Growth Management Strategy

City of Kawartha Lakes

Discussion Paper

April 2022

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
A.I.	Artificial Intelligence
B.U.A.	Built-up area
D.G.A.	Designated greenfield area
EORN	Eastern Ontario Regional Network
G.D.P.	Gross domestic product
G.G.H.	Greater Golden Horseshoe
G.T.A.	Greater Toronto Area
G.T.H.A.	Greater Toronto and Hamilton Area
G.M.S.	Growth Management Strategy
L.N.A.	Land Needs Assessment
M.C.R.	Municipal comprehensive review
M.M.A.H.	Minister of Municipal Affairs and Housing
M.Z.O.	Minister's Zoning Order
N.F.P.O.W.	No fixed place of work

O.P.   Official Plan

O.P.A.   Official Plan Amendment

V.P.N.   Virtual private network

1.   Introduction

1.1   Background

Watson & Associates Economists Ltd. and Dillon Consulting Limited were retained by the City of Kawartha Lakes to develop a Growth Management Strategy (G.M.S.) for the City to the year 2051. The G.M.S. represents a foundational study for the forthcoming update of the City's Official Plan (O.P.).

This discussion paper aims to provide an introduction to the overall study and sets out, at a high level, several fundamental opportunities and challenges that the City of Kawartha Lakes faces over the next few decades from a growth management perspective. The study will provide the technical analysis and evaluations to determine where and how forecast population and employment growth will be accommodated in the City over the next three decades. This analysis will be undertaken under the purview of Ontario's Provincial Policy Statement (P.P.S.) and the Growth Plan for the Greater Golden Horseshoe (G.G.H). Collectively, these two reports along with other Provincial documents provide the overarching land use planning policy framework for the City of Kawartha Lakes as well as for all other G.G.H. municipalities. Details of the study components, including provincial planning context and key policy targets of the Growth Plan, are discussed in the subsequent sections.

A study Task Force comprised of eight local residents and one council representative has been established as an important component to enhance transparency and understanding of the G.M.S., as well as to provide insight into issues and concerns which will further shape stakeholder buy-in. The contributions of the Task Force are critical to the development of a G.M.S. that is representative of the diverse interests of the community. The members of the Taskforce can be considered representatives of different stakeholder groups and the consultation process will further include online consultations with the wider public. This will comprise of development of a project web-page that can be utilized by the public to access the most recent updates and technical reports for the study. The web-page will provide an overview of the project, timelines,

anticipated engagement touchpoints, and information on how to get in touch with the project team and provide feedback.[1]

1.2 What is Growth Management?

Growth management involves establishing a long-term vision for a broad region or municipality, including its urban communities, rural lands, and protected countryside. Planning policies aimed at influencing how and where growth or change occurs are key to implementation of a successful growth management strategy. Such planning policies are required to ensure that as Ontario municipalities, such as Kawartha Lakes, continue to mature and evolve, this process occurs in a financially, environmentally, and socio-economically sustainable manner.

While it is possible for the City to manage urban and rural development, it is difficult for the City to reduce population growth pressures. This is because population growth and associated urban growth pressure across Canada, including those in the City of Kawartha Lakes, are largely controlled by broader macro-economic forces (i.e., provincial and regional job growth, federal immigration policies and regional migration patterns by Province). For the past several decades, Canada has maintained ambitious immigration targets which are largely aimed to mitigate economic and fiscal challenges associated with an aging population and labour force base.

For the City of Kawartha Lakes, population growth is not anticipated to be driven by immigration (as opposed to Canada's larger urban centres) but rather through migration from elsewhere in Ontario.[2] It is also important to note that in the absence of positive migration levels, the City of Kawartha Lakes population and labour force base would be expected to gradually decline over the next several decades. Positive population growth is an essential component of a growing and competitive labour force and business community. Population and business growth also contributes to the generation of new jobs for local residents as well as revenue sources to pay for existing and new municipal services and infrastructure.

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[1] A Project Communications and Engagement Plan has been drafted as an internal tool to further guide the consultation mechanisms and process.

[2] According to 2016 Census, 3.4% of immigrant population in the City of Kawartha Lakes has moved to Canada in the last 5 years.

Ultimately, growth management policies should aim to build complete communities, enhance livability and economic prosperity, while protecting what is important to residents and local businesses. These long-term objectives emphasize the importance of measuring performance against quantitative metrics such as economic growth, as well as broader city building indicators related to housing, neighbourhood design, transportation, environment, health, social engagement, financial sustainability, and opportunity. Typically, core growth management concepts address the following key elements:

- Availability of land and future urban land needs, land utilization (i.e., density and built form), urban design, appropriate types and locations of urban and rural land uses, and hierarchy of urban and rural land uses;
- Increasing housing choice and providing affordable housing;
- Economic and socio-economic vitality, "place-making," structural economic trends, municipal competitiveness, and the changing nature of work;
- The protection of the natural environment and the City's cultural heritage; and
- Efficient utilization of municipal services and infrastructure as well as the movement of people and goods.

1.3   City of Kawartha Lakes O.P. Growth Management Principles

The City of Kawartha Lakes prepared a new O.P. that received Ministerial approval in 2012, which was subsequently amended through Official Plan Amendment (O.P.A.) 13. Section 4.1 of the O.P. contains the City's growth management principles. While this section remains under appeal and not in force, including the amendments made to it through O.P.A. 13, the principles are presented below since they do indicate some degree of Council's intent on the matter of managing growth:

a) "directing a significant portion of new growth to the built-up areas of the community through intensification;

b) focusing intensification in intensification areas;

c) building compact, transit-supportive communities in designated greenfield areas and within the built-up area;

d) reducing dependence on the automobile through the development of mixed-use, transit-supportive, pedestrian-friendly urban environment;

e) providing convenient access to intra- and inter-city transit;

f) ensuring the availability of sufficient land for employment to accommodate forecasted growth to support the City's economic competitiveness;

g) planning and investing for a balance of jobs and housing in communities across the City to reduce the need for long distance commuting and to increase the modal share for transit, walking and cycling;

h) encouraging development of a complete community with a diverse mix of land uses, a range and mix of employment and housing types, high quality public open space and easy access to local stores and services;

i) directing development to settlement areas, except where necessary for development related to the management or use of resources, resource-based recreational activities, and rural land uses that cannot be located in settlement areas;

j) directing new multi lots and units for residential development which constitutes the creation of more than three units or lots through either a plan of subdivision, consent or plan of condominium to settlement areas, and may be allowed outside of settlements areas in rural areas in site-specific locations with approved zoning or designation that permits this type of development as June 16, 2006;

k) directing major growth to settlement areas that offer municipal water and wastewater systems and limiting growth in settlement areas that are serviced by other forms of water and wastewater services;

l) prohibiting the establishment of new settlement areas;

m) preventing urban development in inappropriate areas, thus contributing to the conservation of resources, such as provincially significant wetlands, aggregate resource areas, cultural heritage resource areas, prime agricultural lands and the linked natural heritage system;

n) directing new seasonal residential development to vacant lots in existing waterfront developments, where possible, and directing new seasonal residential multi-lot developments to designated waterfront areas or in designated hamlet or urban settlement areas."

1.3.1 Looking Back on the 2010/2011 G.M.S.

The City of Kawartha Lakes completed a G.M.S. in 2010, with an update prepared in 2011. The 2010/2011 G.M.S. states that its goal was to "prepare an overall comprehensive growth management plan that: is in keeping with the intent of the policies of the Province's Places to Grow – Greater Golden Horseshoe Growth Plan (2006); and, ensures that growth is managed in coordination with infrastructure needs and appropriate financial planning." The G.M.S. goes on to explain that "its purpose is to develop a comprehensive plan that will examine land use supply and demand and existing and planned infrastructure to better understand how and where the City of Kawartha Lakes should grow over the long term planning horizon to 2031."

Looking back on the 2010/2011 G.M.S. and reflecting on the transformations in the provincially-led growth planning regime in Ontario, in particular under the Growth Plan, the following observations can be made about this 10-year-old strategy:

1. **The approach may have been acceptable at the time but would not conform to the Province's land needs assessment methodology today** – while the work of quantifying supply and an analysis against forecast demand was conducted, they occurred long before the Province issued its Land Needs Assessment (L.N.A.) Methodology for the Greater Golden Horseshoe (2020).[1] As a result, there was wide room for interpretation on an acceptable approach to the G.M.S. that would not be possible today.

2. **Settlement area boundaries were not evaluated** – the 2010/2011 G.M.S. did not explore whether any of the settlement boundaries were appropriate or needed to change.

