

GREENBELT FOUNDATION

Response to ERO number 025-0391

Special Economic Zones Act, 2025

Ministry of Economic Development, Job Creation and Trade



Possibility grows here.

Submitted: May 17, 2025

Edward McDonnell, Chief Executive Officer
Greenbelt Foundation



Possibility grows here.

#404-720 Bathurst Street | Toronto, ON | M5S 2R4 | 416.960.0001

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Ministry of Economic Development, Job Creation and Trade
777 Bay St
Toronto, Ontario M7A 1S5

Re: Bill 5 - Special Economic Zones Act, 2025

Dear Ministry of Economic Development, Job Creation and Trade staff,

The Greenbelt Foundation appreciates the opportunity to provide feedback on ERO posting #025-0391 regarding Schedule 9 of the above referenced proposed legislation. We have also separately provided feedback on ERO posting #025-0380 regarding Schedules 2 and 10 in Bill 5 relating to Species At Risk legislation.

Our comments are largely focused on understanding the potential implications of the proposed *Special Economic Zones Act (SEZA)* on the Greenbelt. However, we are also concerned with other aspects of Bill 5 that risk infringement of Indigenous Rights, impact cultural heritage and broader agricultural and natural systems, while removing environmental assessment requirements for major projects. We additionally address these issues in this submission in the context of provincial commitments to protect the Greenbelt in its entirety.

The Greenbelt is the cornerstone of the Greater Golden Horseshoe (GGH) region's growth management and resource protection framework and delivers essential services benefiting communities including clean water, flood protection, food production, green space, and climate resilience. The Greenbelt, for example, supports significant agricultural and tourism economies and jobs critically important to Ontario's long-term economic resilience and competitiveness.

We recognize and support the government's objectives to protect and strengthen Ontario's key industries, mitigate the impact of trade disruptions, and ensure the province's long-term prosperity and economic security. Nonetheless, while trying to create favourable economic conditions, we must avoid unintended consequences on the Greenbelt, and interconnected natural heritage, water resources, and economic systems. We remain committed to working collaboratively with the Province to enhance the Greenbelt as a critical asset that enables population and economic growth and welcome opportunities to grow agricultural, tourism and other economies within the Greenbelt and beyond, for the benefit of all Ontarians.

We note that the proposed legislation enables the government to exempt trusted proponents or designated projects from having to follow provincial and municipal laws within designated Special Economic Zones. Details regarding criteria for designating trusted proponents or projects will be determined in regulations later. Additionally, the proposed SEZA provides no limits on the areas in

the province it applies to, or the types and size of projects it is intended to advance. Among other matters, we are concerned about the potential suspension of established policies and legal frameworks that safeguard agricultural and natural systems in the Greenbelt and across Ontario.

In this regard, we provide the following recommendations to ensure Ontario's economic goals are advanced in the public's interest:

1. **The rights of Indigenous Peoples should be substantively upheld in all policy decisions proposed and supported by the government.** This includes respecting Duty to Consult and obtaining consent, in accordance with domestic and international obligations. It also includes the need for archaeological assessment to protect cultural heritage sites.
2. **Special Economic Zones should not be established within, or directly adjacent to, the Greenbelt, or within broader agricultural and natural systems in Ontario.** Protecting the ecological integrity and agricultural viability of the Greenbelt must remain a priority to continue to enable growth in the GGH and advance critical needs such as food sovereignty and water security. These considerations and benefits should guide the protection of agricultural and natural systems across Ontario.
3. **Provincial planning policies and municipal by-laws must continue to apply.** Any new development must adhere to the interconnected and well considered planning regime that is established in the Greenbelt and the province to support investments, coordinate activities, and retain checks and balances and public oversight.
4. **The proposed legislation should be amended to maintain the applicability of key statutes** – including the *Planning Act*, *Environmental Assessment Act*, and *Greenbelt Act* – to all Special Economic Zones, their designated proponents, and associated projects.
5. **Any planning decisions affecting the Greenbelt should follow** existing provincial and regional policies, plans, processes, and key protections provided through the Growth Plan (2020) for the GGH.
6. **The Province should actively invest in the economic growth of existing Greenbelt economies including agriculture and tourism** to drive a strong and secure economic future for Ontario.

