

Markham Needs to Deal With Short-to Medium Term Employment Land Supply Issues

- Notwithstanding long-term employment land deficiencies, our analysis also demonstrates that Markham's current land supply may actually fall into a competitive shortfall position between 2016 and 2021. As a pre-emptive and short-term measure, Markham should support the addition of approximately 35 hectares new employment lands in the Cornell Secondary Plan, particularly the lands situated in the east, between Highway 407 and Highway 7. These lands, in our opinion, help establish a critical mass necessary for a viable employment node in East Markham - one that is tightly focussed around the Highway 407/Don Cousens Parkway interchange. Moreover, these lands have the potential to be developed as a unique, high-quality business park enclave – offering an attractive interface with Rouge Park, which is located immediately east of the site. Sites like these are indeed rare opportunities. There is an excellent precedent of lands which share similar location/site features that have been developed with quality employment uses. Lands in Mississauga adjacent to the Etobicoke Creek, for example are now home to HP, Bell, RIM and TD Financial Group.

The Town of Markham Should Resist Employment Land Conversions

- Past conversion of industrial lands, especially those well-suited to accommodating ELE and MOE jobs, to other uses have now impacted the supply of land for these employment types. In light of the employment land shortfall that exists, Markham should avoid any further conversions of its industrial land supply, including retail-based projects which seek to establish large format shopping facilities on parcels that are intended for conventional employment.
- Our analysis clearly demonstrates that Markham does not have sufficient industrial land to support its employment forecasts. Conversions of large tracts of industrial land to other uses only serves to exacerbate this condition, and ultimately accelerate the need to replenish these lands with new supply outside the current settlement area. The piecemeal conversion of portions of existing employment areas, such as along an 'edge' should also be avoided, since the effect of the conversion will create a climate for more conversions in the future.

A New Employment Land Policy Framework is Required in the Town's OP Update

Phase 2 of the Employment Lands Strategy will include the preparation of new planning policies for employment in Markham. Based on the work in Phase 1, we have identified the following policy proposals for consideration:

- While no major changes are recommended for the Business Park Area (BPA) designation, it is suggested that certain lands designated BPA should be reserved for only major offices uses. This can be achieved through modifications to the secondary plans and implementing zoning by-laws. The 'major office areas' would be focused on areas that are currently the site of only 'major office' uses and vacant lands at key intersections.
- There is a potential benefit in considering redefining the General Industrial Area (GIA) and Business Corridor Area (BCA) designations in order to better reflect the range of uses and transitions taking place within them, and to provide greater land use controls that prevent the encroachment of uses that should be located in other areas. To this end, a new designation is proposed for the Markham Official Plan - *Employment Area*. This designation would combine the GIA and certain lands within the BCA designations that provide a common and inter-related function. Use provisions in the new Employment Area designation would support a broad range of industrial based functions and business activities, including: manufacturing; wholesale trade; warehousing; storage; automotive, machinery and equipment repair; and only accessory retail and service commercial uses.
- There is also a need to reflect the fact that other lands now designated GIA and BCA as well certain lands in the Commercial Corridor Area (CCA) and Major Commercial Area (MCA) designations have, over the years evolved into more of a mixed use function. To this end, we are proposing consideration of a new designation - *Employment Mixed Use Area*. This designation would be applied to locations that have transitioned beyond conventional industrial functions, and/or which now include high concentrations of business that provide regional oriented services. It is our proposal too that these locations continue to be classified as *employment*.
- In reviewing the other commercial designations in Markham, we are proposing that most of the lands within the Community Amenity Area (CAA) designation and certain lands within the Commercial Corridor Area (CCA) designations be compressed into a single new designation, *Residential Mixed Use Area*. In addition there is also an opportunity to compress Major Commercial Area and Retail Warehouse Area into a single new designation called simply, *Retail Commercial*. Certain lands within the BCA designation could also be included within the new Retail Commercial designation.
- Consideration should be given to a new employment designation for Markham Centre that will help to support the creation of a broad range of uses that ensure that Markham can meet its density requirements on a timely basis as required under the Provincial Growth Plan. Major office buildings should be supported in Markham Centre, particularly on lands that provide good exposure to Highway 407 and the adjoining arterial roads and access to the wealth of higher order transit facilities that are planned. While major office uses are important from a density perspective, population related employment uses, namely institutional buildings and carefully planned retail amenities,

will be an important aspect that will help shape the vitality and success of Markham Centre as a top-quality, master planned downtown area. The addition of residential uses in Markham Centre will also assist in establishing Markham Centre as a key destination in the Region of York.

- Finally, Highway 7 is also intended to develop as a mixed use corridor supported fully by Viva Transit service improvements. Major office uses should be encouraged throughout the entire Highway 7 Corridor. Consideration should be given, at a minimum, to as-of-right major office permissions on all properties along the Highway 7 frontage particularly in key development areas; consideration to mandating office development at key locations may be appropriate.
- Consideration will be given to the policies for office uses on Yonge Street especially in the vicinity of subway stations and Yonge and Highway 407 in Phase 2.
- A more detailed analysis of the recommended changes to the Official Plan will be conducted in Phase 2.

1. Introduction

The Town of Markham is a forward thinking community, and is home to an impressive concentration of innovative and leading edge companies. The Town has effectively positioned itself as a leading location in the Canadian market for foreign and domestic business investment. Exceptional access to downtown Toronto combined with well-established connections with other parts of the larger Toronto economic region make the Markham an excellent place from which to do business.

Over the past 25 years, Markham has expanded its profile thanks in large part to the creation of several modern and well-functioning business parks. While these areas are expected to flourish, the Town is also cognizant of the need to secure its economic future through the provision of new business park (or *employment*) lands that will facilitate the attraction of future business and economic growth.

The Town of Markham is a high growth community. Over the next 23 years (2008-2031), Markham will grow by 138,600 persons – or about 2.1% annual growth. The Town is also expected to increase its employment base significantly over the same period. Forecasts suggest that Markham will need to accommodate 90,000 new jobs. This translates into average annual growth of 2.5%.

With employment growing at a faster rate than the population, the Town of Markham needs to ensure that its own land use policies and its regulatory framework provide the “right” opportunities to encourage business investment, and, that these businesses can be adequately directed to the “right” areas of Markham to ensure balanced growth and improved transit options.

In addition, the Town of Markham also needs to ensure that its residents are appropriately served by convenient, accessible and well-located retail, service-commercial, and institutional facilities. The businesses and organizations responsible for providing these goods and services are an integral part of any community. These uses that help define the quality of life in an area, are often important decision factors that households use in determining where they chose to live.

The Town of Markham has a number of high profile nodes that provide not only amenity to residents, but they also provide a strong base of employment and economic activity.

1.1 Purpose of the Study

This study is intended to provide background and policy recommendations for a new Official Plan for the Town of Markham.

It is intended to provide strategic direction to the Town's Planning Department with respect to future land requirements, and to help inform future policy changes necessary to bring the Town's Official Plan into conformity with the forthcoming York Region Official Plan (a process that is now under-way), as well as the Provincial Growth Plan for the Greater Golden Horseshoe.

1.2 Study Objectives

The study team, working in close consultation with Markham Planning Staff have established three primary objectives to be achieved as part of this Phase One Employment Land Strategy:

- *Examine Markham's supply of employment lands and identify requirements to ensure the adequate future supply of employment lands.*
- *Evaluate current policies and identify potential policy changes to accommodate and direct future employment growth.*
- *Provide a recommended strategy for the location and quantity of future employment lands within the Town of Markham to 2031 and 2051, and articulate the preferred changes in planning policy to support this strategy.*

2. Policy Context

The Town of Markham has initiated this first phase of an Employment Land Strategy to help determine whether policy refinements to the Town's Official Plan are necessary and warranted in light of prevailing and anticipated development conditions.

While municipalities are required to update their Official Plans every five years, the introduction of a new *Provincial Growth Plan for the Greater Golden Horseshoe* (also known as "*Places To Grow Plan*" and referred to throughout this document as the "*PTGP*" or "*Growth Plan*") requires that all municipalities need to revise their official plans by June 2009, ensuring conformity with Provincial Policy direction. Both the Town of Markham and the Region of York have been carefully evaluating their respective policies since the release of the Provincial Growth Plan in 2006. The Regional Official Plan is currently being revised, and Markham will also need to ensure that its Official Plan, including its projections for future growth, are based on the appropriate growth allocations that the Region has now determined for its local area municipalities.

The current policy framework for land use planning in Ontario supports the protection of employment lands, and promotes a long-term approach to managing lands that are set aside for future employment uses.

Over the past several years, there have been numerous major Provincial policy changes that have had a direct impact on the way municipalities undertake land use planning and growth forecasting. These changes are intended to provide greater control to the upper and lower tier municipalities in terms of achieving balanced growth; and by determining where, when and how certain forms of growth should be implemented. The new Provincial planning policy framework, in essence, is intended to limit urban sprawl, and provide greater certainty to where infrastructure and other major public investments should be directed, so as to avoid unbalanced growth or duplication of service.

Starting in 2005 with the release of a new Provincial Policy Statement ("PPS"), and the subsequent passing of the Greenbelt Act, 2005, the Government of Ontario set a clear signal to the people of Ontario that it wanted to play a more active role in controlling and managing long term population and employment growth over the next 25 years (2031).

This section summarizes the overall policy context related to long-range planning for employment lands in Greater Golden Horseshoe, York Region and Town of Markham. Under the *Ontario Planning Act*, the OP policies for lower tier municipalities must conform to both Provincial and Regional Plans, and must be predicated on population and employment forecasts/allocations developed by both. This section highlights the specific policies at each level that provide the overall framework for making informed decisions about long range

planning and the pursuit of well-balanced, sustainable and healthy community concepts which the Town of Markham remains firmly committed to.

2.1 Provincial Policy Context

2.1.1 Provincial Policy Statement (2005)

The Provincial Policy Statement (“PPS”) is issued under Section 3 of the Ontario Planning Act. The PPS is intended to provide common direction to all municipalities on key areas of Provincial policy interests. Under the revised 2005 PPS, local and regional planning authorities are instructed that their policies “shall be consistent with” the policies of the PPS. This represents a “tightening of the language” compared to the previous PPS which stipulated that municipalities merely have “regard to” the stated Provincial policies.

In general terms, the policies contained in the PPS seek to ensure that all new development in the Province, whether urban or rural, is delivered in a sustainable fashion that helps build stronger communities, ensures wiser use and management of resources, and provides the necessary safeguards to public health and safety.

The PPS provides clear direction related to the promotion of economic development and the preservation of employment lands. Key sections about how employment lands are to be approached in Official Plans are as follows:

Section 1.1.2 states that -

The provision of sufficient land – through intensification and redevelopment and, if necessary and justified, designated growth areas – to promote employment opportunities and for an appropriate range and mix of housing to accommodate growth projected for a time horizon up to 20 years.

