

# Building Sustainable Urban Communities in Ontario:

## **Overcoming the Barriers**

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### ***Urban Sprawl in Ontario: The Consequences of ‘Business as Usual’***

The past two years have been marked by growing public concern over increasing traffic congestion, air pollution, loss of farmland and greenspace, and infrastructure costs flowing from the current urban development patterns in southern Ontario. These patterns are dominated by low-density single-use residential, business and commercial developments, usually onto prime agricultural lands, and for which the automobile is the only viable means of passenger transportation, and road vehicles the only possible means of moving goods.

The consequences of the continuation of the current patterns of urban development<sup>1</sup> in the Toronto-centred region<sup>2</sup> are severe. In August 2002, the Neptis Foundation, (<http://www.neptis.org/>) analyzed and offered projections of the impacts of land-use, transportation and infrastructure associated with the continuation of ‘business-as-usual’ development patterns in the region over the next thirty years.<sup>3</sup> These projections are outlined in Table 1.

**Table 1: The Impacts of ‘Business-as-Usual’ Urban Sprawl in the Toronto Region**

<b>Issue</b>	<b>Impact</b>
Population	<ul style="list-style-type: none"> <li>The region’s population will grow from 7.4 million in 2000 to 10.5 million in 2031, an increase of 43%.</li> </ul>
Land-use	<ul style="list-style-type: none"> <li>In the region, 1,070 square kilometres of land will be urbanized. This is almost double the area of the City of Toronto and represents a 45% increase in the amount of urbanized land in the region.</li> <li>Of the land on which this urban growth will occur, 92% will be Class 1, 2, or 3 agricultural lands as classified by the Canada Land Inventory; 69% will be Class 1 land.</li> </ul>
Transportation	<ul style="list-style-type: none"> <li>Automobile ownership in the region will increase by 50% to 19 million vehicles.</li> <li>The value of delays due to traffic congestion, principally in the 905 region surrounding Toronto, will increase from about \$1billion per year to \$3.8 billion per year.</li> <li>Daily vehicle kilometres of auto travel in the region will increase</li> </ul>

<sup>1</sup> Neptis Foundation concluded that although there have been some recent improvements in residential density at the GTA’s urban fringe compared to the densities achieved there in earlier periods, the density levels achieved are still two to three times lower than those found in urban areas within pre- and post-war areas of the City of Toronto even, without considering the presence of high-rise apartment buildings in these areas. See Blais, P., *Inching Toward Sustainability: The Evolving Urban Structure of the GTA* (Toronto: Neptis Foundation, March 2000), ch.3.

<sup>2</sup> Defined as the area from Midland in the north, to Fort Erie in the south, Waterloo in the west and Peterborough in the east.

<sup>3</sup> IBI Group in association with Dillon Consulting Ltd, *Toronto-Related Region Futures Study/ Interim Report: Implications of Business-As-Usual Development* (Toronto: Neptis Foundation, August 2002)

	<p>by 64%.</p> <ul style="list-style-type: none"> <li>• Costs associated with automobile accidents, reflecting this increase in auto travel, will rise from \$3.8 billion in 2000 to \$6.3 billion in 2031.</li> <li>• Reflecting the low levels of transit use in the regions outside of the City of Toronto, where most of the growth will occur, the total transit modal share will decrease by 11%. (Transit modal share: for Toronto – 28%; for surrounding area – 5.4%).</li> <li>• Emissions of transportation-related greenhouse gas (GHG) emissions are projected to increase by 42%.</li> <li>• Reflecting reliance on the automobile for transportation, GHG emissions in new suburban areas are projected to increase 526% relative to their current levels.</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• Projections suggest that \$33 billion in new investments will be needed in water and wastewater treatment infrastructure.</li> <li>• Between 2000 and 2031, \$43.8 billion in investments in transportation infrastructure are projected. Of these investments, 68% are projected to be in roads and highways under business-as-usual scenarios.</li> </ul>

Virtually all of the urban expansion that has taken place in the region over the past three decades has been on prime agricultural land. Between 1976 and 1996, for example, the Greater Toronto Area (GTA) lost approximately 60,000 hectares of farmland to urbanization, an area roughly equivalent in size to the post-amalgamation City of Toronto.<sup>4</sup> The GTA is currently estimated to lose approximately 3,000 hectares of farmland each year to development.<sup>5</sup>

At the same time, air quality has emerged as a major public health concern in Ontario. Southern and south-western Ontario are frequently affected by severe smog episodes. The Ontario Medical Association has estimated that each year 1,900 premature deaths, 13,400 hospital admissions, 45,250 emergency room visits and more than 46 million minor illness days can be attributed to poor air quality in the province.<sup>6</sup> Health effects due to air pollution are estimated to cost the province's economy \$9.9 billion per year.<sup>7</sup> Toronto Public Health has estimated that between 730 and 1,400 premature deaths occur within the city itself each year as a result of air pollution, along with between 3,300 and 7,600 hospital admissions.<sup>8</sup>

The Ontario Ministry of the Environment, in its *Air Quality in Ontario 2000 Report*, has highlighted the increasing trend in composite seasonal ozone means (average

<sup>4</sup> Blais, P. *Inching Toward Sustainability*, pg. 24.

<sup>5</sup> Blais, P. *Inching Toward Sustainability*, pg. 28.

<sup>6</sup> Ontario Medical Association, *The Illness Costs of Air Pollution in Ontario: A Summary of Findings* (Toronto: Ontario Medical Association, June 2000), updated via personal communication, John Wellner, Director, Environment Programs, OMA, January 15, 2003.

<sup>7</sup> Ontario Medical Association, *The Illness Costs of Air Pollution in Ontario*, updated via personal communication, John Wellner, January 15, 2003.

<sup>8</sup> Toronto Public Health, *Air Pollution Burden of Illness in Toronto* (Toronto: City of Toronto, May 2000) pg. ii.

concentrations) over the past twenty years in the province.<sup>9</sup> It also notes that ozone and fine particulates, the major components of smog, “continue to exceed their respective ambient air quality criteria (AAQC) at the majority of monitoring locations in southern Ontario.”<sup>10</sup>

Road vehicles are major contributors to the province’s air quality problems, as illustrated in Table 2.<sup>11</sup>

**Table 2: Road Vehicle Contribution to Ontario Emissions of Smog Precursors and Greenhouse Gases**

Pollutant	Road Vehicle Contribution
Volatile Organic Compounds (VOCs)	19%
Particulate Matter < 10 microns (PM <sub>10</sub> )	12%
Nitrogen Oxides (NO <sub>x</sub> )	35%
Carbon Monoxide (CO)	45%
Greenhouse gases (GHGs)	28%

Passenger transportation makes up a significant portion of these emissions. Cars and light trucks, for example, make up 54% of total transportation-related GHG emissions.<sup>12</sup> As illustrated in Table 3, public transit and other alternatives to the automobile are associated with much lower emissions per distance traveled per passenger than automobile travel.<sup>13</sup>

**Table 3: A Comparison of Vehicle Emissions by Mode** (grams per passenger kilometre traveled)<sup>14</sup>

Mode	CO <sub>2</sub>	NO <sub>x</sub>	VOCs	SO <sub>2</sub>	CO	PM
Urban Automobile	223.6	0.9	1.4	0.1	11.6	0.2
Urban Bus	74.9	0.6	0.1	1.0	0.5	0.2
Electrified <sup>15</sup> transit	18.3	0.04	n/a	0.1	n/a	n/a

n/a = not available

<sup>9</sup> Ontario Ministry of the Environment, [Air Quality in Ontario: 2000 Report](#) (Undated).

<sup>10</sup> Ontario Ministry of the Environment, [Air Quality in Ontario: 2000 Report](#) (Undated) pg. 8 and Figure 1.4.

<sup>11</sup> Ontario Ministry of the Environment, [Air Quality in Ontario: 2000 Report](#) (Undated)

<sup>12</sup> Canadian Urban Transit Association, Moving the Economy, Regional Municipality of Ottawa-Carleton and Pollution Probe, [Transaction 2001: Towards Economic and Environmental Health](#), pg. 4.

<sup>13</sup> [Transaction 2001: Towards Economic and Environmental Health](#), pg. 4.

<sup>14</sup> Note that transit as a whole, including such modes as LRT systems, streetcars, subways and commuter rail, has lower emissions than an average urban bus. The introduction of lower sulphur diesel fuel, new heavy-vehicle emissions standards, and hybrid diesel buses will further reduce typical bus emissions.

<sup>15</sup> Electrified transit emission factors from Senes Consultants Limited, [Opportunities from Past to Future: Waterfront Scan & Environmental Improvement Strategy Study](#) (Toronto: City of Toronto Environmental Services, Technical Services Division, Works and Emergency Services, March 2003), Table 6.2.

As a result, the proportional decrease in transit use and increase in automobile use associated with the continuation of current urban growth patterns has serious negative implications for air quality and GHG emissions in the province.

These adverse effects of sprawling development patterns in the region will be exacerbated by the local impacts of global climate change. Environment Canada projects that, over the next thirty years, climate change will add significantly to the environmental and infrastructure stresses experienced by the province, with increased

### **“Smart Growth”**

The Ontario governments of Premiers Harris and Eves adopted the phrase “smart growth” to describe a number of initiatives related to urban and rural communities launched in 2001. However, the smart growth concept has a long history pre-dating this use of the term.

The term “smart growth” first emerged in the US in the mid-1990s to describe approaches to land use and transportation that accommodate economic and population growth while offering alternatives to urban sprawl. A multi-sectoral Smart Growth Network was established in the US in 1996 with the sponsorship of then Vice-President Al Gore.<sup>1</sup> A Smart Growth Network was established in British Columbia in 1999. The Ontario Smart Growth Network was established in July 2003. The term “smart growth” is sometimes used interchangeably with the terms “new urbanism” and “urban sustainability.”

incidences of severe weather, accelerated deterioration of infrastructure due to weather effects, smog episodes of greater intensity and frequency as a result of increased summertime temperatures, more severe impacts on human health and agriculture due to the combination of increased heat and smog, and reductions in water supply in southern Ontario from both groundwater and surface sources.<sup>16</sup>

### ***The Alternative to Sprawl: A Smart Growth Strategy for Ontario***

Fortunately, this picture of lost farmland and greenspace, growing congestion, worsening air quality and unsustainable infrastructure costs is not the only possible future for the region. In February 2003, the Pembina Institute published *Smart Growth in Ontario: The Promise vs. Provincial Performance*<sup>17</sup>. The report outlined the mutually reinforcing air quality, land-use and economic problems associated with current urban development patterns in Ontario, particularly in the Greater Toronto and Niagara regions.

The report also highlighted the remarkable consensus that has emerged among academic researchers, financial institutions, business organizations, government agencies, and environmental and community

<sup>16</sup> Environment Canada, [The Canada Country Study: Climate Impacts and Adaptation, Ontario Region Executive Summary](http://www.on.ec.gc.ca/canada-country-study/intro.html), <http://www.on.ec.gc.ca/canada-country-study/intro.html>, viewed December 10, 2002. See also Q. Chiotti et al., [Towards An Adaptation Action Plan: Climate Change and Health in the Toronto-Niagara Region](#) (Toronto: Pollution Probe Foundation, October 2002).

<sup>17</sup> [http://www.pembina.org/publications\\_item.asp?id=149](http://www.pembina.org/publications_item.asp?id=149)



groups on the need for more environmentally and economically sustainable development patterns in the region. Such approaches to development would reflect ‘smart growth’ principles rather than the current pattern of urban sprawl. The Ontario Smart Growth Network has defined smart growth in terms of the following guiding principles:<sup>18</sup>

1. *We believe that urban development should take place in a way that protects nature, essential ecosystems, prime farmland and drinking water sources; makes efficient and sustainable use of energy, water and other natural resources; and minimizes pollution and waste.*
2. *We believe that urban development should support healthy, distinctive and attractive communities, with affordable housing and easy access to employment, health care, education, and community services. Urban development should also create a strong sense of place where non-automobile based transportation modes, such as walking, bicycling and public transit, are the most appealing and viable transportation options.*
3. *We believe that urban development should help sustain vibrant, diverse economies, with meaningful local employment.*

The differences between conventional and smart growth approaches to urban development are outlined in Table 4.

**Table 4: Comparing Smart Growth and Sprawl<sup>19</sup>**

<b>Feature</b>	<b>Smart Growth</b>	<b>Sprawl</b>
<b>Land use density</b>	Higher density, clustered.	Lower density, dispersed.
<b>Development location</b>	Infill (brownfields and greyfields).	Urban periphery (greenfields).
<b>Land use mix</b>	Well-mixed.	Homogeneous, not mixed.
<b>Scale</b>	Human scale. Smaller buildings, blocks and roads. Attention to detail as people experience landscape up close, as pedestrians.	Larger scale. Larger buildings, blocks and roads. Less attention to detail as people experience the landscape at a distance, from cars.
<b>Public services</b>	Local, distributed, smaller. Accommodates walking access.	Regional, consolidated, larger. Requires automobile access.
<b>Transportation</b>	Multi-modal — supports walking, cycling and public transit.	Automobile-oriented — poorly suited for walking, cycling and transit.
<b>Connectivity</b>	Highly connected roads, sidewalks and paths, allowing direct travel by motorized and non-motorized modes.	Hierarchical road network with many unconnected roads and walkways, and barriers to non-motorized travel.
<b>Streets</b>	Designed to accommodate a variety of activities — traffic calming.	Designed to maximize motor vehicle traffic volume and speed.
<b>Planning process</b>	Planned — coordinated between jurisdictions and stakeholders.	Unplanned — little coordination between jurisdictions and stakeholders.

<sup>18</sup> <http://www.greenontario.org/smartgrowth/principles.html>. See also Appendix 2.

<sup>19</sup> Adapted from T. Litmann, *An Economic Evaluation of Smart Growth and TDM*, (Victoria: Victoria Transport Policy Institute, 2000) pg. 6.



<b>Public space</b>	Emphasis on the public realm (streetscapes, pedestrian areas, public parks, public facilities).	Emphasis on the private realm (yards, shopping malls, gated communities, private clubs).
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In contrast to the outcomes that flow from a business-as-usual approach to urban development, implementation of a smart growth strategy for southern Ontario would have the potential to accomplish the following:

- Protect ecologically significant areas, prime farmland, and drinking water sources by focusing new development in existing urban areas, not new greenfields sites.
- Reduce emissions of smog precursors and GHGs, particularly from transportation sources, through land-use patterns that make alternatives to the automobile viable and attractive transportation options.
- Provide for more sustainable infrastructure development and maintenance costs by using and upgrading existing infrastructure and extending new infrastructure over reduced distances.
- Increase economic efficiency due to decreased travel times and congestion.
- Create more attractive, close-knit, distinctive and livable communities.

As illustrated in Table 5, many of these benefits flow from the reductions in per capita vehicle travel and land consumption that would result from the implementation of smart growth principles in Ontario, and their impacts are cumulative and synergistic.<sup>20</sup>

**Table 5: Smart Growth Benefits<sup>21</sup>**

<b>Economic</b>	<b>Social</b>	<b>Environmental</b>
<ul style="list-style-type: none"> <li>• Reduced development costs.</li> <li>• Reduced public service costs.</li> <li>• Reduced transportation costs.</li> <li>• Economies of agglomeration.</li> <li>• More efficient transportation.</li> <li>• Supportive of industries that depend on high quality environments (tourism, farming, knowledge-based economic activities).</li> </ul>	<ul style="list-style-type: none"> <li>• Improved transportation options, particularly for non-drivers.</li> <li>• Improved housing options.</li> <li>• Community cohesion.</li> <li>• Preservation of cultural resources (e.g., heritage buildings, neighbourhoods).</li> <li>• Increased physical exercise for individuals.</li> </ul>	<ul style="list-style-type: none"> <li>• Greenspace, farmland and habitat preservation.</li> <li>• Reduced air pollution.</li> <li>• Reduced GHG emissions.</li> <li>• Reduced water pollution.</li> <li>• Increased energy efficiency.</li> <li>• Reduced urban “heat island” effects.</li> </ul>

<sup>20</sup> T. Litman, Evaluating Criticism of Smart Growth (Victoria: Victoria Transport Policy Institute, 2003) pg. 9.

<sup>21</sup> Adapted from T. Litman, Evaluating Criticism of Smart Growth, Table 2.

The advantages of smart growth: “By more evenly distributing growth and taking advantage of sunk infrastructure investment, the regional economy is strengthened, residents’ quality of life is enhanced, and outer-area natural resource systems are protected and restored,”

R.W. Burchell and D. Listokin,  
[Linking Vision with Capital:  
The Challenges and  
Opportunities in Financing  
Smart Growth](#)

The Pembina Institute’s February 2003 report outlined what a provincial policy framework for urban land use and development reflecting smart growth principles would look like in Ontario. The report then assessed current provincial policies in the areas of land-use planning, infrastructure funding, fiscal and taxation issues, sustainable energy and governance structures against this framework.

