



July 7, 2025

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Planning Justification Brief for 325 Northfield Drive East
Minor Zoning By-law Amendment
OUR FILE: 0709G

MHBC was retained by 325 Northfield Drive East Inc. (the 'owner') to provide a planning opinion related to a Minor Zoning By-law Amendment (Minor ZBA) for lands municipally addressed as 325 Northfield Drive East in the City of Waterloo (hereinafter referred to as the "subject lands"). The subject lands are currently vacant and are planned for employment uses. A site plan application for two industrial buildings on the lands has been approved and a site plan agreement registered on title. In consideration of staff's recommendation and Council's adoption of City Official Plan Amendment No. 58 (OPA 58), the owner proposes to add certain land uses to the list of permitted uses within the existing Business Employment zone.

This Planning Justification Brief assesses the planning framework relative to the proposed use of the lands and includes the following:

- An introduction and general description of the subject lands, surrounding uses and existing conditions to provide an understanding of the locational and policy context;
- Overview of the proposed development and application;
- Review of existing policy framework and assessment of consistency with the Provincial Planning Statement, Regional Official Plan and the City of Waterloo Official Plan, including OPA 58; and
- Description of the proposed Zoning Bylaw Amendment.

Site Context and Surrounding Land Uses

The subject lands are located on the south side of Northfield Drive East, west of University Avenue East and east of Bridge Street West. The lands front on Northfield Drive East, while Labrador Drive, a private road that is in the process of being conveyed to the City as a public road, is located on the southern boundary of the lands. The lands are vacant. A large office complex is located to the east, accessed from Labrador Drive and University Avenue East, while a mixture of commercial and industrial uses are located to the west on Labrador Drive or Toman Drive. The Region of Waterloo operates a large GRT bus maintenance facility immediately to the north of the subject lands, on the opposite side of Northfield Drive East.

Perimeter Developments owns additional lands immediately south of the subject lands on the other side of Labrador Drive. Those lands are not part of this application. Residential uses within the Eastbridge community

are located further to the south of the additional lands owned by Perimeter Developments. Those residential lands are more than 150 metres from the subject lands.

Northfield Drive is a Regional road that provides east-west access across the City of Waterloo, including connections to King Street and Highway 85 to the west and University Avenue to the west.

Proposed Development

As noted earlier, the lands were the subject of a site plan application (SP-21-11) that proposed two industrial buildings with supporting surface parking. The site would be accessed from both Northfield Drive East and Labrador Drive. That site plan application has been approved and the related site plan agreement registered on title. The development concept remains unchanged at this time. The Minor ZBA is related to the potential uses within the buildings.

In addition to the uses already permitted on the lands through the Business Employment One (E1) zone, the minor ZBA proposes the following additional uses:

- Small Scale Warehouse
- 'Light' Pharmaceutical Industry
- 'Light' Laboratory

Where 'Light' has the same meaning as defined in the By-law for the existing permitted Industrial Assembly, Manufacturing and Processing uses. The lands were subject to a previously approved minor variance that established a maximum impervious area limit and minimum required parking supply for certain uses in a multi-tenant building. As the zone itself is not changing, the previously approved minor variance for parking and impervious area would continue to apply to the lands.

As the City is aware, although Council adopted OPA 58 in December, it has not yet been approved by the province. As a result, the lands remain designated Business Employment.

No specific user is proposed as part of this application. Rather, the intent of Minor ZBA is to add employment uses that are desired in the marketplace, making the lands more appealing to potential businesses looking to locate in Waterloo and also to allow existing Waterloo businesses to expand their operations. We have enclosed the previously supported site plan, which illustrates the layout of the development. Should changes occur to the design as a result of a particular interest from a tenant, revisions would be made to the site plan and such revisions advanced through that approval process.

PLANNING ANALYSIS

Provincial Planning Statement (2024)

On August 20, 2024, the Minister of Municipal Affairs and Housing issued the Provincial Planning Statement, 2024 (PPS, 2024) which took effect on October 20, 2024. The 2024 PPS replaces both the Provincial Policy Statement, 2020 and Growth Plan for the Greater Golden Horseshoe, 2020.

The Provincial Planning Statement provides policy direction on matters of provincial interest related to land use planning and development. As a key part of Ontario's policy-led planning system, the Provincial Planning Statement sets the policy foundation for regulating the development and use of land province-wide, helping achieve the provincial goal of meeting the needs of a fast-growing province while enhancing the quality of life for all Ontarians.

