




**Watson
& Associates**
 ECONOMISTS LTD.

Employment Lands Strategy

City of Niagara Falls

Phase 1 Report


DILLON
 CONSULTING


MDB
 INSIGHT

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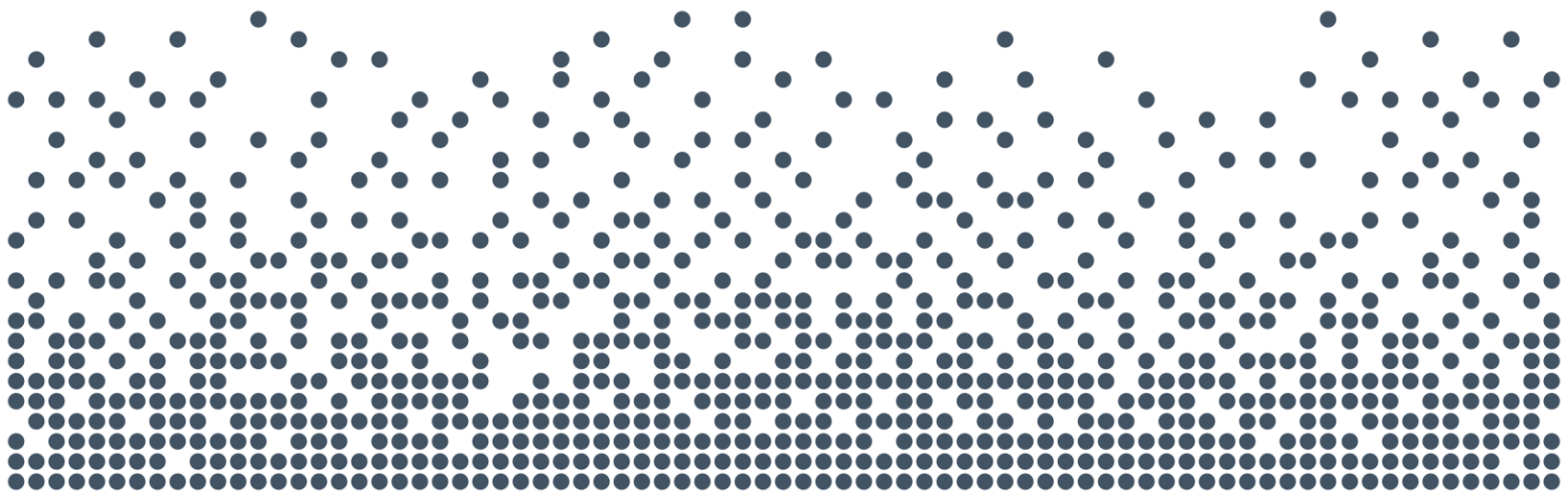
List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
A.I.	Artificial Intelligence
A.P.T.G.	A Place to Grow
B.U.A.	Built-Up Area
C.I.P.	Community Improvement Plan
C.R.A.	Canada Revenue Agency
C.M.A.	Census Metropolitan Area
D.G.A.	Designated Greenfield Area
E.L.S.	Employment Lands Strategy
F.S.I.	Floor Space Index
G.D.P.	Gross Domestic Product
G.F.A.	Gross Floor Area
G.G.H.	Greater Golden Horseshoe
G.I.S.	Geographic Information Systems
G.T.H.A.	Greater Toronto Hamilton Area
I.C.I.	Industrial, Commercial and Institutional Sector
I.M.F.	International Monetary Fund



List of Acronyms and Abbreviations (Cont'd)

L.N.A.	Land Needs Assessment
L.Q.	Location Quotient
M.C.R.	Municipal Comprehensive Review
M.T.S.A.	Major Transit Station Area
N.O.C.	National Occupation Classification
N.P.C.	Niagara Parks Commission
O.M.B.	Ontario Municipal Board
O.P.	Official Plan
O.P.A.	Official Plan Amendment
P.M.I.	Purchasing Managers' Index
P.P.S.	Provincial Policy Statement
P.S.E.Z.	Provincially Significant Employment Zone
Sq.ft.	Square Feet
Sq.m.	Square Metre
S.W.O.C.	Strengths, Weaknesses, Opportunities, and Constraints
T.P.I.A.	Toronto Pearson International Airport
Q.E.W.	Queen Elizabeth Way
U.S.	United States
V.P.N.	Virtual Private Network
W.H.O.	World Health Organization
W.T.O.	World Trade Organization
Y.T.D.	Year-to-Date
Z.B.A.	Zoning By-Law Amendment



Executive Summary



Executive Summary

Watson & Associates Economists Ltd. (Watson), in partnership with Dillon Consulting Ltd. (Dillon), and MDB Insight Inc. (MDB), hereinafter referred to as the Consultant Team, were retained in the winter of 2020 by the City of Niagara Falls to conduct an Employment Lands Strategy (E.L.S.) for the City. This E.L.S. will contribute to a long-term vision and planning policy framework which will enhance the City's competitive position for industrial and office employment, including other employment-supportive uses in its Employment Areas. A key objective of this study is to assess City's long-term employment land needs to the year 2051, while also considering the adequacy and marketability of the City's "shovel-ready" employment lands within the near term. More specifically, this study provides the following:

