

ERO 025-1077 – Consultation on Proposed Special Economic Zones Criteria

Note that Hamilton Planning Committee and City Council will be reviewing these comments at their January 13, 2026, and January 21, 2026, meetings. Hamilton City Council may choose to amend or add to the enclosed comments which would be provided in a subsequent letter.

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General Comments	<p>Building on the City of Hamilton’s submission to the Province on the introduction of Special Economic Zones through Bill 5, staff generally support the Province having the ability to quickly take actions to support Ontario’s economy in the face of rising global uncertainty and tariffs. Staff acknowledge the potential to leverage these zones to generate economic benefits for the City of Hamilton, including job creation and increased investment activity within the proposed Special Economic Zones.</p> <p>The City previously commented on Bill 5 that additional information is necessary to understand how a Special Economic Zone would be implemented before the City of Hamilton concludes its comments on the legislation. As detailed in the staff level comments below, this level of detail has not been provided in the draft policy intent and regulations released by the Province as part of ERO 025-1077.</p>
Topic: Project Criteria	
Guiding Question	Comments
<p>Creating a new Special Economic Zone is meant to be used only for a narrow set of circumstances when it is of the utmost importance to Ontario’s economy and/or security. What criteria could be considered to ensure designation is only used in the most appropriate cases?</p>	<p>The creation of Special Economic Zones should only be considered <u>after</u> the Province has publicly released an analysis demonstrating that the proposed economic development project cannot be achieved through existing approval processes, such as a Minister’s Zoning Order.</p> <p>In addition, criteria that should be considered include:</p>

	<ul style="list-style-type: none">• That there are no negative Indigenous, archaeological, environmental, social, infrastructure and/or land use compatibility impacts associated directly or indirectly with the establishment of the Special Economic Zone.• That economic benefits should be significant both locally and provincially.• The project must ensure that all lifecycle costs are fully funded and do not create financial burdens for local populations who may not proportionally benefit.
<p>The importance of a zone or project is not always measured only in size or dollar value. How else should the impact of a zone or project be considered?</p>	<p>Environmental factors such as:</p> <ul style="list-style-type: none">• Size, rarity, and maturity of surrounding natural assets.• Bio-diversity and habitat significance.• Ecological connectivity.• Impact on local climate resiliency efforts.• Environmental service provision (e.g. stormwater management, carbon sequestration, tree canopy). <p>Social factors such as:</p> <ul style="list-style-type: none">• Effect on surrounding properties and land use compatibility.• Proximity to archaeological sites.• Indigenous significance.• Historical significance.• Recreational significance.• Area where there are equity deserving groups. <p>Economic factors such as:</p> <ul style="list-style-type: none">• Impacts to local services and infrastructure.• Existing demand for project facilitating infrastructure and the associated lifecycle costs.• How funding will be allocated to support projects within Special Economic Zones and whether that will result in less funding of existing projects.• Legacy costs associated with these projects including remediation, cleanup, decommissioning.

<p>Should potentially important 'moon-shot' projects be put forward if they could have enormous impact, even if they have a low likelihood of success?</p>	<p>City of Hamilton staff supports the Province being open to ambitious, bold and transformational economic development initiatives. Special Economic Zones should only be established once a proposal has been assessed as an implementable project (including analysis of the economic, social, and environmental impacts). At that time, the City recommends Special Economic Zones only be considered to accelerate the speed of project delivery after it has been demonstrated that this cannot be achieved through traditional approval processes.</p>
<p>Which should be weighted more heavily when considering benefits – the benefit to the province as a whole or the benefit to local communities? Or should they be treated as equally important and essential?</p>	<p>The balance between local and provincial benefits depends on the specific context of each proposal. Given the potentially broad application of Special Economic Zones, that context could vary almost without limit.</p> <p>In considering the local benefits of a proposal, City of Hamilton staff recommends that the Province be required to consult with any municipality where a Special Economic Zone is proposed to gain local insight on the potential benefits of a proposal. Staff recommend this be included as a consideration under Section 3.4 of the proposed regulations.</p>
<p>Designating a zone, project, and proponent requires specific new regulations. Furthermore, any regulatory modifications or exemptions that may be made for projects and proponents in a designated zone will also require a new regulation. Normal regulatory processes will be followed, including posting on the ERO and Regulatory Registry. What else could be considered to provide greater transparency?</p>	<p>City of Hamilton staff supports fairness, transparency, and consistency in considering the creation of a Special Economic Zone. Building on this, the City recommends that the Province expand the notification and consultation process to include:</p> <ul style="list-style-type: none"> • More than the minimum 30 days review period for public comment on proposed Special Economic Zones to provide sufficient time for members of the community and Indigenous rights holders to consider the proposal and provide comments. Following the closing of the posting, the Province should provide a more detailed breakdown of what input was received and how it was considered. • The Province and/or proponent request support for the project from the local municipal Council similar to the Province's MZO framework and Municipal Support Resolution process energy projects.

