

# COMPREHENSIVE MUNICIPAL REVIEW OF EMPLOYMENT LAND



*Draft Report For Public Review and Comment*

**HEMSON**  
Consulting Ltd.

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## EXECUTIVE SUMMARY

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This report presents the results of a comprehensive review of employment land for the Town of Niagara-on-the-Lake and recommended policy directions to be considered as part of the Town's official plan and conformity with the 2006 Provincial *Growth Plan for the Greater Golden Horseshoe* (the *Growth Plan*). The key findings are as follows:

- Employment in the Town of Niagara-on-the-Lake is forecast to grow modestly over the planning period to 2031. Under the range of forecasts prepared for this assignment, employment is forecast to grow by between 1,200 and 3,750 jobs from 2006 to 2031.
- Tourism and agriculture are anticipated to remain key growth sectors, consistent with the Town's past economic performance and Provincial and Regional policy interests in promoting strong rural communities, agriculture and tourism.
- Within this context, Niagara-on-the-Lake will need to accommodate a maximum of approximately 1,100 employment land jobs to 2031. Consistent with the existing pattern of development, most of these jobs are expected to be accommodated within the Town's designated business parks.
- An ample supply of employment land is designated to accommodate this demand, likely beyond the 2031 planning horizon. This conclusion is consistent with the Region's growth management work and the views of the local development community.
- Notwithstanding that Niagara-on-the-Lake may have a surplus of employment land, in our view the majority should be retained in its current designation. Most of the supply is well-suited as employment land and the Town has practically no other options to provide additional employment land designations.
- The only part of the Town's inventory where some change may be considered is the employment land in the Village of St. Davids, which faces a number of challenges to development. A wider range of use may be appropriate for this location.
- Further study, however, is required to identify the preferred land use designations. Key issues to be addressed include the viability of continued agricultural-related use, the role of St. Davids in the Regional tourism and wine industry and the development of "complete communities", as set out in the *Growth Plan*.

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## I INTRODUCTION

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Hemson Consulting Ltd. was retained by the Town of Niagara-on-the-Lake in September 2008 to undertake a comprehensive municipal review of employment lands. The purpose of the study is to provide input to the development of new policies for employment land. The study is also being undertaken to assist Town planning staff in considering the possibility of converting approximately 20 ha of industrial land in the Village of St. Davids.

Under new Provincial policies, in particular the Provincial *Growth Plan for the Greater Golden Horseshoe* (the *Growth Plan*) the completion of a municipal comprehensive review is one of the minimum requirements for allowing the conversion of employment land to other urban uses.<sup>1</sup>

Accordingly, a comprehensive review of employment land has been undertaken. The comprehensive review identifies the preferred amount, type and location of employment land to accommodate future demand in Niagara-on-the-Lake, as well as appropriate opportunities for the redesignation of employment land to other urban uses. This report sets out the conclusions of the review.

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<sup>1</sup> A comprehensive review is also required to allow an expansion of a designated settlement area.

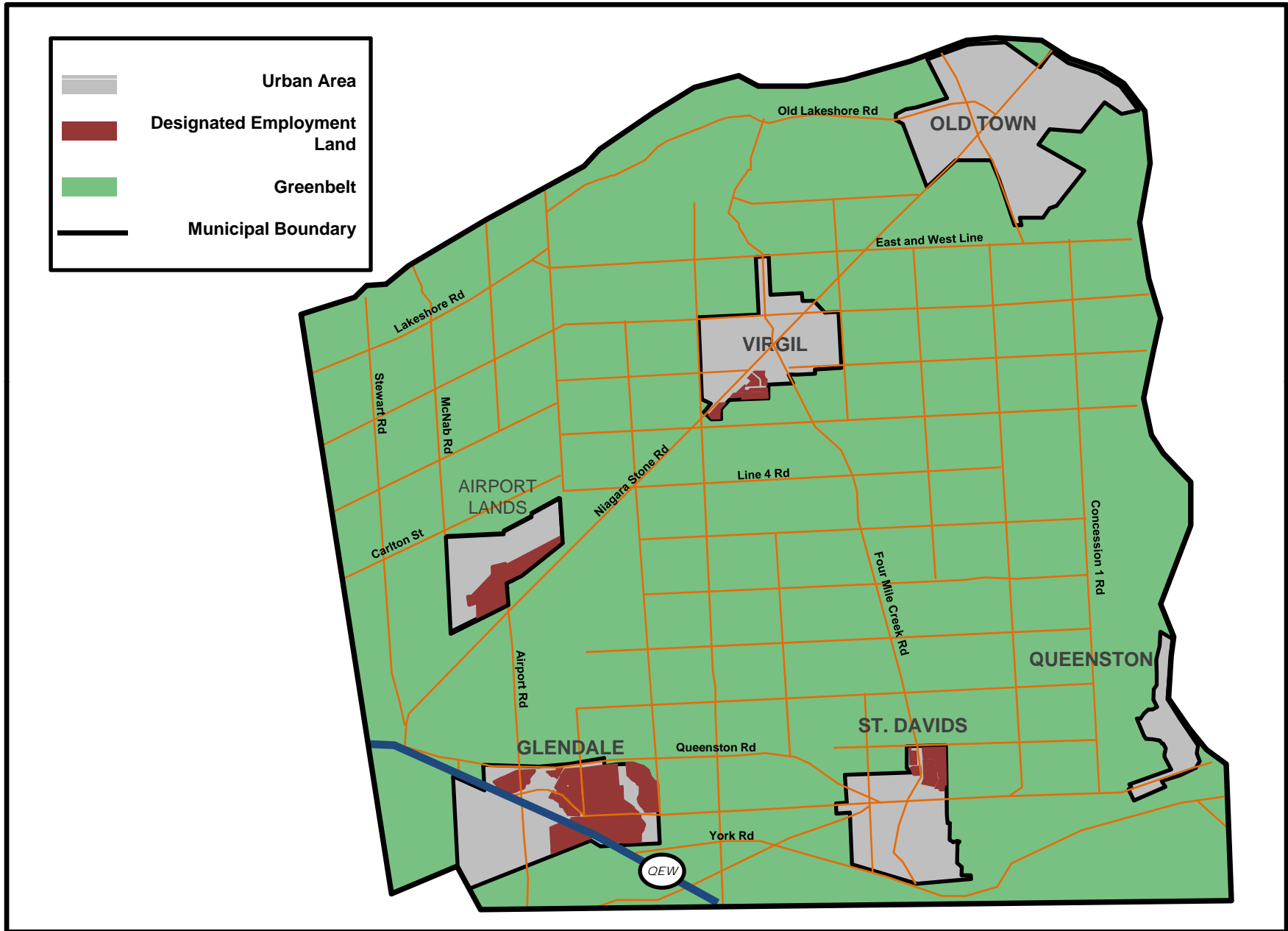
### A. PURPOSE OF THE STUDY IS TO DEVELOP NEW POLICIES FOR EMPLOYMENT LAND

Employment land was traditionally referred to as “industrial areas”, but today accommodates a wider range of economic uses. Employment land today accommodates manufacturing and distribution, warehousing, research and development as well as a range of service-commercial, institutional and accessory retail uses.

For the purposes of this study, employment land in Niagara-on-the-Lake is defined as lands designated and zoned as *General, Light, or Prestige Industrial* in the current official plan. Lands around the Niagara District Airport are included within the employment land supply, although not all of the lands are zoned for industrial use. Lands that are designated or zoned for retail or service commercial uses are not considered part of the employment land supply.

The Town’s employment land supply is located primarily within four areas: Glendale; the Virgil Business Park; the St. David’s industrial area and lands around the Niagara District Airport. Niagara-on-the-Lake’s employment land supply is illustrated on the map on the following page.

# NIAGARA-ON-THE LAKE EMPLOYMENT LAND SUPPLY 2009



Source: Hemson Consulting Ltd., based on the Town of Niagara-on-the-Lake Official Plan, Schedule A.  
 Note: Based on information as of January 15, 2009. Subject to further review and revision.

Employment land is important because of the role that it plays in economic development. In most communities in the Greater Golden Horseshoe (GGH), employment land accommodates about half of all jobs, including many key economic clusters and “wealth-creating” activities such as manufacturing and distribution.<sup>1</sup>

Planning for employment land in Niagara-on-the-Lake is important not only because of its economic contribution, but also because the supply is finite. The Town is located entirely within the Provincial *Greenbelt*, which imposes strict controls on agricultural and open space areas designated as *Protected Countryside*. As a result of these controls, there are few if any options to designate additional urban lands.<sup>2</sup> Within this context, decisions about employment land need to be carefully considered — in the short, medium and potentially longer-term than normal.

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<sup>1</sup>For details, see The Growth Outlook for the Greater Golden Horseshoe, Hemson Consulting Ltd, January 2005. *Wealth creating industries are generally considered those that produce goods and services beyond the needs of local residences.*

<sup>2</sup> Section 3.4 of the Greenbelt Plan does contemplate that “modest” expansions of settlement areas may be allowed at the 10-year plan review, provided that such expansions do not extend into the Natural Heritage System or Specialty Crop Areas. However, given that the general intent of the Greenbelt Plan is to prevent such expansion, for the purposes of this study the Town’s current settlement area boundaries are considered to be final.