- An evaluation of the City's current employment land supply and an assessment of "Investment Readiness" of its Employment Areas within the context of evolving macro-economic trends and anticipated employment sectors;
- A review of regional and local macro-economic and demographic trends that are anticipated to impact the amount, type and location of the City's long-term population and employment growth potential;
- A S.W.O.C. (Strengths, Weakness, Opportunities and Constraints) assessment of the City's Employment Areas to accommodate future employment growth within identified target sectors;
- An assessment of longer-term Employment Area land needs (i.e. supply versus demand) within the broader context of Region-wide trends in Employment Areas;
- A review of employment sites identified for potential conversion to a non-employment use;
- A review of the City's current Official Plan (O.P.) policies related to Employment Areas. This review will identify potential gaps within the current policy framework as well as provide recommendations for considerations to be potentially addressed through an Official Plan Amendment (O.P.A.) and Zoning By-law Amendment (Z.B.A.); and
- Recommended strategies to promote and attract industrial growth in Employment Areas on an international stage.
- This analysis represents the first phase of the Employment Lands Strategy (E.L.S.) for the City of Niagara Falls. Phase 2 of this E.L.S. will provide further



direction regarding employment land needs, a framework and evaluation of potential Employment Area conversions to non-employment uses, strategic planning policy recommendations, and marketing strategies to deliver investment-ready lands.

The following provides a summary of the key findings of this Phase 1 report:

Policy Context

The Niagara Falls O.P. was updated in 2019 and, as such, captures a variety of the provincial policy changes; however, recent changes to the provincial policies should be considered as part of future O.P. updates. In addition, the Regional O.P. is currently under review as part of the M.C.R. process to bring it into conformity with the Growth Plan, 2019. Once completed, the outcome of the M.C.R. process may have an impact on the City's employment lands. These potential changes to the regional policies should also be considered as part of future O.P. updates.

Based on current provincial and regional policies, potential provincial and regional gaps that the City may want to consider include:

- Designating the Niagara Economic Gateway on Official Plan mapping;
- Protecting the long-term viability of existing industrial and manufacturing uses in instances where the encroachment of incompatibility uses is not avoidable;
- Providing direction on what to do if the encroachment of sensitive land uses and existing industrial and manufacturing uses is not avoidable;
- Identifying industrial sites for strategic investment. While Niagara Falls O.P. Section 8 "Industrial" focuses on promoting industrial development, an opportunity exists to broaden the discussion by considering potential investment incentives for these areas;
- Identifying infrastructure and servicing required to support forecast employment growth;
- Promoting coordination between agencies and stakeholders in the context of industrial sites. An opportunity may exist to establish detailed plans for some of the City's employment lands;
- Ensuring urban design policies emphasize the need for appropriate transitions between industrial areas and adjacent non-Employment Areas;



- Potentially coordinating transportation initiatives – including active transportation initiatives -to industrial areas;
- Examining the impact of planning Employment Areas beyond a 25-year planning horizon on Employment Area conversions within the City; and
- Potentially exploring the implementation of a Community Planning Permit System for areas within the Niagara Falls Economic Gateway.

It should be noted that there are currently no P.S.E.Z. identified within the City of Niagara Falls.

The Regional O.P. and the Niagara Falls O.P. provide direction on the lands currently designated for employment within the Region, and these will form the basis of the employment land supply analysis.

Historical Employment Trends

- Niagara Falls experienced a total growth rate in jobs of 3.8% (net increase of approximately 1,720 jobs) from 2016 to 2020 or an average annual employment increase of 1.1%, similar to that witnessed across Niagara Region. Jobs in Niagara Region increased by 4.3% (net increase of approximately 8,970 jobs) from 208,760 jobs in 2016 to 217,730 jobs in 2020 or an average annual increase of 1.1%.
- The following sectors experienced the largest employment increase:
 - Accommodation and food services – increase of approximately 850 jobs (net increase of 7%);
 - Transportation and warehousing – increase of approximately 390 jobs (net increase of 32%); and
 - Construction – increase of approximately 320 jobs (net increase of 11%).

Land Supply Analysis

The following are key highlights of the designated employment land inventory:

- The City's employment land supply is 1,142 gross hectares (ha) (2,822 gross acres) and is comprised of 1,048 gross ha (2,590 gross acres) of developed/occupied employment land and 95 gross ha (235 acres) of vacant employment land; and