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[1] It should be noted that the Province issued a more prescriptive methodology prior to 2020, and while the current version is more principles-based, it does provide guidance on the required approach.

3. **Excess lands were not considered** – further to item 2 above, lands in excess of what are needed to accommodate forecast growth were not evaluated, since it was not customary (or mandated by the Growth Plan in effect at the time) for municipalities to designate lands as excess and hold them back from development. This is now required (where appropriate) by Growth Plan policy 2.2.1.6.

Overall, the city has been tracking below the targets set forth in the 2011 GMS. According to the Study, between 2006 and 2016, the city was forecast to see an increase of 4335 housing units. However, based on Statistics Canada data, the city saw an increase of about 1600 housing units between 2006 to 2016, and 3200 units between 2006 and 2021.

Although looking back on the 2010/2011 G.M.S. has identified some lessons learned, there are still noteworthy merits to the strategy, including: it discussed the relevant planning context (P.P.S., Growth Plan, etc.); the analysis did extend to the 2031 planning horizon of the Growth Plan in effect at the time; it did incorporate an analysis of alternative scenarios (population assignment to different settlement areas); it did incorporate the minimum targets in the Growth Plan in its analysis; and, it was adequate enough in its analysis that the City's request for an alternative density target was approved by the Minister.

1.3.2 Looking Forward with this New G.M.S.

This new G.M.S. aims to replace the 2011 G.M.S. in light of evolving local/regional demographic, socio-economic and economic trends, a review of best practices regarding growth management within the G.G.H., and updated provincial planning requirements.

It is important to recognize that the City of Kawartha Lakes G.M.S. is a forward-looking document, designed to proactively plan for and accommodate change over the next several decades. Given uncertainties over the long-term planning horizon, these documents are to be comprehensively updated at a minimum every ten years. Within these comprehensive updates, O.P. amendments may also be required.

2. Planning within the Provincial Policy Framework

2.1 Introduction

As previously discussed, the City of Kawartha Lakes has a history of proactively planning for growth. The O.P. is a long-range document that is designed to manage planned change and the physical development of the City over the 2031 planning horizon. As noted in Chapter 1, the City of Kawartha Lakes G.M.S. will be used to guide the review of the current O.P. The O.P. will describe the type of growth the community wants and where that growth should occur. This process of updating an O.P. represents a Municipal Comprehensive Review (M.C.R.), in accordance with section 26 of the *Planning Act* and is required to bring the City's O.P. into conformity with A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019 (the Growth Plan), as well as to reflect current provincial policy direction and the City's strategic initiatives.[1] Integral to the City's O.P. is a comprehensive review of how new development will be planned, phased, and accommodated to the year 2051. This analysis is critical to guiding the timing and quantum of future land needs, hard and soft infrastructure requirements and municipal finance impacts associated with new development. The following sections detail how the provincial and regional policy framework guides the study.

2.2 What is the Growth Plan for the Greater Golden Horseshoe?

The Growth Plan is a provincial planning policy document that applies to all municipalities within the G.G.H. region. As part of the M.C.R. process, all G.G.H. municipalities are required to conform to the policies of this provincial document. The growth management policies of the Growth Plan promote the development of healthy and complete communities by including policies that require municipalities to plan for a mix of housing types, land uses, employment opportunities and an urban form that supports active transportation options (alternatives to vehicle transportation).

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[1] A Place to Grow: Growth Plan for the Greater Golden Horseshoe 2019. Office Consolidation, 2020.

The Growth Plan establishes specific population and employment forecasts, as well as intensification and density targets which municipalities must plan for over the long-term planning horizon (2051). As part of the M.C.R. process, municipalities review the provincial Growth Plan targets and further allocate assigned growth within the municipality based on provincial and local planning objectives.

2.3 What are the Key Growth Management Targets in the Growth Plan, 2019 and why are they Relevant?

The following is an overview of the requirements which are the primary focus of the O.P. that the City of Kawartha Lakes must address through the M.C.R. process through the requirements of the provincial policy framework:

- Review and refinement of the population projections;
- Review and refinement of the housing and employment forecasts;
- Hierarchy of urban and rural land uses;
- Examination of residential and non-residential growth in settlement areas, and identification of any specific urban expansion area requirements;
- Setting intensification and density targets; and
- Planning and economic development policy recommendations.

The Growth Plan includes the following growth management targets for the City of Kawartha Lakes:

- Population and employment forecasts to 2051;
- Annual housing development targets to occur within the built-up area of the City of Kawartha Lakes, as identified by the Province in 2006, including the settlements of Lindsay, Fenelon Falls, Bobcaygeon, and Omemee; and
- Minimum people and jobs per hectare density targets on designated greenfield urban lands.

Figure 1 illustrates the Growth Plan's terminology of "designated greenfield area" (D.G.A.) and "built-up area" (B.U.A.).

Figure 1
Designated Greenfield Area and Built-up Area
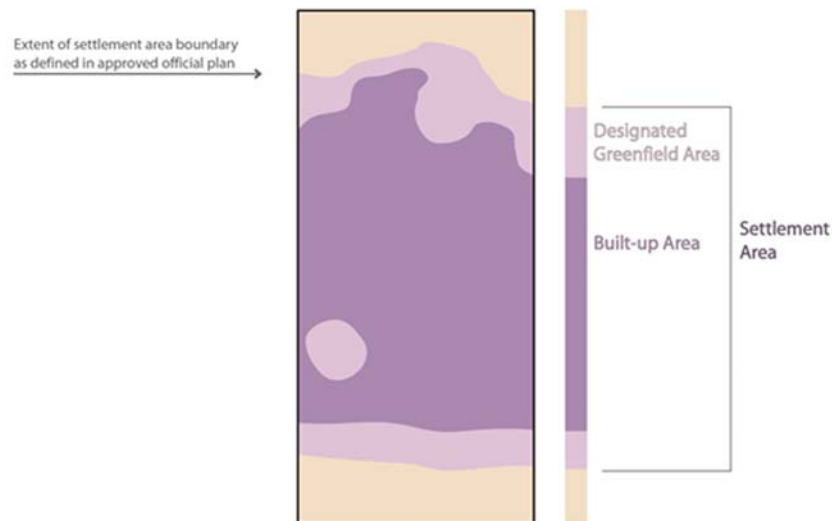
Source: Adapted from the Ministry of Municipal Affairs and Housing,
Places to Grow website: www.placestogrow.ca

In addition, the Growth Plan provides prescriptive planning policy direction which is accompanied by a comprehensive land needs assessment methodology that G.G.H. municipalities must follow in assessing their respective long-term Community Area and Employment Area land needs to the year 2051.

2.4   How do the Provincial Growth Plan Forecast Allocations Work?

Schedule 3 of the Growth Plan establishes population and employment forecasts to 2051 for all upper- and single-tier municipalities in the G.G.H. Table 1 includes a summary of the population and employment forecast for Kawartha Lakes. The forecasts are produced via a methodology that incorporates best available demographic and economic data, and reflects assumptions on fertility, migration, and mortality rates.

It is important to note that these forecasts as set out in the Growth Plan are minimums and higher forecasts can be established based on a review of local development conditions and an assessment of the long-term growth outlook for the municipality. All upper-tier and single-tier G.G.H. municipalities must achieve the minimum forecasts when making planning decisions and preparing their respective long-term urban land

needs assessments. All upper-tier and single-tier G.G.H. municipalities must also ensure their O.P.s conform to the Growth Plan through an M.C.R. by July 1, 2022.[1]

Table 1
City of Kawartha Lakes – Population Forecast Employment Forecast

Population 2016	Population Forecast 2051	Annual Population Growth Rate (%)	Employment 2016	Employment Forecast 2051	Annual Employment Growth Rate (%)
75,423	117,000	1.58%	25,640	39,000	1.49%

Source: A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019, Schedule 3 – Distribution of Population and Employment for the Greater Golden Horseshoe to 2051.

3.   Overview of Regional Population Trends and Economic Growth Drivers

3.1   Overview of Regional Growth Drivers

3.1.1   Outward Growth Pressures from the Greater Toronto Hamilton Area (G.T.H.A.)

Future population and employment growth within Kawartha Lakes is strongly correlated with the growth outlook and competitiveness of the G.G.H. regional economy. The municipalities which comprise the G.G.H. are illustrated in Map 1.

