

REPORT

Planning and Development Council

Meeting Date: June 12, 2023

FROM: Planning Services Department

DATE: May 30, 2023

SUBJECT: Information Report – Warehousing and Distribution Industries Review (File No. 42.15.61)

LOCATION: Town-wide

WARD: Town-wide

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RECOMMENDATION:

1. That staff amend Zoning By-law 2014-014 and Zoning By-law 2009-189 to introduce a new definition of “Warehousing and Distribution Centre” as outlined in this report.
2. That this report be used to inform the ongoing Official Plan Review and future comprehensive Zoning By-law Review.

KEY FACTS:

- Town Council endorsed a motion seeking a review of warehousing and distribution industries, noting concerns the current zoning definition of “warehouse” does not adequately reflect current practices of the industry.
- Town staff retained a consultant to complete a Warehousing and Distribution Industries Review. The consultant report is appended to this staff report.
- The consultant report highlights that the town’s Official Plan policies and zoning regulations for warehousing and distribution industries generally reflect municipal best practices.
- The consultant report provides recommendations to be considered as part of the ongoing Official Plan Review and future comprehensive Zoning By-law Review that could, if implemented, strengthen land use compatibility

considerations and provide a harmonized regulatory zoning approach town-wide.

- The consultant's recommendations regarding definitions, being a key concern expressed by Council, provided that:
 - **Official Plan** – The town continue to recognize warehousing and distribution centres as a use within Employment Areas, but do not define them more specifically within the Official Plan. It is not recommended that a distinction be made between warehousing uses and distribution uses at the Official Plan level.
 - **Zoning By-law** – The existing definitions in the town's two zoning by-laws, which do not differentiate between warehousing and/or distribution centres, is consistent with municipal best practices. A new hybrid definition, as used by some case study municipalities, could be considered:

Warehousing and Distribution Centre - Means a premises used for the indoor storage and freight distribution of goods, wares, merchandise, substances, articles, or products but shall not include a commercial self-storage use, wholesale or retail outlet, transportation terminal, storage of fuel, storage or transfer of waste, or any other use or establishment as may otherwise be defined herein.

- Since the consultant's report was prepared, on April 6, 2023, the province introduced Bill 97, the *Helping Homebuyers, Protecting Tenants Act, 2023*, and released a proposed Provincial Planning Statement 2023 to replace the current Provincial Policy Statement 2020 and the Growth Plan for the Greater Golden Horseshoe. The proposed policy changes, if approved, would dramatically alter planning for employment areas across the province.
- The consultant has reviewed Bill 97 and have confirmed that the proposed changes to the *Planning Act* and the newly proposed Provincial Planning Statement 2023 would not change the recommendations and conclusions within their report. However, minor modifications to the recommendation regarding the Service Area Employment (SA) Zone in Zoning By-law 2009-189 (North Oakville Zoning By-law) would be proposed.

BACKGROUND:

On May 25, 2021, Town Council carried a motion seeking the review of warehousing and distribution industries. The Council motion read:

Zoning By-law Review – Warehousing and Distribution Industries

WHEREAS the shift to online retail has transformed the warehousing and distribution industries;

WHEREAS concerns have been raised that the current zoning definition of “warehouse” does not adequately reflect the current practices of the industry;

WHEREAS a review of the Comprehensive Zoning By-law is required following an Official Plan Review; and

WHEREAS the Town of Oakville is currently reviewing its Official Plan;

THEREFORE BE IT RESOLVED that staff undertake a review of the employment and industrial uses, such as warehousing and distribution industries, with the Zoning By-law review following the completion of the Official Plan Review.

In October 2022, Planning Staff hired a consultant to complete a Warehousing and Distribution Industries Review to address Council’s motion. The consultant report is attached to this staff report and provides recommendations for town staff to consider as part of the ongoing Official Plan Review and future Comprehensive Zoning By-law Review.

Purpose and Objective

The purpose of the Warehousing and Distribution Industries Review was to provide information and analysis on warehousing and distribution industries, and to recommend policy and regulatory approaches, as applicable, for guiding the development of warehousing and distribution industries in Oakville.

It was an objective of the review to provide recommendations that inform and direct the development of future zoning by-law regulations, other regulatory approaches, and, if required, updates to official plan policies, to guide the appropriate and compatible development of warehousing and distribution facilities within Oakville.

Town staff asked the consultant team to consider the following key questions as part of the review:

- 1) How have warehousing and distribution industries evolved?
- 2) What are the current and future trends for warehousing and distribution industries and facilities?