With respect to employment lands, **Section 1.3.1** states that -

Planning Authorities shall promote economic development and competitiveness by:

- a) providing for an appropriate mix and range of employment (including industrial, commercial and institutional uses) to meet long-term needs;*
- b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;*
- c) planning for, protecting and preserving employment areas for current and future uses; and*

d) ensuring the necessary infrastructure is provided to support current and projected needs.

With respect to the conversion of employment lands, **Section 1.3.2** states that -

Planning authorities may permit conversion of lands within employment areas to non-employment uses through a comprehensive review, only where it has been demonstrated that the land is not required for employment purposes over the long term and that there is a need for the conversion"

The PPS contains the following definition of employment areas:

"Employment area: means those areas designated in an official plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities."

The above definition of employment area is expansive, since it includes the words 'but not limited to', which has been interpreted to mean that 'major retail' uses could be permitted in employment areas, provided the Official Plan contains that express permission. However, the Growth Plan does clearly indicate that Major retail uses are considered to be 'non employment uses' for the purposes of the Growth Plan policy dealing with the conversion of employment lands.

2.1.2 Places to Grow Plan (2006)

In June 2006 the Province of Ontario approved the Places to Grow Plan for the Greater Golden Horseshoe (the "PTGP" or "the Growth Plan"). The new Growth Plan requires all upper, single and lower-tier municipalities within the Greater Golden Horseshoe to modify and update their Official Plan documents and bring them into full conformity with policies and targets of the new Provincial Plan by June 2009. In addition, The Growth Plan gives municipalities responsibility for achieving key elements of its planning framework, characterized generally by a shift in the amount and location of growth, toward greater intensification and higher densities. One of the key elements of the Growth Plan is articulated in Section 2.2.2.1 f) which states that *"population and employment growth will be accommodated by....ensuring the sufficient availability of land for employment to accommodate forecasted growth to support the GGH's economic competitiveness."*

Places to Grow Population and Employment Forecast (Schedule 3)

Schedule 3 of the PTGP includes the population and employment forecasts for 16 upper and single tier municipalities in the GGH, including York Region. NB: Schedule 3 does not include forecasts for any lower-tier, or "local area" municipalities, such as the Town of Markham.

Section 2.2.1.1 of the PTGP requires that these forecasts be used for all upper- and single-tier municipalities for the purposes of planning and managing growth in the Greater Golden Horseshoe. The following table, extracted from the PTGP summarizes the 2001 to 2031 forecasts determined by the Province, and allocated to York Region which are to be used for *all* planning purposes. These forecasts represent the *policy* numbers which York Region is formally

required to plan for. These numbers are intended to be incorporated within the Region's updated Official Plan, on or before June 2009. The Province has indicated that they may revise the forecasts in five years (i.e. 2011), but this will not occur until after the June 2009 conformity deadline.

Figure 2.1 Employment and Population Forecast for York Region ("Schedule 3")

Year	Employment	Population
2001	390,000	760,000
2011	590,000	1,060,000
2021	700,000	1,300,000
2031	780,000	1,500,000

Source: Places to Grow Plan, 2006

Based on the above "Schedule 3" forecasts, it is anticipated that growth is expected in York Region between 2001 and 2011, growing by 300,000 persons over this period. This rate of annual growth (3.9%) amounts to approximately 30,000 new persons per year.

Beyond 2011, the rate of growth in the Region is expected to decelerate somewhat. Between 2011 and 2021, for example, the rate of annual growth is expected to slow to 24,000 persons per year, and then slow again to a rate of 20,000 persons per year over the subsequent 2021 to 2031 period.

The PTGP requires municipalities to maintain and adequate land supply that can physically accommodate the population and employment forecasts. While accommodating physical growth is important there is also clear policy emphasis on the importance of maintaining economic competitiveness through a range of land use options.

Urban Growth Centres

One of the cornerstones of the PTGP is the identification of 25 Urban Growth Centres ("UGC's"). These UGCs are spread out across the entire GGH area, including 17 UGCs situated within the inner-ring portion of the GGH.

The UGCs are identified in **Schedule 4** of the PTGP. They represent important "downtown" and "secondary centres" within the GGH, and are intended to be those areas that are best suited to both accommodate and achieve urban intensification goals and targets set forth in the Plan.

Section 2.2.4 of the PTGP indicates that Urban Growth Centres will be planned –

- a) *As the focal areas for investment in institutional and region-wide public services, as well as commercial, recreational, cultural, and entertainment uses*
- b) *To accommodate and support major transit infrastructure*
- c) *To serve as high density major employment centres that will attract provincially, nationally or internationally significant employment uses*
- d) *To accommodate a significant share of population and employment growth*

With respect to Markham, *Markham Centre* and the *Richmond Hill/Langstaff Gateway* are the two UGCs established in the Municipality⁸. Under the PTGP, all four UGCs in York Region (the other two being *Vaughan Corporate Centre* and *Newmarket Centre*) are expected to achieve a target of 200 residents and jobs per hectare by 2031. In developing the policies related to the UGCs, future developments are intended to be delivered at higher built densities including townhouses, apartment buildings, street-related store fronts, major institutional buildings, and multi storey office buildings. It is expected that office development will constitute the main source of employment to be added in each of the UGCs, however no specific employment/resident policy targets are set for any of the UGC in the PTGP. This remains for the municipalities to address.

General Intensification

While urban growth centres are an integral part of the PTGP, the Plan also emphasizes the importance of intensification, and the optimization of developable land supplies within existing settlement areas over the next 25 years. In fact, much of PTGP is predicated on the notion that intensification of existing built-up areas can, and indeed, must be developed more extensively and efficiently in order to accommodate a significantly higher share of future growth relative to past trends which have historically shaped the current structure of the GGH.

While no density targets have been allocated for employment in intensification areas, the PTGP states that all intensification areas will be planned and designed to cumulatively attract a significant portion of employment growth.⁹

⁸ Only the portion south of Highway 407 of the Richmond Hill/Langstaff Gateway UGC is part of the Town of Markham the rest being located in Richmond Hill. The boundaries of Markham Centre UGC include lands east of Rodick Road to the railway and between Highway 407 and Highway 7.

⁹ The definition of the Intensification Areas is defined in the PTGP as: "land within the settlement area that include urban growth centres, intensification corridors, major transit corridors, major station areas, and other major opportunities that may include infill, redevelopment, brownfield sites, the expansion or conversion of existing buildings and greyfields".

The Town of Markham already has an established urban boundary (“Current Settlement Area” or the “CSA”). This area is intended to be the primary area of all urban-related growth and physical development. Notwithstanding the commitments regarding the CSA, municipalities are required (through provincial policy) to maintain an adequate supply of lands to accommodate future growth requirements. In the case of Markham, like many other high-growth jurisdictions across the GGH, there is a mounting pressure by landowners to make available new lands outside the CSA to respond to future market forces. However, even in the absence of external market pressure, the Town still has to ensure that it has the land supply required to meet its obligations, and to fully accommodate its share of projected growth in York Region.

At the present time, the CSA contains a significant amount of both vacant “greenfield”, and some “greyfield” land development opportunities.

While undeveloped and designated *greenfield* areas are most prevalent in the northern, north-eastern and eastern reaches of the municipality, the Town also has an inventory of previously developed or under-developed *greyfield* lands that are also prime candidates for infill and intensification-type redevelopment of varying scale (such as Buttonville Airport or other large sites that are used by space extensive uses). Moreover, many of the Town’s established commercial areas are also capable of supporting innovative, dynamic and more intensively developed projects that can - and indeed *should* - include both higher density residential and non-residential development opportunities in addition to necessary commercial uses.

Preservation of Employment Lands

Another policy foundation of the PTGP is the strong emphasis given to matters related to the protection and preservation of employment (or “industrial”) areas within the GGH. In recent years many jurisdictions across southern Ontario have voiced their growing concerns related to the difficult challenges of protecting their long-term industrial land base from conversions to other uses.

Market forces in many areas of the GGH have dictated higher-demand, and therefore more immediate returns for residential and large-scale retail development compared to conventional industrial uses such as manufacturing plants, warehouses, construction and transportation yards all of which require larger sites. The loss of these industrial employment lands, it is argued, has the potential to undermine the competitiveness and economic stability of some municipalities and regions, and therefore weaken their ability to develop, over the long term, as “complete” and “balanced” communities comprised of both people *and* jobs. Conversion also reduces the supply of land within the CSA and increases the requirement for compensating additional land outside the CSA.

Section 2.2.6.2 of the PTGP establishes the new policy context for providing and maintaining a healthy supply of employment land, stating that -

"Municipalities will promote economic development and competitiveness by -

- a) providing for an appropriate mix of employment uses including industrial, commercial and institutional uses to meet long term needs;*
- b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;*
- c) planning for, protecting and preserving employment areas for current and future uses;*
- d) ensuring the necessary infrastructure is provided to support current and forecasted employment needs."*

Under this specific policy, York Region will need to ensure that "sufficient" employment lands are available over the long term to support an estimated **390,000 new jobs** between 2001 and 2031. Effectively this is a doubling of the 2001 employment base of the Region.

While the preservation of employment land is intended to be an important policy thrust, municipalities are afforded the opportunity under the Growth Plan, if needed, to permit conversions of employment land, provided that such lands (or a portion thereof) are not required or developable for employment purposes. Before a municipality can approve the conversion of employment land, it must first complete a *Municipal Comprehensive Review* ("MCR"). The completion of an MCR must be undertaken by the municipality and must meet six criteria, as set out in Section 2.2.6.5 below:

- "a) There is a need for the conversion*
- b) The municipality will meet the employment forecasts allocated to the municipality pursuant to [the] Plan*
- c) The conversion will not adversely affect the overall viability of the employment area, the achievement of intensification target, density targets and other policies of [the] Plan*
- d) There is existing or planned infrastructure to accommodate the proposed conversion*
- e) The lands are not required over the long term for the employment purposes for which they are designated*
- f) Cross jurisdictional issues have been considered.*

For the purposes of the policy, major retail uses are considered non employment uses."

Of primary importance here is the fact that conversions of employment land need to be considered within the context of the baseline employment forecasts of the Growth Plan (i.e. Schedule 3). While we recognize that other employment growth scenarios may unfold over the 25-year duration of the Plan¹⁰, the underlying policy basis for permitting a conversion must be grounded in a *reasonable* expectation of how much employment growth - vis-à-vis the 390,000 new jobs allocated to the Regional Municipality of York between 2001 and 2031 – could be accommodated within a local area municipality (i.e. Markham), and the extent to which vacant lands are needed to fulfill a certain portion of the total job growth that could only be accommodated in a municipality's employment areas.