Currently, the G.G.H. is one of the fastest growing larger City/Regions in North America. The G.G.H. represents the economic powerhouse of Ontario and is the source of a large portion of the economic activity in Canada. The G.G.H. is economically diverse with most of the top 20 traded industry clusters throughout North America having a strong presence in this region. Within the G.G.H., the Greater Toronto and Hamilton Area (G.T.H.A.) industrial and office commercial real estate markets are significant,

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[1] It is noted that Councils of upper- and single-tier G.G.H. municipalities may request alternative targets with respect to the Growth Plan residential intensification and greenfield density targets where it is demonstrated that this target cannot be achieved. Any alternative target much be demonstrated as being appropriate for the local and regional context.

having the third and sixth largest inventories, respectively, in North America.[1] Economic opportunities within the G.G.H. represent a key draw for international migration as well as migration from other areas of the Country and Province.

Map 1
Kawartha Lakes within the Context of the Greater Golden Horseshoe (G.G.H.)

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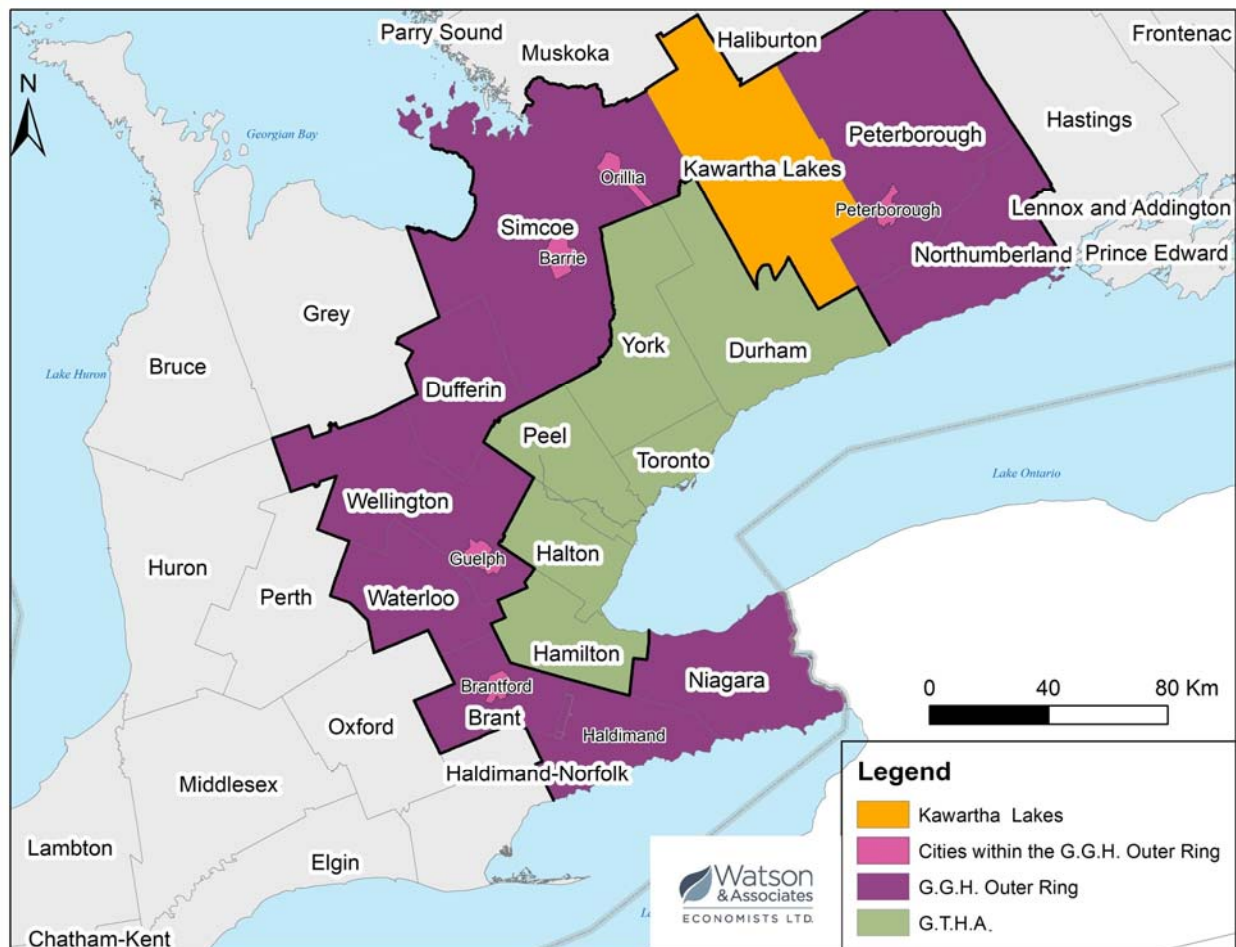
[1] Source: Derived from Cushman & Wakefield Toronto Industrial Market Beat and U.S. Industrial Market Beat Snapshot, Q3 2017, and Cushman & Wakefield Toronto Office Market Beat and U.S. Office Market Beat Snapshot, Q3 2017 by Watson & Associates Economists Ltd.

In accordance with the Growth Plan, the long-term outlook for the G.G.H. is positive, characterized by strong population growth fueled by economic expansion that is increasingly concentrated in large urban centres. As summarized in Table 2, the population of the G.G.H. is forecast to increase from 9.5 million in 2016 to 14.9 million in 2051.[1] This represents a population increase of 5.3 million people (152,000 annually), or 1.3% annually between 2016 and 2051. With respect to the region's economic potential, the G.G.H. employment base is forecast to increase from 4.6 million in 2016 to 7 million in 2051 (refer to Table 3). This represents an employment increase of 2.4 million jobs (69,000 annually), or 1.2% annually between 2016 and 2051.

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[1] Amendment 1 to the Growth Plan, 2019 extends the Schedule 3 forecast to 2051.

Table 2
Historical and Forecast Population Growth for the Greater Golden Horseshoe (G.G.H.), 2001 to 2051

AREA	Population 2001	Population 2016	Population 2051	Total Population Growth 2001 - 2016	Annual Population Growth 2001 - 2016	Annual Population Growth Rate 2001 - 2016	Total Population Growth 2016 - 2051	Annual Population Growth 2016 - 2051	Annual Population Growth Rate 2016 - 2051
G.T.H.A.	5,807,000	7,180,000	11,172,000	1,373,000	91,533	1.4%	3,992,000	114,057	1.3%
G.G.H. OUTER RING	1,971,000	2,289,000	3,703,000	318,000	21,200	0.9%	1,414,000	40,400	1.3%
TOTAL G.G.H.	7,778,000	9,469,000	14,875,000	1,691,000	112,733	1.3%	5,406,000	154,457	1.3%

Note: Population includes the net Census undercount.[1]

Source: 2001 and 2016 derived from Statistics Canada Census Data, 2051 data derived from A Place to Grow: Growth Plan for the Greater Golden Horseshoe (2019). Figure by Watson & Associates Economists Ltd., 2021.

Table 3
Historical and Forecast Employment Growth for the Greater Golden Horseshoe (G.G.H.), 2001 to 2051

AREA	Employment 2001	Employment 2016	Employment 2051	Total Employment Growth 2001 - 2016	Annual Employment Growth 2001 - 2016	Annual Employment Growth Rate 2001 - 2016	Total Employment Growth 2016 - 2051	Annual Employment Growth 2016 - 2051	Annual Employment Growth Rate 2016 - 2051
G.T.H.A.	2,938,000	3,564,000	5,360,000	626,000	41,733	1.3%	1,796,000	51,314	1.2%
G.G.H. OUTER RING	863,000	1,008,000	1,648,000	145,000	9,667	1.0%	640,000	18,286	1.3%
TOTAL G.G.H.	3,801,000	4,572,000	7,008,000	771,000	51,400	1.2%	2,436,000	69,600	1.2%

Source: 2001 and 2016 derived from Statistics Canada Census Data, 2051 data derived from A Place to Grow: Growth Plan for the Greater Golden Horseshoe (2019). Figure by Watson & Associates Economists Ltd., 2021.

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[1] The Census undercount (also known as Census under-coverage) refers to the number of Canadian residents not recorded in the Statistics Canada Census.

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With a robust economy and diverse mix of export-based employment sectors, the G.G.H. is highly attractive on an international level to new businesses and investors. The G.G.H. also has a strong appeal given the area's regional infrastructure (i.e., Toronto Pearson International Airport, other regional airports, provincial highways, inter-modal facilities), access to labour force, post-secondary institutions, and proximity to the U.S. border. In turn, this continues to support steady population and housing growth within this region, largely driven by international net migration.

The magnitude and distribution of growth throughout the G.G.H. is of key significance to the City of Kawartha Lakes. More specifically, as the remaining greenfield lands within the more mature areas of the east G.T.H.A gradually build out, increasing outward growth pressure will be placed on the outlying municipalities of the G.G.H. "Outer Ring," and beyond. For the City of Kawartha Lakes, this outward growth pressure is anticipated to be most heavily felt in the City's larger urban settlement areas.

