ontario Ministry of the Environment and Climate Change, 2015

As part of the Framework and an opportunity to reduce GHG and reduce collection and processing costs could be for the Province to invest in at-source organic waste management by subsidizing the cost for rural and northern Ontarians to purchase and properly use back yard composters. This program must work in tandem with an extensive province wide promotion and education campaign to manage their own food and organic wastes in-situ in order to be successful.

We noted a reference to section 4.2 (iii) in section 4.5 however section 4.3 (iii) does not exist.

5. Compostable Products and Packaging

The Policy Statement indicates a desire to see compostable products and packaging diverted from disposal for beneficial use. Municipal governments support this, however there are some significant hurdles to overcome in the Province to see it achieved.

Currently producer responsibility programs in Ontario do not apply to materials that would be captured in the organic recycling stream. The concept of including “branded organics” (e.g. tissues, tea bags, paper towels, diapers, soiled paper) and compostable packaging has been discussed for over a decade. Some jurisdictions such as the Netherlands and Austria already include compostable packaging and branded organics in their extended producer responsibility (EPR) programs.

Rather than try to establish a separate EPR regime for compostable products and packaging under this framework, the Province should ensure the current amendment to the Blue Box Program Plan under the Waste Diversion Transition Act obligates all compostable/biodegradable/bioplastic etc. packaging and that municipalities, service providers and owners and operators of resource recovery systems that recover these materials are compensated by obligated stewards for management of these materials.

The Province, Stewards, municipalities, service providers and owners and operators of resource recovery systems should collaborate on standards to ensure these products can be managed and recovered to ensure beneficial use instead of disposal.

8. Implementation and Interpretation:

Section 8.5 encourages municipalities to establish performance indicators to monitor the implementation of the policies in their Official Plans. The ability to monitor performance indicators in the Official Plan is not practical. Waste management plans or sustainability plans may offer better metrics. Planning documents govern land use, not the activities on that land. Official Plan performance would simply be that the item is present or absent in terms of a land use, nothing more.



Thank you for the opportunity to provide feedback and please contact us if you have any additional questions.

Sincerely,

Fred W. Jahn, P.Eng
Chair, Regional Public Works Commissioners
Of Ontario

Karyn Hogan, BA, MLIS, MA
Chair, Municipal Waste Association

Jim McKay
General Manager
Solid Waste Management Services Division
City of Toronto

Monika Turner
Director of Policy
Association of Municipalities of Ontario

Strategic Actions to be undertaken by the Ministry in the Proposed Framework

1. Province to work with partners to develop promotion and education tools to support food waste prevention and reduction
2. Province to enhance and incorporate waste reduction and resource recovery activities within schools
3. Province to work with the Government of Canada on preventing food waste
4. Province to work with partners to support innovative approaches and tools to rescue surplus food
5. Province to develop food safety guidelines to support the safe donation of surplus food
6. Province to develop data collection mechanisms for measuring progress in waste reduction and resource recovery of food and organic waste
7. Province to develop data collection mechanisms for measuring progress in waste reduction and resource recovery of food and organic waste
8. Province to amend the 3Rs Regulations to include food and organic waste and increase resource recovery across the IC&I sector
9. Province to ban food and organic waste from ending up in the disposal sites
10. Province to support resource recovery of food and organic waste in multi-unit residential buildings
11. Province to develop best management practices to support effective use of public waste receptacles
12. Province to use modern regulator approaches to review existing approval processes and requirements for resource recovery systems
13. Province to require standardized training for owners and operators of resource recovery systems that undertake composting and anaerobic digestion
14. Province to review its D-Series Land Use Compatibility Guidelines to support the development of resource recovery systems
15. Province to support healthy soils with strong standards and clear requirements for use of soil amendments, while protecting the environment and human health
 - A. Province to review regulatory approaches related to soil amendments (e.g. compost, digestate)
 - B. Province to promote the on and off-farm end-use of soil amendments made from food and organic waste
 - C. Province to promote the use of soil amendments as part of the Agricultural Soil Health and Conservation Strategy
16. Province to support development of renewable natural gas including consideration for linkages to food and organic waste
17. Province to support green procurement practices, including the use of products, such as compost and digestate

2016 Resource Productivity and Recovery Authority
Verified Diversion Rates



















Table 1
2016 Overall Municipal Diversion Rankings

Rank	Municipality	Diversion Rate
1	<i>Regional Municipality of York</i>	65.7%
2	<i>County of Simcoe</i>	60.7%
3	<i>Dufferin County</i>	60.1%
4	<i>City of Kingston</i>	60.1%
5	<i>City of Guelph</i>	58.7%

Table 2
2016 Large Urban Municipal Diversion Rankings

Rank	Municipality	Diversion Rate
1	<i>Regional Municipality of York</i>	65.7%
2	<i>Regional Municipality of Halton</i>	56.6%
3	<i>City of Toronto</i>	51.3%
4	<i>Regional Municipality of Peel</i>	49.6%
5	<i>City of London</i>	44.5%

Waste Reduction and Collection Programs Provided by Local and Neighbouring Municipalities (2017 Information)

		Aurora	East Gwillimbury	Georgina	King	Markham	Newmarket	Richmond Hill	Vaughan	Whitchurch-Stouffville	City of Toronto	Peel Region	Durham Region	Simcoe County
CURBSIDE COLLECTION	Residual Waste 	•	•	•	•	•	•	•	•	•	•	•	•	•
	Recycling 	•	•	•	•	•	•	•	•	•	•	•	•	•
	Organics 	•	•	•	•	•	•	•	•	•	•	•	•	•
	Leaf & Yard Waste 	•	•	•	•	•	•	•	•	•	•	•	•	•
	White Goods 	•	•	•	•	•	•	•	•	•	•	•	•	•
	Bulky Items 	•	•	•	•	•	•	•	•	•	•	•	•	•
SPECIAL PROGRAMS	Textile Diversion 	•			•	•			•	•		•	•	•
	Education & Outreach 	•	•	•	•	•	•	•	•	•	•	•	•	•
MULTI-RESIDENTIAL COLLECTION	Residual Waste 	•		•		•	•	•	•	•	•	•	•	
	Recycling 	•		•		•	•	•	•	•	•	•	•	
	Organics 			•		•		•			•	•		
	E-waste 	•				•					•		•	
	Batteries 	•				•					•	•	•	
SCHOOL COLLECTION	Recycling 	•		•		•		•		•	•			•
	Organics 	•				•					•			•
MUNICIPAL FACILITIES COLLECTION	Recycling 	•	•	•	•	•	•	•	•	•	•	•		
	Organics 	•		•		•	•	•	•		•	•		
	Batteries 	•		•		•		•	•		•	•		

February 16, 2018

Ms. Lisa Lyons
Director of Legislative Services/Town Clerk
Town of Newmarket
395 Mulock Drive, P.O. Box 328
Newmarket, ON L3Y 4X7

Dear Ms. Lyons:

Re: Draft 2018 Development Charge Background Study and Proposed Draft Bylaw Amendment

Regional Council, at its meeting held on February 15, 2018, adopted the following recommendations of Committee of the Whole regarding "Draft 2018 Development Charge Background Study and Proposed Draft Bylaw Amendment":

1. Council receive the draft 2018 Development Charge Background Study and proposed draft bylaw amendment (the "Bylaw") (Attachment 1).
2. Council endorse the proposed changes and clarifications to the treatment of structured parking and car dealerships as contained in this report, the 2018 Development Charge Background Study and proposed draft bylaw amendment (Attachment 1).
3. Council delegate to:
 - a) the Commissioner of Finance the authority to schedule and give notice for the public meeting required by the Development Charges Act, 1997 (the "Act") to be held on March 22, 2018 and any subsequent public meetings, and
 - b) the Committee of the Whole the authority to hold the March 22, 2018 public meeting.
4. The draft Bylaw be brought forward for consideration for approval by Regional Council at its May 17, 2018 meeting.
5. The Regional Clerk circulate this report to the local municipalities and to the Building Industry and Land Development Association – York Chapter (BILD).

A copy of Clause 6 of Committee of the Whole Report No. 3 is enclosed for your information. The 2018 Development Charge Background Study and proposed draft bylaw amendment (Attachment 1) can be found on York.ca.

Please contact Edward Hankins, Director, Treasury Office, at 1-877-464-9675 ext. 71644 if you have any questions with respect to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Christopher Raynor', written over a faint circular stamp or watermark.

Christopher Raynor
Regional Clerk

/S. Dumont
Attachment

Clause 6 in Report No. 3 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on February 15, 2018.

6

Draft 2018 Development Charge Background Study and Proposed
Draft Bylaw Amendment

Committee of the Whole recommends adoption of the following recommendations contained in the report dated January 26, 2018 from the Commissioner of Finance:

1. Council receive the draft 2018 Development Charge Background Study and proposed draft bylaw amendment (the “Bylaw”) (Attachment 1).
2. Council endorse the proposed changes and clarifications to the treatment of structured parking and car dealerships as contained in this report, the 2018 Development Charge Background Study and proposed draft bylaw amendment (Attachment 1).
3. Council delegate to:
 - a) the Commissioner of Finance the authority to schedule and give notice for the public meeting required by the Development Charges Act, 1997 (the “Act”) to be held on March 22, 2018 and any subsequent public meetings, and
 - b) the Committee of the Whole the authority to hold the March 22, 2018 public meeting.
4. The draft Bylaw be brought forward for consideration for approval by Regional Council at its May 17, 2018 meeting.
5. The Regional Clerk circulate this report to the local municipalities and to the Building Industry and Land Development Association – York Chapter (BILD).

Report dated January 26, 2018 from the Commissioner of Finance now follows:

Draft 2018 Development Charge Background Study and Proposed Draft Bylaw Amendment

1. Recommendations

It is recommended that:

1. Council receive the draft 2018 Development Charge Background Study and proposed draft bylaw amendment (the “Bylaw”) (Attachment 1).
2. Council endorse the proposed changes and clarifications to the treatment of structured parking and car dealerships as contained in this report, the 2018 Development Charge Background Study and proposed draft bylaw amendment (Attachment 1).
3. Council delegate to:
 - a. the Commissioner of Finance the authority to schedule and give notice for the public meeting required by the *Development Charges Act, 1997* (the “Act”) to be held on March 22, 2018 and any subsequent public meetings, and
 - b. the Committee of the Whole the authority to hold the March 22, 2018 public meeting.
4. The draft Bylaw be brought forward for consideration for approval by Regional Council at its May 17, 2018 meeting.
5. The Regional Clerk circulate this report to the local municipalities and to the Building Industry and Land Development Association – York Chapter (BILD).

2. Purpose

This report supports the tabling of the Regional Municipality of York’s proposed 2018 Development Charge Background Study and amending Bylaw. It also highlights changes to the current development charge rates and bylaw, including the treatment of structured parking.

Draft 2018 Development Charge Background Study and Proposed Draft Bylaw Amendment

3. Background

Council directed staff to bring back a potential amendment adding “Part B” road projects to the development charge bylaw

When Council approved the 2017 Development Charge Bylaw on May 25, 2017, it also directed staff to bring back an amendment by March 31, 2018 that would add all of the roads projects in “Part B” of Contingency Schedule G of the 2017 Development Charge Bylaw into the rate calculation.

A contingency schedule is a list of proposed capital projects, with associated development charge rate increases, that would become part of the bylaw, should certain conditions be met (trigger event). The projects on “Part B” of Contingency Schedule G were subject to five financial triggers being met:

1. The province extend the power to raise revenues from new sources to the Region
2. Council approve the implementation of those new revenue sources
3. Council approve the specific project(s) as part of its 10-year capital plan
4. Council approve the allocation of new revenue sources to the project(s)
5. No additional debt would be required as a result of funding the project(s)

The 56 projects on “Part B” of Contingency Schedule G were identified as part of the 2016 Transportation Master Plan. Their inclusion was based on consultations with local municipalities and the Region’s roads prioritization model. The five-part precondition to trigger the associated rate increases was chosen to ensure that the Region would be able to fund the additional projects in a fiscally prudent way.

The treatment of structured parking will also be affected by the proposed bylaw amendment

As part of the consultation process for the 2017 Development Charge Bylaw, some stakeholders expressed concern with respect to the treatment of structured parking. Staff have reviewed the treatment of all structured parking and are proposing some changes as part of this amendment. The scope of the review included:

- Accessory-use structured parking, including those servicing malls, hotels, and offices

Draft 2018 Development Charge Background Study and Proposed Draft Bylaw Amendment

- Structured parking used by car dealerships (stand-alone, below-grade or above-grade)

The 2018 Development Charge Bylaw and Background Study will be made available on February 15, 2018

To amend a development charge bylaw, a new background study must be prepared which underpins the rates in the amending bylaw. The *Act* requires that this background study be made available to the public for a minimum of 60 days prior to the passing of the bylaw, and at least two weeks prior to a statutorily required public meeting. Both the draft amending bylaw and the background study will be available on the Region's website on February 15, 2018.

A public meeting to receive feedback on the proposed Bylaw amendment is anticipated to precede the meeting of the Committee of the Whole on March 22, 2018. Feedback from the public meeting will be considered as part of the final 2018 Bylaw amendment that will be brought to Council for consideration on May 17, 2018, with a coming-into-force date of July 1, 2018. The coming-into-force date was chosen to coincide with the annual indexing of rates. Table 1 describes the statutory requirements, Council engagements, and the applicable dates.

Draft 2018 Development Charge Background Study and Proposed Draft Bylaw Amendment

Table 1
Key Dates in Regional Bylaw Amendment Process

Deliverable	Date	Time elapsed
2018 Background Study and draft Bylaw amendment publicly released with a report (includes recommendation authorizing public notice)	February 15, 2018	7 days 28 days 91 days*
Notice of public meeting published in all Metroland newspapers	February 22, 2018	
Public meeting immediately prior to Committee of the Whole Week 2	March 22, 2018	
2018 Development Charge Bylaw amendment report to Committee of the Whole Week 2	May 10, 2018	56 days
2018 Development Charge Bylaw amendment to Council for anticipated approval	May 17, 2018	
2018 Development Charge Bylaw amendment and rates come into effect	July 1, 2018	

*Note: The *Development Charges Act, 1997* requires that a background study be available to the public at least 60 days prior to passing the Bylaw.

Stakeholders were consulted during the development of this background study

Beginning in December 2017, staff consulted representatives from local municipalities and the Building Industry and Land Development Association – York Chapter (BILD). Staff met with representatives from the local municipalities on two occasions and the BILD working group on two occasions. Topics discussed include:

- Scope of the amendment
- Preliminary impact on rates
- Treatment of structured parking in the amended bylaw

The requirement under the *Act* to consider area-specific rates has already been met

Under section 10 of the *Act*, municipalities are required to consider area-specific development charges in their background study. As part of the 2017

Draft 2018 Development Charge Background Study and Proposed Draft Bylaw Amendment

Development Charge Background Study and Bylaw staff considered the potential for implementing area-specific charges. It was determined that the Region should continue with its existing practice of region-wide rates for the 2017 Bylaw (with the exception of wastewater rates for the Village of Nobleton). Chief among the considerations was the fact that the changes to the Growth Plan could affect the spatial distribution of the growth forecast, which is an essential input in determining the benefiting population and employment growth that is needed when creating an area-specific development charge. These growth forecasts will be developed through the Municipal Comprehensive Review process currently underway.

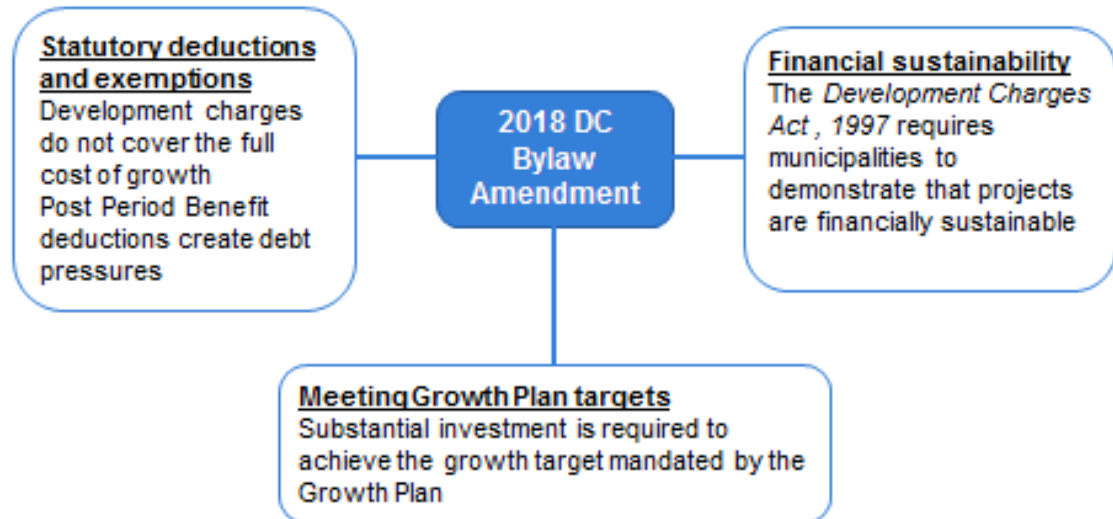
It was determined through consultation with Legal Services and Hemson Consulting Ltd. (the consultants retained by the Region to advise on development charge matters) that the consideration of area-specific charges as identified in the 2017 Development Charge Background Study, including the analysis and rationale, remains applicable to the 2018 Development Charge Background Study.

4. Analysis and Implications

A development charge bylaw must balance competing requirements

Any development charge bylaw has to balance the competing challenges and requirements of the Growth Plan and the *Act* (Figure 1).

Figure 1
Balancing competing requirements



A substantial investment in new infrastructure will be required in order to achieve the growth target mandated by the provincial Growth Plan. Development charges are a tool to recover the cost of growth-related infrastructure. However, development charges do not cover the full cost of growth, as the *Act* limits and delays cost recovery through statutory deductions (i.e., benefit to existing deductions, ten per cent statutory deductions, post-period benefit deductions), exemptions and ineligible services. Also, changes to the *Act* in 2015 added a requirement for municipalities to demonstrate that all infrastructure assets funded under a development charge bylaw are financially sustainable.

The 2017 Development Charge Bylaw balanced these requirements while ensuring sufficient roads infrastructure would be in place to achieve growth to 2031. The 2018 Bylaw amendment builds on the roads infrastructure program.

Ultimately, development charges cannot generate sufficient revenue to fund the needed growth-related infrastructure in the Region. Therefore, new revenue sources are required to meet growth objectives in a financially sustainable way.

The proposed draft 2018 Bylaw amendment will not affect the development charge rates for other services

The proposed draft 2018 Development Charge Bylaw amendment adheres to the Council direction to add the 56 roads projects from “Part B” of Contingency Schedule G to the 2017 Bylaw. The change to the development charge rates as a result of the proposed amendment only pertains to the 56 roads projects being

Draft 2018 Development Charge Background Study and Proposed Draft Bylaw Amendment

added¹. The Region will continue to collect development charges for all other services based on what was included in the 2017 Development Charge Bylaw.

In addition, other key assumptions and inputs will remain the same as they were in the 2017 Development Charge Background Study. These include:

- Residential and non-residential growth forecasts, including the forecast horizon (2017 to 2031)
- Development charge calculation methodologies
- Debt and reserve balances

Any change made to the 2017 Development Charge Bylaw through an amendment could be subject to appeal. By limiting the scope of the proposed 2018 Bylaw amendment, the basis of potential appeals will be narrowed.

The 2018 Bylaw amendment includes an additional \$1.49 billion of gross project costs for roads growth infrastructure

Compared to the 2017 Background Study main project list, including Contingency List B will add \$1.49 billion in gross project costs and \$1.35 billion in development-charge-eligible costs to the rate calculation (Table 2). The difference will be a future tax levy pressure.

**Table 2
Summary of Project Costs**

Gross Project Costs	2017 Development Charge Background Study (\$ Millions)	2018 Background Study (\$ Millions)	Difference (\$ Millions)
Roads Services	2,798.7	4,284.2	1,485.5
Roads Development Charge Eligible Costs (2017-2031)	1,947.5	3,295.0	1,347.6

*Note: Numbers shown here are 2017 costs and may not sum due to rounding

¹ Note: In addition the rates also reflect a technical adjustment to project 233 in the 2017 Development Charge Background Study. The adjustment is discussed on page 8 of this report.

Draft 2018 Development Charge Background Study and Proposed Draft Bylaw Amendment

While the cost of the additional roads projects was presented as part of the 2017 Background Study, a few technical adjustments are now being proposed.

First, the cost for the Transportation Demand Management Project (project number 233 in the 2017 Background Study) was incorrectly calculated and presented. The correct gross cost estimate should have been \$34.3 million, \$10.7 million higher than the amount included in the 2017 Background Study.

Second, 16 projects in “Part B” of Contingency Schedule G included environment assessment costs that had already been accounted for as part of the Roads Main Project List. These costs (\$13.5 million in gross project costs) have now been excluded from the rate calculation.

Overall, adding the 56 projects to the rate calculation will result in a residential development charge rate for a single family dwelling before indexing of \$57,525, representing a \$9,195 (19 per cent) increase above the current rates.

Table 3 shows a breakdown of these changes to the development charge rate for a single family dwelling before indexing.

Table 3
Illustration of Changes to Single Family Dwelling Rate

Change	Gross Cost Increase (Decrease)	Impact on Rate
	(\$ Millions)	(\$)
Addition of 56 roads projects to the Bylaw	1,488.3	9,209
Adjustment to the environmental assessment costs for 16 projects added	(13.5)	(83)
Adjustment to the Transportation Demand Management Project	10.7	69
Total	1485.5	9,195

*Note: Numbers may not sum due to rounding

The rate changes subject to this amendment will include an inflationary factor of 2.4 per cent to adjust the costs from 2017 to 2018 dollars. The inflationary factor is based on the annual average of the Statistics Canada’s Quarterly Construction Price Index for the past ten years. This is the same factor used for all other services currently in the 2017 Development Charge Background Study.

Draft 2018 Development Charge Background Study and Proposed Draft Bylaw Amendment

An amended asset management plan has been prepared in accordance with the *Act*

The *Act* requires municipalities to prepare an asset management plan as part of their Background Study that will demonstrate that all assets funded by the bylaw are financially sustainable over their lifecycle. The asset management plan can be found in Chapter 7 of the draft 2018 Development Charge Background Study (*Attachment 1*).

Asset management is an integrated, lifecycle approach that brings together physical and financial aspects of existing and planned infrastructure systems. The goal is to minimize costs over time while providing the desired level of service with an appropriate level of risk.

An asset management plan covering the main project list was included in the 2017 Development Charge Background Study. It accounted for the full operating and capital requirements related to both existing and future assets, enabling an estimate of the impact of growth on both user rates and the tax levy.

The 56 road projects to be added to the rate calculation create additional lifecycle needs and tax levy impact

The proposed draft 2018 Development Charge Bylaw Amendment is scoped to amend the roads program. However, in order to have a full understanding of the asset management needs of all assets funded by Regional development charges, the full range of services are discussed in Chapter 7 of the attached draft background study (*Attachment 1*).

Table 4 summarizes the total 100-year period lifecycle costs of the assets funded through the 2017 Bylaw as amended by the draft 2018 bylaw.

Draft 2018 Development Charge Background Study and Proposed
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Table 4
Summary of Growth Projects and Lifecycle Needs

\$ Millions	Main Project List		Contingency List B		Total¹
Service Area	Gross Project Cost	100-Year Lifecycle Needs	Gross Project Cost	100-Year Lifecycle Needs	100-Year Lifecycle Needs
<u>Rate-Funded:</u>					
Water ²	603	1,207	-	-	1,207
Wastewater ²	1,793	6,675	-	-	6,675
Sub-Total –Rate	2,395	7,883	-	-	7,883
<u>Tax Levy-Funded</u>					
Roads ²	2,810	4,755	1,474	2,450	7,206
Transit	382	1,921	-	-	1,921
Toronto-York Spadina Extension ³	282	-	-	-	-
Police ²	227	1,098	-	-	1,098
Waste Diversion	10	56	-	-	56
Public Works ²	152	311	-	-	311
Paramedic Services	52	123	-	-	123
Public Health	17	156	-	-	156
Social Housing	185	294	-	-	294
Courts	22	40	-	-	40
Sub-Total –Tax Levy	4,139	8,754	-	2,450	11,204
Grand Total	6,534	16,637	1,474	2,450	19,087

1. Totals may not add due to rounding
2. 2017-2031 planning period for new growth projects. For all other services, a 2017-2026 planning period was used
3. Lifecycle costs will be fully funded by the City of Toronto

Table 5 summarizes the user rate impact of water and wastewater growth projects. Table 5 is unchanged from the 2017 Development Charge Background Study.

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Table 5
Summary of Rate Supported Growth Projects (2017-2031)

Description (\$ Millions)	Total	2017-2021	2022-2026	2027-2031
Gross Project Costs	2,395	557	884	954
User Rate Funding (Reserves)	15	15	0	0
% of Project cost to be recovered from User Rates	0.7%	2.8%	0.0%	0.0%
Potential Growth-Related Billing Revenue Requirements	30	2	10	17

User rate impacts have been fully accounted for through water and wastewater rate increases approved by Council in 2015 and the related projects are deemed to be financially sustainable.

Tables 6 and 7 summarize the operating impacts of tax-levy-related projects included in the 2017 Bylaw, as amended by the draft 2018 Development Charge Bylaw amendment. The analysis differentiates between the projects already captured by the 2017 Development Charge Bylaw and rates, and those that are added as part of this proposed bylaw amendment.

Table 6
**Summary of Tax Levy Supported Growth Projects –
Main Project List, 2017 Bylaw (2017-2031)**

Description (\$ Millions)	Total	2017-2021	2022-2026	2027-2031
Gross Project Costs	4,139	1,983	1,290	866
Tax Levy Funding (Reserves)	901	400	258	243
% of Project cost to be recovered from Tax Levy	21.8%	20.2%	20.0%	28.1%
Potential Growth-Related Tax Levy Requirements	301	56	104	140

Draft 2018 Development Charge Background Study and Proposed
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Table 7
Summary of Tax Levy Supported Growth Projects –
Contingency Schedule G, “Part B” Projects, 2017 Bylaw (2017-2031)

Description (\$ Millions)	Total	2017-2021	2022-2026	2027-2031
Gross Project Costs	1,475	34	668	773
Tax Levy Funding (Reserves)	137	13	106	18
% of Project cost to be recovered from Tax Levy	9.3%	38.4%	15.9%	2.3%
Potential Growth-Related Tax Levy Requirements	65	12	23	30

The tax levy requirements summarized in Tables 6 and 7 above are considered financially sustainable because they can be absorbed by the tax base over the forecast period through tax levy increases. Including non-growth tax levy requirements, the tax levy increase related to the main project list is estimated to be in the range of 3.5 to 4.0 per cent per year. Adding the projects from Contingency List B would increase this estimate by approximately 30 basis points, to a range of 3.8 per cent to 4.3 per cent per year.

