

# The Regional Municipality of York

Committee of the Whole  
Planning and Economic Development  
March 12, 2020

Report of the Commissioner of Corporate Services and Chief Planner

## Planning for Employment and Employment Conversions

### 1. Recommendations

1. Staff be directed to hold a public information centre on the employment areas proposed for designation and staff recommendations on site specific employment area conversion requests as outlined in this report and report back to Council.
2. The Regional Clerk forward this report to the Minister of Municipal Affairs and Housing and the Clerks of the local municipalities.

### 2. Summary

The Growth Plan for the Greater Golden Horseshoe (Growth Plan) and Provincial Policy Statement (PPS) require municipalities to plan for employment by ensuring land is available in appropriate locations to accommodate employment to 2041 and beyond. This includes a new requirement to designate employment areas in the Regional Official Plan and assess site specific requests for employment area conversion. This report proposes employment area mapping and sets out staff recommendations in response to 71 site specific requests for employment area conversion.

Key Points:

- Protection of strategically located employment areas contributes to the Region's long term prosperity and viability
- Staff worked collaboratively with local municipalities to complete a comprehensive assessment of the Region's employment areas, including evaluation of 71 site specific conversion requests
- 11,000 hectares of employment areas has been identified as appropriate for designation in the Regional Official Plan
- Employment area conversion requests are a direct input to the Region's land needs assessment to determine additional settlement area land needs to accommodate future growth

- The public information centre will provide the opportunity for the public and interested stakeholders to comment on the proposed employment area mapping

### **3. Background**

#### **Provincial policies support protection of employment areas**

Provincial policies recognize that the preservation of employment areas is an important planning tool for securing the Region's economic future. The PPS recognizes the need to protect and preserve employment areas for current and future uses, especially in prime locations along 400-series highways and other major goods movement corridors. Stressing the importance of employment lands to the vitality of the Region, the PPS allows planning authorities to plan beyond a 20 year horizon for the long-term protection of employment areas, provided lands are not designated beyond the 20 year planning horizon (i.e. lands could be identified in the Regional Official Plan (ROP) for future employment uses).

The Growth Plan sets population and employment forecasts of 1.79 million people and 900,000 jobs in 2041 which are to be used as the basis for land use planning and managing growth in York Region. The Growth Plan supports achievement of complete communities including protection of employment areas and sets out new policies that protect employment areas critical to the local and provincial economy. Provincially Significant Employment Zones (PSEZ) are strategically located areas of high economic output that provide opportunities to improve coordination between land use planning, economic development, and infrastructure investments to support job creation over the longer-term. The Growth Plan identifies four zones within the Region which collectively cover a significant portion of the Region's employment land base in southern York Region.

#### **For the first time, the Province requires York Region to assess employment area conversion requests and designate employment areas in the Regional Official Plan**

New policy direction in the Growth Plan requires upper and single-tier municipalities to designate and set density targets for employment areas in the ROP and to assess requests for employment land conversion. These are new Regional responsibilities whereas previously, employment designations were only included in local municipal official plans. Following completion of the Region's current Municipal Comprehensive Review (MCR), the ROP will include an employment area designation.

An employment area conversion occurs when a site that is designated as employment area within an official plan is re-designated to accommodate non-employment uses such as residential or major retail. The Growth Plan states that conversion of employment areas (including areas located within PSEZ) to non-employment uses may only be permitted through an MCR based on criteria.

