

dealerships, and potentially even repair shops, may be somewhat overstated on a go-forward basis. As such it is possible that these lands could be reallocated for more conventional retail, service and restaurant activities.

Notwithstanding this “flexibility”, the existing supply is extremely “tight” and would likely not allow for an adequate provision of vacant commercial land over the duration of the forecast period.

As a strategy, Markham should continue to encourage the timely development of complementary commercial facilities as part of the normal secondary and community planning process. Based on best practices, we suggest that future commercial facilities in Markham should be delivered on the basis of 40 to 45 square feet per capita.

Over the planning horizon, as new residential areas in Markham come on stream it is recommended that the Town encourage developers to make adequate provisions for new retail and service commercial space. While the amount of commercial space will vary according to the presence of existing and proposed commercial space already established in the local area, applications for new commercial development should clearly demonstrate that there is sufficient market support for the proposed facility, *and* that such facilities will not impact the planned function of other parts of the Town’s commercial hierarchy, especially strategic nodes such as Markham Centre.

## 11.8 Commercial Land Requirements – The Results

Over the forecast period, our independent analysis suggests that the Town of Markham’s current vacant commercial land base— 105 net developable hectares - is in fact sufficiently scaled to meet the long term growth requirements associated with 138,600 new residents over the 2008-2031 period.

The results of our analysis suggest that:

1. **Markham’s commercial lands are expected to support 8,100 new PRE jobs. This represents about 46% of the new PRE jobs (excluding work at home).**
2. **Markham’s commercial lands will accommodate nearly two-thirds of all new retail-based jobs. In total, Markham commercial lands will need to accommodate just over 6,400 new retail, service and restaurant jobs, along with 1,700 additional commercial jobs in other commercial categories.**

3. Markham will require somewhere in the order of 95 to 100 hectares of vacant commercial land, supporting between 262,000 to 337,000 square metres (2.8 to 3.6 million square feet) of built space.
4. Markham Centre and other Key Development Area will play an important role in accommodating a substantial amount of new PRE employment growth. The forecasts suggest these nodes and corridors will accommodate approximately 4,000 PRE jobs driving a need for 137,000 to 155,000 square metres (1.5 to 1.7 million square feet).

In recognition of the close balance that exists between Markham's vacant land supply and its policy requirement to support an appropriate share of the PRE growth, it is our opinion that Markham's commercial land supply is reasonably balanced.

While adding new commercial facilities to support community development outside the current settlement area is likely warranted (to ensure that future residents are conveniently served by local shops and services), we would not support the allocation of any lands, outside the current settlement area for "major", or *regionally serving* commercial purposes over the 2031 planning period. In our opinion, any decision to expand the commercial land supply outside the current settlement area would ultimately decrease the commercial viability of clustering PRE-oriented commercial activities within key growth nodes and corridors such as Markham Centre, Highway 7 and Yonge Street. For this reason, we are recommending that no physical expansions to the Town's commercial land supply be entertained as part of the forthcoming Markham Official Plan update.

## 12. Conclusions & Recommendations

### 12.1 Conclusions

#### LAND USE POLICY REFINEMENTS ARE REQUIRED

Based on our analysis of Markham's current employment land policies it is clear that a new framework is needed to better deal with the blurred distinctions that now exist between commercial and industrial oriented land uses throughout the town.

To this end we believe that Markham's existing Official Plan policy framework needs to be streamlined into fewer designations, and that these new designations are more closely aligned with the Employment Land Employment (ELE); Major Office Employment (MOE) and Population Related Employment (PRE) that are now being widely employed through the Places To Grow Plan.

In effect, the Town's existing employment land use policies and its implementing zoning by-law need to better reflect the prevailing and future development conditions that are shaping Markham as a leading-edge business community.

#### ADDITIONAL INDUSTRIAL LANDS ARE REQUIRED TO ACCOMMODATE MARKHAM'S EMPLOYMENT GROWTH

The results of our analysis indicate quite clearly that Markham's existing industrial land supply is not sufficiently large enough to accommodate future employment growth expectations.

Planning and executing well-planned employment areas that are designed to meet the needs of the key business sectors will be a fundamental aspect of Markham's path toward greater economic prosperity and more well-balanced community growth that places a strong emphasis on achieving better live-work opportunities.

At this time Markham has less than 200 hectares of "market-ready" land that is zoned and serviced. It is our opinion that this amount of land is not sufficient. At an average annual absorption rate of 20-25 hectares, Markham's market ready supply of land will be exhausted in less than 8 to 10 years. Failure to maintain a healthy supply of industrial land puts the community at risk of being over priced, and potentially, beyond the reach of many business operators, including small to medium sized companies. As a top-priority Markham will need to

pre-zone and extend servicing to key lands, especially those in the Highway 404 North Employment Area.