However, in the current term, it has been Council’s objective to keep annual tax levy increases at three per cent or less. Although additional analysis through the annual budget process will aim to mitigate the tax rate impacts noted above, current estimates suggest that meeting Council’s tax levy target while undertaking all of the projects included in the 2017 Development Charge Bylaw as amended by the proposed draft 2018 Bylaw will require additional revenues above and beyond what can be generated through a three per cent annual tax levy increase. A total of approximately \$110 million per year in additional revenue would be required. This additional revenue need is approximately \$30 million higher than the additional revenue needed to fund the projects included in the 2017 Development Charge Bylaw.

These estimates have a degree of uncertainty as they are based on a number of critical assumptions about future service levels, cost pressures, and length of time to build reserves to fund future asset management requirements. They are based on the best information available at this time and will continue to be reviewed and analyzed through the annual budget process.

Draft 2018 Development Charge Background Study and Proposed Draft Bylaw Amendment

Appeals of the 2017 Bylaw and the 2018 amendment may be combined

There were six appeals of the 2017 Development Charge Bylaw. They relate to parking structures, road projects and the treatment of funeral homes on cemetery grounds. The first prehearing of the six appeals is not expected to be held until the middle of March, at the earliest. The timing of the 2018 amendment is such that appellants of the amendment may seek to combine their appeals with any they have filed under the 2017 Bylaw. Staff have begun to engage the appellants to scope their appeals.

If an appeal of the Region's bylaw amendment were successful, resulting in a reduced roads rate, the Region would be required to refund the difference between the development charges paid under the amended bylaw and the rate determined as a result of the appeal.

Proposed Changes to the Treatment of Structured Parking

Surface parking and structured parking are treated differently under the *Development Charges Act, 1997*

The *Development Charges Act, 1997* permits the collection of development charges for structured parking. Section 2(2) of the *Act* lists the types of development for which development charges can be levied.

Structured parking requires a building permit for buildings or structures, issued under the *Building Code Act, 1992*; this is one of the triggers for levying development charges under Section 2(2) of the *Act*.

Surface parking does not trigger any of the events listed under Section 2(2) of the *Act*. Therefore no development charges can be levied.

Structured parking can be categorized into five typologies based on use

Structured parking in the Region primarily exhibits five typologies based on use. Table 8 below summarizes those typologies.

Draft 2018 Development Charge Background Study and Proposed Draft Bylaw Amendment

**Table 8
Summary of structured parking typology**

Typology based on use*	Notes
Non-residential	
Accessory-use parking (e.g., for shopping malls, offices, places of worship, hotels, etc.)	<ul style="list-style-type: none"> • For employees, visitors, and patrons • Accessible to the general public
Vehicle storage in retail motor vehicle establishments	<ul style="list-style-type: none"> • Not accessible to general public
Vehicle storage in non-retail motor vehicle establishments	<ul style="list-style-type: none"> • Not accessible to general public
Structured parking to generate revenue from short-term rental parking	<ul style="list-style-type: none"> • Standalone paid parking structure • Accessible to the general public for a fee
Residential	
Accessory parking (e.g., condominiums and rental properties)	<ul style="list-style-type: none"> • Used by residents and not accessible to the general public

*Note: All can be above or below grade, attached to a structure, within a structure or a standalone structure

The Region’s 2017 Development Charge Bylaw already exempts most structured parking

Most of structured parking that has been built in the Region has been for an accessory use. The Region does not levy a development charge on this type of structure.

Consistent with its historic approach, the Region’s 2017 Development Charge Bylaw exempts all below grade or above grade accessory use structured parking, whether residential or non-residential.

Since 2012, development charges have been levied on structured parking when it is used by retail motor vehicle establishments, including car dealerships and motor vehicle repair shops, to store motor vehicles for sale, rental or servicing. These structures can be within the car dealership (or repair shop) or built as a standalone structure. In both instances the Bylaw levies the retail rate on the gross floor area of the structure.

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While the Region's Bylaw could permit a development charge for structured parking accessory to shopping malls, hotels or standalone paid parking, no developments have ever come forward that would trigger a charge.

The treatment of vehicle storage within a car dealership has been the subject of development charge complaints in recent years

There were three complaints dealing with the treatment of parking structures under the Region's 2012 Development Charge Bylaw. Council dismissed the complaints. However they were subsequently appealed to the Ontario Municipal Board (the "Board").

Only one of these complaints has been dealt with by the Board. In that complaint, the Board ruled that a portion of the below-grade parking structure was exempt from development charges, based on zoning bylaw requirements. The complainant did not dispute the levying of the retail rate on the remaining area. The other two complaints have yet to be heard at the Board.

There were also two appeals of the Region's 2017 Development Charge Bylaw relating to automotive dealerships and parking structures

The Region also received two appeals of its 2017 Development Charge Bylaw regarding the treatment of structured parking used for the storage of motor vehicles prior to sale or servicing: one from a consortium of car dealerships, and one from Weins Canada.

The appellants have taken the position that structured parking for storing vehicles prior to sale or rent should not be charged the retail rate.

Structured parking requires Regional infrastructure services

Structured parking requires infrastructure services. Both customers and delivery vehicles use the Region's road network to get to the structure. In addition, they also require water servicing capacity to comply with fire prevention codes.

While the initial use for structured parking in retail motor vehicle establishments may be for vehicle storage, these areas often evolve over time to other functions such as service bays, detailing, and showrooms. These functions all require greater use of infrastructure services.

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Market forces, as opposed to development charges, will be the catalyst for a more compact form of development

The Region has consistently levied the retail rate on car dealerships. Notwithstanding this, since 2012 there have been, on average, five new car dealerships built every year, averaging about 30,000 square feet (some as large as 90,000 square feet).

Furthermore, between 2005 and 2016, five new car dealerships were built with structured parking, and four of those were within the last five years. This move toward interior storage is likely due to the availability and cost of land and the business model of the car manufacturer, including the need to better secure and maintain their vehicles. Although the storing of vehicles inside dealerships has been led by higher-end dealerships, brands of all classes are expected to follow as land becomes increasingly scarce and more expensive.

Staff propose to levy the Industrial, Office, Institutional rate on standalone structured parking used to store motor vehicles

Under the 2017 Development Charge Bylaw, standalone structured parking used to store motor vehicles would be levied the retail rate. Staff are proposing to change this treatment to the Industrial, Office, Institutional rate, which would be consistent with other warehousing functions.

As compared to the treatment under the 2017 Bylaw, there would be some negative impact on collections, although staff do not believe the impact to be significant.

Finally, any parking spaces within these structures used for employee and customer parking would still be exempt from development charges. Staff will evaluate this on a case-by-case basis.

Staff propose to continue levying the retail rate on vehicle storage areas in car dealerships

Staff are not proposing to change the treatment of vehicle storage areas in car dealerships. The rationale for not changing the treatment of these areas in car dealerships is:

- Recognition that these areas are not just being used for storage and have additional retail uses (e.g., detailing, showroom, servicing, etc.). In some cases, areas originally used for storage may be changed to other uses after building permit issuance

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- Consistency with the treatment of merchandise storage in other retail - changing the treatment of storage in car dealerships could give rise to an appeal from other retailers
- Consistency with what neighboring municipalities do

As is the case for standalone structured parking used to store motor vehicles, any parking spaces used for employee and customer parking could be exempt from development charges.

The Board has held that service bays within car dealerships are a retail function

One of the arguments of the appellants to the 2017 Development Charge Bylaw is that service bays within car dealerships should be levied the Industrial/Office/Institutional rate, as this is not a directly retail function.

A decision by the Board in *Shanahan Ltd. v. Region of York (2013)* concluded that the use of service bays to perform warranty work, “is a direct function of the retail sale of a new vehicle and is not a separate and distinct use of [sic] function from the retail activity of selling such goods as new or used cars and trucks to the general public” and as such service department areas (bays) fall “squarely within the definition of retail”.

The 2018 Bylaw will clarify that all retail motor vehicle establishments with vehicle storage for sale, lease or servicing/repair purposes should be treated as retail

Aside from car dealerships, other retail motor vehicle establishments may also have requirements to store vehicles for sale, lease or servicing. These include vehicle brokerages, long-term leasing facilities, service repair shops open to the public and other similar uses. Similar to car dealerships, the Region's development charge bylaws have always treated these types of establishments as retail.

Under the 2018 Bylaw amendment, these establishments will continue to be treated as retail, including, but not limited to, areas within the structure that are used for vehicle storage.

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Staff propose that the bylaw permit a blended rate for motor vehicle establishments with significant vehicle storage area

There may be instances where a proposed car dealership (or other types of retail motor vehicle establishments) includes significant storage areas. While these are not expected to be common, staff propose to amend the Bylaw so that a blended rate of retail and industrial/office/institutional could be applied.

In these instances, the retail rate would be capped at two times the gross floor area of the retail motor vehicle establishment. The gross floor area above and beyond that of the retail motor vehicle establishment would be levied the industrial/office/institutional rate.

The proposed treatment of structured parking used to store motor vehicles is in line with neighbouring municipalities

Staff have reviewed the bylaws of all local municipalities, as well as neighbouring upper-tier and single-tier municipalities. The proposed changes and clarification to the treatment of structured parking and the clarifications to the treatment of car dealerships are reasonably consistent with other municipalities (see Table 9 for further detail).

Table 9
Interjurisdictional summary of treatment of car dealerships and standalone structured parking used to store motor vehicles

Municipality	Car dealerships	Standalone structured parking used to store motor vehicles
York Region – 2018 Development Charge Bylaw Amendment	Retail	Industrial/Office/Institutional
City of Markham	Retail	Industrial/Office/Institutional
Town of Richmond Hill	Retail	Non-retail
All other local municipalities	Non-residential	Non-residential
City of Toronto*	Non-industrial	Industrial
Durham Region	Commercial	Industrial
Peel Region	Non-industrial	Industrial
Simcoe County	Non-residential	Non-residential
Halton Region	Retail	Exempt

*Note: Development charges are only levied only on ground floor.

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Staff recommend clarifying the treatment for structured parking accessory to shopping malls and hotels

Although in practice this has not happened, under the 2017 Development Charge Bylaw, the Region could levy the retail rate on structured parking accessory to retail establishments, such as malls and hotels. There is a strong rationale for exempting this type of structured parking in the Region's bylaw:

- Brings treatment of shopping mall accessory parking in line with all other accessory use parking structures
- Development charges are levied on the primary structure

Staff are therefore proposing that the bylaw be amended to clarify that structured parking accessory to shopping malls or hotels be exempt from development charges.

5. Financial Considerations

The draft 2018 residential roads development charge rate is 65 per cent higher than the current rate

The residential class will see the highest increase in the roads development charge rate (by 65 per cent) compared to the current road rate (see Table 10).

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Table 10
Summary of residential development charge rates*

Rate Class	Current Development Charges (Nov 8, 2017) (\$)		Change (\$)		Change	
	Roads	Total	Roads**	Total	Roads	Total
Single & Semi-detached	14,206	48,330	9,195	57,525	65%	19%
Multiple Unit Dwelling	11,435	38,899	7,402	46,301	65%	19%
Apartments (>= 700 Sqft)	8,311	28,273	5,379	33,652	65%	19%
Apartments (< 700 Sqft)	6,072	20,636	3,930	24,566	65%	19%

*Note: Does not include Nobleton wastewater rates.

**Note: All rate changes subject to this amendment have had an inflationary factor of 2.4 per cent applied.

The proposed non-residential roads development charge rates are similarly higher than current rates

Table 11 compares the roads and total development charge rates for the non-residential classes.

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Table 11
Summary of residential development charge rates*

Rate Class	Current Development Charges (Nov 8, 2017) (\$)		Change (\$)		Change	
	Roads	Total	Roads**	Total	Roads	Total
Retail (\$/sqft)	17.87	39.89	11.23	51.12	63%	28%
Industrial/Office/Institutional (\$/sqft)	5.26	17.87	3.29	21.19	62%	18%
Hotel (\$/sqft)	3.69	7.93	2.10	10.03	57%	26%

*Note: Does not include Nobleton wastewater rates.

**Note: All rate changes subject to this amendment have had an inflationary factor of 2.4 per cent applied.

If the proposed rates are adopted, York Region will have the highest development charges among the 905 municipalities for all classes of development

Currently, York Region's residential and office development charge rates (Regional portion) are the second highest among the 905 upper tier municipalities (second to Peel). If the proposed Bylaw amendment and rates are adopted, York Region's residential and office development charge rates will exceed that of Peel's, making the rates the highest amongst the surrounding 905 Regions.

If the proposed rates are adopted, York Region's retail and industrial/office/institutional rates will be the highest among the 905 municipalities.

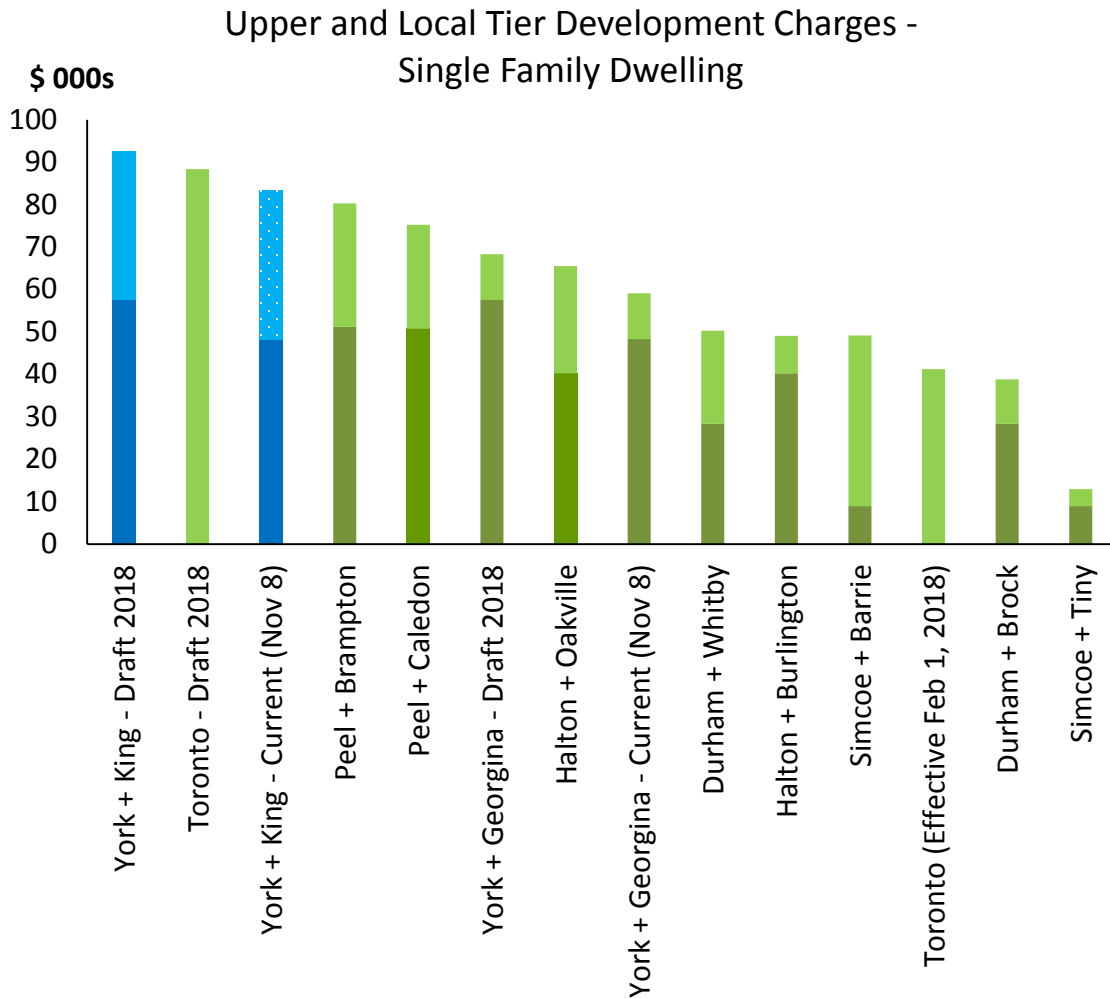
Should Council adopt the proposed rates, the combined upper tier and local municipal development charge would range from \$68,298 in Georgina to \$92,536 in King.

Figure 2 below compares the ranges of development charge rates for the upper tier and lower tier municipalities in the 905 area for all classes. For each upper

Draft 2018 Development Charge Background Study and Proposed Draft Bylaw Amendment

tier municipality, the highest and lowest combined municipal development charge rates for a single family dwelling are presented.

Figure 2
Upper Tier and Lower Tier Development Charges – Single Family Dwelling



Note: On January 9, 2018, the City of Toronto tabled their 2018 Development Charge Background Study and Bylaw. If the rates as tabled were passed, the development charge rate for a single-family detached would increase from \$41,251 to \$88,391.

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Rates imposed by the 2017 Development Charge Bylaw will be subject to indexing on July 1, 2018

The rates under this amendment would not be indexed on July 1st, 2018 as an inflationary factor has already been applied.

Rates imposed by the 2017 Bylaw for all other services will be indexed on July 1st, 2018. This includes the portion of the rates pertaining to roads services on the main list of the 2017 Development Charge Background Study.

The Region's indexing, done annually on July 1, uses Statistics Canada's Quarterly Construction Price Index, which will be published by Statistics Canada in May 2018. Over the past ten years, the annual index has averaged 2.4 per cent.

6. Local Municipal Impact

Development charges fund growth-related infrastructure that benefits residents and businesses across the Region

Development charges fund vital growth-related infrastructure, which helps local municipalities support growth and development. The road projects being added to the development charge background study and proposed bylaw will benefit future residents and businesses in the entire Region.

The Region's development charge bylaw also influences the bylaws of local municipalities. Regional staff have engaged with local municipalities through the development of this proposed bylaw amendment.

Regional staff consulted local municipalities regarding proposed clarifications to the treatment of structured parking

Development charges for non-residential structured parking are paid at building permit stage and therefore collected by the local municipalities. In addition, some of the Region's local municipalities are currently updating their development charge bylaws.

Regional staff have consulted with local municipal staff on the proposed clarifications to the treatment for standalone structured parking used to store motor vehicles and structured parking accessory to shopping malls.

Draft 2018 Development Charge Background Study and Proposed Draft Bylaw Amendment

7. Conclusion

The draft 2018 Development Charge Background Study and amended draft Bylaw will be tabled on February 15, 2018. This report highlights changes to the proposed bylaw, including revisions to the treatment of structured parking.

A further report will be brought forward for consideration by Council on May 17, 2018, which will include updates to the proposed 2018 Bylaw following the consideration of public input and continued consultations with all stakeholders.

For more information on this report, please contact Edward Hankins, Director, Treasury Office, at 1-877-464-9675 ext. 71644.

The Senior Management Group has reviewed this report.

January 26, 2018

Attachments (1)

8161059

Accessible formats or communication supports are available upon request

A161.005



Corporate Services
Regional Clerk's Office

February 16, 2018

Ms. Lisa Lyons
Director of Legislative Services/Town Clerk
Town of Newmarket
395 Mulock Drive, P.O. Box 328
Newmarket, ON L3Y 4X7

LEGISLATIVE SERVICES		
INCOMING MAIL	REFD TO	COPY TO
FEB 26 2018		

Dear Ms. Lyons:

Re: Housing Initiatives and Incentives Update

Regional Council, at its meeting held on February 15, 2018, adopted the following recommendations of Committee of the Whole regarding "Housing Initiatives and Incentives Update":


1. Council endorse the following principles for development of a purpose built rental affordable housing incentives framework that targets mid-range income households:
 - a) Apply to purpose built rental tenure only
 - b) Priority given to high-rise and mid-rise developments
 - c) Priority given to development in regional and local centres and corridors
 - d) York Region incentives be contingent on the local municipality offering similar or better incentives
 - e) Proponents be required to share pro forma work with staff
 - f) Projects with support from senior levels of government be prioritized
 - g) Restrictive covenant registered on title requiring that the property be developed and operated as a rental apartment complex for no less than 20 years
 - h) Incentives offered may be tied to the duration the project will remain rental, duration of affordability and/or depth of affordability provided
2. Staff report back to Council in Q2 2018 with a proposed Mid-Range Income Affordable Housing Incentives Framework based on the principles in Recommendation 1.

3. This report be circulated by the Regional Clerk to the Clerks of the Local Municipalities.

A copy of Clause 3 of Committee of the Whole Report No. 3 is enclosed for your information.

Please contact Sandra Malcic, Manager Policy and the Environment at 1-877-464-9675 ext. 75274, or Lisa Gonsalves, Director of Strategies and Partnerships at 1-877-464-9675 ext. 72090 if you have any questions with respect to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Christopher Raynor', written over a horizontal line.

Christopher Raynor
Regional Clerk

/S. Dumont
Attachment

Clause 3 in Report No. 3 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on February 15, 2018.

3

Housing Initiatives and Incentives Update

Committee of the Whole recommends:

1. Receipt of the presentation by Paul Freeman, Acting Chief Planner, Planning and Economic Development.
2. Adoption of the following recommendations contained in the report dated January 26, 2018 from the Commissioner of Corporate Services and Commissioner of Community and Health Services and Chief Planner:
 1. Council endorse the following principles for development of a purpose built rental affordable housing incentives framework that targets mid-range income households:
 - a. Apply to purpose built rental tenure only
 - b. Priority given to high-rise and mid-rise developments
 - c. Priority given to development in regional and local centres and corridors
 - d. York Region incentives be contingent on the local municipality offering similar or better incentives
 - e. Proponents be required to share pro forma work with staff
 - f. Projects with support from senior levels of government be prioritized
 - g. Restrictive covenant registered on title requiring that the property be developed and operated as a rental apartment complex for no less than 20 years
 - h. Incentives offered may be tied to the duration the project will remain rental, duration of affordability and/or depth of affordability provided
 2. Staff report back to Council in Q2 2018 with a proposed Mid-Range Income Affordable Housing Incentives Framework based on the principles in Recommendation 1.

3. This report be circulated by the Regional Clerk to the Clerks of the Local Municipalities.
-

Report dated January 26, 2018 from the Commissioner of Corporate Services and Commissioner of Community and Health Services and Chief Planner now follows:

1. Recommendations

It is recommended that:

1. Council endorse the following principles for development of a purpose built rental affordable housing incentives framework that targets mid-range income households:
 - a. Apply to purpose built rental tenure only
 - b. Priority given to high-rise and mid-rise developments
 - c. Priority given to development in regional and local centres and corridors
 - d. York Region incentives be contingent on the local municipality offering similar or better incentives
 - e. Proponents be required to share pro forma work with staff
 - f. Projects with support from senior levels of government be prioritized
 - g. Restrictive covenant registered on title requiring that the property be developed and operated as a rental apartment complex for no less than 20 years
 - h. Incentives offered may be tied to the duration the project will remain rental, duration of affordability and/or depth of affordability provided
2. Staff report back to Council in Q2 2018 with a proposed Mid-Range Income Affordable Housing Incentives Framework based on the principles in Recommendation 1.
3. This report be circulated by the Regional Clerk to the Clerks of the Local Municipalities.

2. Purpose

This report highlights progress made on Council's [November 2016](#) direction to establish a York Region/Local Municipal Housing Working Group and identify the necessity and/or extent of an affordable housing incentives framework. The report seeks Council endorsement of the principles outlined in Recommendation 1 for development of a mid-range affordable housing incentives framework. The focus of the incentives framework is to stimulate the construction of purpose built rental units affordable to middle-income households.

3. Background and Previous Council Direction

Housing is a cornerstone of Complete Communities

Complete communities include a variety of housing options that meet the needs of residents of all ages, stages and abilities. A variety of housing options includes a mix and range of both ownership and rental housing that is affordable, suitably sized and in good condition. A diverse mix and range of housing options, including affordable options, is a major contributor to the quality of life of residents and workers, the economy, individual and community health and well-being.

2016 Census data confirms that housing affordability pressures in York Region continue, particularly in the rental market

Staff produced a [2016 Census Release Report on Housing](#) which identifies a number of indicators of ongoing housing affordability and supply pressures in York Region, including:

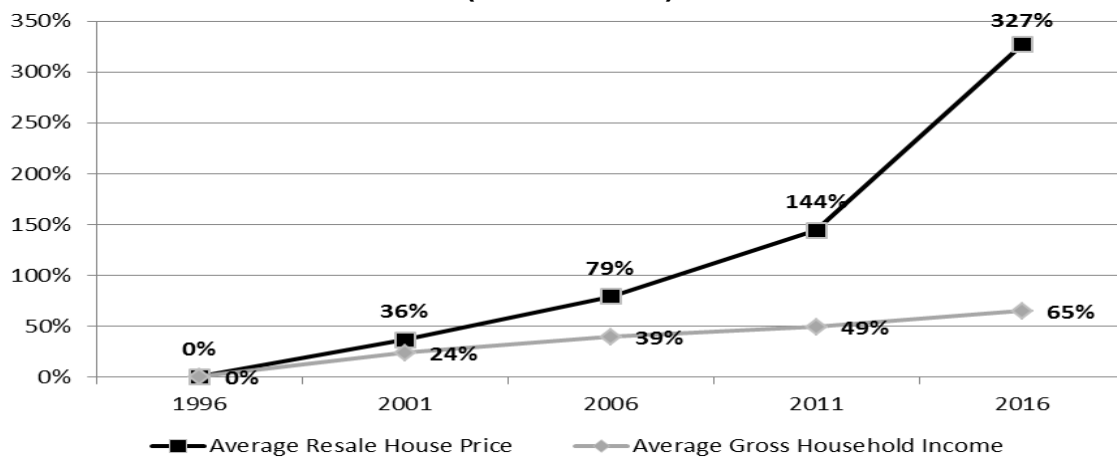
- Twenty-eight per cent of owners and fifty-two per cent of renters are spending 30 per cent or more of income on housing costs. This is a broadly accepted indicator of households that are spending too much on housing. These are the highest proportions in the GTHA
- While the supply of rental housing in York has increased from twelve to fourteen per cent of total housing stock since 2011, internal data sources indicate that this growth is predominately in the non-profit, ground related and secondary markets (i.e. units developed and sold as ownership now being rented out)

Housing affordability and low rental supply issues are on-going

Housing prices have continued to escalate at unprecedented rates when compared to income. As shown in Figure 1, average resale house prices have

increased by over three hundred and twenty-five per cent between 1996 and 2016 whereas average gross household incomes have only increased by sixty-five per cent. Affordable home ownership is now out of range for many, including those at moderate or mid-range income levels.

