

November 14th, 2025

RE: ERO Posting No. 025-1077 – Consultation on Proposed Special Economic Zones Criteria

Dear Minister Fedeli,

On behalf of Middlesex County Council, I am writing to provide comments on ERO #025-1077 – Consultation on Proposed Special Economic Zones Criteria. While we commend the Province's continued efforts to support economic growth and attract investment through the proposed Special Economic Zones framework, several components of the proposal and its associated regulatory framework warrant further consideration / explanation to ensure that any implementing measures include objective and enforceable provisions that provide clear protection for the environment, municipalities, and Indigenous rights holders.

Rural and small urban communities across Ontario face distinct challenges related to economic growth, attracting investment, supporting local business development, and building a skilled and resilient workforce. These communities often contend with limited infrastructure, smaller markets, and fewer resources, which can affect their competitiveness and ability to fully capitalize on new economic opportunities.

The following submission outlines Middlesex County's comments on the proposed Special Economic Zones framework. It is noted that this submission has been prepared with careful regard to the guiding questions provided in the attachment on the ERO. The feedback provided addresses these questions in a comprehensive and consolidated manner, providing an integrated overview of considerations related to the Province's proposed Special Economic Zones framework.

Project Criteria

While the draft policy intent for SEZ criteria contains a list of proposed project criteria, there are additional factors that should be considered. First and foremost, it will be vital for the success of any project where an SEZ / zone is being considered for establishment, that a supportive resolution is obtained from the host municipality, similar to the approach for long-term electricity procurement. Clarification should be provided on whether a host municipality is both the upper and lower-tier municipalities, or just the lower-tier.

Given that the Special Economic Zones Act, 2025 allows the Lieutenant Governor in Council, by regulation, to exempt a trusted proponent or a designated project from a municipal by-law or other instrument, or to modify the application of such provisions, any further regulations made under the Act should clearly specify which municipal by-laws could be exempted or modified.

As noted in AMO's submission to the Standing Committee on Bill 5, municipal by-laws address a wide range of matters, including securing funding for growth-enabling infrastructure, providing emergency services, and implementing local housing and economic development initiatives. In the absence of coordination or clear limitations on exemptions or modifications, particularly regarding the collection of revenue under certain by-laws, municipalities are concerned that their ability to deliver growth-enabling infrastructure may be compromised. This could hinder the advancement of designated projects and place additional burdens on taxpayers who would ultimately fund infrastructure critical to the success of larger-scale economic initiatives.

In terms of considering the benefits of SEZs at the local and provincial level, it is important to recognize that both provincial and local community impacts are significant. While the overall benefit to the province provides a measure of broader economic growth, strategic priorities, and alignment with federal priorities, the benefits realized at the local level directly impact those in or near host municipalities. As such, a balanced approach that considers both levels of impact is necessary to ensure that SEZs provide both equitable and effective outcomes.

Further consideration should be given to defining key indicators of success for projects, which would be of assistance particularly with regards to the "moon shot" projects that are referenced in the proposal. Further, these key performance indicators could also be of assistance in ensuring transparency and accountability in SEZ designations.

Proponent Criteria

In determining proponent criteria, there are several factors that should be considered to ensure that proponents meet appropriate standards in order to obtain designation as a trusted proponent. Proponents should provide verified compliance records that demonstrate adherence to any environmental, labour, and safety legislation, as well as any other applicable corporate governance standards. A reasonable time period should be defined by regulation and include records of past performance from all jurisdictions in which this proponent has previously operated.

Proponents who have solely operated outside of Canada should only be designated provided they meet equivalent compliance standards, can clearly demonstrate record

of responsible operations and can demonstrate that they are capable of adhering to provincial standards. Any proponent should also be able to demonstrate proven commitment to Indigenous consultation and respect for treaty rights and interests, municipal coordination, environmental protection and community engagement. Additional criteria should also include employment creation, local economic benefit and contributions to workforce development and training.

Zone Criteria

Early and ongoing Indigenous consultation, together with a requirement for a municipal support resolution, should be mandatory precursors to the establishment of any SEZ. Regard should be given to the avoidance of impacts to the natural heritage system and the continued protection of the agricultural system, including prime agricultural lands. All development objectives and zone criteria should be aligned with clearly defined key indicators of project success. Regarding locational criteria, promoting spatial dispersion and avoiding heavy concentrations of investment in a single region will help enhance employment opportunities, build local capacity, strengthen infrastructure and services in rural and small urban communities, and ensure that the benefits of investment are realized more broadly across Ontario.

Conclusion

Middlesex County offers the following considerations for the Province's review as part of the ongoing consultation on the proposed Special Economic Zones framework:

- Require early and ongoing Indigenous consultation and a municipal support resolution as essential precursors to the establishment of any SEZ.
- Ensure that any implementing measures include objective, enforceable provisions that provide meaningful protection for the environment, municipalities, and Indigenous rights holders.
- Maintain municipal discretion regarding the application of by-laws and the collection of revenues, while clearly defining any exemptions or modifications under the Act.
- Promote regional spatial dispersion of investment to support balanced economic growth, enhance employment opportunities, build local capacity, and strengthen infrastructure and services in rural and small urban communities.

- Establish clear criteria for trusted proponents, including demonstrated compliance with environmental, labour, safety, and governance standards, as well as the capacity to deliver projects in alignment with provincial and municipal objectives.

Middlesex County remains committed to collaborating with the Province to support economic development initiatives that are strategically targeted, environmentally responsible, and inclusive of local and Indigenous interests. We appreciate the opportunity to provide input and welcome continued dialogue to ensure that Special Economic Zones contribute to sustainable and broadly shared economic growth across Ontario.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Ropp". The signature is fluid and cursive, with a large initial "B" and a long, sweeping underline.

Brian Ropp
Warden, Middlesex County