The PPS defines “employment areas” as follows:

means those areas designated in an official plan for clusters of business and economic activities including manufacturing, research and development in connection with manufacturing, warehousing, goods movement, associated retail and office, and ancillary facilities. An employment area also includes areas of land described by subsection 1(1.1) of the Planning Act. Uses that are excluded from employment areas are institutional and commercial, including retail and office not associated with the primary employment use listed above

Section 2.8.1 requires that planning authorities promote economic development and competitiveness by: a) providing for an appropriate mix and range of employment, institutional, and broader mixed uses to meet long-term needs; b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;

The application to add ‘small scale warehouse’, ‘light pharmaceutical industry’ and ‘light laboratory’ as additional permitted uses is consistent with the definition of ‘employment area’ in the PPS. The application supports economic development and competitiveness, allows a range of uses and widens the range of economic activities in the city.

Section 3.5 includes policies regarding Land Use Compatibility. Subsection 3.5.1 refers to avoiding conflicts between ‘major facilities’ and ‘sensitive uses’. The nearest sensitive use is the residential dwellings that are located more than 170 metres to the south. We understand from City staff that an application was advanced to permit a day-care use at 2415 University Avenue West. That property is located approximately 125 metres from the east side of the subject lands.

We note that the subject lands are already zoned Business Employment, which permits a range of industrial uses, including:

- Light manufacturing
- Light assembly
- Light processing
- Advanced tech
- Warehouse (as a complementary use)

In this regard, the proposed day-care use should have had to consider these uses as part of the assessment of their proposed use. The Minor ZBA proposes three additional uses:

- Small Scale Warehouse
- Light Pharmaceutical Industry
- Light Laboratory

The inclusion of ‘light’ is intentional and will ensure the pharmaceutical industry and laboratory uses are held to the same standard as the already permitted manufacturing, assembly and processing uses.

The PPS defines a ‘major facility’ as:

means facilities which may require separation from sensitive land uses, including but not limited to airports, manufacturing uses, transportation infrastructure and corridors, rail facilities, marine facilities,

sewage treatment facilities, waste management systems, oil and gas pipelines, industries, energy generation facilities and transmission systems, and resource extraction activities

The PPS is in part, implemented through the provincial D-6 series Guidelines. The Guidelines divide land uses into three classes, I, II & III, with III being the most intense. The following provides examples of Class I, II and III industries.

Category	Outputs	Scale	Process	Operations / Intensity	Possible Examples
Class I Light Industry	- Noise: Sound not audible off-property - Dust: Infrequent and not intense - Odour: Infrequent and not intense - Vibration: No ground-borne vibration on plant property	- No outside storage - Small-scale plant or scale is irrelevant in relation to all other criteria for this Class	- Self-contained plant or building which produces/ stores a packaged product - Low probability of fugitive emissions	- Daytime operations only - Infrequent movement of products and/ or heavy trucks	- Electronics manufacturing and repair - Furniture repair and refinishing - Beverage bottling - Auto parts supply - Packaging and crafting services - Distribution of dairy products - Laundry and linen supply

Category	Outputs	Scale	Process	Operations / Intensity	Possible Examples
Class II Medium Industry	- Noise: Sound occasionally heard off-property - Dust: Frequent and occasionally intense - Odour: Frequent and occasionally intense - Vibration: Possible ground-borne vibration, but cannot be perceived off-property	- Outside storage permitted - Medium level of production allowed	- Open process - Periodic outputs of minor annoyance - Low probability of fugitive emissions	- Shift operations permitted - Frequent movements of products and/ or heavy trucks with the majority of movements during daytime hours	- Magazine printing - Paint spray booths - Metal command - Electrical production - Manufacturing of dairy products - Dry cleaning services - Feed packing plants
Class III Heavy Industry	- Noise: Sound frequently audible off property - Dust: Persistent and/ or intense - Odour: Persistent and/ or intense - Vibration: Ground-borne vibration can frequently be perceived off-property	- Outside storage of raw and finished products - Large production levels	- Open process - Frequent outputs of major annoyances - High probability of fugitive emissions	- Continuous movement of products and employees - Daily shift operations permitted	- Paint and varnish manufacturing - Organic chemical manufacturing - Breweries - Solvent recovery plants - Soaps and detergent manufacturing - Metal refining and manufacturing

In this regard, the land uses permitted within the Business Employment and Flexible Industrial zones are generally Class I and II industries. None of the heavy industrial uses identified as Class III industries are contemplated or permitted on the subject lands. Subsection 3.P.6 of the City's Zoning By-law prohibits a long list of uses anywhere in the City, including a wide range of manufacturing and processing uses that would be considered Class III uses.