## **B. TOWN, REGIONAL AND PROVINCIAL PLANNING OBJECTIVES HAVE BEEN CONSIDERED**

The comprehensive review has been undertaken within the context of relevant Town policies, existing and evolving Regional growth management objectives being developed through *Niagara 2031*—the Region’s growth management strategy and official plan review process—and new Provincial policies, particularly the *Growth Plan*.

### **1. Both the Town and Region of Niagara Recognize the Importance of Employment Land**

As reflected in the Town’s official plan, Niagara-on-the-Lake’s Council supports the growth of industry within its designated industrial areas in order to:

- Broaden and diversity the tax base;
- Diversify, stabilize and stimulate the local economy; and
- Provide and expand employment opportunities within the Town and Region.<sup>3</sup>

The current *Niagara Region Policy Plan* seeks to increase the number and type of industrial job opportunities on a Region-wide basis, and this policy direction is being largely maintained as part of the Region’s growth management strategy, *Niagara 2031*.

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<sup>3</sup>Town of Niagara-on-the-Lake Official Plan, 2004 Office Consolidation, Section 11: Industrial

The Region, as part of *Niagara 2031*, has developed a preferred growth option, including an allocation of population and employment growth to the local municipalities. An analysis has also been undertaken to determine the adequacy of the employment land supply to achieve long-term Regional economic objectives.

Consistent with Regional and Town economic objectives, the Province has also recognized the importance of employment land to long-term economic vitality, including policies to minimize the conversion of land within designated employment areas to other urban uses.

## **2. New Provincial Policies Generally Seek to Minimize Conversion of Lands Within Employment Areas**

The Province of Ontario has recently undertaken a number of planning policy and growth management initiatives that affect employment land planning in the GGH, particularly the *Greenbelt Plan*, the *Growth Plan*, the 2005 *Provincial Policy Statement* (PPS) and other amendments to the *Planning Act* (often referred to as Bill 51).

Taken together, these new Provincial policies generally seek to achieve a set of “good planning” principles, including the promotion of economic vitality and minimizing the conversion of employment land:

- Overall, the Provincial *Growth Plan* places a strong emphasis on economic development and sets out strict criteria regarding the conversion of land within employment areas to non-employment uses.<sup>1</sup>
- Under the *Growth Plan*, major retail uses are not considered employment uses (Section 2.2.6.5). Although these uses still generate jobs, for long-range planning purposes under the new Provincial initiatives they are excluded.
- Similar to the *Growth Plan*, the PPS states in Section 1.3.2 that conversions may be permitted through a comprehensive review, only where it has been demonstrated that the land is not required over the long-term and there is a need for the conversion.

The *Growth Plan* and PPS policies are further reinforced by Bill 51, which seeks to strengthen the municipality’s ability to refuse applications to convert employment land by removing the private applicant’s ability to appeal such applications to the Ontario Municipal Board. It is also recognized, however, that some changes may be appropriate, depending on the local circumstances and if a series of tests are met. Nevertheless, the overall intent of the new Provincial policies is to limit the conversion of employment land to other urban uses.

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<sup>1</sup> The conversion policies can be found in Section 2.2.6.5, which states generally that conversions of employment land may only be permitted through a municipal comprehensive review and where a series of tests are met.

### 3. Specific Direction is Provided on How Employment Land Should be Planned

In addition to the general objective of protecting employment areas for long-term economic purposes, the *Growth Plan* also provides some more specific direction regarding the preferred location, form and desired use of employment lands:

- Municipalities are encouraged to designate and preserve lands within settlement areas within the vicinity of key transportation infrastructure (Section 2.2.6.9) including roads, highway interchanges, ports and airports;
- The *Growth Plan* requires that municipalities, in planning employment land, facilitate the development of transit-supportive, compact built form and minimize surface parking (Section 2.2.6.10); and
- Under the *Growth Plan*, major office and institutional development should not be located on employment land, but rather in the Urban Growth Centres, major transit station areas or other areas with planned higher order transit service (Section 2.2.6); and

Under the *Growth Plan*, a set of specific intensification and density targets must also be achieved. The Region of Niagara, like many other single or upper-tier municipalities in the GGH, is directed to plan for:

- A density of 50 residents and jobs combined per ha in new greenfield areas; and
- Accommodate 40% of new units within the built boundary after 2015.<sup>1</sup>

The *Growth Plan* also identifies a series of Urban Growth Centres that are intended to be a focus for investment, high-density major employment centres and transit infrastructure. Downtown St. Catharines is the only area within the Region of Niagara that has been identified as an Urban Growth Centre, and a higher density target — 150 residents and jobs per ha — is to be achieved in this location.

In recognition of the importance of cross-border trade with the United States, the *Growth Plan* also identifies a Gateway Economic Zone and Gateway Economic Centre in the Region of Niagara near the US border. Planning to support economic diversity and opportunities for increased trade and tourism is encouraged in these locations.

These, and other planning objectives are taken into account in planning for employment land in Niagara-on-the-Lake, including Provincial and Regional policies for strong rural communities, agriculture and tourism.

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<sup>1</sup> Under the *Growth Plan*, the Minister may review and permit alternative targets for upper-tier municipalities that are located in the Outer Ring, but only those that do not have an Urban Growth Centre. Because the Region of Niagara has an Urban Growth Centre (Downtown St. Catharines) the density and intensification targets apply.



### C. REPORT IS ORGANIZED INTO FOUR CHAPTERS

The provision of an appropriate and competitive supply of employment land has been the key tool through which most municipalities in the GGH have achieved their economic objectives. Likewise, maintaining an appropriate supply of employment land is considered by the Town, the Region and the Province to be of key importance to ensuring continued economic prosperity to 2031.

To assist the Town in ensuring that it is well-positioned to achieve its economic objectives, this report presents the results of an analysis of the supply and demand for employment land in the Town of Niagara-on-the-Lake to 2031 and conclusions on the adequacy of supply to accommodate future demand. A variety of information sources have been considered, including:

- Relevant planning documents, including the Town and Region's official plan as well as relevant Provincial policy documents;
- Existing economic and demographic forecasts, particularly the Regional forecasts provided in Schedule 3 to the *Growth Plan* and the Region of Niagara's proposed distribution of those forecasts to the local municipalities;
- The most up-to-date Census and other employment information; and

- Input from the development community and other interested stakeholders. Telephone interviews were undertaken with local relators, landowners and developers as well as a variety of agricultural uses, including wineries, to gain additional insight into the role that employment land will play in the Town's economic future.

Based on this information, conclusions have been reached on the adequacy of the Town's employment land supply and the changes, if any, that may be appropriate. The conclusions are organized into four chapters:

- This introduction provides an overview of the overall objectives of the study and the policy context in which its major conclusions are reached.
- The second chapter discusses the employment growth forecast for the Town, including the overall employment forecast and the jobs that likely to be accommodated on employment land.
- The third chapter discusses the supply of employment land and reaches conclusions on its adequacy to accommodate future growth in employment; and
- The final chapter suggests some key policy directions that might be considered as part of new employment land policies, including areas where change may be considered appropriate.

## II EMPLOYMENT IN THE TOWN OF NIAGARA-ON-THE-LAKE IS FORECAST TO GROW MODESTLY OVER THE PLANNING PERIOD TO 2031

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This chapter discusses the outlook for employment growth in the Town of Niagara-on-the-Lake, including the forecast of employment by major land use type and the number of jobs that will need to be accommodated on employment land. The analysis makes use of a range of information sources, including the 2006 Census and work prepared as part of the Regional growth management exercise.

### A. A RANGE OF FORECASTS HAS BEEN CONSIDERED FOR NIAGARA-ON-THE-LAKE

For the purposes of this study, a range of employment outlooks has been considered. The high end of the forecast range is defined by the Region's growth management work and preferred growth option.<sup>1</sup> The middle and low-end of the forecast range are estimated using the Region's distribution of employment growth and the stated Regional *Growth Plan* employment allocation to 2031.

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<sup>1</sup> For detail, see Niagara 2031: Region of Niagara Growth Management Strategy, Option D: Preferred Growth Option, prepared by Dillon Consulting, Watson and Associates and EDP Consulting in October 2008.

### 1. High End of the Forecast Range Is Defined by the Region's Growth Management Strategy

As part of its growth management strategy, *Niagara 2031*, the Region has developed a preferred growth option based on an overall regional employment forecast of 243,540 jobs in 2031. The overall Regional employment forecast is in excess of the forecasts contained in Schedule 3 to the *Growth Plan*, which show a total employment forecast of 218,000 jobs for the Region of Niagara in 2031.

