

Central Elgin Hospital Lands
POLICY DIRECTIONS

January 2026



Municipality of
Central Elgin

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TERRITORIAL ACKNOWLEDGEMENT

The Subject Property falls within the ancestral homelands of many distinct Indigenous groups, particularly the Anishinaabek (Ah-nish-in-a-bek), Haudenosaunee (Ho-den-no-show-nee), Lūnaapéewak (Len-ahpay-wuk), and Attawandaron (Add-a-won-da-run) peoples, on lands connected with the McKee Purchase (Treaty No. 2) of 1790 and the Dish with One Spoon Covenant Wampum. This land continues to be home to diverse Indigenous peoples (e.g., First Nations and Métis) who are contemporary stewards of the land.

EXECUTIVE SUMMARY

This report sets out Policy Directions, a land use plan, and associated schedules (maps) for redevelopment of the former Hospital Lands in Central Elgin. It builds on the Vision and Guiding Principles approved by Council in May 2025 and will inform a future Official Plan Amendment to Central Elgin's Official Plan. The directions and land use plan have been refined through public consultation that occurred in Fall 2025.

Why This Matters

The 168-hectare Hospital Lands offer a rare opportunity to develop a new, complete community that addresses local and regional needs:

- Supports Central Elgin's strategic goals of affordability, sustainability, investability and good governance.
- Provides space for up to 3,950 new homes and 9,220 new residents, helping to meet Ontario's housing supply targets.
- Responds to population and housing pressures linked to regional job growth, including the nearby Volkswagen EV battery plant.

Community Vision and Structure

The land use plan is a well-structured, walkable community with four key elements:

- **Sunset Institutional Corridor:** A zone of institutional, health, education and/or civic uses, contributing to economic resilience.
- **Downtown Mainstreet:** A mixed-use area for retail uses and public life, designed to serve day-to-day needs and to grow with the community.
- **Residential Neighbourhoods:** Compact, diverse housing options with integrated parks, community centre, schools and trails.
- **Connected Street Network:** A transit-ready and active transportation-friendly grid that supports phased growth.

Key Policy Directions

The report includes draft Policy Directions in 14 areas. Highlights include:

- **Housing:** A range of housing types, tenures and affordability levels, including rental, ownership, affordable, additional needs, and attainable housing.
- **Environment and Heritage:** Conservation of natural features, built heritage resources and archaeological resources; integration of green infrastructure.
- **Mobility and Servicing:** Transit-ready design, active transportation, access to trails and phased in infrastructure servicing supported by growth funding tools.

- **Community Facilities:** Schools, parks and a community centre centrally located and accessible by walking and cycling.
- **Urban Design and Sustainability:** People-oriented public spaces, inclusive design, and measures to support climate resilience, and low-impact development.

Next Steps

The Policy Directions and land use map has been updated based on the consultation in the Fall 2025. The Policy Directions and Land Use Plan and associated schedules will be used to prepare a draft Official Plan Amendment for Council consideration in 2026.

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1. INTRODUCTION

The purpose of this Policy Directions Report is to lay out the proposed framework and land use plan for redevelopment of the former St. Thomas Psychiatric Hospital site (“Hospital Lands”) in Central Elgin. This Report includes the proposed land use development plan together with policies to establish how the plan will be implemented.

1.1 Background and Opportunity

The Hospital Lands in Central Elgin represent a significant and time-sensitive opportunity to develop a new community that responds to local and regional growth pressures. The lands are a large, strategically located site along Sunset Drive, one of the primary corridors between the City of London and Port Stanley, and form part of the western gateway into Central Elgin. In 2024, the Province of Ontario embarked on a process to divest itself of the Hospital Lands, including commissioning a series of studies to identify opportunities for the Hospital Lands. The technical studies prepared for Infrastructure Ontario referred to in this document are not publicly available, but may be provided upon request.

Several factors underscore the importance of advancing planning for the Hospital Lands at this time. These include the historic investment in the Volkswagen battery manufacturing facility in St. Thomas, expected to generate substantial direct and indirect employment; the urgent need for new housing to accommodate a growing workforce; and the opportunity to introduce new services, facilities, and investment that will benefit both existing residents and future generations within the broader municipality.

Fully developed, the Hospital Lands have the potential to accommodate approximately 3,950 new homes and up to 9,220 residents. Growth of this magnitude represents a transformative change for Central Elgin and reinforces the need for a coordinated planning approach that manages growth responsibly, supports municipal priorities, and ensures development occurs in a phased and orderly manner.

To achieve these outcomes, a comprehensive planning framework is required to guide land use, infrastructure, phasing, and community development. This Policy Directions Report establishes that framework and provides the foundation for preparation of a draft Official Plan Amendment, which is being brought forward to Council for consideration and approval for public consultation as the next phase of work.

1.2 Official Plan Amendment Process

Realizing this transformative opportunity requires an amendment to the Municipality of Central Elgin’s Official Plan to permit development of the Hospital Lands, establish the

area as a location for growth, and define how the new community will be planned and developed.

The Official Plan Amendment (OPA) process was initiated through Council's approval of the Vision and Guiding Principles for the Hospital Lands in May 2025 (see Section 3).

Building on that foundation, Draft Policy Directions and a Land Use Plan were developed, translating that Vision into a coherent land use framework and set of implementation directions, ensuring that future development advances affordability, livability, sustainability, investability, and good governance while balancing urban and rural life and supporting responsible growth. Throughout Fall 2025, public consultation was undertaken to refine the policy directions and land use plan.