Figure 1
York Region Resale House Price and Gross Household Income Increases (1996 to 2016)

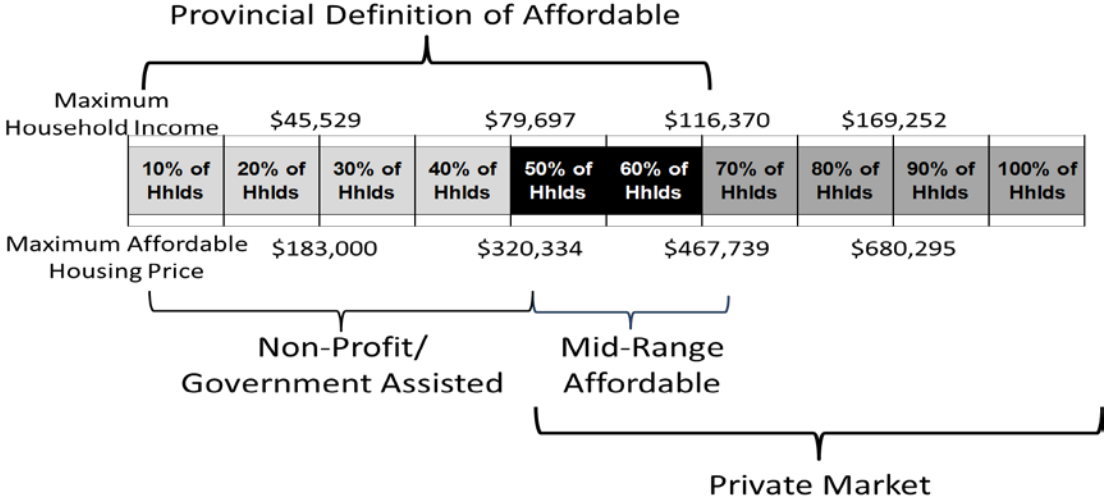


Demand for more choice in both ownership and rental housing will increase as the Region continues to grow and diversify. More rental housing options would assist with meeting housing needs, but there is limited interest in developing purpose built rental within the current planning and regulatory framework. In addition to ownership developments being more profitable, development proponents have referred to the impact of rent control, senior government tax disincentives and tenant protections as being deterrents.

Housing constraints for the mid-range income group are increasing

From an income perspective, the housing market can be viewed as containing three distinct but overlapping segments (Figure 2).

**Figure 2
Housing Market Segments**



1. The Non-Profit/Government Assisted segment supports the needs of households that may qualify for additional supports to find acceptable housing in the Region. In general, this is the lowest earning 40 per cent of households.
2. The Mid-Range Affordable segment addresses the needs of households classified as “affordable” based on the Provincial definition, but do not qualify for additional supports. In 2016 this included households with incomes that ranged from approximately \$80,000 to \$116,000 which allowed for maximum affordable home purchase prices that ranged from approximately \$320,000 to \$468,000. The intention is that this segment be served by the private market.
3. The Private Market segment consists of the highest earning 60 per cent of households and incorporates the mid-range affordable segment. Households in this segment have traditionally been able to afford market housing.

While the segments are distinct under Provincial definitions, they also overlap. In addition to income, the ability to pay for housing is impacted by other factors such as household resources and assets, the number of people in the household and other household expenses. Households at the upper end of the non-profit/government assisted segment likely do not qualify for housing or income supports and more households in the “private market” segment are struggling to afford suitable housing in the private market. Therefore, the mid-range income affordable segment may be as low as the third decile to as high as the eighth decile of the income distribution.

The focus of the York Region/Local Municipal Housing Working Group and development of a Housing Incentives Framework is the Mid-Range Affordable segment of the housing market.

Demand for rental housing continues to increase

Rental housing is a vital component in the housing continuum. It provides housing for people who do not want the expense or responsibility of maintaining an ownership dwelling and is the only option for low and moderate income residents and workers who cannot afford housing in the ownership market.

There are a number of factors that are increasing the demand for rental housing in York Region. Key demographic factors include an aging population (as identified through the [York Region Seniors Strategy](#)) and the ongoing diversification of the population. Economic drivers include high home ownership costs relative to income and the changing nature of the economy. Rental housing provides choice for skilled employees who are often retained through contracts and subsequently do not desire permanent, long-term housing commitments. Rental housing also provides options for low and moderate income earners who are often pushed out of the Region's housing market altogether and are required to commute from surrounding areas.

Federal and Provincial Governments have introduced plans and policies to help address housing need for those with mid-range incomes

[Canada's National Housing Strategy: A Place to Call Home](#) is a 10-year, \$40-billion plan. The Strategy includes the [Rental Construction Financing Initiative](#) which provides loans to lower costs to development proponents and encourage the construction of rental housing.

At the Provincial level, the [Promoting Affordable Housing Act, 2016](#) includes, among other things, permissions for [inclusionary zoning](#) allowing municipalities to require affordable housing units as part of residential developments. The [associated draft regulations](#) were issued for comment in mid-December 2017. As articulated to Council in [January 2018](#) report, staff concluded that draft regulations proposed by the Province limit the feasibility of using inclusionary zoning to achieve more affordable housing in York Region. The regulations require mandatory municipal financial contributions, restrict the use of inclusionary zoning for purpose built rental housing and limit the maximum amount of affordability achieved to only five to ten percent of the development.

The new [Growth Plan for the Greater Golden Horseshoe](#) includes a number of housing related changes. The profile of housing has been elevated within the Plan through new and expanded content and direction. A Housing Strategy continues to be required and the Province has committed to providing Guidelines to support the incorporation of the Housing Strategy into the Municipal Comprehensive Review.

Many housing offsets made available through Federal and Provincial programs require or encourage municipal participation.

The Provincial Development Charge Rebate Program was released in December 2017 in support of the Ontario Fair Housing Plan

The [Ontario Fair Housing Plan](#) includes 16 Actions to help address housing supply and demand as well as to help protect renters and homebuyers. In support of this plan, on December 20, 2017 the Province released the parameters of the Development Charge Rebate Program which is meant to increase the supply of housing, specifically purpose built rental development. The Program is funded for \$125M across the Province over five years, starting with a \$25M allotment in 2018-19.

The Province has identified select single and lower-tier municipalities in need of new purpose-built market rental housing. Those municipalities have been invited to submit an Expression of Interest to participate in all five years of the program. In York, all municipalities but Georgina received this invitation to participate. The deadline for submission is March 2 and allocations for the first three years of the program will be announced in Q2 2018. The Province has noted that not all municipalities that request funding will receive it, and those that do may not receive the full amount requested.

While the details of program implementation are still being discussed with Provincial staff and local municipal staff that are eligible to apply, the Development Charge Rebate Program seems to provide opportunities to support purpose built rental development.

The York Region/Local Municipal Housing Working Group was formalized in late 2016

In [November 2016](#) Council received a report on the formation of a York Region/Local Municipal Housing Working Group (Working Group) to explore options to address housing supply and affordability issues. Council recommended that “staff report back to Council on the outcome of discussions held at the York Region/local municipal housing working group on the necessity and/or extent of a housing incentives framework.” This report is the first report back, and seeks direction from Council on the principles to develop an incentives framework to support purpose built rental units for mid-range income housing needs.

The Working Group held six meetings in 2017. At these meetings local municipal best practices were shared and external speakers from groups such as CMHC, the Province, the Housing Action Lab, the financial sector, and the development industry provided presentations on successful initiatives, programs and

partnerships. The Group brainstormed options to stimulate mid-range income housing development and assessed the financial viability of ownership and rental developments that incorporate affordable units as per Regional Official Plan direction, with and without incentives provided.

4. Analysis and Implications

The Working Group has identified that high rise and mid-rise rental developments in Regional and local centres and corridors should be the focus of the Housing Incentives Framework

Based on research and analysis undertaken throughout 2017, the Working Group has recommended that focussing on high and mid-rise developments particularly in Regional and local centres and corridors provides the greatest opportunity to increase mid-range income housing through the use of incentives. The research and analysis has been vetted by stakeholders including the development industry (BILD) and provincial staff. The gap between actual and viable returns in lower density developments and in other locations is so large that an unreasonable amount of incentive would be required. The work also confirms that financial incentives are not required to deliver affordable ownership units as ownership developments are providing strong, viable returns, even with affordability requirements incorporated.

These findings reinforce earlier research conducted by the Human Services Planning Board and align with the objectives of the Make Rental Happen Campaign.

Private purpose built rental developments provide housing options and stability for York Region residents

The rental supply in York Region increased between 2006 and 2016 from twelve per cent to fourteen per cent of the total housing stock. However, based on completion data, the majority of this growth has been in the secondary market and more purpose built rental is required. While the secondary market is an important segment of the overall rental market, there are risks when relying on the secondary market for growth in rental units.

The secondary market is particularly susceptible to financial trends. If the carrying costs of a unit outpace the rent that the owner is able to charge or the owner chooses to use the unit, the unit may be removed from the rental market. The Bank of Canada increased its key lending rate to 1.25 per cent in January 2018, the third increase since Q3 2017. If this trend continues, there is a risk that ownership households could be pushed out of the ownership market thus

increasing the demand for rental housing. This potential decrease of supply and increased demand would result in a further constrained rental market.

Encouraging greater housing choice and increased stability through the enhancement of the purpose built rental market is of paramount importance to the Region's well-being.

Regional Council approved a policy for a 36 month Regional development charge deferral for purpose built mid and high density rental buildings

In [November 2013](#) York Region Council approved support for the construction of 225 private purpose built rental units at 212 Davis Drive in the Town of Newmarket.

A 36 month Regional development charge deferral secured against the mortgage rather than through a letter of credit was approved. This deferral was contingent on the Town of Newmarket providing similar or better support and the development proponent agreeing to maintain the property as rental for a minimum of 20 years. The Town of Newmarket deferred development charges, building permit fees and cash in lieu of parkland for up to 36 months.

The support provided by the Region and Town resulted in construction of the first substantial private purpose built rental development in York Region in over 30 years. The development aligns with the Region's urban structure and transportation investment, being located on a Regional Corridor with dedicated rapid transit lanes. As part of the partnership with the proponent, the Region has accepted 30 units to reserve for households that receive Regional rent subsidies.

Based partially on this pilot project, in May 2017 Regional Council approved a policy for a 36 month Regional development charge deferral for purpose built mid and high density rental buildings subject to the terms and conditions set out in the [associated policy](#).

A number of financial incentives are being considered for incorporation into the Mid-Range Affordable Housing Incentives Framework

The Working Group considered the following potential financial incentives available to municipalities to support mid-range affordable housing developments:

- Development charge deferrals and grants (both regional and local)
- Building, planning and engineering fee deferrals and waivers

- Other waivers (cash in lieu of parkland and public art)
- Reductions to construction costs (minimized construction costs, reduced parking)
- Provision of surplus public land
- Density bonuses (Section 37 of the *Planning Act*)
- Tax increment equivalent grants

Other incentives being considered as part of the broader approach to supporting mid-range income housing needs include expedited development application processing and other process related considerations. The evaluation of an incentive by the Working Group does not guarantee it being in the Housing Incentives Framework. A number of the incentives may not be financially viable or the cost to the community may be too high.

The impact of an incentive is directly related to the cost of providing it. Due to land and construction cost variations by location and building type, there is no standard per unit cost that can be applied to achieve viability equally across the Region. Rather, the framework will identify a pick list of viable local and Regional incentives and each development application will need to be evaluated to determine the appropriate degree and mix of incentives, if any.

An incentive vehicle will be a key component of the framework as it is the mechanism used to deliver or facilitate the incentives (i.e. to legally permit the Region and local municipalities to release money). Vehicles best suited to deliver financial incentives will be explored through development of the framework. Options include inclusionary zoning, municipal capital facilities bylaws and community improvement plans.

Collaboration with local municipal staff has been crucial in developing the principles of the framework

Incentives may be Regional and/or locally supported, but may be implemented at the local level. Through the Working Group, local municipal staff have strongly supported the development of the Framework by evaluating the feasibility and effectiveness of incentives and providing local context to pro forma and incentive research. It is Regional staffs intention to maintain the Working Group in 2018 to finalize the housing incentive framework and continue discussing housing strategies related to the Municipal Comprehensive Review.

Partnerships are key to achieving mid-range affordable housing

For a development that incorporates mid-range affordability to be viable, a number of incentives may need to be offered, particularly for purpose built, family sized units in central areas. Some potential incentives may be offered by upper and/or lower tier municipalities; however, municipalities generally do not have the financial capacity to close the gap to viability on their own. Partnerships and joint responsibility will be required to ensure a successful housing incentives framework.

The National Housing Strategy is a good first step; however it does not significantly address mid-range housing needs but rather targets greater depths of affordability. While the Ontario Fair Housing Plan is also a step in the right direction, the majority of the commitments are policy rather than financially based. The Federal Rental Construction Financing Initiative and the Provincial Development Charge Rebate Program may help stimulate purpose built rental development and are contingent on or encourage municipal participation respectively. While renewed Provincial focus on supporting mid-range housing is positive, there are complexities around implementation in a two-tiered municipal system.

The need for partnerships, local municipal participation and coordination with programs offered by senior levels of government are reflected in the proposed principles.

The York Region/Local Municipal Housing Incentives Framework will contribute towards supporting mid-range housing needs

A Mid-Range Affordable Housing Incentives Framework will be developed to support construction of private purpose built rental housing that incorporates affordability as per the Regional Official Plan. The Framework will focus on mid-rise and high rise rental developments with priority given to locations in regional and local centres and corridors and will be the municipal contribution towards supporting mid-range housing needs. Staff will continue to work with the Working Group to evaluate potential incentives and report back to Council with a draft Framework in Q2 2018.

Additionally, staff will continue to develop a broader approach for housing through the Municipal Comprehensive Review, respond to senior government initiatives such as the National Housing Strategy, Fair Housing Plan and Inclusionary Zoning, and develop and update policies and research, including:

- Monitoring the supply of new housing for affordability
- Developing the Housing Strategy for the Municipal Comprehensive Review

Housing Initiatives and Incentives Update

- Updating Regional Official Plan affordable housing policies and targets through the Municipal Comprehensive Review
- Updating the York Region Housing Plan
- Updating key documents such as Housing Matters
- Providing input to related initiatives such as the Seniors Strategy and Community Hubs work

The Housing Incentives Framework supports the goals of Vision 2051, the Regional Official Plan and the 2015 to 2019 Strategic Plan

Establishment of the York Region/Local Municipal Housing Working Group and the development of a Mid-Range Affordable Housing Incentives Framework support the following York Region plans:

- Vision 2051 goal for Appropriate Housing for All Ages and Stages
- Regional Official Plan objective to promote an appropriate mix and range of acceptable housing to meet the needs of residents and workers
- 2015 to 2019 Strategic Plan objective to increase the range of available and affordable housing choices

Additionally, development of a Mid-Range Affordable Housing Incentives Framework will support key regional housing related goals:

- Housing Solutions: A Place for Everyone 10-Year Housing Plan goal to increase the rental housing supply
- Making Ends Meet in York Region community result of housing options that are affordable for everyone in our community and the Human Services Planning Board of York Region 2016 to 2018 Action Plan

5. Financial Considerations

The work completed by staff and the York Region/Local Municipal Housing Working Group towards developing a Mid-Range Affordable Housing Incentives Framework has been done within the existing Regional staff complement, and within the approved business plan and budget.

Further details and recommendations regarding budget for the Framework will be incorporated into the draft Framework to be presented to Council in Q2 2018. As

the Mid-Range Affordable Housing Incentives Framework is finalized, budget requirements will be addressed through the annual budgeting process.

6. Local Municipal Impact

Local municipalities are key partners in addressing mid-range income affordable housing needs through the private market. Local municipal staff provide local expertise and input and are best positioned to deliver a number of potential municipal incentives such as relief from fees or building permits or density bonusing in accordance with the *Planning Act*. Additionally, they are the most immediate contact for development proponents to negotiate affordability and associated incentives.

Input received through the York Region/Local Municipal Housing Working Group has been instrumental in gaining a better understanding of local housing markets and challenges. For a Mid-Range Affordable Housing Incentives Framework to be viable, local municipal participation will be required. In recognition of the need for local municipal partnerships, senior staff have presented to all nine local municipal Councils on this initiative to increase awareness and garner support for partnership delivery of a mid-range housing framework.

7. Conclusion

A full mix and range of housing options, including mid-range income affordable housing options is a cornerstone of complete communities. Due to a number of factors, the supply of mid-range affordable housing options is increasingly limited.

York Region/Local Municipal Housing Working Group analysis to date has determined that a Mid-Range Affordable Housing Incentives Framework is most appropriate to stimulate high-rise and mid-rise rental developments in regional and local centres and corridors. The Framework would provide for Regional and local financial contribution towards increasing mid-range housing options to support complete communities.

It is critical that all level of government partner to find housing solutions for all segments of the housing continuum, including the mid-range segment.

To support the development of a draft Mid-Range Affordable Housing Incentives Framework, staff have provided Council with principles of the Framework in Recommendation 1. Staff intends to present Council with a draft Framework in Q2 2018.

Housing Initiatives and Incentives Update

For more information on this report, please contact Sandra Malcic, Manager Policy and the Environment at 1-877-464-9675 ext. 75274, or Lisa Gonsalves, Director of Strategies and Partnerships at 1-877-464-9675 ext. 72090.

The Senior Management Group has reviewed this report.

January 26, 2018

8161175

Accessible formats or communication supports are available upon request

A161005



Corporate Services
Regional Clerk's Office

February 16, 2018

Ms. Lisa Lyons
Director of Legislative Services/Town Clerk
Town of Newmarket
395 Mulock Drive, P.O. Box 328
Newmarket, ON L3Y 4X7

LEGISLATIVE SERVICES		
INCOMING MAIL	REFD TO	COPY TO
FEB 23 2018		

Dear Ms. Lyons:

Re: Funding Request – Mitigating the Impacts of Invasive Species

Regional Council, at its meeting held on February 15, 2018, adopted the recommendation of Committee of the Whole that the communication from The Honourable Kathryn McGarry, former Minister of Natural Resources and Forestry dated January 16, 2018 regarding “Funding Request – Mitigating the Impacts of Invasive Species” be received.

Regional Council also adopted the following recommendations of Committee of the Whole:

1. The Regional Clerk forward the communication to the local municipalities.
2. That staff investigate potential funding within two funding sources; the Ministry of Natural Resources and Forestry’s Land Stewardship and Habitat Restoration Program and the Ministry of the Environment and Climate Change’s Great Lakes Guardian Community Fund, and report back to Council.

Please contact Ian Buchanan, Manager, Natural Heritage and Forestry at 1-800-830-4444 ext. 75204 if you have any questions with respect to this matter.

Sincerely,

Christopher Raynor
Regional Clerk

/C. Clark
Attachments

From: "MIN Feedback (MNRF)" <minister.mnrf@ontario.ca>
Date: January 18, 2018 at 3:43:23 PM EST
To: "wayne.emmerson@york.ca" <wayne.emmerson@york.ca>
Cc: "ian.buchanan@york.ca" <ian.buchanan@york.ca>, "Boyd, Ala (MNRF)" <Ala.Boyd@ontario.ca>
Subject: Message from the Honourable Kathryn McGarry, Minister of Natural Resources and Forestry

**Ministry of Natural
Resources and Forestry**

Office of the Minister

Room 6630, Whitney Block
99 Wellesley Street West
Toronto ON M7A 1W3
Tel: 416-314-2301
Fax: 416-314-2216

**Ministère des Richesses
naturelles et des Forêts**

Bureau de la ministre

Édifice Whitney, bureau 6630
99, rue Wellesley Ouest
Toronto (Ontario) M7A 1W3
Tél.: 416-314-2301
Télééc.: 416-314-2216

MNR6446MC-2017-2252

January 16, 2018

Mr. Wayne Emmerson
Chairman and CEO
The Regional Municipality of York
wayne.emmerson@york.ca

Dear Mr. Emmerson:

Thank you for your letter regarding York Region's financial challenges in the management of invasive species. I acknowledge and commend your Region's efforts and contribution towards invasive species management within the municipality.

The Ontario government is aware of the very real threat that invasive species pose to the environment, economy and society. With the 2012 release of the Ontario Invasive Species Strategic Plan, and the passage of the *Invasive Species Act*, Ontario has taken strong action to combat this threat.

As you know, my ministry has made significant investments through ongoing funding agreements with key partners in order to support public education and awareness, early detection and monitoring, as well as research and management actions. Within our government, invasive species management is supported by a number of ministries which allocate funding through various programs like the Ministry of Natural Resources and Forestry's Land Stewardship and Habitat Restoration Program and the Ministry of the Environment and Climate Change's Great Lakes Guardian Community Fund.

However, the complex nature of invasive species management is far beyond what any single organization can handle alone. We appreciate and value the important role that municipal governments, non-governmental organizations, stakeholders and members of the general public continue to play in tackling the invasive species issue in our province.

As indicated in earlier correspondence, my ministry does not currently have dedicated funding to support municipalities in invasive species management. I encourage York Region to explore the funding programs noted above as potential options for support of invasive species management initiatives in your municipality.

My ministry recognizes the importance of continuing our joint efforts to manage the spread and impacts of invasive species in the province, and will continue to seek opportunities to enhance the capacity of municipalities to deal with this issue.

If you need any additional information, please contact Ala Boyd, Manager, Natural Heritage Section, at (705) 755-5088 or ala.boyd@ontario.ca.

Again, thank you for writing.

Best,

Kathryn McGarry
Minister of Natural Resources and Forestry

c: Ian Buchanan, Manager, Natural Heritage and Forestry, York Region
Ala Boyd, Manager, Natural Heritage Section

Wayne Emmerson
Chairman and CEO



The Regional Municipality of York
17250 Yonge Street
Newmarket, Ontario L3Y 6Z1
Tel: 905-895-1231
email: wayne.emmerson@york.ca

December 5, 2017

The Honourable Kathryn McGarry
Provincial Minister of
Natural Resources and Forestry
Suite 6630, 6th Floor, Whitney Block
99 Wellesley Street West
Toronto, ON M7A 1W3

Via email: minister.mnrf@ontario.ca

Dear Minister:

Re: Request for funding to assist with mitigating the impacts of invasive species

The Regional Municipality of York, like many other Canadian municipalities, continues to face burgeoning costs associated with managing the impacts of invasive species. Ontario in particular has more invasive species than any other province or territory in Canada with over 660 known species.

At present, there is no accurate estimate of the economic impacts associated with invasive species in Ontario. York Region alone spends over \$1 million annually to address the issue of invasive species. In 2017, a Michigan study, speaking only to aquatic invasive species, estimated the total economic impact to the state to be \$5.7 billion USD annually. The impact of all invasive species is significant and crosses all borders.

York Region's Annual Update on Invasive Species report covers some of the efforts our Region has made to manage invasive species. I thank you for comments provided in your letter dated November 15, 2017 however, I urge the Provincial government to consider Regional Council's request as a matter requiring more direct action and funding for municipalities. As you point out, the provincial government provides some level of funding to partner agencies – municipalities and conservation authorities.

Unfortunately, there remains no direct funding to municipalities working to manage the threat and impacts posed by a growing number of invasive species in Ontario. This funding is needed to support education, early detection and rapid response measures to offset some of the growing Regional costs associated with management and control efforts once a species becomes established.

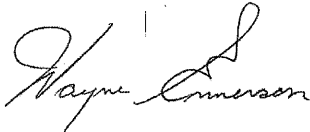
Municipalities are working on the front line to manage the impact and spread of invasive species, and funding is urgently required to ensure that costs are shared equally among municipal, provincial, and federal levels of government. A funding request to help manage the impact of invasive species is also being made to the Government of Canada as invasive species are a concern to be shared across all levels of government.

The impact of invasive species will continue to have significant financial implications for the Region and its residents. We must continue to work together collaboratively and share the financial responsibility equally to make positive strides against the impacts of invasive species and maintain the health and function of our natural environment and our communities.

I trust that the provincial government will also see the importance of combatting the threat posed by invasive species across our borders by sharing the financial burden with all levels of government.

If you have any questions, please contact Ian Buchanan, Manager, Natural Heritage and Forestry, at 1-877-464-9675 ext. 75204 or ian.buchanan@york.ca

Yours truly,

A handwritten signature in black ink that reads "Wayne Emmerson". The signature is written in a cursive style with a large initial 'W'.

Wayne Emmerson
York Region Chairman and CEO

Copy to:
Ian Buchanan, Manager Natural Heritage and Forestry, York Region

#7964209

February 16, 2018

Ms. Lisa Lyons
Director of Legislative Services/Town Clerk
Town of Newmarket
395 Mulock Drive, P.O. Box 328
Newmarket, ON L3Y 4X7

Dear Ms. Lyons:

Re: Update to Corporate Asset Management Policy


Regional Council, at its meeting held on February 15, 2018, adopted the following recommendations of Committee of the Whole regarding "Update to Corporate Asset Management Policy":

1. Council approve the updated Corporate Asset Management Policy provided in Attachment 1.
2. The Regional Clerk circulate this report to the local municipalities.

A copy of Clause 6 of Committee of the Whole Report No. 2 is enclosed for your information.

Please contact James Steele, Director, Infrastructure Asset Management at 1-877-464-9675 ext. 73018 or Brian Titherington, Director, Transportation and Infrastructure Planning at 1-877-464-9675 ext. 75901 if you have any questions with respect to this matter.

Sincerely,



Christopher Raynor
Regional Clerk

/C. Clark
Attachments

Clause 6 in Report No. 2 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on February 15, 2018.

6

Update to Corporate Asset Management Policy

Committee of the Whole recommends adoption of the following recommendations contained in the report dated January 18, 2018 from the Commissioner of Environmental Services and the Commissioner of Transportation Services:

1. Council approve the updated Corporate Asset Management Policy provided in Attachment 1.
2. The Regional Clerk circulate this report to the local municipalities.

Report dated January 18, 2018 from the Commissioner of Environmental Services and Commissioner of Transportation Services now follows:

1. Recommendations

It is recommended that:

1. Council approve the updated Corporate Asset Management Policy provided in Attachment 1.
2. The Regional Clerk circulate this report to the local municipalities.

2. Purpose

This report requests Council approval of an updated Corporate Asset Management Policy. Updating the policy will further support a consistent, coordinated and affordable approach to asset management across Regional Departments and ensure compliance with O.Reg 588/17: Asset Management Planning for Municipal Infrastructure issued by the Province.