Within the Region's forecast, approximately 15,100 jobs — or 6.2% of the 2031 total employment — has been distributed to the Town of Niagara-on-the-Lake in 2031, which translates into a growth of approximately 3,750 jobs from the 2006 employment of 11,350 jobs shown in the Region's documents.

For the current planning period, the *Growth Plan* forecasts are the legislated, in-force forecasts that must be used for growth management. The Province may revise the forecasts, but this will not occur until after the conformity deadline (June 16, 2009). Because the Region's forecast for Niagara-on-the-Lake is based on a Regional employment forecast that exceeds the allocation in the *Growth Plan*, it is considered to be the high end of the range.

## 2. Middle of the Range Is Defined by Applying Region’s Approach to the *Growth Plan* Forecasts

As noted, Schedule 3 to the *Growth Plan* shows a total employment forecast of 218,000 jobs for the Region of Niagara in 2031. Applying the share of 2031 employment attributed to the Town of Niagara-on-the-Lake in the Region’s work to the Schedule 3 *Growth Plan* forecast results in a total of 13,500 jobs in 2031 — that is, 6.2% of 218,000 jobs results forecast of approximately 13,500 jobs for the Town in 2031.

The result is somewhat less employment growth: approximately 2,300 jobs from a 2006 estimated employment of approximately 11,200 jobs, which is considered the middle of the forecast range. There are also minor differences between the 2006 employment shown in the Regional growth management work and our estimates, which appears to be related to the treatment of the “no fixed place of work” component of employment.<sup>1</sup>

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<sup>1</sup>The total “no fixed place of work” employment for the Region of Niagara that is shown in the preferred growth option is approximately 17,730 jobs, which differs from the 2006 Census figure of approximately 18,430. The *Growth Plan* forecasts also redistribute the “no fixed place of work” component of employment across the broader economic region, resulting in a somewhat higher no fixed place of employment for Niagara Region, approximately 20,600 jobs in 2006. The Region’s growth management work redistributes no fixed employment across the Region. Both are acceptable methods for treating no fixed place of employment and the difference is minor. However, for the purposes of this study and consistency with the *Growth Plan*, 2006 employment has been restated.

## 3. Low End of the Range Is Defined by Applying a Lower Rate of Growth to 2031

The low end of the forecast is determined by applying the overall rate of employment growth shown for the Region of Niagara to the Town’s 2006 employment:

- The *Growth Plan* employment forecast for Niagara represents fairly slow growth over the period. A forecast growth from 197,000 jobs in 2006 to 218,000 jobs in 2031 equates to approximately 11%.
- If the Town of Niagara-on-the-Lake were to grow at this Regional average rate, employment would grow to approximately 12,400 jobs in 2031, or about 1,200 jobs from the 2006 level of 11,200 jobs.

The range of employment forecasts is summarized on table 1 on the following page. The use of a range of forecasts is appropriate because the Region has not yet finalized its growth management strategy, nor has the preferred growth option been approved by the Province.

Under any of the growth scenarios, however, the forecast of employment for the Town of Niagara-on-the-Lake can be viewed as relatively modest. Consistent with both Regional and Provincial policy directions, most of the future employment growth in Niagara Region is directed elsewhere in the community, particularly the Thorold–Port Colbourne and Niagara Falls–Fort Erie corridors.

| Forecast Scenario   | 2006   | 2031   | Growth<br>2006-31 |
|---|--------|--------|-------------------|
| <u>High Forecast</u><br>Region of Niagara Preferred<br>Growth Option D  | 11,350 | 15,100 | 3,750             |
| <u>Mid Range Forecast</u><br>Option D, consistent with<br><i>Growth Plan</i> Schedule 3<br>forecast and definitions | 11,200 | 13,500 | 2,300             |
| <u>Low Forecast</u><br>Town grows at Regional<br>average rate anticipated in<br>the <i>Growth Plan</i>              | 11,200 | 12,400 | 1,200             |

Source: Hemson Consulting Ltd., 2008, based on Statistics Canada 2006 Census information, *Growth Plan* Schedule 3 forecasts and the Region of Niagara Growth Management Strategy Preferred Growth Option (Option D).

## **B. EMPLOYMENT IS DIVIDED INTO FOUR TYPES FOR LAND USE PLANNING PURPOSES**

The analysis of employment by type is based on the approach taken in the *Growth Outlook for the Greater Golden Horseshoe*, prepared by Hemson Consulting Ltd. in 2005 for the Provincial *Growth Plan*. It has been recast for the purposes of this study to reflect the unique agricultural and tourism aspects of the Niagara-on-the-Lake economy.

### **1. Typically, Employment Is Divided into Three Major Land Use Types**

The approach taken by Hemson Consulting Ltd. to long range planning in the Greater Toronto Area and Hamilton (GTAH) is to divide employment into the three major land use planning types — major office, population-related and employment land. The three types and their main characteristics are summarized below.

- **Major Office Employment** is employment in free-standing buildings over 20,000 net sq.ft. in size.<sup>1</sup>
- **Population-Related Employment** is employment that exists in response to a resident population that is primarily not located in employment areas or major office jobs. It includes “work at home” employment.
- **Employment Land Employment** is the range of uses and economic sectors occupying industrial-type buildings, typically concentrated in business parks and other designated urban employment areas.

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<sup>1</sup> For employment forecasting and most land-use planning purposes, major offices are traditionally defined as freestanding office buildings greater than 20,000 net sq. ft. in size. The *Growth Plan* uses the same expression — major office — but for a different purpose. In the *Growth Plan*, major office policies address the desire to locate office buildings of 10,000 m<sup>2</sup> (approximately 100,000 net sq.ft) or greater in transit-oriented locations to encourage a higher level of transit investment and transit use.

The Hemson approach is structured around land-used based categories, because the purpose is to provide input to making land use planning decisions. Approaches structured around economic sectors are good for making economic decisions, but actually tell us very little about land use: most economic sectors occupy all types of land uses.<sup>1</sup>

## 2. For the Town of Niagara-on-the-lake, A Unique Set of Land Use Types Have Been Created

The three land use types are well-suited for planning in large urban areas. However, for a number of reasons, a somewhat different approach is warranted in more rural areas such as the Town of Niagara-on-the-Lake:

- As of yet, there are no major office buildings in the Town and only a very limited amount of major office growth is likely to occur through the forecast period. The market for major offices in the GGH is highly competitive, and existing office nodes — such as the Cities of Toronto, Mississauga and Towns in southern York Region — are well-established;<sup>2</sup>

- Niagara-on-the-Lake has relatively more employment than other communities in activities such as accommodation and food services, retail trade and arts, entertainment and recreation, which are related to Tourism and distinct from population-related uses serving mainly local residents; and
- The Town also has a unique rural and agricultural economy that produces a diverse range of crops including fruits, grapes, various field crops, livestock and greenhouse products. Niagara-on-the-Lake is also located within one of Canada's most celebrated grape and wine-producing areas.<sup>3</sup>

Accordingly, a unique set of land use types has been created to reflect the nature of the local economy — farm and rural-based employment, local population-related employment, tourism-related employment and employment land employment. These four types and their main characteristics are summarized below:

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<sup>1</sup> For detail, see The Growth Outlook for the Greater Golden Horseshoe, Hemson Consulting Ltd, January 2005.

<sup>2</sup> The Town accommodates many office-type uses, for example local servicing financial services in the Town of Virgil, but not in a major office form which is defined here as free-standing buildings greater than 20,000 net square feet.

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<sup>3</sup> In addition to the wine industry, the Tender Fruit Industry (peaches, cherries and plums) is an important part of the Town's agricultural industry. Given the profile of agricultural production and the unique soil and climate conditions, farming intensity in Niagara-on-the-Lake is also not typical of other parts of Ontario. For detail see the Town of Niagara-on-the-Lake Official Plan, 2004 Office Consolidation, Section 7: Agricultural.

- **Farm and Rural Based Employment** is employment in the agricultural industry, including tender fruits, specialty crops and wineries, which in the case of larger facilities may include employment in retail trade or restaurants. Farm and rural-based employment also includes industrial-type uses such as agricultural processing;
- **Local Population-Related Employment** is employment in the traditional population-related activities serving the resident population, including an urban component of “work at home” employment;<sup>1</sup>
- **Tourism-Related Employment** is employment in the traditional population-related activities above and beyond a normally expected amount relative to the needs of the local population; and
- **Employment Land Employment** is employment accommodated primarily in industrial-type buildings in designated business parks.

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<sup>1</sup> In communities with a significant agricultural industry, a large component of the “work at home” employment is actually counting employment at farms or other non-farm rural locations. The “non-urban” component of work at home employment is included within the Farm and Rural-based category, along with employment in agriculture that is not “at home” employment.

