



# Municipalities

Newfoundland and Labrador

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## Land Use Planning & Municipal Economic Development

A Community Development Project

An Operational Handbook and Workshop Guide



# Land Use Planning & Municipal Economic Development

A Municipalities Newfoundland and Labrador  
Community Development Project

Operational Handbook and Workshop Guide  
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# Table of Contents

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## Operational Handbook

|  |   |
|--|---|
| Introduction & Overview . . . . .                            | 3 |
| Legal Framework for Municipal Land Use<br>Planning . . . . . | 3 |
| Land Use Planning Defined. . . . .                           | 3 |
| The Urban and Rural Planning Act . . . . .                   | 3 |
| Land Use Planning for Economic Dev. . . . .                  | 4 |
| Sprawl versus Smart Growth . . . . .                         | 4 |
| Support or Impede Economic Development. . . . .              | 6 |
| Strengthening Municipal Planning Capacity. . . . .           | 7 |
| Funding and Partner Opportunities . . . . .                  | 8 |
| Conclusion and Follow Up . . . . .                           | 8 |

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## Workshop Guide

|                           |    |
|---------------------------|----|
| Workshop Basics . . . . . | 9  |
| Exercise 1 . . . . .      | 10 |
| Exercise 2 . . . . .      | 12 |
| Exercise 3 . . . . .      | 13 |
| Exercise 4 . . . . .      | 15 |
| Exercise 5 . . . . .      | 16 |
| References . . . . .      | 18 |

*Note: This Module can be used as an operational handbook or as a workshop guide for a facilitated session.*

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# Operational Handbook

## Introduction and Overview

What is a municipal land use plan? A land use plan manages a community's land and natural resources. It helps a community set goals for how it will grow and develop, and sets out how to achieve those goals while keeping important social, economic, and environmental concerns in mind. A plan should balance the interests of individual landowners with the wider goals of the community as a whole. Good planning leads to orderly growth, efficient provision of infrastructure and services, and compatible economic development. But bad planning can stymie development and result in inefficient use of land and resources. Planning often remains below the radar for most people, that is until it affects them, and it often seems confusing. The purpose of this handbook is to explore the relationship between planning and economic development – both the good, and the bad.

## Legal Framework for Municipal Land Use Planning

### Land Use Planning defined

Land is a scarce resource and there are many competing demands for its use. Planning, acts as a mediator to manage these competing demands for land and natural resources. It provides a framework for municipalities to set goals for how they will grow and develop while keeping important social, economic, and environmental concerns in mind. It balances the interests of individual property owners with the wider interests and objectives of the whole community. Good planning leads to orderly and compatible growth and the efficient provision of infrastructure and services.

### The Urban and Rural Planning Act

The Urban and Rural Planning Act sets out the ground rules for land use planning in Newfoundland and Labrador, describes how land uses may be controlled, and who may control them.

#### *The Act provides for:*

- The establishment of municipal planning areas
- The empowerment of municipal councils to control land development
- The preparation of regional and municipal plans and land use policies to guide future development
- Public consultation requirements when preparing a land use plan
- Consideration of provincial interests, such as the protection and management of natural resources

- The regulation of land uses through development regulations, zoning, and variances
- The subdivision of land into separate lots
- The rights of local citizens to be notified about certain planning proposals, to give their views to their municipal council and, where permitted, to appeal decisions to the Planning and Assessment Appeal Board
- Procedures for amending municipal plans and development regulations
- Required reviews of municipal plans every five years

### **Land Use Planning for Economic Development**

Section 31(3) (m) of the Urban and Rural Planning Act states that “A plan may provide for and recommend the attraction, location, development and diversification of economic activity.” This concurs with the Municipalities Act (Section 203), which states that “A council may encourage economic development as it considers appropriate.....”

Generally municipal plans provide a statement of goals and objectives for the future economic development of the community. A goal creates a general vision, for example, “Encourage diversified and balanced economic development that fosters employment opportunities for all residents, promotes a high quality of life, contributes financially to the municipality, and protects the environment.”

Objectives tend to be more specific, for example, “Foster the continued growth of Smithville as a regional retail and service centre.” Or “Permit appropriate home occupations that do not impinge on the reasonable enjoyment of neighbouring residential properties.”

Policies are more specific again. They tend to be firm statements that indicate what may or may not be permitted or what conditions will apply to development. The following is an example: “Where an area within the Mixed Use designation is predominantly residential in character, proposed non-residential uses will not be approved if they are considered to be incompatible with existing uses and the residential character of the area.”