The report concluded that there had been little progress on the implementation of smart growth policies by the province of Ontario in the two years since former Premier Harris’s announcement of the province’s smart growth initiative. The provincial land-use, fiscal and infrastructure policies that were encouraging or facilitating sprawl largely remained in place. An update on provincial progress on smart growth issued by the Pembina Institute in August 2003 reached the same conclusion.<sup>22</sup>

The following section of this report provides an assessment of the current status of provincial legislation and policies against the smart growth framework outlined in the Pembina Institute’s February 2003 report. This is followed by a discussion of the barriers to the implementation of smart growth policies in Ontario. The discussion examines the question why, given the extent of the consensus around the need and advantages of a smart growth strategy for the province, there has been so little progress in putting smart growth principles into practice in Ontario. The paper concludes with a series of recommended actions to be taken by the province to overcome these barriers.

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<sup>22</sup> See [http://www.pembina.org/publications\\_item.asp?id=159](http://www.pembina.org/publications_item.asp?id=159)

# A Status Report on Existing Provincial Policy related to Urban Sustainability and Smart Growth

## A Smart Growth Agenda for Ontario vs. Existing Policy

The Pembina Institute's February 2003 report outlined a provincial policy framework for smart growth in Ontario, drawing on materials from governmental, academic, non-governmental, and institutional sources, ranging from the Federation of Ontario Naturalists<sup>23</sup> to the Toronto Dominion Bank<sup>24</sup> and the C.D. Howe Institute.<sup>25</sup> The major elements of this framework in the areas of land-use planning, finance and taxation, infrastructure, sustainable energy and governance are outlined in the left-hand column of Table 6. A brief summary of the status of current provincial policy and legislation in these areas is provided in the right-hand column.

It has been noted that the most significant source of the systemic expansion of urban areas, villages and hamlets in the GTA is not official plan amendments sought by developers. Rather, local and regional governments themselves provide for it through their official plans as part of their "growth management" planning processes. In other words, the regions' and municipalities' own planning processes account for by far the greatest amount of greenfields development in the region.<sup>26</sup> The actions of municipal governments in this regard are very strongly influenced by the provincial policy framework within which they work. Changes are needed in provincial policy to alter the incentives that lead municipalities to make these kinds of decisions.

**Table 6: A Smart Growth Agenda for Ontario vs. Existing Policy**

Smart Growth	Policies
<b>Provincial Infrastructure funding</b>	
Make provincial infrastructure investments on the basis of smart growth criteria.	<p>No smart growth or other sustainability criteria existed for SuperBuild or other provincial infrastructure investment programs, such as Ontario Small Town and Rural development (OSTAR) initiative.</p> <p>Bill 25, <i>The Smart Transportation Act</i>, introduced by the previous government in May 2003, would have allowed Ministry of Transportation to override municipal plans and the <i>Environmental</i></p>

<sup>23</sup> <http://www.ontarionature.org/home/sprawl.html>.

<sup>24</sup> See, for example, TD Economics, *The Greater Toronto Area (GTA): Canada's Primary Economic Locomotive in Need of Repairs* (Toronto: Toronto Dominion Bank Group, May 2002),

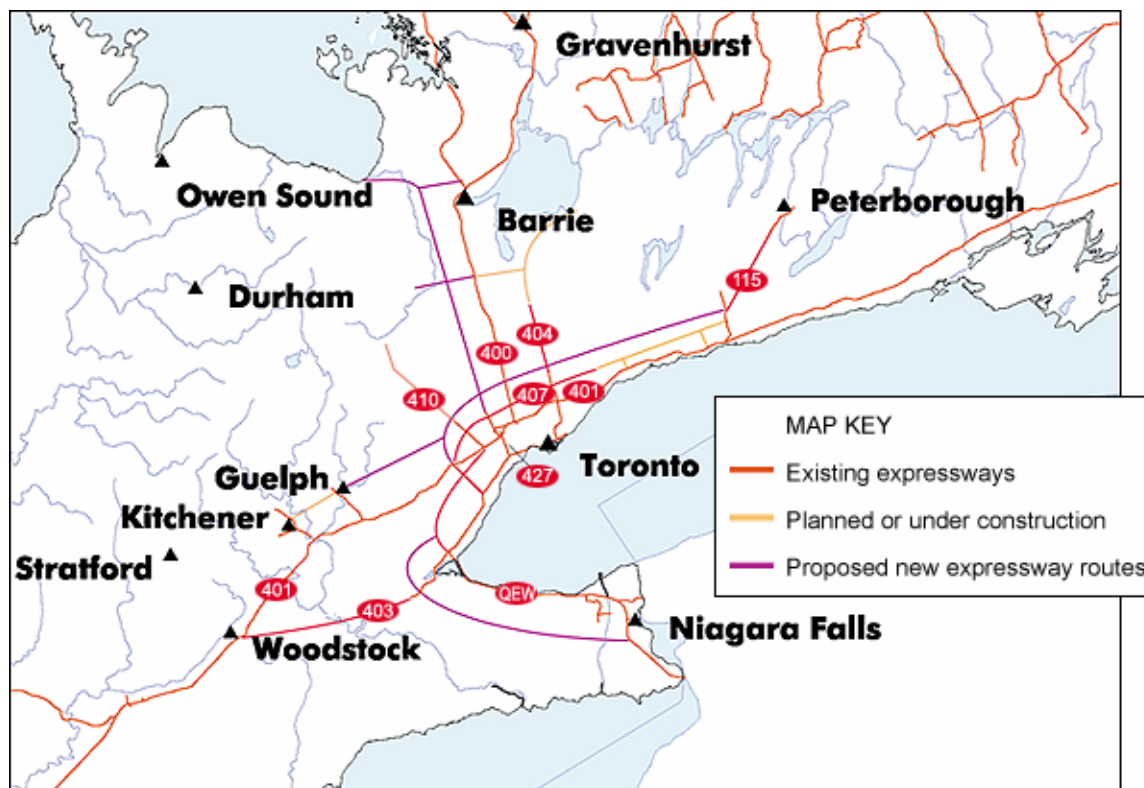
<sup>25</sup> See, for example, E. Slack, *Municipal Finance and the Pattern of Urban Growth* (Toronto: C.D. Howe Institute, February 2002).

<sup>26</sup> Blais, P. *Inching Toward Sustainability*, pg. 39.

	<p><i>Assessment Act</i> in establishing transportation infrastructure (i.e., highway) corridors.</p>
<p>Focus transportation infrastructure investments on non-automobile-based modes of transportation.</p>	<p>Provincial transportation investments have been overwhelmingly focused on highway expansion, with SuperBuild Corporation spending an average of \$1 billion/year on highway expansion since its creation in 1999.<sup>27</sup></p> <p>The major highway projects proposed by SuperBuild and Ministry of Transportation for the central region have included the following (see Map 1):</p> <ul style="list-style-type: none"> <li>• the eastward extension of Highway 407 to Highway 35/115</li> <li>• the extension of Highway 404 around the east and south sides of Lake Simcoe</li> <li>• the northward and eastward extension of Highway 427 to Barrie</li> <li>• the construction of a new mid-peninsula highway from Burlington to the US border in the Niagara Peninsula</li> <li>• the creation of a new east–west GTA transportation corridor north of the Oak Ridges Moraine</li> <li>• the extension of Highway 410 northwards “at least” to Highway 89.</li> </ul>
<p>Focus investment on upgrading of existing systems, and intensification of existing urban areas.</p>	<p>SuperBuild highway investments have focused on the expansion of the highway network beyond existing urban areas. They would encourage automobile-dependant urbanization of these areas if they are completed.</p>

<sup>27</sup> 1999/00: \$937 million; 2000/01: \$1,049 million; 2001/02: \$906 million; 2002/03: \$1,023 billion; and 2003/04: \$1,055 million. Ministry of Finance, Budget Papers 1999/00–2003/04.

**Map 1: Ministry of Transportation and SuperBuild Corporation planned or proposed expressway routes in the Toronto-centred region.**



<b>Land-use planning</b>	
Ensure local planning decisions are consistent with provincial policy.	The 1995 version of the <i>Planning Act</i> required that planning decisions “be consistent with” provincial policy. The 1996 amendments to the <i>Planning Act</i> , which remain in place, only require that decisions “have regard to” provincial policies.
Provide a significant role for Ministries of Environment and Natural Resources, and conservation authorities in the planning process.	The 1996 amendments to the <i>Planning Act</i> severely constrained the roles of the Ministry of Environment and Ministry of Natural Resources in the land-use planning process, limiting their participation to only those areas where they were invited to be involved by the Ministry of Municipal Affairs.  The capacity of conservation authorities to participate in the planning process has been constrained by post-1995 reductions in provincial financial support, and reductions in the scope of their mandate.
The Provincial Policy Statement issued under the <i>Planning Act</i> should support development forms for which non-automobile transportation modes are viable,	Provisions to ensure the viability of non-automobile-based modes, promote intensification, and protect prime agricultural lands, ecologically significant areas, and source water-related lands

<p>including mixed uses support intensification and minimum density requirements protect prime agricultural lands, ecologically significant areas, and source water-related lands reduce/eliminate the need to hold reserves of non-urban lands for future development ensure the availability of affordable housing establish urban containment boundaries.</p> <p>Implement the recommendations of the Walkerton Inquiry regarding watershed-based source water protection planning. The provisions were intended to provide for the integration of land-use and water resource planning.</p>	<p>were contained in the 1995 Provincial Policy Statements.</p> <p>These provisions were weakened or removed in the 1996 revision, which remains in place.</p> <p>No changes to the Provincial Policy Statement were adopted prior to the 2003 election, despite a five-year review initiated in July 2001.</p> <p>The December 2001 <i>Oak Ridges Moraine Conservation Act</i> and Plan introduced some protections for moraine lands, but did not address issues on a province- or region-wide basis. Concerns exist regarding the degree to which the Act and Plan permitted the transfer of development to other ecologically significant areas, and with respect to land swaps made in relation to the plan.</p> <p>An Advisory Committee on Watershed-based Source Protection Planning was established in November 2002 and reported back in 2003.</p> <p>No legislative action to implement the recommendations of the committee's inquiry was taken prior to the 2003 election.</p>
<p>Support protection of agricultural and ecologically significant lands through fiscal and stewardship initiatives such as land trusts agricultural land reserves conservation easements green space conversion taxes the application of land and water conservation requirements as conditions of agricultural income support programs (cross-compliance) public education.</p>	<p>The <i>Fair Municipal Finance Act, 1997</i> included provisions providing favourable property tax treatment of agricultural, managed forest and conservation lands.</p> <p>The 1998 Natural Areas Protection Program and subsequent (2002) Ecological Land Acquisition Program have provided funds for land acquisition on the Niagara Escarpment, Rouge Valley and Lynde Marsh.</p> <p>No measures in place on greenspace conversion taxes or agricultural cross-compliance.</p> <p>A \$15 million program to establish agricultural covenants on Niagara tender fruit and grape lands was terminated in July 1995.</p>
<p>Promote transit supportive planning guidelines.</p>	<p>The guidelines were first published in 1992. No measures to ensure implementation are in place.</p>
<p>Adopt and promote alternative development standards.<sup>28</sup></p>	<p>The province played a minor supportive role on stormwater management standards.</p>
<p>Facilitate and support brownfields re-development. Address liability and remediation financing issues for contaminated "orphan"</p>	<p>The November 2001 <i>Brownfields Statute Law Amendment Act</i> provides liability relief for potential redevelopers who bear no responsibility</p>

<sup>28</sup> Development standards are provincial and municipal standards dealing with such matters as the width of roads and stormwater management.



sites.	for the original contamination of sites, but does not address the issue of funding the remediation of severely contaminated “orphan” sites, whose remediation costs exceed their economic value for redevelopment purposes. Such sites are likely to be of the greatest health and environmental concern.
Niagara Escarpment protection: Place Niagara Escarpment Commission under jurisdiction of Ministry of the Environment. Update the Niagara Escarpment Plan to reflect the review completed in 2002.	The Commission was transferred to the jurisdiction of the Ministry of Natural Resources in 1997. No action to update the plan was taken prior to the 2003 election.

<b>Fiscal and taxation framework</b>	
Remove subsidies and fiscal incentives for urban sprawl: <ul style="list-style-type: none"> <li>Land transfer tax rebate program introduced in 1996 provides strong incentives for purchase of new homes in new developments. This is effectively an incentive for urban sprawl. This rebate program should be eliminated or limited to new units constructed in existing urban areas.</li> <li>Property tax rebates for vacant commercial and industrial buildings provide incentives against re-development of underutilized urban buildings. The rebates should be removed and incentives provided for re-development.</li> </ul>	<p>No review or modification of the Land Transfer Tax Rebate has occurred since its introduction in 1996.</p> <p>The modifications to the property tax regime made between 1995 and 2003 did not address this problem.</p>
Ensure the full internalization of infrastructure costs of new developments outside of existing urban areas on a location specific basis.	The <i>Development Charges Act, 1997</i> restricts the ability of municipalities to require internalization of infrastructure costs for new developments.
Reform the property tax regime to <ul style="list-style-type: none"> <li>move utility costs to cost-recovery basis</li> <li>separate taxation of land and buildings</li> <li>provide incentives for higher value uses of vacant land and buildings, and underused urban lands, such as parking lots.</li> </ul>	<p>The <i>Sustainable Sewerage and Water System Act, 2002</i> moves towards cost recovery for water and sewer services.</p> <p>The <i>Fair Municipal Finance Act</i> and <i>Fairness to Property Taxpayers Act</i> focus on taxation of land and buildings, and severely constrain the ability of municipalities to modify their property tax systems.</p> <p>The existing property tax rebate on vacant commercial and industrial buildings provides disincentives to re-development.</p>
Transportation funding: <ul style="list-style-type: none"> <li>Provide provincial capital and operating support for public transit.</li> </ul>	<p>Provincial operating and capital support for public transit (\$718 million in 1996) was terminated in January 1997.</p> <p>There is currently no provincial operating support for municipal public transit systems.</p>



<ul style="list-style-type: none"> <li>• Modify vehicle sales tax and licensing fees on basis of weight and fuel economy.</li> <li>• Use of fuel taxes and road use fees to internalize costs of automobile use and finance transportation alternatives.</li> </ul>	<p>Some transit capital funding was restored via SuperBuild from September 2001 onwards (\$300 million/year over 10 years announced). However, actual spending in 2002/03 was less than \$200 million. Projected spending for 2003/04 was \$359 million, focused on GO expansion.</p> <p>SuperBuild expenditures have been focused on highway expansion at a level of \$1 billion/year.</p> <p>There was no modification of the vehicle licensing system prior to the 2003 election.</p> <p>A Provincial Sales Tax rebate of up to \$1000 is available for alternative fuel-powered and hybrid automobiles and light trucks.</p> <p>Proposals for the use of fuel taxes to support public transit were turned down by the previous government.</p> <p>Tolls have been applied to Highway 407 and were being considered from some new highway proposals.</p>
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<b>Sustainable energy</b>	
Ensure individual and net metering of electricity supplies.	There are no measures in place.
Establish a renewable portfolio standards requiring that a portion of province's electricity supply come from renewable sources.	<p>There was no provision for a renewable portfolio standard in the electricity competition framework implemented in May 2002.</p> <p>The November 2002 announcements terminating the competitive retail electricity market included commitments to reduce the government's own consumption by 10% and to obtain 20% of the government's own supply from renewable sources. Tax incentives for renewable generation were also announced.</p> <p>A Renewable Portfolio Standard beginning at 1% in 2006 and rising to 8% of electricity supply by 2014 was announced in July 2003. However, no legislation or regulations to implement the standard were adopted prior to the 2003 election.</p>
Create incentives for energy retrofits.	No measures are in place. Community-based energy efficiency initiatives were terminated 1995/96.
Strengthen building code with respect to energy efficiency.	The Ontario Building Code is weaker than the National Energy Code for buildings in some areas.
Strengthen energy efficiency standards for equipment under the Energy Efficiency Act.	Standards for a range of equipment have been established or updated since 1995. The process of establishing and strengthening standards

	needs to continue and be accelerated. Standards for new equipment need to reflect best available technologies.
Promote district energy systems.	There are no measures in place.
Provide incentives for energy suppliers and distributors to promote more energy efficiency by de-coupling revenues from energy sales and providing financial incentives for conservation.	Incentives are in place for Enbridge Natural Gas via the Ontario Energy Board. The system has not been applied to other gas utilities or electricity providers.
Amend the <i>Planning Act</i> to permit municipalities to require energy efficiency measures as conditions of Official Plan, Official Plan Amendments and Site Approvals.	There are no provisions in place.