Total employment for Niagara-on-the-Lake is divided into the four types based on an analysis of 2006 Census information for the Town and other communities within the GTAH and the Region of Niagara. The results are summarized below in Table 2 below. Details are provided in Appendix A to this report.

| Type                     | 2006<br>Employment | Share       |
|--------------------------|--------------------|-------------|
| Farm and Rural-Based     | 2,400              | 22%         |
| Local Population-Related | 2,100              | 19%         |
| Tourism-Related          | 2,400              | 21%         |
| Employment Land          | 4,200              | 38%         |
| <b>Total</b>             | <b>11,200</b>      | <b>100%</b> |

Source: Hemson Consulting Ltd., 2008, based on 2006 Census information

As shown, employment land employment accounts for just under 40% of the total employment. Most of these jobs are located within the designated urban business parks. A small component, however, is scattered throughout the Town’s agricultural area and includes farms and residences with commercial– industrial operations and other industrial-type uses. It is estimated that this “rural” component of employment land employment makes up approximately 20% of the total.

Employment land employment in Niagara-on-the-Lake also includes major utilities, such as the Niagara-on-the-Lake Hydro facility which is located in the Virgil Business Park and the Ontario Power Generation (OPG) Niagara Plant, which is located adjacent to the Queenston–Lewiston Bridge and not within a designated business park.

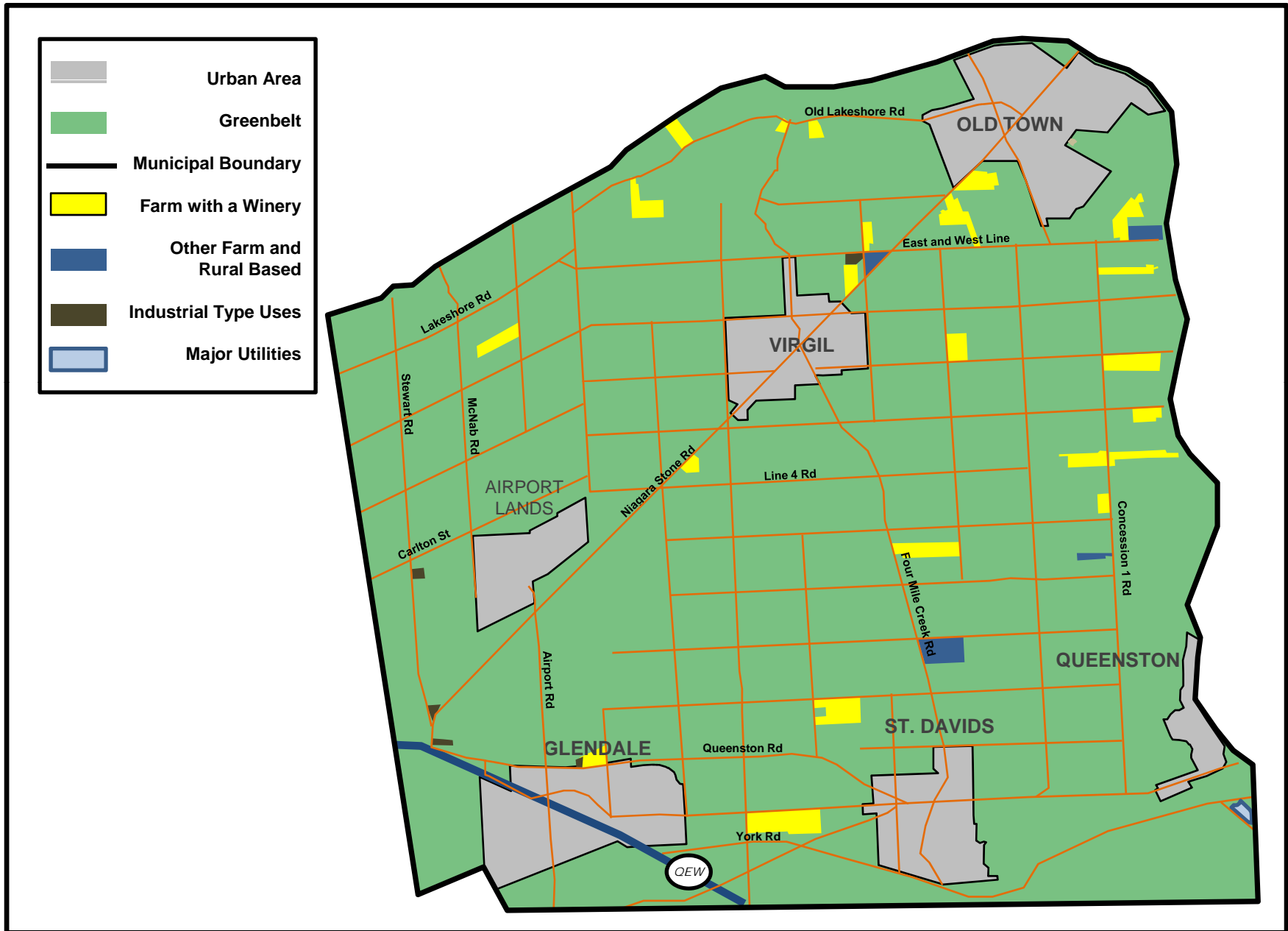
### 3. Employment Types Correspond Generally to the Town's Existing Official Plan Policies

The distribution of employment into the four types shown in Table 2 reflects the nature of the Town's local economy and also corresponds to existing land use policies in the current Niagara-on-the-Lake official plan:

- Farm and Rural-based Employment corresponds generally to the *Agricultural* designation, which includes Estate and Farm wineries and recognizes a small component of farm-related industrial uses, or employment land uses;
- Local Population and Tourism-related employment corresponds generally to the *Commercial* designations. Within the *Commercial* designation, the Town's official plan distinguishes between commercial uses that are primarily tourist serving, such as hotels, gift shops and restaurants, and commercial uses that primarily cater to local residents;
- A certain amount of local population-related employment is also accommodated in the *Non-Farm Rural* designation, such as schools, churches and daycares;
- Employment land employment generally corresponds to the *Industrial* designations in the official plan, although some industrial-type uses are scattered throughout the Town's agricultural areas (the *Greenbelt*);

The pattern of employment uses located in the Town's agricultural area is illustrated on the map on the following page, including a selection of farm and rural-based uses, employment land activities and the OPG Niagara Plant. Following the map, the next section turns to a discussion of the growth forecast by employment type, including the number of jobs anticipated to require locations on employment land.

# EXAMPLES OF EMPLOYMENT USES IN THE AGRICULTURAL AREA



Source: Hemson Consulting Ltd., based on Town of Niagara-on-the-Lake planning department.  
 Note: Based on information as of January 15, 2009. Subject to further review and revision.



### C. TOURISM AND AGRICULTURE ARE ANTICIPATED TO REMAIN KEY GROWTH SECTORS

The forecast of employment by type in Niagara-on-the-Lake is driven by an expectation of continued strong performance in tourism and agricultural activities. This approach is consistent with the Town's past performance, a generally positive economic outlook and Provincial and Regional policy interests in promoting strong rural communities, agriculture and tourism.<sup>1</sup>

The high end of the forecast range is used to estimate employment growth by type, to reflect the economic objectives of the Region and to identify the maximum amount of employment land jobs the Town will need to accommodate. As shown in Table 2 earlier in the chapter, under the high forecast, total employment in the Town of Niagara-on-the-Lake is forecast to grow by approximately 3,750 jobs over the planning period to 2031.

The following key points with regard to the employment forecast by type warrant attention.

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<sup>1</sup> For detail, see Energizing Niagara's Wine County Communities, prepared by Peter J. Smith and Company, inc. for the Region of Niagara in January 2007.

- Local population-related employment is forecast to grow in accordance with overall population as shown in the Region's preferred growth option.<sup>2</sup>

In 2006, the Town of Niagara-on-the-Lake had a ratio of one local population-related job to approximately 7 people.<sup>3</sup> Local population-related employment in 2031 is forecast to be accommodated at the 2006 rate. This approach results in growth of 1,100 jobs or approximately 20% of the total employment growth over the period to 2031;

- Tourism-related and farm and rural-based employment are forecast to maintain their current 2006 shares of the Town's employment, which results in growth of 900 farm and rural-based jobs and 800 tourism based jobs, or approximately 40% of the total growth; and
- The balance, approximately 1,000 jobs or 40% of the total growth, will be employment land employment. This is shown in Table 3 below.

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<sup>2</sup> Option D shows a Census population forecast for the Town of Niagara-on-the-Lake of 22,400 people in 2031, or, a total population (including the undercount) of 23,300. The Census population forecast is used to estimate local-serving population related employment in 2031.

<sup>3</sup> An estimated 2006 local population-related employment of 2,100 jobs compared to a 2006 Census population of approximately 14,600 persons (excluding the Census under coverage, or undercount) translates into one local population-related job for every 6.8 people.

| Employment Type          | Employment    |               |              |
|--------------------------|---------------|---------------|--------------|
|                          | 2006          | 2031          | Growth       |
| Farm and Rural-Based     | 2,400         | 3,300         | 900          |
| Local Population-Related | 2,100         | 3,300         | 1,200        |
| Tourism-Related          | 2,400         | 3,200         | 800          |
| Employment Land          | 4,200         | 5,300         | 1,100        |
| <b>Total</b>             | <b>11,200</b> | <b>15,100</b> | <b>3,900</b> |

Source: Hemson Consulting Ltd., 2008, based on 2006 Census information

In total, the Town of Niagara-on-the-Lake should be planning to accommodate a maximum of 1,100 new employment land jobs over the planning period to 2031. Consistent with the current observed pattern, it is anticipated that most of these jobs will be accommodated within the Town's designated business parks.

