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YORK REGION EMPLOYMENT LAND AREA ANALYSIS

The Planning and Economic Development Committee recommends the following:

- 1. The presentation by Anthony Ierullo, Planner, Long Range and Strategic Planning, be received; and**
- 2. The recommendation contained in the following report dated April 1, 2008, from the Commissioner of Planning and Development Services, be adopted:**

1. RECOMMENDATION

It is recommended that:

1. This report be circulated by the Regional Clerk to local municipal planning staff, the Minister of Municipal Affairs and Housing, the Minister of Public Infrastructure and Renewal and other interested stakeholders.

2. PURPOSE

The purpose of the report is to:

- Provide detailed information on the current characteristics of York Region's employment lands.
- Set the framework for future analysis supporting a long term approach to planning for employment lands in York Region.

3. BACKGROUND

The Provincial Growth Plan for the Greater Golden Horseshoe "*Places to Grow*" forecasts an additional 520,000 residents and 340,000 jobs in York Region by 2031. Managing this growth effectively requires matching the forecasted population growth with high quality employment. Regional staff have undertaken a detailed analysis of the Region's employment land areas. The information in this analysis will enable the Region to make more informed decisions on employment uses and provides the context for Regional population and employment growth forecasts and land needs assessment. Moreover, it sets the framework for future analysis supporting a long term approach to planning for employment lands in York Region.

This report is one of a series that will assist in understanding and planning for employment in York Region. Additional reports analyzing employment trends in York Region include the York Region Employment and Industry Report, the York Region Vacant Employment Land Inventory, the Planning For Tomorrow Part 1 – York Region Population and Employment Forecasts and Planning For Tomorrow Part 2 – 2031 York Region Land Requirements.

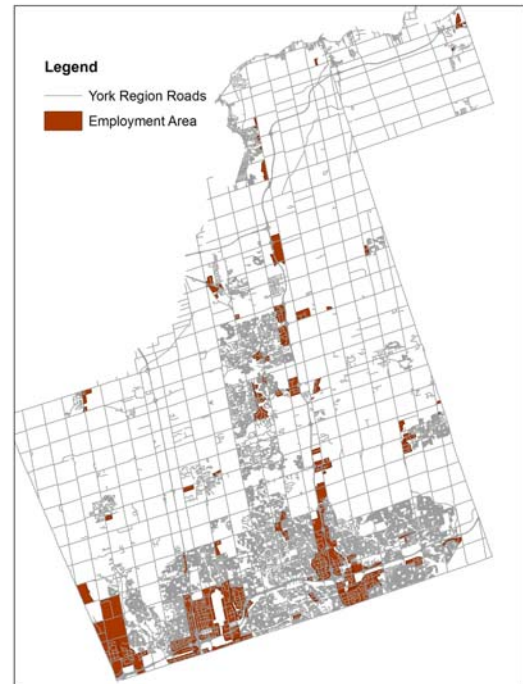
Categorizing employment in York Region

Employment lands are defined as areas designed in an Official Plan for clusters of business and economic activities, including, but not limited to, manufacturing, offices and associated retail and ancillary uses (Provincial Policy Statement, 2005). Changes in the economy have altered the function of employment areas to include a broader range of uses. *Figure 1* outlines York Region's employment lands as highlighted in current Local Official Plan designations.

For the purposes of this report, employment in York Region is organized into the following categories: Major Office, Population-Related and Employment Land Employment. These categories are defined as follows:

- **Major Office Employment**
Major office employment is defined as employment occurring in office buildings of 1,860 square metres (20,000 sq.ft.) or larger.
- **Population Related Employment**
Population related employment consists primarily of employment which serves the local population. Growth of this type of employment is directly related to population growth and is usually dispersed throughout the community.
- **Employment Land Employment**
Employment land employment includes all jobs that exist on employment lands excluding major office. Although the predominant built form of employment on these lands is single storey industrial type building space, uses such as service commercial, institutional and ancillary retail are also found in these areas. This type of employment generally requires new vacant land for development.

Figure 1: York Region's Employment Lands



Source: York Region Planning and Development Services Department, 2008

4. ANALYSIS AND OPTIONS

The York Region Employment Land Area Analysis Report includes sections on York Region's historical employment growth, vacant employment lands, employment land characteristics and employment land intensification opportunities. The key findings from these analyses are briefly summarized below.

4.1 EMPLOYMENT GROWTH AND VACANT EMPLOYMENT LANDS

Rapid employment growth recorded over the past two decades

York Region has experienced rapid population and employment growth over the past two decades. During this period, manufacturing has maintained its role as York Region's primary employer. However, the trend has been a progressive shift towards service-related employment, matching the strong population growth during the same period. This growth in employment has resulted in a steady rate of employment land absorption during the same period, with approximately 120 net hectares per year absorbed between 2001 and 2006. This strong growth in population and employment is expected to continue for the next 2 decades. Accommodating this growth will require the availability of strategically located vacant employment lands.