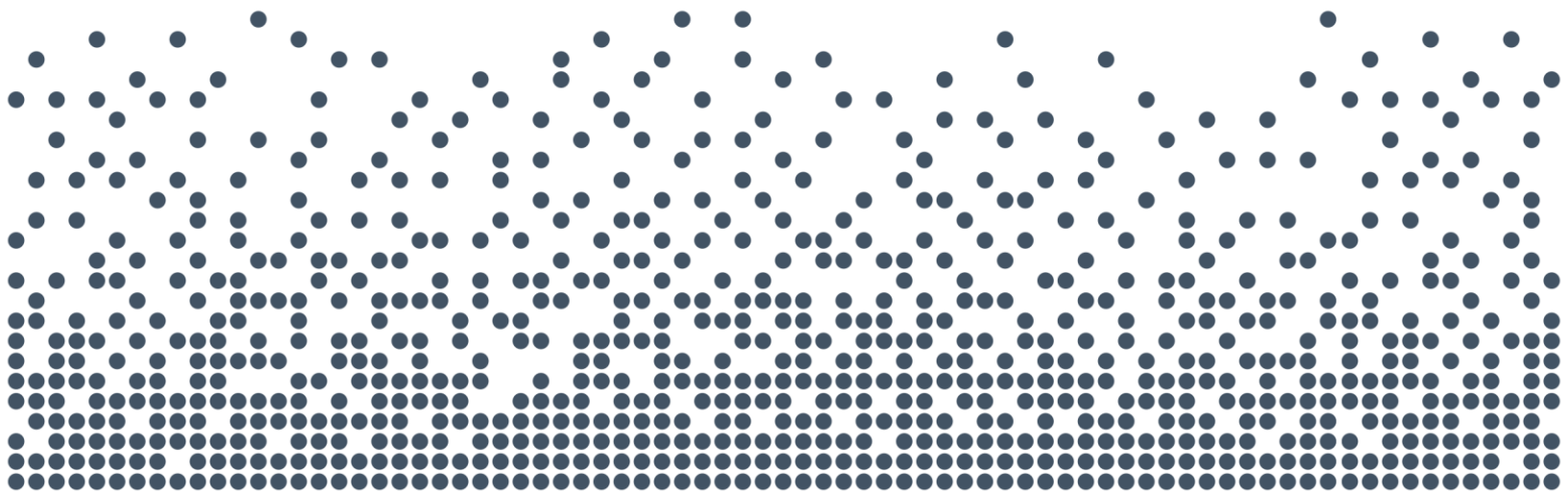
- The City's Employment Areas account for less than half the designated employment land supply. The vacant land supply, however, is greatest within Employment Areas, as they represent 61% of the vacant employment land supply.
- As of July 2020, it is estimated that the City of Niagara Falls has a vacant employment supply of approximately 90 ha (222 acres), adjusted for internal infrastructure for large parcels. The City has 33 ha (82 acres) of vacant employment lands which are located outside Employment Areas. The North Niagara Falls Secure Storage Employment Area offers 41 ha (101 acres) of vacant employment land, accounting for almost half the vacant employment land supply in the City of Niagara Falls and a majority of vacant land within the City's Employment Areas. The Montrose Road Industrial Area contains 11 ha (27 acres) of the remaining vacant land and the Stanley Avenue Business Park has 5 ha (12 acres) of net vacant employment land remaining.
- Shovel-ready lands and the remaining serviceable vacant employment lands are identified in Figure 4-6 through Figure 4-9. Lands identified as shovel-ready include lands which abut an arterial, collector, or local road and have sanitary, water, and storm stubbed at the property line. The following summarizes the key findings regarding the shovel-ready land supply:
 - It is estimated that there are 60 ha (148 acres) of shovel-ready employment lands in Niagara Falls, comprising 64% of the vacant designated employment land area.
 - There are 63 sites comprising 76 ha (188 acres) of land area that may have the potential to accommodate additional employment growth within Employment Areas in the City of Niagara Falls. Of the 63 parcels, only ten sites are larger than two ha in size and can be expected to potentially accommodate mid- to large-scale developments within the City of Niagara Falls.
 - The greatest potential for intensification on employment lands is within the Stanley Avenue Business Park (36% of City-wide underutilized lands). The Montrose Road Industrial Area contains the second largest share of underutilized lands within Employment Areas, representing 27% of intensification potential. Outside of these business parks, intensification opportunities are relatively dispersed across the remaining City of Niagara Falls Employment Areas.



Stakeholder Consultations

The following details the key themes discussed by stakeholders:

- There was overall agreement that the City is well-positioned to attract economic activity and improve its competitiveness in the long term; however, it was expressed that a lack of vacant, shovel-ready employment land is preventing successful attraction efforts
- **Stakeholders generally agreed that there is demand for employment land in Niagara Falls, following a “build it and they will come” mentality.**
Stakeholders generally agreed that there is demand for employment land in Niagara Falls, following a “build it and they will come” mentality. In order to capitalize on the above characteristics and avoid missed opportunities in attracting businesses and emerging industries, there is a consistent need for varied types of Employment Areas (e.g. size, location, configuration, amenities, etc.), but more specifically there is a need for large, serviced, and developable Employment Areas.
- In order to capitalize on the above characteristics and avoid missed opportunities in attracting businesses and emerging industries, there is a consistent need for varied types of Employment Areas (e.g. size, location, configuration, amenities, etc.), but more specifically there is a need for large, serviced, and developable Employment Areas.
- The final key theme discussed among stakeholders focused on the types of employment the City can attract through its Employment Areas as well as the nature of industrial parcels required to accommodate these target industries.



Report



Chapter 1

Introduction



1. Introduction

1.1 Terms of Reference

Watson & Associates Economists Ltd. (Watson), in partnership with Dillon Consulting Ltd. (Dillon), and MDB Insight Inc. (MDB), hereinafter referred to as the Consultant Team, were retained in the winter of 2020 by the City of Niagara Falls to conduct an Employment Lands Strategy (E.L.S.) for the City. This E.L.S. will contribute to a long-term vision and planning policy framework which will enhance the City's competitive position for industrial and office employment, including other employment-supportive uses in its Employment Areas. A key objective of this study is to assess City's long-term employment land needs to the year 2051, while also considering the adequacy and marketability of the City's "shovel-ready" employment lands within the near term. More specifically, this study provides the following:

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- A review of regional and local macro-economic and demographic trends that are anticipated to impact the amount, type and location of the City's long-term population and employment growth potential;
- A S.W.O.C. (Strengths, Weakness, Opportunities and Constraints) assessment of the City's Employment Areas to accommodate future employment growth within identified target sectors;
- An assessment of longer-term Employment Area land needs (i.e. supply versus demand) within the broader context of Region-wide trends in Employment Areas;
- A review of employment sites identified for potential conversion to a non-employment use;
- A review of the City's current Official Plan (O.P.) policies related to Employment Areas. This review will identify potential gaps within the current policy framework as well as provide recommendations for considerations to be potentially addressed through an Official Plan Amendment (O.P.A.) and Zoning By-law Amendment (Z.B.A.); and
- Recommended strategies to promote and attract industrial growth in Employment Areas on an international stage.