Under the *Growth Plan*, the Region of Niagara and the Town of Niagara-on-the-Lake are directed to ensure that an appropriate supply of employment land is in place to accommodate forecast growth. Accordingly, in the next chapter, we turn to a discussion of the current supply of employment land and whether or not it is adequate to accommodate future demand.

### III AN AMPLE SUPPLY OF EMPLOYMENT LAND IS CURRENTLY DESIGNATED TO ACCOMMODATE FUTURE DEMAND

This chapter discusses the adequacy of the employment land supply in the Town of Niagara-on-the-Lake's employment land supply to accommodate forecast employment growth. The analysis of land supply is based on detailed information prepared by the Town and Region, reviewed and updated by Hemson Consulting Ltd.

It is important to note that the analysis of supply and demand is undertaken in terms of the *net land area* — defined as the area of the actual buildings and building lots. Net land area excludes use such as roads, storm water management ponds and other services which tend to be roughly 20% of the *gross land area*, excluding non-developable areas such as natural features, hydro corridors or buffer areas.<sup>1</sup> The results can then be restated to other definitions, including the definition of land area in the *Growth Plan*, which includes roads, services and other non-developable areas.

<sup>1</sup> For large, unsubdivided parcels, the net area must be derived from the gross area to account for land that will be lost through the subdivision process. This is typically referred to as the "gross-to-net" adjustment. The gross-to-net adjustment is not, as often taken to be, the removal of major natural features or non-developable lands from the total land area.

#### A. THE TOWN NIAGARA-ON-THE-LAKE HAS A TOTAL EMPLOYMENT LAND SUPPLY OF 200 NET HA

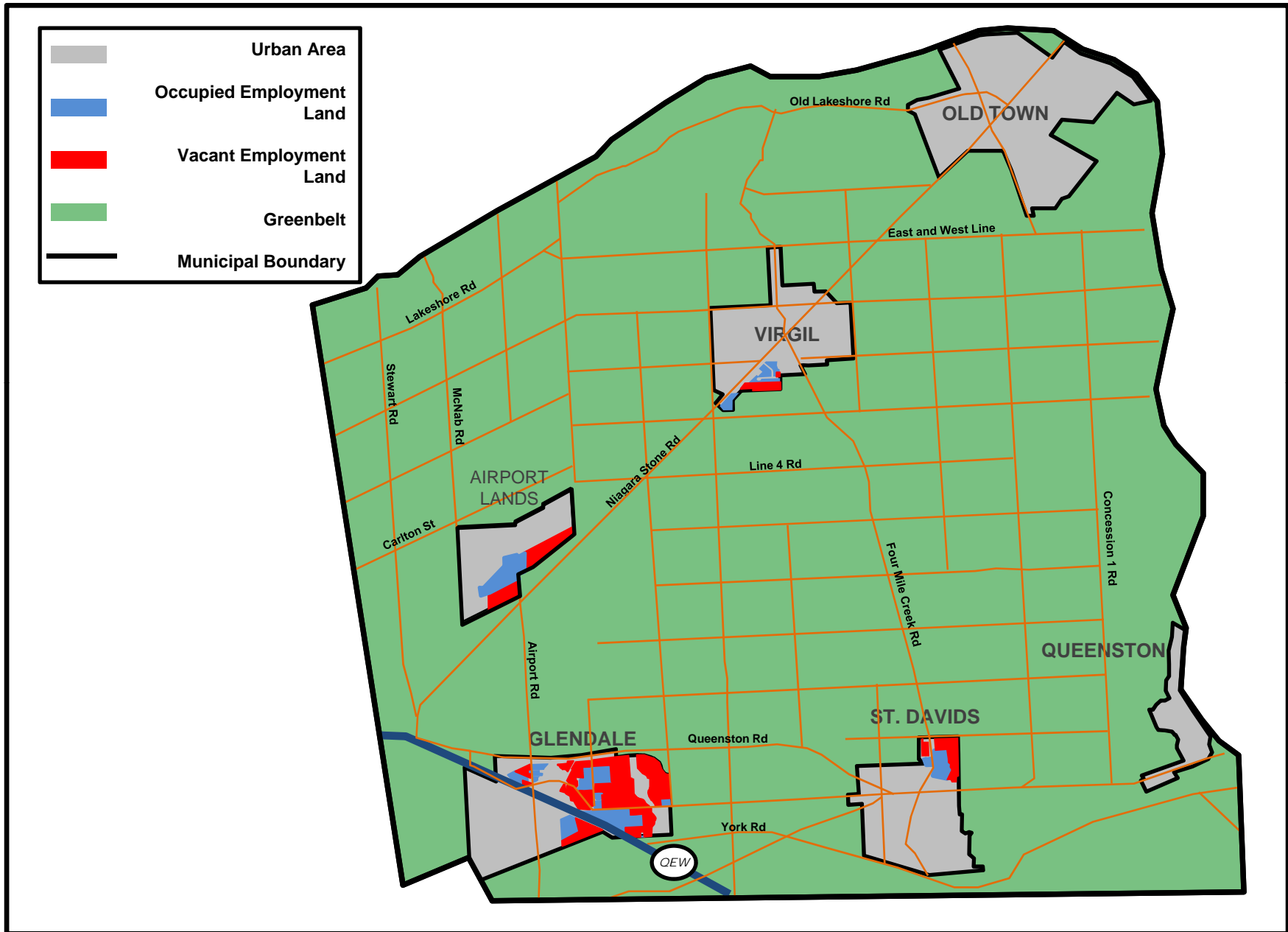
Niagara-on-the-Lake has an estimated total employment land supply of approximately 200 net ha, over 60% of which is accommodated in the community of Glendale. Just under half of the total land supply is occupied, as summarized in Table 4 below and illustrated on the map on the following page. Details are provided in Appendix B to this report.

| Location            | Land Area in Net ha |            |             | Share       |
|---------------------|---------------------|------------|-------------|-------------|
|                     | Occupied            | Vacant     | Total       |             |
| Glendale            | 62                  | 76         | 138         | 63%         |
| Virgil              | 16                  | 5          | 21          | 10%         |
| St.Davids*          | 8                   | 14         | 22          | 11%         |
| Airport Lands*      | 13                  | 19         | 32          | 16%         |
| <b>Total Supply</b> | <b>99</b>           | <b>114</b> | <b>213</b>  | <b>100%</b> |
| <b>Share</b>        | <b>46%</b>          | <b>54%</b> | <b>100%</b> |             |

Source: Hemson Consulting Ltd., 2008, based Town and Regional land area measurements.

MAP 3

# NIAGARA-ON-THE LAKE VACANT & OCCUPIED EMPLOYMENT LAND SUPPLY 2009



Source: Hemson Consulting Ltd., based on the Town of Niagara-on-the-Lake Official Plan, Schedule A. Vacant lands shown within Airport are based on Niagara-on-the-Lake, Appendix A of Planning Report PDS-09-002. Note: Based on information as of January 15, 2009. Subject to further review and revision.

### **1. Most of the Town’s Employment Land Supply is Located in the Community of Glendale**

At approximately 140 net ha in size, Glendale is the Town’s largest designated employment area. Glendale has been designated the primary industrial area in the Town of Niagara-on-the-Lake as it is located adjacent to the Queen Elizabeth Way (QEW) and is the “gateway” to most persons travelling to the community.

Approximately half of Glendale is occupied with a range of uses, including many regional-serving activities such as warehousing and logistics, manufacturing activities and other uses for which access to major highways is a competitive advantage. There are no significant physical or servicing constraints to the development of the remaining vacant employment lands.<sup>1</sup>

### **2. Available Employment Land in the Community of Virgil Are Almost Entirely Developed**

There are a total of approximately 20 net ha of employment land in the community of Virgil, virtually all of which is in the Virgil Business Park. The Virgil Business Park is made up of two main parts:

- The existing employment areas, which is approximately 15 net ha and size and is nearly fully developed, with only one small parcel remaining; and
- An approximately 5 net ha expansion area which abuts the existing business park to the south, but currently does not have transportation access.

The Virgil Business Park accommodates mainly local-serving activities, such as light manufacturing, including fruit processing and distribution, financial services and two facilities that are used for set production and storage for the Shaw Festival. As with Glendale, there are no significant physical or servicing constraints to development, including the provision of transportation access to the planned expansion lands to the south.<sup>2</sup>

### **3. Additional Potential Exists in the Village of St. Davids and Around the Airport**

The remainder of the Town’s employment land supply is accommodated in two locations: the Village of St. Davids and at the Niagara District Airport:

- There are a total of 22 net ha of employment land designated in the Village of St. Davids, approximately 8 net ha of which are currently occupied by the facilities of the historic CanGro fruit canning plant.