Protecting Markham's employment land supply must remain a high priority in dealing with applications that seek to convert major parcels of land for non-office, or non-industrial uses. Conversion of employment lands to other uses, including major retail, in our opinion would only serve to *accelerate* the Town's pending industrial land deficit. For this reason, we suggest that Markham prohibit thereby avoiding all conversions to its current base including all lands designated Business Park, General Industrial and Business Corridor Area.

In very specific terms, our analysis indicates that Markham's existing "urban" land supply does not have enough industrial employment land designated to fully meet the forecasted growth of employment land jobs to 2031.

Notwithstanding the market opportunities to accommodate major office buildings in Markham Centre and elsewhere along Highway 7 and Yonge Street, the Town will not be able to meet its full needs without relying on *new* lands located *outside* the CSA boundary.

The lands that are best suited to accommodate future employment needs include:

- *Lands* situated in the north-westerly reaches of the Town outside the current settlement area, and
- Vacant lands in East Markham/Cornell. These lands which comprise only 35 hectares are currently defined as 'deferred' and "study area" in the Cornell Secondary Plan.

The lands that are *least* suited to future employment areas are those that are small, isolated, fragmented or cut-off from highway access by intervening residential uses. We would not, for example endorse the creation of any new employment areas on lands that are not already contiguous to an existing employment area, nor would we support the creation of a stand-alone employment area oriented in the northeast part of Markham, such as lands in the vicinity of Highway 48 and Major Mackenzie.

## 12.2 Recommendations – Land Supply Requirements

Based on the market and quantitative analysis carried out by the study team, it is suggested that Markham take appropriate measures to increase its overall employment land base. Specifically, it is recommended that:

1. The Town of Markham responds quickly to add new employment lands in east Markham. Such a move would help to mitigate the looming medium-term (2016) shortfall of employment land, and will help to establish and stimulate the necessary critical mass of business opportunities in the area. Planning should move toward the establishment of business park uses in this area. This designation, in our opinion will help to ensure that these lands remain closely linked with the types of business activities envisioned in Markham's Economic Development Strategy, focusing primarily on innovative and research intensive companies that would ultimately benefit from a business address at the edge of Rouge Park.
2. All future boundary expansions in the northwest quadrant of the town must give priority consideration to employment uses first and foremost. These lands are *the* best option that the Town of Markham has for making suitable adjustments to its undersized employment land base. Moreover these lands are well located and will help to round out the Markham/Richmond Hill employment corridor along Highway 404. A minimum reserve for employment lands, for 2031 planning purposes should be in the order of 500 gross developable hectares.
3. Markham should consider the creation of a new *Employment Land Reserve, 2031-2051* designation in its Official Plan update. The application of this land-use is intended to reflect the on-going need for employment land beyond 2031. It is expected that such a reserve should include upwards of 400 to 500 gross hectares of developable employment land outside the current settlement area to accommodate on-going growth beyond 2031. The Employment Land Reserve should be contiguous to the lands identified in recommendation 2 above, forming a single unified employment node. The new designation would effectively protect lands outside the current settlement area from all forms of non-employment type development (including retail) until at least 2051. It is envisioned that lands within the Reserve could be developed for employment uses in advance of this horizon, however it would need to be demonstrated that no other lands in Markham could support such a use by virtue of size, location or other site specific requirements.
4. Markham should guide, promote, encourage and incentivize the development of retail-commercial space within Markham Centre, the Key Development Areas of Highway 7 and Yonge Street, including Langstaff Gateway. Opportunities to maximize the amount of commercial (retail-oriented) space which can be delivered in mixed use projects should be pursued to the fullest extent possible. Retail and service commercial uses in these areas need to be developed at a commensurate rate with population and major office developments. Markham should establish a PRE commercial development target

- of 147,000 square metres (1.6 million square feet) to 2031 as a combined total for Markham Centre, Highway 7 and Yonge Street, including Langstaff Gateway.
5. Markham should protect the full inventory of vacant commercially designated land within Markham's current settlement area. Markham's 105 hectares of vacant land are sufficiently balanced to support the allocated PRE growth to 2031. Markham should establish a PRE commercial target for these lands at 300,000 square metres (3.2 million square feet).
  6. Markham should not entertain designating any lands outside the current settlement area for the purposes of Major Retail, or any other *regionally* oriented commercial developments.
  7. Markham only should support the development of local and convenience oriented retail outside the current settlement area on the basis that it is commensurate with and supported by population growth. Such uses would need to demonstrate that they will not destabilize the planned function of existing and approved commercial facilities.