It is anticipated that the majority of new adult residents migrating to the City of Kawartha Lakes will be within the 25-64 age group; however, a proportion of new migrants is also expected in the 65-74 age group, given the City's attractiveness as a retirement destination. In turn, population growth across these broad demographic groups will also continue to drive growth in population-related employment sectors including retail, personal services, business services and health and social services.

The City's urban and rural landscapes form a large part of the foundation which creates the "quality of place" that continues to increasingly attract new residents to this area. Since the summer 2020, the COVID-19 pandemic has acted as a near-term driver of housing demand, led by increased opportunities for remote work and the reconsideration by some Ontario residents to trade "city lifestyles" for "smaller town living." According to the Kawartha Lakes Real Estate Association, residential home sales increased by 11.5% in 2021 as compared to the previous year. [1] It is recognized, however, that longer-term population and employment growth potential for the City will be heavily dependent on the sustained economic growth potential of the broader economic region. As such, it is important not to overstate the near-term impacts of COVID-19 on housing demand in across the City of Kawartha Lakes over the long term.

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[1] https://blog.remax.ca/why-is-the-kawarthas-real-estate-market-so-strong-right-now/, https://creastats.crea.ca/board/kawa

Strong net migration levels are anticipated to drive housing growth across the City with demand across a broad range of housing typologies. The bulk of new adult residents coming to the City of Kawartha Lakes in the 25-64 age category will ultimately seek competitively priced ground-oriented housing forms (i.e. single-detached, semi-detached and townhomes) to accommodate existing/future families. Relative to the municipalities in the G.T.H.A., average non-waterfront housing prices in the City of Kawartha Lakes are lower and more affordable relative to local income. However, as housing prices continue to steadily rise across the City it is foreseeable that an increasing proportion of the population will be gradually accommodated in various forms of high-density housing (i.e. walk-up apartments, triplexes, and other low-rise apartments).

It is anticipated that a share of existing and new residents in the 65+ age group will also be seeking high-density housing within urban areas which offer access to urban amenities and health care services. This will generate an increasing need to accommodate a growing number of seniors in housing forms that offer a variety of services ranging from independent living geared towards active lifestyles and recreation to assisted living and full-time care.

3.1.2 Addressing Seasonal Housing Demand

Due to the attractiveness of Kawartha Lakes as a year-round recreational destination, the City accommodates a significant seasonal population base. Market demand for seasonal housing has been largely driven by residents within the G.T.H.A., and to a lesser extent other larger urban centres within southern Ontario located within a two- to three-hour drive to the City.

In 2016, approximately 19% of total residential dwellings in the City of Kawartha Lakes (7,340 of 38,400) were not occupied by usual residents, of which most can be considered seasonal dwellings. This seasonal component of the population is important to recognize as it generates potential impacts on the City's infrastructure and municipal services. It also increases pressure on natural and environmental resources, primarily during peak summer months.

New seasonal development is expected to generate both economic development and long-term housing demand across the City, primarily within rural areas. With the number of seasonal residents in Kawartha Lakes expected to grow, there is also

potential for the conversion of dwellings occupied by seasonal residents to permanent households. In accordance with Statistics Canada Census data, the share of seasonal dwellings to total dwellings has decreased from 22% in 2006 to 19% in 2016. Ultimately, these housing conversions may place further upward pressure on the City's permanent population growth rate.

Looking forward, it is important to recognize the impact generated by the seasonal segment of the population on future housing demand, infrastructure needs, economic development, and municipal services.   Another issue which may be accompanied with growth in seasonal housing and population is an increase in seasonal workers, working primarily in the service sector. As such, it is imperative that affordable housing options be considered for such seasonal workers.

3.1.3   Regional Economic Opportunities

The City of Kawartha Lakes is characterized by a blend of rural lands and vibrant urban settlement areas. As per the 2012 O.P., approximately 65% of the residents live in rural areas, with 35% living in the urban area. The existing employment base is concentrated in retail, institutional uses, construction, accommodation and food services, manufacturing, wholesale trade, agriculture, and tourism.

The City's economy is transitioning from goods to services production, a feature that is well-documented across national, provincial and regional levels. Looking forward, existing and emerging knowledge-based sectors, such as professional, technical and scientific services, finance and insurance, real estate and rental leasing, health care, information technology, and agri-businesses, are expected to represent the fastest growing employment sectors in the City. Between 2001 and 2016, employees working within the City in the professional and scientific services sector increased by 42%, and those employed in the health care sector grew by 39%.[1]

As the employment base continues to grow within the City and the surrounding commuter-shed, the economy is also anticipated to diversify, generating a range of new live/work and commuting opportunities that increasingly focus on emerging knowledge-based employment sectors related to professional, technical and scientific services, other business services, health care and education, advanced manufacturing and information technology. Within the service sector, economic growth has been notably

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[1] According to Statistics Canada Census Data.

robust for small to medium-scale knowledge-based businesses that are focused on innovation, entrepreneurship, and technology.

While manufacturing remains vitally important to the regional economy with respect to jobs and economic output, the nature of manufacturing is changing as industrial processes have become more capital/technology intensive and automated. This suggests that employment growth in this sector is anticipated to remain relatively modest in light of potential steady increases in economic output over the long-term.

3.1.4 Quality of Life

Quality of life is a key factor influencing the residential location decisions of individuals and their families. It is also a factor considered by companies in relocation decisions. Typically, quality of life encompasses several sub-factors such as employment opportunities, cost of living, housing affordability, crime levels, quality of schools, transportation, recreational opportunities, climate, arts and culture, entertainment, amenities, and population diversity. The importance of such factors, however, will vary considerably depending on life stage and individual preferences. As previously identified, the urban and rural character of the City of Kawartha Lakes offers a high quality of life which is expected to drive net migration from a broad range of demographic groups, families, empty nesters and seniors.

To ensure that economic growth is not constrained by future labour shortages, effort will be required by the City of Kawartha Lakes to continue to explore ways to attract and accommodate new skilled and unskilled working residents to an area within a diverse range of housing options. Attraction efforts must also be linked to housing accommodation (both ownership and rental), infrastructure, municipal services, and amenities, as well as quality of life attributes that appeal to the younger mobile population, while not detracting from the City's attractiveness to older population segments.

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3.2 Structural Macro-Economic Changes Impacting Economic Growth within the G.G.H. and the City of Kawartha Lakes

Continued structural changes in the global economy and technological disruption will continue to influence the future nature of work and require municipalities to be responsive and adaptive to changing industry needs. Key highlights related to the evolving structural changes and impacts to the City of Kawartha Lakes economy are provided below, including the recent impacts of COVID-19 on consumer behavior, influence of e-commerce, technological disruption, and the changing nature of work.

3.2.1 Role of E-Commerce and Changes in Consumer Behaviour

Retail e-commerce sales have risen steadily across Canada, with the proportion of online sales rising from 2.4% in 2016 to a high of 11.4% percent in April 2020. This may be attributed to the rise in online sales as well as strict lockdown measures implemented by the Government at the beginning of the COVID-19 pandemic. As of October 2021, the share of online sales is approximately 6%. Further, the digital impact of retail sales is even greater with mobile purchasing platforms (e.g., UberEats, Skip the Dishes) that support retail sales of local retailers.[1] The rise of e-commerce has reduced the demand for retail square footage, in particular retail space for the sale of goods-based retailers. This trend will continue as consumer behaviour, which have shifted over the course of the COVID-19 pandemic, becomes further entrenched. While e-commerce has been capturing market share from goods-based retailers, growth in specific service-based retailers continues as they provide social experiences and other services that cannot be purchased remotely.

3.2.2 Impacts of Technological Disruption

According to the Brookfield Institute for Innovation + Entrepreneurship, over the next 10 to 20 years, 42% of the Canadian labour force is at a high risk of being affected by automation, either through significant task restructuring or elimination. Jobs that are anticipated to be most highly impacted by automation are primarily within occupations that are administrative, routine, or oriented towards sales and service. The net impacts

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[1] It is recognized that at present these platforms are not available in the City of Kawartha Lakes, and this trend has been observed at a regional level.