## Extensive research and background work has been undertaken to inform proposed employment area boundaries

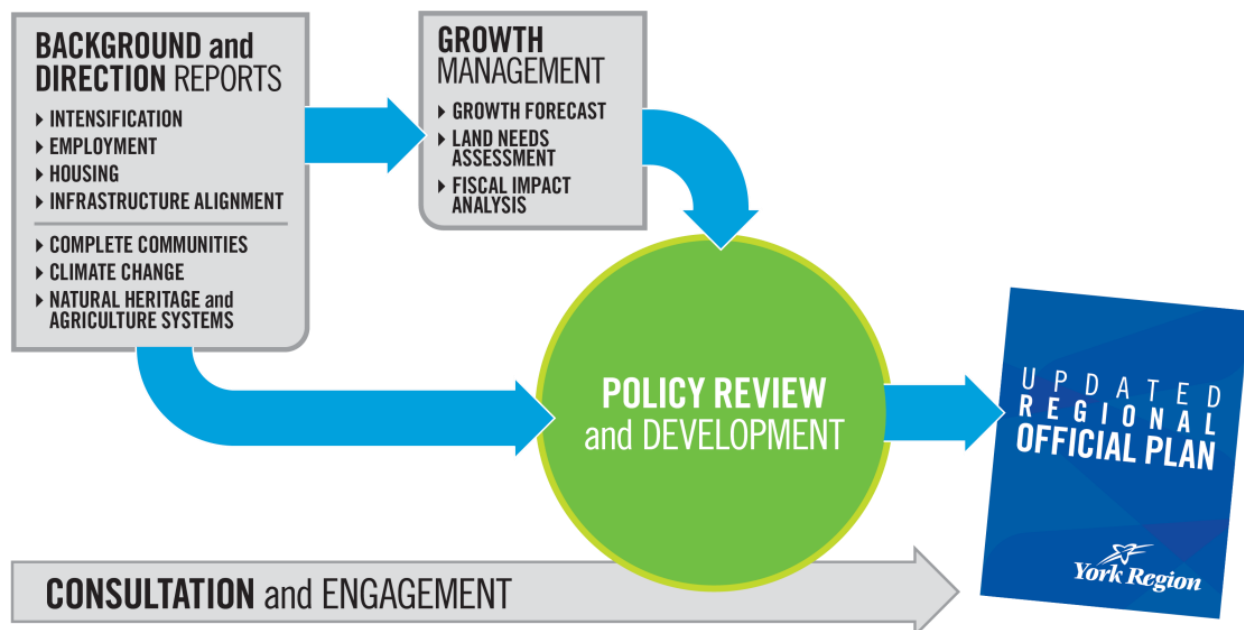
Planning for employment is a key component of the MCR. Assessing employment areas and conversion requests through the MCR process allows for the comprehensive application of all policies in the Growth Plan. Regional staff provided Council with an update on the process of assessing employment areas and site specific conversion requests in October 2019.

The following reports to Council and background work support planning for employment in the Region and were used to inform staff recommendations on the proposed employment area boundaries and site specific conversion requests found in this report:

- York Region 2017 employment land inventory report in [March 2018](#)
- 2018 Employment and Industry Report in [March 2019](#)
- Employment Area Conversion Criteria report in [March 2019](#)
- Planning for Employment Background Report including historical and future employment trends, Employment Area Profiles and the Hemson Consulting Future Employment Trends study in [May 2019](#)
- Employment Area Conversion Process Update report in [October 2019](#)

These background reports form part of a series of reports and studies summarized in Figure 1 associated with the Region's MCR.