### 12.3 Recommendations – Policy Directions & Refinements

Based on the policy analysis prepared by the study team, it is suggested that the following specific recommendations be the basis for further consideration in Phase 2 of the Employment Lands Strategy:

**Specifically:**

8. The Business Park designation be retained in its present form;
9. Certain areas within the Business Park designation be zoned to permit only major office development;
10. Use permissions in Business Park areas continue to be tightly controlled to ensure that the long-term function of these areas can be maintained;
11. Lands within the General Industrial designation be included within a new Employment Area designation (with one exception – Harlech Court);
12. Certain lands within the current Business Corridor designation that are functionally related to lands within adjacent General Industrial areas be included within the new Employment Area designation;



13. Use permissions are broadened in the new Employment Area designation to permit a range of businesses that produce, assemble or distribute a wide variety of products, technologies and services, including those that support innovation, technology and creativity.
14. Business Corridor lands to be included within the Employment Area designation should be zoned in a manner which provides for a wider range of uses than those in the General Industrial areas;
15. Business Corridor, General Industrial, Major Commercial and Commercial Corridor areas that are the site of a number of destination oriented service and retail uses should be placed in a new Employment Mixed-Use designation that permits a range of retail and service employment type uses;
16. The size and scale of retail uses permitted in the new Employment Mixed use designation should be controlled to ensure that larger scale such uses are directed to commercial areas.
17. Community Amenity and Commercial Corridor areas that are currently (or will be in the future) the site of a mix of both residential and retail uses should be placed within a new Residential Mixed Use designation;
18. Lands within the Community Amenity area designation that are primarily the site of residential uses and are, or may be, the site of a limited range of convenience type commercial uses should be placed in an Urban Residential designation;
19. Lands within the Commercial Corridor designation that are only the site of gas stations and uses should be placed within the Urban Residential designation;
20. Lands within the Commercial Corridor designation that are the site of automotive dealerships and other retail uses should be placed within the Employment Area Mixed Use designation, or in some cases, the Residential Mixed Use designation, if the long term intent is that these lands be considered suitable for residential use, particularly if these areas are located adjacent to residential uses.
21. A new Retail Commercial designation be created from lands within the Major Commercial, Retail Warehouse, Community Amenity and Commercial Corridor designations;
22. Certain lands within the Business Corridor designation that are the site of larger retail uses should also be placed in the new Retail Commercial designation to recognize the existing use.
23. A new Markham Centre designation and policy framework be created to support a mix

of uses supporting higher densities, including Major Offices; and,

24. Policies should be developed for the Key Development Areas in Regional Corridors that encourage mixed uses and transit supportive development.

## 12.4 Recommendations - Next Steps, Phase 2

Based on the policy analysis, it is suggested that the following *additional* recommendations be the basis for further consideration in Phase 2 of the Employment Lands Strategy:

25. Addressing the requirements of senior government policy regarding employment including the definition of 'Employment Area' in Markham.
26. The uses to be permitted in each land use designation should be carefully analyzed and take into account the uses that are currently permitted in the Official Plan, Secondary Plans and Zoning By-laws. In some cases, it is noted that the uses are permitted within the Zoning By-law that are not necessarily provided for by existing policy. In addition, new uses supportive of the Economic Development Strategy key sectors that may have not otherwise been expressly permitted should be identified and considered for inclusion. These include uses related to the creative industries, such as studios.
27. A determination needs to be made on the boundaries of the new Employment Area and Mixed Use Employment Area designations. Previously, these designations were called General Industrial and Business Corridor. There are also areas currently designated Major Commercial and Commercial Corridor that should also be considered for inclusion within the Employment Mixed Use designation.
28. The boundaries of the new Residential Mixed Use designation should also be determined. For example, much of the lands within the Community Amenity Area designation along Bur Oak should be redesignated with the exception of those areas at intersections that have a strong commercial focus. One alternative to consider is to include all such lands within the Residential Mixed Use designation and then to implement that designation through the use of multiple zones with one zone providing for a broader range of retail uses than the other.
29. 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.

30. An assessment of the options available to the Town with respect to upgrading the built form, landscape treatment and public realm within existing Employment Areas such as South Don Mills 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.
31. 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 can be improved over time.
32. The criteria to be established with respect to employment land conversions need to be further considered, with the criteria contained within the Growth Pan being the ‘minimum’.
33. The determination of how to translate minimum required density into policy and zoning, recognizing that the Town has no control over the number of employees in any use.
34. The Town should continue to examine sustainable initiatives and practices as they relate to employment lands.
35. Lastly, there should be some analysis carried out on how the new land use designations will be implemented in Secondary Plans and the Zoning By-law through the preparation of a new stand-alone by-law for Employment Areas in the Town.