### **Sprawl versus Smart Growth**

Municipalities are facing increasingly complex challenges, servicing needs, and expectations from residents. Many are struggling to find resources necessary to meet their responsibilities. Increasing concerns are being raised about land use practices, fragmentation of the landscape, and lack of local control over land use in areas without municipal plans. Dispersed and unplanned development is resulting in:

- Higher costs for municipal services, snowplowing, school bussing, etc.
- Reduced viability of municipal infrastructure and services
- Loss and fragmentation of agricultural and forest lands
- Environmental degradation of land and water resources
- Degradation of scenic areas, particularly coastal and waterfront areas

- Increasing dependency on automobiles in the face of rapidly increasing energy and road maintenance costs

The alternative to sprawl is Smart Growth. Smart Growth is defined as development that contributes to a more sustainable economy, community, and environment. It provides a framework for communities to make informed decisions about how and where they grow. Smart Growth makes it possible for communities to grow in ways that support economic development, create strong neighborhoods, and maintain a healthy environment.

*Smart Growth is based on the following principles:*

- Smart Growth preserves open space, natural resources, scenery, and critical environmental areas. Pockets of open space provide a pleasing character within built-up areas, but also can provide important environmental functions such as infiltration of stormwater. Sustainable community design works with natural landscapes. It promotes a stronger connection between people and nature, good health, a sense of community, and lower reliance on cars to move about. Important environmental areas that need to be protected include watercourses, wetlands, steep slopes, vulnerable coastal areas, and critical wildlife habitat, for example, waterfowl resting areas.
- Smart Growth encourages the mixing of residential, commercial, institutional, recreational, and open space land uses, similar to how communities developed historically before single family subdivisions and dependence on the automobile became so predominant. Smart communities think outside the residential subdivision box. They promote more diverse neighbourhoods where different forms of residential housing can be interspersed with compatible commercial and institutional developments.
- Smart Growth encourages wider housing choices to meet the changing needs and incomes of the population. As households become smaller and the population ages, demand for single family homes will slowly give way to other forms of housing. Mixed housing promotes more diverse neighbourhoods where single family homes can be mixed with semi-detached and multi-unit townhouses, as well as compatible commercial and institutional developments. Creating a wider choice of housing options helps to strengthen neighbourhoods socially and economically. Residents can live closer to workplaces, churches, services, shops, and schools. They are also less dependent on automobiles, unlike people living in single family subdivisions.
- Smart communities are more adaptive in revitalizing vacant land and buildings in areas that have experienced decline as businesses moved to new commercial areas. A common approach used to promote development in such areas is to create more flexible policies and zoning regulations aimed at encouraging mixed development and reducing regulatory obstacles for development approvals.

- Smart Growth aims to create stronger connections between people and nature and more walkable communities. Sustainable design communities connect neighbourhoods via green space, trails, and sidewalks. They promote good health, lower reliance on cars, and a stronger sense of community.
- Smart Growth concentrates development closer to existing community centres as opposed to encouraging sprawl into outlying areas. Compact communities are more efficient for the development and maintenance of infrastructure and services. They require less vehicle commuting for work and shopping, therefore reduce fossil fuel consumption. They promote higher social interaction as residents spend more time walking and less time in their cars.
- Smart Growth encourages citizen engagement and collaboration in decision-making, which encourages development patterns that are more in line with community values.

Note how the Smart Growth Principals are closely aligned with the approach to Integrated Community Sustainability Plans that Municipalities should also have developed.

## **Support or Impede Economic Development**

The effectiveness of a land use plan as a tool to support economic development depends on how supportive of economic development the plan's objectives, policies, regulations, and zoning are. It also depends on how well the plan and regulations are interpreted and applied by Council. Good plans can be a useful tool in facilitating economic development that is compatible with other community values. Bad plans can be a major barrier to achieving economic development objectives.

Municipalities are often criticized for impeding economic development due to weaknesses in their planning process, and delays in planning decisions can undermine the viability of commercial projects. Often the process can involve too many uncertainties and a lack of transparency in the procedures. Other weaknesses include out-of-date municipal plans, inconsistencies with economic strategies, and insufficient planning skills among municipal staff and councillors.

To facilitate development, land use planning needs to incorporate a realistic understanding of the current economic climate faced by local businesses. Important considerations include:

- Business needs for space and location are changing. While traditional resource and manufacturing industries will remain important, a transition is occurring toward a more service-oriented, knowledge-based economy.
- Land, particularly serviced land, is a scarce resource. In considering competing demands for land, planning should balance economic, social and environmental objectives.