**Figure 1**  
**Municipal Comprehensive Review Components**

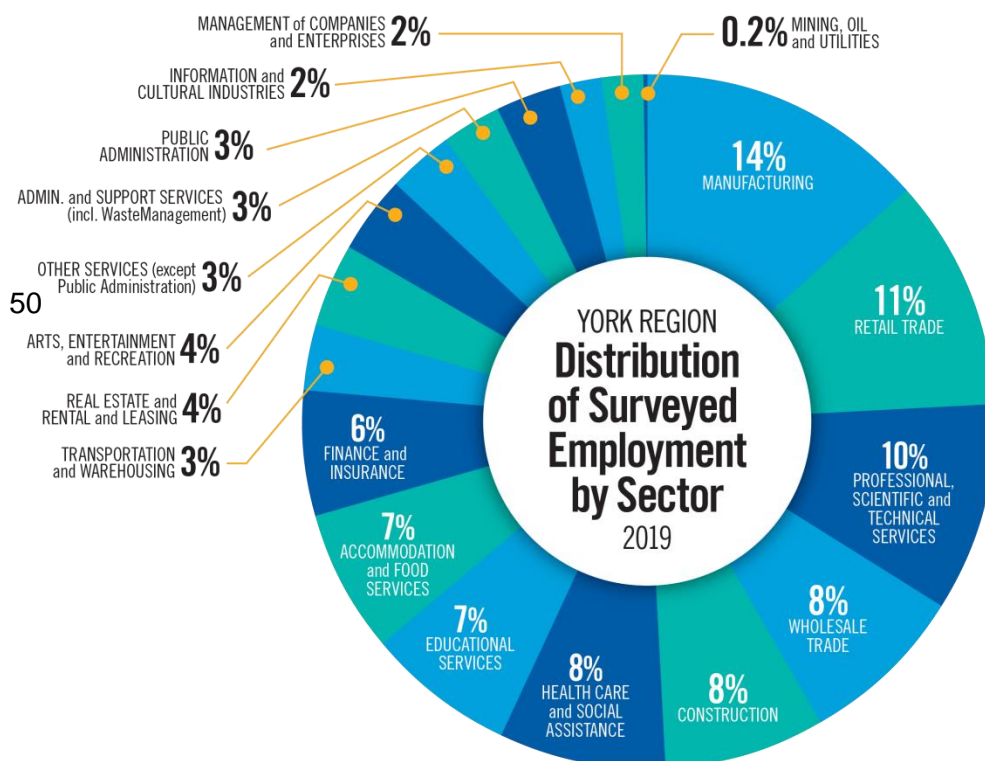


## Long term protection of employment areas is important to the Regional economy

York Region is committed to maintaining and enhancing the long term viability of employment lands and recognizes the strategic role they play in the Regional economy. ROP policies strive to ensure long term supply and effective planning of employment lands to deliver future jobs across the Region. Existing employment policies aim to protect employment areas over the long term by prohibiting conversions to non-employment uses, prohibiting major retail uses and limiting ancillary retail uses to 15% of the employment area defined in the local municipal official plan.

As of mid-year 2019, there was an estimated 654,650 jobs in York Region. Since 2001, York Region’s employment has grown by over 269,000 jobs, representing a strong average annual growth rate of 3%. The Region contains one of the largest business hubs in the GTA and is home to a number of global companies across a range of key industries including information and communications technology (ICT), finance and business services, distribution and logistics and manufacturing. Employment areas contain over 50% of the Region’s employment base and strengthen the Region’s economic resilience by supporting a diverse range of businesses (see Figure 2). Continuing to preserve areas designated for employment will contribute to the Region’s economic competitiveness and marketability. Employment areas accommodate high quality, good paying jobs, attract new businesses and allow for the expansion of existing operations.

**Figure 2**  
**York Region Distribution of Surveyed Employment by Sector, 2019**



Source: York Region Planning and Economic Development Branch, 2019 Employment Survey

## **Council endorsed conversion criteria in March 2019**

The Growth Plan contains conversion policies that must be considered when assessing conversion requests. Regional staff identified a need for additional criteria to assist with assessing the context of the Region's employment areas. York Region staff in partnership with local municipal staff developed criteria that expand on the Growth Plan criteria (Attachment 1). The criteria provided a comprehensive and equitable approach to assessing conversion requests and were approved by Council in March 2019. The criteria reflect the core principles of supply, viability, access, infrastructure and protection of Region-wide interests. These principles align with conversion policies in the Growth Plan and ROP and work together to support the Region's long term vision. The core principles are reflected in staff recommendations for site specific conversion requests and the proposed ROP employment area mapping.