Update to Corporate Asset Management Policy

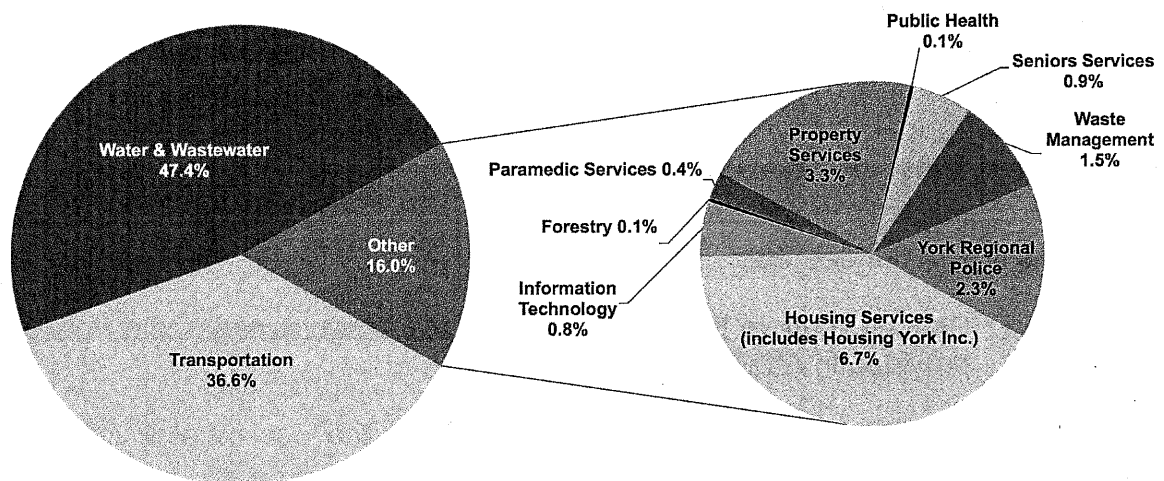
3. Background and Previous Council Direction

York Region owns and operates assets with a replacement value of nearly \$11 billion

Assets are essential to provide services and contribute to the high quality of life enjoyed by residents of the Region and are critical to provide services that are delivered in a safe, reliable and efficient manner, while sustaining a growing community.

As of December 31, 2016, the Region owns and operates tangible capital assets with a net book value of more than \$7 billion and an estimated replacement value over \$11 billion (including Housing York Inc.). The distribution of assets throughout Regional departments is illustrated in Figure 1.

Figure 1
Replacement Value of Existing Assets – \$11.4 Billion*



* Information is derived from Public Sector Accounting Board inventory and has been updated to reflect best available asset replacement values as of December 31, 2016. Replacement value of assets will likely be higher to account for a wider scope of replacement cost considerations to be confirmed through asset management plan development.

An updated Corporate Asset Management Policy will play a critical role in implementing asset management across the Region

Council first adopted the Corporate Asset Management Policy (the Policy) in November 2013 to support the Region's asset management programs and

Update to Corporate Asset Management Policy

provide a framework to ensure long-term asset sustainability and demonstrate fiscal stewardship for the Region's growing and aging asset base.

The Policy outlines roles and responsibilities across the corporation, which are critical to successful implementation of the Region's asset management programs. Overall responsibility of asset management is shared across Regional departments to effectively and continuously assess, evaluate and improve asset management programs to deliver services balanced against considerations of costs and risks.

Over the last five years, the Region has continued to grow its asset base and advance asset management programs to manage its assets through all life cycle phases. Examples of initiatives implemented through proactive asset management include comprehensive asset condition assessments, asset deterioration modeling and asset life evaluation to better inform maintenance, rehabilitation, replacement and disposal decisions.

Asset Management Planning for Municipal Infrastructure Regulation came into effect in January 2018

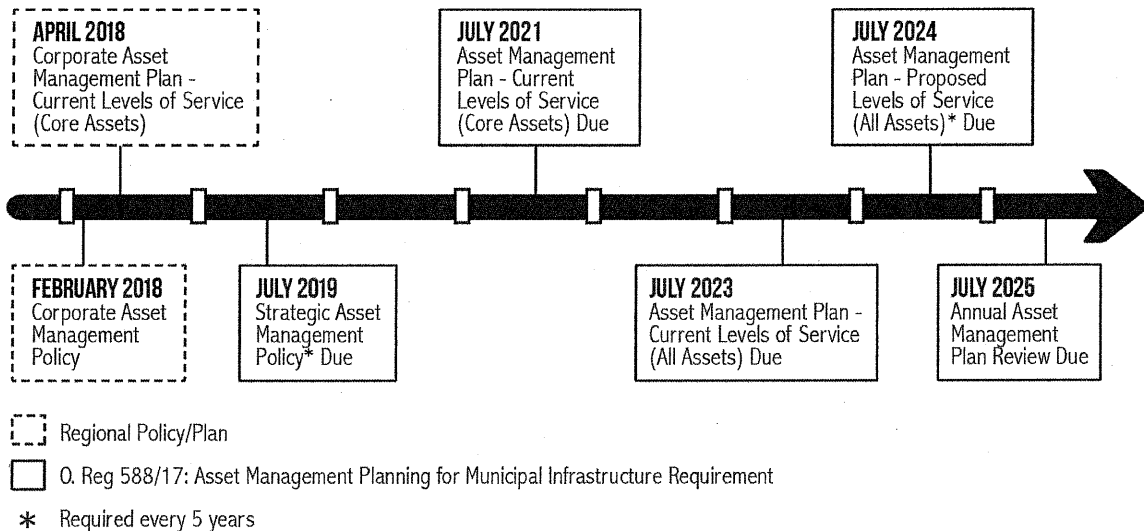
In May 2017, the Province issued the "Proposed Municipal Asset Management Planning Regulation" to implement best practices throughout the municipal sector. The Regulation is intended to provide certainty around future provincial asset management planning requirements and support resilience and sustainability as key aspects of municipal asset management planning. In response to the Regulation, staff proposed recommendations for regulation content, which were endorsed by Council in September 2017. Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure recently came into effect in January 2018, incorporating feedback from stakeholders.

First key action in the Regulation requires development and adoption of a strategic asset management policy by July 1, 2019

Along with the requirement for a strategic asset management policy, there is also the requirement to review and, if necessary, update the policy every five years. Several legislated requirements are listed to be included within the policy, including a commitment to consider climate change risks and mitigation approaches and to provide opportunities for residents and interested parties to provide input into asset management planning. Asset Management Planning for Municipal Infrastructure Regulation requirements and timelines are shown in Figure 2.

Update to Corporate Asset Management Policy

Figure 2
Asset Management Planning for
Municipal Infrastructure Regulation Timelines



4. Analysis and Implications

Policy updates align with new legislation and advance asset management practices

Multiple workshops were held with department asset management leads and key Regional stakeholders (e.g. Finance, Legal Services, etc.) to review and update the Corporate Asset Management Policy. Changes to the policy were made to incorporate legislated requirements outlined in the Regulation and integrate industry best practices. Key changes to the policy include:

- Illustrating the critical connection between corporate strategic direction (e.g. Vision 2051, Strategic Plan and Fiscal Strategy) and the Asset Management Strategy
- Identifying departmental asset management leads who coordinate with Finance to deliver financially sustainable departmental asset management programs
- Recognizing the benefits of making evidence-based decisions based on life cycle data to maximize the value obtained from assets
- Highlighting the importance of service delivery and incorporating expectations from customers, including local municipalities, residents and businesses and Regional departments
- Aligning asset management planning with climate change mitigation approaches, such as greenhouse gas emission (GHG) reduction goals and targets, in parallel with the Region's Climate Change Action Plan

Update to Corporate Asset Management Policy

- Integrating asset management industry standards and best practices, including ISO 55000 to drive continuous improvement and manage asset-related cost, performance and risk

Corporate Asset Management Policy updates will improve the Region's coordinated approach to asset management

Asset management is a systematic process to guide planning, acquisition, operation, maintenance, rehabilitation, replacement and disposal of assets. The updated Corporate Asset Management Policy provides clear objectives for asset management across all Regional departments. This will enable a consistent, coordinated and affordable approach to provide the services required to meet customer expectations. The updated Corporate Asset Management Policy indicates that asset management at the Region is to be guided by the following objectives:

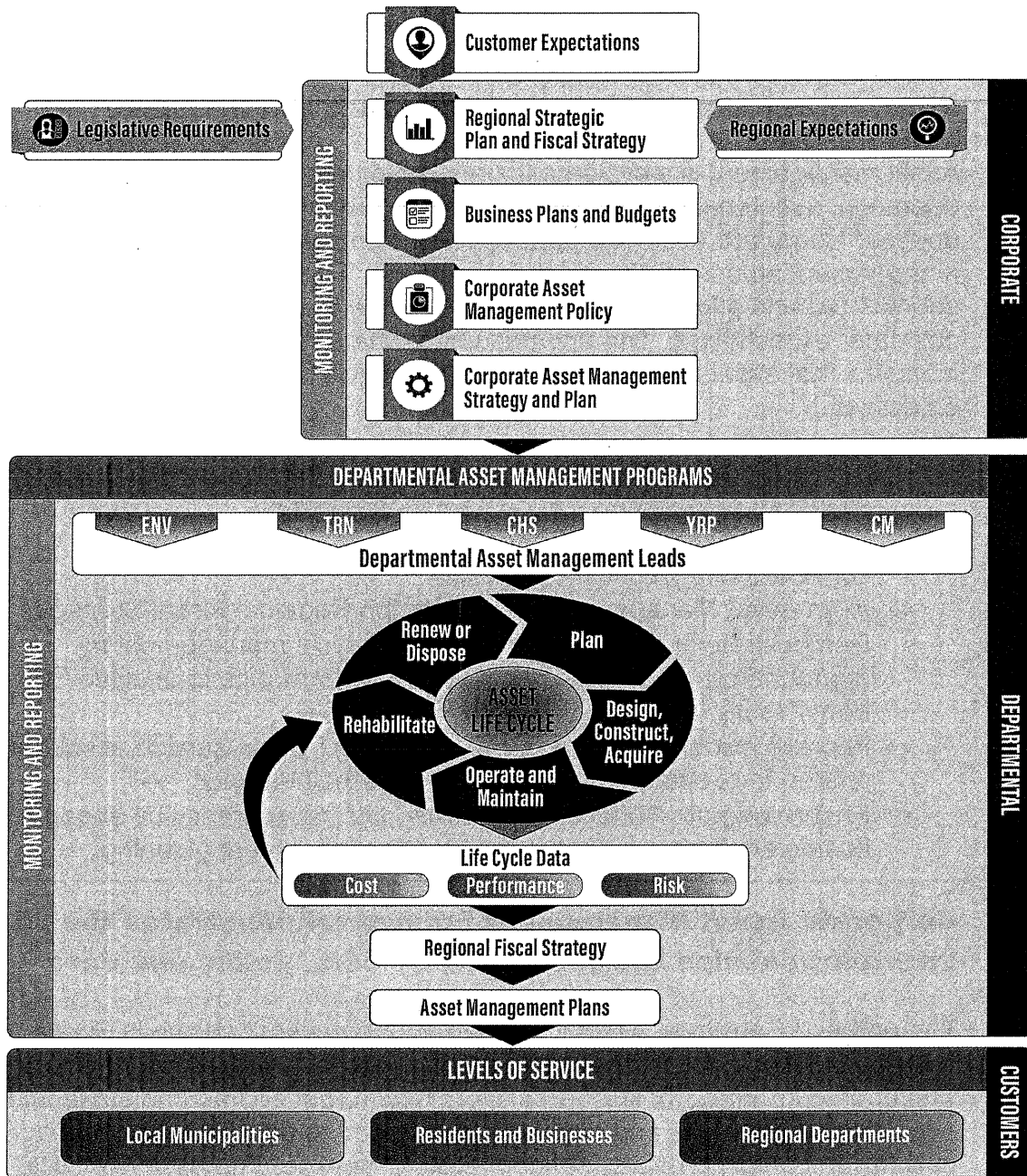
- Adopt and advance industry leading asset management practices that align with established standards and legislation;
- Provide defined levels of service which are balanced against considerations of costs and risks;
- Align Asset Management Plans with the Regional Fiscal Strategy;
- Demonstrate financially sustainable life cycle management by appropriately balancing cost, risk and performance to achieve full value from assets;
- Improve evidence-based decision-making from in-service asset data related to expenditures, operations and maintenance; and
- Ensure organizational accountability and transparency by engaging customers to provide input into asset management planning.

Corporate Asset Management Framework illustrates the interrelationships between stakeholders, policy and data

The updated Corporate Asset Management Framework shown in Figure 3 outlines the Regional process and stakeholders involved in asset management. The updated framework illustrates coordination required among stakeholders to evaluate requirements and expectations needed to develop asset management policies and plans to deliver defined levels of service. The asset life cycle demonstrates the importance of continuous improvement, by using available data throughout each phase, to make better informed decisions to achieve sustainable service delivery.

Update to Corporate Asset Management Policy

**Figure 3
Corporate Asset Management Framework**



DEPARTMENTAL ASSET MANAGEMENT LEADS:

ENV - Environmental Services
YRP - York Regional Police

TRN - Transportation Services

CHS - Community & Health Services
CM - Corporate Management (includes Corporate Services & Finance)

Update to Corporate Asset Management Policy

Asset Management Plans for core Regional assets are complete

More than 90% of the Region's assets are included in formal asset management plans; these are mainly Transportation Services and Environmental Services (Water and Wastewater, Waste Management and Forestry) infrastructure as shown in Figure 1. Some of these asset management plans include core infrastructure assets, such as roads, bridges, culverts, and assets used in the collection, conveyance/distribution, treatment or disposal of wastewater/water and stormwater management systems. Work to complete asset management plans, which incorporate the balance of the Region's assets, is well underway. The first Corporate Asset Management Plan is expected to be delivered to Council in Q2 2018. This plan will highlight the Region's level of readiness to implement the Asset Management Planning for Municipal Infrastructure Regulation.

Customers play an important role in developing and evaluating appropriate levels of service

Input from customers, such as local municipalities, residents, businesses and Regional departments, will be key in developing level of service targets. This input will be balanced with other considerations, including costs and risks associated with providing the defined level of service. Level of service indicates a performance of service that an organization delivers through its assets. A condition index on wastewater infrastructure or pavement condition index for road surfaces are two examples of levels of service.

Furthermore, feedback from customers who rely on these services will help identify any gaps between customer expectations and levels of service incorporated into asset management plans. Ongoing customer input as part of Regional asset management planning supports the Region's commitment to ensure community engagement.

Corporate Asset Management Policy supports the Region's fiscal responsibility outlined in 2015 to 2019 Strategic Plan and Vision 2051

Both the 2015 to 2019 Strategic Plan and Vision 2051 outline actions to support the Region's fiscal responsibility, including responsible stewardship of the Region's assets while continuing to provide sustainable service delivery. The Corporate Asset Management Policy outlines guiding asset management principles, which govern responsible stewardship of the Region's assets while continuing to deliver services that contribute to a high quality of life for customers.

Update to Corporate Asset Management Policy

Adoption of the updated Corporate Asset Management Policy will complete the first step required under the Regulation

The Regulation requires development and adoption of a strategic asset management policy by July 1, 2019. By adopting the updated Corporate Asset Management Policy, Council will satisfy the first step required by the Regulation more than a year in advance. Additionally, this will inform further development of the Corporate Asset Management Plan while providing guidance and consistency as Departmental Asset Management Plans continue to be developed and evolve in preparation to meet subsequent steps in the Regulation.

Similar to York Region, some neighbouring municipalities including the Region of Peel, City of Guelph, Region of Waterloo and City of Brampton have instituted asset management policies to guide the way their assets are managed.

5. Financial Considerations

Corporate Asset Management Policy supports the Region's fiscal strategy to ensure financial sustainability over time

Continued implementation of the Corporate Asset Management Policy is essential to effectively manage infrastructure investments needed to sustain existing assets and build new ones well into the future. The Region must balance its need to build new infrastructure with maintenance and rehabilitation of existing infrastructure in a fiscally responsible manner. The policy has played an important role in providing guiding principles that are embedded in the Region's long-term fiscal strategy.

The fiscal strategy aims to ensure financial sustainability over time by allocating a larger portion of the Region's budget to asset management through building reserves. Council has further supported this focus on prioritized contributions to reserves and full cost recovery pricing for a significant portion of the Region's asset base through its approval of the 2015 Water and Wastewater Financial Sustainability Plan.

6. Local Municipal Impact

Some of the key objectives in the updated Corporate Asset Management Policy include providing defined levels of service and engaging customers to provide input into asset management planning. Services delivered to local municipalities include water, wastewater, waste management, transportation, police, paramedic, housing and other municipal services.

Update to Corporate Asset Management Policy

As customers of Regional services and municipal partners in service delivery to our residents, local municipalities will benefit from the policy update. A well-defined strategy to deliver services in a safe, reliable and efficient manner benefits local municipalities and their constituents.

Feedback gathered from local municipalities through Public Works Liaison Committee and partnership meetings in Q1-Q2 2018 will support the development of Regional Asset Management Plans. It will also assist in the continued development of levels of service balanced against the cost and risk to maintain these services. Continuous improvement of the Region's framework for asset management practices also highlights the importance of asset management by local municipalities to support fiscal responsibility and legislated requirements. Local municipalities have various initiatives underway to advance asset management planning and all have Asset Management Plans in place.

7. Conclusion

Updated Policy aligns with proposed Asset Management Regulation and continues to ensure responsible and sustainable service delivery

Legislated requirements have been incorporated into the updated Corporate Asset Management Policy to align with the Asset Management Planning for Municipal Infrastructure Regulation. The updated Corporate Asset Management Policy reinforces a consistent, coordinated and affordable approach to the Region's asset management practices by providing clear objectives and an established framework to show the interrelationships between stakeholders.

Approval of the updated Corporate Asset Management Policy will align the Region's asset management practices and ensure responsible stewardship of the Region's assets while continuing to provide sustainable service delivery.

For more information on this report, please contact James Steele, Director, Infrastructure Asset Management at 1-877-464-9675 ext. 73018 or Brian Titherington, Director, Transportation and Infrastructure Planning at 1-877-464-9675 ext. 75901.

Update to Corporate Asset Management Policy

The Senior Management Group has reviewed this report.

January 18, 2018

Attachment

#8135656

Accessible formats or communication supports are available upon request

The Regional Municipality of York

CORPORATE ASSET MANAGEMENT POLICY

Policy No.: 8201695

Original Approval Date: November 21, 2013

Policy Last Updated: February 15, 2018

Policy Statement:

York Region assets will be managed through a coordinated approach that ensures financial sustainability following recognized asset management principles guided by the Region's Strategic Plan and Vision 2051.

Application:

This policy applies to all Regional staff involved in asset life cycle management, which includes planning, design/construction/acquisition, operation and maintenance, rehabilitation, renewal/disposal, and monitoring/reporting of owned in whole or in part, leased or operated Regional assets.

Purpose:

This policy is to provide clear objectives for asset management practices across all Regional departments to enable a consistent, coordinated and affordable approach to provide the services required to meet customer expectations. Asset Management at the Region is to be guided by the following objectives:

- Adopt and advance industry leading asset management practices that align with established standards and legislation;

CORPORATE ASSET MANAGEMENT POLICY

February 15, 2018

- Provide defined levels of service which are balanced against considerations of costs and risks;
- Align Asset Management Plans with the Regional Fiscal Strategy;
- Demonstrate financially sustainable life cycle management by appropriately balancing cost, risk and performance to achieve full value from assets;
- Improve evidence-based decision-making from in-service asset data related to expenditures, operations and maintenance; and
- Ensure organizational accountability and transparency by engaging customers to provide input into asset management planning.

Definitions:

Asset¹: Item, thing or entity that has potential or actual value to an organization. Value can be tangible or intangible, financial or non-financial, and includes consideration of risks and liabilities.

Asset Management¹: Coordinated activity of an organization to realize value from assets. Realization of value will normally involve an appropriate balancing of costs, performance and risks, opportunities and performance benefits.

Asset Management Plan¹: Documented information that specifies the activities, resources, and timescales required for an individual asset, or grouping of assets, to achieve the organization's asset management objectives.

Level of Service¹: Parameters or a combination of parameters, which reflect social, political, environmental and economic outcomes that an organization delivers from their assets.

Example - Transportation (Roads) – level of service is indicated by different road pavement conditions according to pavement condition index

Life cycle¹: Phases involved in the management of an asset.

Life cycle data: Includes cost, performance and risk data collected and managed through business processes required to help make well informed, evidence-based decisions in all phases of an asset's life cycle.

Tangible Capital Asset: Per the Region's Tangible Capital Asset (TCA) Policy, TCAs are non-financial assets having physical substance that are acquired, constructed or developed, including land, land improvements, roads, buildings, vehicles, equipment, water mains, sewer mains and capital assets acquired by capital lease or through donation.

¹ ISO/IEC (2014) 55000 - Asset Management, Geneva, Switzerland: International Organization for Standardization (ISO).

Description:

The Region is responsible for provision of a diverse array of services which depend on a large financial portfolio of assets. An integral component of ensuring reliable and sustainable services requires an effective approach to managing existing and future municipal assets.

Effective asset management focuses on the value an asset can provide to an organization. Ultimately, adopting effective and comprehensive asset management objectives across an organization will support the long term sustainability and efficiency of all assets to ensure they provide defined levels of service.

Asset Management Framework

To meet the objectives of this Policy, the Region will follow the Corporate Asset Management Framework in Appendix 1. The framework represents the Region's asset management process and stakeholders: Corporate, Departmental, and Customers. The asset management process begins with the alignment of legislative requirements and customer expectations into the Regional Strategic Plan and Fiscal Strategy to ultimately deliver levels of services to both external and internal customers.

The following sections in the framework assist in coordinating efforts across the Region to ensure value is realized from all Regional assets.

Corporate

- Assess and incorporate legislative requirements and customer expectations into the Regional Strategic Plan and Fiscal Strategy
- Maintain Corporate Asset Management Policy by updating every five years, as required
- Develop a Corporate Asset Management Strategy to outline how the Region's asset management objectives will be achieved, and will:
 - a. Adopt and adhere to the asset management planning principles listed in Section 3 of the *Infrastructure for Jobs and Prosperity Act, 2015*;
 - b. Develop well-coordinated investment planning, capital programming, work management and asset maintenance practices;
 - c. Define levels of service that balance customer expectations, compliance and legislative requirements, technological and environmental considerations;
 - d. Manage risk, through well-informed decision-making processes which minimize probability of failure and manage the consequences of failure with regards to safety, environmental protection, levels of service and cost impacts;
 - e. Develop long term financial plans aligned with the Regional Fiscal Strategy to ensure appropriate capital/operating funding for all asset life cycle phases;

CORPORATE ASSET MANAGEMENT POLICY

February 15, 2018

- f. Monitor and evaluate the performance of assets and associated programs and track the efficacy of asset management principles and practices to ensure continuous improvement;
- g. Ensure the strategy remains up-to-date in view of evolving asset management best practices (i.e. ISO 55000) and professional experience and review and update periodically;
- h. Align and rationalize asset management business processes and data management systems to ensure a standardized and coordinated approach to an asset management system;
- i. Consider opportunities to coordinate planning between interrelated infrastructure assets by pursuing collaborative opportunities;
- j. Align asset management planning with growth management objectives in the Region's Official Plan;
- k. Align asset management planning to support implementation of the Region's Climate Change Action Plan and Emergency Response Plan.
- Develop a Corporate Asset Management Plan to provide an overview of the Region's assets, based on departmental asset management plans, and update as required

Departmental

- Obtain in-service asset data to better inform decisions for all asset life cycle phases, including financial expenditures, work and maintenance management, condition assessments, operational performance and risk management
- Collaborate and work with Finance to implement departmental Asset Management Plans through the development of sustainable budgets as part of the annual budget process and alignment with the Regional Fiscal Strategy
- Develop a Departmental Asset Management Plan that aligns with the Corporate Asset Management Policy to provide an overview of the department's assets and asset management approaches and will:
 - a. Outline long term goals, processes and steps to make asset management decisions;
 - b. Include current asset inventory, performance, and risk management strategies;
 - c. Integrate with corporate financial and risk management processes; and
 - d. Record tangible capital assets in accordance with the Region's Tangible Capital Asset Policy.

Customers

- Includes both internal and external customers
- Receive and experience service delivery and provide feedback on level of service expectations
- Provide input into asset management planning

Responsibilities

Responsibilities include both internal staff and external stakeholders. Internal staff are outlined in the York Region Asset Management Organization Structure shown in Appendix 2, subject to change as required.

Council

- Approves Corporate Asset Management Policy and Plan, as required
- Serves as representative of customers' needs
- Approves asset funding to ensure required financial sustainability for Asset Management through the annual budget

Executive Lead - Corporate Asset Management Steering Committee

- Co-sponsored by the Commissioners of Environmental Services and Transportation Services, comprised of directors/managers from service areas and support groups within the Region
- Holds overall ownership and accountability for ensuring compliance with this policy and delegates responsibility to the Corporate Asset Management Coordinating Committee the responsibility for the implementation of Departmental Asset Management Programs
- Deliver key objectives as stated in the Region's strategic and business plans in relation to asset management (Strategic Plan, Vision 2051, etc.) and allocate appropriate resources for the achievement of the policy objectives
- Provide a forum for senior level cross-departmental collaboration on initiatives or projects related to asset management

Corporate Asset Management Unit

- Lead and support the Corporate Asset Management Coordinating Committee in their roles and responsibilities and report to the Corporate Asset Management Steering Committee quarterly regarding compliance with this policy
- Responsible for the coordination, implementation and reporting of legislated requirements
- Provide leadership to ensure the objectives of the Asset Management Policy are achieved through the Corporate Asset Management Strategy
- Advance opportunities to improve coordination of effort across the Region such as data sharing, business process alignments, resource sharing, data management systems consolidation, etc. related to asset management

Corporate Asset Management Coordinating Committee

- Led by the Corporate Asset Management Unit, comprised of delegates from service areas and support groups within the Region

CORPORATE ASSET MANAGEMENT POLICY

February 15, 2018

- Reports to the Corporate Asset Management Steering Committee, responsible for the development, implementation and continuous improvement of the Departmental Asset Management Programs
- Integrate Departmental Asset Management Plans into Corporate Asset Management Plan
- Provide corporate collaboration with asset management best practices and expertise to guide departmental asset management plans and initiatives
- Champion corporate asset management policy objectives within the respective service areas

Departmental Asset Management Leads

- Leads which govern and maintain the Region's assets in compliance with the Corporate Asset Management Policy and liaise with Finance to ensure a sustainable financial strategy and include delegates from the following departments:
 - Environmental Services (ENV)
 - Transportation Services (TRN)
 - Community and Health Services (CHS)
 - York Regional Police (YRP)
 - Corporate Management (CM) includes Corporate Services and Finance
- Support integration with Corporate Asset Management Policy
- Responsible for the development, implementation, operation and continuous improvement of Departmental Asset Management Programs
- Liaise with Controllershship Office – Risk Management to assist and utilize the corporate risk registry process to assess asset risks to help inform decisions
- Liaise with Finance to provide asset management requirements as inputs to the annual budget process and long term financial forecasts, which will ensure that sustainable financial strategies support asset life cycle needs
- Participate in the development and implementation of the Asset Management Plans pertaining to their departments and related asset management initiatives
- Engage customers to obtain feedback on levels of service and asset management planning and incorporate feedback

Customers

- Participate in stakeholder engagement initiatives, where possible
- Provide feedback related to levels of service, service experience, and service expectations

CORPORATE ASSET MANAGEMENT POLICY
February 15, 2018

Non-Compliance:

Accountability and compliance with this policy is the responsibility of the Corporate Asset Management Steering Committee. Compliance with the Corporate Asset Management Policy will be monitored by the Corporate Asset Management Unit as required.