This final Policy Directions Report sets out the proposed land use plan and policy framework that will inform preparation of the OPA.

The next phase of work will involve preparation of a draft Official Plan Amendment, which will be brought forward to Council for consideration and approval for public consultation. The draft OPA will incorporate the approved Vision and Guiding Principles, the Policy Directions contained in this Report, the land use plan and associated schedules, and the results of technical studies and inter-agency input.

Consultation on the draft OPA will include broad community consultation similar to the approach used to prepare the final Policy Directions Report and Land Use Plan, and engagement with Elgin County, the Conservation Authority, the City of St. Thomas, school boards, Indigenous communities, and other key stakeholders, prior to Council's consideration of adoption.

1.3 Reading Guide

This document sets out the Policy Directions and the land use plan and associated schedules to implement the Policy Directions. This document serves as the basis for a future Official Plan Amendment and will inform future policies and maps to be developed through later steps in this planning process.

References to “will” and “should” are used to convey directions or commitments; “will” is mandatory; “should” is used to identify a direction with some flexibility; “may” is used to indicate greater flexibility or potential options that could be considered.

Where terms such as “the site”, “the lands”, or “the Hospital Lands” are used, they refer to the area identified as the subject of these Policy Directions (**Map 1**) unless otherwise specified.



The proposed Land Use Plan (**Map 2**) is conceptual in nature and intended to illustrate general policy directions. It does not represent detailed land use boundaries, which shall be determined through subsequent planning processes.

2. HOSPITAL LANDS IN CENTRAL ELGIN

2.1 Background

The Hospital Lands area is identified on **Map 1**. The site includes the vacant hospital buildings, the active Southwest Centre for Forensic Mental Health, an Ontario Provincial Police detachment, and agricultural lands with existing farm buildings. There are also existing soccer fields adjacent to the former hospital complex. The property totals approximately 168.5 ha (416 acres) with approximately 32 ha (79 acres) occupied by the former hospital buildings. The remainder of the site is agricultural, natural heritage, or otherwise undeveloped.



Map 1. Location of the Hospital Lands Area

2.2 History

The Hospital Lands are the site of the closed St. Thomas Psychiatric Hospital. The St. Thomas Psychiatric Hospital opened in 1939 and was known as the Ontario Hospital, St. Thomas. During World War II, the hospital was used as a military training site before returning to psychiatric care operations. With the conclusion of the war, the hospital re-

opened for services for patients. The hospital continued to operate providing psychiatric services for approximately 2,300 patients at its peak. The agricultural lands to the east of the Hospital Buildings were actively farmed to provide food for the patients and staff at the hospital.

In 2001, the hospital was transferred to the St. Joseph Health System in London for service delivery, who operated the hospital services. The Province of Ontario retained ownership of the site and buildings. In 2013, the hospital was closed when the Southwest Centre for Forensic Mental Health opened. The hospital has remained closed since 2013 and the buildings have remained vacant since that time.

In 2024, the Province of Ontario embarked on a process to divest itself of the Hospital Lands. The easterly portion of the site is currently used for agricultural purposes.

2.3 Planning Context

Elgin County Official Plan

The Elgin County Official Plan provides the overarching growth management and land use policy framework for the seven local municipalities, including direction on settlement areas, infrastructure planning, environmental protection, and the protection of prime agricultural areas. Local municipal official plans and zoning by-laws must conform to the County Official Plan.

On September 2, 2025, the Ministry of Municipal Affairs and Housing approved Elgin County's New Official Plan (2024), which extended the Norman-Lyndale Settlement Area boundary to include the full extent of the Hospital Lands. The County's identification of the Hospital Lands within the Norman-Lyndale Settlement Area confirms the lands as an appropriate location for urban growth within Central Elgin.

Central Elgin Official Plan

The Central Elgin Official Plan is the Municipality's primary land use planning document. Under the current plan, the Hospital Lands are designated Special Policy Area 1 – St. Thomas Psychiatric Hospital for the lands associated with the existing hospital buildings/uses, with the remainder of the site designated Agricultural.

Norman-Lyndale Context

Norman-Lyndale is one of seven designated settlement areas in Central Elgin. It includes a mix of land uses, including residential neighbourhoods and large institutional facilities such as the Elgin County and Central Elgin administrative offices and the Southwest Centre for Forensic Mental Health. Its adjacency to the City of St. Thomas positions it as a logical area for growth.

Detailed information about the planning policy context is provided in Section 2 of the Vision and Guiding Principles approved by Central Elgin Council on May 5, 2025.

2.3.1 Purpose of Amending the Central Elgin Official Plan

The Special Policy Area designation for the Hospital Lands in the Central Elgin Official Plan limits development to existing uses until the ultimate use of the site is established through an Official Plan Amendment. The Policy Directions Report and future Official Plan Amendment seek to achieve the following:

1. Implement the Elgin County Official Plan by bringing the Hospital Lands fully into the Norman-Lyndale Settlement Area and establishing the lands as an area for urban growth for housing and employment.
2. Establish a land use framework that identifies the general distribution and location of land uses, density, and community structure for the Hospital Lands, consistent with the Policy Directions and Land Use Plan contained in this Report.
3. Adopt policies to guide development of the Hospital Lands in a manner that supports complete communities, coordinated infrastructure planning, and compatibility with surrounding uses.
4. Provide direction for phased development, linking the timing of growth to the availability of infrastructure, servicing capacity, and community facilities.
5. Address Provincial and County planning requirements, including consistency with the Provincial Planning Statement (2024) and conformity with the Elgin County Official Plan.
6. Establish the framework for implementation, including the use of financial tools, agreements, and future studies required to support orderly development over time.