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<sup>1</sup> According to the Town of Niagara-on-the-Lake, all of the lands are currently serviceable.

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<sup>2</sup> According to the Town of Niagara-on-the-Lake, the Walker Road stub could be extended to provide access to the remaining vacant lands in the business park.

- The former CanGro facility is now closed, however the facility is still being used for various food processing activities;<sup>1</sup> and
- There is also the potential for approximately 20 net ha of additional employment land at the Niagara District Airport. Not all of these lands are currently zoned for industrial use and are located outside the urban service area boundary. Some portions are also in active agricultural operation.

Although the development of this supply may be constrained — either by a lack of servicing or existing development— in our view all lands currently designated for development need to be included within the supply for the purposes of the comprehensive review.

Overall, the Town of Niagara-on-the-Lake has a variety of designated employment lands, ranging from large business parks servicing regional economic functions to smaller, local areas serving local service functions, to other specialized areas such as the sites of large, stand-alone industrial uses and sites at the airport. In total, this supply is more than adequate to accommodate demand to 2031.

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<sup>1</sup> Based on interviews undertaken for this study, we understand that the existing facilities were previously being used for cold storage, and have recently been leased on a short-term basis for additional food processing and storage.

## **B. DEMAND IS NOT ANTICIPATED TO TAKE UP THE ENTIRE VACANT SUPPLY TO 2031**

Future demand for employment land in the Town of Niagara-on-the-Lake is estimated by applying a density factor to the forecast growth in employment land employment. A small amount of population-related employment is also factored into the land need estimate, consistent with the approach taken by Hemson Consulting in the past.

A range of density factors is applied to the forecast employment land employment growth, in order to provide a range on future demand. Based on our experience, a community's employment land density ranges depending on its location within the GGH:

- Generally, the highest employment land densities are observed in the central suburban areas of the GTAH, in particular southern York Region. Densities here can be as high as 70 jobs per net ha;
- Densities tend to decline as one moves further from these areas, reflecting the prevalence of lower-density goods production and distribution uses in locations such as Peel and Halton regions. Densities in these areas range from 30 to 50 jobs per net ha;<sup>2</sup> and

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<sup>2</sup> For detail, see the Employment Land Review Study, prepared for the City of Mississauga by Hemson Consulting Ltd. in June 2008.

- Densities decline even further at the fringe of the metropolitan area and beyond the GTAH where employment land tends to be occupied at a density of between 20 and 30 jobs per net ha.<sup>1</sup>

Reflecting the variety of designated employment areas in Niagara-on-the-Lake, range of 25 to 40 jobs per net ha is used to estimate future demand. The low-end of the range reflects typical densities in other rural communities. The high end of the range reflects more of a “GTAH” type of employment land development, including large-scale goods production and distribution uses.

Before demand can be compared to supply, however, an adjustment must be made for long-term vacancy. In most communities, approximately 5% of the employment land supply remains vacant over the long-term and this is also a reasonable expectation for Niagara-on-the-Lake. As shown in Table 5, accounting for long-term vacancy results in a net effective vacant supply of just over 100 ha.

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<sup>1</sup> Recent work prepared for the County of Oxford found that employment land densities ranged from 18 to 28 jobs per net ha, and that an overall factor of 25 jobs per net ha was appropriate for employment land planning. For detail, see The Oxford County Economic Strategy prepared by Hemson Consulting Ltd., for the County of Oxford in December 2006.

|  |                   |
|--|-------------------|
| Total Net Vacant Supply  | 114 net ha        |
| Long Term Vacancy Adjustment<br>(5 per cent of the total employment land supply of 205 net ha) | 11 net ha         |
| <b>Total Net Effective Vacant Supply</b>   | <b>103 net ha</b> |

Source: Hemson Consulting Ltd., 2005 based upon City of Hamilton Data

As shown previously in Table 3 previously, employment land employment is forecast to grow by approximately 1,100 jobs to 2031. In addition to this industrial-type development, a small component of population-related and tourism-based employment is also likely to be accommodated on employment land, consistent with the experience of other communities in the GGH.

Assuming that most of the forecast employment land employment will be accommodated with the Town’s designated business parks, along with a small component of population-related employment, results in a demand for between 25 and 40 net ha of urban employment land to 2031. As shown over in Table 6, this range of demand will not take up the entire vacant supply.

|  |            |
|--|------------|
| Total Growth in Employment Land Employment, 2006 to 2031   | 1,100 Jobs |
| Share on Urban Employment Land   | 80%        |
| Growth in Urban Employment Land Employment   | 880 Jobs   |
| Population-Related Employment on Urban Employment Land — 5% of the total growth in local population-related and tourism-based employment shown in Table 5 (2,000 jobs) | 100 jobs   |
| Total Job Growth on Employment Land, 2006 to 2031  | 980        |
| Land Required to Accommodate 980 jobs  | Net Ha     |
| - At 25 Jobs per net ha  | 40 Net Ha  |
| - At 30 Jobs per net ha  | 30 Net Ha  |
| - At 40 Jobs per net ha  | 25 Net Ha  |
| Total Net Effective Vacant Supply  | 103 Net Ha |

Source: Hemson Consulting Ltd., 2008, based on 2006 Census information

Even under a high employment forecast and relatively low density assumption, over half of the remaining vacant supply would still remain in 2031. An even larger surplus of employment land would be shown under a lower overall employment forecast and higher density assumption, as set out in the *Growth Plan*.

### **C. CONCLUSION HAS BEEN CONFIRMED BY THE REGION AND DEVELOPMENT COMMUNITY**

As part of the Region's growth management strategy, a set of population, household and employment forecast were prepared as input to an analysis of residential and employment land needs. With respect to Niagara-on-the-Lake, the conclusion is that the Town has a sufficient supply of urban lands to accommodate growth to 2031:<sup>1</sup>

- According to the Region, the Town of Niagara-on-the-Lake has a total residential land supply of approximately 4,700 units, which exceeds projected demand by approximately 1,500 units;

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<sup>1</sup> For detail, see Niagara 2031: Region of Niagara Growth Management Strategy, Option D: Preferred Growth Option, prepared by Dillon Consulting, Watson and Associates and EDP Consulting in October 2008.



- Interestingly, under the Region’s analysis the supply of high density units in the Town is only just sufficient to accommodate demand to 2031. This situation is unlike many other communities in the GGH, particularly communities in the central GTAH, which tend to have a designated supply of high density sites that far exceeds any reasonable expectation of demand;<sup>1</sup>
- According to the Region, the Town of Niagara-on-the-Lake has a net effective vacant employment land supply of approximately 80 net ha, which is consistent with the estimates prepared for this analysis;<sup>2</sup> and
- Based on a density factor of 25 jobs per net ha, the Region identifies a 25-year demand for employment land of approximately 30 net ha, which, again, is consistent with the estimates prepared as part of this analysis. Overall, the Region of Niagara concludes, as do we, that a surplus of employment land will likely exist in 2031 in the Town of Niagara-on-the-Lake.

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<sup>1</sup> Related to the issue of high density housing, some of the wineries interviewed for this study noted that there was a need for additional high density housing for migrant workers.

<sup>2</sup> The difference between the Region’s estimate of 80 net ha and our estimate of 100 net ha is explained largely by the inclusion of the approximately 20 net ha of potential future employment lands at the Niagara District Airport. The Region’s work appears to exclude these lands from the supply estimate.

To further complement these findings, a number of interviews were undertaken with members of the development community including industrial developers and landowners and realtors. Consistent with the Region and this study, the general view was that the Town has a large supply of employment land that is unlikely to be absorbed over the next 25 years. In particular:

- Local developers and landowners indicated that demand for industrial land has been weak for some time and that the Regional industrial land market, as a whole, is over supplied. This is also consistent with the Region’s analysis prepared for *Niagara 2031*;<sup>3</sup>
- Local realtors are currently experiencing great difficulty leasing space. Listings are staying on the market for extended periods of time and potential tenants are not responding to traditional incentives such as reduced rents.
- The construction of new space has also slowed, with some projects halted in mid-construction. For industrial users that are demanding new space, most are interested in owning properties or design-build projects;

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<sup>3</sup> At a regional level, the current designated supply exceeds forecast demand by over 700 net ha. For detail, see *Niagara 2031: Region of Niagara Growth Management Strategy, Option D: Preferred Growth Option*, prepared by Dillon Consulting, Watson and Associates and EDP Consulting in October 2008.