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to global gross domestic product (G.D.P.) resulting from artificial intelligence (A.I.) are anticipated to contribute up to $15.7 trillion to the global economy by 2030, more than the current output of China and India combined.[1]

Over the next decade, A.I. is anticipated to generate steady disruption as both established businesses and new entrants drive innovation and develop new business models. While the long-term net economic impacts of automation and/or A.I. appear to be positive, global competition is increasing from both established and emerging markets looking to capitalize on potential opportunities.[2]

3.2.3 Impacts of COVID-19 Related to the Changing Nature of Work and Supply Chains

Over the 2006 to 2016 period, the percentage of the City of Kawartha Lakes labour force defined as having a usual place of work declined marginally, offset by a gradual increase in the share of work at home employment and a steady increase in the share of off-site employment or employees with no fixed place of work (N.F.P.O.W.).[3] Demographics and socio-economics have played a key role in the future demand for off-site and work at home employment within an increasingly knowledge- and technology-driven economy.

As a result of social containment measures enforced by governments in an effort to control the spread of COVID-19, economic sectors such as travel and tourism, accommodation and energy have been hit particularly hard, over the past two years. On the other hand, many other employment sectors (particularly knowledge-based sectors), which are more adaptable to the current remote work environment have been less negatively impacted, and in some cases have prospered.

Required modifications to social behavior (i.e., physical distancing) and increased work-at-home requirements resulting from government-induced containment measures have

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[1] Sizing the Prize. What's the real value of AI for your business and how can you capitalize? PWC. 2017.

[2] Sizing the Prize. What's the real value of AI for your business and how can you capitalize? PWC. 2017.

[3] Statistics Canada defines N.F.P.O.W. employees as "persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc."

resulted in significant economic disruption largely related to changes in the nature of work, consumer demand and consumption patterns (i.e., work from home, e-ecommerce). With respect to work patterns, COVID-19 has accelerated changes in work and commerce as a result of technological disruptions which were already taking place prior to the pandemic. Enterprises will increasingly need to rethink the way they conduct business and offer services and products with an increased emphasis on remote work enabled by technologies such as virtual private networks (V.P.N.s), virtual meetings, cloud technology and other remote work collaboration tools to remain competitive and adaptable. Continued advances in technology and telecommunications (e.g., 5G technology) are anticipated to further enable remote work patterns and ultimately increase the relative share of off-site employees over the long term. One such example can be the Eastern Ontario Regional Network (EORN) which is seeking federal and provincial support to deliver ultra-fast, gig internet to homes and businesses in the region through a $1.6 billion public-private partnership.[1]

In light of these anticipated trends, it is important to consider the manner in which these impacts are likely to influence the nature of employment by sector as well as by place of work. Further, these trends are anticipated to have a direct influence on commercial and industrial real estate needs over both the near and longer term.

Lastly, continued tensions and constraints related to international trade have also raised further questions regarding the potential vulnerabilities of globalization and the structure of current global supply chains. These trends will be important to monitor as they may have impacts on the domestic manufacturing sector within the broader region and the Province as a whole.

3.2.4 Rise of the Gig Economy

It is anticipated that many working residents in the City, particularly younger adults as well as older adults (i.e., Baby Boomers) approaching retirement or semi-retirement will utilize technology to supplement their income in more flexible ways in contrast to traditional work patterns.[2] Technological innovation and improved broadband regional

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[1] https://www.kawarthalakes.ca/en/news/eastern-ontario-regional-network-proposes-ultra-fast-gig-internet-project.aspx

[2] Baby Boomers are generally defined as those born between 1946 and 1964.

telecommunications have been, and will continue to be, key drivers of economic expansion in knowledge-based sectors as well as the steady rise of the gig economy.[1]

With an increase in work from home and telecommuting, coupled with the City's proximity with larger urban centres to facilitate occasional commute to the workplace, potential for encouraging the

4. Kawartha Lakes G.M.S. Themes

4.1 What are the Key Themes which will be Addressed Through this Study?

The following section highlights some of the key themes that will be assessed as a part of this G.M.S. study. These themes have been identified and detailed through a review of the City's existing planning and economic development policies, best practices provincial planning policy, as well as through consultation with the City of Kawartha Lakes staff and Task Force members.

4.1.1 Promoting Environmental Sustainability and Protecting City's Natural Heritage

Kawartha Lakes is comprised of a vast natural heritage system. These natural areas support wildlife habitat, significant woodlands, areas of natural and scientific interests as well as water, mineral and aggregate resources. The City's natural areas also enhance local recreation, culture and heritage and agricultural production as well as contribute to the growth and sustainability of the region's tourism sector.[2] As the City continues to urbanize, it is important that the natural features and heritage is considered a driving factor of overall development and is given key consideration on deciding where and how the City should grow. It is imperative that a balanced approach is taken to weigh the economic development benefits of urban and rural development against the

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[1] The gig economy is characterized by flexible, temporary, or freelance jobs, often involving connecting with clients or customers through an online platform.
[2] Our Kawartha Lakes, Integrated Community Sustainability Plan & Local Action Plan, City of Kawartha Lakes, 2014

sustainability of the natural heritage system. Managing the potential risks associated with environmentally sensitive areas is essential for ensuring sustainability. The G.M.S. will take into consideration the environmentally sensitive features and natural heritage system of the City.[1]

Across Ontario, municipalities have used various tools and incentives to encourage sustainable development. Some examples include Hamilton LEEDing the Way Community Improvement Plan and the Toronto Green Standard Development Charge Refund program. Consideration of various programs and tools available to the City, which support best practices for sustainable development should form a key component of the City's long-term growth management strategy.

4.1.2 Determining How and Where the City of Kawartha Lakes should Grow

The current City of Kawartha Lakes O.P. directs the majority of development to Settlement Areas (primarily within Urban Settlement Areas and to some extent within Hamlets), except where necessary for development of certain resource-based and rural land used uses that cannot be located in settlement areas. It is important to recognize the role of rural lands and Hamlets in accommodating growth in a way that supports their function of providing for residential, social and commercial needs of the rural area. The City's Hamlets represent service centres to the surrounding rural area and provide clusters of business operations that are essential to the City's future economic growth. As such, infilling and minor rounding out of existing development within Hamlets is important to ensure that these areas remain vibrant, sustainable and complete communities. It is important, however, to recognize that there are certain challenges related to the allocation of new development within rural areas that need to be considered while planning for growth. Some of these issues include availability of municipal or communal services, protection of agricultural areas and natural heritage, and maintaining the character of rural areas.

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[1] It is noted that the G.M.S. will utilize the current mapping of natural heritage prepared by the City/Province and the study does not include new mapping or updates to the features identified previously.

Looking forward, it is expected the City of Kawartha Lakes will continue to experience development pressures within its urban settlement areas on D.G.A. lands, combined with increased demand for residential intensification within the City's B.U.A. Specific decisions regarding where urban growth is directed will have direct impacts on infrastructure needs and municipal service requirements. Efforts to address these growth pressures are anticipated to present a number of growth management opportunities and challenges to the City of Kawartha Lakes.