Preservation of Employment Lands - Distinction between Planning Act and Growth Plan

The need for a Municipal Comprehensive Review (MCR) when an application to convert employment lands (however defined) to a non-employment land uses is clear, according to the Growth Plan. However, the recent changes to the *Planning Act* (Bill 51) that resulted in the inclusion of an "Area of Employment" definition within the Act also have to be taken into account. Section 1(1) of the Planning Act now indicates that an area of employment is "*an area of land designated in an Official Plan for clusters of business and economic uses including, without limitation, the uses listed in Sub-Section (5), whereas otherwise prescribed by regulation.*" Sub-Section (5) indicates that "*the uses referred to in the definition of area employment in Sub-Section (1) are:*

- a) *manufacturing uses;*
- b) *warehousing uses;*
- c) *office uses;*
- d) *retail uses that are associated with uses mentioned in clauses a-c; and*
- e) *facilities that are ancillary to uses mentioned in clauses a-d."*

The inclusion of the term "Area of Employment" in the *Planning Act* has a number of implications on planning policy in the Town. For example, an application to remove lands from an area of employment cannot be appealed to the Ontario Municipal Board, if the application is refused, according to Section 22 (7.3) of the Planning Act. However, what is interesting about

¹⁰ The PTG is a based 2001 base line data and incorporates a time frame stretching outward to 2031. The duration of the plan – that is from its effective release date (2006)- provides for a 25 year horizon (2006 to 2031).

this section of the Planning Act is that it does not include 'major retail', since retail uses have to be 'associated with' manufacturing, warehousing and office uses. This means that any application to convert lands that the site of uses that are within an 'area of employment', such as manufacturing to 'major retail' could be refused by Council with that decision not being appealable by the applicant, even if such an application was not the subject of a MCR.

2.2 Regional Policy Context

2.2.1 York Region Official Plan (Consolidation 2007)

The York Region Official Plan was approved by the Province in October 1994. The Region's Official Plan provides a set of objectives and specific policies designed to both support and more effectively manage growth within a large region that is made up of 9 local area municipalities.

Similar to the Provincial Policy Statement, the Region's OP policies are grounded in a desire for more efficient use of land within the current settlement area, and to better manage the relationships that exist between urban and rural parts of a very large and diverse municipality. The following policies in the Region's Official Plan have been identified as "relevant" to our analysis in the context of Markham's long-term requirement for maintaining employment land:

Policy 3.3 states that –

1. *That government, institutional, major office, cultural and entertainment uses be located to support the centre and corridor structure of this Plan.*
2. *That the Region, together with the area municipalities, monitor the location, type and characteristics of business and the supply of serviced lands for new business ... [and] ... That where the needs of business cannot be met in existing locations, best efforts be made to facilitate relocation to another site within the Region or the Greater Toronto Area.*
3. *That employment areas be planned to accommodate a variety of business uses using the following criteria:*
 - a) *areas are transit-accessible;*
 - b) *mixed-use areas are focused along centres and corridors;*
 - c) *the overall form of fully serviced employment areas is compact and encourages a higher ratio of workers per hectare with an overall minimum of 50 workers per gross hectare. Workers per hectare will be higher adjacent to centres and corridors; and*
 - d) *industrial or commercial uses requiring separation are located so as not to interfere with potential mixed-use areas or other uses that may be affected.*

4. *That as older employment areas begin to redevelop, consideration be given to reuse of older buildings as well as to intensification and/or mixed-use developments that support corridors and centres.*
5. *That business and industrial enterprises be directed to fully serviced employment areas. A limited amount of industry on private services will be permitted in keeping with Sections 5 and 6.*

The Region is currently preparing a new Official Plan. Policies adopted by the Town must be consistent with those of the Region, including new policies that the Region may adopt to address Provincial policy.

The Region has adopted employment forecasts for Markham for the period 2006 to 2031. The adopted 2031 forecast is for 248,500 jobs in 2031, broken down as follows:

Major Office Employment – 88,700

Employment Land Employment – 86,500

Population Related Employment – 73,300.

2.3 Municipal Policy Context

2.3.1 Markham Official Plan (Consolidation 2005)

Employment lands play a key role in achieving many of the economic development policy objectives that are set out in Markham's Official Plan. These include the "*expansion and diversification of the Town's Economic base*" and the maintenance of the "*fiscal health of the community*" through the development of its non-residential land.

Part 5, Section 3 of the Town's Official Plan provides the local policies that help facilitate the development and expansion of business activities in the Town. The policies of the Official Plan recognize the important contribution that all industry sectors play in creating job opportunities and economic growth. By and large the Town's existing OP policies seek to maintain a strong and competitive industrial base for the Town.

Policy 3.5.1 describes the *goals* for industrial development–

- a) *To plan for a pattern of industrial development and commercial uses in industrial areas that provides for a range of business activities at appropriate locations.*
- b) *To anticipate and accommodate emerging trends in the industrial and commercial sectors, consistent with the Town's goals and objectives for development.*
- c) *To encourage transit and pedestrian supportive industrial development and improved transit services for riders traveling to industrial areas.*
- d) *To encourage the mixing of compatible uses with industrial uses at appropriate locations.*

- e) *To ensure that the built form of development is consistent with the Town's urban design policies and guidelines.*

Policy 3.5.2 states the *objectives* for industrial development–

- a) *To identify locations to accommodate, and to establish policies to guide industrial development, and commercial uses in industrial areas, resulting from planned growth within the Town of Markham and the surrounding region, and emerging trends in the industrial and commercial sectors.*
- b) *To develop and implement urban design and land use compatibility criteria to guide industrial development and commercial uses in industrial areas.*
- c) *To implement the Town's strategy for economic development in the Town.*
- d) *To establish a harmonious interface between industrial and other land uses.*
- e) *To facilitate the safe and efficient movement of pedestrians and vehicles within industrial areas, and on adjacent roads.*

2.3.2 Markham Growth Management Studies

In response to the mounting interest by the public in the amount and type of growth that Markham should be striving to accommodate; the need for better transit options; and its underlying requirement to implement the new Provincial policy directions in a timely manner, Markham has developed a comprehensive growth management study framework. This study is intended to inform part of that process, and to guide future planning decisions that determine the appropriate distribution and location of employment lands within the Current Settlement Area and if required, how much *additional* land outside the Current Settlement Area will be needed.

Other parts of Markham's on-going growth management study process include:

- Environmental Policy Review
- Intensification Analysis
- Growth Forecasts Analysis and Growth Opportunities
- Agricultural Analysis
- Sustainable Development Guidelines
- Intensification Guidelines
- Urban Growth Centres and Key Development Areas Studies

3. Markham's Current Employment Policy Framework

Dating back to 1993, the Town of Markham undertook a study of the employment land use policies in the Official Plan to determine if the policies were still relevant and appropriate. As the employment areas were then evolving to respond to market needs, it was felt that the policy framework had to be reviewed to both recognize the changing nature of the employment areas and to provide some basic ground-rules for its continued evolution and development.

The Commercial Uses Policy Study, completed in 1994 by Hemson Consulting, recommended that new employment land use categories be included within the Official Plan. It was also recommended that the range of permitted uses in each category be expanded, where appropriate, to provide the market with greater flexibility. In addition, it was recommended that the Town carefully control the built form in the employment areas, through the preparation of new urban design guidelines and zoning by-laws. These recommendations were translated into policy, and an Amendment to the Official Plan (OPA No. 26) was then prepared and approved. Schedule H to the Official Plan illustrates where the Industrial and Commercial land use categories are located.

The policies of the Official Plan, as amended by OPA No. 26, have generally remained unchanged since 1994. However, the policies dealing with funeral homes and places of worship were refined as a consequence of a separate studies on these land uses. The policies respecting planned function and maximum permitted retail floor space in the Business Corridor Area (BCA) designation were modified by OPA 132 as recommended by the Commercial Policy Review in 2004.

The Town's current policy framework divides employment uses (which are broadly defined to include commercial uses) into two distinct categories – Industrial and Commercial. Within the Industrial category are three designations (Business Park, General Industrial and Business Corridor) and within the Commercial category there are five designations (Community Amenity, Major Commercial, Retail Warehouse, Corridor Commercial and Heritage Main Street).

It is noted there are a number of policies in many of the Town's Secondary Plans that further refined the policies of the Official Plan in specific geographic areas.

An opportunity exists as part of the current Employment Lands Strategy process to identify opportunities to enhance the employment lands policy framework to:

1. *Simplify the policy approach by creating specific designations only if the planned function of each designation is clearly unique;*
2. *Ensure that the uses which support the planned function of each designation are identified and permitted;*
3. *Rationalize the location of the land use designations to reflect both current and future use;*
4. *Encourage the further intensification of employment areas as long as the scale and type of intensification is consistent with the planned function of the area and meets required development standards;*
5. *Ensure that the policy framework is sufficiently flexible to address the Town's economic development strategy, and is better positioned to facilitate the expansion of new and expanding knowledge-based industries; and,*
6. *Provide for the protection of additional urban employment lands outside of the current settlement area from incompatible or alternative development that may otherwise limit the Town's full employment growth potential.*
7. *Ensure that future OP policy changes in the Town are consistent with the general policy direction provided for in both the Provincial and Regional policy framework, including the protection of employment lands.*

The intent of this section of the report is to:

1. Review the planned function and the permitted uses in each designation;
2. Make a series of recommendations on how the policy framework can be streamlined and simplified; and,
3. Make a series of recommendations on how a new policy framework should be implemented by the Town.

3.1 PLANNED FUNCTION – INDUSTRIAL DESIGNATIONS

3.1.1 General Industrial Area

The *General Industrial Area* designation in Markham's OP is intended to accommodate traditional industrial uses, such as manufacturing, processing, repair and servicing, storage and warehousing and other similar uses. A limited range of accessory retail uses are permitted in this designation. Other permitted uses include restaurants, commercial fitness centres and institutional uses. Major traffic generating uses such as banquet halls, places of worship and day care centres may be conditionally permitted. There are about 413 hectares in this land use designation (25.2% of total land in Industrial category).

3.1.2 Business Park Area

It is the intent of the Official Plan to permit office/industrial parks “characterized by development displaying high design standards including corporate head offices and research facilities” in the *Business Park Area* designation. The designation applies to such lands as Highway No. 7 at Leslie Street, Allstate Parkway and Birchmount Road, between Denison Street and Fourteenth Avenue. The lands in this designation have a land area of 783 hectares (47.5% of total land in Industrial category). Almost 50% of the jobs in this designation are related to scientific, technical and management related occupations. This is indicative of the role Markham plays in the 'high-tech' sector of the economy.