- Flexible land use policies and regulations are critical to the competitiveness of towns.
- Environmental objectives suggest that communities should limit sprawl, optimize use of serviced land, and encourage the reuse of vacant properties and buildings.
- Infrastructure investment has a major influence on the amount and location of land available for development. Land use planning should be closely integrated with infrastructure planning.
- Decision-making procedures should be as open and transparent as possible.
- Important criteria for assessing the suitability of land for development include location, accessibility, infrastructure capacity, physical and environmental constraints, and the particular needs of individual businesses.
- Plans should set out criteria to judge development applications. Criteria should address compatibility with surrounding land uses as well as broader environmental considerations such as impact on water and air quality

## **Strengthening Municipal Planning Capacity**

Municipalities are facing increasingly complex servicing needs, land use demands, and expectations from residents. While they struggle to meet their responsibilities, community groups are raising concerns about land use practices, landscape fragmentation, and inadequate responsiveness to the needs of business.

Municipal land use plans that have not been updated in ten years or more are not uncommon in NL municipalities. Over that time, planning philosophy and practices have evolved to more strongly incorporate sustainability objectives and Smart Growth principles. While recognizing this problem, many municipalities have insufficient resources to make an easy transition to more sustainable land used practices. Outdated plans are out of sync with sustainability objectives, are difficult to administer, frequently require time-consuming amendments, and are not conducive to economic development.

Only a handful of municipalities employ trained planning staff, and therefore land use policies tend to be administered by town managers, clerks, public works staff, and sometimes councillors. The results can be seen in many communities. Dispersed development patterns, inefficient use of infrastructure, uncontrolled shoreline development, environmental degradation, and inappropriate sites for commercial development are negatively affecting the attractiveness, quality of life, economic opportunities, and sustainability of many communities.

To overcome these deficiencies, land use planning systems need to be adequately funded and organized. This could be facilitated by improved efficiencies of scale,

professional resources, and municipal collaboration in service delivery. Cooperative approaches have helped to improve planning in other provinces. New Brunswick, for example, has a network of eleven district planning commissions that deliver planning and building inspection services to small and medium-sized municipalities and unincorporated areas. Municipalities can contract with the commissions to administer their planning needs. Each commission is governed by a board of representatives from participating municipalities and local service districts. In Newfoundland and Labrador there are currently two areas where a regional plan is under development or redevelopment. The North East Avalon Regional Plan and the Corner Brook - Humber Valley Regional Plan are both exploring the possibilities synergies in cooperation over land use planning initiatives on a regional scale.

## **Funding and Partner Opportunities**

While there are no current funding programs strictly dedicated to providing assistance in developing Municipal Plans, there may be some options. The current Gas Tax Agreement has a provision allowing the funding to be spent on “capacity building” that includes planning initiatives such as a full Municipal Plan review or the development of a new plan. This is a fantastic opportunity for municipalities that might not otherwise be able to afford a plan.

Also worth noting is the opportunity to develop a Municipal Plan in conjunction with an Integrated Community Sustainability Plan, or ICSP. The ICSP is intended to bridge the gap between broad goals and specific actions over a number of years. It lends itself to considerable partnership with the Municipal Planning process and some municipalities have already begun to integrate the two processes. Also, from a partnership perspective, beyond the two regional land use initiatives currently underway, there is the opportunity to develop regional ICSPs. These regional plans can even help coordinate land use approaches throughout a region. For further information on regional approaches refer to the accompanying module regarding “Regional Economic Development.”

## **Conclusion and follow up**

A Municipal Plan can become a very important tool in your toolbox of economic development but remember that it can also be an obstacle to new development. Land use planning helps to delineate the land use plans over time and provides consistency and helps lay out the direction for both the town and the potential businesses. Municipal Plans should be updated on a minimum of a 5 year cycle to ensure that it is reflective of the most up to date planning approaches, such as Smart Growth principles, and so that it is adjusted to the current situation in the town. Integrating land use plans and strategic plans such as the ICSP provide consistency and direction that are integral for implementing successful economic development policies.

# Workshop Guide

## Workshop Basics

### Basic Concept:

To assist participants understand the connections between land use planning and economic development.

### Objectives

- Understand the purpose and functions of municipal land use plans.
- Understand the legal framework for land use planning in Newfoundland and Labrador.
- Understand the differences between traditional segregated development and smart growth.
- Understand how integrated land use planning can contribute to more sustainable and economically viable communities.
- Understand how regional cooperation may contribute to more effective and efficient land use planning.