The minimum recommended separation distance for the Classes of industries are noted on the following page:

Industry Classification	Area of Influence	Recommended Minimum Separation Distance
Class I – Light Industrial	70 m	20 m
Class II – Medium Industrial	300 m	70 m
Class III – Heavy Industrial	1000 m	300 m

The subject lands are located more than 125 metres from the proposed daycare and more than 150 metres from the existing residential uses to the south. As such, they significantly exceed the minimum recommended separation distance – in the case of the residential uses to the south, they are more than double the minimum separation distance.

In our opinion, the warehouse use is already permitted and would not result in a land use compatibility issue with the nearest sensitive uses, which are a significant distance from the subject lands – in the case of the nearest residential use, more than twice the recommended distance of a Class II industry.

Furthermore, the inclusion of 'light' for the pharmaceutical and laboratory uses ensure they remain low impact uses, similar to the already permitted light manufacturing, assembly and processing uses.

In our opinion, the application is consistent with the 2024 PPS.

Region of Waterloo Official Plan

The Region of Waterloo's Official Plan (ROP) was approved by the Ministry of Municipal Affairs and Housing, with modifications, on December 22, 2010, and approved with amendments by Oral Decision of the Ontario Municipal Board on June 18, 2015. Regional Official Plan Amendment 6 (ROPA 6), which establishes the planning framework for accommodating forecasted population and employment growth within the Region to 2051, has been approved by the Minister of Municipal Affairs and Housing. ROPA 6 established a new policy framework for Chapter 2 – Where and How to Grow of the ROP as well as new housing policies in Section 3.A, among other policy matters.

As of January 1, 2025, the ROP became an Official Plan of each of the area municipalities. This means that until the policies in the ROP are repealed or amended, they will continue to apply and be the responsibility of each Area Municipality to enforce. In that sense, the City administers the document including its review and interpretation relative to development applications.

The lands are located within the Regional Employment Area, where employment uses are planned for and permitted. The Minor ZBA conforms to the Regional Official Plan by maintaining and expanding the employment planned function.

City of Waterloo Official Plan

The City's Official Plan sets out policies that direct growth and change until 2031. The City of Waterloo is currently undertaking a phased review of its 2012 Official Plan. The first phase of that review culminated in Official Plan Amendment No. 58 (OPA 58), which was recommended by staff and adopted by Council in December 2024. Through OPA 58, the subject lands were re-designated from *Business Employment* to *Flexible Industrial*. Other minor changes included referring to maximum permitted height in 'storeys' rather than 'metres' and modifying some of the permitted uses in the Flexible Industrial designation (e.g. the removal of 'office' as a primary permitted use).

The subject lands are designated 'Employment' on Schedule A and 'Business Employment' on Schedule A2 of the Official Plan, currently in effect. The lands are also designated 'Medium Density Employment 27 metres' on Schedule B1. The Business Employment designation permits a range of employment and ancillary commercial uses, including light manufacturing, assembly and processing.

Through OPA 58, the lands remained 'Employment' on Schedule A but were re-designated 'Flexible Industrial' on Schedule A2. Furthermore, and as noted above, the lands were designated 'Medium Rise Employment 9 Storeys' on Schedule B1. The lands remained within a Minor Corridor on Schedule B. Council adopted OPA 58 in December 2024. As a result of changes to provincial legislation, the Region of Waterloo is no longer the approval authority for Amendments to the City's Official Plan – that responsibility lies with the Ministry of Municipal Affairs and Housing. Although the adopted OPA was provided to the Ministry, it has not yet been approved (it was released for public comment on June 4, 2025).