Between 1986 and 2001, York Region's employment increased from approximately 170,000 to 385,000. During this period, manufacturing has maintained its role as York Region's primary employer. However, the trend over the past two decades has been a progressive shift towards service-related employment, matching the strong population growth during the same period. A large proportion of the employment growth was observed in the business services sector.

Potential long term supply issues in some local municipalities

The total supply of vacant employment land in York Region is approximately 2,894 net hectares, representing 39% of total employment land in York Region (2006). The City of Vaughan possesses the largest supply of vacant employment land at 1,269 net hectares, while the Town of Newmarket has the smallest supply at 60 net hectares. While the current supply of employment land should be able to readily serve the short-term, there are long-term issues in some municipalities. Aurora, Newmarket and Richmond Hill are approaching complete build out. The City of Vaughan continues to dominate the long-term supply of vacant lands, with 48% of the total net inventory (1,269 net hectares or 3,136 net acres).

4.2 EMPLOYMENT LAND CHARACTERISTICS

Prominent built form on employment lands is single storey industrial

The analysis indicates that the majority of York Region's employment lands are occupied by single storey industrial structures. In newer applications, the addition of a smaller scale office component to a single storey industrial structure is more common. There are also a growing number of industrial and commercial condominium applications that cater to a more diverse group of industry sectors. Employment lands that include a larger proportion of office and industrial condominium built forms typically attract higher built densities.

Employment land densities vary by local municipality

York Region's employment land densities vary based on local municipality. The more mature employment lands within Aurora, Markham, Newmarket, Richmond Hill and Vaughan are typically associated with higher densities, averaging approximately 52 jobs per net hectare. Lower densities were observed in the more rural municipalities of East Gwillimbury, Georgina, King and Whitchurch-Stouffville, with an average net density of 31 jobs per net hectare or below. On average, the Region's employment lands are built at a density of approximately 50 jobs per net hectare (including industries on private services). This density increases to 60 jobs per net hectare with the inclusion of major office. A complete account of the effects of major office on employment land densities is seen in Table 1:

Table 1
Employment Land Density Comparison With and Without Major Office

Municipality	Occupied Area (Ha)	Occupied Area (Ha) (w/out Major Office)	Employment Land Employment	Employment Land Employment (w/out Major Office)	Employment Density (jobs/ha)	Employment Density (Jobs/ha) (w/out Major Office)	Difference (jobs/ha)
Aurora	187	182	8,968	7,914	48	43	5
East Gwillimbury	119	119	1,362	1,362	11	11	0
Georgina	31	31	911	911	29	29	0
King	45	45	1,036	1,036	23	23	0
Markham	1,058	850	93,514	49,574	88	58	30
Newmarket	212	212	14,354	14,354	68	68	0
Richmond Hill	369	333	28,487	21,748	77	65	12
Vaughan	2,133	2,077	104,880	97,973	49	47	2
Whitchurch-Stouffville	153	153	4,801	4,801	31	31	0
York Region	4,307	4,003	258,313	199,674	60	50	10

York Region's employment land densities are amongst the highest in the GTAH

An analysis of GTAH employment land densities suggests that densities in York Region are amongst the highest in the GTAH. The average Regional density of 50 jobs per net hectare is higher than all of the analyzed municipalities, with the exception of the City of Burlington. The Towns of Newmarket, Richmond Hill and Markham have the highest average employment densities amongst the selected municipalities. Table 2 outlines the average employment land densities across the GTAH for selected municipalities.

Table 2: GTAH Employment Land Densities

Estimated Employment Land Densities Selected Municipalities in Ontario, 2003,2006 Excluding Free standing Major Offices	
Municipality	Employees Per Net Ha
<i>Town of Newmarket (2006)</i>	68
<i>Town of Richmond Hill (2006)</i>	65
<i>Town of Markham (2006)</i>	58
City of Burlington	54
York Region (2006)	50
<i>City of Vaughan (2006)</i>	47
City of Ottawa	47
City of Toronto	45
<i>Town of Aurora (2006)</i>	43
City of Brampton	42
City of Oakville	40
City of Mississauga	37
City of Caledon	35
City of Hamilton	32
<i>Town of W hit church-Stouffville (2006)</i>	31
Town of Whitby	30

Source: York Region Planning and Development Services
Hemson Consulting Ltd. (Based upon Municipal Data) City of Toronto
Long Term Employment Land Strategy

York Region's employment land densities in its urban communities are slightly above the 'Places to Grow' requirement

The Provincial Growth Plan includes a minimum density requirement of 50 people and jobs per hectare for designated Greenfield areas. Regional staff have conducted a cursory analysis that compares York Region's employment land densities to the provincial target. The average employment land density including major office in the Region's five urban municipalities (Aurora, Markham, Newmarket, Richmond Hill and Vaughan) is approximately 63 jobs per net hectare. Assuming a 25% net to gross conversion rate translates to 50.6 jobs per gross hectare for the five urban municipalities, which is slightly above the 50 people and jobs per hectare required in *Places to Grow*. York Region's average employment land density for all nine local municipalities (including industries on private services and major office) is 60 jobs per net hectare, which translates to approximately 48 jobs per gross hectare.