- Demand for employment land in Niagara-on-the-Lake is increasingly for logistics and warehousing type activities in locations with good transportation access and available large sites. Generally, manufacturing is viewed as declining in the Town and Region, consistent broader economic trends;<sup>1</sup>
- From a leasing perspective, the realtors indicated that the strongest demand was for buildings well-suited to logistics and goods movement, including facilities with a large number of loading bays, high ceiling heights and good road access; and
- Interviews with agricultural users indicated a strong link between logistics and goods distribution activities and farm and rural-based activities. In particular, many wineries indicated that logistics and goods distribution activities were important to their businesses, because much of the wine-making equipment and supplies needed for daily operations are sourced from international suppliers, including glassware, napkins, barrels, storage tanks and farm equipment.<sup>2</sup>

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<sup>1</sup> During the 2001 to 2006 Census period, employment in the GTAH declined overall, although these job losses were more than replaced by growth in other economic sectors. For detail, see the Employment Land Review Study, prepared for the City of Mississauga by Hemson Consulting Ltd. in June 2008.

<sup>2</sup> The installation, servicing and maintenance of equipment and facilities, however, as well as the provision of grapes and other agricultural products, is primarily a local function.

Based on the analysis of supply and demand, and input from the development community, the Town of Niagara-on-the-Lake likely has an ample supply of employment land to accommodate growth to 2031. In the broader context of planning for long-term economic vitality in the Town and Region, however, this does not necessarily mean that the entire surplus should be converted to other urban uses.

As discussed in the final chapter, in our view only limited change is considered appropriate. Among the reasons for this conclusion are new Provincial policies that direct municipalities to plan for, protect and preserve employment areas to accommodate future uses, the Region's growth management objectives and the advantages of maintaining a strategic reserve of employment land beyond 2031.<sup>3</sup>

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<sup>3</sup> Both the PPS (in Section 1.3.1) and the Growth Plan (in Section 2.2.6) recognize the importance of designating and maintaining a range of employment lands in order to promote economic development and competitiveness.

## IV A LIMITED AMOUNT OF CHANGE MAY BE APPROPRIATE TO ACHIEVE OTHER PLANNING OBJECTIVES

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For the purposes of this review, the issue of what type of change, if any, should be considered for the Town's employment land supply is considered in the context of a finite urban land supply, new Provincial policies to promote economic vitality and Regional economic objectives. As a result, the notion of a "need" to convert employment land is considered from a land use planning perspective:

- From a land use planning perspective, there is only a need to change land use or convert employment land if it is required to achieve a broader Town, Regional or Provincial planning policy objective.
- This is different than the notion of need to change uses or convert employment land from the private landowners' perspective, which is determined mainly by the presence of market demand.
- Given that there is market demand for all types of urban development and that existing Provincial and Regional policy directions both seek to achieve specific economic and employment land objectives, the issue of where and what type of change may be appropriate must be considered from a land use planning perspective.

From a land use planning perspective, the majority of the Town's employment land supply should be maintained in its current designation, in particular Glendale. The only part of the employment land inventory where some change could be considered is in the Village of St. Davids. A broader range of use may be appropriate for this location, although further study will be required to identify the preferred land use designations.

### A. THE MAJORITY OF THE EMPLOYMENT LAND SUPPLY SHOULD BE MAINTAINED

Notwithstanding that the Town may have a surplus of employment land to 2031, in our view the majority should be retained in its current designation. In addition to new Provincial policy directions, a number of other observations also lead us to this conclusion:

- Firstly, maintaining a strategic reserve of employment land beyond 2031 is in the Town's best economic interests because there are practically no options for additional employment land designations. The Town is located entirely within the *Greenbelt*.

- An ample supply of employment land also helps to minimize the potential for land use conflicts, by providing opportunities to concentrate non-compatible land uses in locations away from existing historically significant areas and minimize scattered industrial uses throughout the agricultural areas.<sup>1</sup>
- The Region of Niagara has concluded that the Town has a sufficient supply of residential land to accommodate forecast population growth. Or, in other words, there is no “need” to convert employment land to advance the Region’s current growth management objectives; and
- The majority of the Town’s current employment land supply is well-suited for continued employment use, in particular the very competitive employment lands in Glendale. This area makes up a large share of the Town’s total employment land supply and is considered well-suited and marketable for development over the long-term.

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<sup>1</sup> Section 11 of the Town’s official plan also indicates that residents of Niagara-on-the-Lake strongly support policies encouraging industrial development within designated industrial parks.

### **1. The Business Park in Glendale Should be Maintained as the Town’s Primary Employment Area**

In order to be most competitive, employment land must well served by the road network, preferably 400 series highways, and large enough to provide a range of sites and a unique sense of place. The employment lands in Glendale meet both of these major criteria:

- The lands have direct access to Highway 405 and the QEW, and offers sites with good exposure which are often valued by prestige users who wish to establish a corporate identity with the visual appearance of their building; and
- The area is large, making it easier to avoid land use conflicts and provide a range of sites size, price and ownership options. The size of the area also permits the Town a great deal of flexibility in responding to changes in economic conditions, space requirements and shifts in demand.

Glendale also forms part of a larger mixed use node, including retail and residential uses, and a major educational institution, Niagara College. There is the potential for a Wine Discovery and Education Centre in the area as well as future industry linkages between the College and business park activities.<sup>2</sup>

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<sup>2</sup> For detail, see Energizing Niagara’s Wine County Communities, prepared by Peter J. Smith and Company, inc. for the Region of Niagara in January 2007. Cloning and root stock activities were also identified as a potential linkage by a Winery.

As a result of these advantages, in our view Glendale should be maintained as the Town's primary employment area. In order to achieve this objective, the following policy directions are suggested.

- In the Town's current official plan the employment land in Glendale is designated primarily for *Prestige Industrial* use. The open storage of goods and materials are limited, with intention of promoting the development a high quality business park environment and foster a good community impression.
- The Town may wish to reconsider its policy directions limiting outdoor storage. Outdoor storage is permitted in some of the most prestigious business parks in the GGH, and can be acceptable if properly located and screened.
- The Town may also wish to refine the current land use designations, with a view to establishing a gradation of urban design requirements depending on the visibility and profile of individual sites.
- One potential strategy could be to apply the highest planning and design standards to key intersections and gateway sites, including landscaping and streetscape requirements. Sites interior to the business park would have relatively less of these controls, with the exception of appropriate screening for outdoor storage, particularly at the street edge.

- This is an approach that has been taken by in a number of prestige business parks, including the City of Mississauga. It is an effective approach because it allows the community to achieve a high quality of development, while still remaining flexible to meet the economic needs of future users.<sup>1</sup>
- And, contrary to popular perceptions, most industrial development today—including logistics, warehousing and distribution—takes the form of high-value, attractive and technologically advanced buildings. Even some types of uses that historically were noxious now have less of an impact through innovations in site design and odour control.<sup>2</sup>

The Town's official plan also indicates that shopping and residential accommodation may be considered in Glendale subject to certain conditions.<sup>3</sup> The Town may wish to consider removing this reference to limit opportunities for conversion, maintain a competitive supply of employment land and focus new residential and retail development in other locations.

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<sup>1</sup> Members of the development community also indicated that current planning and design requirements for new industrial development were quite onerous and that a more flexible approach might be appropriate.

<sup>2</sup> For detail, see *Understanding Employment Land in the Region of Peel*, Hemson Consulting Ltd., 2005.

<sup>3</sup> For detail, see the *Town of Niagara-on-the-Lake Official Plan, 2004 Office Consolidation, Section 11: Industrial*

## 2. Virgil Business Park Should Be Encouraged to Continue Its Local Service Role

Although the Virgil Business Park is smaller than Glendale, the pattern of development indicates that the area is playing a key role in providing local services.

In the Town's official plan, the Virgil Business Park is designated entirely for *General Industrial* use, which permits a somewhat wider range of use than the *Prestige Industrial* designation applied to the majority of Glendale. The business park has developed well and should be encouraged to continue serving this important function.

The remaining employment lands should be retained and the Town may wish to consider options for extending transportation access to the planned expansion lands to the south. The Town may also wish to permitting a wider range of service-commercial employment uses given the area's evolving role in the community.

## 3. Niagara District Airport is Also A Unique Economic Asset That Should be Protected

The Niagara District Airport plays an important role in the Regional and Town's transportation system and economy. Total employment at the airport and associated industrial area is approximately 85 jobs. Existing uses include a major manufacturer of aircraft parts and accessories, Genaire Limited, and other uses such as aircraft maintenance and repair, sightseeing tours and aircraft restoration.

The Niagara District Airport has an estimated annual economic impact of approximately \$18,000,000 and provides other benefits to the Regional economy by supporting jobs in both the manufacturing and tourism sectors.<sup>1</sup> As a result of its economic impact, and consistent with new Provincial policies, the airport is considered a unique economic asset that should be protected.<sup>2</sup>

There are approximately 20 net ha of potential vacant employment lands at the airport which, as previously noted, are not currently zoned for industrial use. The Niagara Airport Commission has proposed that these vacant lands be placed in an "Airport Holding Zone", which would permit existing uses and recognize future airport related uses.

Based on the results of the supply and demand analysis, however, there does not appear to be any need to pre-zone additional employment land over the planning period. In our view, the future development of these lands is better addressed at the time a specific application is made.