- 3) What locational criteria are required for warehousing and distribution facilities?
- 4) What operational and logistical considerations must be considered when planning for warehousing and distribution facilities?
- 5) Are land use compatibility considerations such as noise, traffic, air quality and light pollution, factors that influence the permitted location of warehousing and distribution facilities? Do these factors inform zoning regulations in other jurisdictions?
- 6) How are warehousing and distribution facilities defined in other municipal Official Plans and Zoning By-laws? Is there a classification of warehousing or distribution facilities based on the size or operational aspects of facility? (e.g. facilities with a primary purpose of logistics / cross docking / and truck terminal activities)
- 7) What are other municipalities doing to accommodate and regulate warehousing and distribution facilities, including policy, regulation, or by other means (e.g. nuisance or noise by-laws)?
- 8) How do the Town's policies and regulatory approaches and by-laws compare to other municipal jurisdictions?

PLANNING POLICY & ANALYSIS:

The consultant report, attached as **Appendix A**, provides an overview of:

- the evolution of warehousing facilities and growth of e-commerce;
- the economics of warehousing and distribution centres; and,
- current trends, including operational and logistics considerations.

The report also provides a policy review of the Provincial Policy Statement, Growth Plan, Halton Region Official Plan, and the town's Official Plans and Zoning By-laws, focused on planning for employment areas and employment uses including warehousing and distribution centres.

A detailed review of municipal best practices comparing Official Plan policy frameworks, zoning by-law frameworks and regulatory mechanisms, is also examined.

TECHNICAL & PUBLIC COMMENTS:

The consultant report provides key findings and recommendations in relation to the town's Official Plan policy framework, applicable zoning regulations and additional regulatory mechanisms that may be used to regulate the siting of warehousing and distribution centres. Key findings and recommendations are also provided to address matters of land use compatibility more broadly. A full summary of key findings and recommendations is provided in the executive summary of the consultant report. For ease of reference, some of the recommendations for zoning are highlighted below.

Key Zoning Recommendations

- The scale of warehousing and distribution uses could more effectively be regulated through the application of minimum and/or maximum ground floor area (GFA) requirements based on zone or geography and which may better respond to the characteristics of the Town's varied employment areas.
- It is recommended that the locational and setback requirements for loading facilities be harmonized across the By-laws as part of the Comprehensive Zoning By-law Review. In doing so, attention must be given to the appropriate harmonized setback, the extent of any legal nonconformity that may or may not be created, and any policy direction of the Official Plan and/or Secondary Plans as it relates to loading facilities in particular.
- It is recommended that any Parking Study undertaken to inform the Comprehensive Zoning Bylaw Review also specifically address parking requirements for warehouse and distribution uses. The Parking Study should also ensure that any more specific Official Plan or Secondary Plan policies relevant to parking are addressed.
- It is recommended that a more detailed mapping exercise and review of the Town's employment areas is needed to identify where employment areas and Residential Zones are adjacent to each other or in very near proximity. This mapping exercise would assist in determining where added locational and setback regulations may be required generally. This includes whether such regulatory controls should be applied based on geography, universally across all Employment Zones, to regulate redevelopment of existing uses, or only to vacant/future employment areas.
- It is recommended that as part of the Comprehensive Zoning By-law Review that additional consideration be given to landscape buffers in regards to both the mitigative properties of such buffers (primarily visual screening versus noise attenuation) but also within the larger context of the Town's

environmental and sustainability objectives as expressed in the Official Plan or Secondary Plans.

Town staff will consider the key findings, recommendations, and accompanying Council discussion at the Planning and Development Council meeting, to inform next steps and the development of future official plan policies and/or zoning regulations. Of note the consultant report includes commentary regarding definitions.

Definitions

Official Plan

To provide continued flexibility for the long-term evolution of the Town's Employment Areas, it is recommended that warehousing and distribution centres continue to be recognized as a use within Employment Areas but not be more specifically defined within the Official Plan. It is not recommended that a distinction be made between warehousing uses and distribution uses at the Official Plan level.

Zoning By-laws

Consistent terminology across the town's two Zoning By-laws and a new definition applied across both Zoning By-laws is proposed. There is no policy impediment to revising the zoning terminology and definition:

Warehousing and Distribution Centre - Means a premises used for the indoor storage and freight distribution of goods, wares, merchandise, substances, articles, or products but shall not include a commercial self-storage use, wholesale or retail outlet, transportation terminal, storage of fuel, storage or transfer of waste, or any other use or establishment as may otherwise be defined herein.

Ongoing Provincial Legislation Changes

Bill 23, More Homes Built Faster Act, 2022

Bill 23 removed of the town's ability to review the exterior building design of the built form of development, including matters relating to the character, scale, appearance and design features of buildings. The changes also exempt the consideration of the appearance of elements, facilities and works through site plan review, except to the extent that the appearance impacts are a matter of health, safety, accessibility or the protection of adjoining lands.

With the ability to guide the detailed design of buildings and landscape treatments removed from the town's purview, it will restrict the implementation of urban design

policies directed at achieving ‘innovative and diverse urban form and excellence in architectural design’. Assessing and driving matters of design that can create compatibility with existing and planned community character and establish a positive relationship to the public realm will be limited and voluntary.