<b>Governance</b>	
Provide for regional integration of key services and infrastructure, particularly transit, while ensuring that the interests of the urban core are not overwhelmed by suburban interests.	<p>The Greater Toronto Services Board (GTSB), established in 1999, was disbanded in January 2001 and not replaced.</p> <p>The mandates and resources of conservation authorities were significantly curtailed from 1995 onwards.</p>
<p>Ontario Municipal Board (OMB) reform:</p> <ul style="list-style-type: none"> <li>• Reform appointments process to ensure qualified and unbiased appointees.</li> <li>• Reform the appeal process to include a 'leave to appeal' test, and to only permit appeals to be initiated once a municipal decision has actually occurred.</li> <li>• Provide funding for <i>bona fide</i> community and public interest interveners in OMB hearings process.</li> </ul>	<p>There was no action taken on appointment process reform prior to the 2003 election. The 1996 amendments to the <i>Planning Act</i> strengthened the appeal rights of development proponents.</p> <p>The 1988 <i>Intervener Funding Project Act</i> was permitted to expire in 1996. No mechanisms are in place to provide for intervener funding before the OMB.</p>
Reform municipal electoral finance to prohibit donations from corporations, unions, and other third party organizations. Limit contributions to individuals who reside in the municipality. Place financial limits on individual donations.	There was no action prior to the 2003 election.

### **Summary and Assessment**

In the two years following the first announcement of the province's smart growth initiative, progress was made in a few areas, such as the adoption of legislation to deal with some liability issues related to the redevelopment of former industrial sites (brownfields), and the adoption of the *Oak Ridges Moraine Conservation Act* and Plan. For most part, however, the provincial land-use and fiscal policies that encourage and facilitate urban sprawl in southern Ontario were left in place.

There were no changes made to the province's land-use planning policies to reflect smart growth principles. No initiatives were undertaken to alter the incentives provided through the province's tax system, or through municipal property taxes, user fees and

development charges to promote or support more sustainable forms of urban development. Even in the context of the August 2003 blackout, no effective strategy for a sustainable energy system was developed or implemented by the province. The Greater Toronto Services Board (GTSB), established in 1999 to coordinate transportation planning and services in the Greater Toronto Area, was disbanded in 2001 and not replaced. No measures were taken to improve the functionality of the province's key urban municipalities, address the role of the Ontario Municipal Board (OMB), or reform municipal election financing rules.

With respect to infrastructure, the province was gradually moving back into providing capital support for transit services, partially reversing its complete withdrawal of capital and operating support in January 1997. However, the centrepiece of the province's smart growth infrastructure investments had remained the SuperBuild Corporation's \$1 billion per year highway investment program.

In the central (Greater Toronto and Niagara) regions, where concerns about urban sprawl are the most acute, this program included the following (see Map 1):

- the eastward extension of Highway 407 to Highway 35/115
- the extension of Highway 404 around the east and south sides of Lake Simcoe
- the northward and eastward extension of Highway 427 to Barrie
- the construction of a new mid-peninsula highway from Burlington to the US border in the Niagara region
- the creation of a new east–west GTA transportation corridor north of the Oak Ridges Moraine
- the extension of Highway 410 northwards “at least” to highway 89.

Three of the proposed highways (the 404, 410 and 427 extensions) would pass over the Oak Ridges Moraine, while two more (the east–west GTA corridor and the 407 extension) would run north of it, inviting the urbanization of these areas. Another of the proposed highways (the mid-peninsula highway) would run over the Niagara Escarpment, a UNESCO World Biosphere Reserve, and a second (the GTA east–west corridor) would cut through it. The province has been providing funding for the Red Hill Creek Expressway in Hamilton, which cuts through the Escarpment, as well.

Bill 25, *The Smart Transportation Act*, introduced in May 2003, which proposed to allow the Ministry of Transportation to override municipal planning decisions and the *Environmental Assessment Act* in locating “transportation infrastructure corridors” (i.e., highways), highlighted the degree to which the highway program was proceeding in isolation from any overall smart growth agenda for the province.

The completion of the highway grid in the central region as proposed by SuperBuild and the Ministry of Transportation would preclude the possibility of a smart growth future for the region. It would encourage urban sprawl far beyond existing urban areas, and lock in infrastructure and other investments that will be difficult if not impossible to reverse. The likely consequences of this path for the health, quality of life and financial

sustainability of communities in southern Ontario in terms of increasing smog and GHG emissions, losses of prime farmland and ecologically significant areas, threats to water supplies, growing congestion, and falling economic efficiency, and unsustainable infrastructure costs are well understood.

The new Government of Ontario elected on October 2, 2003 made major commitments towards an environmentally, socially and economically sustainable future for the province's urban areas in its election platform. Many of these commitments reflected the widely accepted concepts outlined in Table 6, including the following:<sup>29</sup>

- The establishment of a renewable portfolio standard for electricity suppliers of 5% by 2007 and 10% by 2010.
- The enactment of source water protection legislation, protecting lands that surround water sources.
- The commitment of 2 cents per litre of the provincial gasoline tax to municipalities for public transit. This is projected to result in a contribution of \$312 million per year.
- The establishment of clear planning rules to ensure that the OMB follows provincial policy, and reform of the OMB process to prevent developers from forcing unwanted municipal expansion and giving municipalities more time to consider development applications.
- The protection of one million acres of greenspace and farmland through the use of tax credits, easements, land trusts, land swaps and new park designations, working with conservation authorities, nature organizations, farmers, municipalities and other landowners.
- The development of a long-term plan for managing growth responsibly in the Golden Horseshoe, taking into account expected population growth and infrastructure needs, and without developing areas that provide food, water and recreation.
- The establishment of a 600,000 acre greenbelt in the Golden Horseshoe from Niagara Falls to Lake Scugog, under the authority of a Greenbelt Commission.
- The provision of infrastructure funding to priority growth areas such as city centres and urban nodes, not greenfields development.
- The requirement for developers to internalize the costs of new development.
- The promotion of brownfields re-development.
- The creation of a Greater Toronto Transportation Authority to identify and meet GTA transit needs on a region-wide basis.

It is critically important that these commitments be fulfilled over the next few years. The following section discusses some of the key barriers that could slow or block their implementation.

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<sup>29</sup> Growing Strong Communities: The Ontario Liberal Plan for Clean, Safe Communities that Work (Toronto: Ontario Liberal Party, November 2002).

## Barriers to Urban Sustainability in Ontario

Many of the problems related to current urban development patterns in southern Ontario outlined by the Pembina Institute in *Smart Growth in Ontario* have been well understood for many years. In the early 1970s, for example, the provincial government initiated a Toronto-centred Region Plan to deal with the consequences of urban growth in what is now called the GTA.<sup>30</sup> The plan flowed from concerns that rapid low-density residential development in the commuting area surrounding Metropolitan Toronto was likely to lead to massive urbanization and congestion, high infrastructure costs, and the misallocation of prime recreational and agricultural lands.<sup>31</sup>

Similarly, potential provincial and municipal policy responses to these problems have been widely articulated. A provincial policy approach to contain urban sprawl was laid out in great detail, for example, in the 1992 report of the Commission on Planning and Development Reform in Ontario.<sup>32</sup>

The problem has not been, therefore, a failure to identify either the problems associated with urban sprawl in southern Ontario, or potential policy responses. Rather, there has been an ongoing failure to translate these well-understood and articulated directions into action at the provincial and municipal levels. As Table 6 makes clear, the provincial policy framework inherited by the new government is much weaker, from the perspective of attempting to control urban sprawl, than it was 1995. Similarly, at the municipal level, notwithstanding statements in their official plans regarding the need to support alternatives to the automobile, protect environmentally significant and agricultural lands, and make efficient use of land,<sup>33</sup> municipal governments, particularly in the outer regions of the GTA, continue to approve low density, single-use, residential, commercial and industrial development on previously un-urbanized lands.

The implication is that there is a need to focus on identifying the barriers to the implementation of smart growth policies in Ontario, rather than the further development of such policies *per se*.

In this context, this section examines the barriers to the implementation of smart growth policies in Ontario in three areas:

<sup>30</sup> Ontario Ministry of Treasury, Economics and Intergovernmental Affairs, Design for Development: A Stauts Report on the Toronto-Centred Region (Toronto: Queen's Printer 1971).

<sup>31</sup> IBI Group, Toronto-Related Region Futures Study, pp. 9–10.

<sup>32</sup> Commission on Planning and Development Reform in Ontario, Final Report (Toronto: Ministry of Municipal Affairs and Housing, June 1992).

<sup>33</sup> See, for example, Blais, P. Inching Toward Sustainability, Box 1.

- **Institutional barriers** at the provincial, municipal and federal levels. Are the current mandates and roles played by provincial, municipal and federal agencies part of the problem?
- **Economic, social and political barriers** in terms of the roles and influences of landowners and developers, community and environmental groups, financial institutions, and other actors in the land-use and infrastructure planning and development processes.
- **Underlying ideas and assumptions** about urban growth and development that shape the behaviour of government agencies and other actors in the development process.

## ***Institutional Barriers***

### **Provincial agencies**

The provincial government plays a determinative role in shaping the form of urban development in Ontario, through its land-use, taxation and fiscal policies, infrastructure investment decisions, and ability to establish and alter the structure, authority and resources of municipal governments.

A number of provincial agencies play key roles in urban development issues. The Ministry of Municipal Affairs, for example, has ultimate authority over land-use planning in southern Ontario, and also over the form and jurisdiction of municipal governments. The Ministry of Transportation and the SuperBuild Corporation, for their part, have planned and financed major transportation infrastructure while the Ministry of Finance exercises ultimate control over both provincial infrastructure investments, and the revenue base available to municipal governments. The Ministries of the Environment, Natural Resources, Agriculture and Food, and Energy all have mandates affected by urban development issues as well.

In each case, these agencies have continued to follow outdated or non-smart growth institutional mandates.

### **The Ministry of Transportation**

The Ministry of Transportation has historically had a primary focus on road transportation, not urban transit, particularly the construction and maintenance of the provincial highway system. The province's 1997 provincial–municipal restructuring decisions reinforced this orientation, by terminating provincial support for transit services and planning. Responsibility for maintaining many non-400 series highways was also transferred to municipalities, although this may have had the effect of further strengthening the ministry's focus on the development of major highway corridors.



The province had been gradually reintroducing capital support for transit from September 2001 onwards. However, its capital commitments with respect to highways were more than three times larger than those for transit.<sup>34</sup>

The Ministry of Transportation's most recent Business Plan (2002/03) made its focus on highways clear. There were no performance measures contained within the plan at all regarding public transit, while there were several related to highways. These included a goal of having a provincial highway corridor within 10 km of 93.7% of the province's population.

Similarly, Bill 25, the proposed *Smart Transportation Act*, made apparent the extent to which the ministry intended to proceed with its highway expansion plans in isolation from other considerations. This is the opposite of the approach taken in other jurisdictions, such as Maryland, where state infrastructure development initiatives are required, through state legislation, to be consistent with local initiatives intended to curb urban sprawl.<sup>35</sup>

### **The SuperBuild Corporation**

The SuperBuild Corporation, established in 1999, has been the province's most important vehicle for infrastructure investments, with annual expenditures ranging from \$1.9 and \$4.8 billion<sup>36</sup> per year.

Despite its significance, no criteria such as requirements to consider the province's smart growth goals or the environmental or health impact of its investments, were established to shape the corporation's investment decisions. Such criteria might include such things as a focus on the maintenance and upgrading of infrastructure in existing urban areas rather than on infrastructure expansion to support new greenfields development, and an emphasis on non-automobile-based transportation modes. The National Round Table on Environment and Economy has recommended a series of funding criteria for federal infrastructure investments to ensure that they are supportive of urban sustainability. These are presented in the accompanying two text boxes<sup>37</sup>.

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<sup>34</sup> The Ministry's 2003/03 Business Plan indicated commitments of \$10 billion over 10 years for highways, vs. \$3 billion over the same period for transit

<sup>35</sup> K. Schneider, "Breaking the Sprawl Addiction," The Great Lakes Bulletin, Issue 11, March 2000 referencing the Maryland *Smart Growth Act*.

<sup>36</sup> Ministry of Finance, Ontario Budget 2001: Budget Paper E, pg. 163.

<sup>37</sup> National Round Table on the Environment and Economy, Environmental Quality in Canadian Cities: The Federal Role (Ottawa: NRTEE, 2003), Recommendation 4 and 6.



## NTREE Urban Sustainability Infrastructure Funding Criteria

### Supporting the use of urban transit

#### Recommendation 4:

This investment should target growing urban regions where there are opportunities to discourage land use that does not support transit and to significantly increase the net number of transit riders. Federal funding should be allocated according to a basic yet effective set of criteria, such that project proponents:

- a) show how the proposed transit investment fits into a comprehensive, longer-term plan to support transit ridership and, specifically, increase the share of trips taken by urban transit;
- b) estimate the net number of new transit riders who will be attracted from cars as a result of the investment;
- c) indicate how the attractiveness of transit will be improved relative to the automobile (e.g., traveller cost, travel times, convenience);
- d) quantify investment in transit versus investment in automobile-related travel;
- e) document a comprehensive approach to achieving land use patterns that will support transit ridership, including area-wide planning policies; transit node and corridor-specific land use policies; and area-wide, transit node and corridor-specific municipal pricing policies (e.g., development charges, property taxes, user fees);
- f) create a transportation demand management plan;
- g) quantify the net cost of the investment per new transit rider;
- h) indicate the financial contributions and roles of other partners, including provincial and municipal governments, other agencies, and the private sector;
- i) document the environmental and economic benefits of the investment (e.g., reductions in greenhouse gas emissions, road infrastructure investments averted, congestion costs averted); and
- j) monitor the results (e.g., actual net number of new transit riders, development in identified transit nodes and corridors).

## **NTREE Urban Sustainability Infrastructure Funding Criteria**

### **Promoting sustainable infrastructure**

#### **Recommendation 6:**

That the granting of federal infrastructure funding be subject to a practical, performance-based set of criteria that ensures funded projects make substantial contributions to improved environmental quality in a cost-effective manner.

Proponents should be required to submit a Sustainable Community Investment Plan, outlining the needs to be addressed by the infrastructure investment and demonstrating:

- a) how the proposed infrastructure investment fits into a comprehensive, longer-term investment plan for improving urban environmental quality;
- b) how existing infrastructure capacities have been or will be fully exploited;
- c) how all options for jointly addressing infrastructure needs with surrounding municipalities or other relevant entities have been explored and fully exploited;
- d) a comprehensive approach to managing the demand for the infrastructure (for example, for transportation infrastructure, a transportation demand management plan is required; for water-related projects, a metering program);
- e) that a range of alternative options for solving infrastructure needs—including other types of infrastructure—have been explored;
- f) a life-cycle costing analysis of the proposed project and alternatives;
- g) financial contributions and roles of other partners, including provincial government, municipal government, other agencies and the private sector; and
- h) a quantification of the expected environmental improvements in terms of air, water or soil quality of the proposed project and the alternatives.

Instead, the SuperBuild Corporation's expenditure patterns related to transportation showed an overwhelming focus on highway expansion, with the corporation spending an average of \$1 billion/year on highway expansion since its creation.<sup>38</sup> As illustrated in Table 7, over the first three years of its existence (1999/00 to 2001/02) SuperBuild's transportation investments were over 90% in highways, but less than 10% for other transportation modes (i.e., ferries and airports), and virtually nothing for transit.

Following former Premier Harris's September 2001 announcement of the re-entry of the province into capital funding of transit service expansions, the corporation added a public transit component to its investments. For 2002/03, 77.5% of SuperBuild transportation investments were in highways; 15% were in transit. According to the province's March 2003 budget, the 2003/04 ratio was to be 70% on highways and 24% on transit. However, the \$1 billion per year expenditure rate on high expansion has remained in place. As shown in Map 1, the corporation's highway investment program has included major extensions and new highways to previously un-urbanized areas.

**Table 7: SuperBuild Corporation Transportation Investments (1999/00 to 2003/04)**

Year	Highways	Transit
1999/00	\$937 million	\$0
2000/01	\$1,049 million	\$0
2001/02	\$906 million	\$0
2002/03	\$1,023 million	\$193 million
2003/04 (plan)	\$1,055 million	\$359 million

### The Ministry of Finance

The province's Ministry of Finance is ultimately responsible for the framework of revenue sources within which municipalities must operate, such as provincial transfers, property taxes and development charges. The ministry also exercises ultimate control over the province's own expenditures on transportation, sewer and water and other infrastructure.

From 1995 onwards the ministry exercised, on behalf of the province, a very high level of control over not only levels, but also design, of the mechanisms through which municipalities raise revenues, via such legislation as the *Development Charges Act 1997*, *Fair Municipal Finance Act 1997*, *Fairness to Property Taxpayers Act 1998*, and *Sustainable Water and Sewage Act 2002*. This legislation severely limited the flexibility of municipalities in design and application of development charges, property tax regimes and user fees to support smart growth initiatives.<sup>39</sup>

At the same time, the provincial government was unwilling to consider widening the revenue base available to municipalities. Options such as dedication of a portion of the

<sup>38</sup> 1999/00: \$937 million; 2000/01: \$1,049 million; 2001/02: \$906 million; 2002/03: \$1,023 billion; and 2003/04: \$1,055 million. Ministry of Finance, Budget Papers 1999/00–2003/04.