This analysis represents the first phase of the Employment Lands Strategy (E.L.S.) for the City of Niagara Falls. Phase 2 of this E.L.S. will provide further direction regarding employment land needs, a framework and evaluation of potential Employment Area conversions to non-employment uses, strategic planning policy recommendations, and marketing strategies to deliver investment-ready lands.

1.2 Background

The City faces a number of opportunities and challenges with respect to the management of its existing and future Employment Areas. From a macro-economic perspective, the Greater Golden Horseshoe (G.G.H.) region's economy is transitioning from goods to services production. Within the service sector, economic growth has been particularly strong for small- to medium-scale knowledge-based businesses which are focused on innovation and entrepreneurship. The trend towards more knowledge-intensive and creative forms of economic activity is evident at the broader national and provincial levels as well as within the City of Niagara Falls. Recognizing the recent structural changes in the regional economy, there has been a shift in planning philosophy that calls for developing Employment Areas to provide for a wider range of amenities and employment-supportive uses that complement both knowledge-based and traditional industrial sectors.

While manufacturing remains vitally important to the provincial economy with respect to jobs and economic output, this sector is continually evolving across Ontario. Looking forward, there will continue to be a manufacturing focus in Niagara Falls and the surrounding economic region. Industrial processes, however, have become more capital intensive and automated, as local industries are required to streamline production through increased product innovation, specialization, and integration of technology. Future trends in the manufacturing sector will have a direct impact on employment density in Niagara Region's Employment Areas and ultimately on future employment land needs. While manufacturing remains a major area of economic activity across the region, business growth continues to diversify into other industrial and knowledge-based sectors. If properly planned for, the transitioning regional economy represents a potential opportunity for the City. To ensure the continued growth and diversity of the City's economy, planning and marketing efforts must be



geared toward both the broader strengths of the City and its Employment Areas, as well as specific target sector investment attraction efforts.

1.2.1 What are Employment Lands?

Employment lands typically include a broad range of designated lands, including light, medium and heavy industrial lands, business parks and rural industrial lands.

Employment Areas accommodate primarily export-based employment, including a wide range of industrial uses (e.g. manufacturing, distribution/logistics, transportation services), as well as specific commercial and institutional uses (e.g. office, service, ancillary/accessory retail) which generally support the industrial/business function of the Employment Areas. Employment lands can exist both inside and outside Employment Areas. The Niagara Region Official Plan (O.P.) defines Employment Areas as lands that “are 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 City of Niagara Falls contains seven different Employment Areas (see Figure 2-4) located throughout the City’s urban boundary, with the City’s business parks located on the southern limits. Most of Niagara Falls employment lands exist within Employment Areas, with some designated employment lands scattered throughout the City’s urban boundary outside Employment Areas. Generally, the City’s employment lands that are located outside the City’s Employment Areas do not result in a clustered, cohesive landscape of business and employment activities.

1.2.2 Why are Employment Lands Important?

Employment lands form a vital component of the City of Niagara Falls’ land-use structure and are an integral part of the local economic development potential of the City and Region. They are also home to many of the City’s large private-sector employers.

Through development of its employment land base, the City is better positioned to build more balanced, complete, and competitive communities. Development typically accommodated on employment lands generates relatively strong economic multipliers (i.e. spin-off effects) that benefit the City and Region directly and indirectly. In addition, employment lands development generates employment opportunities that can improve local socio-economic conditions (i.e. live/work opportunities). Furthermore, achieving non-residential growth adds to a community’s assessment base, which can help support



lower property taxes and stronger municipal service levels. Employment lands development also tends to produce more positive net fiscal benefits for the community than other types of development (e.g. residential and retail). Thus, a healthy balance between residential and non-residential development is considered an important policy objective for Niagara Region and its local municipalities.



Chapter 2

Policy Context Review and Gap Analysis



2. Policy Context Review and Gap Analysis

The following section provides an overview of the relevant provincial, regional and City policies that apply to Employment Areas within the City of Niagara Falls. The policies discussed herein will frame the scope of the City's employment lands supply analysis and policy directions.

2.1 Provincial Planning Policy Context

Planning for Employment Areas in Ontario is guided by a number of interrelated provincial documents, plans, guidelines and supporting documents. These documents provide the legislative requirements and general direction that informs the way municipalities plan for Employment Areas over the long term. The following section provides an overview of the key provincial, regional, and local policy context, which informs the employment land supply analysis in the City of Niagara Falls.

2.1.1 *Planning Act*

The *Planning Act* (1990) is the enabling legislation for land-use planning in Ontario. The *Planning Act* sets out the framework for statutory planning and identifies the delegated powers for municipal land-use planning. The *Planning Act* defines Employment Areas and establishes the provincial interest in planning for employment opportunities.

The *Planning Act* defines Employment Areas as:

an area of land designated in an official plan for clusters of business and economic uses including, without limitation, the uses listed in subsection (5), or as otherwise prescribed by regulation.

Uses that pertain to the definition include:

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



The *Planning Act* establishes that the adequate provision of employment opportunities is a matter of provincial interest and provides the legislative framework that is further implemented through several other provincial plans including the Provincial Policy Statement (P.P.S.), 2020, and Growth Plan, 2019 (A Place to Grow: Growth Plan for the Greater Golden Horseshoe (G.G.H.)).

2.1.2 Provincial Policy Statement, 2020

The P.P.S., 2020, issued under section 3 of the *Planning Act*, provides policy direction on matters of provincial interest related to planning and regulating the development and use of land. The *Planning Act* requires that all decisions that affect land-use planning matters must be consistent with the P.P.S., therefore all municipal O.P.s are required to be consistent with the policies in the P.P.S.