3.1.3 Business Corridor Area

It is the intent of the Official Plan to permit high quality business activities in corridors along major road frontages. Such uses are primarily intended to serve the business and the service needs of nearby companies and employees they serve, and to accommodate, at appropriate locations, certain uses that also serve the general public. However the Official Plan also clearly states that retail uses in this designation are not intended to accommodate the needs of the general public as their primary function. Certain forms of development that do not meet a high standard of development will be discouraged from locating on such lands. The *Business Corridor Area* is a widely used designation, used along the majority of arterials (collector road corridors other than 'Business Park' industrial areas), and in locations where industrial lands adjoin (or are in close proximity to) established residential areas.

There are 450 hectares of land in this designation (27.3% of total land in the Industrial category). The major job categories in Business Corridor designation are – Manufacturing (17%), professional, scientific and technical (16%) and administration and support (13%).

3.2 PLANNED FUNCTION – COMMERCIAL DESIGNATIONS

3.2.1 Major Commercial Area

The *Major Commercial Area* designation is intended to accommodate primarily large-scale commercial developments, including major office complexes and retail facilities, containing an extensive range of store types and sizes. The designation is intended to encourage the formation of major nodes of intense local and regional activity and an identifiable employment, shopping, recreation, entertainment and hospitality destination. There are about 187 hectares in this land use designation.

The designation also recognizes and provides for the inclusion of other compatible and complementary commercial and non-commercial uses such as office development and medium and high density housing. The designation applies to lands at the northeast corner of Steeles and Kennedy, north of Highway 7 on either side of McCowan Road (the Markville Mall), the Shops on Steeles at Don Mills Road and to lands on Highway 48 south of Major Mackenzie Drive East.

3.2.2 Community Amenity Area

The *Community Amenity Area* designation is intended to be the site of multi-use, multi-purpose centres offering a diverse range of retail, service, community, institutional and recreational uses serving several nearby residential and/or business areas. There are about 301 hectares of land used for primarily commercial purposes in this designation and an additional 156 hectares of land used primarily for residential uses. This designation has been applied in Markham Centre and to many areas planned for mixed-use development on major roads in the Town.

3.2.3 Commercial Corridor Area

The *Commercial Corridor Area* designation is intended to recognize the existing linear highway commercial development that has occurred along major roads. There are about 39 hectares of land in this designation. This designation applies to a number of long-standing strip plazas along Highway 7, generally near or at major intersections and a number of motor vehicle dealerships throughout the Town. This designation has also been applied to stand-alone gas stations at major intersections. Retail and other activities primarily serving the traveling public or which require a location with direct exposure to traffic on major roads are intended to be accommodated in the *Commercial Corridor Area* designation. Other uses, some of which are highway commercial in nature, such as automobile service stations and car washes, are also conditionally permitted. Medium and high density housing may also be permitted provided a number of criteria are satisfied. This designation applies to lands on Woodbine Avenue between John Street and Fourteenth Avenue and Highway 7 west of McCowan Road.

3.2.4 Retail Warehouse Area

It is the intent of the *Retail Warehouse Area* designation to permit large format retail stores, often referred to as 'retail warehouses', 'big box', 'power centres' and other large scaled 'themed' retail development. There are about 65 hectares of land included in this designation. Other complementary uses, such as offices, recreational uses, industrial uses and smaller scale uses are also permitted. Uses which are conditionally permitted include multiple-unit retail developments in multi-storey buildings, automobile service stations and car washes. Residential uses are prohibited in this designation. The designation applies to lands to the east of Woodbine Avenue south of Highway 7, Woodbine North near Major Mackenzie and Markham Road south of

Fourteenth Avenue. The designation also applies to underdeveloped lands at the southeast corner of Yonge Street and Highway 407 (known as the Langstaff area).

3.2.5 Heritage Main Street Area

The Heritage Main Street designation applies to lands within the historic centres of Markham (former Highway 48), Thornhill and Unionville. The designation is supported by area-specific Secondary Plans and Heritage District Conservation Plans. Permitted uses are typical of 'main street' areas. The policies also require that the built form in these areas be consistent with the heritage character of the areas.

4. RECENT POLICY CHANGES AND STUDIES

As noted in the previous section, the employment policy framework has not been updated since OPA 26 came into effect in 1994. There were, however, a few studies completed and new lands have been designated for employment use since that time.

Below is a brief review of these studies and the specific amendments to Markham's Official Plan.

4.1 Employment Lands - Industrial

Hemson Consulting completed an Employment Lands Strategy for the Town in February 2000. This study examined the prevailing supply of employment lands and recommended that an effective supply of 271 hectares which existed at the time was insufficient to support growth to 2021. On this basis it was determined that "*without additional land, it will be virtually impossible for the Town to meet its employment objectives and non-residential assessment growth targets*". It was recommended that the Highway 407 Markham East and 404/Elgin Mills areas be considered as candidates for new employment areas. The Employment Lands Strategy was endorsed by Council in 2000, and this provided the basis for four subsequent Amendments to the Official Plan as set out below:

OPA 112 came into effect on June 29, 2006 and it applies to the lands east of Woodbine and north and south of Highway 407 (Highway 407/Rodick Road Land Use Study Area). These lands were already the site of a number of older industrial uses and were included within the Parkway Belt West Plan. The Amendment affected about 186 hectares of land, of which 72 hectares were placed in the Industrial designation. A further OPA is required to determine which designation is to be applied (Business Park, General Industrial and/or Business Corridor).

OPA 113 came into effect on July 21, 2005 and it applies to lands on the east side of Highway 404 and located both the north and south of 19th Avenue. The effect of the OPA was that it included 182 hectares of land within the current settlement area and established the policy basis for the preparation of a Secondary Plan for the area, with most of the land to be planned for employment uses.

OPA 135 came into effect on April 12, 2005 and it applies to lands on the north side of 14th Avenue to the east of McCowan Road. The lands were previously designated for urban residential uses and located within the current settlement area. About 26 hectares of land were affected and the 14th Avenue frontage was designated *Business Corridor* with the remaining area

being designated General Industrial. No subdivision or zoning approval has been requested and development has been initiated.

OPA 149 came into effect on May 8, 2008 and it is the Secondary Plan that is intended to implement the policies included within the Official Plan by OPA 113. About 123 hectares of land was designated for employment purposes by this OPA, as Business Park Area. Development of one property is underway; however no general subdivision or zoning approval has been requested.

The Employment Lands Strategy has been effective at securing the designation of additional lands, but the marketing and development of these lands has not proceeded. This effectively limits the value of the designation and the Town's ability to offer these lands in a competitive marketplace.

4.2 Employment Lands - Commercial

In 2004 John Winter and Associates provided a full commercial policy review for the Town of Markham. The Commercial Policy Review determined that the Town had sufficient commercial land vacancy to support needs to 2011, but that beyond this date additional retail needs would be required to support growth.

The Key recommendations coming out of the 2004 Commercial Policy Review included the need for Markham to:

1. Identify key locations for Neighbourhood Commercial and Community Commercial in the Secondary Planning Process.
2. Reduce the store size caps in the Business Corridor to 1,000 square metres (with exceptions for office supply and computer stores)
3. Collapse the Retail Warehouse Area (RWA) Designation with the Major Commercial Area designation
4. Encourage Commercial Intensification
5. Reduce the number of commercial designations (possible merge of CAA with CCA)

The general conclusions supported in the detailed analysis prepared by Winter are based on per capita retail/service-commercial benchmark of 53 square feet per person. This number is generally consistent with the standard range employed by most commercial market analysts,

including those employed by urbanMetrics to evaluate an urban market with above average household incomes. The overarching conclusions in the JWA 2004 report suggest that additional commercial lands will be needed to support growth beyond 2011, moving out toward a 2021 build-out of Markham's Current Urban Service Area boundary. These conclusions are likely now overstated, somewhat, since a number of large-scale retail facilities have been approved in the interim, including developments that have involved large industrial designated sites.

Since the release of the JWA report in 2004, there has been a significant policy shift in terms of how municipalities are expected to plan for growth for and accommodate growth. The new provincial Growth Plan requires regional and local planning authorities to direct economic activities (including retail) to areas of intensification, namely Urban Growth Centres (Markham Centre and Langstaff Gateway), as well as other key nodes and corridors which are supported by transit (Highway 7 and Yonge Street).

In 2005, Tate Economic Research (TER) was commissioned by the Town to undertake a Peer Review of the JWA 2004 report to review the appropriateness of the Major Commercial designation on lands along Highway 48, north of 16th Avenue. Specifically, TER provided market commentary on the appropriateness of JWA use of 50 square feet per capita, and tested an alternative approach at 35 square feet per capita. Under both the low and high per capita assumptions, it was determined that nearly 2.0 million square feet of *additional* major commercial space on the Highway 48 - built out over time - would be warranted and supportable in this area of Markham.

The Town is committed to developing more compact forms of development, and in doing so, is looking to concentrate a larger share of its retail base within more compact, pedestrian oriented forms of development. The Town's desire to concentrate and absorb new commercial activities in the Highway 48 corridor, for example, provides an example of how it is looking to integrate various forms of commercial activity in a cohesive way that makes them easily accessed by surrounding area residents.

5. POLICY ANALYSIS

As mentioned previously, the policy framework in the Town divides non-institutional employment uses of all types into two distinct categories – Industrial and Commercial. Within the Industrial category there are three use designations (Business Park, General Industrial and Business Corridor) and within the Commercial category there are five use designations (Community Amenity, Major Commercial, Retail Warehouse, Commercial Corridor and Heritage Main Street).

While the existing policy framework, on paper, sets out two relatively distinct and broad land use categories, some of the individual designations permit a broad range of both industrial and commercial uses. Examples include permissions for major office uses in the Community Amenity Area designation, light industrial uses in the Major Commercial designation and retail and service uses serving residential areas in the Business Corridor designation. As a result, distinctions between some of land use designations have become *blurred* in recent years. It is our opinion that if the current policy framework continues, there will continue to be a blurring of the distinctions between the designations and more pressure to open up some of these designations even further to a wider range of uses. The objective therefore, in our opinion, should be to ensure that the designations themselves are appropriate and then to ensure that they are applied to the right locations.

Based on our review of the extent of the designations, it is our opinion that the location of certain designations have an impact on the original planned function of that designation. For example, while the original intent of the Business Corridor Area designation was to primarily provide for uses that served surrounding business areas, the Business Corridor Area designation was applied in some cases to areas that are not adjacent to business areas (it is acknowledged that the Official Plan also recognized that some of these areas would serve multiple functions).

Notwithstanding their original planned function, many Business Corridor areas are now the site of a range of retail uses that either have a regional focus, or serve adjacent residential neighbourhoods. While some of these uses were in existence in 1994 when the current policy framework was developed, many more of these uses have established in these areas. For example, the Business Corridor designation was applied to a number of destination retail areas that existed in 1994, such as the Doncaster area east of Yonge Street. Other Business Corridor areas were the site of a number of automotive commercial uses that were clustered together and which continue to be well known areas for residents in southern York Region and northern Toronto. One such area is located to the north of John Street east of Bayview. Similarly, the cluster of automotive repair and automotive body shops located at the north east corner of McCowan and Highway 7 also has a *regional* draw.