## **4. Analysis**

### **Local municipal designations provided the basis for comprehensive assessment of Regional employment areas**

Regional staff, in partnership with local municipal staff, undertook a broad analysis and assessment of employment areas in the Region to identify areas appropriate for designation as employment in the ROP. York Region's 2017 employment land inventory, which is based on lands designated employment within local municipal official plans, was used as the basis of staff's assessment of employment areas. The assessment included a review of all lands within employment areas. While informed by the Council endorsed conversion criteria and assessment of site specific conversion requests, the following additional considerations resulted in further refinements to employment area boundaries:

- protecting core and strategic areas while considering areas that would be more appropriate for more permissive uses (both employment and non-employment)
- the context within the regional and local structure
- implications to the land budget and infrastructure
- emerging employment trends that influence the way we plan for future employment needs

### **The Region received 71 requests for employment area conversion through the Municipal Comprehensive Review**

Pressures to convert to non-employment uses persist across all municipalities in the Greater Golden Horseshoe, including York Region. Much of the pressure to convert employment areas to non-employment uses can be attributed to certain land uses, such as residential, retail and commercial, having higher market values and a tendency to be more profitable. Through the MCR, the Region has received a total of 71 requests for employment area conversions. Together, these requests cover approximately 669 hectares (1,653 acres) of

employment land, which is the equivalent of approximately one and a half concession blocks, and account for an estimated 6% of the Region’s total 2017 employment area land base. Requests for conversion are within eight of the Region’s nine local municipalities (see Table 1).

**Table 1**  
**Total Number of Conversion Requests**

<b>Municipality</b>	<b>Number of Conversions</b>	<b>Total Gross Area (Ha)</b>
Aurora	8	25
East Gwillimbury	0	0
Georgina	2	24
King	3	31
Markham	12	82
Newmarket	3	37
Richmond Hill	11	55
Vaughan	30	388
Whitchurch-Stouffville	2	29
<b>Total</b>	<b>71</b>	<b>669</b>

**A comprehensive evaluation of site specific conversion requests was undertaken to inform employment area mapping**

Using the Regional Council endorsed conversion criteria, an internal team of planning and economic development staff undertook a comprehensive evaluation of each employment area conversion request. The criteria were used by staff to inform recommendations on whether a conversion request is appropriate and enhances policy objectives in the ROP, or if it will negatively impact the long term supply and/or viability of employment areas. Local municipal staff and local municipal Council input on conversion requests was considered through the comprehensive assessment. Regional staff undertook extensive consultation (see Attachment 2) through a series of individual meetings with land owners to discuss the initial site specific conversion evaluation and with adjacent landowners who were notified through a mail out.

## **Economic viability is an important consideration in the assessment of employment areas**

York Region's employment areas provide landowners and end users with a broad range of market choice with respect to site selection, size, and transportation access/exposure. These areas often provide the only viable option for businesses requiring separation from residential and other uses that are sensitive to noise, activity or odour. Preserving the economic viability of an employment area is a key principle of the York Region conversion criteria. Economic viability of an employment area will help secure its ability to operate successfully and sustain success over the long term. When assessing employment areas, including site specific conversion requests, factors including impacts to existing businesses operations, opportunities for future business investment, linkages between businesses and compatibility of land uses need to be considered.

Employment land conversions can impact remaining employment lands as they result in a permanent loss of employment land and opportunities for future employment land development. Between 2012 and 2016, approximately 240 hectares of land in employment areas were converted through local Official Plan Amendments. Conversion of lands puts pressures on remaining lands and in some instances restricts the operations of nearby employment uses thereby encouraging the conversion of additional nearby lands to non-employment uses. A number of the Region's conversion requests are likely a result of this precedent-setting pattern, whether it be from requests made in this MCR or results of past conversions. This can jeopardize the economic viability of remaining employment lands and result in the displacement of businesses to outside of the Region, disrupt economic synergies in the area, reduce the diversity of future employment opportunities, discourage future business attraction and potentially result in job loss.

## **Forecast demand for employment land in York Region is anticipated to remain strong**

The Region's preliminary employment forecast, developed using the May 2018 Land Need Assessment methodology, has been used to inform assessment of requests for employment area conversions. Based on current Growth Plan projections, the Region is forecast to grow by an estimated 245,350 jobs between 2019 and 2041 to reach its employment forecast of 900,000. Informed by extensive background analysis presented in [May 2019](#), including a report from Hemson Consulting predicting future employment trends, Figure 3 summarizes the preliminary employment demand forecast to 2041 by employment type. Definitions of different employment types and high level forecast considerations informing the distribution below can be found in Attachment 3.