Staff from numerous departments have been working to refine the process changes required by Bill 23, including grading, drainage and tree protection matters. The ongoing adjustments and implementation of Bill 23 will be provided to Council in the near future.

Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023

Since the time the consultant’s report was prepared, on April 6, 2023, the province introduced Bill 97, the *Helping Homebuyers, Protecting Tenants Act, 2023*, and released a proposed Provincial Planning Statement 2023 to replace the current Provincial Policy Statement 2020 and the Growth Plan for the Greater Golden Horseshoe. The proposed policy changes through Bill 97 dramatically alter planning for employment areas across the province.

On May 15, 2023, staff brought forward an [Information and Update Report on Provincial Initiatives](#), which discussed recent proposed legislation through Bill 97.

Bill 97 proposes to amend the *Planning Act* definition of “area of employment” to align with the proposed Provincial Planning Statement 2023 that would consolidate the Provincial Policy Statement with the Growth Plan.

Based on the proposed definition, the scope of what constitutes an “area of employment” would be narrowed with a focus on industrial activities only. Other areas that generate employment opportunities outside of an identified “area of employment” would have less protections to be maintained as employment lands over the long-term.

The proposed policies shift toward allowing the consideration of employment land conversions on an application-by-application basis and moves away from the comprehensive planning approach currently taken. The policies also consider a shift toward allowing a greater mix of uses, including the introduction of sensitive land uses into areas with existing employment uses but that would no longer be considered an “area of employment”.

The proposed changes would trigger the need to re-evaluate the town’s employment areas designated in the Official Plan. The implications for existing and planned warehousing and distribution facilities, as well as land use compatibility, will be reviewed and considered through that future study.

The consultant has reviewed Bill 97 and has confirmed that the proposed changes to the *Planning Act* and the newly proposed Provincial Planning Statement 2023 do not change the recommendations and conclusions within their report. However, regarding the recommendation that “the Town consider removal of permissions for warehousing uses from the Service Area Employment (SA) Zone of By-law 2009-189,” the consultant further recommends that a review of the SA zone be conducted to provide a rationale to remove warehousing as a permitted use. The review should include a mapping analysis and study of land use compatibility to identify the relative locations of warehousing/distribution facilities and sensitive land uses and the potential for negative impacts. The review should also consider both existing and potential locations for such uses.

IMPLEMENTATION:

The Warehousing and Distribution Industries Review provides background information to inform next steps toward future official plan policy formulation and zoning regulations, as necessary, to guide the future development of warehousing and distribution centres.

Staff recommend that the town’s Zoning By-laws be updated in two steps. Firstly, it is recommended that the definition for warehousing in both town’s Zoning By-laws be updated to provide consistent terminology, as outlined in this report. Secondly, town staff should, as part of the comprehensive Zoning By-law Review process, determine which zones should include “warehousing and distribution centres” as a permitted use, and review the associated regulations regarding warehousing and distribution centres.

Changes proposed through Bill 97 will also need to be considered. Given the foundational nature of the proposed changes to the policies which may influence “areas of employment” throughout the town, including land use compatibility policies, the town will need to evaluate how it plans and protects for employment lands.

Considerations may include:

- 1) Which areas of the town, under the new definition of “area of employment”, would still be considered an employment area in the town’s context? How will employment areas be delineated on a go-forward basis?
- 2) If there are employment generating areas which are no longer defined and protected as “areas of employment,” and thus being susceptible to potential conversion requests, what land uses are appropriate and how will land use compatibility be considered?

- 3) What are the mechanisms available to ensure the town maintains an appropriate employment land supply (both to maintain current employment areas, and protecting for future employment areas in a greenfield context)?
- 4) How would changes in the delineation of “areas of employment” impact goods movement?

CONSIDERATIONS:

(A) PUBLIC

This is an information report. No public notification was required.

(B) FINANCIAL

There are no financial impacts resulting from this report.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

There are no impacts on other departments and users resulting from this report. In future phases of implementation, such as town-initiated official plan and/or zoning amendments, relevant departments will be engaged.

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal of an accountable government, inspiring public confidence through open, accountable and efficient delivery of government services.

(E) CLIMATE CHANGE/ACTION

This report does not impact matters affecting climate change or actions necessary for climate change mitigation.

CONCLUSION:

The Warehousing and Distribution Industries Review will be used to inform the ongoing Official Plan Review and the future Comprehensive Zoning By-law Review.

APPENDICES:

Appendix A	Warehousing and Distribution Industries Review – Prepared by Meridian Planning, March 16, 2023
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Prepared by:

Brad Sunderland, MCIP, RPP
Senior Planner, Policy Planning and Heritage

Recommended by:

Kirk Biggar, MCIP, RPP
Manager, Policy Planning and Heritage

Submitted by:

Gabe Charles, MCIP, RPP
Director, Planning Services