In our opinion, there is a need for a more simplified approach to employment uses. This approach should recognize (a) the location of various employment areas, (b) recognize how their function has evolved over time and (c) how it will continue to evolve in the future.

5.1.1 The Nature of Employment Uses

It is important to recognize that not all jobs are to be situated in employment areas (such as those intended for high performance industrial and office development). Many jobs, especially in more urban areas, are geared toward serving the needs of the local and regional population base. Service-based jobs such as those in retail, education, government and healthcare have traditionally not located in business park areas. That said however, the need for large, well-located sites for a variety of service-type uses such as larger retail facilities, private schools, college campuses, sports facilities, places of worship, automotive dealerships, public storage, etc. have necessitated larger land users to target sites within employment areas as an economically viable means of securing sufficient land to adequately support their operational requirements.

The encroachment of *population related employment* (or “PRE”) into business park areas in recent years has provided additional challenges in terms of determining the extent to which employment areas need to be sufficiently flexible. They have also raised some challenges with respect to how certain uses can be developed, integrated and/or co-located along side more traditional industrial and office uses. These challenges are widely shared by all municipalities right across the GGH, and are by no means unique to the Town of Markham.

The other major category of employment are those jobs which are also *service-related*, but which do not necessarily serve the direct, day-to-day needs of local or regional customers. For planning purposes, these types of jobs are now referred to as, *major office employment* (or “MOE”). This term is defined in the PTGP as freestanding buildings larger than 10,000 square metres, or with 500 or more employees. Major Office generally refers to buildings that support employment activities such as corporate head offices, business services, banking, finance, insurance, real estate, information technology, engineering, etc. Outside of downtown areas, Major Office concentrations are typically located at major highway interchanges and higher order transit stations.

With respect to 'major retail' uses and in the case of the Town of Markham, it is our opinion that 'major retail' uses should not be permitted in employment areas (which for the purposes of this discussion are the lands designated General Industrial Area, Business Park Area and Business Corridor Area). This approach would be consistent with the 'Area of Employment' definition in the Planning Act and consistent with the policy framework in the Growth Plan which considers major retail uses to be non-employment uses when considering conversion applications. At the present time, 'major retail' uses are not permitted in any of these designations. However, Section 3.5.4.6 of the Official Plan does provide a policy framework to consider 'large scale retail

development', and this policy framework is 'nested' within the Industrial policy framework section of the Official Plan. Given the Town's desire to encourage new retail to be integrated with residential uses where possible, permitting 'major retail' uses in employment areas would not be consistent with that intent since residential uses are not permitted within employment areas.

5.1.2 Establishing an Approach

Given that the Province has categorized employment uses into three types (Major Office, Employment Area Employment and Population Related Employment), we have considered the types of uses permitted in each in an effort to develop a new policy approach for the Town.

5.1.2.1 Major Office Employment

The Growth Plan for the Greater Golden Horseshoe defines *Major Office* as freestanding buildings that have in excess of 10,000 square metres of floor space, or where 500 jobs are located. The Growth Plan directs Major Office uses to Urban Growth Centres and major transit corridors. There is no designation that permits Major Office only in the Markham Official Plan at the present time. Such uses as defined by the Province are currently permitted in:

- both the Business Park and Business Corridor designations;
- the General Industrial designation if the use was permitted in the zoning by-law in 1994; and,
- the Community Amenity Area, Commercial Corridor, Major Commercial and Retail Warehouse designations.

Notwithstanding the above, most Major Office development has occurred in the Business Park and Community Amenity Area designations, with the Major Office development in the latter designation being located almost exclusively in Markham Centre, which has been identified as an Urban Growth Centre by the Growth Plan. In Markham, lands within the Business Park Area designation are currently the site of single use buildings, multi use office buildings and hotels, educational facilities, as well as some high performance industrial services.

Establishing a land use designation that permits only Major Office uses as narrowly defined in the Growth Plan is not recommended in Markham. Instead, it is recommended that the existing Business Park Area designation be maintained and that the permissions within that designation also be maintained since the potential is high for Major Office development to be combined with warehousing and/or manufacturing (such as the case with the new Honda Canada head office on Highway 404). However, it is recommended that consideration be given

to zoning certain areas in the Town for Major Office uses only, particularly if they are or will be located adjacent to higher order transit. In addition, areas that have developed historically with only Major Office uses could also be placed in this same zone. Examples of such areas include Allstate Parkway and Commerce Valley Drive. Zoning these areas to permit only Major Office uses will assist in ensuring that potentially incompatible uses are not permitted.

It is recognized that there has been demand recently to permit free-standing or un-integrated restaurants and other retail/service uses in this designation, including an increasing interest in developing private elementary and secondary schools. While these uses are desirable generally, they should not be permitted within the Business Park Area designation, since these uses have the potential to affect the overall planned function of the designation, which is to support higher order office uses and manufacturing/processing facilities. Given that all of the Business Park areas are located adjacent to, or near, lands within the current Business Corridor designation where these types of uses are permitted, there is no need to extend these use permissions into Business Park areas. In addition, introducing some of these types of uses into these areas may also have an impact on the ability of industrial uses to expand or to locate, as a result of land use compatibility concerns.

It is recognized that a different approach is required in Markham Centre, where a range of uses are permitted (including a combination Major Office, Major Commercial, Institutional and Residential uses). As a result, **it is suggested that a new 'Markham Centre' category be included in the Official Plan and that a new Markham Centre schedule which clearly delineates where distinct uses are to be located.** In other words, maintaining the Community Amenity Area designation in Markham Centre is not recommended.

Within the General Industrial Area, freestanding office buildings should continue to not be permitted, because they are generally not located on transit corridors and because office buildings may have an impact as well on the development and/or expansion of 'heavier' industrial uses and uses that involve outdoor storage.

5.1.2.2 Employment Land Employment

The Employment Land Employment (ELE) category, as identified by the Province, is intended to apply to manufacturing, processing, warehousing and distribution related uses that typically occur within traditional industrial areas, and are usually sited away from major roads and other high profile locations. Service employment uses also fit into this category with these uses supporting Employment Land Employment uses including copy shops, restaurants, banquet halls, hotels, convention centres, and other like supporting uses. These uses are more likely located on arterial roads where they can serve employees in both Major Office and Employment Land Employment areas and nearby residential uses.

In the Town of Markham, Employment Land Employment lands as described above are located within a number of different land use designations, including the Business Park, General Industrial, Business Corridor and Major Commercial designations. Based on our review of the location of these land use designations and their current use and function, **it is our opinion that there are *three* generic types of Employment Land Employment areas in Markham.**

The first such area applies to almost all of the lands that are currently within the **General Industrial** designation. The only exception is the lands fronting on Harlech Court, which are almost exclusively the site of autobody repair uses.

The second area includes *certain* lands (but not all lands) within the **Business Corridor** designation that are the site of service commercial type uses that primarily support the adjacent employment area. Examples of Business Corridor Areas that contain primarily service employment uses include:

- 14th Avenue, John Street and Denison Street east of Highway 404;
- Parts of Woodbine south of Highway 407 (including the Commercial Corridor area); and,
- West Side of Warden Avenue south of Highway 407.

It is recommended that the two areas identified above (General Industrial and Business Corridor) be blended into one new land use designation called 'Employment Area'. A more detailed review of all of the lands in Business Corridor areas would have to be undertaken in the Phase 2 of the Employment Lands Strategy to determine which components would be included within this new land use designation. Nonetheless, the intent of this **new Employment Area** designation is to provide for the maintenance and establishment of business hubs that produce, assemble or distribute a wide variety of products, technologies and services that support innovation, technology and creativity. Examples of the latter are film and television studios along with other media-related production facilities. In addition, while this new designation would be a blend of two existing designations, it is suggested that two implementing zones be utilized, with one zone permitting a wider range of uses, most notably retail, being applied to former Business Corridor areas and the second zone permitting a more limited range of uses applying to the former General Industrial areas. The policy framework would have to establish the basis for the two zones. The intent of the dual zoning is to protect the former General Industrial areas from uses that may have an impact on its function. Uses that are media/entertainment based would be permitted in both zones.

The third type of employment land employment area includes certain other lands within the Business Corridor Area designation, and certain lands within the Major Commercial Area and

Commercial Corridor Area designations along with a handful of lands in the General Industrial areas, that are the site of employment uses that are primarily 'destination - oriented'. In many cases, these uses are located in these areas primarily because land costs and rents are generally lower than in other more high profile locations or because like uses historically located adjacent to like uses. Examples of these areas include:

- Parts of Woodbine North of Highway 7;
- the Heritage Road/Laidlaw Boulevard/Bullock Drive area;
- the Green Lane/Harlech Court and John Street area; and,
- Doncaster and Glen Cameron east of Yonge Street.

It is our opinion that the above lands (and potential other areas as identified through further study) should all be placed in a new 'Employment Area - Mixed Use' designation which could permit a range of service commercial and specialty retail uses which are primarily destination oriented and not particularly related to, or supportive of immediately adjacent land uses. These service commercial and retail commercial uses also do not generally require the same degree of *profile* on major roads to attract business. While these areas have primarily a service focus, permissions for light industrial uses should be retained, since many of these areas are the site of more affordable properties and units in multi-unit buildings that would be suitable for small 'start-ups' and for the development of new business ideas. Notwithstanding the range of permitted uses recommended above, the policy framework established for this new designation should also continue to restrict the size of retail uses, since larger retail uses will continue to be directed to commercial areas. In cases where such uses already exist in this designation, such uses should be placed in a commercial designation to recognize the existing use.

In addition to the above, there will need to be a careful assessment of land use compatibility issues in all areas that are located adjacent to residential areas (such as Laidlaw Boulevard, and parts of the John/Green Lane, and Harlech Court area in Thornhill). This type of assessment would be within the scope of Phase 2 of the Employment Lands Strategy.

5.1.2.3 Population Related Employment

The Population Related Employment (PRE) category includes uses that clearly serve the population along with the needs of the traveling public. Examples of these uses, include supermarkets, grocery stores, banks, automotive sales and service, residential real estate office, insurance brokers, pharmacies, medical clinics, restaurants, dry cleaners, daycares, convenience stores, appliance stores, large retail warehouses as well as large regional shopping centres.

In PRE classified areas, the principal use is retail and service commercial oriented toward personal, although there may be residential permissions. It is recognized that population related uses are also located in Employment Land Employment areas as well, but to a lesser degree. Broadly speaking, these are uses that the general population relies upon for their daily (or not so daily) needs. These are not uses typically relied upon by Employment Land Employment uses (i.e. local area businesses or their employees) to support their daily operation or function. It is recognized however, that employees within Major Office and Employment Land Employment areas will visit or rely upon these population related uses if it is convenient to do so. As a result, there is some blurring between the functions, since population related uses do not solely serve the existing population. Similarly, service uses in Employment Areas do not always serve solely the Employment Land uses around it.