**Figure 3**

**Preliminary employment forecast growth by type**

2016-2041 Employment Growth – 299,000 jobs			
Major Office Jobs	Employment Area Jobs	Population Related Jobs	Rural Area Jobs
77,000 jobs (26%)	108,000 jobs (36%)	111,000 jobs (37%)	3,000 jobs (1%)

The employment area category has a direct impact on the assessment of employment area conversions. Two of five mandatory Growth Plan criteria speak to a demand-supply analysis.

A demand-supply analysis in employment areas is also the fundamental determinant of whether an urban boundary expansion is required to accommodate employment growth to the planning horizon.

Employment area supply is determined based on the boundaries proposed for designation in Attachment 4 and informed by forecast density assumptions on vacant lands as well as an assumption for employment growth within existing built space found in Attachment 3. Compared to employment area demand of 108,000 jobs in Figure 3, it is estimated that the Region’s employment areas have capacity for growth of approximately 113,000 jobs. This adequate supply provided the flexibility to support some conversion of employment area without having negative implications to the Region’s employment area supply.

**Employment conversions have a direct impact on the Region’s ability to preserve a diverse supply of employment land and meet long-term employment needs**

Encouraged by the PPS, a supply that exceeds forecast demand is permitted and beneficial to the Region as it provides flexibility and locational choice in the competitive GTHA market for prospective businesses. Conversion of a large quantum of employment land beyond what is being recommended by staff would result in a deficit of employment land when compared to the estimated demand. When land previously designated for employment is converted to non-employment uses, the associated job potential no longer contributes to the employment land supply side of the analysis, making it more challenging for the Region to accommodate forecast employment land demand. Sites converted to non-employment uses, including sites proposed for mixed uses, are counted towards the supply of community land and may provide additional residential supply and/or contribute towards the supply of other employment types such as population-related or major office.



## **York Region has a supply of approximately 173,000 housing units that can accommodate residential growth**

The Region has a healthy supply of residential units with an estimated 172,800 units under application or within approved designated areas as of mid-2019 - over half (55%) of these are ground-related units (singles, semi-detached and rows). Additional residential supply through employment area conversions could result in the Region being over designated from a community land perspective, meaning that the existing urban boundary could accommodate growth beyond the 2041 planning horizon. Another important employment area conversion consideration is that residential developments have far more flexibility in where they can locate compared to employment area uses.

## **Conversion of employment lands can impact local municipal forecasts and increase demand on infrastructure**

Conversions to non-employment uses can impact the distribution of employment growth in the Region and a local municipality's ability to provide live-work opportunities for residents. Given that employment area conversions reduce a local municipality's supply of employment land for future job potential, Regional demand is likely to be distributed elsewhere. In a municipality that already has a limited supply of employment land, additional conversions may result in a significant reduction in the potential for future employment area employment growth. Additional information on the Region's employment land supply by local municipality and its relationship to preliminary estimates of local municipal demand can be found in Attachment 3.

Conversions can also place a greater burden on infrastructure. This occurs for three primary reasons:

- In the long term, conversion to residential uses may trigger the need to prematurely introduce new water and wastewater infrastructure to address higher flows than initially planned
- Employment area conversions to residential uses may result in water-wastewater servicing allocation needing to be re-distributed from other planned residential areas, resulting in competition for growth
- Traffic congestion will increase if large areas across the Region are converted in areas that may not have the roads and transit infrastructure to support increased residential development and introduce conflict with goods movement corridors which support employment activities that require truck and rail traffic

Where employment land conversions are supported in areas of water or wastewater constraints, development will be subject to timing of infrastructure approvals and completion, and confirmation of adequate services and allocation as confirmed by the local municipality. In some instances, infrastructure constraints have been a factor in conversions not being supported as introducing residential land uses will result in water or wastewater demand that exceeds the capacity of existing or planned infrastructure.