Section 1 of the P.P.S. outlines policies on “Building Strong Healthy Communities.” P.P.S. policy 1.3 promotes strong, livable, and healthy communities and requires that municipalities:

- Protect the environment, public health and safety;
- Provide the appropriate mix and range of employment, including industrial and commercial;
- Promote economic development and competitiveness;
- Provide an appropriate mix and range of employment types to meet long-term needs;
- Encourage compact, cost-effective development patterns; and
- Ensure that necessary infrastructure is made available.

The P.P.S. also encourages “compact, mixed-use development that incorporates compatible employment uses to support liveable and resilient communities.” P.P.S. policy 1.2.6.2 on land-use compatibility has been added to the P.P.S. to address the protection of the long-term viability of existing or planned industrial, manufacturing, or other uses in instances where land-use compatibility is being challenged by the encroachment of sensitive uses.

There are several existing and new policies within the revised P.P.S. that are relevant to the City of Niagara Falls’ employment land supply analysis, including:



- **Land-Use Compatibility:** The revised P.P.S. includes a new policy which emphasizes the protection of the long-term viability of existing industrial and manufacturing uses in instances where avoidance of incompatibility uses in proximity to existing industrial and manufacturing uses is not possible. As per P.P.S. policy 1.2.6.2, the introduction of sensitive uses adjacent to existing industrial and manufacturing uses is only permitted if a set of conditions can be met, including the following:
 - There is a demonstrated need for the proposed use;
 - After evaluating, there are no reasonable alternative locations for the proposed use;
 - Adverse effects to the proposed sensitive use are minimized and mitigated; and
 - Potential impacts to industrial, manufacturing or other uses are minimized and mitigated.
- **Identifying Sites for Strategic Investment:** The revised P.P.S. includes policies regarding the identification of strategic sites for investment to promote economic development and competitiveness. As per P.P.S. policy 1.3.1 c, municipalities are to identify and monitor suitable employment sites, including market-ready sites for investment, and address potential barriers to investment.
- **Protection of Employment Areas:** As per P.P.S. policy 1.3.2.1, municipalities are expected to plan, protect, and preserve Employment Areas and provide the infrastructure to support growth.
- **Protection of Industrial and Manufacturing Uses:** The revised P.P.S. includes stronger policy direction on protecting existing industrial and manufacturing uses from non-compatible land uses. As per P.P.S. policy 1.3.2.2 appropriate separation distances and mitigation measures must be included between sensitive land uses and Employment Areas. Policy 1.3.2.3 prohibits residential uses and sensitive land uses that are not ancillary to the primary employment use. In addition, Employment Areas planned for industrial or manufacturing are required to include an appropriate transition to adjacent non-Employment Areas.
- **Conversion of Lands Within Employment Areas:** Municipalities may allow for conversion of Employment Areas but only through a municipal comprehensive review (M.C.R.). Some flexibility, however, is provided to allow for conversion outside the M.C.R. process, as noted in P.P.S. policy 1.3.2.5.



- **Proximity to Major Goods Movement Facilities and Corridors:** P.P.S. policies 1.3.2.6 and 1.8.1 c note that municipalities are to protect Employment Areas in proximity to major Goods Movement facilities and corridors for employment uses that rely on these locations. The P.P.S. defines major Goods Movement facilities and corridors as “transportation facilities and corridors associated with the inter- and intra-provincial movement of goods.”
- **Planning Beyond the 25-year Planning Horizon:** P.P.S. policies 1.1.2 and 1.3.2.7 have been revised to authorize the planning of Employment Areas beyond a 25-year planning horizon. This may have implications on Employment Area conversions within the City of Niagara Falls and as such should be considered as part of the employment land supply analysis.

2.1.3 Provincial Growth Plan for the Greater Golden Horseshoe

The Growth Plan, 2019, hereinafter referred to as Growth Plan (outlines where and how growth and development should occur between now and a planning horizon of 2041 within the Golden Greater Horseshoe (G.G.H.)¹ The Growth Plan includes population and employment forecasts and policy direction for a range of areas including land use, infrastructure, housing, transportation planning, and employment.

¹ At the time of drafting this report, the Province approved Amendment 1 to the Growth Plan. Some of the amendments include extending the planning horizon to 2051, revising the Land Needs Assessment (L.N.A.) methodology, and updating a number of policies including treatment of Employment Areas in M.T.S.A.s.



On June 16, 2020, the Province of Ontario released Proposed Amendment 1 to A Place to Grow (A.P.T.G.): Growth Plan, 2019. This proposed Amendment has been provided in conjunction with a proposed “new” Land Needs Assessment (L.N.A.) methodology for the G.G.H. These proposed policy changes will be finalized after the prescribed public consultation and comment period which ends July 31, 2020. Proposed Amendment 1 will update the Growth Plan, while the proposed new L.N.A. methodology will replace the current L.N.A. methodology, 2018. The effective date for Proposed Amendment 1 will be determined by the Province when it is finalized. The key policies that are relevant to the City’s E.L.S.

include the following:

- **The Planning Horizon has been Extended to 2051** – The population and employment growth forecast horizon in Schedule 3 of the Growth Plan has now been extended to 2051. Within the G.G.H., the Growth Plan provides that the applicable time horizon for land-use planning is 2051.
- **The Forecasts in Schedule 3 of the Growth Plan are to be Treated as Minimums** – Lower forecasts for population, dwellings by type or employment are not permitted.
- **Higher Growth Forecast Alternatives are Permitted** – G.G.H. upper-tier and single-tier municipalities may establish higher growth forecasts through their respective M.C.R. exercise.
- **Major Transit Station Areas (M.T.S.A.s) in Provincially Significant Employment Zones (P.S.E.Z.)** – This policy amendment would allow conversions of Employment Areas identified as a P.S.E.Z. and located within an M.T.S.A., as delineated in an O.P., to occur before the next M.C.R.