Reference:

Legislative and other authorities

- Tangible Capital Asset Policy;
- Municipal Asset Management Planning Regulation;
- *Infrastructure for Jobs and Prosperity Act, 2015;*
- *ISO/IEC (2014) ISO International Standard ISO/IEC 55000;2014 (E) - Asset Management – Overview, Principles and Terminology, Geneva, Switzerland: International Organization for Standardization (ISO).*

Appendices

- Corporate Asset Management Framework

Keyword Search

- Corporate Asset Management, Asset Management Policy

Contact:

Manager, Corporate Asset Management

Approval Information:

Council Approval

Council Approval Date: February 15, 2018	Committee Name: Committee of the Whole
Council Minute No.: 25	Report No.: 2
Extract eDOCS #: 8135656	Clause No.: 6

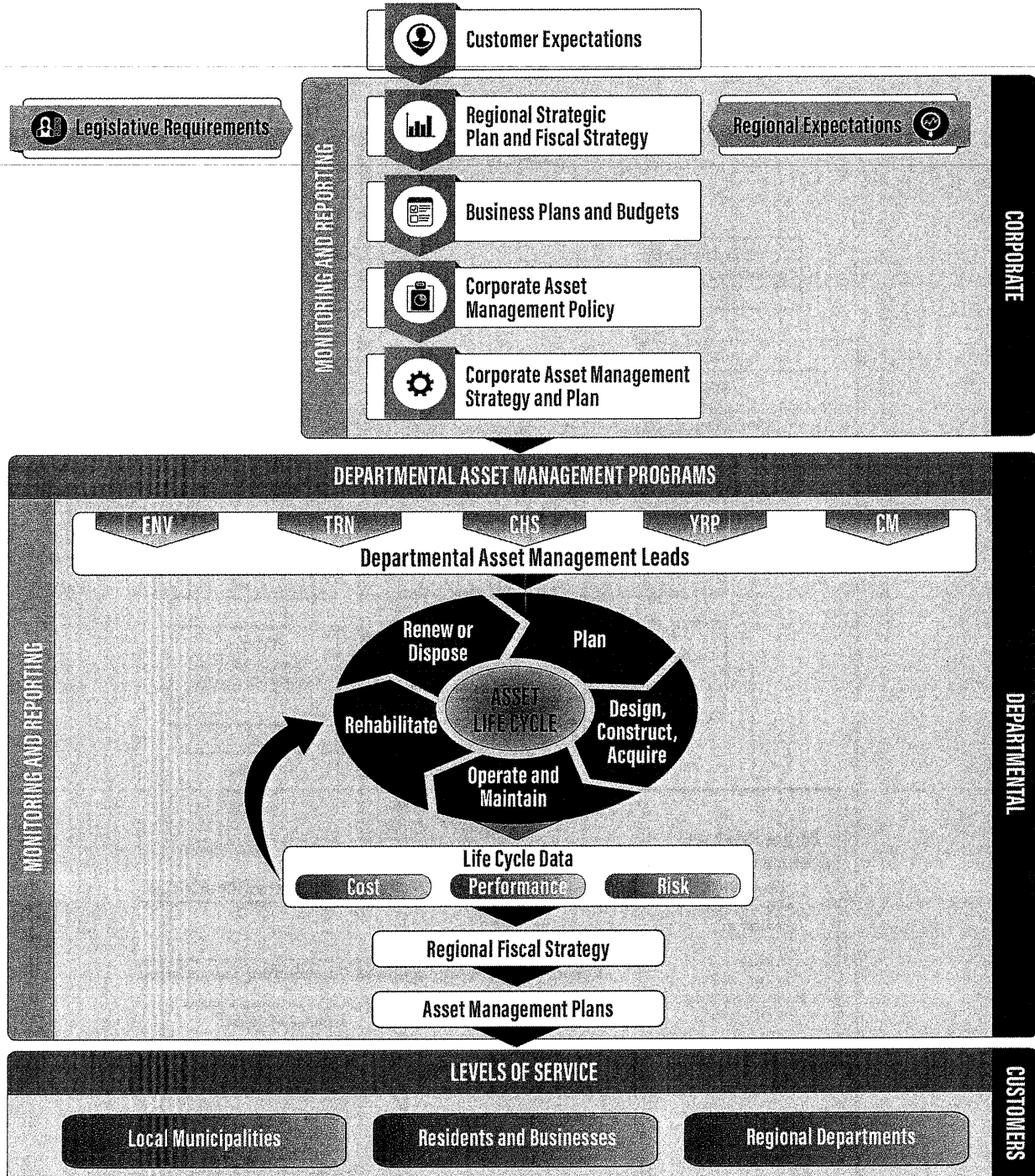
CORPORATE ASSET MANAGEMENT POLICY
February 15, 2018

8201695 (Policy)

5267618 (*Archived Policy*)

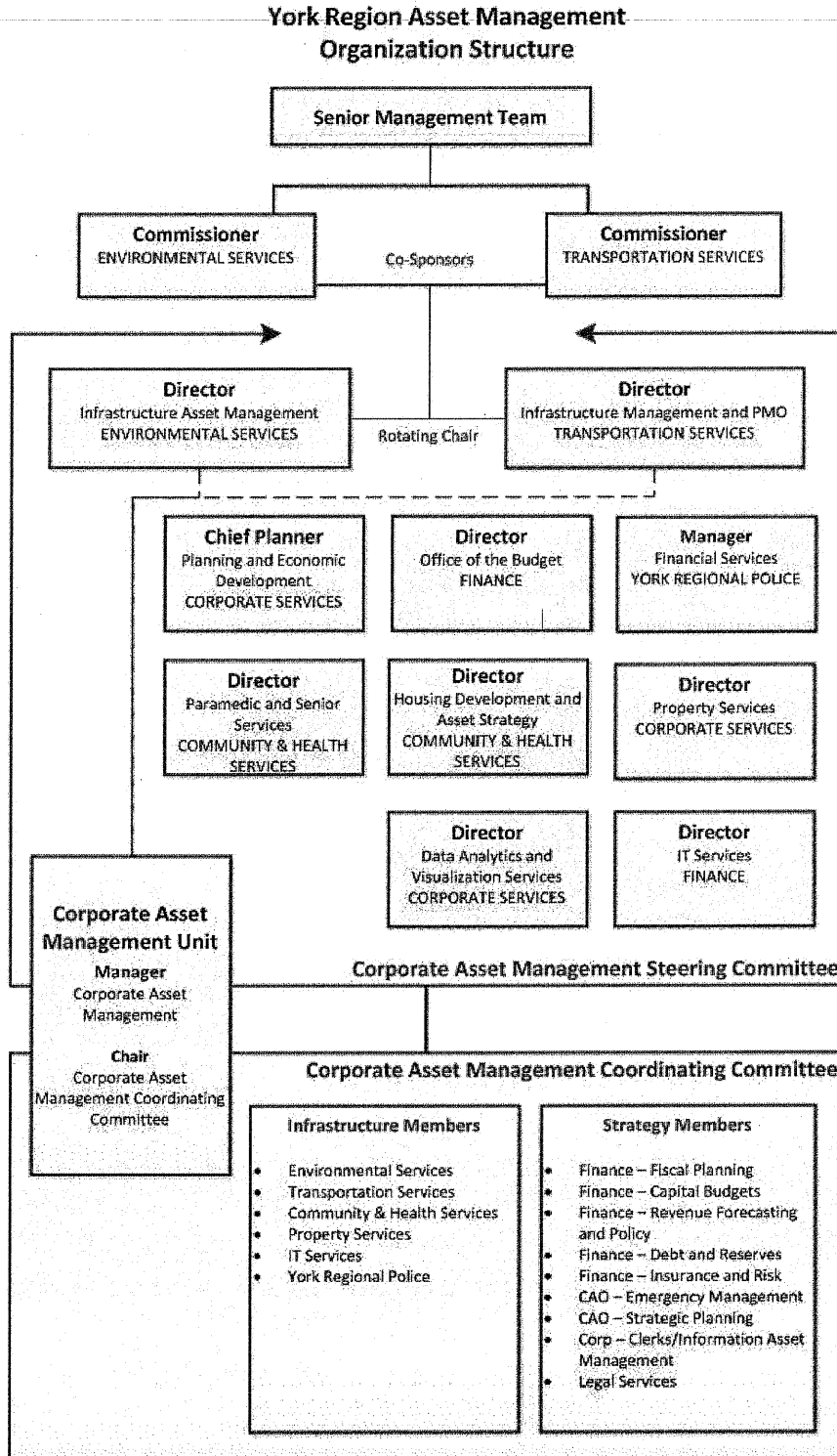
Accessible formats or communication supports are available upon request.

Appendix 1 – Corporate Asset Management Framework



DEPARTMENTAL ASSET MANAGEMENT LEADS:
 ENV - Environmental Services TRN - Transportation Services CHS - Community & Health Services
 YRP - York Regional Police CM - Corporate Management (includes Corporate Services & Finance)

Appendix 2 – York Region Asset Management Organization Structure



A161-005



Corporate Services
Regional Clerk's Office

February 16, 2018

Ms. Lisa Lyons
Director of Legislative Services/Town Clerk
Town of Newmarket
395 Mulock Drive, P.O. Box 328
Newmarket, ON L3Y 4X7

LEGISLATIVE SERVICES		
INCOMING MAIL	REFD TO	COPY TO
FEB 26 2018		

Dear Ms. Lyons:

Re: York Region 2017 Employment and Industry Report

Regional Council, at its meeting held on February 15, 2018, adopted the following recommendations regarding "York Region 2017 Employment and Industry Report":

1. The York Region 2017 Employment and Industry Report (Attachment 1) be circulated by the Regional Clerk to local municipalities, local Chambers of Commerce, Board of Trade and the Workforce Planning Board, Premier of Ontario, Ontario Minister of Economic Development and Growth, Minister of Infrastructure and Minister of Transportation.
2. The future York Region Employment and Industry Reports include statistics as they relate to the agricultural industry in each municipality. Statistics can be obtained by working with the following organizations: The Ontario Ministry of Agriculture Food & Rural Affairs (Analyst Tool); York Farm Fresh Organization; York Federation of Agriculture; Golden Horseshoe Food and Farming Alliance; and any other relevant local agricultural resource.

A copy of Clause 4 of Committee of the Whole Report No. 3 is enclosed for your information.

Please contact Paul Bottomley, Manager, Policy, Research and Forecasting at 1-877-464-9675 ext. 71530 or Doug Lindeblom, Director of Economic Strategy at ext. 71503 if you have any questions with respect to this matter.

Sincerely,

Christopher Raynor
Regional Clerk

/S. Dumont
Attachments

Clause 4 in Report No. 3 of Committee of the Whole was adopted by the Council of The Regional Municipality of York at its meeting held on February 15, 2018 with the following additional recommendation:

2. The future York Region Employment and Industry Reports include statistics as they relate to the agricultural industry in each municipality. Statistics can be obtained by working with the following organizations: The Ontario Ministry of Agriculture Food & Rural Affairs (Analyst Tool); York Farm Fresh Organization; York Federation of Agriculture; Golden Horseshoe Food and Farming Alliance; and any other relevant local agricultural resource.

4

York Region 2017 Employment & Industry Report

Committee of the Whole recommends:

1. Receipt of the presentation by Michael Skelly, Senior Planner, Long Range Planning.
2. Adoption of the following recommendation, *as amended*, contained in the report dated January 26, 2018 from the Commissioner of Corporate Services and Chief Planner:
 1. The York Region 2017 Employment and Industry Report (Attachment 1) be circulated by the Regional Clerk to local municipalities, local Chambers of Commerce, Board of Trade and the Workforce Planning Board, *Premier of Ontario, Ontario Minister of Economic Development and Growth, Minister of Infrastructure and Minister of Transportation.*

Report dated January 26, 2018 from the Commissioner of Corporate Services and Chief Planner now follows:

1. Recommendation

It is recommended that:

1. The York Region 2017 Employment and Industry Report (Attachment 1) be circulated by the Regional Clerk to local municipalities, local Chambers of Commerce, Board of Trade and the Workforce Planning Board.

2. Purpose

The Employment and Industry Report 2017 provides an overview of industry and business sectors and employment growth trends in the Region.

3. Background

Understanding Regional business and employment growth trends is important to support economic vitality

Business and job growth are fundamental to York Region's economic vitality. Attracting and retaining high quality, good paying jobs across a broad range of sectors promotes economic resilience and helps ensure those living in York Region have the opportunity to work and thrive where they live. Each year, the location, type and characteristics of businesses in the Region are tracked and analyzed. The data and analysis identify trends and informs the development of Regional policies, programs, marketing initiatives and infrastructure investments.

Data and analysis are shared with internal and external organizations to support policy and program development

The data and analysis contained in this report are valuable resources for the Region and local municipalities. The data is used by the Planning and Economic Development branch, other municipal departments, non-profit organizations and private sector groups.

Some key uses of the data include supporting preparation of employment growth forecasts used to inform long-term employment land needs, the Region's Development Charges By-law and infrastructure requirements in master plans for transportation and water and wastewater, monitoring targets in York Region's Official Plan, identifying economic trends and emerging sectors, and maintaining Regional and local business directories.

York Region's Employment Survey is one of a number of sources of data used to monitor economic trends

Since 1998, the Region has conducted surveys of businesses with a physical location across the nine municipalities. The survey provides qualitative and quantitative data of the Region's businesses that can be compared over time to identify trends. Since 2012, the employment survey has been collecting home-based data on a voluntary basis in an effort to report on home-based business

trends. Home-based businesses are encouraged to submit information through the York Region website.

The Employment Survey is cross-referenced with the 2016 Census

Statistics Canada released its 2016 Census labour force data on November 29, 2017. According to the Census there were 532,895 jobs in York Region during the data collection week of May 10, 2016. The York Region employment survey recorded 600,800 jobs during a similar data collection period of May-August 2016, a difference of 67,900 jobs.

There are several key differences between the data gathered in York Region's employment survey and Statistics Canada Census data. The York Region survey gathers information directly from businesses whereas the Census collects data from employees at their place of residence. The Region's survey, therefore, collects data directly from the employment source potentially eliminating error. In addition, the Region's employment survey represents a 100% sample of York Region businesses with a physical location, whereas the Census is based on a 25% sample of employees.

Another key difference between the Census and the Employment Survey is the ability for the survey to capture seasonal jobs after May and jobs for people in the labour force who hold multiple jobs, which due to differences in survey methodology, the Census does not capture. If we exclude the types of employment the Census does not capture the Region's survey and the Census number become more closely aligned.

Other information sources used within the report for comparative analysis include Statistics Canada Canadian Business Counts and Labour Force Survey, CEB TalentNeuron (formerly known as, Wanted Analytics) online job postings and publicly available announcements regarding business acquisitions in the Region. Details regarding data sources and methodology are contained within Attachment 1.

4. Analysis and Implications

National and Provincial Overview

York Region's employment growth outpaced national, provincial and GTA averages

Employment growth in York Region has outpaced national, provincial and Greater Toronto Area (GTA) employed labour force growth between mid-year 2016 and mid-year 2017, posting a gain of 3.3%, a slightly lower growth rate than 2016 (3.6%) (see Table 1). Over the past five years York Region has grown at an average annual rate of 3.2%, outperforming growth rates in the national (2.1%), provincial (1.8%) and GTA (1.4%) economies.

Table 1
Comparison of Annual Labour Force and Employment Growth Rates: Canada, Ontario, GTA and York Region, 2012-2017*

	Canada	Ontario	Greater Toronto Area	York Region
2012-2013	1.4%	2.0%	4.5%	4.0%
2013-2014	0.5%	0.5%	-1.5%	2.3%
2014-2015	1.0%	1.1%	4.3%	2.8%
2015-2016	0.4%	0.5%	0.9%	3.6%
2016-2017	2.1%	1.8%	1.4%	3.3%

Source: York Region Planning and Economic Development Branch and Statistics Canada's Labour Force Survey, 3-month moving average, unadjusted for seasonality

*Note: The Statistics Canada's labour force data provides a broad overview of labour force trends at the national, provincial and GTA levels. Direct comparisons should not be drawn when comparing the Statistics Canada's employed labour force data to York Region's employment survey data. Refer to Attachment 1 on page 3 for a more detailed explanation.

Services-producing sectors are the primary drivers of national, provincial and GTA employed labour force growth

Between mid-year 2016 and mid-year 2017, national employment increased by 2.1% (378,100 jobs), compared to 0.4% or 71,300 jobs from 2015 to 2016. Employment growth in services-producing sectors such as the professional, scientific and technical services, transportation and warehousing, and the public administration subsectors were the primary drivers of this growth.

Labour force employment in Ontario increased by 1.8% (130,100 jobs). Similar to national employment gains, the majority of the province's growth was driven by employment in services-producing industries.

GTA employed labour force growth, also driven primarily by services-producing sectors, was not as strong at 1.4% (46,700 jobs). The goods-producing sectors saw losses in all subsectors including construction, manufacturing and utilities totalling 25,300 jobs. The services-producing sectors recorded an increase of 72,100 jobs, compared to 11,000 over the previous year. Health care and social services and transportation and warehousing reported the largest gains, while public administration reported a loss of 11,300 jobs across the GTA.

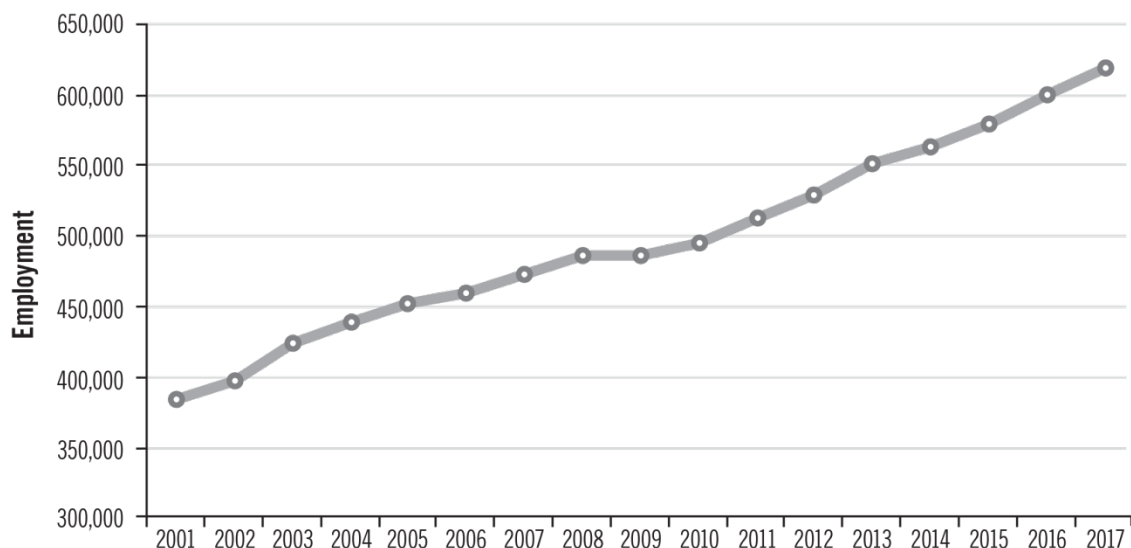
York Region Employment

York Region employment continues to grow at a steady pace

According to York Region's employment survey, employment rose to an estimated 620,530 jobs in 2017, an increase of 3.3% or 19,780 jobs from 2016.

This total includes surveyed employment figures from contacted firms, 2016 census of agriculture jobs and estimates for work at home employment and for businesses the Region was unable to contact.

Figure 1
York Region Total Employment Estimate 2001-2017



Source: Employment figures for 2001 and 2006 are based on Statistics Canada Census data.

Employment figures from 2002-2005 and 2007-2017 are based on York Region's estimated total employment.

Note: York Region figures are based on employment survey results with estimates for home-based, farm-based, and no contact businesses. Historical employment figures were revised from those released in previous Employment and Industry reports based on updated information.

Since 2001, York Region's employment has grown by 235,070 jobs (Figure 1), representing a strong average annual growth rate of 3%. This balanced rate of growth continues to align with the population growth rate for the same time period (3%) and provides job opportunities for existing and future York Region residents.

Annual Employment Growth of 11,400 is required to meet the 2031 employment forecast

Due primarily to the 2008-2009 recession, employment levels are below York Region's 2031 Official Plan forecast. At 620,530 estimated jobs in 2017, an additional 159,470 jobs or 11,400 jobs annually are required to meet the 2031 employment target of 780,000 jobs in the YROP (2010). Over the past five years, the Region has added on average 15,600 jobs annually. If the Region maintains this rate of job growth, the 2031 employment forecast will be reached.

York Region has a diverse and resilient economy

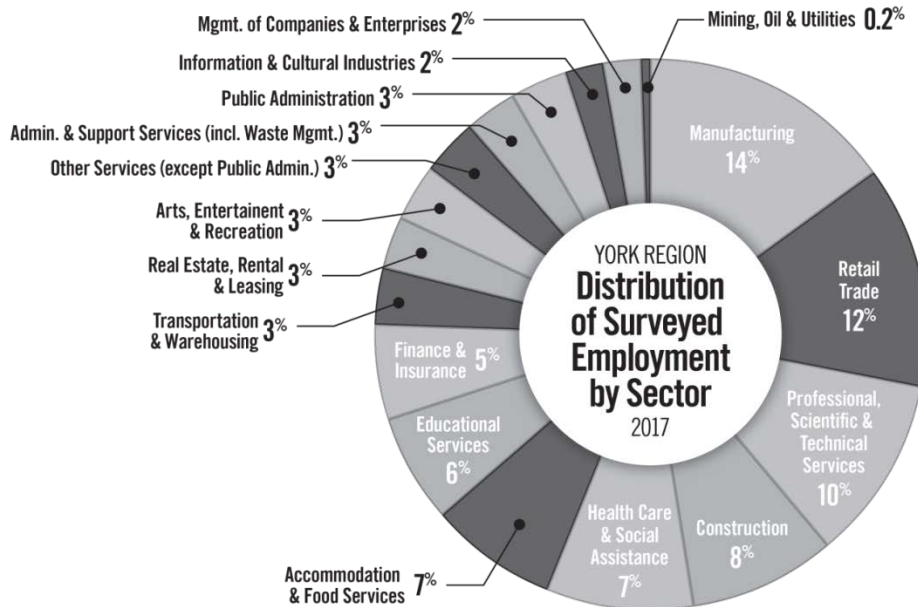
York Region has a diverse economic base with employment across a broad range of sectors. This is vital to maintaining the Region's resiliency to any future economic downturn.

According to the York Region employment survey, the manufacturing, retail trade, and professional, scientific and technical services sectors accounted for the largest shares of surveyed employment by mid-year 2017. Figure 2 demonstrates the diversity of the Region's employment base.

Contract/Seasonal/Temporary employment steadily increased over the last decade

Between 2007 and 2017 the number of contract/seasonal/temporary employees has been steadily increasing. In 2007 the share of this employment category was 4.5%, while in 2017 it was 13.4%. As the share of contract/seasonal/temporary employment increases, full-time employment has decreased from 76% in 2007 to 69% in 2017. Although full time employment remains strong, the steady increase of contract/seasonal/temporary employment is indicative of the shifting job market since the 2008-2009 economic downturn and the rise of contract work that followed.

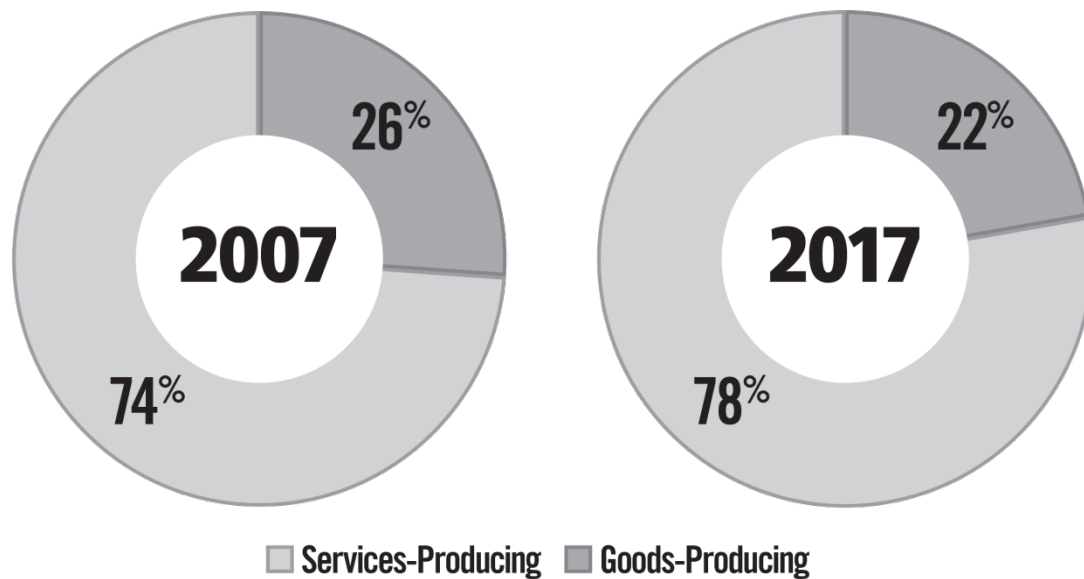
Figure 2
York Region Distribution of Surveyed Employment by Sector, 2017



The York Region economy continues its shift to services-oriented sectors

In 2017, the majority of the Region's workforce was employed in services-producing sectors, accounting for 78% of the Region's surveyed employment base. This compares to 74% in 2007 (Figure 3).