	<ul style="list-style-type: none"> • Full disclosure of who the proponent of the project is, including individuals that have a controlling interest in corporations, and why they are considered to be trusted by the Minister. • Making available as much technical information on the proposal as possible, including site drawings, economic impact assessments, natural heritage assessments etc. Everything that the proponent provided the Province to be considered for a Special Economic Zone should be made public similar to the requirements for development applications under the <i>Planning Act</i>. • The Province and/or the Proponent holding at least one community meeting (fully open to the public) to present the proposal, answer questions and receive input. The questions and responses should be recorded and made public. • The Province undertake direct consultation with impacted Indigenous communities over and above the ERO posting process.
<p>Are any criteria missing? Should any be added, removed or modified?</p>	<p>In considering the local benefits of a proposal, the City of Hamilton staff recommends that the Province be required to consult with any municipality where a Special Economic Zone is proposed to gain local insight on the potential benefits of a proposal. The City recommends this be included as a consideration under Section 3.4 of the proposed regulations.</p> <p>The criteria are focused on economic benefits but is largely missing environmental and social criteria. In addition, the high likelihood of success should be modified to address environmental, land use and social impacts and how they would be mitigated. Specifically:</p> <ul style="list-style-type: none"> • Environmental: Has a net-positive or neutral impact on the surrounding environments and/or is in alignment with climate change goals. If there are any potential land use compatibility impacts associated with the project, what are they and have they been addressed. • Social: Provides a significant social benefit to the surrounding community and provide examples beyond economic, including Indigenous communities.

	More technically, the criteria should consider whether the proposal is aligned with existing infrastructure plans for the area. Where it is not aligned and significant infrastructure upgrades are required, the criteria should consider what the full lifecycle costs of these are and who is responsible for covering these costs.
Topic: Proponent Criteria	
What should be used to determine whether compliance standards are met? Which compliance records from Ontario, Canada, or internationally should be provided as evidence? Over what time period? What other requirements should there be for proponents?	<p>It is unclear what is meant by 'compliance standards' and given the potentially broad application of Special Economic Zones, any standards would need to be considered on a case-by-case basis based on the type and context of the project.</p> <p>Generally, the City recommends that the Province be required to enter into legal agreements with any proponent of a project approved through a Special Economic Zone to ensure that all economic, social and environmental commitments made are honored through the full lifecycle of the project.</p>
What, if any, special considerations should be given to whether companies from other jurisdictions can be designated as trusted?	Proponent considerations should be weighted more heavily to Ontario / Canadian companies so that the benefits and any profits stay in the province (country) as well.
Are any criteria missing? Should any be added, removed or modified?	No comment.
Topic: Zone Criteria	
Are any criteria missing? Should any be added, removed or modified?	In addition to the comments above, the City of Hamilton staff recommends that Section 3(4)(iii) be modified to be similar to subsections (i) and (ii), remove reference to whether the project will provide Indigenous communities and read "The extent to which the project will provide benefits to Indigenous communities".