### Materials

- Printed tables
- Flipchart and markers
- Printed sub-section introductions if desired
- A complete sample Municipal Plan

### Timeframe

This workshop contains 5 detailed exercises and a full day is suggested to meet the objectives and complete the tables. A short 5-10 minute break between exercises is recommended along with a meal break at approximately the midway through the workshop

### Suggestions

- Provide participants with the written sections at the beginning of the module.
- The introductions for each exercise can be read aloud, distributed to each group to read or discussed in general so long as the basic ideas presented are understood before the activity begins.
- Only distribute materials and handouts immediately prior to each individual exercise.

### Groups

- For this workshop groups can be comprised of participants from the same municipalities.
- If this is not possible or not desired for some reason then groups should at least be comprised of participants from similar municipalities.

## EXERCISE #1

### How “Land Use” ready is my Municipality?

Time: 30 minutes

**Objective:**

This exercise will initiate group participation early in the workshop. It is intended to assess the extent to which land use policies and practices are receptive to economic development in the participants' municipalities.

**Exercise:**

- Have participants individually answer the questionnaire.
- Collect responses to each question and collate scores on flip chart. Discuss results.

**Resources required:**

Questionnaire copies, flipchart.

**Note to facilitator:**

It will be useful to check back to the information gathered here at various points during the workshop. Especially if there is more than one municipality participating or if the scores are low.

| <b>Questionnaire</b>  |     |    |
|---|-----|----|
| <b>Municipal Land Use Readiness for Economic Development</b>  |     |    |
|   | YES | NO |
| Does your council have a clear land use vision that is supportive of economic development?  |     |    |
| Do residents in your community have a supportive attitude toward commercial land development, even if it may be close to where they live? (i.e. in contrast to the “not in my backyard” syndrome) |     |    |
| Does your municipality have a land use plan that is less than 10 years old?   |     |    |
| Does your municipality have an identified supply of land to accommodate commercial development, and is the land zoned to allow development?   |     |    |
| Does your municipality have an identified supply of land to accommodate industrial development, and is the land zoned to allow development?   |     |    |
| Does the plan support measures to support tourism such as the protection of trails, waterfront land, heritage sites, and scenic vistas?   |     |    |
| Does the plan allocate areas that allow mixed development, including housing, retail, offices, public buildings, and recreation areas?  |     |    |
| Does council have written protocols for how to process commercial and industrial development applications in a transparent and timely manner?   |     |    |
| Does the plan include policies to enhance the community as a desirable place to live, for example, protection of scenic character, waterfront access, trails, and other recreational resources?   |     |    |
| Does the plan include criteria to judge development applications in terms of compatibility with existing land uses?   |     |    |
| Does the plan permit home based businesses?   |     |    |
| Does the municipality have a detailed inventory of existing commercial, office, and industrial businesses?  |     |    |
| Does your municipality keep an inventory of vacant and underused land and buildings that may have potential to accommodate commercial, office, or industrial development?                         |     |    |
| Are you generally able to approve commercial developments without having to amend the municipal plan and development regulations?   |     |    |

**Score: For each “yes” answer score 1 point.**

- A score higher than 10. Good for you. You’re in good shape.
- A score of 8-10. You need to improve a little.
- A score of 5-7. You need to improve a lot.
- A score of less than 5. Land use planning will need to become a priority.

## EXERCISE #2

### Legal Framework for Municipal Land Use Planning

Time: 45 minutes  
(30 minutes in small groups and 15 minutes feedback)

**Objective:**

To develop a set of municipal planning objectives and land use policies that are supportive of economic development.

**Exercise:**

Divide participants into small groups of 5-6. Their assignment will assume they live in one community, or group based on community. Use the attached table to help complete the following:

- Spend 10 minutes to develop 2 goals for economic development of their municipality.
- Spend 10 minutes to develop 2 objectives related to those goals.
- Spend another 10 minutes to develop 2 land use policies related to those aimed at facilitating the municipality's economic development. (Use common language and don't worry about technical jargon)
- Report back to the main body on flipcharts.

**Resources required:** Flipchart, markers, tape.

**Note to facilitator:**

It will be useful to check back to the information gathered here at various points during the workshop. Especially if there is more than one municipality participating or if the scores are low.

|                  | #1 | #2 |
|------------------|----|----|
| <b>Goal</b>      |    |    |
| <b>Objective</b> |    |    |
| <b>Policy</b>    |    |    |

## EXERCISE #3

### Your Situation Today

Time: 60 minutes  
(40 minutes in small groups and 20 minutes feedback)

**Objective:**

Evaluate the degree to which land use policies and practices in the participants' own municipalities reflect the characteristics of sprawl versus smart growth.