The Minor ZBA proposes uses that would be permitted in either the Business Employment or Flexible Industrial designations. Through OPA 58, 'small scale warehouse' will be a permitted complementary use in the Business Employment designation, while full warehousing is permitted in the Flexible Industrial designation (pharmaceutical industry and laboratory are also permitted). Given staff support for and Council adoption of OPA 58, the City's direction for the lands is to permit warehousing, as well as pharmaceutical industry and laboratory. The proposed Minor ZBA effectively acts as a transition between the existing and adopted planning frameworks. The request for 'small scale warehouse' distinguishes the use from a full 'warehouse', which is not permitted, and more closely aligns the use with the existing and planned Business Employment frameworks (where large warehouse facilities, such as the Amazon facility in Cambridge would not be permitted). The small scale warehouse would retain its complementary or supportive function by offering smaller warehouse options for existing businesses in the area that need such spaces to support their distribution networks or planned growth/expansion. The addition of 'light' to both 'pharmaceutical industry' and 'laboratory' also recognize the existing policy framework (where other 'light' industrial uses are already permitted).

In our opinion, the Minor ZBA conforms to the Official Plan.

City of Waterloo Zoning By-Law 2018-050

The subject lands are currently zoned 'Business Employment' (E1-27) in the City of Waterloo Zoning By-Law 2018-050. The 'Business Employment' zone permits a limited range of employment and commercial uses. The Minor ZBA proposes to add three new primary permitted uses:

- Small Scale Warehouse
- Light Pharmaceutical Industry
- Light Laboratory

The use of the term 'Light' is intended to have the same meaning as it does currently in the Zoning Bylaw, captured below:

Means an industrial use which:

- a) Is wholly enclosed within a building, except for parking spaces and loading spaces; and
- b) In its operation does not result in emissions from the building of odours, fumes, noise, cinder (including smoke, soot, ash), dust, vibrations, heat, glare (lighting), or electrical interference.

A warehouse is already permitted as a 'complementary' use – it is limited to 25% of the floor area of a building that contains other land uses. A 'small scale warehouse' is not defined, but is intended to be distinct from a 'warehouse' by virtue of its size. Through the Minor ZBA, the following definition of 'small scale warehouse' is proposed for the subject lands:

Means a building or part thereof used:

- a) For the storage or goods for compensation; or
- b) For the storage or goods which will be sold elsewhere or transported to another location for sale or consumption; and
- c) Which does not exceed 14,000 square metres in building floor area.

A 'small scale warehouse' includes self-storage establishments.

As the City is aware, the lands were subject to a minor variance, ultimately approved by the Ontario Land Tribunal (OLT). The variances included:

- A minimum required parking supply of 1.5 spaces per 100 square metres for the following uses:
 - ADVANCED TECH
 - BUSINESS INCUBATOR
 - COMMERCIAL SERVICE
 - COMMUNICATION PRODUCTION
 - DATA CENTRE
 - GOVERNMENT USE
 - INDUSTRIAL ASSEMBLY
 - INDUSTRIAL MANUFACTURING
 - INDUSTRIAL PROCESSING
 - MAKERSPACE (CLASS A)
 - PRINTING ESTABLISHMENT
 - TRAINING FACILITY
 - WAREHOUSE (No Retail)
- That the maximum Impervious Area shall be 87%

As no change in zone is proposed, the previously approved variances would still apply. For ease of administration, it may be appropriate to include them within the proposed site specific by-law for the lands, however it is not required.

In our opinion, the Minor Zoning By-law Amendment proposes the addition of three appropriate employment uses that align with the direction established by Council through their adoption of OPA 58, and will allow for the new light industrial uses that are desired within the City and for which space is limited.

CONCLUSION

In summary, the proposed Minor Zoning By-law Amendment (Minor ZBA) is appropriate and represents good planning for the following reasons:

- The Minor ZBA considers the planning objectives and policies outlined in the 2024 PPS and supports the policy direction of promoting economic development and competitiveness by allowing for a broader mix of employment uses on the subject lands.
- The lands are located within the Region of Waterloo Employment Area where employment uses are planned for and permitted.
- The Minor ZBA aligns with the Council adopted OPA 58.
- The proposed uses are light industrial uses. The subject lands are located a significant distance from the nearest residential use (more than 150 metres).
- The distinction of 'small scale warehouse' differentiates this use from the already permitted complementary 'warehouse' use in recognition of the current OP policy that would not permit a full-scale warehouse on the lands (until OPA 58 is approved by the province).
- The Minor ZBA application will permit the development of the lands with additional employment uses. The Site Plan application has already been endorsed by the Site Plan Review Committee – the Minor ZBA does not alter those plans – the potential uses within the buildings would remain employment uses.

Yours truly,

MHBC

A handwritten signature in black ink, appearing to read "Trevor Hawkins".

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Partner