2.4 Organization of the Policy Directions Report

This Policy Directions Report is organized to establish clear and logical progression from context and intent to land use structure and detailed policy direction, and to support its use in preparing a future Official Plan Amendment.

Section 1 introduces the Hospital Lands opportunity and outlines the planning process and next steps. Section 2 describes the site context, history, and applicable planning framework. Section 3 sets out the Vision and Guiding Principles adopted by Council, which form the foundation for the Policy Directions.

Section 4 presents the proposed community structure and Land Use Plan, illustrating how the Hospital Lands are intended to be organized spatially and how key elements of the community fit together. Section 5 sets out the Policy Directions across a range of topic areas that will guide future development and inform the detailed policies to be included in the Official Plan Amendment.



Together, the Policy Directions, Land Use Plan, and associated schedules provide the framework to guide preparation of the Official Plan Amendment and to support coordinated, phased, and orderly development of the Hospital Lands over time.

3. VISION AND GUIDING PRINCIPLES

3.1 Vision

Developing a vision and guideline principles for the Hospital Lands began with an analysis of existing conditions and drivers of change, including changes in planning policies, current and projected growth, and the VW manufacturing plant's opening. The vision is also informed by priorities expressed through a facilitated workshop with Council, and by policy review and technical analysis.

On May 5, 2025, Central Elgin Council approved the Vision and Guiding Principles to guide redevelopment of the Hospital Lands. Council established the foundation upon which the Policy Directions and Land Use Plan were developed. The Policy Directions and Land Use Plan reflect Council's aspirations, address provincial policies, and support a complete, liveable and sustainable community.

The Vision provides a statement of Central Elgin's long-term aspirations for the Hospital Lands. It serves as a unifying guide for future decisions, setting the overall direction for policies, planning, design and development.

VISION FOR THE HOSPITAL LANDS

Central Elgin's newest community will be a thriving and inclusive place to call home. Designed for all ages and generations, it will offer a diverse range of affordable and accessible housing options. This community will promote healthy lifestyles and environmental stewardship, anchored by a traditional main street with vibrant local businesses. It will feature parks and community services that prioritize people and their day-to-day needs. The community will create jobs to support financial sustainability in Central Elgin.

3.2 Guiding Principles

This Vision is supported by four Guiding Principles, which envision the area as a distinctive, liveable, connected, and sustainable community.



4. COMMUNITY STRUCTURE

4.1 Community Design Basis

Building on the Vision and Guiding Principles for the Hospital Lands, the Land Use Plan (**Map 2**) identifies how the Hospital Lands are to be planned and developed. The Land Use Plan outlines important foundational elements that serve as the basis for building neighbourhoods for people of all ages and abilities, and implementing the Guiding Principles identified in the Vision and Guiding Principles adopted by Council. These foundational elements of the community design are key to creating the Land Use Plan for the Hospital Lands, as detailed in this Report.

The foundational elements of the new community are the Sunset Institutional Corridor, a new Downtown Mainstreet, Residential Neighbourhoods, and an Integrated Street Network. A Land Use Plan (**Map 2**) has been developed to show how these elements come together to inform the overall layout of the community and show how they work together to create a complete, connected, technology ready and sustainable place. Its design is intended to support phased development aligned with infrastructure servicing and market demand, to protect environmental resources and cultural heritage resources, and to ensure all residents will have access to parks within a 15-minute walk from their home. The purpose of the proposed Land Use Plan (**Map 2**) is to ensure the appropriate land use designations for the development of the Hospital Lands as a Distinctive, Liveable and Affordable, and Sustainable Community.

4.1.1. Sunset Institutional Corridor

The Sunset Institutional Corridor consists of the existing uses – vacant hospital buildings, the Southwest Centre for Forensic Mental Health, and broader transportation and community connections to the Elgin County Office Building, Parkside Collegiate Institute (in St. Thomas) and John Wise Public School (also in St. Thomas). The existing area of the vacant Hospital Buildings will be for future institutional uses to support the broader community in this area of Elgin County.

4.1.2. Downtown Mainstreet

The Downtown Mainstreet will be the commercial focus of the new neighbourhood. This will be a mixed use street with main floor commercial uses and residential units above. Proper connections between buildings and the street are required to ensure the Downtown Mainstreet is highly walkable and inviting, with enhanced landscaping that will create a welcoming environment. Sufficient space will be provided to support some larger commercial uses such as a grocery store. The Downtown Mainstreet will serve as a community focal point that fosters social interaction and reinforces a strong sense of place. For this reason, a public plaza is included in the Downtown Mainstreet.

4.1.3. Residential Neighbourhoods

Residential neighbourhoods will form the largest part of the new community. These residential neighbourhoods will offer a diverse mix of housing types, ranging from single-detached dwellings to multi-unit apartment buildings, as well as different housing tenures including rental and ownership housing. Housing options will be provided to meet a variety of income levels, including both Affordable housing and Attainable market housing, as described in the Provincial Planning Statement, 2024.

Parks, schools, and trails are important to supporting the success of residential neighbourhoods. The location of parks and schools and their connections to where people live will be appropriately designed and provided, creating a safe environment for walking, cycling, and driving.