Discuss the benefits and challenges of moving to Smart Growth in their municipalities.

**Exercise:**

- Divide participants into small groups of 5-6.
- Spend no more than 10 minutes to individually answer the short questionnaire provided below on land use patterns and practices in their municipalities.
- Spend 30 minutes to compare the answers to each question and discuss the benefits and challenges of achieving smarter growth in their municipalities.

**Resources required:**

Questionnaire copies, flipchart, markers, tape.

## Questionnaire

### Smart Growth Evaluation

| Questionnaire  |  |
|--|--|
| Smart Growth Evaluation  |  |
| 1. Does your municipal plan including zoning to allow a mix of residential, commercial and land uses?                                      |  |
| 2. Do your municipal plan allow for mixed housing in some or all residential areas?  |  |
| 3. Estimate the longest distance to your municipality's post office(s) from coverage area served by the post office                        |  |
| 4. Estimate the distance to the nearest large supermarket from the most distant points of your municipality.                               |  |
| 5. Estimate the percentage of church patrons that drive and walk to church.  |  |
| 6. Does your municipality have a significant amount of vacant land fronting onto existing streets that could allow for infill development? |  |
| 7. Does your municipality have sidewalks along most of the main collector roads?   |  |
| 8. Does your municipal zoning provide for conservation buffers along watercourses?   |  |
| 9. What is the approximate driving distance from the newest residential subdivision to the centre of your municipality?                    |  |
| 10. Do you have a shortage of suitable land for commercial development?  |  |
| 11. What is your municipality's population?  |  |

## EXERCISE #4

### Sample Assignment

Time: 60 minutes  
(40 minutes in small groups and 20 minutes feedback)

**Objective:**

1. To gain an understanding of the process involved to administer a municipal plan and development regulations to respond to development proposals.
2. To gain an understanding of the benefits and challenges of land use planning with respect to accommodating economic development

**Exercise:**

- Divide participants into small groups of 4-6. Undertake the case exercise outlined below and discuss the benefits and challenges of the process and the outcomes. Report back to the main group and compare findings.
- Case Assignment
- Council has received an enquiry from a developer who is interested in erecting a new building to operate a car rental agency, and a retail outlet for auto parts and tires. The building will include a 2-bay service garage for cleaning rental vehicles and repairing and installing tires.
- She has three possible sites in mind ranked in preference from 1 to 3. She has requested information from the municipality on whether and under what conditions the proposed development would be approved at each of the three sites.
- The assignment is to review the land use policies, development regulations, and zoning, and provide a response to the enquiry. Feel free to offer advice and recommendations that you think would help the developer.
- Discuss the benefits and challenges of the development approval process. Offer an opinion on whether this land use plan is conducive to or impedes economic development.

**Resources required:**

Copies of an actual municipal plan, development regulations, and future land use and zoning maps. Flipcharts, markers, tape.

**Note to facilitator:**

Preparation is required to gather copies of required material and to select the 3 possible sites. Ideally the 3 locations would be very different to draw attention to the differences in appropriate development areas.

## EXERCISE #5

### Regional Cooperation & Land Use Planning

Time: 45 minutes  
(30 minutes in small groups and 15 minutes feedback)

**Objective:**

Conduct a SWOT analysis (strengths, weaknesses, opportunities, and threats) of the existing approach to delivering land use planning services in small and medium-size municipalities. In general Strengths and Weaknesses are considered internal while Opportunities and Threats would be external forces or issues.

Discuss the benefits and challenges of increasing regional cooperation for the delivery of planning services.

**Exercise:**

- Divide participants into groups of 5-6.
- Have them conduct a SWOT analysis of existing land use planning approaches in NL.
- Have them brainstorm benefits and challenges of regional cooperation in the delivery of planning services.

**Resources required:**

Flipchart, markers, tape.

**Note to facilitator:**

During the discussion draw out participants' own experiences in delivering planning services. Stimulate discussion of possible regional approaches that would strengthen planning capacity.

# Regional Planning SWOT

| Strengths     | Weaknesses |
|---------------|------------|
|               |            |
|               |            |
|               |            |
|               |            |
|               |            |
|               |            |
| Opportunities | Threats    |
|               |            |
|               |            |
|               |            |
|               |            |
|               |            |
|               |            |

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