Figure 3
Surveyed Employment by Goods and Services-Producing Sectors, 2007 and 2017



Source: York Region Planning and Economic Development Branch, 2007 and 2017 Employment Surveys

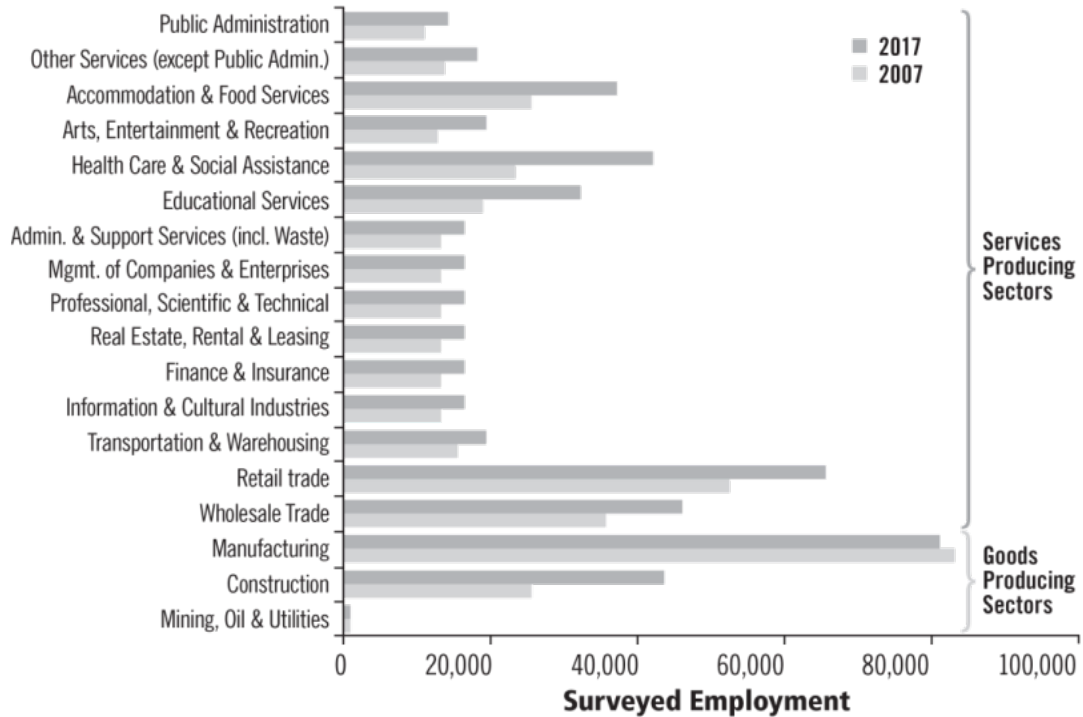
The services-producing industries include businesses offering services such as technology support, financial services, research and development as well as the sale of goods, provision of personal services, educational services, real estate, wholesale trade and transportation/warehousing. Businesses in the goods-producing industries make tangible products and are primarily found in the manufacturing and construction sectors.

York Region Services-Producing Sectors

Strong job growth experienced by key knowledge-based sectors in York Region

Similar to national and provincial trends, the York Region economy continues to undergo a shift toward more knowledge-based, service-oriented jobs. Over the past ten years, employment in services-producing sectors increased by 3.4% on an average annual basis, adding 125,190 jobs to the Region's employment base (Figure 4). Comparatively, employment in the goods-producing sectors grew at a more moderate pace of 1.4% annually, adding 16,030 jobs.

Figure 4
 York Region Surveyed Employment by Sector,
 2007 and 2017



Key trends observed in the services-producing sectors over the last 10 years include the following:

- Finance and insurance was the fastest growing sector growing by 7.8% and adding over 16,000 jobs
- Health care and social services was the second fastest growing sector, employing a total of 42,000 people in York Region in 2017
- Real Estate and Rental and Leasing experienced a 7% increase in employment or 9,600 jobs
- The retail trade sector continues to be among the Region's top employment growth sectors adding 13,080 jobs and growing by 2.3%

Key trends overserved in the goods-producing sectors over the last 10 years include the following:

- Manufacturing continues to hold the largest share of total employment in York Region. Goods-producing sectors have rebounded since the economic recession with manufacturing adding approximately 5,600 jobs since 2012
- The construction subsector has added almost 18,000 jobs, growing at an annual average rate of 5.4%

For a more detailed analysis of York Region's key growth sectors please refer to Attachment 1 of this report.

Foreign Direct Investment in York Region, mostly from the U.S., remains a key driver of local economic activity and employment

Foreign-owned companies are an important part of the Regional economy, accounting for a significant share of jobs and business activity in York Region. York Region is home to Canadian head offices or major operations of global companies in all sectors such as IBM, AMD, Johnson & Johnson, Oracle, Toshiba, Siemens, GE, Allstate, Huawei, Aviva, UPS, Lexmark, Staples, Teva, Honda, Mazda, General Motors, WorleyParsons, Lenovo, FedEx, and Levi's.

There are an estimated 500 local subsidiaries or operations of foreign companies in York Region, representing almost one in 10 of all jobs. Over 90% of the foreign owned companies operating in the Region are concentrated in the municipalities of Markham, Vaughan and Richmond Hill.

International businesses in York Region typically employ, on average, significantly more employees than local businesses and often include higher paid, knowledge-based jobs. Information and Communications Technology (ICT) is the top industry cluster of foreign-owned businesses in York Region.

Employment Lands

York Region's employment lands continue to provide a highly competitive and diverse employment market

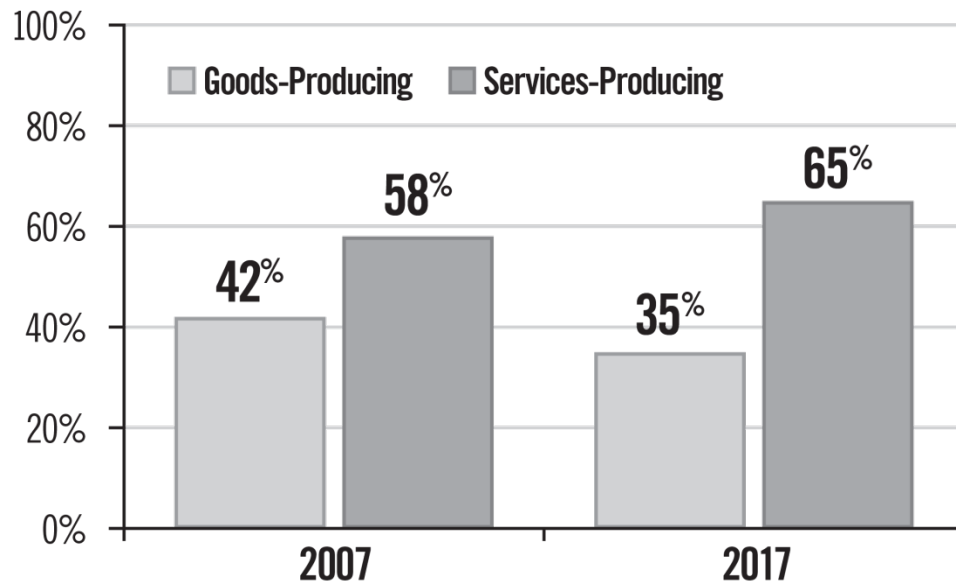
The Region categorizes employment into three employment types. Major office employment, which includes employment occurring in free standing buildings of 1,860 square metres (20,000 square feet) or larger and forms a key part of the Region's strategy for maintaining and attracting high quality jobs. Population related employment includes local population servicing employment such as retail, services, education, municipal government, institutions and community services and increases mainly in response to population growth. Employment land employment includes business activities such as manufacturing, research and development, warehousing and ancillary retail and service uses, taking place within the Region's employment lands.

Employment lands in York Region play a vital role in York Region and are ideally located in close proximity to major highways, intermodal facilities, rail, and to the U.S. market with access to skilled labour and post-secondary institutions. York Region's employment lands have provided developers and end users with a broad range of market choice with respect to site selection, transportation access/exposure, zoning, and land value for non-residential development.

In 2017, York Region employment lands accommodated approximately 335,660 of the region's 620,530 total jobs representing 54% of the employment base. Between 2007 and 2017, the following three sectors experienced the largest growth within employment lands: construction (34,300 jobs), wholesale trade (16,070 jobs) and finance & insurance (12,800 jobs). Figure 5 illustrates the makeup of the Region's employment lands, dividing employment into the goods and services producing sectors.

Manufacturing continues to hold the largest share of employment on the Region's employment lands with 23% of jobs. However, market demand on employment lands has been increasingly driven by growth in the 'knowledge-based' economy including goods movement. The professional, scientific and technical services and finance and insurance sectors combined account for a 21% share of employment on employment lands demonstrating this shift to accommodate new employment uses.

Figure 5
Distribution of Goods and Services Producing Employment On Employment Lands, 2007-2017



Source: York Region Planning and Economic Development Branch, 2007 and 2017 Employment Surveys

Factors Contributing to Economic Growth in York Region

York Region continues to be an attractive and vibrant economic area and has a number of advantages that will continue to attract employees and employers. As Ontario's fastest growing large municipality and third largest business hub, York Region is a top destination in the Toronto area and Canada for business, talent, and investment.

The Region's economy is underlined by core attributes such as: strong population and employment growth, a skilled labour force; a high quality of life that attracts top global talent; established and diversified industry clusters; major infrastructure and transportation investments; and locational and accessibility factors amongst others. As the Regional Centres and Corridors continue to evolve and mature, these core attributes combined with a competitive office real estate market, investments in digital broadband infrastructure, and innovation in a number of areas are key elements contributing to York Region continuing as a leading economic centre in the GTA.

Business and job growth is supported by transit investments in the Region

Road and transit infrastructure, and in particular the new Vaughan Metropolitan Centre (VMC) subway station in York Region, are critical in creating and supporting desirable business locations. The new subway will be a catalyst for office development in the VMC and assist in achieving the Region's Centres and Corridors vision of mixed use centres. Regional Express Rail will soon bring two-way all day service to GO Transit stations in York Region, greatly improving the level of service. Construction continues on Bus Rapid Transit within dedicated rights-of-ways along Regional corridors. Transit investment helps connect people and jobs more efficiently leading to increased productivity.

Data and analysis from the Employment and Industry Report 2017 is directly linked to the Regional Municipal Comprehensive Review

Regional Council approved the updated Municipal Comprehensive Review work plan on [October 19, 2017](#). The work plan includes preparation of an Employment Strategy leading to updated employment policies and designation of employment areas in the Regional Official Plan. The employment survey data provides information that will be used to complete the Region's employment strategy. A series of reports will be brought forward to Council throughout 2018 and 2019 commenting on the following:

- A detailed analysis on historical employment trends in York Region
- A vacant and occupied employment land analysis
- Future employment trends in York Region
- Updated employment policies and mapping in the Official Plan designating employment lands

The Employment and Industry Report 2017 supports the 2015-2019 Strategic Plan and Vision 2051

Annual reporting on detailed employment and sectoral analysis enables the Region to make informed decisions and implement initiatives that enhance economic vitality and foster an innovative economy. Data collected is used to support monitoring of employment targets in the Regional Official Plan. Economic research and analysis is a program focus area within the Economic Development Action Plan. Data from the employment survey assists in measuring outcomes of action areas in this Plan such as the Office Attraction Strategy which tracks office

development and tenant activity in York Region and the Workforce/Labour Force Development action area. These strategies have influenced job growth and attracted a number of businesses in the Centres and Corridors.”

5. Financial Considerations

Work related to generation and analysis of employment data is completed by internal resources and all costs are addressed in the approved Planning and Economic Development branch budget. The annual employment survey is conducted in partnership with the nine local municipalities, at a shared cost.

6. Local Municipal Impact

Local municipalities use the information and analysis generated in the Employment and Industry report to identify and report economic trends on an annual basis, to assist in developing business retention and expansion strategies, produce local business directories and inform employment land strategies.

Information from the York Region employment survey was collected with the assistance and support of all nine local municipalities including financial assistance and survey promotion. The results, including a detailed database, are provided to each municipality for their use.

7. Conclusion

The 2017 Employment and Industry report identifies key trends in Regional businesses and employment growth.

York Region has a large, diverse economy with strong growth experienced in recent years primarily in the services-producing sectors as well as recovery in the goods-producing sectors. According to York Region’s employment survey, employment rose to an estimated 620,530 jobs in 2017. This sustained employment growth continues to diversify the Region’s economy and promote economic resilience, vitality and liveability.

For more information on this report, please contact Paul Bottomley, Manager, Policy, Research and Forecasting at 1-877-464-9675 ext. 71530 or Doug Lindeblom, Director of Economic Strategy at ext. 71503.

The Senior Management Group has reviewed this report.

January 26, 2018

Attachment (1)

8161187

Accessible formats or communication supports are available upon request

2017 EMPLOYMENT & **INDUSTRY** REPORT

A detailed overview of industry and employment trends in York Region

FEBRUARY 2018





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INTRODUCTION

HIGHLIGHTS

- There were an estimated **620,530 jobs** in York Region as of mid-year 2017
- Between 2016 and 2017, York Region employment grew by **19,780 jobs** or **3.3 per cent**
- **69 per cent** of York Region's surveyed employment was full-time
- **78 per cent** of surveyed employment in York Region is in services-producing sectors
- The manufacturing, retail trade, and professional, scientific and technical services sectors held the largest shares of surveyed employment in 2017
- The finance and insurance sector recorded the largest employment gain in terms of absolute growth increasing by **3,730 jobs**
- Employment lands represent **54 per cent** of York Region's employment base
- York Region surveyed **33,650 businesses** in 2017
- The number of surveyed businesses that employ **500 or more employees** grew by **13 per cent** between 2016 and 2017

Business and job growth are fundamental to York Region's economic vitality. Attracting and retaining high quality, good paying jobs across a broad range of sectors promotes economic resilience and helps ensure those living in York Region have the opportunity to work and thrive where they live. Each year, through various sources, the location, type and characteristics of businesses in the Region are tracked and analyzed. It is important to understand and regularly monitor this type of information, as well as year over year trends, as it informs the development of Regional policies, programs, marketing initiatives and infrastructure investments.

The *Employment and Industry Report 2017* provides an economic overview of the Region's business and job growth. The data utilized in this report is obtained from a number of sources. The Region has conducted an industry wide survey of businesses across the nine municipalities annually since 1998. The survey provides a snap shot of the Region's businesses that can be compared over time to identify trends.

Other sources of information used within the report include Statistics Canada's Canadian Business Counts (formerly known as Canadian Business Patterns) and Labour Force Survey, CEB TalentNeuron (formerly known as Wanted Analytics) online job postings and publicly available announcements regarding business activity in the Region. Details regarding data sources and methodology are contained within appendices A and B.



➔ York Region
employment was
estimated at
over 620,000
jobs for 2017

NATIONAL and PROVINCIAL OVERVIEW

In 2017 York Region job growth outpaced national, provincial and GTA labour force employment growth

TABLE 1 - Comparison of Annual Employment Growth Rates: Canada, Ontario, Greater Toronto Area (GTA) and York Region, 2017

	Canada	Ontario	Greater Toronto Area ¹	York Region ²
2012-2013	1.4%	2.0%	4.5%	4.0%
2013-2014	0.5%	0.5%	-1.5%	2.3%
2014-2015	1.0%	1.1%	4.3%	2.8%
2015-2016	0.4%	0.5%	0.9%	3.6%
2016-2017	2.1%	1.8%	1.4%	3.3%

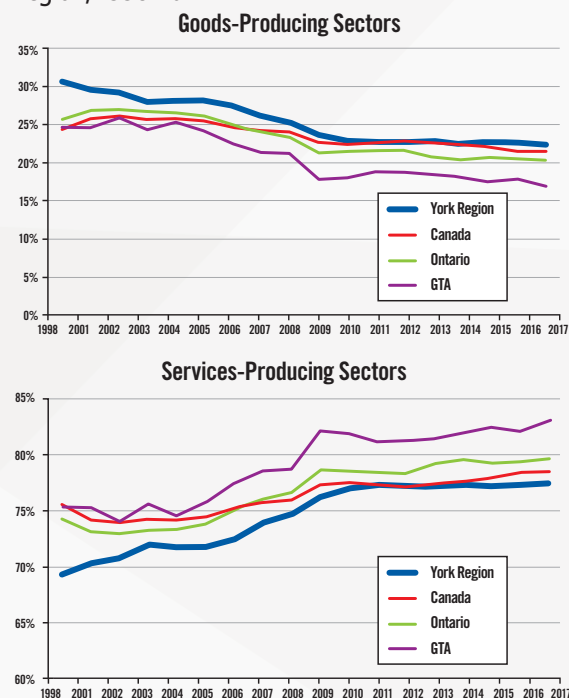
Source: York Region Planning and Economic Development Branch and Statistics Canada's Labour Force Survey, 3-month moving average, unadjusted for seasonality.

Notes: ¹ Greater Toronto Area labour force employment growth approximated by the Toronto Economic Region

² York Region figures based on 2017 employment survey results and estimates for home-based, farm-based, and no contact businesses.

The Statistics Canada's labour force data provides a broad overview of employment trends at the national, provincial and GTA levels. Direct comparisons should not be made when comparing the Statistics Canada's labour force data to York Region's employment survey data.

FIGURE 1 - Distribution of Goods and Services Producing Employment, Canada, Ontario, GTA, York Region, 1998-2017



Source: York Region figures based on 2017 employment survey results. Canada, Ontario and GTA figures based on Statistics Canada Labour Force Survey, 3-month moving average, unadjusted for seasonality, ending in August 2017

York Region employment growth outpaced national, provincial and GTA labour force employment growth between mid-year 2016 and mid-year 2017, posting a gain of **3.3 per cent**, a slightly lower growth rate than 2016 (3.6 per cent) (Table 1).

According to the Statistics Canada Labour Force Survey, Canada (2.1 per cent) and Ontario (1.8 per cent) posted higher labour force employment growth between mid-year 2016 and mid-year 2017 compared to the same time period from 2015 to 2016. The Greater Toronto Area (GTA) labour force increased at a more modest rate of **1.4 per cent**.

It is important to note that while Statistics Canada's labour force data is useful for trend analysis, there are high levels of variability in the data and the information is not directly comparable to York Region's employment estimate. The labour force survey represents GTA residents of working age who may or may not work in the GTA. The annual York Region employment survey data records the number of jobs in the Region and is comprised of working age individuals who work in York Region and who may or may not be residents of the Region.

Services-producing industries continue to grow steadily in York Region, provincially, and nationally

Since 1998, the share of service-oriented jobs for Canada, Ontario, the GTA and York Region has shown steady growth (Figure 1). In comparison, the share of employment in the goods-producing sectors has shown a gradual decline over time. Yet, York Region has consistently held a larger share of goods-producing employment than Canada, Ontario and the GTA.



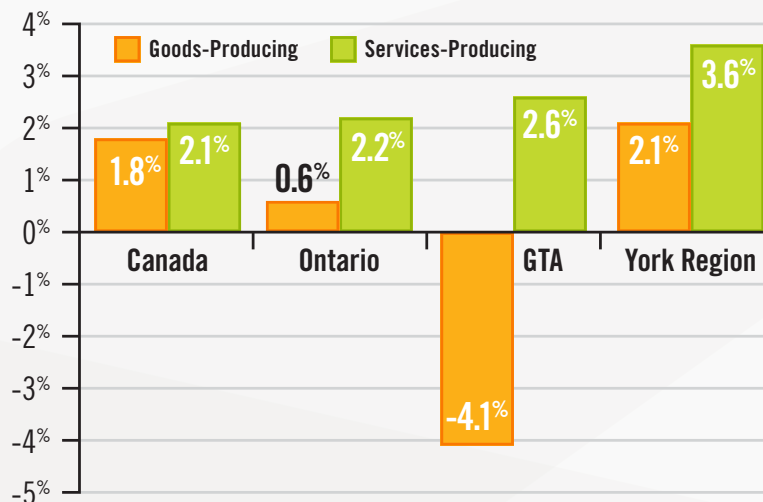
NATIONAL and PROVINCIAL OVERVIEW

Between mid-year 2016 and mid-year 2017 York Region, Canada and Ontario each experienced growth in the goods-producing sectors, while the GTA as a whole experienced a loss of employment of **4.1 per cent** in these sectors (Figure 2). The decline for the GTA occurred in all of the goods-producing sub-sectors including construction, utilities and manufacturing. This is a stark contrast compared to the previous year's figures where the GTA posted a **3.8 per cent** increase in goods-producing sectors. Canada's services-producing industries increased by **2.1 per cent** over the year with strong growth in the professional, scientific and technical services subsector (**+81,900 jobs, 5.8 per cent growth**), transportation and warehousing subsector (**+38,700 jobs, 4.2 per cent growth**), and the public administration subsector (**+35,600 jobs, 1.6 per cent growth**).

Overall, employment in Ontario increased by **130,400 jobs** or **1.8 per cent** from mid-year 2016 to mid-year 2017. The majority of the province's growth was driven by employment in services-producing industries, with professional, scientific and technical services topping the list in terms of absolute and percentage growth (**+46,100 jobs, 7.7 per cent growth**), followed by transportation and warehousing (**+18,600 jobs, 5.8 per cent growth**). Ontario's goods-producing industries saw growth of **8,700 jobs** or **0.6 per cent**. Both manufacturing and construction subsectors contributed to growth in this sector. The manufacturing sector increased by **18,900 jobs** or **2.5 per cent** and construction sector increased by **3,200 jobs** or **0.6 per cent**.

As previously mentioned, the GTA's goods-producing sector declined sharply from the previous year, at **4.1 per cent**, a loss of **25,200 jobs**. However, total GTA employment increased by **46,800 jobs** or **1.4 per cent**. The subsectors posting the largest growth in the GTA included transportation and warehousing (**+24,900 jobs, 14.8 per cent growth**), the professional, scientific and technical sector (**+24,600 jobs, 6.6 per cent growth**) and wholesale and retail trade (**+27,600 jobs, 5.4 per cent growth**).

FIGURE 2 - Employment Growth Rates for Goods and Services Producing Sectors, Canada, Ontario, GTA and York Region, 2016-2017



Source: York Region figures based on 2017 employment survey results. Canada, Ontario and GTA figures based on Statistics Canada Labour Force Survey, 3-month moving average, unadjusted for seasonality.

YORK REGION EMPLOYMENT ANALYSIS

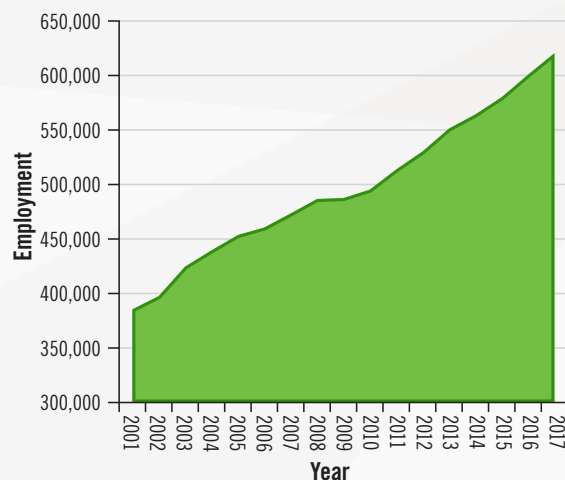
York Region employment was estimated at 620,530 jobs for 2017

TABLE 2 - York Region Total Employment Estimate 2017

York Region Total Employment Estimate 2017	
Surveyed Employment	561,845
No Contact Estimate	5,440
Agriculture	3,255
Work at Home Estimate	49,990
Total	620,530

Source: York Region Planning and Economic Development Branch Employment Survey, 2017

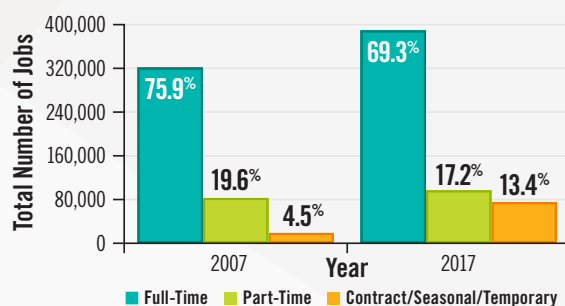
FIGURE 3 - York Region Estimated Total Employment Growth, 2001-2017



Source: Employment figures for 2001 and 2006 are based on Statistics Canada Census data. Employment figures from 2002-2005 and 2007-2017 are based on York Region's estimated total employment.

Note: York Region figures based on employment survey results and estimates for home-based, farm-based, and no contact businesses. Historical employment figures were revised from those released in previous Employment and Industry reports based on updated information.

FIGURE 4 - York Region Surveyed Employment by Type of Worker, 2007 and 2017



Source: York Region Planning and Economic Development Branch Employment Survey, 2017

As of mid-year 2017, the Region's total employment was estimated to be **620,530 jobs**. This estimate is based on the Region's employment survey and includes job totals from contacted firms, census of agriculture jobs, estimates for work at home employment and for businesses that the Region was unable to contact.

Table 2 outlines how the 2017 total employment estimate was derived.

York Region continues to be one of Canada's fastest growing municipalities and over the last five years the average annual growth in employment and number of businesses has been approximately **3 per cent**. Since 2001, the Region's employment has grown by **235,070 jobs** representing a strong average annual growth rate of **3 per cent** (Figure 3). This number aligns with the Region's annual population growth rate during the same time period (3 per cent). A balanced rate of growth in population and employment provides job opportunities for both existing and future York Region residents.

YORK REGION EMPLOYMENT by TYPE OF WORKER

Contract/Seasonal/Temporary workers are the fastest growing employment type in York Region

Full-time workers continue to account for the largest share of employment type in York Region at **69.3 per cent**. However, contract/seasonal/temporary employment is the fastest growing with an increase in share from **4.5 per cent** in 2007 to **13.4 per cent** in 2017, representing average annual growth of **15 per cent**. Over the same decade full-time employment decreased from **75.9 per cent** to **69.3 per cent**, while part-time workers declined from **19.6 per cent** to **17.3 per cent** (Figure 4).



YORK REGION EMPLOYMENT ANALYSIS

Full-time employment is an important labour market indicator of economic performance and the Region continues to demonstrate strength in full-time employment opportunities for its residents, attracting a highly-skilled labour force. Providing opportunities for other types of employment such as part-time and contract/seasonal/temporary is also important for residents as attitudes on work-life balance and work preferences change. Although York Region has historically maintained a healthy proportion of full-time employment, it is still important to monitor trends in changes to employment type composition as it may have future implications on the Region's economic well-being.

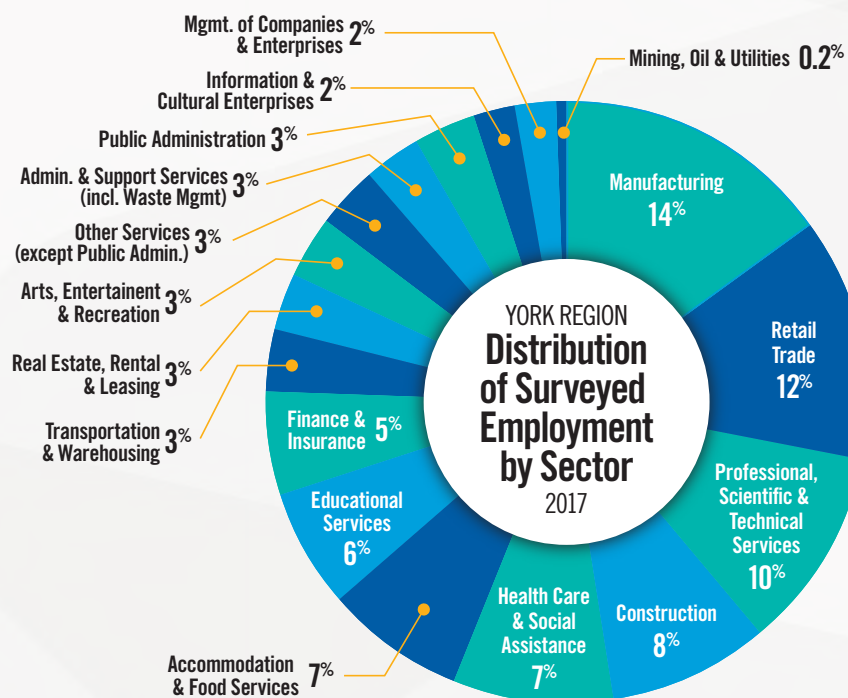
EMPLOYMENT ANALYSIS by SECTOR

The diversity of York Region's employment base promotes a resilient economy

The following section provides a detailed analysis of York Region's employment using Statistics Canada's North American Industrial Classification (NAIC) system. A comprehensive list of the NAIC sectors can be found in Appendix B.