4.1.4. Integrated Street Network

A well-designed, connected, and efficient street network is fundamental to a community's structure as it ensures safety for pedestrians and all road users, supports local businesses by attracting customers, and provides convenient access to homes, parks, open space, and essential services.

The street network establishes the framework for future transit routes and supports densities that make transit work better. The street layout provides connections to the County road system – supporting good access for residents, workers, and visitors. Active transportation is included in all street designs ensuring safe movement for pedestrians, cyclists, transit, and drivers.

4.2 Land Use Plan and Policies

4.2.1. Land Use Plan

The Land Use Plan (**Map 2**) provides an illustration of the intended spatial organization and community structure for development of the Hospital Lands. It is intended to guide preparation of the forthcoming proposed Amendment to the Central Elgin Official Plan and subsequent planning approvals. The proposed Amendment to the Central Elgin Official Plan should be read in conjunction with the Policy Directions contained in this Report.

The Land Use Plan does not represent a development approval and does not establish site-specific zoning, density, or detailed design requirements. Rather, it identifies the general distribution and relationship of land uses, streets, parks, open spaces, and community elements that together form the framework for a complete and integrated community.

4.2.2. Provincial Planning Statement

The Provincial Planning Statement, 2024 (PPS) provides the province’s policy direction on land use planning and development and establishes a vision for Ontario that supports housing supply and mix, employment, efficient use of infrastructure and public service facilities, cultural heritage conservation, climate change mitigation, protection of natural and agricultural resources, and Indigenous engagement and reconciliation. Pursuant to the *Planning Act*, municipal official plans and policy decisions must be consistent with the PPS.

The Policy Directions and Land Use Plan for the Hospital Lands are consistent with the Provincial Planning Statement, 2024. The Policy Directions support a compact, complete community with a full range and mix of housing options, transit-supportive development, protection of cultural heritage and archaeological resources, natural heritage protection, and climate resilience.

Given the scale and significance of the Hospital Lands, the Policy Directions are intended to support efficient land use and infrastructure planning and to align with minimum density objectives identified in provincial policy. The minimum density target of 50 residents and jobs per hectare will inform the land use framework and will be implemented through the Official Plan Amendment, subject to detailed technical work, market considerations, and phasing aligned with servicing capacity.

4.2.3. Relationship to the Elgin County Official Plan

The County adopted its New Official Plan in 2024, which replaced the previous 2013 Official Plan, and sets out the planning framework to manage growth and land-use throughout the County to 2054. The County’s New Official Plan was approved, with modifications, by the Ministry of Municipal Affairs and Housing on September 2nd, 2025, and is now in full-force and effect.

The County’s New Official Plan identifies the entirety of the Hospital Lands as being within the Tier 1 Settlement Area in Central Elgin. This designation confirms the Hospital Lands as a priority location for urban growth and establishes the County’s policy direction that development of these lands should occur within the settlement area framework. For the purposes of this Policy Directions Report and the forthcoming Official Plan Amendment to the Central Elgin Official Plan, the Tier 1 designation provides the policy foundation for advancing detailed land use planning, infrastructure coordination, and phased development of the Hospital Lands, shifting the focus from whether growth is appropriate to how it should be planned and implemented.

The Land Use Plan and Policy Directions are intended to implement the Elgin County Official Plan at the local municipal level by establishing a detailed land use framework for the Hospital Lands within the Norman-Lyndale Settlement Area.

The Policy Directions conform to the County Official Plan by:

- directing the majority of growth to designated settlement areas, which supports the efficient use of land and infrastructure;
- protecting prime agricultural areas;
- facilitating compact, pedestrian-friendly, complete communities that centre around a vibrant main street;
- supporting economic development opportunities;
- ensuring an adequate supply of residential land and a mix of housing types;
- establishing an integrated transportation system that safely and efficiently accommodates various modes of transportation;
- facilitating community and recreational uses and opportunities;
- protecting the Natural System and ecological features and functions;
- directing development away from natural and manmade hazards; and,
- protecting and conserving cultural heritage and archaeological resources.

No changes to County-level land use designations or settlement area boundaries are proposed through this Report.

4.2.4. Relationship to the Central Elgin Official Plan

The Central Elgin Official Plan is the Municipality's primary land use planning document.

Under the current Official Plan, the Hospital Lands are designated Special Policy Area 1 – St. Thomas Psychiatric Hospital for the lands associated with the existing hospital buildings and uses, with the remainder of the lands designated Agricultural. The Special Policy Area 1 designation limits development to existing uses until the ultimate use of the site is established through an Official Plan Amendment. As a result, the current Official Plan does not provide a comprehensive land use framework or policy direction to support redevelopment of the Hospital Lands as a new community, however, its policies do provide guidance for development of that framework.

Central Elgin's Official Plan provides the following goals for urban settlement areas:

1. Provide the focus for sustainable urban development;
2. Provide sufficient designated and serviced lands to accommodate projected growth;
3. Provide commercial, community, and park facilities to serve residents;
4. Encourage a compact urban form and mix of uses and promote active transportation and transit-supportive development; and,
5. Encourage complete, healthy, and safe communities that promote climate resilience and protection of the environment.

The Policy Directions and Land Use Plan set out in this Report are intended to inform a forthcoming Official Plan Amendment that will replace the existing Special Policy Area



and Agricultural designations with a coordinated land use framework and supporting policies. Consistent with the current Official Plan, adaptive reuse of the vacant hospital buildings is encouraged, where feasible.