Permitting the conversion of employment lands to allow residential uses can result in a lack of necessary public service facilities such as recreation, schools, parks, and cultural services. Ensuring the provision of these services for residents contributes to the achievement of a complete community and provides for a high quality of life. By permitting residential uses in employment areas, residents do not have access to necessary community amenities which in turn can result in additional conversion pressures to the surrounding employment lands.

### **Comprehensive assessment informed employment areas to be designated in the Regional Official Plan**

The employment areas proposed to be mapped in the ROP currently support or have the potential to support the Region's diverse economic base and contribute to key economic clusters in the Region and the GGH. Staff have identified 11,000 hectares of land appropriate for designation as employment in the ROP. These areas are already designated as employment within local municipal official plans and have been captured previously within the Region's employment land inventory.

Of the 71 requests for conversions, 51 are proposed to remain designated as employment in the ROP. These requests are part of viable, strategically located employment areas that contribute to the Regional and Local Municipal economic base and competitiveness and do not satisfy the Council endorsed conversion criteria.

The 51 requests proposed to be designated as employment are generally geographically concentrated along or in proximity to existing or planned 400 series highway and lands surrounding the CP intermodal facility and CN MacMillan yard or fall within employment areas that are recently designated and largely vacant. As these lands are integral to supporting the long term viability of a Provincial goods movement network and long term employment needs, Regional staff propose to map and designate these employment areas in the ROP and are not supportive of conversions within these areas.

Attachment 4 provides mapping of employment areas proposed to be included in the ROP and is reflective of the results of the broader employment area analysis including conversion requests. Attachment 5 provides a summary assessment for each site specific employment area conversion request outlining the primary reasons for including or excluding each site from the employment area mapping.

### **Twenty of the 71 requests for site specific conversion are supported and are not proposed to be mapped as employment in the Regional Official Plan**

A number of conversion requests include concept plans that propose mixed uses including medium to high density residential, rental housing and/or senior residences. Through the application of the conversion criteria and broader employment area assessment, 20 of the 71 site specific conversion requests are supported by staff and not proposed to be mapped as employment in the ROP as they are in a location that is appropriate for these types of uses. These areas are appropriate for non-employment uses as determined through application of criteria or in recognition of the surrounding context that has changed since the lands were originally designated as employment. These areas support the development of transit-supportive, mixed-use communities.

Comprehensive assessment resulted in some areas not subject to conversion requests also being recommended for removal from an employment area. This includes lands with small and isolated parcels, lands within the Greenbelt plan identified as legal non-conforming uses and minor rounding out/boundary clean-ups.

### **Some employment areas are more appropriately designated by local municipalities and not in the Regional Official Plan**

Through the local official plan conformity exercise, local municipalities will be required to maintain and protect employment areas identified in the ROP. Lands not designated employment in the ROP will be at the discretion of the local municipality. Many of the supported 20 conversion requests are proposing a mix of medium to high density uses, however the requests were assessed on the merits of the lands being designated as employment in the ROP and not on the basis of the proposed uses. A local municipality has the ability to maintain an existing employment designation for lands currently designated as employment in their local official plan or to change the designation to permit non-employment uses if not designated employment in the ROP, including the lands of the supported 20 conversion requests. The new ROP will propose a policy framework which will encourage lands identified as employment at the local municipal level, but not at the Regional scale, to continue to be mapped and protected for employment uses in local official plans. These lands (if identified as employment at the local municipal level) will continue to be considered in the Regional employment land inventory.

### **Extensive collaboration with local municipalities was undertaken to determine proposed employment area mapping**

Local municipalities are an important part of planning for employment as the unique context of each municipality should be considered when determining where to plan for employment. Regional staff and local municipal staff worked together extensively to assess existing employment areas and site-specific conversion requests through a series of workshops, one on one meetings, meetings with landowners and MCR working group meetings (see Attachment 2). Local municipal Council positions on employment area planning including site specific conversion requests have been received from a number of municipalities and were considered through the development of Regional staff recommendations. Regional staff worked closely with local municipal partners to align on recommendations for site specific conversion requests where possible. Regional staff recommendations on proposed employment area mapping including the assessment of site specific conversion requests are reflective of Region wide interests and maintain Regional employment area planning objectives.

