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YORK REGION VACANT EMPLOYMENT LAND INVENTORY

The Planning and Economic Development Committee recommends the following:

- 1. The presentation by John Waller, Director, Long Range and Strategic Planning, be received; and**
- 2. The recommendations contained in the following report, August 17, 2005, from the Commissioner of Planning and Development Services, be adopted with the following amendments:**
 - 1. The words “for further detailed consultation” be added to the end of recommendation 1; and**
 - 2. Recommendation 3 be added as follows:**

“3. Staff be directed to prepare a strategy, in consultation with the local municipalities, regarding the supply of employment lands and specifically addressing 400 series highways, corridors and extensions.”

1. RECOMMENDATIONS

It is recommended that:

- 1. This report be received for information purposes and circulated to local municipalities and other interested stakeholders.**
- 2. Staff be directed to assess the supply of vacant employment lands by local municipality in light of the new Provincial forecasts.**

2. PURPOSE

2.1 Objectives

In 2001 a comprehensive up-to-date regional inventory of the supply and demand of employment lands was created. In 2002 a brief update was compiled. This is the first complete update to the 2001 inventory.

The key objectives of the vacant employment land inventory include the following:

- To provide an inventory of the supply of vacant employment land.
- To provide data on the rate of employment land consumption.
- To provide a supply/demand analysis.
- To identify the quality of vacant employment land.

- To identify employment land development trends.
- To provide a basis for reviewing Regional Official Plan policies.
- To provide a basis for comment on recent Provincial initiatives.
- To attract investment to the Region.

This update to the Vacant Employment Land Inventory is current to January 1, 2005. It is the Region's intention to continue to update the Vacant Employment Land database on an ongoing basis.

The Vacant Employment Land Inventory has become an integral component of York Region's growth management system. It is anticipated that the inventory will continue to provide relevant employment land information to assist in monitoring the pace of growth.

3. BACKGROUND

Economic vitality is one of the key themes of the Regional Official Plan. The provision of a broad array of vacant employment lands aids communities in achieving economic development objectives and bolsters the fiscal health of a community by expanding and diversifying the assessment base.

The *Provincial Policy Statement* also emphasizes that an appropriate mix and range of employment lands should be provided to meet long term planning needs.

A comprehensive Vacant Employment Land Inventory allows for better supply management decisions and when fed directly into the Region's growth management system, will allow for the closer monitoring of development within employment districts.

It is the Region's intention to continue to update the Vacant Employment Land database on an ongoing basis utilizing the Region's Development Tracking and Geographic Information Systems. It is anticipated that an up to date Vacant Employment Land Inventory will be an integral component of York Region's growth management system for monitoring the pace of growth, thereby allowing for more regular reports to Council.

3.1 Vacant Employment Lands

Employment Lands refer to those areas designated in an official plan for clusters of business and economic activities including but not limited to manufacturing, warehousing, offices and associated retail and ancillary facilities. Traditionally employment lands referred strictly to districts dedicated to industrial land uses. Changes in the economy have altered the function of employment lands to include a broader range of uses. In addition to traditional manufacturing and industrial activities, employment lands now include commercial, business, personal service, and industrial support activities.

Vacant employment lands refer to vacant parcels of land in designated employment lands, as well as those lands in rural areas that have received approval for industry on private services. Isolated parcels in the rural area that are outside designated employment lands are not included in the inventory. Mixed use areas such as the Vaughan Corporate Centre, Markham Centre, Bayview Glen in Richmond Hill and the Whitchurch-Stouffville live-work area have not been captured. The 2005 inventory also does not include the North 404 Employment Area in Markham which was recently approved by Council nor the Buttonville Airport.

3.2 Employment Categories

Typically employment is divided into three land use based categories:

- Major office employment is defined as employment in free standing office buildings 20,000 square feet or greater.
- Population related employment consists primarily of employment which serves the local population such as retail services, education services, municipal government services, social and community services, medical services and local office uses (local banks, local legal and accounting services).
- Employment land employment occurs in employment areas and includes such activities as manufacturing, research and development, wholesale warehousing, etc., and does not include employment already classified in the other two categories. This type of employment generally requires new vacant land for development.