5. POLICY DIRECTIONS

Official Plan policies address land use planning considerations, unique circumstances, and a multitude of topics regarding growth and development, such as transportation, cultural heritage, infrastructure and servicing, and urban design. The Policy Directions set out below, and the land use designations contained in the Land Use Plan (**Map 2**), when approved, are the foundation for development of the Official Plan Amendment to permit re-development of the Hospital Lands.

5.1 Housing and Residential Neighbourhoods

Providing housing for people who call Central Elgin home is fundamental to the success of the new community on the Hospital Lands. This includes housing for current residents as well as future residents looking to move to Central Elgin. Analysis of the current housing market and expected job growth in Central Elgin and St. Thomas demonstrate the need for more housing supply and a greater range of housing choice to meet the needs of current and future residents.

The Policy Directions for housing are as follows:

1. Provide a range of housing choices through low, medium, and high density housing choices.
2. Low density housing is defined by:
 - a. Single-detached, semi-detached, duplexes, triplexes and townhouse buildings;
 - b. A height of 3-4 storeys;
 - c. A density of approximately 25-40 units per hectare; and,
 - d. Generally located within the interior of the neighbourhood.
3. Medium density housing is defined by:
 - a. Higher density housing including fourplexes, townhouses (such as stacked townhouses) and apartment buildings up to 6 storeys;
 - b. A minimum height of 3 storeys;
 - c. A density of approximately 40-75 units per hectare; and,
 - d. Generally located on collector roads and adjacent to the Sunset Institutional Corridor.
4. High density housing is defined by:
 - a. Apartment buildings up to 8 storeys;
 - b. A minimum height of 4 storeys;
 - c. A density of greater than 75 units per hectare; and,
 - d. Located at the intersection of collector roads and the County roads with access only from the collector roads.
5. Ensure that a mix of housing options is provided through the above policies as well as:

- a. Supporting a diverse housing supply through a mix of unit sizes and configurations;
 - b. Supporting innovative housing types (e.g. modular housing, timber frame construction);
 - c. Supporting Affordable and Attainable housing;
 - d. Supporting Additional Needs Housing;
 - e. Supporting a range of housing tenure: rental, ownership, co-operatives;
 - f. Requiring new low density housing provides additional residential unit opportunities through the construction process;
 - g. Requiring developers to provide a housing impact statement to track progress towards Central Elgin's housing goals;
 - h. Using innovative planning tools to streamline approvals for housing.
6. Incorporate childcare centres into the residential neighbourhoods.
 7. Focus residential areas around parks, schools, and a community centre.

5.2 Downtown Mainstreet

The Downtown Mainstreet will be the community focal point, designed to be walkable and vibrant, while featuring a mix of uses that support local businesses and public spaces for people to gather and socialize. The Downtown Mainstreet will provide services such as restaurants, day-to-day retail stores, a grocery store, drug store, bank(s), professional services such as dentists and doctors, and more, to serve residents of the new community.

Recognizing that it may take several years for this new community to reach the population needed to support a full commercial main street, interim uses will be permitted in the early stages of development that will serve residents as the community grows. Buildings intended for these early uses will be designed with flexibility so they can transition to permanent Mainstreet functions over time. For example, while the long-term plan includes a grocery store, smaller-scale food retailers will be encouraged in the early stages to help meet the day-to-day needs of residents.

The Policy Directions for the Downtown Mainstreet are as follows:

1. The Downtown Mainstreet will be a commercial core with:
 - a. Ground floor commercial uses that front onto the street;
 - b. Enhanced design for building facades, entrances, and well-proportioned windows that provide greater interest from the street;
 - c. Enhanced landscaping to create an inviting street;
 - d. Sidewalks and pedestrian access from the street to the buildings;
 - e. Parking at the rear of the commercial uses;
 - f. Residential units and/or office units above the commercial uses;
 - g. A height of 3-6 storeys.

2. Highway commercial uses such as big box retail, automobile dealerships, and large retail plazas will not be permitted.

5.3 Sunset Institutional Corridor

The Sunset Institutional Corridor includes existing institutional uses on both sides of Sunset Drive and includes the existing vacant Hospital Buildings, which are designated under Section 29 Part IV of the *Ontario Heritage Act*. These existing institutional uses reinforce the significance of Sunset Drive as the institutional precinct in the community.

The Sunset Institutional Corridor is intended to support a broad range of institutional uses that align with provincial infrastructure priorities. While health care and related facilities are anticipated, the goal is to also attract institutions that contribute to community well-being, workforce development, and long-term economic resilience. Potential uses could include education and training centres, public administration, research and innovation facilities, health care facilities, and non-profit or private institutions delivering essential public services. The Policy Directions for the Sunset Institutional Corridor are as follows:

1. New institutional uses will be located either within or on the lands of the current hospital buildings;
2. High quality architectural design will be required, including landscaping and building design; and,
3. Cultural heritage resources shall be conserved, and adaptive reuse options shall be encouraged.

5.4 Archaeological Resources

The proposed Land Use Plan identifies areas of known archaeological potential and/or known archaeological sites. Some of these areas will be protected by an Ontario Heritage Trust easement that will outline site specific requirements for conservation and management. Other lands have been identified as needing additional archaeological assessments. These sites are important to the Indigenous history of this area and the use of the Hospital Lands by European settlers.