<sup>39</sup> On the Ontario constraints on property tax regimes see H. Kitchen, Municipal Revenue and Expenditure Issues in Canada (Toronto: Canadian Tax Foundation, 2002), pp. 107–108.

\$3 billion per year in revenues realized by the province from gasoline and fuel taxes<sup>40</sup> for transit support as is done in Quebec, Alberta and British Columbia<sup>41</sup> were rejected. The possibility of widening of the municipal tax base to include such things as hotel taxes, as are widely applied in New York and other American cities,<sup>42</sup> was also turned down.

The lack of movement on the issue of widening the revenue base for municipalities was despite the expanded range of municipal responsibilities following the 1997 restructuring of the provincial–municipal relationship. This included the withdrawal of provincial financial support in such areas as transit, sewer and water infrastructure, affordable housing, social services and public health, in exchange for provincial assumption of responsibility for education funding.<sup>43</sup> Many of the services left to municipalities to provide alone were ones that were difficult to support on the inelastic revenue base of property taxes.

The province's position also failed to recognize the incentives that accompany the growing centrality of property taxes as a revenue source for municipalities, a consequence of the province's dramatic reductions of its transfer payments to municipal governments. Provincial grants accounted for 47% of Ontario municipal revenues in the 1970s but only accounted for 24% by the year 2000, with the difference being made up through increased dependency on user fees and property taxes.<sup>44</sup> In these circumstances, the only way in which municipalities can increase revenues without property tax or user fee increases (which in some cases were prohibited through provincial legislation) is to increase the assessment base. This can lead municipal councils to take the view that any form of development, on any terms, is desirable,<sup>45</sup> a position with clear adverse implications from the perspective of containing urban sprawl.

### **The Ministry of Municipal Affairs and Housing**

Through the provisions of the *Planning Act*, the Ministry of Municipal Affairs ultimately controls land-use planning in southern Ontario. This control is exercised both through the provisions of the Provincial Policy Statement made under the Act, and the ministry's ability to override local planning decisions.

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<sup>40</sup> Ontario 2003 Budget Papers, Table B2, March 2003.

<sup>41</sup> NRTEE, *Environmental Quality in Canadian Cities*, pp. 34–35.

<sup>42</sup> See, for example, H. Kitchen, *Municipal Finance in a New Fiscal Environment* (Toronto: C.D. Howe Institute, November 2000).

<sup>43</sup> See M. Winfield and G. Jenish, *Ontario's Environment and the 'Common Sense Revolution: A Four-Year Report* (Toronto: CIELAP, 1999), pp. 2–40.

<sup>44</sup> See H. Kitchen, *Municipal Revenue and Expenditure Issues in Canada*, Table 4.2. Property taxes accounted for 44% of revenues in 1971 and 50% of revenues in 2000. User fees accounted for 4.2% of revenues in 1971 and 20% of revenues in 2000.

<sup>45</sup> D. Siegel, "Urban Finance at the Turn of the Century," in D. Siegel and E. Fowler, *Urban Policy Issues: Canadian Perspectives* (Toronto: Oxford University Press, 2002), pp. 44–45.

The ministry also controls the structure, form and authority of municipal governments via the *Municipal Act* and the provincial legislation establishing individual municipalities.

Unfortunately, the policy framework put in place by the ministry in 1996 through the Bill 20 amendments to the *Planning Act* and the new Provincial Policy Statement that accompanied the amendments, reversed provisions in the Act and previous policy statements, adopted in 1995 to control urban sprawl and promote higher-density mixed-use developments. These provisions had flowed from the 1992 report of the Commission on Planning and Development Reform.

The Provincial Policy Statement has yet to be updated to reflect smart growth principles. This is despite the review of the statement initiated in July 2001.

Moreover, the ministry took a highly selective approach to the enforcement of the 1996 policy statement. It was very aggressive in its interventions regarding the policy statement's provisions related to the protection of aggregate resources from incompatible development or zoning that protects lands containing aggregates from exploitation.<sup>46</sup> However, with the exception of the case of the protection of certain areas of the Oak Ridges Moraine, it consistently failed to intervene in support of municipal planning decisions to protect agricultural lands and other ecologically significant areas, to otherwise contain urban sprawl, or to promote development that is supportive of alternatives to the automobile, either during official plan development and amendment processes, or before the OMB.

### **The Smart Growth Secretariat**

A Smart Growth Secretariat was established within the Ministry of Municipal Affairs and Housing in 2001. The secretariat's mandate was to ensure that decisions on growth-related issues are co-ordinated government-wide, including the activities of the Ministries of Agriculture and Food, Enterprise Opportunity and Innovation, Environment, Finance, Natural Resources, Northern Development and Mines, Tourism and Recreation, Transportation and SuperBuild Corporation. The secretariat also supported the Smart Growth panels and was to work with stakeholders to build partnerships that promote smart growth.<sup>47</sup>

Unfortunately, the level of influence exercised by the secretariat even within its own ministry is unclear, as evidenced by the lack of progress on adoption of revised Provincial Policy Statement under the *Planning Act* reflecting smart growth principles. The secretariat's influence over other ministries and agencies has been even more marginal, given its apparent lack of impact on the agendas of either the Ministry of Transportation or the SuperBuild Corporation. This may, in part, be a function of the secretariat's status as a body embedded within the Ministry of Municipal Affairs and

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<sup>46</sup> See, for example, C. Chambers (Faculty of Environmental Studies, York University) "Pits, Politics and Peripheralization: Case Studies of the Towns of Caledon and Erin," paper delivered at the American Association of Geographers Annual Meeting, March 2003.

<sup>47</sup> [http://www.smartgrowth.gov.on.ca/userfiles/HTML/nts\\_2\\_5344\\_1.html](http://www.smartgrowth.gov.on.ca/userfiles/HTML/nts_2_5344_1.html).

Housing, as opposed to being located within a central agency with a government-wide mandate.

### **Ministry of Agriculture and Food, Ministry of the Environment and Ministry of Natural Resources**

The Ministries of Agriculture and Food, of the Environment and of Natural Resources all have potentially significant roles to play in a smart growth agenda for the province. These range from the identification and protection of prime agricultural lands and ecologically significant areas to the assessment of the potential impacts of development proposals on air quality, drinking water supplies and the wider environment.

However, the roles of the agencies in the land use planning process have been limited by the 1996 amendments to the *Planning Act*, which restricted their participation in planning decisions to situations where they are invited to do so by the Ministry of Municipal Affairs. The post-1995 reductions to the operating budgets of the Ministries of Natural Resources and of the Environment also led to significant reductions of the roles of these agencies in land-use planning in Southern Ontario. The capacity of the watershed-based conservation authorities to participate in planning processes was also significantly weakened as a result of post-1995 reductions in provincial contributions to conservation authority budgets and restrictions on the scope of their mandates.

In addition, amendments made to the *Environmental Assessment Act* in 1996 were interpreted by the province as eliminating the statutory requirement that the need for and “alternatives to” undertakings be considered in their environmental assessment.<sup>48</sup> Instead, project-specific terms of reference were developed for the purpose of assessing individual undertakings. The result significantly weakened the Ministry of the Environment’s influence over transportation and sewer and water infrastructure projects. In particular, the post-1996 period was marked by the routine adoption of terms of reference for infrastructure projects, such as the highway expansions being pursued by the Ministry of Transportation and SuperBuild corporation, that dispensed with the pre-1996 requirements to consider need and “alternatives to” undertakings.<sup>49</sup> This had the effect of eliminating the environment ministry’s ability to raise questions about the long-term and cumulative impacts of individual projects on urban growth and development.

Institutional policy inertia has also been a significant factor within these agencies. The Ministry of Natural Resources, for example, since the early 1970s has pursued legislation and policies intended to ensure access to low-cost aggregate to support

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<sup>48</sup> It should be noted that in June 2003 the Ontario Division Court ruled that the 1996 amendments did not, in fact, eliminate the requirements for the consideration of need and “alternatives to” in the environmental assessment of undertakings under the Act. The government of Ontario is appealing the Divisional Court’s decision. See Canadian Environmental Law Association, “Court rules that environment minister failed to comply with Ontario’s Environmental Assessment Act, [Press Release](#) June 18, 2003. During the 2003 election campaign, the Liberal Party committed to withdraw the government’s appeal of the Divisional Court’s decision.

<sup>49</sup> See A. Levy, “A Review of Environmental Assessment in Ontario,” [Journal of Environmental Law and Practice](#), 11 J.E.L.P., June 2002.



urban growth. This has been achieved by limiting the ability of municipalities to exclude or regulate aggregate extraction within their boundaries through the *Pits and Quarries Act* of 1971 and subsequent 1989 *Aggregate Resources Act*. The Mineral Aggregate Resources Policy Statement, adopted under the *Planning Act* in 1986, gives priority to aggregate extraction over virtually all other land uses. These directions were significantly strengthened through amendments to the *Aggregate Resources Act* adopted in 1996.<sup>50</sup>

### The Ontario Municipal Board

The Ontario Municipal Board (OMB) is an independent adjudicative tribunal that hears appeals on a wide range of municipal and land-related matters. The OMB deals with Official Plans, zoning by-laws, subdivision plans, consents and minor variances, land compensation, development charges, ward boundaries,

“A tribunal which receives little or no policy guidance will be drawn immutably to filling that vacuum by developing policies to give direction to its members, and, of equal importance, to provide stability and continuity to the process it is regulating.”

*Chipman, A Law Unto Itself*

aggregate resources and a wide range of other matters. The OMB was first established in 1897.<sup>51</sup> The provincial cabinet appoints the board’s members. The OMB’s decisions are final, although they may be appealed to the provincial cabinet,<sup>52</sup> and points of law can sometimes be appealed through the courts.<sup>53</sup>

The board’s role has always been controversial, given its ability to overrule the decisions of elected municipal councils. Concerns over the board’s role have become acute in past few years, and the board’s current mandate, role and structure are seen as significant barriers to smart growth in Ontario. This has led to calls for major reforms to the board’s role, mandate and composition,<sup>54</sup> and even for the board’s abolition.<sup>55</sup>

These concerns regarding the board flow from a number of sources. They include<sup>56</sup>

<sup>50</sup> See Chambers “Pits, Politics and Peripheralization.”

<sup>51</sup> The board was originally called the Office of the Provincial Municipal Auditor. In 1906, the Ontario Railway and Municipal Board was created, with the added responsibility of supervising the then-burgeoning rail transportation system between and within municipalities. In 1932, it was renamed the Ontario Municipal Board. Ontario Municipal Board, *Annual Report 2000–2001* (Toronto: Queen’s Printer for Ontario, 2002).

<sup>52</sup> Cabinet appeals are rare, and rarely successful.

<sup>53</sup> See *The Ontario Municipal Board Act* R.S.O. 1990, Ch.O.28, ss.95 and 96.

<sup>54</sup> L. Pim and J. Ornoy, *A Smart Future for Ontario* (Toronto: Federation of Ontario Naturalists, 2002), pg. 31.

<sup>55</sup> See, for example, J. Chipman, *A Law Unto Itself: How the Ontario Municipal Board has Developed and Applied Land Use Planning Policy* (Toronto: University of Toronto Press, 2002), pg. 192.

<sup>56</sup> Discussion drawn from Pim and Ornoy, *A Smart Future for Ontario*, pg. 31.



- the quality of appointments in terms of their knowledge and experience in land-use planning and environmental issues, and their vulnerability to political considerations due to the short term (three years before renewal) of the members. The board has also been consistently criticized for a pro-development bias.
- the difficulties faced by community and other public interest groups in gathering the financial resources and legal and technical advice and expertise needed to challenge development proposals before the board.
- the ability, flowing from the 1996 amendments to the *Planning Act*, of developers to initiate appeals where municipal councils do not consider development applications within 90 days. This has the effect of greatly limiting the ability of municipal governments to assess the likely impacts of development proposals before being forced to consider decisions.

In addition, in absence of a strong provincial policy statement and infrequent provincial interventions in OMB hearings, the board has been left to fill the resulting policy vacuum, substituting its own decisions for municipal ones that it has found to be “faulty.” This is seen as particularly problematic in the context of the board’s mandate to look at each development proposal on a one-off basis. As a result, in its decision making the board does not consider the cumulative effects of multiple developments, nor how different development proposals might impact each other.

The overall impact of the board’s current role is therefore seen to be to reinforce status quo, business-as-usual approaches to planning and development and to work against integrated or long-term planning.

### **The Ontario Realty Corporation**

The Ontario Realty Corporation (ORC) is mandated to the provincial government’s real property. This includes over 6,000 buildings and 90,000 acres of land, largely in southern Ontario. The ORC’s current mandate stresses the ‘rationalization’ of government assets, principally through the sale of property.<sup>57</sup>

The corporation’s current approach to property sales emphasizes the achievement of the highest financial return.<sup>58</sup> There are no criteria requiring the agency to consider the ecological or agricultural significance of the lands that it holds, or to consider the impacts of property sales on development patterns. In fact, the corporation’s current mandate gives it strong incentives to sell properties for development purposes, regardless of the impacts that might flow from such development.<sup>59</sup> The National Round Table on the Environment and Economy has recently recommended that the parallel

<sup>57</sup> See [www.orc.gov.on.ca](http://www.orc.gov.on.ca).

<sup>58</sup> Ontario Realty Corporation, [Guidelines and Procedures: Real Estate and Sales](#), November 2002, sections IV and V.

<sup>59</sup> The corporation’s activities are included in the Class Environmental Assessment of Management Board Secretariat and Ontario Realty Corporation, which is currently under review. See [www.ene.gov.on.ca/envision/env\\_reg/ea/english/EAs\\_mbs\\_orc\\_class.htm](http://www.ene.gov.on.ca/envision/env_reg/ea/english/EAs_mbs_orc_class.htm).

federal agencies to the corporation, Public Works and Government Services Canada and the Canada Lands Corporation, adopt guidelines regarding urban sustainability in the location and design of facilities, and the management and disposition of land.<sup>60</sup>

### **Municipal mandates and roles**

Municipal governments are critical actors in the implementation of a smart growth agenda in Ontario. Municipalities exercise direct control over land-use planning through their official plans and zoning by-laws. In addition, they can make infrastructure investments of their own, provide capital and operating support to public transit, direct their purchasing policies and licensing powers, apply fees for service, and design their property taxation regimes.<sup>61</sup>

Unfortunately, the problems of institutional inertia and lack of coordination around smart growth issues have not been restricted to the provincial level. In fact, it has been noted that the most significant source of the systemic expansion of urban areas, villages and hamlets in the GTA is not official plan amendments sought by developers. Rather, local and regional governments themselves provide for it through their official plans as part of their “growth management” planning processes. In other words, the regions’ and municipalities’ own planning processes account for by far the greatest amount of greenfields development in the region.<sup>62</sup>

### **The impact of provincial legislation and policies**

Individual municipalities have been constrained by a number of factors flowing from provincial policy framework, outlined above, within which they must work. These include

- the lack of clear provincial policy direction on land-use issues with respect to smart growth via the *Planning Act* and the Provincial Policy Statement, and weak or non-existent provincial agency support when planning decisions consistent with smart growth principles are challenged before the OMB.
- an inadequate revenue base to support needed infrastructure, since municipalities have had to rely more and more heavily on property taxes and user fees as provincial transfers have been withdrawn, while responsibilities have been downloaded in a wide range of areas. The increasing dependency on property taxes can provide strong incentives to approve new development as the only means of expanding revenues without increasing property taxes.
- limitations imposed by the province on municipal flexibility in the application of development charges, or the modification of property tax regimes to support smart growth, as a result of the *Development Charges Act* and other provincial legislation.

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<sup>60</sup> NRTEE, *Environmental Quality in Canadian Cities*, recommendations 1, 2, and 3.

<sup>61</sup> For a detailed discussion of these authorities, see I. Dick, J. McGowan, P. Memguzzi and J. Swaigen, “Air Quality,” in J. Swaigen and D. Estrin, eds., *Environment on Trial: A Guide to Ontario Environmental Law and Policy* (Toronto: Canadian Institute for Environmental Law and Policy and Emond Montgomery Publishers Ltd, 1993), pp. 498–499.

<sup>62</sup> Blais, P. *Inching Toward Sustainability*, pg. 39.