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<sup>1</sup> For detail, see Niagara District Airport Economic Impact Study, Phase I Assessment of Current Impact, prepared by Archbold Leclerc Consulting Ltd. in November 2007 and Welcome on Board: Portrait of an Airport in Transition, prepared by the Niagara District Airport in January 2008.

<sup>2</sup> This objective is also consistent with Provincial economic policies. Protecting employment land around airports is consistent with both the new PPS (Section 1.6.7) and the Growth Plan (Section 2.2.6(9)) encourage the designation and preservation of land in the vicinity of airports for employment use.

## **B. A WIDER RANGE OF USE MAY BE CONSIDERED FOR EMPLOYMENT LANDS IN ST.DAVIDS**

The only part of the Town’s employment land inventory that may be considered constrained from a market perspective is the employment lands in St. Davids. The lands do not enjoy the transportation access of the Glendale business park, the established base of local-serving economic activity that is observed in the community of Virgil, or access to specialized transportation infrastructure that is available at the Niagara District Airport.<sup>1</sup>

### **1. The Redevelopment of Older Industrial Sites For new Industrial Use is Rare**

In the past, the potential for the development of older industrial sites with new industrial use has been limited. While some older facilities can be re-used for new economic purposes, there are few examples of the redevelopment of industrial sites for new industrial uses, except in cases where significant financial subsidies are provided.<sup>2</sup>

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<sup>1</sup> *The development community confirmed this conclusion and was of the general view that the employment land in St. Davids is not as competitive from a market perspective as other Niagara-on-the-Lake locations, particularly Glendale.*

<sup>2</sup> *For detail, see the Long-Term Employment Land Strategy prepared for the City of Toronto by Hemson Consulting Ltd. in January 2007.*

In most situations where the development of older industrial sites, or “brownfields” has occurred virtually all has been for a mix of residential and commercial as opposed to continued industrial use. This is because the redevelopment economics of older industrial sites tends to favour residential and commercial development over continued industrial use in most urban circumstances.<sup>3</sup>

### **2. Employment Lands in St. Davids Face A Number of Challenges to Development**

In addition to a relatively poor competitive position from a market perspective, the employment lands in St. Davids are constrained by other factors, particularly the potential for land use conflicts. According to interviews undertaken with the development community:

- Historically, the choice to locate employment lands in the Village of St. Davids was driven by a need for a central processing location within the tender fruit industry, and was made at a time when the fruit was delivered by horse and cart.
- In the current market, employment land in St. Davids lacks the transportation access to make it attractive for industrial-type uses such as manufacturing and logistics and goods movement uses;

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<sup>3</sup> *Interviews with the development community also indicated that the existing facility is old, was built in many stages in a “piecemeal” fashion and may be difficult to re-purpose in its entirety to another economic use.*

- For these types of activities, most new industrial users are seeking locations with direct access to 400-series highways, such as Glendale; and
- Access to a new industrial facility in St. Davids would need to be provided through the existing community, which may cause land use conflicts. It was generally the view of the development community that surrounding residential and agricultural uses may not be compatible with a fully utilized industrial use.<sup>1</sup>

### 3. The Economic Viability of Continued Agricultural-Related Use is Uncertain

While the employment lands in St. Davids may not be considered competitive for new industrial development by the development community, many stakeholders including the Region have suggested that a new agricultural-related use should be encouraged to take advantage of the site's unique central location in the community.

The viability of continued agricultural-related use at this location, however, is uncertain:

- According to interviews undertaken with agricultural users, the fruit canning industry in Niagara Region has been in decline for many years, primarily as a result of global competition from lower-cost producers;
- As a result, the viability of securing another fruit canning or like facility is considered to be low. There may, however, be opportunities for more specialized or niche processing activities;
- Many local growers have shifted to the production of new crops in response to the closure of Cangro, further diminishing the viability of canning functions within the agricultural industry; and
- While there may be the potential to accommodate other agricultural-related uses in St. Davids, many realtors and developers have suggested that the price of land would be a disincentive. Locations within the Town's agricultural area — where sites may be less expensive — are likely to be preferred.

Within the context of these constraints, the Town's overall supply of employment land and ongoing restructuring in the agricultural industry, in our view a wider range of uses may be considered for the employment lands in St. Davids. Further study, however, is required to identify the uses that should be permitted.

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<sup>1</sup> An interview with one stakeholder also suggested that the CanGro facility, prior to its closure, was operating at a reduced capacity, meaning less truck traffic than might be expected with a new industrial-type use.



### C. FURTHER STUDY WILL BE REQUIRED TO IDENTIFY THE PREFERRED LAND USE DESIGNATIONS

The interviews and a review of background information undertaken for this study has identified a number of potential options for employment lands in St. Davids:

- Some interviews suggested that the site could be used as a winery, however the relatively high land value associated with an urban designation was recognized as a potential constraint;
- The Grape Growers of Ontario have also suggested that the viability of a new winery is limited by the current over-supply of grapes and a relatively static demand. According to the Grape Growers, the key factor limiting the expansion of wineries in Niagara Region is not available sites, but the current regulations that limit wine sales to other Provinces;
- Members of the development community were of the view that a mixed-use commercial and retail development would be preferred, including higher density residential forms to take advantage of an ageing population and associated demand for such units;
- Members of the agricultural community suggested that the area could be used for a Chef's market or large scale produce outlet to improve access to locally grown food. According to the interviews, much of Niagara's specialty crops are currently distributed through the Ontario Food Terminal in central Toronto;

- One of the wineries suggested the site could be used for a glass recycling facility, although it was recognized that such an industrial use may generate land use conflicts with existing and future residents, and may not be consistent with the Town or Region's long-term vision for St. Davids; and
- Another winery suggested a wine concentration and storage facility, the former being a practice used in some other wine-producing countries to lower transportation costs. Many smaller wineries in Niagara also have limited building space and may benefit from a central, climate-controlled storage facility.

Additional opportunities have been identified in the recent strategy for Niagara's Wine County, as part of stimulating private sector investment the Region's tourism economy.<sup>1</sup> Some of the specific investment opportunities identified for the Village of St. Davids include:

- County Inns and "Bed and breakfasts (B&Bs)"<sup>2</sup>;

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<sup>1</sup> For detail, see *Energizing Niagara's Wine County Communities*, prepared by Peter J. Smith and Company, inc. for the Region of Niagara in January 2007.

<sup>2</sup> Defined in the Town's official plan as a dwelling owned by and is the principle residence of the proprietor who rents rooms and may provide meals to overnight guests. The size of B&Bs is generally limited to 3 bedrooms and 10 occupants, although larger establishments are considered under certain conditions, including for buildings of historic or architectural significance.

- Boutique retail, including arts and crafts studios, art galleries and antiques; and
- Upscale wine and culinary establishments including specialty restaurants, boutique spas and outlets for wine or local foods and agricultural products.

Further study, however, is required to identify the uses that are desirable from a community planning perspective and can reasonably be expected to develop over the planning period. Key issues that need to be addressed include:

- **The viability of continued agricultural-related use.** The development community has indicated that the likelihood of such use is low. Other stakeholders have expressed an interest in taking advantage of St. Davids' unique location to strengthen Niagara's rural economy and agricultural industry.

The Town and the Region may wish to examine in greater detail the issue of continued agricultural-related use in this location, including the potential need for financial subsidies or other support for the development of such industries;

- **The role of St. Davids in the Regional tourism and wine industry.** A number of potential "signature developments" are identified in the strategy for Niagara's Wine county, including a Natural Heritage Centre, a Wine County Embassy and a Wine County Culinary Centre.

The Town of Town of Niagara-on-the-Lake may wish to consider the viability of these types of uses for St. Davids, in addition to the private development opportunities identified in the strategy; and

- **The development of St. Davids as a "complete community".** The *Growth Plan* encourages the development of complete communities, defined as communities having a good mix of residential, employment and transportation options.<sup>1</sup>

Given that the employment lands in St. Davids are likely the only remaining opportunity to accommodate a major new employer in the community, this too will need to be carefully considered.

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<sup>1</sup> Defined on page 41 of the Growth Plan as communities that "...meet people's needs for daily living throughout an entire lifetime by providing convenient access to an appropriate mix of jobs, local services, a full range of housing, and community infrastructure including affordable housing, schools, recreation and open space for their residents. Convenient access to public transportation and options for safe, non-motorized travel is also provided."

In summary, the Town of Niagara-on-the-Lake is anticipated to accommodate relatively modest employment growth over the planning period to 2031. An ample supply of employment land is currently designated to accommodate future demand, and this conclusion is consistent with the Region's growth management work and the views of the local development community.

Within the context of a finite urban land supply and Provincial policies seeking to minimize the conversion of employment land, however, only a limited amount of change is considered appropriate. Some change may be appropriate for the employment lands in St. Davids, although further study is required to identify the specific types of uses that should be encouraged.

We trust that the findings of this report are of assistance and look forward to receiving input from the public and other interested stakeholders

**Appendices  
(to come)**

**Appendix A: Details of 2006 Employment By Type**

**Appendix B: Detailed Land Supply Information**

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