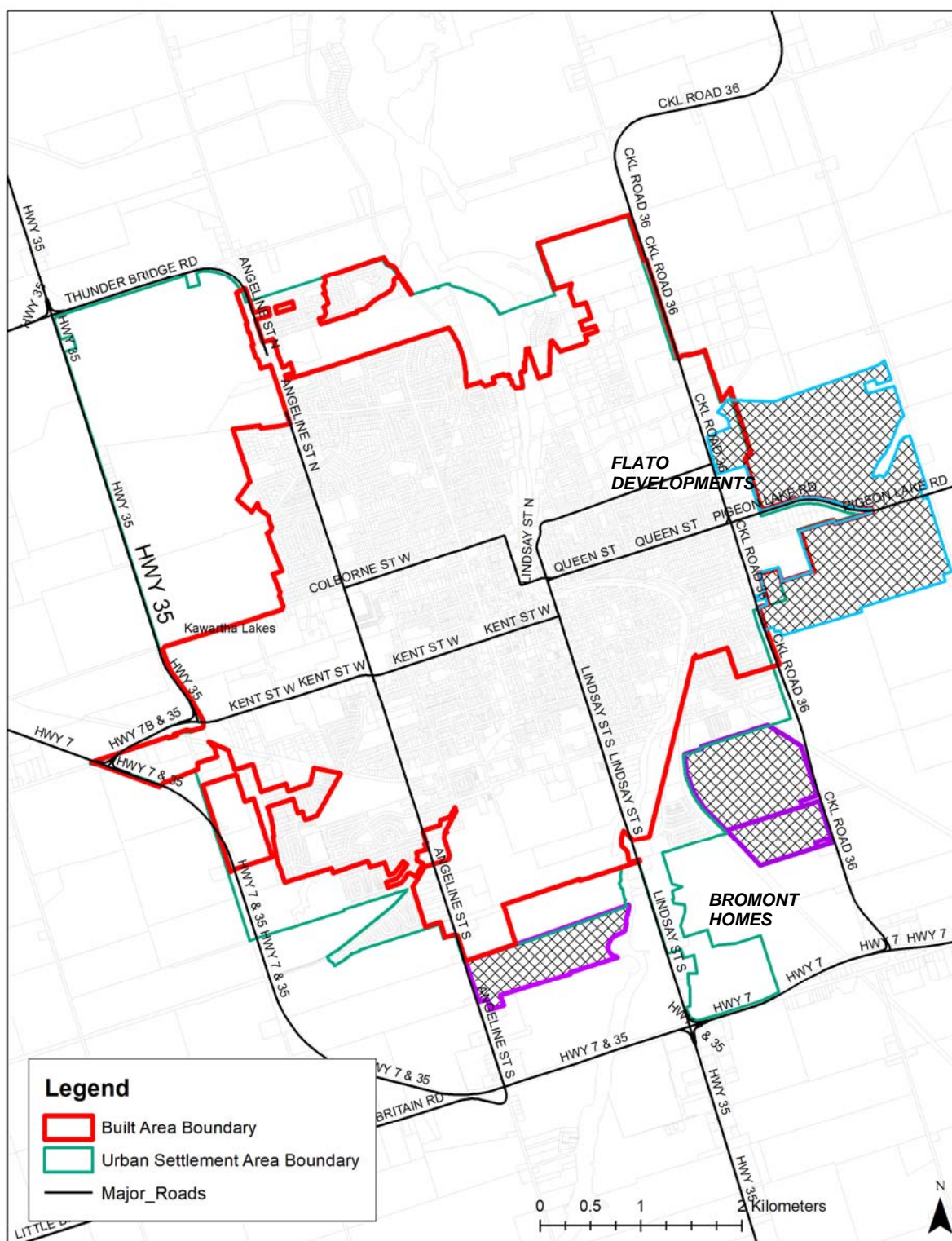### 4.1.2.1   M.Z.O. Applications in the City

Section 47 of the *Planning Act* allows the Minister of Municipal Affairs and Housing (M.M.A.H.) to make Minister's Zoning Orders (M.Z.O.s), to govern land uses within areas subject to the order. An M.Z.O. prevails over any other zoning by-law in effect in the area, giving the Minister complete authority to regulate land use on specific lands. The City of Kawartha Lakes has received two M.Z.O.s which are located both within and outside the settlement area of Lindsay (ref. Map 2), including:

- Bromont Homes Inc. and Melody Garden Inc. for development of approximately 2,200 housing units covering an area of roughly 130 ha towards the southern end of the Settlement Area of Lindsay; and
- Flato Developments for development of approximately 3,400 housing units covering an area of roughly 180 ha east of the Settlement Area boundary of Lindsay.

The approval of these M.Z.O.s will impact the nature of growth and urban development within the City, particularly around the Settlement Area of Lindsay, which will be examined as a part of the G.M.S.

Map 2
Conceptual Location of Two M.Z.O.s within the City of Kawartha Lakes

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4.1.3 Planning for All Generations

The average age of the population base in the City of Kawartha Lakes is getting older, due to the large concentration of Baby Boomers within the broader region. Not only is the Baby Boom age group large in population, but it is also diverse with respect to age, income, and lifestyle/life stage. Accommodating empty nesters/seniors is a key planning issue across Ontario municipalities including Kawartha Lakes, as a growing percentage of the population will reach 75 years of age and older over the next 15 years. The aging population is anticipated to drive the need for seniors' housing and other housing forms geared to older adults (i.e., assisted living, affordable housing, adult lifestyle housing).

The physical, socio-economic and lifestyle characteristics of the 75+ age group (on average) are considerably different than those of younger seniors, empty nesters, and working-age adults. While a large share of Baby Boomers are anticipated to "age in place" with their existing low-density homes, it is anticipated that a portion of these older residents, particularly those 85+, will require alternative housing options. On average, older seniors have less mobility, less disposable income and typically have greater health care requirements compared to younger seniors. Typically, these characteristics associated with this age group often drive their relatively higher propensity for medium- and high-density housing forms that are in proximity to urban amenities (e.g., hospitals/health care facilities and other community facilities geared towards seniors).

The aging of the City's population base further reinforces the need to attract younger age groups to the region, particularly those characterized as Millennials and Generation Z as well as subsequent generations.[1] Millennials are typically defined as the segment of the population which reached adulthood during the 2000s. While there is no standard age group associated with the Millennial generation, persons born between 1980 and 1992 (currently 29 to 41 years of age) best fit the definition of this age group. Millennials represent a large cohort in Canada, rivalling the Baby Boomer generation in terms of size and impacts on the real estate market and labour force base.

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[1] Millennials are generally defined as those born between 1980 and 1992. For the purposes of this study, we have assumed that those born between 1993 and 2005 comprise Generation Z.

As of 2016, Millennials comprise approximately 12% of the City of Kawartha Lakes population, slightly lower than the Ontario provincial average of 17%.[1] Based on a survey conducted in 2014, 62% of Millennials prefer to live in mixed-use environments that urban centres offer, which includes proximity to amenities and employment.[2] These trends, however, have been shifting amidst the COVID-19 pandemic.

Millennials are now at a stage of life where home ownership is considered important for the majority of individuals within this demographic group. A recent Royal Lepage study found that about 44% of Ontario residents aged 25-35 owned their home, with 71% being confident in their long term financial outlook.[3] Nearly two-thirds of this age group who are employed or seeking employment feel the ability to work remotely for an employer is important, and approximately half said this has increased their likeliness to move further from their place of work. In total, nearly two in five are considering a move to a less dense area due to the COVID-19 pandemic, while approximately half said COVID-19 did not impact their desire to move into less dense areas. Given an option, 45% indicated they would prefer living in a city, while 47% said they would choose small town or country living. The most attractive features of living in a city were walkability (21%) and access to events, attractions and other entertainment options (21%), followed by diversity of people and cultures (18%), and more employment opportunities (17%). The top reasons for wanting to move to a less dense area included access to more outdoor space (62%) and lower home prices (61%), followed by the affordability of larger properties (51%).[4]

Much of this demand for future home ownership appears to be the desire for additional floor space and a yard, in many cases to accommodate a growing family. Anticipated housing demand by the Millennial population is anticipated to drive future housing needs across the City of Kawartha Lakes, largely in Urban Centres, which provide options for first time homebuyers as well as "move-up" buyers with growing families. With this in mind, housing demand is anticipated to be primarily strong for grade-related housing forms including single and semi-detached, townhouses, including back-to-back and stacked townhouses.

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[1] Statistics Canada, 2016 Census.
[2] Millennials – Breaking the Myths, Nielsen, 2014.
[3] Royal LePage 2021 Demographic Survey.
[4] Royal Lepage, National Survey, 2013.

Generation Z, the cohort that directly follows the Millennial Generation, is now entering the real estate and labour market. Demographers and researchers typically use the mid-1990s to mid-2000s as starting birth years to describe the Generation Z cohort. According to a recent study by Sotheby's International Realty Canada and Mustel Group, half of the surveyed Generation Z Canadian residents said that their most likely purchase will be a higher-density housing type, such as a condo (25%), attached home/townhouse (18%) or duplex/triplex (7%).[1] Over the next several decades, Generation Z is anticipated to place increased demand on medium- and high-density ownership and rental housing. As of 2016, the Generation Z population comprises approximately 14% of the City of Kawartha Lakes' population base.[2]

Millennials and Generation Z will have an impact on the nature of future employment growth, which will be increasingly driven by the knowledge-based economy. From a planning and economic development perspective, both Millennials and Generation Z will continue to serve as a catalyst for both growth and change related to future office, retail, institutional and industrial developments across the City. The extent to which the City of Kawartha Lakes can capitalize on potential demand from these demographic groups is subject to a number of economic and socio-economic variables (e.g., relative housing costs/affordability, local and regional employment opportunities, fuel costs, lifestyle preferences, local amenities, community services and perceived quality of life).

Over the next several decades, a greater share of young adults and seniors are likely to live in rental housing. This is partly due to the lifestyle of these population groups, but it is also influenced by incomes as younger adults generally have lower incomes while seniors typically have lower fixed incomes when they are no longer working.[3] Furthermore, the City of Kawartha Lakes is one of the most popular tourist destinations in the Province, which provides opportunities to attract low-income labour force to the City. It is essential that all various age and income groups are considered when planning for the City's future housing needs.

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[1] https://sothebysrealty.ca/insightblog/en/2021/12/08/the-next-generation-in-canadian-housing-generation-z-trends-report/
[2] Statistics Canada, 2016 Census.
[3] Kawartha Lakes Housing and Homelessness Report.