## Municipal government structures

In addition, as with the province, institutional inertia is a significant problem within municipal governments themselves. Divisions between departments over professional approaches and jurisdiction (“siloeing”) can, if anything, be stronger than is the case at the provincial level, making policy integration difficult. In addition, standard engineering and planning practices regarding the scale and design of infrastructure such as roads, and separation of land uses, tend to dominate.<sup>63</sup> Conventional perspectives on transportation and traffic issues, as outlined in Table 8, for example, tend to be given much greater profile and weight in decision making than other factors.

**Table 8: Old versus New Transport Planning Paradigms**<sup>64</sup>

<b>Issue</b>	<b>Old</b>	<b>New</b>
<b>Progress</b>	Growth, expanding, becoming bigger.	Development: improving, becoming more efficient.
<b>Goal of transport</b>	Mobility: considers movement an end in itself.	Accessibility: ability to reach desired goods, services and destinations.
<b>Analysis approach</b>	Reductionist: considers problems, impacts and solutions individually.	Integrated: considers problems, impacts and solutions together.
<b>“The” transport problem</b>	Urban traffic congestion.	There are many different transport problems.
<b>Roadway function</b>	Traffic flow.	Multifunctional: values diverse activities on roads including walking and socializing.
<b>Roadway users</b>	Streets are for vehicle traffic.	Streets are for people.
<b>Resident perspective</b>	Residents are mobile consumers who are quick to leave troubled areas and move to “better” communities.	Residents are community members who want to improve existing neighbourhoods and make their community a better place to live.
<b>Transportation perspective</b>	Motorist.	Motorists, transit users, cyclists, pedestrians, residents and businesses.
<b>Role of non-motorized modes</b>	Usually of little importance. Mainly recreational. Can be generally ignored.	Critical for system connections, mobility for non-drivers and health. Essential to consider.

In this context, municipal governments also tend to lack strong integrative structures, even though these are essential for smart growth policies. Municipal councils, particularly in larger municipalities, can be overwhelmed with material generated by individual departments, which tend to reflect very ‘departmental’ perspectives. As councils deal with each item individually, there is little opportunity or structure through which to consider the likely overall impact of different initiatives.

<sup>63</sup> Tomalty, R., and F. Paul, Human Settlements: Sustainable Land-Use and Transportation (Toronto: Canadian Institute for Environmental Law and Policy and the Ontario Environmental Network, March 1999).

<sup>64</sup> Adapted from Litman, Evaluating Criticism of Smart Growth, Table 4.

The one exception to this pattern is during the development of official plans. However, official plan development only takes place once every few years. Municipal Chief Administrative Officers' offices are generally not organized or mandated to play a strong integrative role in overcoming this fragmentation. These integration problems have been reinforced by the municipal amalgamations that have taken place since 1998, which were designed to produce larger municipal government units.<sup>65</sup>

### **The lack of structures for regional planning and infrastructure provision**

In addition to these challenges faced by individual municipal governments, the lack of effective structures for integrated regional planning, particularly for infrastructure, is a significant barrier. With the province's decision to dissolve the Greater Toronto Services Board in 2001, the only remaining functional region-wide planning body in the Toronto-centred region is the Toronto Region Conservation Authority. However, the scope of the authority's mandate is significantly limited by provincial legislation, as is its funding base.

Without such bodies, regional integration and coordination is difficult, and intermunicipal competition can lead to races to the bottom, where infrastructure and land-use planning decisions are made to attract specific investments, without regard for their implications for regional sustainability.<sup>66</sup> It also becomes more challenging for individual municipalities to put in place more stringent approaches or requirements that might more effectively support higher densities, nodal development or re-urbanization, as development may simply shift to neighbouring municipalities with less stringent requirements.<sup>67</sup> The lack of regional integration can also lead to situations where municipalities approve development on agricultural lands if they have no alternatives within their borders, but don't take into account the availability of non-agricultural or less ecologically important lands in other municipalities.

This problem is seen to be particularly acute in the GTA, where there are strong divisions and competition between 905 and 416 region municipalities for provincial infrastructure funds, and for private sector residential, business and commercial development and the property tax revenues that will flow from such development.

However, the establishment of integrative structures will present significant challenges. Such structures need to be designed in a way that ensures that suburban interests who might favour further urban expansion do not overwhelm the interests of the urban

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<sup>65</sup> See E. Fowler and F. Hartzman, "City Environmental Policy: Connecting the Dots," in Fowler and Siegel, *Urban Policy Issues* on efforts by the City of Toronto to overcome these barriers through its environmental plan.

<sup>66</sup> See, for example, C. Leo, "Urban Development: Planning Aspirations and Political Realities," in Fowler and Siegel, *Urban Policy Issues*, pp. 221–223.

<sup>67</sup> Blais, P. *Inching Toward Sustainability*, pg. 41.

core.<sup>68</sup> Such bodies also need to be given very strong policy direction by the province, reflecting smart growth principles, rather than a simple mandate to, for example, provide infrastructure. Otherwise, the establishment of regional coordination bodies is likely to recreate the problems associated with the SuperBuild Corporation at a regional level — an agency that pursues a self-defined agenda of infrastructure provision without regard to wider sustainability considerations.

“The current situation is like trying to build a house, but all planning and decision-making takes place on a room by room basis. Each room is planned independently, with its own electricity system, its own water system, its own heating system. Corridors linking the rooms are developed on an ad hoc basis. Clearly this is not a wise or efficient way to build a house. Neither is it a wise way to build a region.”

*P. Blais, Inching Toward Sustainability (2000).*

### **The federal role**

The potential role of the federal government in the promotion of more sustainable forms of urban growth and development has drawn a great deal of attention over the past year. Major studies on the federal role in urban sustainability have been prepared by the government caucus<sup>69</sup> and the National Round Table on the Environment and Economy.<sup>70</sup> The possibility of federal investments in public transit has also been raised in the context of the government’s plans for the implementation of the Kyoto Protocol.<sup>71</sup>

Federal action to date has, however, been disappointing. The government’s 2003 budget included a commitment of \$3 billion over ten years for infrastructure.<sup>72</sup> Relative to the scale of investment by provinces and municipalities in municipal infrastructure across the country, this is a modest contribution. Moreover, the federal government has not applied sustainability criteria to the expenditure of these funds, except for the Green Municipal Enabling and Investment Funds. Rather, it has followed the

direction set by provincial governments through their infrastructure programs, which in the case of Ontario has reinforced the problems associated with the SuperBuild Corporation’s investments, or it has focused on high-profile one-off projects, rather than priority areas from a smart growth perspective.<sup>73</sup> This is despite consistent calls from municipalities,<sup>74</sup> and even from within the government caucus,<sup>75</sup> for substantial

<sup>68</sup> M. Boarnet and A. Haughwout, “Do Highways Matter? Evidence and Policy Implementations of Highways’ Influence on Metropolitan Development,” Discussion Paper Prepared for the Brookings Institution Centre on Urban and Metropolitan Policy, August 2000, pg. 18

<sup>69</sup> Judy Sgro et al., Canada’s Urban Strategy: A Vision for the 21<sup>st</sup> Century: Interim Report (Ottawa: Prime Minister’s Caucus Task Force on Urban Issues, April 2002).

<sup>70</sup> NRTEE, Environmental Quality in Canadian Cities.

<sup>71</sup> Government of Canada, Climate Change Plan for Canada (Ottawa: Government of Canada, 2002), pg. 23.

<sup>72</sup> Department of Finance, The Budget in Brief 2003, February 18, 2003.

<sup>73</sup> NRTEE, Environmental Quality in Canadian Cities, pg. 23.

<sup>74</sup> P. Maloney, “Canadian cities to urge Ottawa for tax powers,” The Toronto Star, May 23, 2002.

<sup>75</sup> Sgro et al., Canada’s Urban Strategy: A Vision for the 21<sup>st</sup> Century: Interim Report.



increases in federal funding for municipal infrastructure, specifically the dedication of a portion of federal gasoline tax revenues to support public transit.<sup>76</sup>

Other federal policies are also unsupportive of a smart growth approach to urban development. The Canada Land Corporation's policies on land disposition, for example, emphasize the maximization of revenue from land sales, which tends to encourage sale for development, even if the lands are outside of existing urban areas.<sup>77</sup> Similarly, the government has no policies to locate its own facilities in existing urban areas rather than greenfields development, or to require consideration of such things as employee transportation alternatives to the automobile or heritage conservation in location decisions.<sup>78</sup>

There are a number of reasons for the federal government's lack of effective interventions around urban issues. These include

- a desire to avoid conflict with provincial governments over infrastructure funding directions and relations with municipalities.
- an unwillingness, particularly on the part of the Department of Finance, to enter into long-term financial commitments with municipalities, or to divert a portion of existing federal revenues, such as gasoline and fuel tax revenues, for this purpose.
- the lack of an institutional focal point or voice for urban issues within the federal government. Rather, responsibilities related to cities are scattered among many departments, including Transport, Human Resources, Environment, Natural Resources, Public Works and Government Services, and Heritage.

Significant action by the federal government in this context is unlikely, unless there is very strong new political direction from the highest levels.

### **Economic, Social and Political Factors**

Although these institutional factors are important, sprawl is not just a product of the structures and policies of provincial, federal and municipal governments. It is also a result of investment decisions by private developers and financial institutions, decisions by farmers and other owners of lands outside of existing urban areas to sell their lands for development, and actions and limitations of other societal actors, such as community groups and environmental organizations.

### **The development industry**

The development industry is frequently blamed as a key promoter of urban sprawl. With some exceptions, the development patterns seen around the GTA make it clear that the development, homebuilding and construction industries remain strongly focused on

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<sup>76</sup> See, for example, P. Maloney, "Gas taxes fuel transit debate," *The Toronto Star*, January 26, 2002.

<sup>77</sup> NRTEE, *Environmental Quality in Canadian Cities* pp. 32–33.

<sup>78</sup> NRTEE, *Environmental Quality in Canadian Cities*, pp. 30–31.



traditional (i.e., single-use greenfields subdivision, industrial park and commercial mall) forms of urban development.

Although the industry works within the framework of rules and incentives provided to it by municipalities and provincial policy, the sector is also seen to exert a strong influence on the provincial government and some municipalities with respect to decisions over land use and the provision of infrastructure. This is due to the strong role that it plays as the initiator of development, as an employment provider, and as the source of the investments necessary to deal with population growth and to increase municipal revenues through development charges and property taxes.

Some developers are also seen to gain influence as a consequence of provincial and municipal election financing rules. This is a result of the heavy dependence of many municipal candidates on contributions from the development industry to finance their campaigns.<sup>79</sup>

The appeal of traditional approaches to urban development from the perspective of the development industry flows from a number of different considerations, including the following:<sup>80</sup>

- Developers concentrate on the types of development with which they are experienced.
- Business-as-usual approaches to development are predictable in terms of costs, timelines and profit margins.
- This predictability makes obtaining capital from financial institutions easier, as it is seen as low-risk.

In addition, some of the largest actors in the development industry in Ontario are heavily invested in speculative land holdings outside of existing urban areas.<sup>81</sup>

Smart growth, or mixed-use, higher-density developments, and the redevelopment of existing urban areas are seen to be much more complex, less predictable and higher risk in comparison with traditional greenfields development. They are seen by developers and financial institutions to involve different development patterns and a different product type, to entail potentially higher upfront costs in terms of planning, design and site preparation or remediation, and to challenge conventional wisdom about

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<sup>79</sup> See, for example, Leo, “Urban Development,” pp. 227–231; E. Fowler and J. Layton, “Transportation Policy in Canadian Cities,” pg. 117, in Fowler and Siegel, *Urban Policy Issues*.

<sup>80</sup> D. Porter, *Making Smart Growth Work* (Washington D.C.: Urban Land Institute, 2002) pg. 26.

<sup>81</sup> Metrus Development and Lebovic Enterprises are often cited in this context. See, for example, I.Urquhart, “Moraine housing will test Liberal’s curb on sprawl,” *The Toronto Star* (October 18, 2002).

where to develop.<sup>82</sup> In the case of brownfields redevelopment, they are seen to carry liability risks for developers and financiers as well.<sup>83</sup>

### **Farmers and other landowners**

Farmers and other landowners surrounding urban areas often find themselves under economic stress. This provides strong incentives to sell lands for their maximum potential value. This is almost always for development purposes, as even when lands are not zoned for development, purchasers may be willing to speculate on their ability to obtain the necessary zoning changes and the provision of the infrastructure necessary to support development.<sup>84</sup>

The changes in property tax regime through the 1997 *Fair Municipal Finance Act* reduced some of the incentives for landowners to sell their lands for development by reducing the property tax burden on farm, conservation and managed forest lands. However, the potential to realize the capital value of lands through their sale for development remains very strong.<sup>85</sup> A program to establish covenants with landowners restricting the future development of agricultural lands in the Niagara region, in exchange for financial compensation, was terminated by the provincial government in July 1995.

### **Community and environmental groups**

Civil society organizations, such as community groups and environmental non-governmental organizations, have generally not been well organized around smart growth and urban sustainability issues in Ontario over the past few years. Although there was a high level of activity around these issues in the late 1980s and early 1990s, flowing into the 1992 report of the Commission on Planning and Development Reform, provincial and local organizations were demoralized and deeply discouraged by the 1996 repeal, via Bill 20, *The Planning and Development Protection Act*, of the 1995 reforms that had been based on the Commission's work.

In addition, in the absence of a strong provincial policy framework, urban growth and development issues tend to play out on a decision-by-decision basis. As a result, volunteer-based community organizations end up carrying much of the burden of opposing development and infrastructure proposals that constitute or promote urban sprawl. However, there are significant barriers to effective participation in the planning process by such groups, particularly where matters are referred to the OMB. Without

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<sup>82</sup> Leo, "Urban Development" in Fowler and Siegel, *Urban Policy Issues* pg. 218. See also R. Burchell and D. Listokin, *Linking Vision with Capital: Challenges and Opportunities in Financing Smart Growth* (Arlington VA: Research Institute for Housing America, 2001) (pp.18–24)

<sup>83</sup> On this issue see *Greening Canada's Brownfields Sites* (Ottawa: National Round Table on the Environment and Economy, 1998).

<sup>84</sup> Porter, *Making Smart Growth Work*, pp.38–39.

<sup>85</sup> See, for example, O. Berton, "Region tackles grape debate," *The Globe and Mail*, February 19, 2002, quoting Niagara farmers as estimating their land value as farmland at between \$10,000 and \$40,000 an acre, and for development at \$75,000 to \$150,000 an acre.

resources for legal representation or expert witnesses, such as was once provided through the 1988 *Intervener Funding Project Act*,<sup>86</sup> it is difficult for community groups to challenge poor planning decisions, or to support good ones.

There is a strong potential for mutually supportive policy agendas among different social movements related to urban development. This might include such things as the promotion of the redevelopment and revitalization of depressed areas, and the provision of affordable housing with close proximity to employment, education, and services. However, to date in Ontario, the establishment of alliances between those who promote smart growth for environmental reasons (such as the protection of air quality, prime agricultural lands and ecologically significant areas) and those who support smart growth for social reasons (such as the provision of affordable housing) has been limited. The recent emergence of a provincial smart growth network, which includes strong participation from both social and environmental organizations, may alter this situation in the future.<sup>87</sup>

Community groups are sometimes resistant to the intensification of existing urban areas. Concerns may arise with respect to out-of-scale developments (e.g., high-rises in residential or low-rise areas), traffic, poor design, and changes in community character.<sup>88</sup> Negative responses to intensification proposals that are out of scale and character with surrounding neighbourhoods are not surprising, and highlight the importance of considerations of design and approach on the part of development proponents.<sup>89</sup> In addition, some proponents of intensification overplay their promotion of very tall and ambitious building design, and thereby reinforce community concerns that intensification means inappropriate development.<sup>90</sup>

Finally, environmental and community groups have tended to see the development industry and local governments as opponents around urban sustainability issues. The reality of the situation is more complex, as private investment and development are important means through which land use reform is achieved, and city officials and real estate investors in existing urban areas interested in redevelopment and asset appreciation can be important contributors to the process.<sup>91</sup>

Older inner suburban municipalities can be significant supporters of smart growth policies as well, as they seek ways to retain and expand population and economic activity within their existing geographic boundaries, and are often presented with

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<sup>86</sup> The Act, which provided funding for bona fide public interest interveners in Environmental Assessment Board and Ontario Energy Board hearings, was permitted to expire in 1996.

<sup>87</sup> See, for example, <http://www.greenontario.org/smartgrowth/osgn.html>. The Network's Statement of Principles and current membership are provided in Appendix 2.

<sup>88</sup> Porter, *Making Smart Growth Work*, pp. 19–20, 132.

<sup>89</sup> Porter, *Making Smart Growth Work*, pp. 19–20, 132.

<sup>90</sup> See, for example, C. Hume, "Defenders of fort stand by to repel towers," *The Toronto Star*, June 16, 2003.