The 2001 inventory analyzes only the employment lands portion of the total employment. In the Region approximately 58% of our total employment occurs on employment lands. The availability of a wide variety of vacant employment lands over the last decade has made it possible for the job creation rate to continue to exceed the population growth rate in York Region.

3.3 Internet Mapping

Included in the 2005 Vacant Employment Land Inventory Report are reference maps for each of the nine local municipalities. These reference maps display the locations of all employment lands as well as the vacant parcels within the employment lands. An internet address is provided with the reference maps. When the user navigates to the specified internet address, site specific information such as planning status and parcel area for each of the vacant parcels of land is displayed.

The 2005 Vacant Employment Land Inventory Report is contained in *Attachment 3*.

A Region wide map depicting employment areas and vacant employment land by local municipality is contained in *Attachment 2*.

4. ANALYSIS AND OPTIONS

4.1 Key Findings

The Vacant Employment Land Inventory report contains a number of key findings:

1. From June 1, 2001 to January 1, 2005 the average annual absorption rate of employment lands built for employment uses was 119 net hectares¹ (295 net acres) region wide.
2. As of January 1, 2005 the total vacant employment land supply of designated lands amounted to 2,862 net hectares (7,073 net acres). This includes lands in registered, draft approved, and pending plans of subdivision as well as lands designated for employment uses in approved official plans where no application has yet been received.
3. Approximately one third of the total supply of vacant employment land is located in areas that are not available for development in the short to medium term. Approximately 682 net hectares (1,685 net acres) in west Vaughan² are encumbered until the route of the Highway 427 extension is determined. Similarly, approximately 214 net hectares (528 net acres) in the Queensville Employment Area are encumbered pending the Highway 404 extension and the expansion of wastewater services into the area. In total, 896 net hectares (2,213 net acres) are encumbered in some fashion.
4. The total net supply of vacant employment land less the encumbered lands equals 1,966 net hectares (4,860 net acres).
5. A further 212 net hectares (524 net acres) of vacant employment land is approved only for development on private services³.
6. The supply of all vacant employment lands in York Region represents an approximate 18.5 year supply. Excluding encumbered lands and lands approved for industry on private services the supply amounts to 1,754 net hectares (4,336 net acres), or a 11.8 year supply.
7. The portion of vacant employment land in registered and draft approved plans of subdivision is 856 net hectares (2,114 net acres).

¹ Net employment area includes the private lands (lot area) that support employment land uses and excludes non-employment land uses such as roads, highways and open space. Net figures are derived from the assessment database where applicable. For large parcels net area was assumed to be 80% of the gross area.

² Encumbered employment areas in West Vaughan are Elder Mills, Huntington East, Huntington West and Nashville.

³ Industries on Private Services are serviced by individual, autonomous water supply systems that are owned, operated and managed by the owner of the property upon which the system is located.

8. Of the total inventory, approximately 982 net hectares (2,426 net acres), or 30% are presently fully serviced with water and wastewater facilities supplied by the Region.
9. Forty-five percent (45%) of the total number of vacant parcels in the inventory are less than 1 hectare in size. The total supply of these smaller size parcels amounts to 187 net hectares (462 net acres). Ten percent (10%) of the parcels are greater than 10 hectares. The total supply of these larger size parcels amounts to 1,488 net hectares (3,676 net acres).
10. Of the total inventory, 913 net hectares (2,255 net acres) are within half a kilometre of existing 400 Series Highways, representing 30% of the total supply. A total of 2,207 net hectares (5,454 net acres), or 77% of the total supply, are within 5.0 km of existing 400 Series Highways.

4.2 Supply of Employment Lands

From June 1, 2001 to January 1, 2005 the average annual absorption of vacant employment land in York Region was 119 net hectares (295 net acres). This absorption includes all lands that were built for employment uses and discounts lands that were redesignated for non-employment uses. A total of approximately 67 net hectares (167 net acres) were redesignated from employment to other uses during this period.

The supply of registered and draft approved employment land in York Region is 856 net hectares (2,114 net acres). The supply of all vacant employment land in York Region is approximately 2,862 net hectares (7,073 net acres). The City of Vaughan possesses the largest supply of vacant employment land at 1,367 net hectares (3,377 net acres), while the Town of Newmarket has the smallest supply at 76 net hectares (213 net acres).