4.1.4 Encouraging Affordable Housing Options

Providing a broad range and mix of housing to meet the needs of current and future residents includes market-based and affordable housing.[1] Affordable housing is targeted towards low and/average income earners, for example: those who earn the minimum wage or individuals who are receiving government assistance such as seniors or people with a disability. The Kawartha Lakes O.P. establishes a target of 25% for all new housing development to be affordable to low- and moderate-income households.

Affordability for local residents remains a significant challenge due to housing price appreciation and rising housing accommodation costs, which are increasing at a faster rate relative to household incomes.[2] This issue is most pronounced for renter households, which comprise of about 17% of the total households in the City.[3] According to CMHC and Statistics Canada data, the average median income in the City of Kawartha Lakes has increased by only about 4% between 2006 and 2016, while housing prices rose by 11% and average rent increased by 32%. Accordingly, the City of Kawartha Lakes and County of Haliburton together created an affordable Housing Framework in 2017 with a goal increase the supply of affordable housing and to align municipal financial and planning policies with affordable housing objectives. The City will need to continue building on its existing affordable housing policies and consider develop planning and financial tools that can assist in creating a broader range of affordable housing choices for its residents.

One of the ways of encouraging affordable housing options is providing for a diverse range of housing options and focus on Missing Middle. The "missing middle" describes a range of medium-density housing types between single-detached houses and

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[1] According to Statistics Canada, Affordable housing has shelter costs equal to less than 30% of total before-tax household income.

[2] Approximately 24% of households in Kawartha Lakes spend more than 30% of household income on shelter which is lower than the provincial average. As a comparison, approximately 28% of households in Ontario spend more than 30% of household income on shelter.

[3] Proportion of Renter Households in Kawartha Lakes that spend more than 30% of household income on shelter increased from 46% in 2011 to 52% in 2016.

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apartment buildings that have gone "missing" from many of our cities in the last 60 to 70 years. This includes a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living, such as duplexes, triplexes, fourplexes, rowhouses, and townhouses.[1]

4.1.5 Encouraging Housing Intensification

According to the P.P.S., residential intensification is defined as:

> "intensification of a property, site or area which results in a net increase in residential units or accommodation and includes:
>
> a) redevelopment, including development of brownfield sites;
>
> b) the development of vacant or underutilized lots within previously developed areas;
>
> c) infill development;
>
> d) development and introduction of new housing options within previously developed areas;
>
> e) the conversion or expansion of existing industrial, commercial and institutional buildings for residential use; and
>
> f) the conversion or expansion or conversion of existing residential buildings to create new residential units or accommodation, including accessory apartments, additional residential units, rooming houses, and other housing options."

As discussed previously, one of the key principles of growth management in the Kawartha Lakes O.P. is to promote intensification and develop complete communities. In accordance with the City's O.P., 30% of all residential development occurring annually within the municipality will be within the B.U.A.

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[1]

https://www.evergreen.ca/downloads/pdfs/2018/What_is_the_Missing_Middle_Evergreen_CUI_s2.pdf

Residential intensification can provide positive effects on the City of Kawartha Lakes, recognizing that any intensification project must also conform with good planning principles and be compatible with surrounding development. This includes:

- Helping revitalize core areas of the City's settlement areas;
- Making more efficient use of infrastructure (i.e., roads, water, wastewater);
- Creating the potential for higher-density development supportive of alternative modes of transportation (i.e., cycling and walking); and
- Providing increased housing options including housing within proximity to employment opportunities and other amenities.

Historically, the City of Kawartha Lakes has experienced limited residential intensification. A slight increase in the share of medium- and high-density housing forms, however, is anticipated relative to historical trends within the City's B.U.A.s, largely influenced by demands associated with the City's aging of the population as well as declining affordability of low-density greenfield housing forms.

4.1.6 Planning for Employment Growth within the Context of Structural Economic Change

The Kawartha Lakes O.P. supports a diverse economic base with manufacturing and agriculture comprising two of the largest sectors in the local economy by gross sales. Similar to the G.G.H., the City of Kawartha Lakes has experienced positive employment growth in almost all the major sectors of employment, especially the industrial, commercial, and institutional sectors between 2011 and 2021 (refer to Figure 2).

Figure 2
City of Kawartha Lakes, Change in Employment, 2011 to 2021
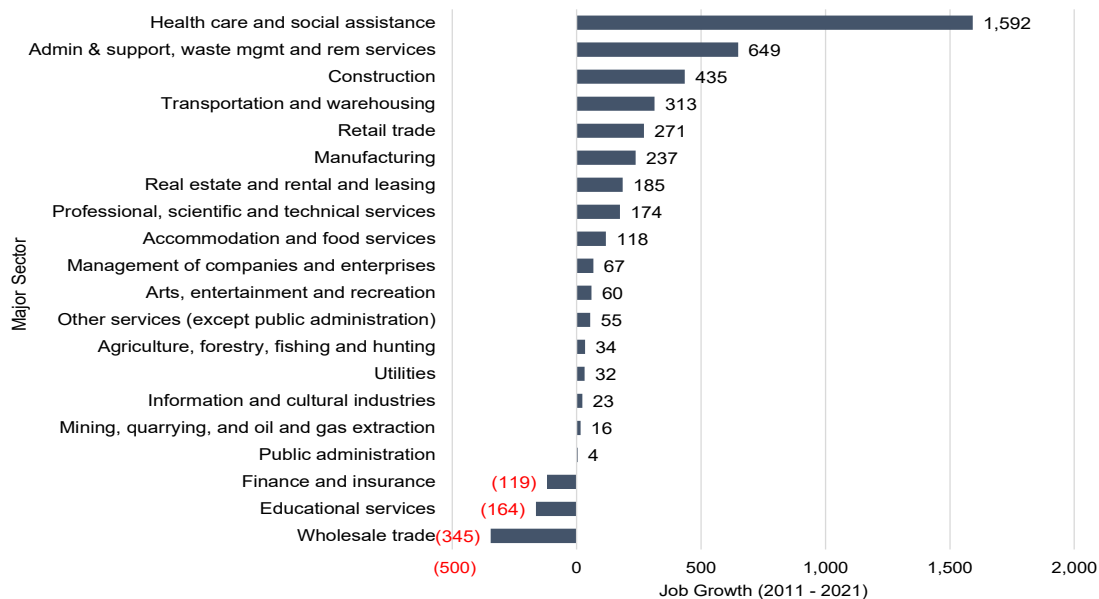
Source: Derived from EMSI Data by Watson & Associates Economists Ltd., 2021.

The City's Economic Development Strategy identifies five established or emerging clusters that are anticipated to be the focus of economic development programs. These include agriculture and food, tourism, specialized manufacturing, culture, and engineering products and related services.[1]

Lands designated as Employment Areas in the O.P. are intended to be used for clusters of business and economic activities, including, but not limited to, manufacturing, warehousing, offices and associated retail and ancillary facilities.[2] As previously mentioned, structural changes in the broader economy are altering the nature of economic activities in Employment Areas and impacting the built form and composition of these lands. Recently, market demand and real estate development in Employment Areas have been increasingly driven by growth in the knowledge-based or "creative class" economies, including employment sectors such as advanced manufacturing, professional, scientific and technical services, cleantech, biotech, digital entertainment,

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[1] A cluster is a geographic concentration of businesses and associated institutions that strengthen each other because they are located in close proximity.

[2] A Place to Grow: Growth plan for the Greater Golden Horseshoe, 2019 (Office Consolidation 2020), p. 70. Provincial Policy Statement, 2020, p. 43.

robotics, information and culture, health care, and education. The nature of traditional industrial processes is also rapidly shifting, becoming more capital/technology intensive and automated, often with lower labour requirements. With an increasing emphasis on these knowledge-based sectors, major office, flex office and multi-purpose facilities encompassing office and non-office uses are becoming an increasingly dominant built form. Further, due to technological advancements and the changing nature of employment, office space is being utilized more efficiently and in more creative ways.

Driven by an increasing emphasis on innovation and technology, these evolving and emerging export-based sectors have siting, space and built-form requirements that are significantly different from traditional industrial sectors which have occupied Employment Areas across the City and throughout the broader region in the past. This may include requirements related to telecommunications infrastructure, transit access, energy efficiency, building and urban design standards, eco-industrial design principles and labour force access. Site configuration and integration of uses is also evolving particularly in prestige Employment Areas which often integrate operations combining office, research and development, warehousing and logistics, and on-site manufacturing in a "campus-style" setting.