In the context of Markham's non-residential land uses, lands in the Major Commercial Area, Retail Warehouse Area, Commercial Corridor Area and certain lands within the Community Amenity Area designation fall into the Population Related Employment category. Within some of these areas, there is currently an intent in the Official Plan to encourage mixed-use development that combines residential and commercial development. In these cases, provided that the principal use is *residential*, it is suggested that these lands be included within the residential designation (rather than employment), and that a **'Residential Mixed Use' designation be created.**

Examples include the live/ work areas on Bur Oak Avenue and potentially portions of Markham Road that are now being contemplated for high density residential uses. Portions of Yonge Street could be treated in this manner as well. Given that the principal use in these areas is residential, changing the land use designation from Community Amenity Area to a new Residential Mixed Use designation would not be considered an employment land conversion. Retail uses however would continue to be permitted within these areas. A further review of each of the areas would be required as part of Phase 2 of the Employment Lands Strategy.

The remaining lands should be placed in a new Retail Commercial designation (and for simplicity and clarity, be separated out from the employment categories), especially where the principal use is *retail*. It is recommended, however, that other uses such as Major Office and residential uses also be permitted in these areas, with a few exceptions. While lands in the new Retail Commercial designation will have the same function, in terms of providing goods and services to primarily the resident population, there are distinctions that will need to be made in the implementing zoning by-law that are based on the scale and market draw of the commercial uses in this category and the location and nature of the other uses which may also be operating within in this category.

In addition, and as noted previously, there are certain land uses in the Business Corridor Area designation that should be placed in the new Retail Commercial designation. The intent of this change in designation is to recognize existing uses only and to re-affirm that such uses are not contemplated in the former Business Corridor designation and the new Employment Mixed-Use designation.

In our opinion, there are four primary implementing zones in this regard, with each requiring a policy basis in the Official Plan which provides for their distinction. The first applies to lands that are the site of commercial uses which have a Town-wide and Regional draw. In the Town of Markham, this would apply to most of the lands in the Major Commercial category (with exceptions being along Highway 48 and in the McCowan/Highway 7 area), and the Retail Warehouse designation that is focused on Highway 407 east of Woodbine and on certain lands on Highway 404 and Highway 48. **These lands could all be combined into one new Major Commercial zone.** A decision will need to be made on whether residential uses should be permitted as-of-right on lands within each of the Retail Warehouse designations. In the case of lands now designated RW on Woodbine Avenue, it may not be appropriate to include residential permission at this time. The second zone would apply to neighbourhood shopping centres and commercial strips that may have both a 'neighbourhood' function and a 'highway commercial' function. Residential uses would be permitted, but the principal use would be retail. The third zone would provide for automotive commercial uses such as gas stations and dealerships that are primarily in the Commercial Corridor designation at the present time. The fourth zone would apply to Main Street Markham, Unionville and Thornhill, with these areas still within the retained Heritage Main Street designation.

Notwithstanding all of the above, it is also our opinion that there is a need to create a Highway 7 and Key Development Areas Policy Area that extends from one end of Markham to the other in which higher employment densities and transit oriented design is strongly encouraged.

5.2 OTHER POLICY ISSUES

5.2.1 Secondary Plan Revisions

Given the many recommendations in this report about how the Town's policy framework should be structured, there will be a need to review each of the existing Secondary Plans to determine how those policies will be refined so that they are consistent with the recommendations being made in this report.

5.2.2 Updating the Zoning Regime

OPA #26, which came into effect in 1994, has not been implemented on a comprehensive basis in a zoning by-law. The zoning by-law is the legal document prepared in accordance with the Planning Act that sets out what uses are permitted on each and every property. If a use is not specifically listed as a permitted use, it is not permitted. In addition, it is the zoning by-law that controls the built-form, since it sets out where a building can be located and under what conditions on every property.

At the present time, the 1,900 parcels of land in the employment areas in the Town of Markham are subject to ten free-standing zoning by-laws. Each by-law was prepared at a different time and contains different terminology and performance standards. Most importantly, however, the by-laws do not effectively implement OPA #26, since the land use zones do not match the land use categories defined in OPA #26. These by-laws will become even further out of date as the employment area policy framework is updated. It is recommended that, once the employment policy framework has been finalized, the myriad of current zoning by-laws be updated to both simplify and modernize the zoning regulations that currently exist to ensure that the by-law is effective and responsive to an evolving, innovative and dynamic economy.

It is recognized that at the present time, landowners affected by any proposed change in the zoning regime have a number of land use rights, in accordance with current zoning. These rights may be enshrined in the current parent by-law or may have been obtained through a by-law amendment process. In addition, some landowners may have obtained minor variances to existing by-laws to permit specific types of development. It is our opinion that the majority of these existing land-use rights will be maintained in the new By-law since every effort will be made to:

- i. Broaden the permissions in every land use category, as opposed to taking uses away;
- ii. Introduce greater flexibility in the zone standards applying to development in every land use category; and,
- iii. Recognize existing use permissions (particularly those granted through a by-law amendment process).

Notwithstanding the above, there may be circumstances where existing uses are no longer permitted in the new by-law. Reasons for making such a decision may include changes in Official Plan policies, the location of the use in relation to other uses and/or the very nature of the use itself. In cases such as these, such an existing use would be considered a legal non-conforming use by the new by-law, provided the use was legally established on the lands on the date the new by-law is passed by Council.

With respect to standards, there may be situations where an existing building may no longer comply with a setback requirement in the new by-law. Although this is extremely unlikely, given that additional flexibility is being introduced, it may happen. In this case, the existing building would then become a legal non-complying building, provided the building was legally in that non-complying location on the date the by-law was passed.

Minor variances passed under existing by-laws would cease to exist when the legacy by-laws are repealed. In most cases, the variances would not be needed any longer, since the new by-law will be more flexible with respect to zone standards. However, in the few cases where an existing building no longer complies with the by-law, but was subject to a minor variance previously, such a building would then become a legal non-complying building.

Notwithstanding any of the above, there may be circumstances where there will be a need to carry forward existing exceptions into the new by-law. This need should be assessed as part of this process. In addition to the above, there is a need to consider the following in developing both a new Official Plan policy framework and a new zoning regime.

1. Given that restaurants could potentially be introduced as permitted uses on lands now zoned for industrial use throughout the Town, it is our opinion that the Official Plan should contain policies which set out the criteria under which lands would be zoned for restaurant use as-of-right in the implementing zoning by-law in the new Employment Area land use designation, and formerly within the Business Corridor Area designation. At this point, it is suggested that restaurants not be permitted as-of-right in any former Business Corridor zone that abuts a residential zone. While we could select areas that we deem to be more appropriate for restaurant use as part of the Employment Zoning By-law process, it is submitted that there should be some policy basis for making these decisions in the Official Plan, if only to avoid interpretation issues in the future.
2. Commercial Self Storage establishments are permitted as-of-right in the General Industrial Area designation in the Official Plan. Free-standing restaurants are also permitted. It is our opinion that both of these uses could detract from the role of the industrial area as employment areas. On this basis, it is recommended that commercial self storage establishments should be deleted as a permitted use in the General Industrial designation and that restaurants only be permitted, if the use is small-scale (less than 75 square metres in area) and clearly serves the surrounding employment area). Commercial self storage areas could be permitted in the new Employment Mixed Use designation, subject to appropriate design criteria being satisfied.
3. The current interpretation of the Official Plan is that Automobile Sales establishments are not permitted as-of-right in any designation, but are subject to rezoning. The basis

for this interpretation is that the outdoor display and merchandise is only conditionally permitted in certain circumstances. Automobiles, given that they are stored outside, would fall under this description. However, it is our opinion that there would be some merit in clarifying the intent of the Official Plan with respect to vehicle dealerships and the outdoor storage component that is associated with such an establishment. On this basis, it is our opinion that the Official Plan should specifically set out the criteria under which such uses would be permitted conditionally in the affected designations.

5.2.3 Restricting Employment Land Conversions

Section 1(1) of the Planning Act indicates that an area of employment is “*an area of land designated in an Official Plan for clusters of business and economic uses including without limitation, the uses listed in Sub-Section (5), whereas otherwise prescribed by regulation.*” Sub-Section (5) indicates that “*the uses referred to in the definition of area employment in Sub-Section (1) are:*”

- a) *manufacturing uses;*
- b) *warehousing uses;*
- c) *office uses;*
- d) *retail uses that are associated with uses mentioned in clauses a-c; and*
- e) *facilities that are ancillary to uses mentioned in clauses a-d.”*

The inclusion of the term “Area of Employment” in the Planning Act has a number of implications on planning policy in the Town. For example, an application to remove lands from an area of employment cannot be appealed to the Ontario Municipal Board, if the application is refused, according to Section 22 (7.3) of the Planning Act.

This is distinguished from the Growth Plan requirement for a Municipal Comprehensive Review (MCR) to support the conversion of employment land. The completion of an MCR must be undertaken by the municipality and must meet six criteria, as set out in Section 2.2.6.5 below:

- a) *There is a need for the conversion*
- b) *The municipality will meet the employment forecasts allocated to the municipality pursuant to [the] Plan*
- c) *The conversion will not adversely affect the overall viability of the employment area, the achievement of intensification target, density targets and other policies of [the] Plan*
- d) *There is existing or planned infrastructure to accommodate the proposed conversion*
- e) *The lands are not required over the long term for the employment purposes for which they are designated*

f) *Cross jurisdictional issues have been considered*

For the purposes of this policy, major retail uses are considered to be non-employment uses.”

As noted previously, it is our opinion that major retail uses not be considered an employment use. The inclusion of the Growth Plan criteria set out above is considered to be a ‘minimum requirement’. Additional criteria should be considered in Phase 2.

5.2.4 Achieving Mixed Use

The original intent of the Community Amenity Area designation was to provide the basis for developing mixed-use projects which combine both residential and retail/service uses, along with office uses. However, the majority of the lands within the Community Amenity Area designation have either been developed only with residential uses or only with retail/service uses. Examples include the Leitchcroft area where permissions were built into the policy framework to permit a wide range of commercial uses. However, while a number of small convenience type retail uses have been developed in Leitchcroft, the majority of land has been taken up with residential uses. In other cases, the Community Amenity Area designation has been applied to community shopping centre sites where there was an expectation that, over time, residential uses would also be developed. While this still may be the case, these community shopping centre sites are now only the site of retail uses.

The Town’s policy framework was written in a manner that strongly encourages a range of uses in all Community Amenity Areas. However, a supportive policy framework and implementing Zoning By-law framework, which permits mixed-uses as-of-right in many locations has not proven to be enough to ensure that mixed-use developments actually get constructed.