In the Town of Markham the North 404 Employment Area and the Buttonville Airport lands have been approved for industrial uses but have not been included in this inventory. These two additional employment areas account for approximately 174 net hectares (465 net acres) of vacant employment land, which is equivalent to an additional 1.1 year supply.

The Regional Official Plan employment forecast to 2026 was used to calculate future demand for employment land in York Region. According to this forecast approximately 154,000 additional jobs will need to be accommodated on employment lands. The total existing supply of 2,862 net hectares (7,073 net acres) of vacant employment lands in the Region will accommodate employment land growth for approximately 18.5 years. Staff are currently in the process of updating the employment forecast in accordance with new Provincial forecasts. When the update to the forecast is completed, the supply/demand analysis of employment lands at the local level will be conducted.

In order to continue to attract diverse and quality employers to the Region, it is important that the Region offers a diverse and quality selection of employment lands with a wide variety of size, location and accessibility. Uncertainties in short to medium term

prospects for the economy indicate that the Region should provide a flexible and diverse supply of vacant lands in order to respond quickly to changing economic circumstances.

Although the Region wide total supply of vacant employment land of 2,862 net hectares (7,073 net acres) is approximately a 18.5 year supply, there are long term issues in some municipalities. Aurora, Newmarket and Richmond Hill are approaching complete built-out. In addition, the City of Vaughan currently dominates the long term supply with 48% of the total inventory, of which 50% is currently encumbered.

The suitability of any given site for immediate development varies greatly depending on a number of factors such as the parcels' planning status, the provision of water and wastewater services, the size of the parcel, and the accessibility of the parcel in relation to the 400 Series Highways. Sections 4.2.1 to 4.2.3 of this report explore these criteria as they apply to the supply of vacant employment lands. More in depth analysis of the inter-relationships of the data regarding servicing, site size and site accessibility will be considered for the next update to the inventory.

Tables detailing the absorption and supply of vacant employment land by local municipality are contained in *Attachment 1: Tables 1 and 2*.

4.2.1 Availability of Lands for Development

One of the main determining factors when assessing the supply of vacant employment land is the provision of necessary infrastructure. Fully serviced parcels allow for more immediate development of a site whereas unserviced parcels present restrictions. Encumbered parcels are currently constrained from being developed in the near future. Parcels of land that have been approved for Industries on Private Services (IPS) are not constrained from developing; however, the type of industry that is sustainable on these parcels is restrictive and provides less employment density than on regionally serviced parcels.

Of the total inventory, approximately 884 net hectares (2,184 net acres), or 31%, are presently fully serviced with water and wastewater facilities supplied by the Region. A further 871 net hectares (2,153 net acres), or 30% of the inventory are not currently serviced; however, it is the Region's intention to service them in the future.

Approximately one third of the total inventory has development constraints in the short to medium term. Approximately 682 net hectares (1,685 net acres) in west Vaughan are encumbered until the route of the Highway 427 extension is determined. Similarly, approximately 214 net hectares (528 net acres) in the Queensville Employment Area are encumbered pending the Highway 404 extension and the expansion of wastewater services. In total, 896 net hectares (2,213 net acres), or 28% are encumbered in some fashion.

Approximately 7% of the inventory or 212 net hectares (524 net acres) have been approved for Industries on Private Services. These lands are located in the municipalities of East Gwillimbury, Georgina, King and Whitchurch-Stouffville.

Figure one below illustrates the number of year's supply of vacant employment land in York Region by servicing availability. The "fully serviced" and "to be serviced in the future" portions of the inventory account for approximately 1,755 net hectares (4,337 net acres) of the total inventory which represents a 11.8 year supply. The "industry on private services" and "encumbered lands" portions of the inventory account for approximately 1,107 net hectares (2,736 net acres) of the total inventory, which represents an additional 6.7 year supply.

Figure 1
York Region Vacant Employment Land Inventory: Number of Years Supply

Servicing Availability	Supply		
	Hectares	Acres	Years
Fully Serviced	884	2,184	11.8
To Be Serviced in the Future	871	2,153	
Industry on Private Services	212	524	6.7
Encumbered Lands	895	2,212	
York Region Vacant Employment Lands	2,862	7,073	18.5

4.2.2 Parcel Size

A stock of vacant employment land that varies in size allows for diverse investment opportunities. Currently, 45% of the total number of vacant parcels in the inventory is less than 1 hectare. The total supply of these smaller parcels amounts to 187 net hectares (462 net acres), or 6.5% of the inventory. Conversely, 10% of the parcels are greater than 10 hectares. The total supply of these larger parcels amounts to 1,488 net hectares (3,676 net acres), or 52% of the inventory. Of these larger parcels, 38% are greater than 20 hectares. Of the total number of parcels greater than 20 hectares, approximately half are currently encumbered lands.