The Growth Plan defines Employment Areas as “areas designated in an O.P. for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities.”

There are several policies within the Growth Plan that are relevant to the City of Niagara Falls employment land supply analysis, including the following:

- **Promote Economic Competitiveness:** As per Growth Plan policy 2.2.5.1 a-d, economic competitiveness must be promoted through the efficient use of Employment Areas, ensuring sufficient land is available to accommodate forecast employment growth, to plan better connected areas, and to align land-use planning and economic development goals to attract and retain investment and employment.
- **Guidance on Transit and Active Transportation:** As per Growth Plan policy 2.2.5.4, when planning for employment, surface parking should be minimized and complemented by a built form that facilitates/supports active transportation networks and transit. In addition, as per Growth Plan policy 2.2.5.5, municipalities are required to identify and designate lands within settlement areas adjacent to or near major goods movement facilities and corridors including major highway interchanges.
- **Restricting Employment Area Conversion:** The Growth Plan includes clarity on who can initiate an M.C.R. and flexible opportunities for conversion of Employment Areas. As per Growth Plan policy 2.2.5.9, conversions of Employment Areas in the City to non-employment uses may be permitted only through a Regionally-initiated M.C.R. As per Growth Plan policy 2.2.5.10, however, lands within an existing Employment Area may be converted to non-employment uses outside a Regionally-initiated M.C.R. where certain criterion can be met:
 - There is a demonstrated need for the conversion;
 - Proposed uses do not adversely affect the viability of the Employment Area, intensification/density targets, or other Growth Plan policies;
 - Proposed uses can be accommodated through existing or planned infrastructure;
 - The conversion must maintain a “significant number” of jobs on the subject lands; and
 - The lands will not be a part of a P.S.E.Z.

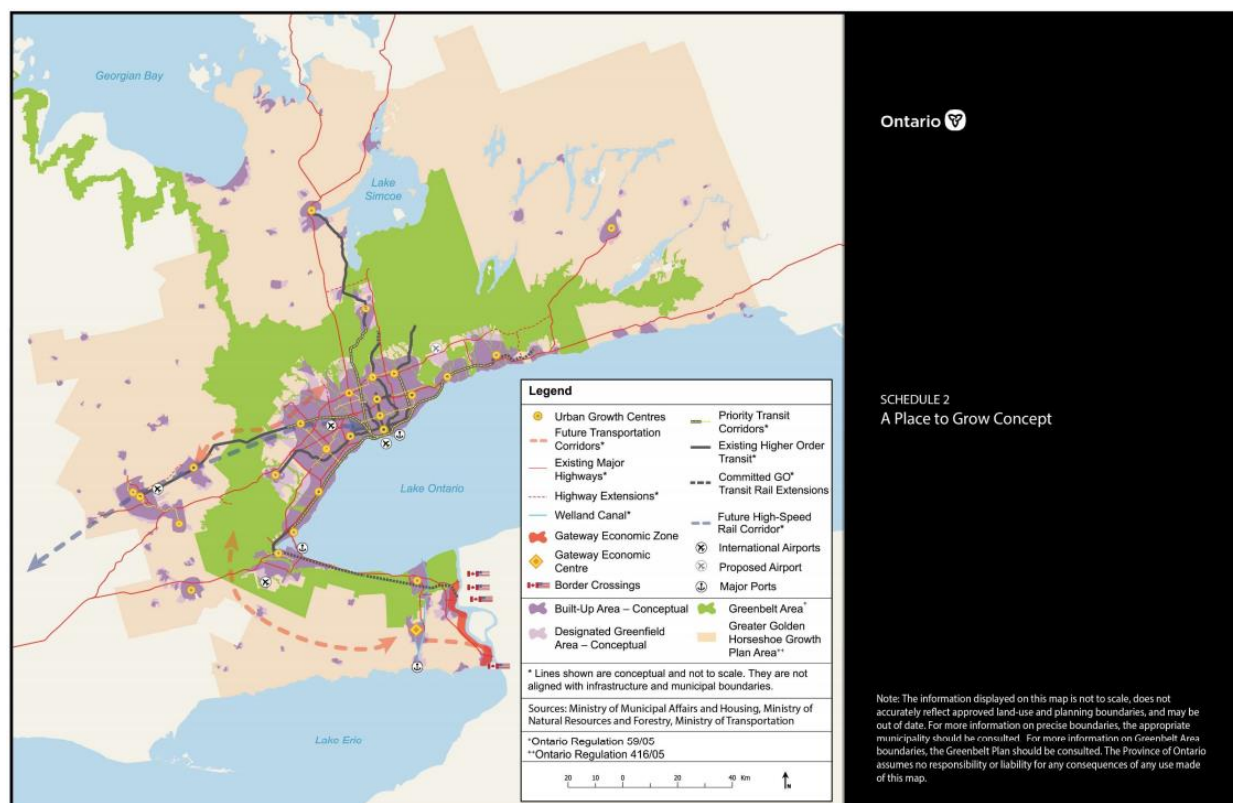


The updated conversion policy does not identify who can initiate a request outside of an M.C.R. It is anticipated that the City, Region, or landowners will be able to request conversions at any time on an ongoing basis where the above-noted criterion can be satisfied.