York Region has a diverse economic base. The manufacturing, retail trade and professional, scientific and technical services sectors accounted for the largest shares of surveyed employment by mid-year 2017 (Figure 5). Available employment in a broad range of sectors is key to securing the Region's resiliency to any future economic downturn.

FIGURE 5 - York Region Distribution of Surveyed Employment by Sector, 2017



Source: York Region Planning and Economic Development Branch, 2017 Employment Survey

YORK REGION EMPLOYMENT ANALYSIS

The York Region economy continues a shift to services-oriented sectors

The share of the Region's workforce in the services-producing sectors continues to grow. In 2017, the majority of the Region's workforce was employed in services-producing sectors, accounting for **78 per cent** of the Region's surveyed employment base, compared to **74 per cent** in 2007 (Figure 6). Employment in the goods-producing sectors accounted for **22 per cent** of the Region's total surveyed employment in 2017 compared to **26 per cent** in 2007.

Employment in the services-producing sectors grew by **15,330 jobs** or **3.6 per cent** between mid-year 2016 and mid-year 2017. Over the past ten years, over **125,190 service-oriented jobs** were added to the Region's employment base representing an increase of **40 per cent** in these sectors.

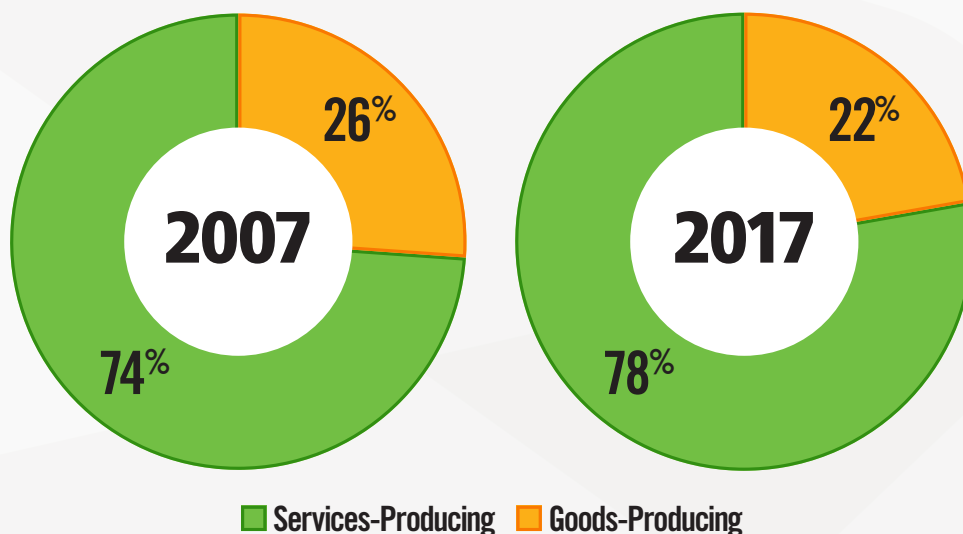
KEY SERVICES-PRODUCING GROWTH SECTORS

The finance and insurance sector has grown at an annual rate of 7.8 per cent over the past 10 years

The **Finance and Insurance** sector continues to grow, adding **3,700 jobs** from mid-year 2016 to mid-year 2017, a **14 per cent** increase. This sector has been growing at an annual rate of **7.8 per cent** over the last 10 years. TD Insurance and Aviva Insurance's new head offices contributed to growth of over **2,000 jobs** within the insurance carrier subsector over the past year. In addition to these firms, expansions and investments of local companies continues to add to the growth in the finance and insurance sector.

York Region is home to corporate or divisional back-end operations (e.g. processing and call centers) of many financial and insurance institutions, alongside hundreds of branch-level places of employment.

FIGURE 6 - York Region surveyed employment by goods and services-producing sectors, 2007-2017



Source: York Region Planning and Economic Development Branch, 2007 and 2017 Employment Surveys



YORK REGION EMPLOYMENT ANALYSIS



While the financial and insurance services industry across the GTA and York Region continues to grow, traditional service delivery is being disrupted by innovations in the areas of Financial Technology (FinTech) and automation. The emergence of on-line banking has had a significant adverse impact on branch-level jobs and global industry leaders predict further impacts on financial sector head office and back-end employment as FinTech adoption expands within the industry.

Health care and social services sector has added 18,730 jobs since 2007

Employment growth in the **health care and social services** sector has been strong over the last 10 years in the Region. This sector has grown at an average annual rate of **6.1 per cent** since 2007 adding **18,730 jobs**, making it the second fastest-growing sector during this time period. Over the last year this sector has added **1,250 jobs**. Steady growth within this sector is expected to continue as the population ages and requires access to medical care and support services.

Growth in this sector brings new opportunities for innovation in the Region. Examples include the CreateIT Now accelerator, ORION at Southlake Regional Health Centre, the new Mackenzie Vaughan Hospital, Vaughan International Commercialization Centre (VICC), Leo Innovation, the Mackenzie Health Centre, and the Pulse hub accelerator at venture LAB.

Retail Trade represents the largest share of employment in the services-producing sector

The **retail trade** sector is closely tied to population growth and has added **13,000 jobs** and grown **2.3 per cent** annually from 2007-2017. The retail trade sector represents the largest share of employment in the services-producing industry sectors with **11.7 per cent** or **65,540 jobs**. The growth of e-commerce continues to transform the brick and mortar retail model. Firms are increasingly pushing for a digitally-enabled shopping experience. These trends are expected to continue to negatively impact employment in both big box and mainstream retail across the GTA, including in York Region. While consumers continue to spend more online, major traditional retailers such as Sears and Loblaws, alongside smaller chains, have been forced to close or downsize their operations over the past few years.

YORK REGION EMPLOYMENT ANALYSIS



A related trend closely linked to the rise in e-commerce is the growth of the logistics, shipping and delivery industry in York Region. Many of the newer warehousing and logistics facilities are automated. Therefore, while having a significant space footprint these employers do not create enough new jobs to offset any decline in retail jobs. The retail climate is ever-changing and the Region closely monitors changes to this sector and its impacts on employment.

The professional, scientific, and technical services sector added 1,850 jobs in 2017

Over the past year, **the professional, scientific and technical services** sector recorded over **1,850 additional jobs** increasing by **3.6 per cent**. This sector attracts highly-skilled workers and includes subsectors such as information technology, legal services, accounting, engineering and technical services, architectural and interior design services, management consulting and research and development. It continues to hold the second-highest share of employment of the services-producing industry sectors with a **9.6 per cent share**, or **53,950 jobs**, of total surveyed employment in the Region. Some global companies within the Region in this sector include professional and scientific services companies such as IBM, AMD, Deloitte, AECOM, Parsons, Worley Parsons, Oracle, Compugen, PwC and WSP Canada.

The real estate and rental and leasing sector has grown by 11.7 per cent over the past year

The previous year's heated real-estate market impacted employment growth in the Region as the **real estate and rental and leasing** sector experienced an **11.7 per cent** increase in employment from 2016 to 2017, or **2,050 jobs**. According to the Canadian Real Estate Association (CREA) from 2008 to 2017, the number of realtors has increased drastically, growing at 10 times the pace of the Canadian job growth. This trend is echoed in York Region's survey data where during this time period the sector experienced large employment growth, increasing by **7.4 per cent** annually. As the housing market is impacted by recent federal and provincial policy changes, as well as changes to mortgage rules in 2018, this sector will be closely observed for fluctuations in employment numbers.



YORK REGION EMPLOYMENT ANALYSIS

Pace of Annual Growth in Goods-Producing slowing

York Region's goods producing sectors have risen **1.4 per cent** annually from 2007-2017 and added **16,040 jobs** over this period. The significant downturn experienced from 2008-2009 accounted for lost employment, but goods-producing sectors have since rebounded. In the past five years these sectors grew **2.7 per cent** annually adding **15,800 jobs**.

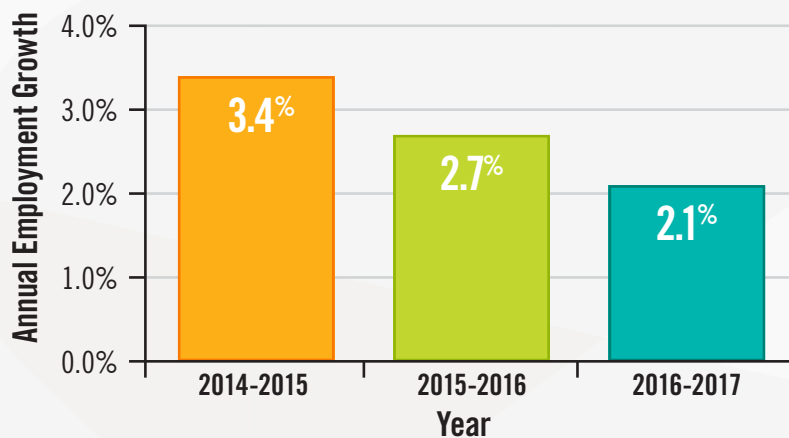
Despite the economic shift to a more service-based economy, employment in the Region's goods-producing sectors grew **2.1 per cent** or by **2,560 jobs** between 2016 and 2017. Since rebounding from the recession, the pace of this growth has been steady, albeit with slightly declining growth from 2014 to 2017 (Figure 7). The manufacturing and construction sectors were the greatest contributors to this growth. The manufacturing sector still holds the greatest share of employment in the Region at **14.5 per cent**.

KEY GOODS-PRODUCING GROWTH SECTORS

The construction sector added over 1,200 jobs over the past year

The **construction sector** has added over **17,900 jobs** to the Region's employment base since 2007. Between 2016 and 2017, the sector grew by **3 per cent**, or **1,265 jobs**. The total number of jobs by mid-year 2017 in this sector was **43,680**. The specialty trade contractors subsector accounted for the majority of employment in the construction sector, accounting for a **59 per cent** share or **25,560 jobs**. The growth in construction has also been driven by the booming real estate market over this time period, as housing is a major driver of economic growth in this sector. Continued growth in the construction sector in the GTA is also tied closely to local population and business growth.

FIGURE 7 - Percent of Average Employment Growth in the Goods-Producing Sectors, 2014-2017



Source: Statistics Canada's Labour Force Survey, 3-month moving average, unadjusted for seasonality

YORK REGION EMPLOYMENT ANALYSIS



The manufacturing sector has declined at an annual rate of -0.2 per cent over the past decade

Over the last 10 years the **manufacturing sector** has been experiencing a decline, averaging at a rate of **-0.2 per cent** per year. This is consistent with the significant economic downturn at the national, provincial and municipal levels. However, manufacturing remains the Region's largest sector in terms of the share of surveyed employment and accounted for **14.5 per cent** (81,260 jobs) of total surveyed jobs in 2017. Transportation equipment manufacturing is York Region's largest manufacturing subsector, accounting for **16 per cent** or nearly **13,000 jobs**. The food manufacturing subsector added the most employment within the manufacturing sector between 2016 and 2017 with **360 jobs**, an increase of **5.3 per cent**. The food manufacturing subsector includes fruit and vegetable preserving and dairy and meat product manufacturing. Continued monitoring of employment in these value-added processing facilities will allow the Region to monitor the implementation of the newly Council endorsed Agriculture and Agri-Food Strategy's Goal #3: Support increased capacity for value added agri-food processing and support services.

The United States administration's protectionist stance on trade including the North American Free Trade Agreement (NAFTA) renegotiations, border tax on imported goods and penalties on Foreign Direct Investment abroad by American manufacturers, could have a significant impact on Canada and Ontario's manufacturing sector, including York Region.

Ontario's **automotive sector** may be among the hardest hit by new cross-border trade regulations. In York Region alone there are over 100 automobile parts manufacturers, some of them major employers such as Magna International, representing approximately **15,000 local jobs**. Furthermore, the automobile industry is ripe for disruption, with the introduction of autonomous and electric vehicles expected to significantly impact the traditional auto manufacturing industry.

Ontario electricity prices are another factor that has been impacting the manufacturing industry. A 2017 report by the Fraser Institute shows that electricity prices in Ontario, now among the highest in North America, may have adversely impacted the manufacturing sector. York Region is home to numerous large hydro users in the manufacturing sector, with smaller manufacturers also raising significant concerns as hydro bills are amongst their top operating expense. Soaring electricity prices may adversely impact manufacturing establishments and jobs across the Province as businesses may decide to relocate to, or expand in, lower-cost jurisdictions.



YORK REGION EMPLOYMENT ANALYSIS

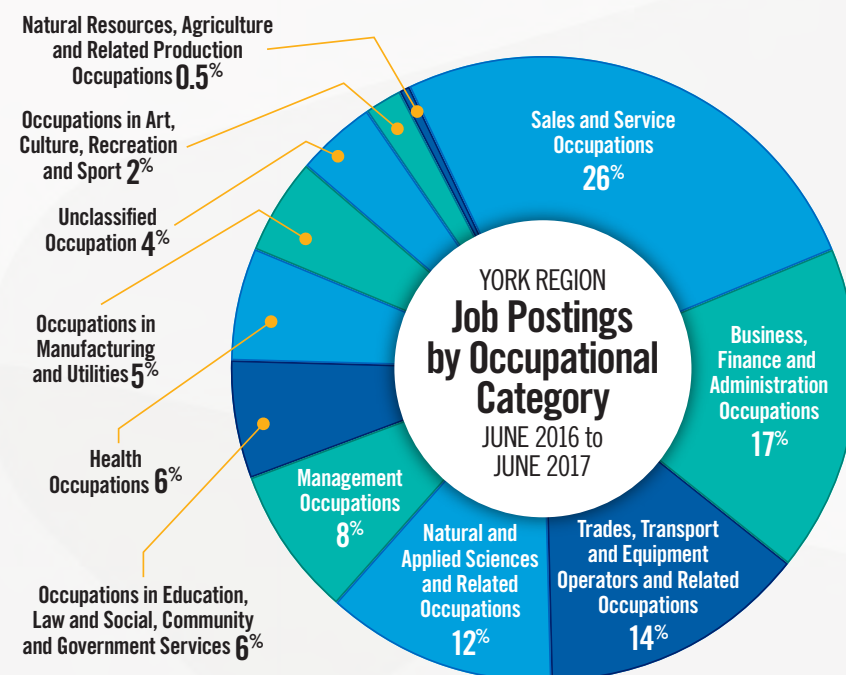
Ontario's recently-introduced *Fair Workplaces, Better Jobs Act (Bill 148)* is also expected to impact manufacturers across the Province, as a result of the introduction of new measures such as minimum wage increases, equal pay for part-time and temporary employees and regulation related to employee scheduling and shift work.

HIRING DEMANDS

CEB TalentNeuron is a web-based platform that collects detailed information on hiring demand data from major online job search engines. The data is then categorized by occupational category using Statistics Canada's National Occupational Classification system (NOCs).

According to CEB TalentNeuron Job Postings data, between mid-year 2016 and mid-year 2017 there were a total of **99,820 job postings** in York Region. This figure includes job postings for both new and replacement positions. In 2017 hiring demand in York Region was highest for occupations in sales & service, business, finance & administration and as well as in trades, transport & equipment operator occupations. From mid-year 2016 to mid-year 2017, sales & service occupations accounted for **26 per cent** of total job postings. Demand in this category was driven primarily by retail, wholesale and food service occupations (Figure 8).

FIGURE 8 - York Region Job Postings by Occupational Category, June 2016 - June 2017



Source: CEB TalentNeuron, June 2017



YORK REGION EMPLOYMENT ANALYSIS



Business, finance and administration occupations accounted for **17 per cent** of total job postings between 2016 and 2017. Hiring demand in trades, transport and equipment operators and related occupations category was the third largest in the Region over the mid-year 2016 to mid-year 2017 period, accounting for **14 per cent** of total job postings.

Of the top five companies listed by volume of hiring three are staffing/recruiting firms. Overall, the variety of job postings by occupational categories is indicative of the increasing diversity in the Region's employment base. Additionally, the majority of the job postings highlighted in Figure 8 contributes to a more service-oriented economy.

It should be noted that while this data is useful for trend analysis a direct comparison between hiring trends by occupational category cannot be made to the number of surveyed jobs by NAIC sector. A business may have employees with a variety of occupations and different occupations can be found in various industries.

YORK REGION EMPLOYMENT LANDS

York Region's employment lands provide for a highly competitive and diverse employment market

Employment lands in York Region play a vital role in York Region and are ideally located in close proximity to major highways, intermodal facilities, rail and the U.S. border with access to skilled labour and post-secondary institutions. York Region's employment lands have provided developers and end users with a broad range of market choice with respect to site selection, transportation access/exposure, zoning and price for non-residential development.



YORK REGION EMPLOYMENT ANALYSIS

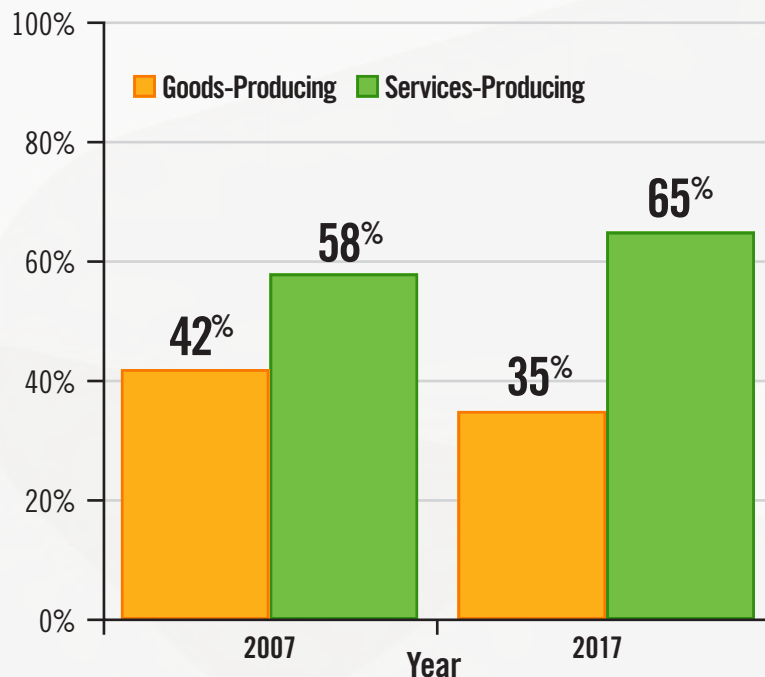
Over the years employment lands have accommodated a broader range of employment uses and the Region has been very successful in attracting a variety of industries across the industrial, office, retail and institutional sectors.

Trends Influencing Employment Growth on the Region's Employment Lands

Since 2007, the make-up of industrial development provincially and within York Region has evolved from less emphasis on the goods-producing sector to more emphasis on the services-producing sectors such as professional, scientific & technical services and wholesale trade sectors (Figure 9).

However, manufacturing still remains vitally important to the York Region economy. Employment growth in the manufacturing sector is anticipated to be modest for the foreseeable future. Market demand for employment lands has also been increasingly driven by growth in the "knowledge-based" or "creative class" economy, which are largely accommodated within office development and typically locate within prestige employment areas. Further, there is increasing demand to accommodate employment-supportive commercial and institutional uses on employment lands, which cater to the growing office sector. These structural changes in the economy are altering the character of economic activities on employment lands and impacting the built form and character of employment areas.

FIGURE 9 - Distribution of Goods and Services Producing Employment Land Employment, 2007 and 2017



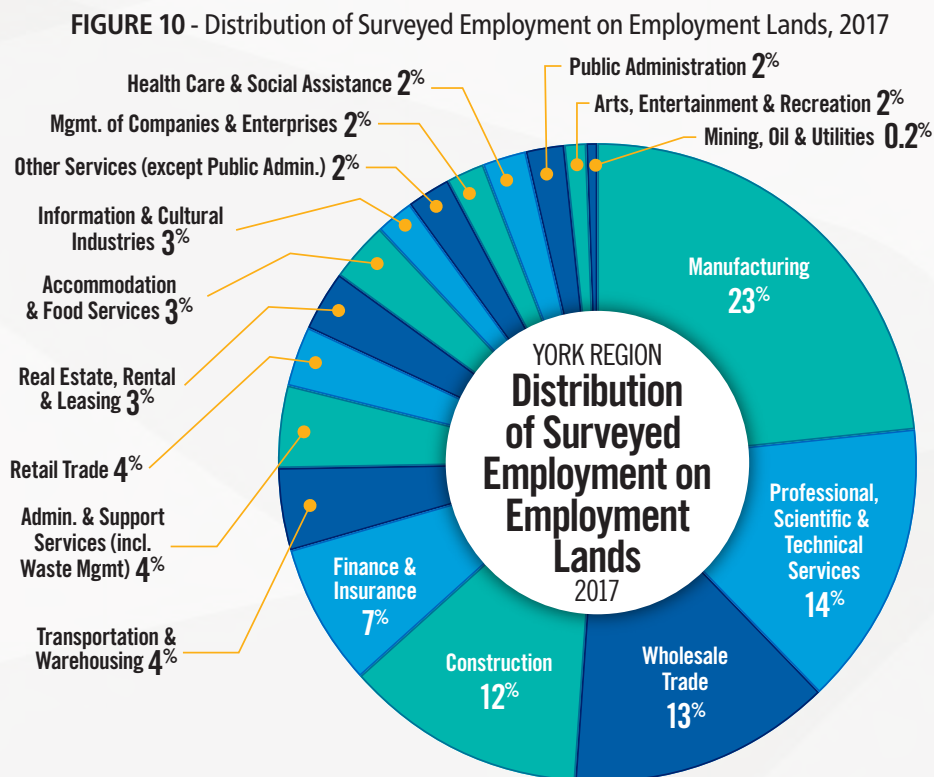
Source: York Region 2017 Employment Survey, Planning and Economic Development Branch

YORK REGION EMPLOYMENT ANALYSIS

York Region's economy is comprised of a highly diverse mix of industry sectors including manufacturing, wholesale trade, construction, technology, retail trade and business services. These clusters of industry sectors encourage networking, attract investment, innovation and facilitate the incubation of new business providing high quality employment opportunities, among other key economic benefits.

In 2017, York Region employment lands accommodated approximately **335,660 of the region's 620,530 total jobs** representing **54 per cent** of the employment base. Between 2007 and 2017, the following three sectors experienced the largest growth within employment lands: construction (34,300 jobs), wholesale trade (16,070 jobs) and finance & insurance (12,800 jobs).

Manufacturing continues to hold the largest share of employment on the Region's employment lands with **23 per cent**. This is followed by Professional, scientific and technical services with a **14 per cent** share and wholesale trade with a **13 per cent** share (Figure 10). In the future, the highly competitive nature of the manufacturing sector will require production to be increasingly cost effective and value-added oriented, which bodes well for firms that are specialized and capital/technology intensive.



Source: York Region 2017 Employment Survey, Planning and Economic Development Branch

A man in a dark grey suit, light pink shirt, and a red, blue, and white plaid tie is looking down at a black tablet computer he is holding. He is smiling slightly. The background is a blurred blue and white, suggesting an outdoor or modern office setting.

➔ York Region
is home to
approximately
1.2 million residents,
more than 51,000
businesses and over
620,000 jobs

YORK REGION EMPLOYMENT ANALYSIS

NUMBER of EMPLOYER BUSINESS ESTABLISHMENTS

York Region Employment Survey data and Statistics Canada Business Counts each provide a unique perspective on the makeup of York Region's business community

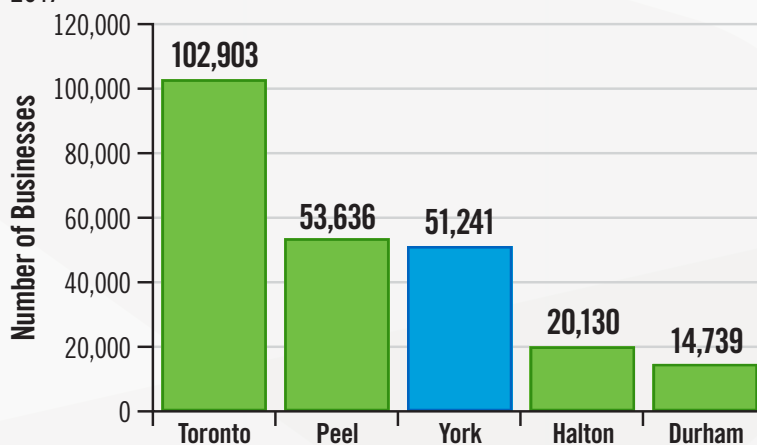
Analysis of business establishment data from both Statistics Canada Canadian Business Counts (CBC) and the York Region employment survey assists in understanding and identifying trends in the Region's business community. The York Region Employment Survey data is useful for year over year analysis of economic trends for businesses with a physical location but does not capture all registered businesses in the Region.

York Region has the third highest number of employer business establishments in the GTA

According to the Canadian Business Counts database from Statistics Canada, there were approximately 51,200 York Region business establishments in June 2017. When compared to other census divisions in the Greater Toronto Area, York Region ranks as having the third highest number of business establishments, behind the City of Toronto and Peel Region (Figure 11).

Despite differences in data collection methods used by Statistics Canada's Canadian Business Counts and York Region's Employment Survey the datasets complement each other and further advance our knowledge on trends happening in the Region's business community.

FIGURE 11 - Number of Business Establishments by GTA Municipality, 2017



Source: Statistics Canada Canadian Business Counts, June 2017.



YORK REGION EMPLOYMENT ANALYSIS

YORK REGION BUSINESS ESTABLISHMENTS by SECTOR

Employment Survey and Canadian Business Counts data both indicate that the York Region business community is predominantly services-oriented

According to CBC data and the Region's employment survey, **86 per cent** of business employer establishments in York Region were in **services-producing industries** in 2017.

The Canadian Business Counts data indicates that the professional, scientific and technical services sector accounts for the largest share of employer business establishments in York Region with a **19.5 per cent** share (Figure 12). The majority of establishments in this sector (83 per cent) employ between one and four employees making it very likely that a significant proportion of these establishments are home-based. The 2016 Statistics Canada Census Program recorded that **29 per cent** of work at home employees were found in the professional, scientific and technical services sector further supporting the rationale that a large portion of these businesses are home-based. In terms of Regional surveyed businesses, this sector only accounts for a **10 per cent** share. This discrepancy is likely attributed to the fact that the Region's employment survey does not capture all registered businesses.