Figure 2
York Region Vacant Employment Land Inventory: Site Size Profile

Hectares	Supply			
	Parcels		Hectares	
	Number	Percent	Number	Percent
Less Than 1	339	44.6%	187	6.53%
1 to 10	344	45.3%	1,188	41.49%
Greater Than 10	77	10.1%	1,488	51.97%
Total	760	100.0%	2,863	100.00%

4.2.3 Accessibility

Places to Grow, the Draft Growth Plan proposed by the Provincial Ministry of Infrastructure Renewal (PIR) states that employment areas should be strategically located within urban areas near major transportation corridors or with good access to the U.S. border. Accessibility to employment lands allows for the efficient transport of goods and people.

Nine hundred and thirteen (913) net hectares (2,255 net acres) of the inventory of vacant employment land is within half a kilometre of existing 400 Series Highways. This is 30% of the total supply. Two thousand, two hundred and seven (2,207) net hectares (5,454 net acres) of the inventory are within five kilometres of existing 400 Series Highways, which is 77% of the total supply. The vacant employment lands in East Gwillimbury and Vaughan that are encumbered are currently greater than one kilometre from a 400 Series Highway. However, these areas will have greater access once Highway 404 is extended into the Queensville area and Highway 427 is extended into the West Vaughan area.

The 400 Series Highways are extremely important for employment lands from a strategic location and market accessibility point of view. The pressure to redesignate lands along these corridors to residential uses will continue to be great. Additionally, there is increasing pressure to redesignate these lands to allow for non employment land uses such as large scale big box retail development. It is important to ensure these strategically located lands are preserved for employment uses in the long term.

A number of strategically located vacant lands are currently located in the Provincial Greenbelt Plan (which includes the Oak Ridges Moraine Conservation Plan). The Greenbelt Plan therefore impacts all nine area municipalities in York Region. Regional Council requested that the Province provide some means of effectively amending the Greenbelt Plan to permit strategically located employment lands in areas such as the 400 series highway corridors. This relief was not provided for in the final Plan, however, a related request dealing with an on-going application for the Keswick Business Park area was permitted. Assessment of the impact of the Greenbelt Plan on the available land budget for future employment lands will be considered once the updated Provincial forecast has been distributed to the local municipalities.

Tables detailing the servicing availability, site size profile, and accessibility of vacant employment land by local municipality are contained in *Attachment 1: Tables 3-5*.

4.3 Updated Provincial Forecasts

In February 2005 the Draft Growth Plan proposed by the Provincial Ministry of Infrastructure Renewal (PIR) included an updated employment forecast to 2031 for all upper tier municipalities in the Greater Golden Horseshoe.

The updated employment forecast for York Region anticipates 740,000 jobs by 2026 and 780,000 jobs by 2031. The current Regional Official Plan forecast anticipates 696,000

jobs will be located in the Region by 2026. Staff are currently working on distributing the updated Provincial forecast to the local municipalities. This work will be completed by the fall of 2005. When the updated Provincial forecast has been distributed to the local municipalities, staff will assess the supply of vacant employment lands at the local level.

The Regional Official Plan 2026 forecast anticipates that 404,000 jobs will be located on employment lands. This compares to 411,000 jobs for the updated 2026 Provincial forecast and 429,000 jobs to 2031. Based on the Regional Official Plan forecast the total supply of vacant employment land will satisfy demand for approximately 18.5 years. Using the updated Provincial forecast to 2026 the supply will be adequate for approximately 17.8 years.