### **Public and stakeholder consultation provides input to employment planning decisions**

Regional staff hosted landowner meetings between July 2019 and January 2020. These meetings provided Regional and local municipal staff with the opportunity to discuss staff's preliminary evaluation of their site. It also allowed landowners to present additional information for staff to consider when finalizing recommendations. Landowners whose final recommendations differed from the preliminary recommendation have been notified.

Properties within 120 metres of each conversion request were notified through a mail out about the conversion request. The notices provided residents and landowners with the opportunity to identify issues of concern and/or express views on the employment area conversion. Comments were received from residents and business owners, including large employers, who identified issues of concern and expressed views on the employment area conversion. Many enquiries were interested in learning more of the employment area conversion process and the MCR, and some about how to submit a request to convert their own property from employment to non-employment uses. There were also comments regarding concerns with traffic congestion and compatibility issues with locating sensitive land uses such as residential in proximity to existing businesses.

## **Regional staff to host planning for employment public information centre in Q2 2020**

Regional staff recommend hosting a Planning for Employment public information centre in Q2 2020 to engage with the public on the proposed employment area mapping. This session will allow interested parties an opportunity to review the proposed employment area mapping and to discuss recommendations on site specific employment conversion requests. Feedback gathered from the session will be used for the purposes of potential further refinement of employment area mapping. Information on the PIC will be shared on the Region's MCR webpage and members of the Region's MCR distribution list will be extended an invitation to attend the drop-in session. Staff will include a summary of comments received at the PIC in a report back to Council in Q2 2020 seeking direction on employment area designations including conversion requests.

## **5. Financial**

Employment areas play a central role in the Region's economy. The availability of a wide range of employment land is integral to the fiscal health of a community and can directly affect economic development and diversification of the assessment base. Employment growth also has the potential to generate spinoff economic benefits. If not assessed carefully and comprehensively, the conversion of employment land can result in the displacement of businesses outside of the Region and in turn negatively impact the Region's diverse economic base.

## **6. Local Impact**

Local municipalities are key partners in the ongoing preservation, enhancement and planning of employment areas. Extensive consultation with local municipal staff and consideration for local municipal council decisions was used to inform recommendations on site specific conversion requests and the proposed employment area mapping in the ROP. As staff continue to work through the MCR, York Region will continue to engage with local municipal staff on updating the Region's population and employment forecast and developing an employment policy framework for the ROP.

## 7. Conclusion

Employment areas are strategic and vital to the Regional economy and act as major drivers of economic activity in the Region. Demand for jobs in employment areas is expected to remain strong in the future. Maintaining an adequate supply of employment lands will be important for all types of industry to provide flexibility for employers in high quality locations over the long term. A comprehensive assessment of employment areas, including the evaluation of site specific conversion requests, identified a number of areas that contribute to the Region's economic vitality and should be protected for the long term.

Local municipalities, through their official plan conformity exercise, will be required to designate and protect areas designated as employment in the ROP. Over the coming months, Regional staff will continue to work with local municipalities and other stakeholders in developing the employment policy framework that continues to protect strategic employment areas for traditional uses while identifying employment areas with increased flexibility. This work is anticipated to be presented in Q2 of 2020 and any refinements to employment area mapping as a result of this work will be reflected in the updated draft ROP.

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For more information on this report, please contact Paul Bottomley, Manager, Policy, Research, and Forecasting at 1-877-464-9675 ext. 71530. Accessible formats or communication supports are available upon request.

Recommended by: **Paul Freeman, MCIP, RPP**  
Chief Planner

**Dino Basso**  
Commissioner of Corporate Services

Approved for Submission: **Bruce Macgregor**  
Chief Administrative Officer

February 28, 2020  
Attachments (5)  
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