The Policy Directions for areas of archaeological potential and significant archaeological resources are as follows:

1. Site alteration and/or development will not be permitted on lands containing significant archaeological resources unless it has been demonstrated these resources shall be conserved;
2. It will be ensured that rights-holding First Nations will be consulted and engaged throughout the archaeological process; and,
3. Lands covered by the Ontario Heritage Trust easement shall be managed in accordance with the terms and conditions of that agreement.

5.5 Community Services and Facilities

Schools, community centres, and other public service facilities are important to neighbourhoods, communities, and their residents. These are places for people to gather, learn, play and grow as a community.

The Policy Directions for Community Services and Facilities are as follows:

1. Identify sites and locations for community facilities such as schools and a community centre/community facilities; and,
2. Ensure community facilities can be accessed from all parts of the new community by all modes of transportation.

5.6 Parks and Open Space

Parks and open space are a critical part of building great neighbourhoods for people. They provide different types of recreational and leisure activities for people of all ages and abilities, while promoting a healthy and active lifestyle. New parks and open space are integrated into the proposed Land Use Plan.

The Policy Directions for Parks and Open Space are as follows:

1. Provide a full range of parks from small parks to larger community-based parks;
2. All homes are to be within 15 minutes' walk to a park;
3. Provide connections from the street to parks and trails;
4. New neighbourhood parks will be a minimum of 1.0 hectare;
5. Community parks that serve the broader area for uses such as sports fields will be a minimum of 4 hectares; and,
6. Ensure that parks and open space areas are designed for people of all ages and abilities, with a mix of passive and active recreational facilities and a range of small-scale complementary uses (cafes, vendors, kiosks), while providing comfort for users, incorporating placemaking elements such as furniture, healing gardens, public art and more, lighting and clear sightlines for safety and usability.

5.7 Natural Environment

The Natural Environment is important to sustainability and protecting water, birds, animals, plants, and trees. It is important to incorporate the Natural Environment features in the development of the Hospital Lands to ensure these features are protected and are connected to the rest of the community.

The Policy Directions for the Natural Environment are as follows:

1. Incorporate maps of natural environment features based on the work completed by the Province of Ontario;
2. Ensure connections between the natural environment, trails, schools, parks, and the community centre;
3. New development in the vicinity of natural environment features must assess and incorporate protection of these features; and,
4. A detailed Environmental Impact Study (EIS) will be required to determine the extent of the natural heritage features and whether development and future road connections will be permitted in the northwest portion of the Hospital Lands.

5.8 Built Heritage Resources

Several of the existing vacant hospital buildings are designated under s. 29, Part IV of the *Ontario Heritage Act* as part of a Municipality of Central Elgin by-law.

The Policy Directions for Built Heritage are as follows:

1. Establish specific heritage conservation goals for the Hospital Lands;
2. Update the existing *Ontario Heritage Act* designation by-law to reflect revised property boundaries and to ensure it meets current Provincial requirements;
3. Require Heritage Impact Assessments and, where appropriate, Conservation Plans to ensure the long-term conservation of the on-site built heritage resources;
4. Consider adaptive reuse of identified built heritage resources; and,
5. Establish opportunities for commemoration and interpretation.

5.9 Urban Design

Urban design refers to a series of policies and choices to build quality developments and great public spaces, to encourage the overall attractiveness of the community. It is comprised of collective design elements such as the streetscape, public spaces, building and architectural features, landscaping, lighting, sidewalks, and more. Excellent urban design supports a unique and vibrant community that is safe, pleasant, and easy to get around.

The Policy Directions for Urban Design are as follows:

1. Prioritize the following elements of great places:
 - a. People-oriented and human-scaled design;
 - b. Inclusivity for people of all ages and abilities;
 - c. Incorporation of placemaking elements; and,
 - d. Safety enhancement through Crime Prevention Through Environmental Design (CPTED) principles.
2. Design streets to prioritize pedestrians and cyclists through the appropriate provision of wide, well-shaded, and connected sidewalks, street trees, lighting, safe crossings, and dedicated cycling infrastructure;

3. Incorporate exterior public spaces for people at the community centre, in the Downtown Mainstreet, at all schools, and all medium and high density housing sites; and,
4. Incorporate signage and public art that references the agricultural roots of the community. Collaborate with the community to recognize Central Elgin, First Nations, the new opportunities arising from the VW Battery Plant and to celebrate through names, signage and public art.

5.10 Sustainability / Climate Change

The design of the new community can play an important role in responding to climate change and promoting long-term environmental sustainability. The development of the Hospital Lands will have a focus on integrating sustainable design strategies into the community.

The Policy Directions for Sustainability / Climate Change are as follows:

1. Support the planting and long-term maintenance of street trees and native vegetation within the public realm to provide shade, enhance microclimate, mitigate local heat island effects, improve air quality, and reinforce the community's green character and increase climate change resilience. Encourage the use of water-efficient and drought-resistant landscaping across the Hospital Lands; and,
2. Require best management practices for the management of stormwater, including the use of low-impact development (LID) measures (bioretention, infiltration trenches, green roofs).

5.11 Mobility

Mobility options influence how we move through and access housing, jobs, recreation, and other opportunities in the community, which is a key factor that directly impacts healthy and active lifestyles, as well as the structure and land-uses in a community. A complete community supports a multi-modal transportation system that includes active transportation and transit, with regard for complete streets and a compact, pedestrian-oriented built form. The development of the Hospital Lands should ensure an integrated mobility network that contributes to the reduction of greenhouse gas emissions, promotes walkability, safety, transit-readiness, and a pedestrian-oriented environment, and reduces reliance on single-occupancy vehicles. Mobility on the Hospital Lands must also be future focused – planning for and implementing innovative mobility options as this community grows and develops.