4.4 Summary Analysis

Key findings from the analysis presented above include:

- The total supply of vacant employment land in York Region is 2,862 net hectares (7,073 net acres), or an 18.5 year supply.
- There are long term supply issues in some municipalities. The City of Vaughan accounts for 48% of the total inventory. The local municipalities of Aurora, Newmarket and Richmond Hill are approaching complete build-out.
- Of this total supply, 896 net hectares (2,213 net acres), located in the Town of East Gwillimbury and the City of Vaughan, are currently encumbered.
- 212 net hectares (524 net acres) of the total supply are approved for Industry on Private Services.
- The supply of vacant employment land in York Region, excluding encumbered lands and lands approved for industry on private services is 1,754 net hectares (4,336 net acres), or a 11.8 year supply.
- There is a limited supply of strategically located lands along the 400 Series Highways that need to be preserved over the long term for employment uses.

4.5 Next Steps

The above analysis of the vacant employment land inventory will be used as input into the Region's Growth Management work and to assist with the new forecast distribution at the local municipal level. The new forecast distribution will be used to assess future demand and the need for additional employment lands.

The next steps to be addressed for the analysis of vacant employment land include:

- The distribution of the new Provincial forecast to the local municipalities.
- Assessment of future demand and the need for additional employment lands at the local level.

- Identification of the location of strategic lands to be retained for employment uses. Redesignations to non-employment uses in any employment areas should be discouraged.
- Examination of policy options, including the strengthening of the Regional Official Plan, which will support the retention of employment lands.
- Work with staff at the municipalities of Georgina and Vaughan on the preparation of their current employment land studies.
- Further discussion on employment land issues with the development industry, real estate industry, local municipal economic development officers and local planners.

4.6 Relationship to Vision 2026

The York Region 2005 Vacant Employment Land Inventory supports the Vision 2026 goal of maintaining managed and balanced growth by addressing the action area of taking a strategic approach to growth management. By producing an inventory of the total supply of vacant employment lands, we are better able to plan for future demand.

5. FINANCIAL IMPLICATIONS

Employment lands play a central role in the Region's economy. The availability of a broad range of vacant employment lands is vital to the fiscal health of a community and can directly affect economic development and diversification of the assessment base.

Updating the Vacant Employment Land Inventory is in compliance with the approved budget for York Region's Planning and Development Services Department.

6. LOCAL MUNICIPAL IMPACT

Vacant employment lands from each of the nine area municipalities of York Region are identified and analyzed in this report. Staff from the local municipalities provided comment on the inventory of vacant employment land. When the supply/demand projections are updated to account for the updated provincial employment forecasts, further consultations with the local municipalities will be required.

7. CONCLUSION

The 2005 Vacant Employment Land Inventory indicates that there are currently 2,862 net hectares (7,073 net acres), or an 18.5 year supply of vacant employment land. Excluding the encumbered lands and industry on private services lands from the analysis, there are currently 1,754 net hectares (4,336 net acres), or an 11.8 year supply.

There are long term supply issues in some municipalities. The City of Vaughan accounts for 48% of the total inventory and the local municipalities of Aurora, Newmarket and Richmond Hill are approaching complete build-out.

The vacant employment land supply/demand analysis has been undertaken for York Region based on the Regional Official Plan 2026 forecast. Staff are currently working on distributing the updated Provincial forecast to the local municipalities. This work will be completed by the fall of 2005. When the updated Provincial forecast has been distributed to the local municipalities, staff will assess the supply of vacant employment lands at the local level.

The tracking of employment land is a key component of York Region's growth management system for monitoring the pace of growth. More in depth analysis of the inter-relationships of the data regarding servicing, site size and site accessibility should be considered.

The 400 Series Highways are extremely important for employment lands from a strategic location and market accessibility point of view. The pressure to redesignate lands along these corridors to residential uses will continue to be great. It is important to ensure these strategically located lands are preserved for employment uses in the long term.

A current, integrated, and detailed tracking system of employment lands provides an up to date picture of consumption patterns and trends. This type of information allows for the provision of adequate employment lands to accommodate growth, yet avoids over commitments that would waste land or capital works. In this regard, there needs to be a continued emphasis on the efficient use of already designated employment lands to ensure that existing infrastructure is used wisely, thus promoting sustainable development.

In order for the Region to continue to offer a wide variety of vacant employment lands to potential investors, especially in light of the new forecasts, it is essential that investments in transportation and servicing infrastructure are provided in a timely manner.

Given the evolving nature of economic activity and the land needs of business in York Region careful, continued monitoring of the employment land inventory figures is necessary.

The Senior Management Group has reviewed this report.

(The attachments referred to in this clause are attached to this report.)