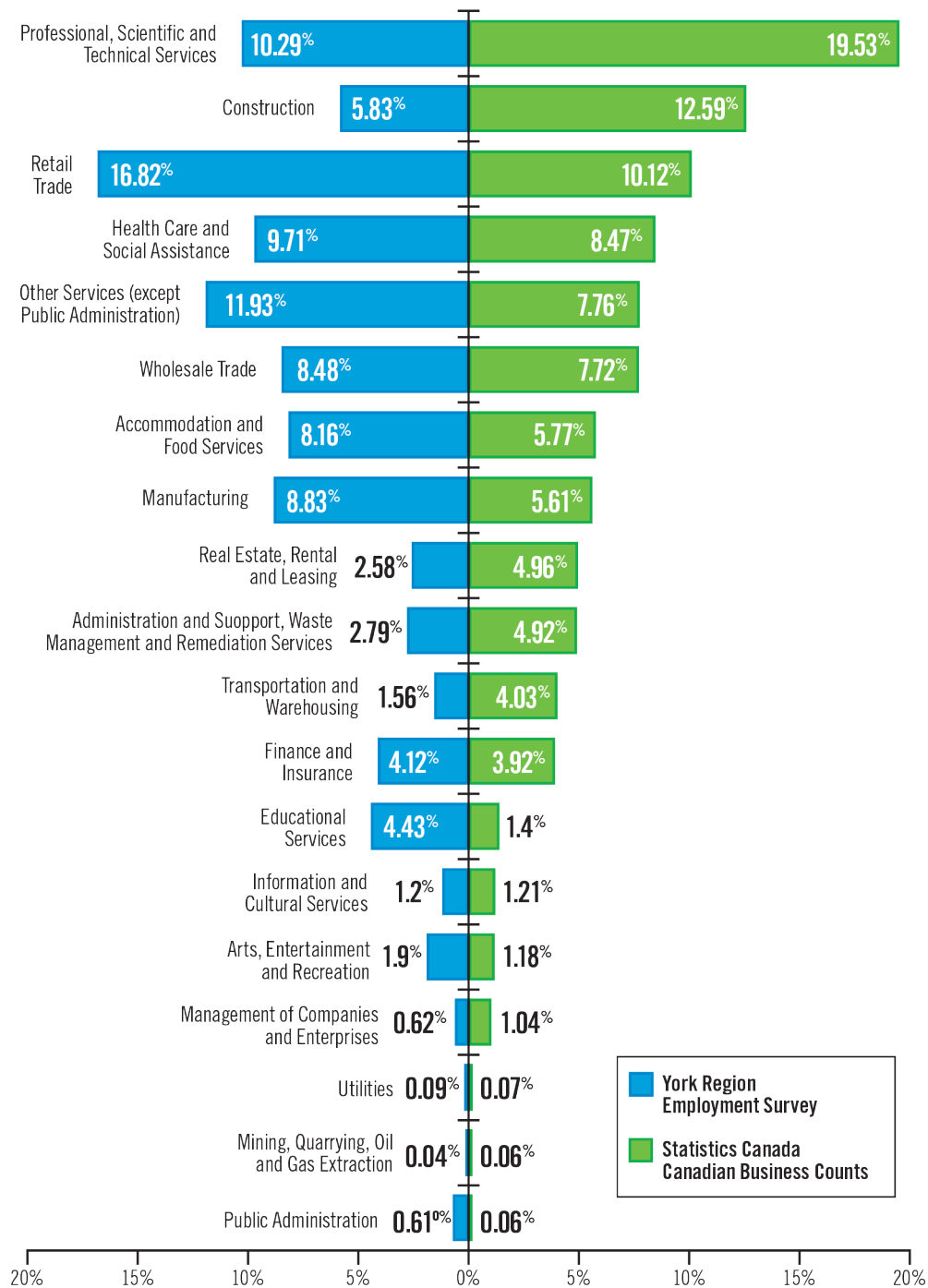
According to the Region's employment survey, the majority of the Region's business growth over the past ten years was in the healthcare and social assistance, educational services, management of companies & enterprises and construction sectors.

Despite differences in data collection methods used by Statistics Canada's Canadian Business Counts and York Region's Employment Survey the datasets complement each other and further advance our knowledge on trends happening in the Region's business community.

YORK REGION EMPLOYMENT ANALYSIS



FIGURE 12 - Comparison of York Region Surveyed Businesses and Statistics Canada Business Counts by Sector, 2017



Source: York Region 2017 Employment Survey, Planning and Economic Development Branch Statistics Canada Canadian Business Counts, June 2017.

Notes: CBC data represents employer business establishments that have submitted payroll remittances to the CRA.



YORK REGION EMPLOYMENT ANALYSIS

Over three-quarters of the Region's business community is made up of small businesses

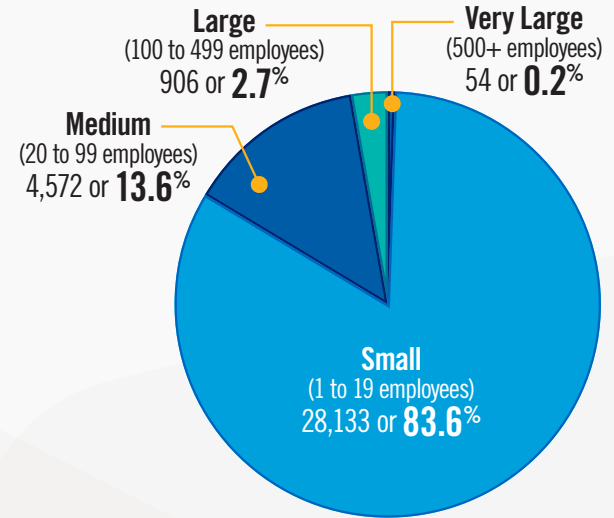
EMPLOYMENT by BUSINESS SIZE

York Region surveyed **33,650 businesses** in 2017, an increase of 7,120 businesses from the 2007 survey, indicating that new firms continue to choose York Region as their destination to do business. Small businesses (1-19 employees) account for the largest share of the Region's businesses at **83.6 per cent** or **28,133 businesses** in 2017 (Figure 13). This total share is in line with the share of small businesses throughout the Province and across Canada and is indicative of the important role of small business and entrepreneurship in York Region's economy.

The number of businesses employing 100-499 employees has experienced the most growth over the last 10 years, increasing by **39 per cent**, or 250 businesses. In terms of absolute growth, small-sized firms have seen the largest increase with **5,590 new businesses** added since 2007. Over the last five years, the number of very large business establishments, with 500+ employees, has grown by 11, a **26 per cent** increase. This indicates that the Region continues to attract large firms that employ several hundreds of workers.

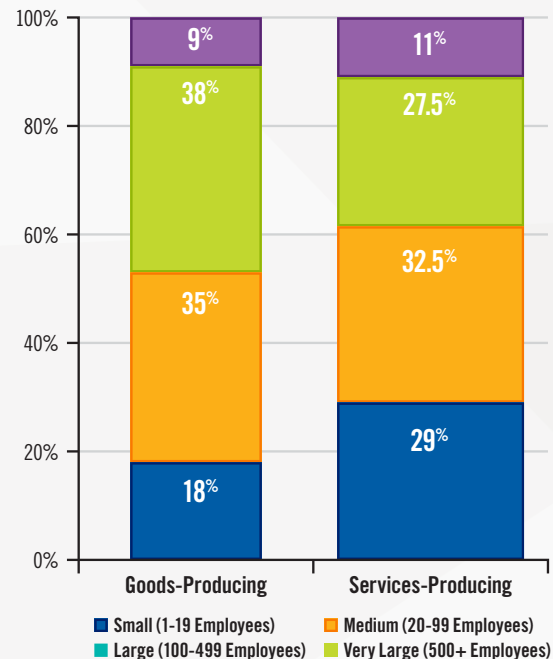
The majority of the Region's surveyed businesses (78 per cent) can be found in services producing industries (Figure 14). Medium-sized firms within the service-producing industry accounted for the largest share of surveyed employment with nearly **141,700 jobs** or **32.5 per cent**. The majority of these jobs can be found in the retail, professional, scientific & technical services and wholesale sectors. Nearly **47 per cent** of surveyed jobs in the goods-producing industry sectors were found in businesses that employ over 100 employees. Many of the jobs in this category can be found in the Region's manufacturing sector.

FIGURE 13 - York Region Surveyed Businesses by Size, 2017



Source: York Region 2017 Employment Survey, Planning and Economic Development Branch

FIGURE 14 - York Region Surveyed Employment by Business Size and Industry Sector, 2017



Source: York Region 2017 Employment Survey, Planning and Economic Development Branch

FACTORS CONTRIBUTING to ECONOMIC GROWTH in YORK REGION



Subway

Located in the heart of the Greater Toronto Area (GTA), York Region is home to approximately **1.2 million residents**, more than **51,000 businesses** and over **620,000 jobs** and also includes four provincially-designated urban growth centres, and Canada's highest concentration of technology companies. As Ontario's fastest growing large municipality and third largest business hub, York Region is a top destination in the Toronto area and Canada for business, talent and investment.

York Region is located in one of the most attractive and vibrant economic areas in the country. The Region's economy is underlined by core attributes, such as: strong population and employment growth, a skilled labour force; a high quality of life that attracts top global talent; established and diversified industry clusters; major infrastructure and transportation investments; and locational and accessibility factors amongst others. As the Regional Centres and Corridors continue to evolve and mature, these core attributes combined with a competitive office real estate market, the new Vaughan Metropolitan Centre subway station, digital broadband infrastructure and innovation in a number of areas are key elements contributing to York Region being a leading economic centre in the GTA.

York Region, however, is not an isolated economy and local business and employment growth are closely tied with external economic conditions, trends and policies at different levels of government. Examples of external and macro-level factors that have a direct impact on York Region's economic growth prospects include U.S. and global trade agreements, exchange and interest rates, the cost of doing business (e.g. hydro rates, corporate taxes, labour force cost increases, etc.), business regulations, the labour force pool (e.g. educational institutions, immigration etc.), housing, business incentives and capital markets.



FACTORS CONTRIBUTING to ECONOMIC GROWTH in YORK REGION



Housing affordability is a factor in attracting new businesses, retaining existing businesses and attracting a labour force that are looking for close proximity to work. York Region's continued shift to a knowledge and services-based economy is an example of the significant impact such external factors have on the local economy.

Emerging business practices and market trends also represent challenges and opportunities for York Region's economic growth in both a GTA and a global context. These include business globalization or national protectionism, digital and 'uberized' business delivery models, the shift to contract-based employment, outsourcing, automation, office space rationalization (e.g. shared space, tele-commuting etc.), talent attraction practices and many others.

York Region's Economic Development Action Plan addresses key economic challenges and opportunities facing York Region and translates them into innovative economic growth areas. Along with the initiatives identified in the Action Plan, the Region continues to make investments to support business growth and innovation.

CONCLUSIONS

The Employment and Industry report analyzes the state of the Region's economy and identifies key findings and trends in Regional employment and businesses by industry group.

In mid-year 2017, there were an estimated **620,530 jobs**. Employment growth in the Region outpaced provincial and GTA averages.

York Region is one of Canada's fastest-growing large urban municipalities and is planned and expected to continue to grow in both population and employment for the foreseeable future. The Region is an attractive location to live and invest and is committed to attracting and retaining employers as well as making significant infrastructure investments to support employment and business growth.

While employment in goods-producing sectors continues to have a presence in York Region, knowledge-based, service-oriented jobs continue to drive the Region's employment growth. This sustained employment growth continues to diversify the Region's economy and promote economic resilience, vitality and liveability. Attracting and retaining a variety of high quality jobs across a broad range of sectors promotes economic resilience and helps ensure those living in York Region have an opportunity to work and thrive where they live.

A long-exposure photograph of a modern building at night. The building has a curved facade with many balconies and windows, some of which are lit up. In the foreground, a train is passing, creating bright, horizontal light trails in shades of blue and orange. The overall scene is illuminated with a cool blue light, suggesting a night or dusk setting. The building's architecture is contemporary, with a mix of glass and metal. The light trails from the train add a sense of motion and energy to the scene.

➔ York Region is anticipating growth to 1.79 million people and 900,000 jobs by 2041

APPENDIX A: DATA SOURCES

York Region Employment Survey Methodology



Background

The 2017 survey was a comprehensive Region-wide survey of all businesses across York Region (excluding farm and home-based businesses). Survey data is aggregated at the traffic zone level of detail, which divides the Region into 478 smaller geographic areas allowing for a detailed examination of local trends and information about local employment areas. York Region's first Region-wide employment survey occurred in 1998, when 21,000 businesses were recorded. Subsequently, the annual survey targeted key employment areas up to 2006, consisting of high-growth areas, designated employment areas and Regional centres. With the assistance of local municipalities, York Region has been able to complete Region-wide surveys of all businesses between 2007 and 2017. It is the Region's intention that all future employment surveys be comprehensive in nature.

Data Collection

Data collection for the 2017 York Region Employment Survey included all traffic zone areas across York Region (excluding home and farm based businesses). Data was collected from York Region businesses in a variety of forms:

- Through door-to-door interviews with the business community (primary method);
- Via telephone interviews (for businesses unable to contact in person); and
- Electronically through e-mail messages, online entries via our corporate website and facsimile submissions.

Businesses were primarily contacted through door-to-door interviews between May and August of 2017 by York Region Employment Surveyors. Surveyors used a GIS-based application to collect the business information. Within each traffic zone, all businesses were directly contacted and details about business activity, changes in employment levels and contact information were updated for existing businesses, or initiated for businesses new to that area. Where records showed a business that was no longer at the address in 2017, efforts were made to contact the business by phone to establish either a new location, or to record the probable closure of the business.

For businesses unable or unwilling to conduct a door-to-door interview, the option was given to either have a surveyor call them at a mutually convenient time or to provide them with a blank survey form and have them complete and return it at their leisure. For businesses that declined to participate or could not be contacted either in person or by telephone during regular office hours, it was assumed that all information relating to that business remained unchanged from the date they were last surveyed.

In 2017, the Region was able to survey 33,600 businesses with a physical location. Approximately 81 per cent of surveyed businesses were successfully contacted. The Region was unable to contact and update 17 per cent of businesses and 2.0 per cent chose not to participate in the survey.



APPENDIX A: DATA SOURCES CONTINUED

York Region staff began collecting business and employment information from farm based businesses in 2012 to compliment the Statistics Canada Census of agriculture. Home-based businesses were encouraged to submit their business information through the Region's online business directory website. Since then the Region has collected information from just over 800 home-based businesses. It is important to note that the number of home-based businesses captured in the survey represents a small sample of home-based businesses in the Region. According to the 2016 Census there were approximately 48,300 home-based jobs in York Region in 2016.

- Home-based employment rose to an estimated 49,990 jobs in 2017, an increase of 1,600 since 2016.
- York Region's home-based employment is increasing every year and has become important to the Region's economy
- Increasing home-employment trend is due to the increasing technological advancements in mobile technology along with progressive employer trends that promote teleworking

In collaboration with the York Region Agricultural Advisory Liaison group and the York Federation of Agriculture, the Region completed its second farm-based business survey in 2016. A letter describing the purpose of the survey and a survey form was distributed in February to just over 700 farm-based businesses. Of the contacted farms, only 8.9 per cent participated in the survey. Due to the small response-size, this procedure wasn't repeated in 2017. However, regional staff continue to work with the York Federation of Agriculture to increase awareness on the benefits of collecting this information.

Data Uses

Data collected from the employment survey is a valuable resource for both the Region and local municipalities. The data is used by planning and economic development departments, other municipal departments, non-profit organizations and private sector groups. Some of the central uses of the data for the Region and local municipalities include: employment growth forecasts; monitoring targets in the Regional Official Plan and Provincial Growth Plan including employment and density targets for the urban growth centres and intensification areas; forecasting infrastructure requirements in master plans for transportation and water and wastewater; monitoring major office growth; and evidence in OMB cases. The data is also used for vacant employment land inventories; development charges studies; a tool for identifying economic trends and emerging sectors; and producing regional and local business directories.

Data Accuracy

A number of factors limit the accuracy of the data collected within this report, including:

Data collected was based on responses received from businesses. In certain instances however, businesses refused to participate, had a language barrier, were potentially missed in previous survey years, moved to an unknown location or were temporarily closed. As a result, certain business sectors may be over-represented and others under-represented depending on the particular circumstances of businesses in that sector.

APPENDIX A: DATA SOURCES CONTINUED



While this study analyzes employment patterns in the Region, it does not examine all possible factors that can influence employment rates in a particular location, such as land prices, property tax rates, development charges, and existing space inventories and vacancies. These factors can impact the level of overall economic health in a given area and can also promote or discourage employment growth in one area over another.

The data collected is time-sensitive, in that the information is only accurate as of the date collected. For certain industries undergoing rapid change, the analysis within this report may no longer reflect current circumstances. Caution should therefore be used before making any conclusions based on this information.

Statistics Canada Business Counts Data

The Statistics Canada Business Counts database provides counts of active establishments by industry classification and employment size categories for Canada and the provinces/territories. The database is based on information received through the Canadian Business Register and uses the business registration number as the basis for their business counts. According to Statistics Canada the business register includes all Canadian businesses which meet at least one of the three following criteria: have an employee workforce for which they submit payroll remittances to CRA; or have a minimum of \$30,000 in annual revenue; or are incorporated under a federal or provincial act and have filed a federal corporate income tax form within the past three years. Due to these factors it is possible that the business register includes businesses that are not identifiable in a physical location survey. Additionally, due to recent changes in the Business Register's methodology the data may increase or decrease the number of active establishments reported and should not be used as a time series. For more information on Statistics Canada Business Counts data please visit www.statcan.ca.

CEB TalentNeuron

CEB TalentNeuron is a provider of real-time market intelligence and analytics on hiring trends. The web-based platform collects information on hiring demand data from major online job search engines. The data is then categorized by occupational category using Statistic Canada's National Occupational Classification system (NOCs).

Statistics Canada Labour Force Survey

The Statistics Canada Labour Force Survey measures the current state of the Canadian labour market and is used to estimate national, provincial and regional employment and unemployment rates. The survey divides each province into smaller geographic areas and then uses a rotating panel sample design to select dwellings to be surveyed. The monthly sample size has been approximately 56,000 households which results in the collection of labour market data from approximately 100,000 individuals. The data is collected on a monthly basis either by telephone or in person interviews and survey participation is mandatory under the Statistics Act. Information is collected from all household members aged 15 and over.



APPENDIX B: SECTOR DEFINITIONS

Each business surveyed was assigned a numeric code based on their primary business activity. These codes are based on the North American Industrial Classification (NAIC) system, a hierarchical coding system used by statistical agencies in Canada, the U.S. and Mexico to classify businesses by type of economic activity. Much of the analysis in this report aggregates business information based on the NAIC coding at different levels of the hierarchy. The 20 NAIC sectoral categories used by Statistics Canada have been combined to 2 industry groupings. The combined industry groupings are summarized below:

GOODS-PRODUCING SECTORS

Mining, Oil and Utilities Sector (NAIC 21, 22) This sector comprises establishments primarily engaged in mining, oil and gas extraction and related support activities and operating electric, gas and water utilities. These establishments generate, transmit, control and distribute electric power; distribute natural gas; treat and distribute water; operate sewer systems and sewage treatment facilities; and provide related services, generally through a permanent infrastructure of lines, pipes and treatment and processing facilities.

Construction Sector (NAIC 23) This sector comprises establishments primarily engaged in constructing, repairing and renovating buildings and engineering works, and in subdividing land. This sector includes land development, building and engineering construction and project management and all construction trades contracting (e.g., concrete pouring, roofing, drywall and painting, electrical, fencing).

Manufacturing Sector (NAIC 31-33) This sector comprises establishments primarily engaged in the chemical, mechanical or physical transformation of materials or substances into new products. This sector includes food and beverage manufacturing, textile and clothing production, wood and paper products manufacturing, printing, petrochemical manufacturing, plastics and rubber manufacturing, non-metallic mineral product manufacturing (e.g., bricks, glass, gypsum board), primary metal manufacturing (e.g., iron and steel mills, metal pipes and wire, foundries), fabricated metal product manufacturing (e.g., stamping, metal doors, boilers, hardware, machine shops, nuts and bolts), machinery manufacturing, computer and electronic equipment, electrical equipment and appliances, transportation equipment manufacturing (e.g., motor vehicles and parts, aerospace and boat building) and furniture manufacturing.



SERVICES-PRODUCING SECTORS

Wholesale Trade Sector (NAIC 41) This sector comprises establishments primarily engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. This sector includes all wholesale distributors, product agents and brokers.

Retail Trade Sector (NAIC 44-45) This sector comprises establishments primarily engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. Includes all retail stores, retail auto and building supply dealers, gas stations and non-store retailers (e.g., mail order houses, vending machine operators, direct sales).

Transportation/Warehousing Sector (NAIC 48-49) This sector comprises establishments primarily engaged in transporting passengers and goods, warehousing and storing goods, and providing services to these establishments. This sector includes passenger and freight transportation and related support activities (e.g., airports, bus stations, vehicle towing, postal and courier services and warehousing and storage establishments).

Retail Trade Sector (NAIC 44-45) This sector comprises establishments primarily engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. Includes all retail stores, retail auto and building supply dealers, gas stations and non-store retailers (e.g., mail order houses, vending machine operators, direct sales).

Information and Cultural Studies Sector (NAIC 51) This sector comprises establishments primarily engaged in producing and distributing (except by wholesale and retail methods) information and cultural products. Establishments providing the means to transmit or distribute these products or providing access to equipment and expertise for processing data are also included. The main components of this sector are the publishing industries (e.g. newspaper, book and software publishers), TV and radio broadcasting, telecommunications services, information services (e.g., news syndicates, libraries, and internet providers) and data processing services.

Finance and Insurance Sector (NAIC 52) This sector comprises establishments primarily engaged in financial transactions including monetary authorities, credit intermediation and related activities (e.g., personal and commercial banking, credit unions, credit card issuing, consumer lending, mortgage brokers, transaction processing), securities and commodities trading, portfolio management and investment advising, insurance carriers and brokers and pension funds.

Real Estate and Rental and Leasing Sector (NAIC 53) This sector comprises establishments primarily engaged in renting, leasing or otherwise allowing the use of tangible or intangible assets. Establishments are primarily engaged in managing real estate for others; selling, renting and/or buying of real estate for others; and appraising real estate.



APPENDIX B: SECTOR DEFINITIONS CONTINUED

SERVICES-PRODUCING SECTORS CONTINUED

Professional, Scientific and Technical Services Sector (NAIC 54) This sector comprises establishments primarily engaged in activities in which human capital is the major input. These establishments make available the knowledge and skills of their employees, often on an assignment basis. The individual industries of this sector are defined on the basis of the particular expertise and training of the service provider. The main components of this sector are legal services; accounting, tax preparation, bookkeeping and payroll services; architectural, engineering and related services; specialized design services; computer systems design and related services; management, scientific and technical consulting services; scientific research and development services; and advertising, public relations, and related services.

Management of Companies and Enterprises Sector (NAIC 55) This sector comprises establishments primarily engaged in managing companies and enterprises and/or holding the securities or financial assets of companies and enterprises, for the purpose of owning a controlling interest in them and/or influencing their management decisions (e.g. holding companies, centralized administrative offices, corporate offices, head offices).

Administrative and Support, Waste Management and Remediation Services Sector (NAIC 56) This sector comprises establishments of two different types: those primarily engaged in activities that support the day-to-day operations of other organizations; and those primarily engaged in waste management activities. The first type of establishment is engaged in activities such as administration, hiring and placing personnel, preparing documents, taking orders from clients, collecting payments for claims, arranging travel, providing security and surveillance, cleaning buildings, and packaging and labeling products. Waste management establishments are engaged in the collection, treatment and disposal of waste material, the operation of material recovery facilities, the remediation of polluted sites and the cleaning of septic tanks.

Education Sector (NAIC 61) This sector comprises establishments primarily engaged in providing instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities and training centers. These establishments may be privately owned and operated, either for profit or not, or they may be publicly owned and operated.

Health and Social Services Sector (NAIC 62) This sector comprises establishments primarily engaged in providing health care by diagnosis and treatment, providing residential care for medical and social reasons, and providing social assistance, such as counseling, welfare, child protection, community housing and food services, vocational rehabilitation and child care, to those requiring such assistance

APPENDIX B: SECTOR DEFINITIONS CONTINUED



SERVICES-PRODUCING SECTORS CONTINUED

Arts, Entertainment and Recreation Sector (NAIC 71) This sector comprises establishments primarily engaged in operating facilities or providing services to meet the cultural, entertainment and recreational interests of their patrons. The main components of this sector are performing arts, spectator sports industries, heritage institutions (e.g., art galleries, museums, zoos, conservation areas), amusement parks, gambling industry, golf courses and country clubs, skiing facilities, marinas, fitness and recreation centres, restaurants and bars and caterers.

Accommodation and Food Services Sector (NAIC 72) This sector comprises establishments primarily engaged in providing short-term lodging and complementary services to travelers, vacationers and others, in facilities such as hotels, motor hotels, resorts, motels, casino hotels, bed and breakfast accommodations, housekeeping cottages and cabins, recreational vehicle parks and campgrounds, hunting and fishing camps, and various types of recreational and adventure camps. This sector also comprises establishments primarily engaged in preparing meals, snacks and beverages, to customer orders, for immediate consumption on and off the premises.

Other Services Sector (except public administration) (NAIC 81) This sector comprises establishments primarily engaged in repairing, or performing general or routine maintenance (e.g. Automotive repair, machinery repair, reupholstery); providing personal care services (e.g. hair care, funeral homes, laundry services, pet care services, photofinishing); religious organizations and other civic and professional organizations.

Public Administration Sector (NAIC 91) This sector comprises establishments primarily engaged in activities of a governmental nature (e.g. federal, provincial, regional and municipal protective services such as fire, police, courts and correctional facilities, regulatory and administrative service





For more information on businesses
in York Region please contact:

PLANNING SERVICES

1-877-464-9675

Extension 71508

york.ca/employmentsurvey

2017 EMPLOYMENT & **INDUSTRY** REPORT

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FEBRUARY 2018





Legislative Services
Michael de Rond
905-726-4771
clerks@aurora.ca

Town of Aurora
100 John West Way, Box 1000
Aurora, ON L4G 6J1

February 27, 2018

All York Region Municipalities

Delivered by email

**Re: Town of Aurora Council Resolution of January 30, 2018
Re: Motion (d) Councillor Mrakas; Re: Local Appeals Body**

Please be advised that this matter was heard by Council at its meeting held on January 30, 2018, and in this regard Council adopted the following resolution:

- 1. That a formal request be made to The Regional Municipality of York to consider the formation of a Local Appeals Body as per section 8.1 (1) of the *Planning Act*; and**
- 2. That staff initiate further discussions amongst the N6 municipalities regarding the formation of a Local Appeals Body; and**
- 3. That this resolution be circulated to all nine York Region municipalities.**

The above is for your information and any attention deemed necessary.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Michael de Rond", is written over a light blue horizontal line.

Michael de Rond
Town Clerk
The Corporation of the Town of Aurora

MdR/lb