The Policy Directions for Mobility are as follows:

1. Implement an approach to the streets that facilitates and integrates various modes of transportation, while designing for safe, efficient, and economic movement of different road users;
2. Promote an integrated active transportation network which provides for safe, convenient, and direct multi-use paths, walking routes, and cycling routes.
3. Facilitate a transit-ready approach by:
 - a. Building densities that support transit; and,
 - b. Incorporating transit into street design such as transit shelters, infrastructure to support transit, and more;
4. Provide for on-street parking on various road types in a manner that ensures alignment with the transportation, land-use, and urban design objectives for the Hospital Lands;
5. Ensure that the planned road network connects to the existing road system in order to facilitate linkages between existing and future neighbourhoods, and existing developed communities;
6. Establish a grid road network in order to minimize travel distances and improve connectivity;
7. Incorporate connections to existing and planned trails;
8. Incorporate opportunities for emerging and new technology in transportation into the mobility options; and,
9. Plan and design a comprehensive and integrated active transportation network that provides safe and continuous linkages between key destinations.

5.12 Water and Wastewater Servicing

There are existing water and wastewater services provided to the vacant hospital buildings on the Hospital Lands. These services, however, are not sufficient to service full build out of the Hospital Lands. Ongoing work includes addressing how water and wastewater servicing is to be provided including an overall financial plan for the required infrastructure.

The Policy Directions for Water and Wastewater Servicing are as follows:

1. Ensure infrastructure is developed in a manner that minimizes social and environmental impacts, and considers long-term maintenance, operational, and financial requirements;
2. Finalize the overall system design for water and wastewater to service the full build-out of the Hospital Lands;
3. Require all development in the Hospital Lands to be connected to the water and wastewater systems;
4. Develop an allocation policy to utilize water and wastewater servicing;
5. Ensure the first phase of development incorporates an east west collector from Sunset to the current Agriculture lands to allow servicing to be extended; and,

6. Identify how development will be implemented through phasing so that infrastructure, capital and growth are tied together.

5.13 Stormwater Management

How stormwater is managed is key to protecting people, property, and infrastructure. Stormwater can be a resource in development through the use of stormwater ponds that connect the overall community. Stormwater management also addresses how stormwater is dealt with on individual properties to lessen the overall impact on the surroundings, and as a method to use the water as a resource for site landscaping. Development is to be designed to conserve water, use stormwater as a resource for landscaping and irrigation, and to integrate with protection of the Natural Environment.

The Policy Directions for Stormwater Management are as follows:

1. Develop stormwater management facilities to be naturalized facilities, and incorporate native planting to help support pollinator species, and enhance biodiversity;
2. Design stormwater management facilities to support key features and ecological functions of the Natural Environment; and,
3. Design stormwater management facilities as part of the overall active transportation system, providing connectivity to trails, community facilities, and parks.