<sup>91</sup> H. Richmond, "Metropolitan Land-use Reform, The Promise and Challenge of Majority Consensus," pg. 22 in Bruce Katz, ed., *Reflections on Regionalism* (Washington D.C.: Brookings Institute Press, 2000).

opportunities to re-develop former industrial and commercial lands. In fact, such municipalities have emerged as key promoters of smart growth in the US, working to redirect state infrastructure investments away from supporting new greenfields development, and towards the redevelopment of existing urban areas.<sup>92</sup>

Experience in Toronto with older inner suburbs in this regard has been mixed. North York, for example, has pursued an ambitious program of mixed-use intensification along Yonge Street between Finch and Sheppard Avenues. On the other hand, low-density big box store developments have been seen on former industrial lands in Scarborough,<sup>93</sup> Leaside,<sup>94</sup> Etobicoke,<sup>95</sup> and the former Canadian Forces Base Downsview lands.

The situation within new, outer suburbs may be more challenging, as sprawl tends not to produce defined political communities with a history of public concern over development policies.<sup>96</sup> They may be, in effect, too “new” for a sense of community to be established. On the other hand, these communities can also emerge as important constituencies in favour of curbing urban sprawl. It has been noted, for example that

What gives smart growth political legs, however, is that it responds to a very deep-seated reaction among voting suburbanites to a loss in their quality of life. With sprawl, commute times increase; schools and roads become overburdened; open space disappears; housing choice diminishes. Middle class suburbanites see their quality of life threatened and are increasingly demanding their local leadership do business in a different way.<sup>97</sup>

### **Other actors**

A number of other actors may favour the continuation of business-as-usual approaches to urban development. Urban sprawl and new highways are significant drivers of demand for the aggregates industry for example. A new suburban house requires 325 tonnes of aggregates for foundation, concrete and mortar. Ten thousand tonnes are required per kilometre of two-lane highway, and 31,500 tonnes per kilometre of four-lane highway.<sup>98</sup>

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<sup>92</sup> Richmond, “Metropolitan Land-use Reform, The Promise and Challenge of Majority Consensus,” pg. 22

<sup>93</sup> The former GM Lands on Eglinton Avenue.

<sup>94</sup> The former Alcatel lands off Laird Avenue.

<sup>95</sup> The former industrial lands in the Bloor/Kipling/Islington areas.

<sup>96</sup> Fowler and Hartzman, “City Environmental Policy” in Fowler and Seigel, Urban Policy Issues, pg. 162

<sup>97</sup> Burchell and Listokin, Linking Vision with Capital pg. iv.

<sup>98</sup> Tomalty and Paul Human Settlements: Sustainable Land-Use and Transportation.

## ***Ideas and Assumptions***

Urban sprawl is not only driven by institutional and political factors; it is also the product of the assumptions and ideas that have been held by actors in the planning and development process. These have included the following:

### **Cultural pre-dispositions towards low-density urban development**

Some argue that sprawl is the product of deeply held cultural pre-dispositions in North America towards a mechanistic worldview and a desire to exercise control of nature.<sup>99</sup> Others argue that sprawl is really a post-war phenomenon associated with growth in affluence and automobile ownership, the impact of advertising by the development and automobile industries, and public policies that have hidden its true economic costs.<sup>100</sup>

### **Sprawl is necessary for economic growth**

Municipalities may assume that new development will translate into needed growth in their economic and tax base.<sup>101</sup> As noted earlier, municipalities may see expansion as the only way to hold down property tax increases in the face of increased responsibilities.<sup>102</sup> However, it has been pointed out that the costs of long-term infrastructure maintenance for low-density development often turn out to outstrip the increased property tax revenues that they bring in.<sup>103</sup> It has been estimated, for example, that the provision of community services in a typical low-density suburban development cost \$1.15 per dollar of property tax revenue collected.<sup>104</sup> Others have noted the strong linkages between smart growth mixed-use development patterns, and new, knowledge-based work patterns.<sup>105</sup>

### **Sprawl reflects consumer choice/desires in the housing marketplace**

The development industry often argues that it is simply supplying consumers with what they want — single family houses on large lots, and a mix of land uses that strongly separates industrial, commercial and residential areas. Advertising by the development industry, of course, tends to reinforce these messages very strongly, given the economic attractiveness of greenfields suburban development to the industry.

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<sup>99</sup> M.Mchmann and E.P.Fowler, "The Science and Politics of Sprawl: From Suburbia to Creative Citybuilding" unpublished manuscript, 2003.

<sup>100</sup> R. Gilbert, "Integrity of Land-Use and Transportation Planning in the GTA," in E. Lee, and A. Perl, eds., *The Integrity Gap: Canada's Environmental Policy and Institutions* (Vancouver, UBC Press, 2003); Tomalty and Paul, "Human settlements;" and Porter, *Making Smart Growth Work*, pp. 1–4.

<sup>101</sup> Siegel "Urban Finance," in Fowler and Siegel, *Urban Policy Issues*, pg. 44

<sup>102</sup> Burchell and Listokin, *Linking Capital with Vision*, pg. 10.

<sup>103</sup> See, for example, A. Golden et al., *Greater Toronto: Report of the GTA Task Force* (Toronto: Queen's Printer for Ontario, January 1996), pp. 111–113.

<sup>104</sup> J. Freedgood, *Cost of Community Services Studies: Making the case for Conservation* (Washington: American Farmland Trust, 2002).

<sup>105</sup> D. Henton and K. Welsh, *Linking the New Economy to the Livable Community* (San Francisco, CA: The James Irvine Foundation, April 1998). Figure 2, pg. 8



These arguments assume that existing public policies around infrastructure and land use are neutral, and that therefore current land-use and transportation patterns reflect consumer preferences. In fact, as outlined in the Pembina Institute's February 2003 report, *Smart Growth in Ontario: The Promise vs. Provincial Performance*, and others,<sup>106</sup> the current policy framework in Ontario around land use, transportation and urban growth includes many market distortions that encourage urban sprawl and automobile dependency.

It is also clear that, when offered, there is a robust demand for higher-density and mixed-use, new urbanist developments.<sup>107</sup> This has been seen in both suburban areas of the GTA and redeveloped areas of the City of Toronto, such as the Greenwood race track and King West village. Higher-density development does, however, need to be well executed and properly serviced with transportation infrastructure to attract significant numbers of residents.<sup>108</sup>

Furthermore, the social, economic, health and environmental costs of commuting associated with conventional development patterns are a major driver of the smart growth movement and of the political appeal of the smart growth concept. Given the alternatives of shorter commutes, and attractive and convenient transit services, many people —particularly younger adults and retirees — would reject traditional automobile-focused low-density development patterns.<sup>109</sup> Smart growth development patterns may also be attractive to families with children, given their potential to reduce travel distances, improve travel options so parents spend less time chauffeuring children, and improve cycling and walking conditions.<sup>110</sup>

Research and experience in Canada and the US suggests that households are willing to shift way from single-family suburban homes to higher-density locations in exchange for modest annual reductions in housing costs.<sup>111</sup> However, there are also perceptions that outer suburban housing is the cheaper option. Concerns regarding the deterioration of inner city schools and other infrastructure, partially as a result of inadequate investments by senior levels of governments, are an important factor in driving demand for new development outside of existing urban areas as well.

The appeal of smart growth development patterns is not limited to residential areas. In the United States, there is also growing interest in the successful introduction of mixed-

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<sup>106</sup> See, for example, NRTEE, *Environmental Quality in Canadian Cities*; Litman, *Evaluating Criticism of Smart Growth* pg. 4.

<sup>107</sup> See Litman, *Evaluating criticism of Smart Growth*, pp. 20–22.

<sup>108</sup> Porter, *Making Smart Growth Work*, pg. 153.

<sup>109</sup> See Litman, *Evaluating Criticism of Smart Growth*, pp. 20–22.

<sup>110</sup> See Litman, *Evaluating Criticism of Smart Growth*, pg. 21.

<sup>111</sup> See Litman, *Evaluating Criticism of Smart Growth*, pg. 20, citing research regarding Calgary, Alberta and Lancaster, California, suggesting a willingness to move to smart growth developments in exchange for savings of less than \$1,600 per year.



use, higher-density and street grid-based designs to existing suburban business districts.<sup>112</sup>

### **Sprawl is necessary to provide affordable housing**

It is argued that urban containment boundaries and strong protection for agricultural and ecologically significant lands will reduce housing affordability by reducing the land supply at the urban fringe. However, land supply is only one factor affecting housing affordability. As illustrated in Table 9, smart growth policies can also increase affordability by allowing smaller lots, using underutilized urban buildings and land, allowing more diverse housing types, and reducing parking requirements and development infrastructure costs. They also provide significant ongoing transportation and energy savings at the household level.<sup>113</sup>

**Table 9: Smart Growth Household Affordability Impacts<sup>114</sup>**

<b>Reduces Affordability</b>	<b>Increases Affordability</b>
Urban growth boundaries reduce developable land supply.	Higher-density development reduces land requirements.
Increased building design requirements.	Reduced parking and setback requirements, and, therefore, reduced land requirements per housing unit.
	More diverse, affordable housing options through secondary suites, apartments over shops, loft apartments.
	Reduced fees and taxes for clustered and infill housing.
	Reduced household transportation costs.
	Reduced energy expenses.

In some cases the potential savings flowing from smart growth developments may be offset by higher property taxes in existing urban areas. This is a result of the failure of the property tax regime to reflect the real costs of providing infrastructure and services in new, outer suburbs relative to existing urban areas.

### **Sprawl is necessary to accommodate population growth**

As highlighted by the work of the Neptis Foundation, significant population growth is projected for Ontario over the next thirty years, concentrated in the Toronto region. It is argued therefore that urban expansion is necessary to accommodate this growth.

<sup>112</sup> G. Booth, B. Leonard and M. Pawlukiewicz, Ten Principles for Reinventing America's Suburban Business Districts (Washington, DC: Urban Land Institute, 2002).

<sup>113</sup> Adapted from Litman, Evaluating Criticism of Smart Growth, pg. 30.

<sup>114</sup> Adapted from Litman, Evaluating Criticism of Smart Growth, Table 10.

However, it has been noted that the anticipated population growth in the GTA can be accommodated within lands already designed as urban in official plans (much of which is currently undeveloped) until 2021 and in some municipalities until 2031, and at much lower densities than currently exist within older residential parts of the City of Toronto.<sup>115</sup> These areas achieve densities of two to three times the current level of fringe development in the GTA without resorting to highrise building forms.<sup>116</sup> This implies that the anticipated population growth in the region could easily be accommodated on substantially less land than is currently designated as urban in existing official plans, if development occurs at higher densities than is currently the case, but does not necessarily involve extensive highrise development.<sup>117</sup>

### **The impact of established ideas about infrastructure provision**

Sprawl is also driven by assumptions about the provision of infrastructure. Development standards regarding things like minimum road widths and turning radii, utility separation distances, stormwater management, and sewage management may limit the potential density of new developments. In Ontario these standards have their origin in values and imperatives of the 1950s to 1970s, a time of rapid increases in public expenditure, relatively low costs, and less environmental awareness.<sup>118</sup> They also reflect long-accepted norms within the relevant professions. As a result, in addition to the potential for higher upfront capital costs, there may be liability concerns about the adoption of alternative approaches, such as narrower roads, reduced requirements for parking space, and less infrastructure-intensive means of handling stormwater.<sup>119</sup> Formal provincial acceptance of alternative development standards would be an important step in overcoming these barriers.

Proponents of highway expansion argue that it is a necessary response to traffic congestion. Experience suggests the opposite. Additional highway capacity encourages further low-density development in areas with new highway access, and additional car use.<sup>120</sup> Roadway capacity expansion can provide short-term emission reductions, but these tend to be offset over the long run due to induced travel.<sup>121</sup> Highway construction also diverts capital resources away from the construction, maintenance and upgrading of non-automobile-based alternatives, such as transit services.

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<sup>115</sup> IBI Group Toronto Related Region Futures Study, pp. E17–E19.

<sup>116</sup> Blais, P. Inching Toward Sustainability, pg. 13.

<sup>117</sup> See, also Blais, Inching Toward Sustainability, pg. 13.

<sup>118</sup> Tomalty and Paul, “Human Settlements.”

<sup>119</sup> See for example, Metropol Consultants, Urban Sustainability and Ecological Fiscal Reform: An Exploration of “High Priority” Measures (Ottawa: NRTEE, September 2002), pp. 35–36.

<sup>120</sup> This is sometimes referred to as “induced demand,” See R. Cervero, “Road Expansion, Urban Growth and Induced Travel: A Path Analysis,” Journal of the American Planning Association, Vol. 69, No. 2, Spring 2003.

<sup>121</sup> See F. Strathopoulos and R. Noland, Induced Travel and Emissions from Traffic Flow Improvement Projects (Transportation Research Board Annual Meeting ([www.trb.org](http://www.trb.org)) 2003).

## Conclusions and Recommendations

Despite more than two-and-a-half years of announcements and discussion beginning in April 2001, the province of Ontario made remarkably little progress on turning a smart growth vision into reality. The provincial policies encouraging and facilitating urban sprawl, with its implications of increasing congestion, losses of prime farmland, worsening air quality, and infrastructure costs, were largely left in place. In fact, the province aggressively pursued policies, particularly with respect to highway construction, that were virtually certain to make the situation worse if they were implemented.

Both the consequences of continuing on the province's current path and the steps that need to be taken by the province to address the situation are well understood and articulated. Yet the province and municipal governments have failed to act. As outlined in this study, the situation is a result of a combination of institutional and political factors, as well as the strength with which certain underlying ideas and assumptions continue to be held by key actors. Decisive action by the province will be needed to overcome these barriers.

### ***Institutional Barriers***

#### **The provincial government**

##### **Institutional and policy inertia**

Institutional and policy inertia among provincial agencies is a major barrier to the implementation of a smart growth vision for the province. This is particularly true on the part of the Ministry of Transportation and SuperBuild Corporation. These agencies have adhered to the outdated view that the urban development that will be induced by major expansions of the province's highway system from urbanized to non-urbanized areas will be positive. They have not recognized that it is more likely to accelerate the pattern of sprawling urbanization, which lies at the heart of many of the economic and environmental challenges facing the province and which has prompted so much interest in the smart growth concept.

Although the problem of the pursuit of outdated ideas about urban growth and development has been most prominent in the case of the Ministry of Transportation and SuperBuild Corporation's highway program, it is an issue among other agencies as well. The Ministries of Natural Resources and of Municipal Affairs, for example, have pursued policies that facilitate urban expansion by ensuring a supply of low-cost aggregate needed for construction and road building. Notwithstanding its status as the province's lead agency on smart growth issues, the Ministry of Municipal Affairs has yet to update the Provincial Policy Statement made under the *Planning Act*, its most important policy document with respect to land-use planning, to reflect smart growth principles.

### Lack of interagency coordination

In addition to the problems of institutional and policy inertia, there are severe problems with respect to the cross-agency integration and coordination that would be needed for a smart growth agenda to be implemented by the province. Rather, from 1995 onwards, the province evolved a highly fragmented decision-making process with respect to land-use planning and infrastructure provision. Key agencies from a smart growth perspective, such as the Ministries of Environment, Natural Resources, and Agriculture and Food, as well as the conservation authorities, were marginalized as a result of loss of capacity and the consequences of the 1996 amendments to the *Planning Act* and *Environmental Assessment Act*.

This fragmentation has been reinforced by the dominant role being played by the OMB in the planning process, particularly in the absence of strong formal policy direction from the province on smart growth through a revised Provincial Policy Statement and *Planning Act*. The board's approach to decision making, reflecting its current mandate of failing to consider the cumulative or synergistic impacts of development proposals, has further exacerbated the problem of a lack of coordination and integration in decision making.

The Smart Growth Secretariat established within the Ministry of Municipal Affairs and Housing has so far been unable to break down these barriers to interagency coordination, or to achieve the more modest goal of moving forward within its own ministry a revised Provincial Policy Statement reflecting smart growth principles. In fairness to the secretariat, it is important to recognize that, despite the long-recognized highly inter-agency nature of urban sustainability, growth and development issues, the province has yet to be able to create an institutional focal point with sufficient status and influence to bring about the level of policy coordination required to implement a smart growth strategy. The GTA offices of the 1980s and 1990s, for example, encountered similar difficulties in their efforts to promote interagency coordination.

### **Municipal governments**

Municipal governments face a series of institutional challenges of their own from a smart growth perspective. These include highly fragmented or “siloed” institutional structures with very weak integrative and coordinating mechanisms among departments, in which traditional road transportation and financial concerns tend to dominate. These problems tend to be particularly acute in larger municipalities.

In addition, the province left municipalities with an inadequate revenue base for the functions for which they made responsible following the 1997 restructuring of the provincial–municipal relationship. This has reinforced the appeal of urban growth as a way of increasing revenue without increasing property tax rates or user fees by expanding the assessment base. Municipalities have also been severely constrained by the province in the use of their property taxes and development charge systems to shape development patterns. The lack of structures for the regional coordination of land-use planning and infrastructure has presented additional serious challenges.