To a very large extent the retail and service commercial uses encouraged by the Town in the Community Amenity Area designation are all largely population related uses. This means that there is a need for a certain population base to support the establishment of these uses. Without this population base there is no market support for these uses and until such a market exists, these uses will not be developed. The presence of other areas which are the site of population related uses will also have an impact on how many of these types of uses will locate in identified Community Amenity Areas. For example, a wide range of population related uses are located within the Highway 7 corridor and within a number of the Business Corridor areas in the Town. Given the number of major corridors and the extent to which they can accommodate PRE, opportunities may be limited from a market perspective to develop additional retail and service commercial uses in some of the Community Amenity Areas designated in the Official Plan.

One way to potentially encourage the development of more mixed-use in Markham is to actively discourage the development of commercial areas that are devoted exclusively to large format retail uses. While there is and will likely continue to be a market for these kinds of uses, locating

them on larger tracts of land will have an impact on the Town's desire to blend together different kinds of land uses on the same site. In this regard, establishing a policy framework that permits these kinds of uses but only in the context of a mixed-use development would be an appropriate policy direction to take.

An example would be a requirement on behalf of an applicant to deliver a certain number of appropriately located residential units relative to retail floor space. Such a policy would make sure that future retail/service commercial developments are immediately integrated into mixed use concepts, and that the lands are fully developed in a manner that improves the public realm in a more immediate and tangible way. The municipality doesn't necessarily need to require that commercial and residential uses are vertically mixed, the more central feature is that the two elements are balanced; that the connections between the various elements are thoughtfully linked together; and that they are supportive of and compatible with existing and future uses on adjacent sites.

5.2.5 Pre-Zoning

Once a determination has been made on the extent of each of the land use designations, an analysis of the potential for these lands to be pre-zoned for development (if they are vacant and not zoned at the present time) should be carried out. The intent of the analysis would be to identify the pros and cons of pre-zoning and the methods by which certain public interest objectives can be met if the lands are pre-zoned. In this regard, the use of Holding provisions to control development would be a key planning tool. Another option to consider is whether utilizing a Development Permit system would make sense, particularly in larger undeveloped areas where the actual pattern of development is not known at this time, but there is a desire to advance the "market readiness" of the lands for development as soon as possible.

5.2.6 Enhancing the Built Form and Streetscape in Developed Areas

An assessment of the options available to the Town with respect to upgrading features such as the built form, landscape treatment, transit accessibility and public realm within existing Employment Areas should be carried out. A range of options and their potential implications from a procedural perspective and a financial/economic perspective should be considered. While municipal licensing may not be considered an incentive to development, it is one possible approach, since conditions of the license can deal with the appearance of the proposed use. Other options include the preparation of Community Improvement Plans for Employment Areas and/or the establishment of Business Improvement Associations, which would receive some funding for its activities from the Town of Markham.

With respect to the public realm, an understanding of where public lands are located within these Employment Areas and their options for land use should be assessed. However, the most important part of the public realm in these Employment Areas is the street itself and on this basis, it is suggested that a review of the current design standards for these streets from primarily

a landscape architecture perspective be carried out to determine how these streetscapes might be improved over time.

6. The Market Context for Employment Land

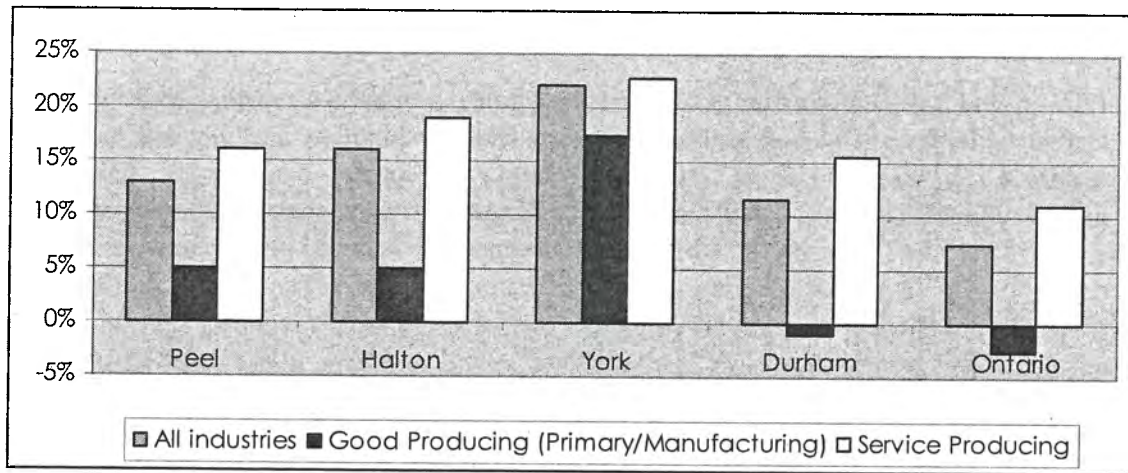
The Greater Toronto Area (GTA) is a vital contributor to the Canadian economy, accounting for over one-fifth of the country's Gross Domestic Product. The importance of Toronto's economic scale is further evidenced by the sheer size of its industrial and commercial land base, and the role that the commercial and industrial development sector plays as a leading indicator of economic growth.

In the North American marketplace, the GTA contains the second largest concentration of industrial space and the fourth largest concentration of office space. Toronto has long been - and is fully expected to remain - the primary manufacturing, commercial and cultural/media hub of Canada.

Before the meltdown of the global economy in late-2008, the indicators in Ontario were already suggesting that the regional economy of southern Ontario was beginning to show some signs structural weakness:

- **Exports growth rates in Ontario had already begun to retreat.** Ontario exports (in percentage terms) reached their plateau in 2000 and have remained relatively stagnant. In real terms, exports fell by more than 2.5% in the second quarter of 2008, marking the fifth consecutive quarterly decline. The third and fourth quarters have shown more precipitous drops. Exports of automotive products along with machinery and equipment, industrial goods and building materials were all major areas of export weakness, reflecting very weak U.S. demand for manufactured goods.
- **Employment growth was skewing toward the service and construction sectors.** Since the 1996 Census, employment in the GTA has grown in the range of 2.5 to 4.0 percent annually. According to Statistics Canada, the highest rates of employment growth in the past two decades (1986 to 2006) were in the areas of wholesale trade, business services, and other services. Employment in business services, in particular, has shown exceptional promise, growing at nearly twice the rate of all other sectors.
- **Employment growth was stable or negative for manufacturing and primary industries.** Figure 6-1 below illustrates that prevailing business trends such as, process automation, off-shoring and business process outsourcing have contributed to a net contraction of manufacturing in the Province of Ontario.

FIGURE 6.1 CHANGE IN EMPLOYMENT, 2001-2006



Source: Statistics Canada

While Ontario, as a whole, shed jobs in the primary/manufacturing sector between 2001 and 2006, most parts of the 905 - with the exception of Durham - actually remained quite strong and recorded growth. In percentage terms, York Region clearly led GTA in terms employment growth across key sectors, witnessing above average gains in both the goods producing and service producing sectors. The above figure underscores the growing confidence that business leaders have exhibited toward York Region as an ideal business location. It also highlights that the service sector is outpacing the goods producing sector. This is true across the all key parts of the 905 Region.

- Looking forward, many existing trends are likely to continue.** Overall, Ontario's labour force and total employment over the long term are projected to grow, albeit at a slowing pace over the next two decades¹¹. Employment in the goods producing sector is likely to remain stable in some areas, and decline in many others. Labour costs in manufacturing will be a major determinant of where job growth and contraction will take place. Employment in service-sector occupations/businesses, however are likely to increase over time.

On a go-forward basis, the sectors which are anticipated to see significant job growth are those related to healthcare and education, followed by retail and wholesale trade, financial services

¹¹ Ministry of Finance, Province of Ontario, Toward 2025: Assessing Ontario's Long-Term Outlook.

and the very broadly defined business service sector. These trends suggest that real growth in the economy will, to a large extent, be dictated by *commercial* and *service* based occupations as opposed to those in the traditional manufacturing and wholesale trade sectors.

On the ground, this will translate into more development emphasis on major office buildings, industrial multiples, mixed use projects, research and development facilities and expanded institutional facilities, such as: university campus, hospitals, courthouses and other government/public service related facilities. It is important to recognize that while much of this growth will be attributed to “white-collar” occupations, it would be inaccurate to assume that all jobs can simply be accommodated within new high-rise office towers, much of the activity will still be low-rise, ground-oriented development, which continues to be both a popular and favoured form of development across a wide spectrum of industries – regardless of whether they are goods or service producing companies. For example, the companies in Markham 2020’s key sectors are located in a wide range of building types and forms, reflecting the variations in accommodations preferred by a high proportion of smaller companies.

6.1 Markham Historical Employment

Markham has experienced rapid population and employment growth over the past two decades.

Between 1986 and 2006 Markham’s employment base (that is the number of jobs in Markham) has increased from approximately 61,100 to 144,800 jobs. In effect, Markham has more than doubled its employment base in just two decades. While the economic downturn in the early 1990s resulted in a pronounced slowdown in terms of job growth, Markham continued to post strong positive gains in terms of average annual growth.

FIGURE 6.2 MARKHAM HISTORIC EMPLOYMENT PROFILE

Year	Activity Rate	Employment	Share of Growth Region	
1986	53%	61,100	36%	
1991	60%	91,900	37%	30,800
1996	56%	97,600	33%	5,700
2001	59%	122,900	32%	25,300
2006	55%	144,800	31%	21,900

Source: York Region

For forecasting and growth management purposes, employment is broadly organized into the following categories:

- **Major Office Employment:** Major office employment (MOE) is comprised of all jobs located within freestanding office buildings of 20,000 square feet or more¹². Finance, insurance and real estate activities and business services are typical examples of this industry's sectors that locate in major office structures. These buildings are typically located at the edges of Markham's business parks, close to major roads. Municipal offices, police stations, hospitals and school boards are not included in this category, and are classified as population related employment. Major office employment in Markham, in 2006, represents about one-third (33%) of the employment base of the Town, which translates into 47,400 jobs.
- **Population Related Employment:** Population-related employment (PRE) is employment activity that exists in direct relationship to a resident population. PRE includes a wide range of occupations and employers in sectors such as retail services, education services, municipal government services and local office uses (local banks, legal and accounting offices, etc). Population Related Employment represented 33% (47,500 jobs) of total employment in Markham and 42% in York Region in 2006. Current estimates by the Town suggest that locally oriented institutional employment, specifically school and places of worship employment, is equivalent to about 9% of the total 2006 PRE.
- **Employment Land Employment:** Employment Land Employment (ELE) is typically located in the interior of business parks and is exemplified by industrial activities such as manufacturing, research and development, distribution, wholesale trade and warehousing. Employment Land Employment accounted for 34% (49,400 jobs) of total employment in Markham and 43% in York Region.