Indigenous Rights and Reconciliation

This proposed legislation undermines the opportunity for the meaningful participation of Indigenous Peoples and Communities, including Rights holders. Indigenous Peoples have the right to inform a consultation plan for proposed infrastructure projects and for the projects to require their consent. We urge the government to uphold the rights of Indigenous Peoples and engage in meaningful consultations that would allow for a collaborative and respectful approach before any decisions about this legislation are made.

We also note Bill 5's exemptions for infrastructure and housing projects from archeological assessments. It is essential that sites with cultural importance to Indigenous Peoples continue to be identified and protected. We urge the government to remove the proposed exemptions for archeological assessments in order to uphold Canada's commitment to Reconciliation.

The *Greenbelt Act (2024)* and plan policies ensure its permanent protection and Ontario's prosperity

The Foundation is seeking clarity that Bill 5, including the SEZA, does not apply to the Greenbelt and that current protections are maintained. This includes ensuring adjacent developments avoid impacting Greenbelt systems and maintaining connectivity of Greenbelt systems to broader agricultural and natural systems in the GGH and beyond.

The Greenbelt's 2 million acres of protected agricultural, natural and water resource systems provide clean air, fresh water, climate resilience, and a reliable local food source to help Ontario thrive. These natural resources enable and support continued population and economic growth within Ontario's largest urban centres. The overall health of the Greenbelt and its systems are fundamental to its ability to provide critical functions that maintain our quality of life in Ontario.

Protecting Ontario's Greenbelt and natural heritage:

- Supports productive farmland that provides food and jobs.
- Supports a significant agri-food economy and tourism industry.
- Creates opportunities for outdoor recreation and supports physical and mental wellbeing.
- Promotes human health by providing clean air and water.
- Protects people, homes, and infrastructure from the impacts of climate change, like flooding.

Key Policies

Key policies that protect the Greenbelt, which includes the Protected Countryside, Oak Ridges Moraine and Niagara Escarpment, serve to provide certainty for where and how growth is organized in the GGH to maximize the efficient use of land and infrastructure and maintain the interconnectedness and dependencies among the region's economic, agricultural and natural systems. The permanence of the Greenbelt boundary and agricultural and natural heritage system designations are also essential to provide certainty for investment in the agriculture economy and ensure communities can rely on existing ecosystem services.

While Greenbelt policies generally limit development to preserve its important systems, certain infrastructure projects are permitted under specific conditions. The Greenbelt Plan allows for the development of infrastructure that supports the social and economic objectives of the Plan and, until recently, the Growth Plan (2020) for the Greater Golden Horseshoe. This includes transportation, water, sewage, and energy infrastructure. Such projects are permitted if they:

- Serve a significant public interest.
- Cannot be reasonably located outside the Greenbelt.

- Minimize negative impacts on the environment and agriculture.

Conditions are in place to protect the region's agricultural and environmental integrity. When planning and constructing linear infrastructure within the Greenbelt, proponents must:

- Avoid key natural heritage and hydrologic features unless there is no reasonable alternative.
- Implement best practices to minimize environmental impacts.
- Restore disturbed areas to their natural state or an equivalent condition.
- Consider the cumulative effects of multiple infrastructure projects.

Further, agricultural impact assessments are required for infrastructure operations located within prime agricultural areas, and speciality crop areas within the Greenbelt as part of the environmental assessment process. These Greenbelt Plan policies, however, have traditionally worked in concert with the previous Growth Plan for the Greater Golden Horseshoe and robust *Environmental Assessment Act* provisions to mitigate any negative impacts caused by infrastructure projects.