5.14 Phasing and Financial Tools

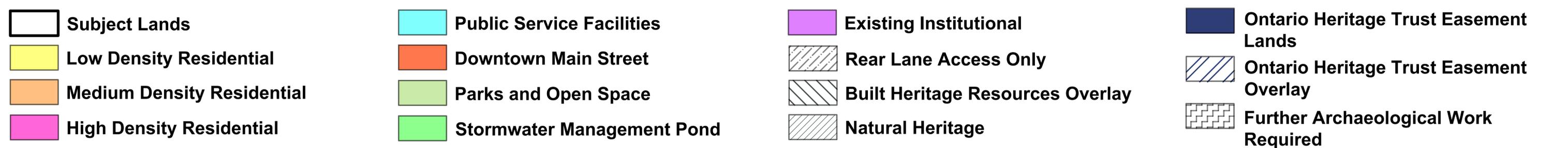
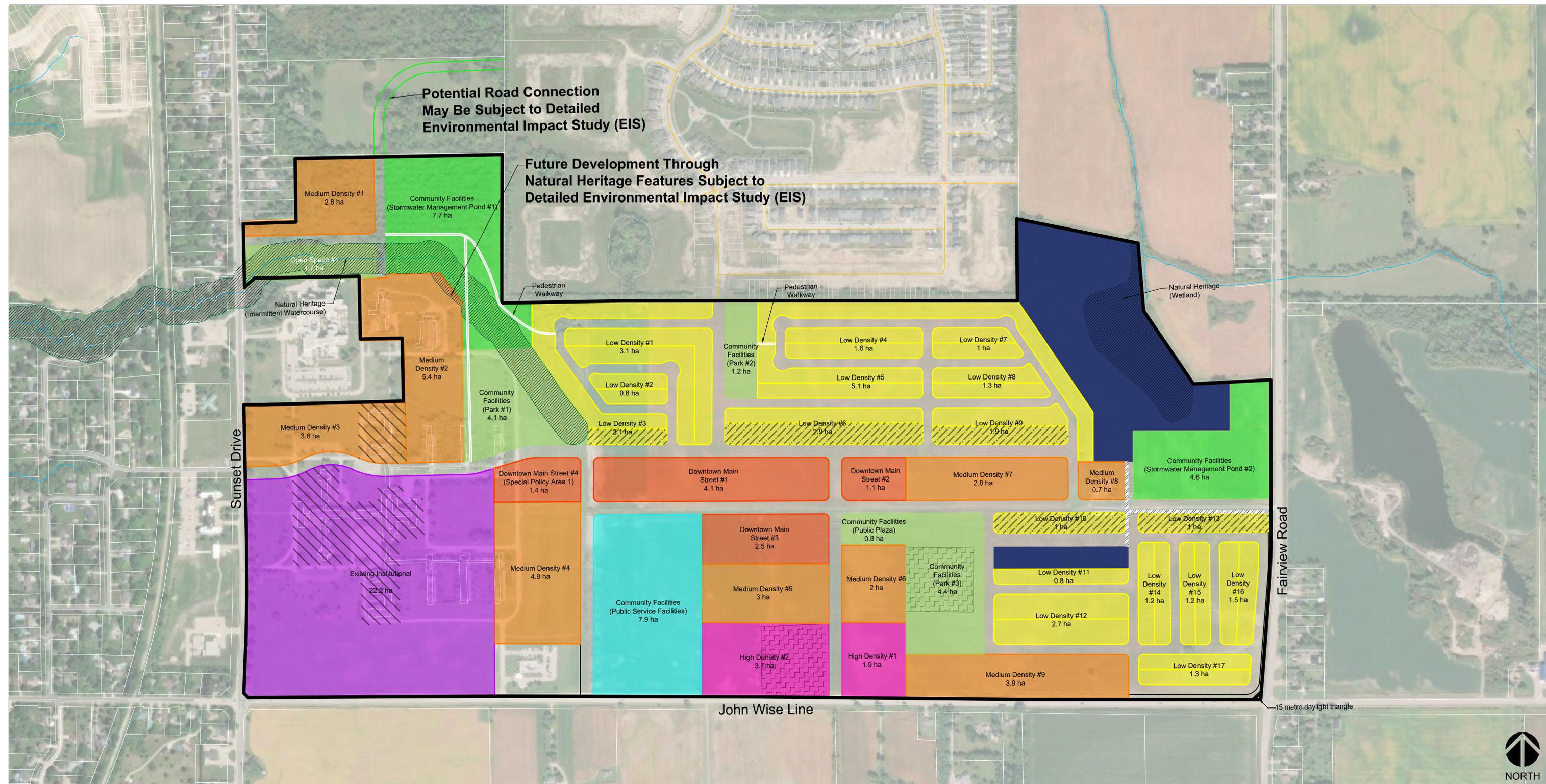
The Hospital Lands are a large site that will develop over several years. Coordination of development is very important to ensure the new development aligns to the infrastructure servicing plans, addresses the financial requirements for servicing, and includes provision of community services such as parks, trails, active transportation, commercial areas, technology needs, and overall connectivity to the broader community.

The Policy Directions for Phasing and Financial Tools are as follows:

1. Implement the planned growth in accordance with the Phasing Appendix to the Plan. The Phasing Appendix will be developed in alignment with the water and wastewater servicing plans and related capital financing plans;
2. Provide flexibility in phasing to ensure adequate land, infrastructure, technology needs and community services are available to achieve the overall vision and principles of the Hospital Lands Plan. Changes to phasing will require approval from Central Elgin Council but will not require an amendment to the Phasing Schedule;
3. Require future landowners to enter into agreement(s) to share the costs of the major infrastructure projects and associated studies and plans required for the

development of the Hospital Lands which are not otherwise covered by Development Charges;

4. Update the Development Charges Background Study and By-law to incorporate the required projects to implement the Hospital Lands Plan;
5. Work with residents and developers to minimize construction impacts in this community; and,
6. Complete a Community Benefits Strategy and By-law to comply with Provincial requirements.



Schedule B: Engagement Executive Summary

Between September and November 2025, the Municipality of Central Elgin conducted extensive community and stakeholder engagement to gather input on the future development of the former Psychiatric Hospital Lands. Residents, local organizations, and stakeholders provided valuable feedback on the Draft Policy Directions and Land Use Plan, helping to shape a vision for a complete, inclusive, and sustainable community.

The feedback highlighted a broad range of priorities, concerns, and ideas. More specifically, under the 5 key themes:

Housing and Affordability

- Participants emphasized the need for diverse housing types, including high- and medium-density options, seniors' housing, and deeply affordable units to support current and future residents.

Parks and Green Space

- Residents expressed a desire for more parks, naturalized areas, trails, and ecological preservation. Feedback focused on accessible and connected green spaces, protecting existing trees and habitats, and ensuring active and passive recreation opportunities are integrated throughout the community.

Transportation and Mobility

- Comments highlighted the need for safe, walkable, and bikeable streets, enhanced transit connections, careful road design, and pedestrian-focused infrastructure.

Community Facilities and Services

- Stakeholders supported a vibrant main street, local commercial amenities, community centers, and cultural heritage preservation.

Heritage and Identity

- The site's historical significance was widely recognized, with participants encouraging the preservation and reuse of the former hospital's architectural features.

The engagement work included introducing the project, presenting the Vision Statement, Guiding Principles, and draft Policy Directions and Land Use Plan, and gathering feedback on opportunities and concerns.

Engagement activities were supported by a comprehensive communication program led by Municipal staff, using digital platforms, direct outreach, print materials, signage, newsletters, and media advertising to ensure broad community awareness and participation. Feedback was obtained through one in-person Public Open House, an online survey, and four virtual stakeholder meetings. In total, 453 participants provided input.

Additional project information, engagement materials, and updates are posted on the Municipality of Central Elgin's website <https://www.letstalkcentralelgin.ca/reimaginehospitallands>, where residents can also continue to stay informed about the project.