- **Designating and Protecting Employment Areas:** As per Growth Plan policy 2.2.5.6, upper- and single-tier municipalities are to “designate all Employment Areas in their respective O.P. and protect them for appropriate employment uses over the long term.” In addition, as per policy 2.2.5.7, the Growth Plan requires that municipalities prohibit residential and limit other sensitive uses that are not ancillary to the primary employment use, prohibit major retail uses, and provide appropriate interface between employment and adjacent non-Employment Areas to maintain land-use compatibility.
- **Gateway Economic Zone:** As per Growth Plan Schedule 2 and policy 2.2.5.18, the economic importance of the Niagara-United States border is recognized through the Gateway Economic Zone; please see Figure 2-1 of this report. The Growth Plan defines the Gateway Economic Zone as “Settlement areas...that, due to their proximity to major international border crossings, have unique economic importance to the region and Ontario.” The purpose of the Gateway Economic Zone is to support economic diversity and promote increased opportunities for cross-border trade, movement of goods, and tourism.
- **Directing Office, Institutional and Retail Uses Generally Away from Employment Areas:** The Growth Plan includes stronger policy direction to protect existing industrial uses from non-compatible land uses. As per Growth Plan policy 2.2.5.8, the development of sensitive land uses, major retail uses, or major office uses will avoid any adverse impacts on industrial, manufacturing, or other similar uses. Where avoidance is not possible, appropriate mitigation measures must be in place.
- **Coordination:** The Growth Plan emphasizes the value of coordinated, multi-jurisdictional planning for transportation demand management and economic development for large areas that have a high concentration of employment. As per Growth Plan policy 2.2.5.17, the upper- and single-tier municipalities, the Province, and other appropriate stakeholders are encouraged to undertake a co-ordinated approach to planning for large areas with high concentrations of employment that cross municipal boundaries and are major trip generators.



Figure 2-1
Provincial Gateway Economic Zone



Guiding the policies mentioned above is Growth Plan policy 2.2.5.13, which requires municipalities to identify minimum density targets for all Employment Areas within settlement areas. In addition, Schedule 3 of the Growth Plan outlines the population and employment projections for the Region of Niagara. The employment forecast for the Region of Niagara identifies a growth of 74,000 jobs between 2016 and 2041. The Reference Forecast in Amendment 1 to the Growth Plan displays slower employment growth than that identified in the current Growth Plan, with Niagara Region employment expected to increase by 81,000 jobs between 2016 and 2051.¹ Table 2-1 illustrates the comparison of population and employment growth for the Region of Niagara in both of these forecast scenarios.

¹ Amendment 1 to the Growth Plan extends the population and employment forecast for each of the upper-tier and single-tier G.G.H. municipalities to 2051.



Table 2-1
Growth Plan Population and Employment Projections

	Existing		Forecast					
	Population	Employment	Population			Employment		
	2016	2016	2031	2041	2051	2031	2041	2051
2019 Growth Plan	459,000	191,000	543,000	610,000		235,000	265,000	
2020 Reference Scenario	459,000	191,000	549,000	611,000	674,000	219,000	243,000	272,000

2.1.4 Niagara Region Official Plan

The Region of Niagara's Official Plan (the Regional O.P.), office consolidation in June 2014, guides growth and development within the Niagara Region.¹ The Regional O.P. establishes the Regional Structure and the Economic Gateway Employment Lands for the Niagara Region. The Economic Gateway Employment Lands are comprised of Gateway Economic Centres, Gateway Economic Zones, rural employment lands, and employment lands.

In the context of the City of Niagara Falls, the Gateway Economic Zone identified on Schedule G1 of the Regional O.P. and employment lands identified on Schedule G2 of the Regional O.P. are of relevance.

2.1.4.1 Gateway Economic Zones

Gateway Economic Zones are identified on Schedule G1 - Niagara Economic Gateway of the Regional O.P.; please refer to Figure 2-2 of this report. The Gateway Economic Zone includes all settlement areas within Niagara Falls, including the Queen Elizabeth Way (Q.E.W.) Corridor between Fort Erie and Niagara Falls. As per the Regional O.P., the Niagara Region is uniquely positioned within Ontario's economic market, being located adjacent to the United States (U.S.) border. The vision of the Niagara Economic Gateway employment lands is to attract investment and promote employment growth in strategic locations. The vision includes the transformation of vacant lands into a diversified mix of vibrant, attractively designed, accessible, and sustainable

¹ Regional O.P. is currently under review as part of the Municipal Comprehensive Review (M.C.R.) process to bring it into conformity with the Growth Plan, 2019. The review will include an analysis of how and where Niagara Region is growing.



Employment Areas. The Regional O.P. emphasizes that challenges related to the Niagara Economic Gateway should be addressed in a coordinated manner.