New projects for infrastructure and residential development in Greenbelt towns and villages, should at minimum continue to follow existing provincial and regional policies, plans and processes. This includes policies in the former Growth Plan (2020) that served to protect the Greenbelt (and are now under Amendment 4 in the Greenbelt Plan) including:

- Mandatory watershed-informed servicing master plans for water, wastewater, and stormwater, ensuring that cumulative impacts, climate adaptation, and long-term sustainability are considered in infrastructure design.
- Requirement that municipal water and wastewater expansions be subject to watershed informed planning and not exceed the assimilative capacity of receiving environments, protecting hydrologic integrity and limiting diffuse environmental degradation.
- Prohibition on extending Great Lakes servicing to inland municipalities unless strict public health and planning conditions are met, thereby avoiding leapfrogging development pressures into rural areas near the Greenbelt.

The Need for Regional Planning in the GGH

The Greenbelt is not an isolated geography, and the Foundation is also concerned with the impacts of the proposed Bill 5 and SEZA outside the Greenbelt on interconnected systems.

Regional planning ensures co-ordination between municipalities around cross jurisdictional services. It is the appropriate scale to plan for residential and economic growth in the concentrated Greater Golden Horseshoe area, including planning for investments in major infrastructure projects (that attract and steer population growth); major employment areas; ecosystem functions and

services; and the protection of important land use economies such as our critical agri-food sector. A fragmented, ad-hoc approach that supersedes existing planning processes jeopardizes key contributors to Ontario's economy and may threaten critical assets that cross municipal boundaries such as water systems and interconnected working farms.

A lack of effective regional planning will have a wide range of serious impacts, including reduced water quality downstream of the Greenbelt for 7 million Ontarians, increased risks of flooding throughout multiple watersheds, degradation and loss of biodiversity and climate resilience, loss or encroachment on Specialty Crop Areas and prime agricultural lands, and overall community resilience. Further, skirting existing land use policies will create uncertainty for farmers and landowners about the long-term security of their investments.

Supporting Ontario's Economic Prosperity

The Greenbelt supports a diverse range of economic activities associated with its agricultural land base and abundant natural features, playing a vital role in the success and prosperity of rural communities and contributing significantly to Ontario's overall GDP and agricultural economy. The natural assets and iconic natural landscapes protected by the Greenbelt also offer unique tourism and recreation opportunities near large urban centres, ensuring continued access to nature as the population grows.

Overview of the Greenbelt Economy:

- In 2016, the Greenbelt's primary sectors generated \$9.6 billion in economic activity through farming, recreation, and its tourism sector, and \$6.1 billion in labour, demonstrating the economic benefits directly depending on the Greenbelt's natural resource base.
- In 2023, the Greenbelt's Agri-food Network contributed a total of \$4.57 billion, and supported more than 71,000 jobs.
- 76 million people visit the Greenbelt each year contributing \$8.3 billion in GDP and supporting over 160,000 jobs in the tourism and recreation sectors.
- 6.2 million residents in the Greater Golden Horseshoe took part in nature-based activities and spent \$6.5 billion from 2020 to 2021.
- \$3.2 billion in annual ecosystem services are provided to communities in the GGH, including \$224 million in flood mitigation annually.

There are tremendous opportunities to grow these economies in the Greenbelt and Ontario. Increasing regional food production and distribution would create additional value and reduce our dependence on imports. More than half of southern Ontario's imported food products could be produced within the province. If we expand local production to replace 10% of the top 10 fruit and vegetable imports, the Ontario economy would gain close to a quarter of a billion dollars in GDP and 3,400 full-time jobs¹. Viewed another way, a similar study identified opportunities to expand fruit and vegetable production in southern Ontario that could result in a \$135 million increase in farm-gate revenue, making an important contribution to the economy².

Conclusion

We understand the need for the province to act to protect Ontario's economic future. We urge the government to re-examine the need for the proposed legislation as it stands and engage meaningfully with Indigenous Right holders, stakeholders and the public to support solutions that continue to protect our drinking water, secure our supply of locally produced fresh food, and support resilient communities.

We look forward to continuing to work with the ministry to protect the Greenbelt as a critical asset that enables prosperity in Ontario.

Sincerely,

A handwritten signature in black ink, appearing to read "E. McDonnell".

Edward McDonnell
Chief Executive Officer