Figure 6.3 indicates that the Town of Markham has successfully achieved a very well balanced distribution of jobs across all three major categories of employment - each representing about one third of the total employment base.

¹² It is important to note that Ontario's Places to Growth Plan defines Major Office as "freestanding office buildings of 10,000 m² (107,640 square feet) or greater, or with 500 jobs or more. The Region of York utilizes a much smaller definition of Major Office Employment defining it as any employment within a building larger than 1,860 square metres (20,000 square feet). Our analysis is relies on the Region's definition.

FIGURE 6.3 Estimated Employment in Markham by Major Category (July 2006)

Employment Category	Total	Share
Employment Land Employment	49,900	34%
Major Office Employment	47,400	33%
Population Related Employment	47,500	33%
Total	144,800	100%

Source: York Region

Fundamental to the success of Markham’s economy has been its ability to attract a diverse pool of major office users. Compared to all other leading employment centres in the GTA, Markham maintains the second highest share of jobs in Major Office Employment, and the second lowest share of Employment Land Employment. The only municipality to outperform Markham in this regard was the City of Toronto, which, in addition to having a downtown core that rivals most global centres of international finance, is also made up of more than a half dozen major office sub-areas spread out across the city.

FIGURE 6.4 Percent Total Employment by Employment Categories (2006)

Municipality	Major Office Employment	Population Related	Employment Land
Markham	33%	33%	34%
Mississauga	18%	25%	57%
Brampton	6%	37%	57%
Vaughan	5%	32%	63%
Toronto	38%	37%	25%
York Region	14%	42%	44%

Source: York Region and Hemson Consulting Ltd.

Markham’s prominence as a major office node is attributed to two key factors.

First, is Markham’s development history. Markham was an attractive location for speculative office construction in the late 1980s - much of this activity was concentrated in the Highway 404

corridor between Steeles and 16th Avenue. Following the recession of the late 1980s/early 1990s a high vacancy rate provided the right market and business conditions needed to support fast-growth companies, especially in the burgeoning area of technology, and health sciences.

Second, is Markham's aggressive approach to economic development and self promotion. Efforts in branding Markham's as the Canada's High-Tech Capital of Canada have been very successful. These efforts have helped to significantly advance the business community's perception and confidence of the Town as an innovative, business-friendly community. In effect, Markham is now held up as Canada's equivalent to "Silicon Valley" in San Jose or "Route 128" in Boston. Today, most companies considering a new business location in the Toronto market, are very likely to consider Markham as one of their prime candidate options as a business address.

6.2 Commuting Trends

Notwithstanding the large scale of Markham's large and diversified economic base, and the rather fast pace at which it has grown over the past twenty years, a substantial portion of Markham's resident labour force is actually employed *outside the* Town. Figure 6.5 below summarizes commuting patterns for both residents and employees of Markham.

FIGURE 6.5 DESTINATION OF MARKHAM LABOUR FORCE & ORIGIN OF MARKHAM EMPLOYEES (TOP 10 LOCATIONS)

Where do Markham's Residents Work?			Where do Markham's Employees Live?		
	2001	2006		2001	2006
Toronto	52.1%	50.1%	Toronto	34.9%	35.4%
Markham	33.6%	30.3%	Markham	29.9%	28.7%
Richmond Hill	5.4%	5.6%	Richmond Hill	7.5%	7.4%
Vaughan	3.6%	5.4%	Vaughan	3.9%	4.1%
Mississauga	1.9%	3.2%	Pickering	2.8%	2.1%
W'church-Stouffville	0.5%	0.7%	W'church-Stouffville	2.6%	1.7%
Pickering	0.4%	0.5%	Newmarket	2.3%	2.1%
Newmarket	0.4%	0.9%	Ajax	1.9%	2.2%
Aurora	0.4%	0.6%	Aurora	1.7%	1.5%
Brampton	0.4%	0.6%	Whitby	1.6%	2.5%
TOTAL	99%	98%	TOTAL	88%	85.1%

Source: Statistics Canada, Censuses 2001 & 2006

Key observations regarding *Markham residents' commuting patterns* are summarized as follows:

- Approximately one-third of Markham's residents (that work) are employed by businesses located in Markham.
- The majority of those who leave Markham for employment elsewhere are most likely to travel south to Toronto (52%) or west to Richmond Hill (5%) and Vaughan (4%).
- Since 2001, the proportion of Markham's labour force employed elsewhere in York Region has increased while the proportion working in Toronto and in Markham has actually decreased.

Key observations regarding those who maintain jobs in *Markham* suggests that:

- More employment positions in Markham are actually maintained by residents of Toronto than residents of Markham.
- The majority of the non-residents working in Markham travel north from Toronto (35%) or east from Richmond Hill (8%) and Vaughan (4%).
- Since 2001, the proportion of Markham's employment from residents living elsewhere in York Region and in the City of Toronto has increased while the proportion living in Markham has actually decreased.

Other important findings related to commuting activities suggest that:

- Only 22% of workers in the 404/407/Warden employment node actually live in Markham¹³.

Based on data from Transportation Tomorrow Survey (2001) approximately 94% of the morning trips to jobs in Markham were made by automobile, compared to 93% at the Airport Corporate Centre (Mississauga), 68% within the North York City Centre, and 31% in Downtown Toronto Core.

The strong outbound commuting patterns of Markham's resident labour force underscores the need for more robust and more plentiful employment opportunities locally – *in Markham* - to reduce the overall travel distance and commuting habits of its residents. With about two-thirds of Markham's labour force leaving the community each and every work day, there is clearly an

¹³ City of Toronto, *Don Valley Corridor Transit Master Plan-Interim Report No.2* based on data from the 2001 Transportation Tomorrow Survey

opportunity to stem the tide of commuter outflow, and provide a wider range of development options to a wide range of employers that can directly tap into Markham's highly regarded labour force.

The Town of Markham and the City of Toronto appear to have very tight labour market linkages. From a transit planning perspective, it is critically important that Markham's existing and future employment areas are functionally supported by vastly improved two-way transit connections, especially those that facilitate better access from Toronto into Markham during the AM-peak period. GO Train service, for example, only supports outbound commuters leaving Markham. A concerted municipal and regional planning effort is absolutely imperative to ensure that the all of Markham's transit hubs – particularly Markham Centre and the Langstaff Gateway area - are supported by in-bound service bringing workers from Toronto into the Town.

Over the long-term, it is expected that Markham will continue to play an important role in York Region as a leading employment destination. Opportunities to provide frequent, express-type services connecting not only Markham residents, but also Richmond Hill, Vaughan, Newmarket, Aurora residents, with existing and future employment nodes in the Town must be pursued. The expansion of York Region's VIVA service along Highway 7 is an important step in the evolution of transit service, but greater efforts to expand north-south transit services which are linked into the Highway 404 employment areas of Markham must be pursued as an important municipal and regional planning initiative.

7. The Industrial Land Supply

Aside from human capital, land availability (or land supply) is a key decision factor that influences where businesses choose to invest and what the scale of investments will likely be. The notion of land supply also includes a number of sub-factors which businesses use to carefully evaluate the benefits of one location against another. The most basic elements of the supply are:

- **Location** – *Are the lands situated in high-profile locations? Do they reflect the right corporate image?*
- **Access** – *Do the lands provide easy access to labour, customers and markets?*
- **Price** – *Are the lands competitively priced compared with other jurisdictions in the same regional market?*
- **Quantity** – *Are there sufficient opportunities to grow and expand business operations over time?*

While having a vast supply of cheap industrial land isn't necessarily a guarantee of economic success - a market without land has a relatively low probability of ever meeting its full economic potential.

Companies looking to build new premises or to expand their base of operations will be forced to look elsewhere if lands cannot be secured in a timely and affordable manner. Municipalities must recognize the important role that a competitive land supply plays in fostering a healthy climate for economic growth and business investment. One of the most powerful levers that a municipality has at its discretion is the legislated authority to protect, maintain and expand areas which are intended to accommodate new jobs and new forms of economic growth.

Provincial planning policies in Ontario continue to recognize the important role that industrial land (or employment land) plays in the development and preservation of competitive economies.

The Provincial Policy Statement, for example, expressly requires that all municipalities protect and maintain their economic competitiveness by ensuring that there is both a range and choice of suitable sites for employment uses; and that these sites are able to maintain a wide variety of economic activities. To this end, all planning authorities in Ontario are required to: *plan for, protect and preserve employment areas for current and future uses.*

While some jurisdictions in the province may anticipate slower to moderate economic growth over the foreseeable future, the same cannot be said of York Region, and more specifically, the

Town of Markham. Both jurisdictions are expected to play a leading role in shaping the GGH's economic expansion. In fact, York Region is expected to account for about 1 out of every 5 new jobs added in the GGH over the 2031 planning horizon. A significant amount of York Region's job growth will be directed to, absorbed by, the Town of Markham, where highly skilled labour markets already reside; where significant future development potential exists; and where a strong base of supporting infrastructure (road, highways, transit) can be better utilized.

Over the next 23 years, Markham is expected to see its employment base grow by nearly 90,000 jobs, reaching nearly a 250,000 jobs by 2031. On average, Markham will be adding 4,000 new employees each and every year

From an economic development perspective, high growth municipalities such as Markham need to be acutely aware of their long-term physical capacity to support balanced growth, especially where there is intense, competing pressure to accommodate other forms of growth. Municipalities cannot simply grow their residential base. They must ensure that there are commensurate opportunities to create and stimulate local jobs and economic activity.

The following sub-sections summarize York Region and Markham's vacant industrial (employment) supply.

7.1 York Region Vacant Employment Land Supply

The total supply of *vacant* employment land in York Region is approximately 3,000 net hectares (2006). This is approximately 40% of the total *designated* employment land base in the Region.

On a GTA-wide basis, York Region's inventory of $\pm 3,000$ hectares of vacant, developable employment lands is in line within its neighbouring jurisdictions including: Peel Region ($\pm 2,900$ hectares), Durham Region ($\pm 2,900$ hectares), and Halton Region's ($\pm 2,700$). While they all have about the same amount of land, York Region is fully expected to accommodate vastly more job growth, meaning: (a) it will need to utilize its land base more efficiently; and (b) it will likely need to increase its supply of land just to remain competitive with other jurisdictions in the GTA.

Within York Region, the City of Vaughan has the single largest supply of vacant employment land at 1,300 hectares (or nearly half of the total York Region inventory). The Town of Newmarket has the smallest vacant supply at 60 net hectares. Nonetheless, the vast majority of vacant employment land is concentrated in the five urban municipalities of York Region, namely: Aurora, Markham, Newmarket, Richmond Hill and Vaughan.