### **The federal government**

The federal government, despite the high level of apparent attention that it has given urban sustainability issues over the past year has, so far, demonstrated a strong disinclination to risk federal–provincial conflict by challenging provincial directions on infrastructure provision. It has also so far been unwilling to enter into long-term financial commitments with municipalities, or to establish an internal focus point for issues related to urban sustainability. Very strong new political direction from the highest levels within the federal government will be needed to change this situation.

### ***Economic, Social and Political Factors***

#### **The development industry**

In large measure, the development industry has responded to the signals provided to it by governments through their land-use, taxation and infrastructure policies. These have continued to facilitate and encourage conventional sprawling urban development. At the same time, significant elements of the industry see low-density, single-use greenfield development patterns as low-risk, low-cost, high-margin options relative to smart growth options of reurbanization and more compact, mixed-use approaches to development. Financial institutions may reinforce this view in their assessments of development projects. Some elements of the industry have also invested heavily in speculative land purchases in the Toronto region for future development.

Provincial action is needed to alter the incentives currently provided to the industry in terms of its investment decisions. In particular, a strong provincial policy framework is needed to discourage speculation and to focus the industry’s attention on the re-development or intensification of existing urban areas rather than on new greenfields developments.

#### **Farmers and other landowners**

Landowners, particularly farmers, continue to face very strong incentives to maximize realized capital value of their land by selling it for development. The property tax relief provided since 1997 with respect to farm, conservation and managed forest lands has not offset these incentives. At the same time, more aggressive approaches to the protection of agricultural lands from development, such as the establishment of agricultural land reserves, are unlikely to be able to get widespread acceptance from the agricultural community without some financial consideration for the surrender of the future development potential of their lands.<sup>122</sup>

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<sup>122</sup> On the issue of protection of agricultural lands in Ontario and elsewhere in North America see J. Bacher, “Farmland Preservation: The North American Experience” Preservation of Agricultural Lands Society, July 2003.

### **Community and environmental groups**

Environmental and community organizations in Ontario need to continue to build alliances with social justice groups as well as with officials and developers interested in redevelopment and asset appreciation in existing urban municipalities. The Ontario Smart Growth Network will be an important vehicle for this work.

### **Ideas and Assumptions**

Perhaps the most difficult changes will be with respect to the ideas and assumptions about urban growth and development that still shape much of the existing provincial policy framework and the behaviour of developers and municipalities.

The emergence of the smart growth movement in North America in response to the economic, social and environmental costs of urban sprawl is a challenge to the notions that sprawl is necessary for population and economic growth, or that it is simply a reflection of consumer demand in the marketplace. The smart growth concept recognizes that sprawl is not inevitable, but instead is, in large part, a product of a combination of the incentives provided to municipalities, developers and consumers by existing land-use, infrastructure and fiscal policies.

When well-executed alternatives to sprawl, such as redevelopment of existing urban areas and more compact development patterns, supported by attractive and viable transportation alternatives to the automobile, are offered, demand from consumers is strong, as has been seen with the Greenwoods racetrack lands in Toronto. Developers in the US and Canada have demonstrated the economic viability of these alternatives, not only in residential areas, but also in commercial and business contexts as well.<sup>123</sup>

### **Recommendations**

The continuation of the current patterns of urban development in southern Ontario presents serious threats to the province's environmental and economic health. The consequences of remaining on a business-as-usual path in terms of lost farmland and greenspace, growing congestion, worsening air quality and unsustainable infrastructure costs are well understood and accepted. It is also clear that the provincial government will be the key actor in addressing this situation. Although Ontario municipalities have been sources of important initiatives on smart growth issues, on the whole, municipal governments are constrained by existing provincial fiscal, land-use and infrastructure funding policies. For its part, the federal government seems unlikely to play a major role in urban sustainability issues in Ontario in the absence of strong leadership and cooperation from the province.

In this context, action is needed by the province in six key areas if the barriers to smart growth in Ontario are to be overcome. These include the following:

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<sup>123</sup> See, for example, Botth, Leonard, and Pawlukiewicz, [Ten Principles for Reinventing America's Suburban Business Districts](#).



### **A provincial policy framework for urban sustainability and smart growth**

The provincial government needs to set clear policy directions on land-use issues with respect to smart growth through amendments to the *Planning Act* and the adoption of a revised Provincial Policy Statement that reflects smart growth principles. These principles include

- protecting prime agricultural and specialty crop lands, ecologically significant areas, and source water related lands.
- supporting development forms for which non-automobile-based transportation modes are viable and attractive, including higher-density mixed uses.
- encouraging the redevelopment and intensification of existing urban areas, including greyfields and brownfields.
- reducing or eliminating the need for municipalities to hold reserves of non-urban lands for future development.
- ensuring the availability of affordable housing.
- establishing urban containment boundaries.

This will provide clear policy guidance to municipalities and provincial agencies, discourage speculation by the development industry and address the policy vacuum within which OMB decision making is currently taking place. The *Planning Act* amendments need to ensure that local planning decisions are consistent with the Provincial Policy Statement. The *Planning Act* amendments should also address the reform of the OMB appeal process. This would include establishing a ‘leave to appeal’ test and provisions that appeals to the board can only occur once municipal decisions have been made. The board should be permitted to set aside municipal planning decisions and return them to municipal councils for reconsideration, rather than substitute its own decisions for those made by elected councils.

The province needs to use its own infrastructure initiatives and funding to municipalities to support these directions. Smart growth criteria should be established for major infrastructure funding decisions and programs. In southern Ontario, provincial investments in transportation and sewer and water infrastructure should be focussed on renewing and upgrading existing systems, not the extension of infrastructure to previously unurbanized areas. The focus of provincial transportation investments should be on public transit and other non-automobile-based modes.

### **Cultural and mandate change within provincial agencies**

The new government needs to lead cultural change within the key ministries and agencies in the direction of smart growth. In the case of the Ministry of Transportation, for example, there is a need to renew the ministry’s overall mandate and planning paradigm to include a strong focus on non-automobile-based transportation modes, and to establish performance indicators for transportation demand management and transit,

ride-sharing, cyclists, and pedestrians/commuters through an integrated, rather than reductionist approach.

Similarly, the historical approach of the Ministries of Natural Resources and of Municipal Affairs of giving overriding priority to aggregate development in land-use planning in southern Ontario needs to be revisited in light of a smart growth vision for the region.

The amendments to the *Planning Act* recommended as part of a provincial smart growth policy framework would significantly re-focus the role of the OMB on ensuring the consistency of planning decisions with a revised Provincial Policy Statement. The amendments need to direct the board to consider the cumulative effects of development proposals in its decision making as well. Steps also need to be taken to reform the OMB appointment process along the lines that exist for provincial court judges, and to provide support to bona fide public interest and community-based interveners in the appeal process.

It is critical that the successor infrastructure agency to the SuperBuild Corporation, the Ministry of Public Infrastructure and Housing, be given a mandate that strongly reflects smart growth principles, such as those that have been proposed by the National Round Table on the Environment and Economy for federal infrastructure programs.

The reform of the mandate of the ORC to consider environmental and urban sustainability factors in land and facility management decisions is also critically important.

### **Improved coordination among provincial agencies**

In addition to the provision of clear policy direction on smart growth and the renewal of the mandates of key agencies, coordination mechanisms need to be strengthened within the provincial government itself. This should include

- transferring the Smart Growth Secretariat or its successor from the Ministry of Municipal Affairs and Housing to the Cabinet Office, where it will be able to play a more effective leadership and coordination role.
- amending the *Planning Act* to permit provincial agency and conservation authority comments on proposed official plans and official plan amendments, and interventions at OMB hearings without Ministry of Municipal Affairs' approval.
- ensuring consideration of the need for and alternatives to major infrastructure developments, particularly transportation and sewer and water undertakings, and the long-term impacts of these projects, in their environmental assessment under the *Environmental Assessment Act*.

### **Regional integration**

The province needs to lead the establishment of effective structures for the resolution of regional issues such as transportation investment priorities and environmental protection. These structures need to be provided with a strong smart growth mandate, emphasizing non-automobile-based transportation modes, the containment of urban

sprawl, and the protection of farmland and greenspace. They must also be designed in a manner such that interests that may favour further urban expansion do not overwhelm the interests of the existing urban cores. Action with respect to four key entities is required:

- Establishment of a Greater Toronto Transit Authority, with membership based on ridership, to coordinate public transit investments and services outside of the City of Toronto, and to coordinate these investments and services with the Toronto Transit Commission.
- Establishment of a Greenlands Commission for Oak Ridges Moraine and related lands in the GTA.
- Transfer of responsibility for the Niagara Escarpment Commission and plan from the Ministry of Natural Resources to the Ministry of the Environment.

Strengthening of the mandate and capacity of conservation authorities to participate in land-use planning decisions, particularly with respect to watershed management, source water protection and the protection of ecologically significant areas.

### **Financial sustainability for municipalities**

The province must create a forward-thinking climate that allows greater municipal flexibility in the design and application of development charges, property taxes and user fees to support smart growth principles. The *Development Charges Act* should be amended to require that charges reflect the full site-specific costs of infrastructure provision for new developments outside of existing urban areas.

At the same time, the municipal revenue base needs to be widened to reduce dependency on property taxes. This would include

- proceeding with commitments by the new government to allocate a portion of provincial gasoline tax revenues to public transit. Funding should be provided on a ridership basis to provide incentives to municipalities to increase transit use.
- permitting the establishment of new municipal revenue sources, such as excise taxes on hotel rooms and private parking lots.
- encouraging municipalities to transfer hard utility costs, such as water and sewage services and waste management, from property taxes to cost-recovery systems, with appropriate safeguards for service provision for low-income households, and to decouple the building and land components of property taxes.

Provincial infrastructure funding to municipalities needs to be conditional on the application of smart growth and sustainable transportation principles to provide incentives for more integrated decision making by municipalities.

### **Provincial fiscal reform**

The province's own fiscal policies are in urgent need of reform to reflect smart growth principles. This would include

- ending the Land Transfer Tax Rebate program or its reform so that it is only available for new housing built in existing urban areas and nodes, not new greenfields developments.
- removing the provincial property tax rebate on vacant land and buildings in urban areas.

In the longer term, the province needs to examine measures such as the reform of the vehicle registration and licensing fees on the basis of vehicle weight, fuel economy and emissions performance.

The implementation of these steps by the province is essential to ensuring a sustainable, healthy and prosperous future for Ontario residents.

## Appendix 1 Urban Sustainability and Smart Growth in Ontario: A Chronology

June 1992	Report of the Commission on Planning and Development Reform in Ontario. Report places strong emphasis on compact development, non-automobile transportation modes, preservation of prime agricultural land and ecologically significant areas.
March 1995	Amendments to the <i>Planning Act</i> adopted to implement Commission on Planning and Development reform recommendations. Complete set of provincial policy statements adopted.
March 1996	Adoption of Bill 20, the <i>Land-Use Planning and Protection Act</i> , and adoption of new provincial policy statement. Key reforms flowing from Commission on Planning and Development Reform repealed.
May 1996	1996 Budget. Land Transfer Tax Rebate on purchases of newly built homes introduced.
January 1997	Mega-week announcements of restructuring of provincial–municipal relationship. Provincial capital and operating funding for public transit and sewer and water infrastructure terminated.
May 1997	<i>Fair Municipal Finance Act</i> introduced market value assessment. Includes provisions to reduce the property tax burden on farm, managed forest and conservation lands.
December 1997	<i>Development Charges Act</i> enacted. Legislation limits ability of municipalities to require that developers internalize the infrastructure costs for new developments through development charges.
January 1998	Forced amalgamation of the City of Toronto.
October 1998	<i>Energy Competition Act</i> enacted.
December 1998	<i>Fairness to Property Taxpayers Act</i> enacted. Introduces significant limitations on the ability of municipalities to set and modify property tax rates.
January 1999	Great Toronto Area Services Board established to review and promote integration of transit systems in the GTA.

December 1999	SuperBuild Corporation established with five-year mandate to achieve \$20 billion in infrastructure investments through provincial, broader public sector and private sector partnerships.
May 2000	2000/01 Provincial Budget. SuperBuild investments of \$1.049 billion in highways, \$62 million in “other transportation” announced.
January 2001	Greater Toronto Area Services Board disbanded.  Premier Harris makes speech to Ontario Real Estate Board, expressing concern over congestion and urban sprawl, and introducing the concept of smart growth.
April 2001	Province announces smart growth initiative. Key feature is regional multi-stakeholder smart growth panels. Central Region panel includes the GTA and Niagara Regions.
May 2001	<i>Oak Ridges Moraine Protection Act</i> enacted. Provides temporary restrictions on development on the Moraine.  2001/02 Provincial Budget. SuperBuild investments of \$906 million in highways, \$50 million in transit announced.
July 2001	Five-year review of Provincial Policy Statement initiated. Public consultations end October 2001. No changes in Policy Statement to date.
September 2001	Announcement of new capital funding commitment for public transit of \$300 million per year over ten years.
November 2001	<i>Brownfields Statute Law Amendment Act</i> adopted. Addresses certain issues related to liability and financing of brownfields re-development.
December 2001	Revised <i>Municipal Act</i> adopted.  <i>Oak Ridges Moraine Conservation Act</i> enacted and plan adopted.
May 2002	Competitive electricity market introduced.  2002/03 Provincial Budget. SuperBuild investments of \$1.03 billion in highways, \$193 million in transit announced.



August 2002	Interim Report of the Central Region Smart Growth Panel. Recognizes linkages between land use and transportation and between transportation and air quality.
November 2002	Competitive electricity market terminated.
December 2002	<i>Sustainable Sewerage and Water System Act</i> enacted. <i>Safe Drinking Water Act</i> enacted.
February 2003	Release of Central Region Smart Growth Panel Discussion Paper, <i>Shape the Future</i> . Report highlights linkages between transportation and land use and the need to protect ecologically significant areas, but also emphasizes development of network of transportation “corridors” (i.e., highways).
March 2003	March 27: 2003/04 Provincial Budget tabled. Budget includes \$1.055 billion for highway expansion, \$359 million for public transit.
April 2003	April 17: Central Region Smart Growth Panel releases final report, <i>Shape the Future</i> . Report highlights linkages between transportation and land use and the need to protect ecologically significant areas, but also emphasizes development of network of transportation “corridors” (i.e., highways).  April 21: Advisory Committee on Watershed-based Source Water Protection Planning tables report. Report follows up on recommendations of Part II of the Walkerton Inquiry regarding source water protection, and makes strong connections between source water protection and land-use planning.
May 2003	May 5: Northwestern Ontario Smart Growth Panel releases final report.  May 7: Bill 25, the <i>Smart Transportation Act</i> , introduced. Legislation would permit Minister of Transportation to override municipal land-use planning decisions and the <i>Environmental Assessment Act</i> in the location of transportation infrastructure corridors (i.e., highways).  May 27: Northeastern Ontario Smart Growth Panel releases final report.
June 2003	June 4: Government announces transportation investments in Central Region. In addition to expansion of GO service, the

announcement highlights the government's plans to construct a grid of highways across the Golden Horseshoe.

June 16: City of Burlington and Halton Region apply for judicial review of the environmental assessment of the proposed Mid-Peninsula Highway, stating that the terms of reference for the environmental assessment fail to consider alternatives to the highway or to review the highway's full environmental impact.

June 18: Richmond Landfill decision by Ontario Divisional Court requiring that environmental assessments of projects under the *Environmental Assessment Act* include consideration of the need for projects and "alternatives to" projects. The decision has major implications for the province's highway expansion program, as environmental assessments for the new highways were proceeding without consideration of need and "alternatives to" (i.e., consideration of transit and rail as alternatives to new highways).

June 27: In the face of public opposition, litigation by the City of Burlington and Halton Region, and the Richmond Landfill decision, the Ministry of Transportation withdraws the Terms of Reference for the environmental assessment of the Mid-Peninsula Highway for revision.

- July 2003      July 3: Government announces renewable portfolio standard for renewable energy sources. Proportion of electricity from renewable sources is to rise from 1% in 2006 to 8% in 2014. No specific legislation or regulations to implement the standard were announced.
- September 2003      September 2: Provincial election called.
- October 2003      October 2: New provincial government elected.  
October 16: Premier-elect states intention to halt suburban development of key areas of the Oak Ridges Moraine.  
October 23: New provincial government takes office. Ministry of Public Infrastructure and Housing created.

## Appendix 2 The Ontario Smart Growth Network: Guiding Principles and Membership

### Guiding Principles

1. We believe that urban development should take place in a way that protects nature, essential ecosystems, prime farmland and drinking water sources; makes efficient and sustainable use of energy, water and other natural resources; and minimizes pollution and waste.
2. We believe that urban development should support healthy, distinctive and attractive communities, with affordable housing and easy access to employment, health care, education, and community services. Urban development should also create a strong sense of place where non-automobile based transportation modes, such as walking, bicycling and public transit, are the most appealing and viable transportation options.
3. We believe that urban development should help sustain vibrant, diverse economies, with meaningful local employment.