Major retail is not currently occupying large amounts of employment land

Analysis indicates that existing major retail is not occupying large areas of employment lands. Instead, there appears to be a stronger relationship between York Region's power centres and the Regional Centres, which may not be entirely consistent with the York Region Centres and Corridors Strategy. The analysis identifies six shopping centres and four power centres that occupy approximately 238 gross hectares and 220 gross hectares, respectively. These lands employ approximately 24,000 people, primarily in the retail trade sector. The analysis also indicates that major retail is a relatively efficient use of land with density averages between 40 and 60 jobs per gross hectare. However, these densities reflect a relatively high proportion of part time and seasonal employment in major retail areas (approximately 55% to 60% of total major employment is either part time or seasonal). As York Region's population grows, additional major retail uses can be anticipated and should be considered as part of the Region's urban land area requirements. The analysis also suggests that the amount of retail in York Region is consistent with the amount identified in other GTA municipalities.

4.3 EMPLOYMENT LAND INTENSIFICATION

Intensification potential is limited

While there are no employment-specific intensification targets set out in *Places to Grow*, employment land intensification could help accommodate some of the 340,000 jobs forecast for York Region. A cursory analysis of employment land intensification through the development of underutilized parcels suggests that there are 186 hectares of employment land (85 parcels) that could potentially add 9,500 jobs through intensification (based on the current built densities). However, the timing and amount of employment land intensification relies on a variety of market driven conditions. As a result, it is difficult to predict the level of intensification that should be expected on employment lands. As such, there is a need to plan for employment land requirements based on forecasted demand that excludes an intensification component. However, York Region will continue to encourage the intensification of population and employment lands where possible.

4.4 NEXT STEPS

Based on the information presented in this report, Regional staff will be preparing an updated employment land budget in the spring of 2008. Thereafter, the employment land strategy will begin to consider potential policy options in preparation for the update of the Regional Official Plan. The strategy will consider key policy directions to position York Region in terms of maintaining an appropriate balance of population and employment, sectoral diversity and appropriate employment land densities. Key areas of consideration will include:

- Considering major retail in the land budget process
- Encouraging intensification on employment lands
- Targeting high quality jobs and sectors
- Taking a long term strategic approach to employment lands
- Identifying and preserving strategically significant employment lands
- Examining ways to encourage major office to locate in centres and corridors

Relationship to Vision 2026

The York Region Employment Land Area Analysis supports the Vision 2026 goal of maintaining managed and balanced growth by addressing the action area of taking a strategic approach to growth management.

5. FINANCIAL IMPLICATIONS

Employment lands play a central role in the Region's economy. Supporting the long term success of employment lands is integral to the fiscal health of a community and can directly affect economic development and diversification of the assessment base.

The York Region Employment Land Area Analysis has been completed by staff within the approved budget for York Region's Planning and Development Services Department.

6. LOCAL MUNICIPAL IMPACT

Employment land characteristics and trends from each of the nine local municipalities of York Region are identified and analyzed in this report. The employment information contained in the attached report was collected with the assistance of all nine local municipalities through the efforts of the York Region Employment Database Working Group.

7. CONCLUSION

York Region is committed to preserving strategically significant lands for employment uses. Employment lands are constantly evolving based on economic and business trends. Thus, it is important to understand the employment dynamics that are prominent in these areas. Understanding these dynamics will provide insight into the required characteristics of future employment land developments. There are several key observations that have resulted from this analysis.

York Region's employment lands are primarily occupied by single storey industrial structures and are built at a density of approximately 60 jobs per net hectare including the

major office that is on employment lands. The average employment land density in the Region's five urban municipalities (Aurora, Markham, Newmarket, Richmond Hill and Vaughan) is approximately 63 jobs per net hectare including major office. This average density is slightly above the 50 people and jobs per hectare required in *Places to Grow* (based on a 25% net to gross conversion rate).

It is difficult to predict the level of intensification on employment lands, since it relies on a variety of market driven conditions. As such, York Region will continue to encourage employment land intensification to enhance employment land densities. However, there is a need to plan for employment land needs based on the forecasted demand, while not including an intensification assumption.

A preliminary evaluation of major retail in York Region suggests that the majority of the Region's major retail is outside of employment lands. However, as York Region's population grows, additional major retail uses can be anticipated. These uses will need to be considered as part of the Region's urban land area requirements outside of employment lands. The current ratio of retail employment to population in York Region is consistent with other GTA municipalities.

As highlighted in York Region's Economic Strategy, York Region must position itself to attract high quality employment sectors. This involves carefully monitoring employment trends to respond to potential shifts to specific industry sectors. This report helps to strengthen the understanding of York Region's employment lands, while supporting the Region's long term approach to planning for strategically significant employment lands. Ultimately, the analysis will inform the York Region Employment Land Strategy.

For more information on this report, please contact Anthony Ierullo, Planner at Ext. 1537, or John Waller, Director, Long Range and Strategic Planning at Ext. 1525.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)