With the recent structural changes in the regional economy, there has been a shift in how Employment Areas are planned and developed. "Place-making" is increasingly recognized as an important planning component in creating diverse and vibrant communities, which in turn can help attract local population and job growth providing that other necessary infrastructure requirements are met.[1] For Employment Areas, this is particularly relevant for light industrial and office commercial environments which integrate ancillary retail uses and other supportive amenities, with public open space and other civic infrastructure.

Recognizing that structural changes in the global economy will continue to be accelerated by technological advancements and innovation, municipalities must be increasingly responsive and adaptive to changing industry needs and disruptive forces. Looking forward over the next several decades, the City's land-use planning and

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[1] Place-making is a process of creating unique, quality locations, places or spaces that possess a strong sense of place. With respect to places of work, the concept of placemaking often encompasses the attraction of knowledge-based workers and businesses with an emphasis on collaboration, connection, and innovation.

economic development policies must monitor, anticipate, and reflect the evolving needs of businesses across a diverse range of industry sectors and sizes. These policies must also offer a degree of flexibility and nimbleness that allows for relatively rapid responses to unforeseen changes, which can be a critical competitive advantage relative to competitive markets.

4.1.7 Promoting the Rural Economy

The City of Kawartha Lakes contains a large rural base, with agriculture being one of the major sectors of the local economy. As such, there is the need to accommodate new development within the agricultural sector, as well as the expansion of existing businesses that support the agricultural economy. The agriculture and agri-food system encompass several industries, including the farm input and service supplier industries, primary agriculture, food and beverage processing, food distribution, retail, wholesale and food service industries. The City has multiple rural Employment Areas and nodes that can contribute to the growth of businesses, particularly to build employment around value added agriculture (including expansion of existing processors, identified new opportunities for processing and distribution). One of the goals of the O.P. is to recognize that sustainable agriculture allows for flexibility of production, strong, financially viable farms that adapt to market fluctuations and other factors that may change over time. Agri-business, food processing and other on farm diversified uses also provide an opportunity to deepen agricultural activity and increase productivity of the industry by providing value-added products and services.

4.1.8 Continuing to Develop and Promote the Tourism Sector

Kawartha Lakes is one of the most popular tourist destinations in the Province, attracting an additional 1.6 million visitors annually with domestic tourism spending of

$106 million. Further, about 4,900 jobs are impacted by tourism-related businesses in the City. [1]

The City of Kawartha Lakes is has developed a five-year destination development plan to guide tourism development in the City and coordinate efforts of the City staff, businesses, and other tourism partners.[2] The City has identified tourism as one of the key industries supporting the economy as a whole and has also started promoting community-based tourism with particular emphasis on farm and eco-tourism. The development of farm-based tourism will also encourage the growth and development of the City's Hamlets into vibrant rural communities. In a city like Kawartha Lakes, the concept of place-making can further aid in Tourism Destination Planning. This can be physical or urban design-based place-making that is widely employed in creating destinations that are interesting to tourists. It can also be on a marketing perspective which includes the image and experience of a place.[3]

4.1.9   Aligning Growth with Significant Infrastructure Investment

To accommodate the City's long-term population and employment forecasts, significant investments in water, wastewater, and transit and transportation infrastructure, as well as social infrastructure and recreational facilities such as schools, libraries, community centres, parks will be required in both greenfield and intensification areas.[4]

It is recognized that if infrastructure projects are not well-aligned with market demand, the City will be at increased financial risk. In turn, delays to major infrastructure investment would potentially reduce the City's growth potential and competitive position relative to the broader regional market area by further limiting new opportunities for new business development and housing choice. To minimize these financial risks, there is a

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[1] https://www.kawarthalakes.ca/en/business-growth/community-profile.aspx

[2] https://pub-kawarthalakes.escribemeetings.com/filestream.ashx?DocumentId=43312

[3] Lew, A.A. (2017) Tourism Planning and Place Making: place-making or placemaking? Tourism Geographies

[4] The City is receiving funding from the federal and provincial governments for development of more accessible and efficient public transit network under the *Investing in Canada* plan (https://www.kawarthalakes.ca/en/news/canada-and-ontario-invest-in-modern-and-more-accessible-public-transit-infrastructure.aspx)

need to align near-term and longer-term development priorities with locations that offer development capacity within existing physical and social infrastructure.

4.1.10 Measuring Performance Against Broader Growth Management Objectives

While achieving long-term economic growth and prosperity is an important indicator of overall performance for the City of Kawartha Lakes, it is also necessary to weigh such quantitative measures against other broader qualitative community building goals related to housing, neighbourhood design, transportation, environment, health, social engagement, and opportunity. Achieving these goals requires a long-term vision with respect to the overall management of urban communities (including places of work), rural lands, recreation areas and protected countryside.

4.1.11 Exploring Best Practices Regarding Growth Management

The Province of Ontario has established a provincial growth management framework for municipalities to follow covering elements such as land availability, efficient utilization of resources, economic vitality, housing affordability and protection of natural heritage and environment. In order to achieve these objectives, it can be helpful for the City to look at other municipalities within Ontario, particularly in the G.G.H. that have adopted various approaches and tools to manage growth as part of their current O.P. review process.

4.2 Questions About Growth Management

As previously mentioned , this discussion paper explores several fundamental opportunities and challenges that face the City of Kawartha Lakes over the next 20 years and beyond. Below is a summary of questions that the paper poses in relation to growth management:

- How and where should the City of Kawartha Lakes grow (e.g., more intensification versus greenfield development, more or less growth in settlement areas)?
- Should the City of Kawartha Lakes explore different density[1] and intensification targets from what is required as per the Growth Plan?
- What steps can the City of Kawartha Lakes undertake in building communities with a balance of employment and housing opportunities that encourage well-aligned live/work opportunities?
- How can the City of Kawartha Lakes' urban structure facilitate and promote active forms of transportation (walking, cycling)?
- What efforts should be made by the City and its partners to attract and accommodate a growing and diverse labour force pool in both established and emerging employment sectors?[2]
- Where are the best locations for high-density housing (e.g., apartments), and how can this form of development be integrated into existing and new communities? What, if any, policies or incentives should be explored to increase residential intensification currently being achieved across the City?
- What policies or initiatives should the City explore that may facilitate affordable housing options and a range of housing forms (both ownership and rental)?
- Is there an opportunity to increase the utilization (density) of the City's D.G.A. lands?
- What are the impacts of permanent and seasonal growth on asset management, municipal services/programming and long-term municipal financial planning? What is the sensitivity of these impacts relative to the amount, type and location of urban development?
- What changes, if any, should be considered with respect to the planning and management of the City's natural heritage system and farmlands?
- How should the City's downtown areas evolve in accommodating residential, retail, and other forms of non-retail growth?

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[1] The minimum density target applicable to the designated greenfield area of the City of Kawartha Lakes is 40 residents and jobs/ha.
[2] The Economic Development Strategy of Kawartha Lakes identifies established and emerging sectors as agriculture and food production, tourism, arts and culture, specialized manufacturing and engineered products and services.

- How are the City's institutional uses growing and what are the impacts of this growth on Community Areas land needs over the long term?[1]
- Will new greenfield urban areas be required to accommodate future population and employment growth over the 2051 planning horizon?
- What are the City's retail commercial land needs? How are disruptive factors (e.g., e-commerce) anticipated to influence these needs over the long term?
- How should the City plan for its existing and future Employment Areas[2] in light of on-going structural changes (e.g., changing nature of work, technological innovations, emergence of the gig economy)?

4.3 Next Steps and Timelines

This G.M.S. background discussion paper provides an introduction to the overall study and sets out, at a high level, a number of growth management opportunities and challenges the City of Kawartha Lakes faces as it plans for growth and change over the next several decades. This report will be followed by two technical reports, including:

- Technical Report #1 - Growth Analysis report, and
- Technical Report #2 - Urban Land Needs and Policy Recommendations Report.

As discussed in section 1 of this paper, the technical reports will be published on the project web page along with an overview of the project, timelines, anticipated engagement touchpoints. This web page can be utilized by the residents and other stakeholders to get information and provide their feedback on the study.

The abovementioned reports are anticipated to be completed by December 2022 and will form a core background component to the City's O.P. review exercise.

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[1] According to the provincial L.N.A. methodology, Community Areas are areas where most of the housing required to accommodate the forecast population will be located, as well as most population-related jobs, most office jobs and some employment land employment jobs.

[2] According to the L.N.A. methodology, Employment Areas include areas where most of the employment land employment or employment in industrial-type buildings is located, as well as some office jobs and some population-related jobs, particularly those providing services to the Employment Area.