#### Application of the Principles

We believe that there are three basic requirements with respect to achieving the principles of smart growth in Ontario: stopping urban sprawl, fostering healthy communities, and supporting community involvement in planning. For each of these requirements, we have identified priority actions that will help achieve the goal of smart growth.

#### 1. Stop urban sprawl

- a. Protect ecologically significant areas, prime agricultural lands, and drinking water sources.
- b. Place a moratorium on planning and building new 400-series highways and widenings or extensions to existing 400-series highways and municipal roads of equivalent size to allow time to integrate land-use planning with a comprehensive, Ontario-wide transportation plan that is environmentally and economically sustainable, and reflects smart growth principles.
- c. Restrict urban development to clearly defined urban boundaries.
- d. Ensure that water, sewage, energy and transportation infrastructure investments support development within existing urban areas, not new “greenfields” development.
- e. Reorient the priority of federal and provincial transportation infrastructure investments from highways to the provision of capital and operating support for public transit systems and transportation demand management.

- f. Provide incentives and tax policies to support urban intensification including brownfield redevelopment and the redevelopment of underutilized lands and buildings such as parking lots and vacant buildings, and remove incentives for urban sprawl.

## **2. Foster healthy communities**

- a. Ensure strong provincial and municipal policies and funding for smart planning and developing healthy communities.
- b. Design walkable, close-knit communities to meet the needs of people of all ages and abilities.
- c. Mix land uses in neighbourhoods (including homes, stores, offices, recreation facilities and services) to form diverse and attractive communities within which non-automobile-based forms of transportation (including walking, bicycling and public transit) are viable and appealing options for getting to work, shopping, childcare, recreation and other needs.
- d. Provide a range of housing to meet the needs of all household incomes.
- e. Ensure the viability and attractiveness of public transportation (including local and inter-urban transit, ride-sharing, and the integration of public transportation with ride-sharing, cycling and walking)
- f. Promote greenspace in communities, including natural parks, urban forests, recreational spaces and community agriculture.

## **3. Support community involvement in planning**

- a. Make development decisions predictable, fair, and cost-effective for communities.
- b. Encourage resident and stakeholder participation in community planning and decision-making
- c. Support resident and stakeholder involvement in the planning process (including Ontario Municipal Board hearings) through intervenor funding and professional legal and planning assistance.
- d. Reform the Ontario municipal board process, to make it fairer and more accessible to community groups and individuals.

## **OSGN Members**

1. **Better Transportation Coalition (Ontario)**
2. **Brampton Environmental Advisory Panel**
3. **Canadian Society of Environmental Biologists (Ontario Chapter)**
4. **Citizens Environmental Alliance of Southwestern Ontario**
5. **Coalition for the Niagara Escarpment**
6. **Conservation Council of Ontario**
7. **Conservation Development Alliance of Ontario**
8. **Dundas West Residents Association**
9. **Environment Hamilton**
10. **Earthroots**
11. **Eastern Canada Chapter of the Sierra Club**
12. **Evergreen**
13. **Federation of Ontario Naturalists**
14. **Federation of Urban Neighbourhoods (Ontario) Inc.**
15. **Friends of the Don East**
16. **Green Roofs for Healthy Cities**

17. Hamilton Naturalists Club
18. Hands for Nature -- Sudbury Better Beginnings Better Futures
19. Housing Action Now (HAN)
20. London Homeless Coalition
21. Markham Environmental Alliance
22. Ontario Health Communities Association
23. Pembina Institute for Appropriate Development
24. People Advocating Intelligent Development
25. Riversides
26. Rouge Duffins Greenspace Coalition
27. Scarborough Eglinton Avenue Modernization Project (SEAM)
28. Toronto Bay Initiative
29. Toronto Disaster Relief Committee
30. Toronto Environmental Alliance
31. Toronto Food Policy Council
32. Transport 2000 Ontario
33. Transportation for Livable Communities
34. Urban League of London
35. Web Networks
36. Women Plan Toronto

## Appendix 3 Kyoto and Sprawl: Building Cities that Work

Conference held at Glendon College, York University, July 2003

Summary of Conference Workshop Recommendations

*Supported by Transport Canada, Environment Canada, Canada Mortgage and Housing Corporation, Glendon College, IBI Group, David Hardy and Associates*

### Introduction

Policy proposals by the charrette/workshops at the Kyoto and Sprawl conference came out of an intensive process whereby approximately 100 people in six different groups met six times Friday night through Saturday night. Each of these charrette/workshops addressed a different dimension of sprawl: its costs, its impacts on health and the environment, design alternatives to conventional suburbs, the implications of urban form on economic development, and transportation alternatives to the car. Furthermore, there were plenary sessions on each of these dimensions, interspersed between the individual workshop meetings.

On Sunday morning, each charrette/workshop presented its proposals to a final plenary session. It was very exciting, not only because there were so many imaginative ideas, but also because the proposals overlapped so much. Every presentation stressed the need for education of municipal officials as well as children, and for changes in political processes. Recommendations by the environment workshop, for instance, included suggestions for sustainable communities, which had been the focus of the urban design workshop. The individual sets of proposals are on Kyoto and Sprawl's Website ([www.kyotoandsprawl.ca](http://www.kyotoandsprawl.ca)). This document is an attempt to integrate them into a single document for use by policy analysts, political candidates, and anti-sprawl activists.

The idea of the conference had been to produce practical, doable proposals to help municipalities curb sprawl. The stress was to be on what local governments could really do, in spite of restrictive legislation and oversight from the province. What actually emerged was a broad array of actions that applied not only to municipalities but also to other levels of government, as well as to individuals.

It is important to note that there was widespread agreement about the costs of sprawl, costs that lay at the very heart of the logic for the proposals. These costs may be summarized as follows:



1. Sprawl is extravagant in terms of human finances. It costs us substantially more in terms of transportation and other infrastructure; it is a burdensome environment in which to conduct commerce and to produce goods and services; it is energy intensive; it prevents the growth of vibrant local economies, because profits are exported and there is little import substitution; and it makes people sick, thereby adding to the cost of health care. (These costs are difficult to see because they are part of a complex system of direct and indirect subsidies financed by our taxes.)
2. Sprawl has extremely harmful effects on the quality of air, water, and soil – and therefore on the health of the biosphere.
3. Since our own health depends on the health of the environment, sprawl therefore makes us all sicker than we would otherwise be, especially as a result of air pollution. We are less healthy in particular because sprawl forces us to use the car, a major source of air, water, and soil pollution.
4. Our social and psychological wellbeing, in terms of loss of community and mental stress, are put at risk by sprawl.
5. Paving farmland increases our dependence on unhealthy industrial food imported from far away and makes it more difficult to grow healthy, organic food locally, on small farms.
6. Sprawl development is for the most part non-participatory, and therefore comes at considerable political cost. It is built for us, even when there is local opposition to it. Citizens are in general not welcome to be part of the planning process.
7. Suburban housing tends to be unaffordable for many people and therefore perpetuates social inequality.

***Therefore, new urban development should be evaluated in terms of minimizing these costs.***

Here are the proposals (the order and numbering do not reflect any priority in importance):

## **A. Political Proposals**

1. Campaign Contributions. Contributions from corporations and unions to campaigns at the provincial and municipal levels should be banned. Contributions should be limited to those from individuals who reside in the municipality.
2. Democratize the Electoral Process. Provide public funding to municipal candidates, free air time to candidates, and rebates to people making donations to municipal campaigns.
3. Enforcement. Legislation protecting the environment and public health has to be diligently enforced. Many laws on the books make it look as if governmental action is being taken, but enforcement is totally absent. For instance, anti-idling legislation needs to be properly enforced.
4. Participation in Boards and Agencies. Citizens should be made to feel welcome to volunteer to serve on Planning, Public Health, Environmental, and other advisory bodies to municipal governments. The number of such bodies and citizens serving on them has diminished rapidly in the last 10 years, with a resulting decrease in the quality of public policy.
5. Other Participation. Along with our rights as citizens, we all have an obligation to understand the public impact of our individual decisions about where we live and work and how we live our lives. Political participation also means taking part in community planning groups, cleaning up streams, car pooling, and reducing our energy use. All such actions are examples of taking responsibility for our built and natural environments and they help to counter the nonparticipatory politics of urban sprawl.

## **B. The Development Process**

1. Encourage Smaller Developers. Streamline the application and approval procedure for small developments (which are easier to plan as infill) and for projects that do not depend on the car.
2. Opportunities for Citizen Participation in the Development Process. Establish intervenor funding for communities and citizens to challenge developments according to anti-sprawl criteria. In infill and intensification projects, require participation by present users of the neighbourhood (residents, business owners, and employees) in design charrettes.

## **C. Provincial Planning Policies and Legislation**

1. Strengthen the Provincial Policy Statement on Municipal Planning and the Planning Act Itself. Specifically, the PPS and the Act should provide a province-wide framework for transit-friendly land use, compact development, affordable housing, mixed-use development, agricultural land preservation, and natural habitat preservation – all within the context of regional coordination. A framework should also be provided for municipalities to adopt Urban Growth Boundaries. As was the case in 1994, The Act should contain policy principles in addition to rules relating to the planning process, including adherence to MTO/MOH Transit Supportive Guidelines.
2. Restore the “Consistent With” Principle. Municipal planning decisions should be required to be consistent with provincial policy statements and Planning Act principles, as was the case before the revisions to Ontario’s Planning Act in 1996.
3. Strengthen the Environmental Assessment Act. Severely weakened by the current Ontario government, this act should be amended to secure protection of crucial environmentally sensitive areas under threat from new developments and highways. Municipal governments can be administrators of this act.
4. Strengthen the Nutrient Management Act. One of the purposes of this act is to protect the headwaters of streams and rivers, keeping them clean for the use of all living beings. Provisions of this act could act as a barrier to urban sprawl that threatens these headwaters.

#### **D. Land Use to Promote Intelligent Growth**

1. Establish Urban Growth Boundaries. Although there are many provincial constraints surrounding the process, municipalities should consider adopting an UGB – a firm line in the sand beyond which growth will not be allowed and service pipes not extended. Official plan amendments to move the boundary should not be permitted outside 10-year reviews of the current boundary. The 10-year review process should ensure that the boundary is only extended if it can be shown that the anticipated growth cannot be accommodated within the existing boundary through infill and intensification. The province should not provide any subsidies for infrastructure outside this boundary. In municipalities with resource constraints on their growth (such as water supply or carrying capacity limitations), a growth boundary should be established and oversizing of pipes near the boundary should not be permitted.
2. Environmental and Public Health Criteria for Development Approval. Every land development application should be assessed according to its impact on greenhouse gas emissions, air, water, and soil quality and on public health.

3. Environmental and Public Health Components to Land Use Plans. All community plans should include policies on the need to protect the biosphere and public health.
4. Encourage Downtown Development. In addition to discouraging large malls on the urban fringe, this means promotion of close-grained mixed land use and higher density main streets. It also means a strong push for infill development, and local community centres within larger urban areas.
5. Promote Complete Communities. These communities would be pedestrian-friendly and have a diversity of densities, of rental and ownership housing, and of jobs and services. They will also include accessible educational, recreational, and cultural facilities.
6. Encourage Jobs in Housing-Rich Areas and Vice Versa. This would involve small scale commercial and “clean” industrial uses, advisory services for small businesses, and zoning for home/work units. Put in place infrastructure (such as small business centres) and workplace policies that support telecommuting.
7. Match Jobs with Housing Affordable to Jobholders. Financial incentives for home ownership near place of work should be provided.
8. Create Alternative Development Standards. The standards could include features such as narrower road widths, and reduced parking requirements, lot sizes, setbacks and frontages. The standards should be approved by Council and placed in the municipal engineering and urban design manuals so that they can be applied on a project-by-project basis. This would allow developers who want to build sensibly to do so without bureaucratic opposition or delays to the approval process.
9. Discourage Car-Dependent Land Uses. For instance, implement bans on drive-through establishments. Design of commercial areas should make it easy to walk from business to business.
10. Transit-centred Planning. This relates directly to MTO/MOH Transit Supportive Land Use Guidelines, which will be contained in provincial legislation. Higher density, mixed use development would be encouraged around rapid transit stations and along major arterial roads with transit services. Pedestrian and bicycle facilities would be enhanced, and parking requirements reduced in these areas.

#### E. Investments and Incentives

1. Development Charges. Development charges should not be levied where urban infrastructure is already available (i.e., downtown or other infill situations). Other incentives should be formulated to encourage infill development. Development charges should reflect total costs, including transit.
2. Environmental and Health Protection. Developments should be rewarded through financial incentives for environmentally intelligent designs, land use that minimizes harm to the environment and to public health, and health enhancing designs.
3. Protect Farmland. Compensate farmers, beyond the Farm Tax Credit, for keeping their lands in production, as in the Tender Fruit Land Program of 1994. This is done by the province's purchasing a restrictive covenant from the farmer, who, in exchange, can not obtain a severance on the land.
4. Make farming profitable. This means encouragement of local, labour-intensive, organic farming, and Community Supported Agriculture. Encourage urban farming in order to reduce the need for long-distance trucking of food. Property tax reductions subsidized by the province would be one tool for this initiative.
5. Encouragement of Land Banking. Land taxes could be structured to promote preservation of environmentally sensitive land on the urban fringe by putting it into land trusts. The capital gains tax on transfers to land banks should be eliminated.
6. Public Transit. Long-term sustainable funding for public transit should be provided by provincial and federal governments. Tax incentives are required to encourage employers to provide transit passes as a fringe benefit in lieu of free parking, and individuals should be able to deduct transit expenditures from their income tax returns.
7. Move towards a full internalization of automotive costs. This means that vehicle owners should pay society for all the costs of pollution, health, and infrastructure incurred by cars and trucks. Assign five cents per litre of the provincial excise tax on motor fuels collected in areas with transit systems to transit investment.
8. Implement Transportation Demand Management (TDM) Programs. Require or provide incentives to municipalities to establish TDM programs including limitations on parking allowances for private developments and fees for on-street parking.
9. Provide Support for Rehabilitation and Retrofitting of Existing Buildings. For example, lower property taxes on upgraded properties, an incentive that could be funded in whole or in part by the province. Eliminate subsidies now in place that encourage the building of new structures (including Land Transfer Tax Rebate Program and #9, below).

10. Reduce or Eliminate Tax Deductions for Depreciation on Certain Kinds of Property. This would be applied to buildings not being used by the owner – i.e., properties rented out for profit, especially those being held for future development. This would have to be a federal tax policy decision.

## **Government Structure**

1. Abolish or Radically Reform the Ontario Municipal Board (OMB). This body could be made up of members appointed by municipalities within a region for periods of a maximum of five years. It should hear appeals about procedures followed, not make judgements on planning principles. If the process is found to be faulty, decisions should be returned to municipality.
2. Establish an Ontario Public Health Commissioner's Office. This commissioner would report to the Legislature, among other things, on the public health impact of urban development. It would set up a public registry of impact statements on the Web.
3. Institute Regional Coordination. In urban areas made up of several municipalities, there needs to be a regional coordinating body made up representatives of local governments, where ultimate authority should reside. Decisions would, however, be made within a regional or provincial policy framework.
4. Introduce Horizontal Coordination to Land Use Decision Making. At the provincial and municipal levels, including environmental and public health criteria in all policy and planning decisions means that staff from the ministries or departments of the Environment and Health would be present on bodies making decisions about land use.

## **Education**

1. Inform Municipal Officials. More and more information about the health and environmental impacts of sprawl is being produced. Municipal officials need continuing training sessions on this research.
2. Change the School Curriculum. The principles of environmental and public health education, as well as connections between land use and transportation, should be taught from the beginning in public schools.
3. Anti-Sprawl Marketing. The costs of sprawl should be presented everywhere, on billboards, in periodicals, and on TV: pollution and congestion are greater in the suburbs, crime rate is higher, and physical and mental stresses are worse.

## **Research Agenda: Develop a Solid, Accessible Body of Information about**

### Health Impacts of Urban Sprawl



Financial Costs of Sprawl. This would include costs to the environment and to agriculture.

Environmental Indicators.

Best Practices. Examples: Okotoks, Alberta, and Davis, California.

Cleaning Up Brownfield Sites. Natural, inexpensive methods have been developed by John Todd.

The Pembina Institute is an independent non-profit research, education and advocacy organization that promotes environmental, social and economic sustainability through the development of practical solutions for businesses, governments, individuals and communities. The Pembina Institute provides policy research leadership on climate change, energy policy, green economics, renewable energy, and environmental governance, as well as extensive formal and public education programs. More information about the Pembina Institute is available at [www.pembina.org](http://www.pembina.org).