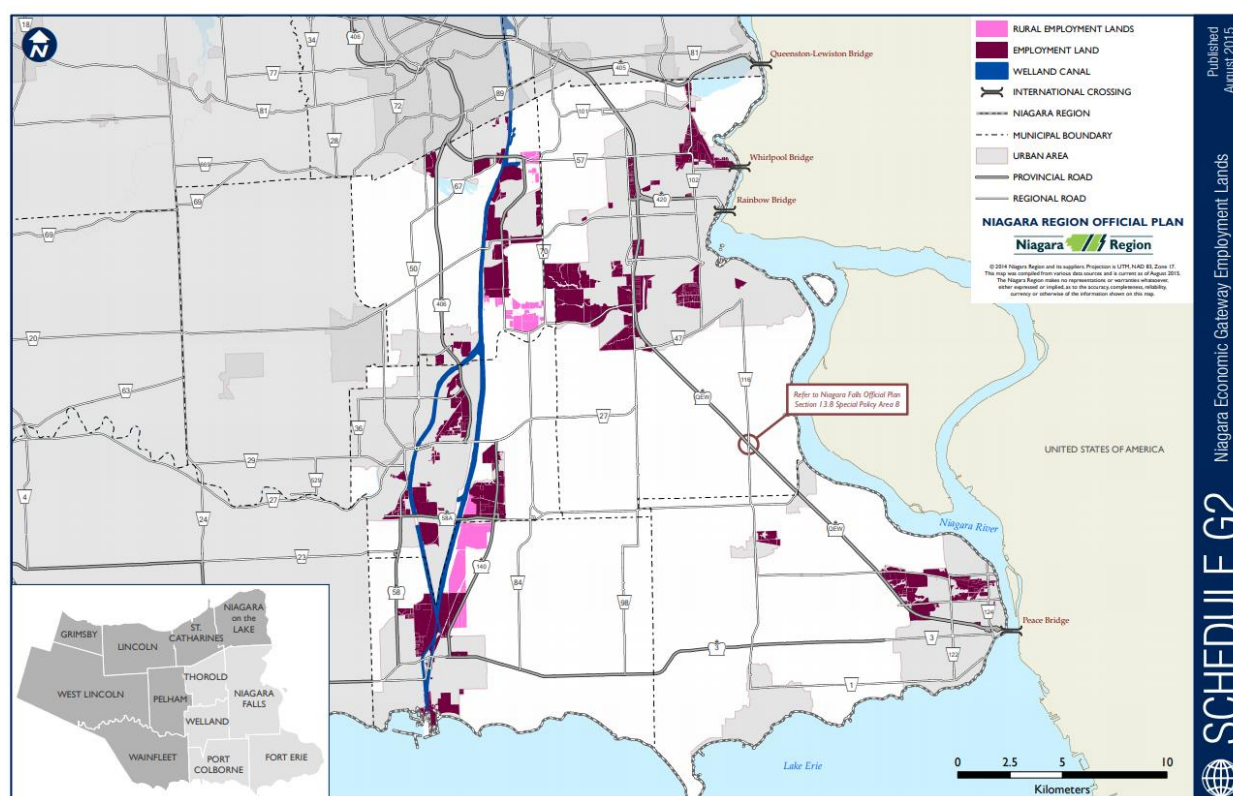
Section 3A outlines a variety of key policy directions for the Niagara Economic Gateway, including:

- Identifying the location of the Niagara Economic Gateway Zone;
- Encouraging local area municipalities to develop community improvement plans (C.I.P.s) in accordance with the Region's C.I.P. to maximize incentives and provide consistent opportunities for investment;
- Indicating that the Region supports the development and implementation of a Development Permit System in the Niagara Economic Gateway (now referred to as the Community Planning Permit System) to achieve the Region's goals, objectives, and policies of the Regional O.P. and local area municipal O.P.s;
- Identifying a Niagara Falls Priority Investment Area to capitalize on market opportunities for cross border trade by identifying a location for secure storage, warehousing and logistics facilities in close proximity to a border crossing;
- Recognizing the unique position the City of Niagara Falls has along the Q.E.W. and identifying a Q.E.W. Business Park to capitalize on long-term opportunities for businesses and services in close proximity to 400-series highways focusing on manufacturing, warehousing, and other Employment Area uses;
- Indicating that the Region will identify transportation and infrastructure improvements and upgrades required to support the Niagara Gateway Employment Lands Strategy;
- Directing municipalities to develop phasing strategies for vacant, unserved Employment Areas;
- Supporting local municipal planning and economic development efforts through leadership and coordination;
- Discouraging the conversion of Employment Areas to non-employment uses;
- Aligning regional and municipal capital planning for new infrastructure and transportation with the Strategic Locations for Investment identified in Amendment RPPA 1-2012;
- Emphasizing that land-use compatibility within the Gateway Economic Zone and Centre is a primary focus of the Regional O.P.; and
- Indicating that the Region will monitor the implementation of the Gateway Economic Zone and Centre, and report on land development and job creation



within the Gateway. Every five years, the Region will undertake a review of the Gateway policies to assess growth, development, land budget, and policy implementation.

Figure 2-2
Niagara Economic Gateway Employment Lands



2.1.4.2 Employment Areas

Employment Areas are identified on Schedule G2 – Niagara Economic Gateway Employment Lands of the Regional O.P.; please refer to Figure 2-2 of this report. The Regional O.P. defines Employment Areas as lands that “are 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.” Section 3 “Employment” and section 4 “Managing Growth” provide the policy direction for Employment Areas within the Niagara Region. Section 3C of the Regional O.P. outlines a number of key policy directions for Employment Areas, including:



- Indication that the main objective of the Employment Areas is to ensure economic competitiveness by:
 - Permitting an appropriate mix of industrial, commercial, and institutional uses within Employment Areas to meet long-term needs;
 - Maintaining a range and choice of suitable sites for employment uses to promote a diversified economic base, taking into account the needs of existing and future businesses;
 - Planning for the protection of Employment Areas;
 - Directing local O.P.s to include Employment Area conversion policies in accordance with Chapter 4.E of the Regional O.P.; and
 - Identifying the necessary infrastructure and services that are required to support current and forecast employment needs;
- A requirement for local municipalities to provide policies and designations to implement the Regional O.P., including the preservation of lands within Urban Areas that are adjacent to or in close proximity to existing major highway interchanges, ports or rail yards, as Employment Areas providing for manufacturing, warehousing, transportation, and associated retail, office, and ancillary employment uses, where appropriate;
- Management of land-use compatibility including requiring an analysis to assess any constraints relating to the introduction of new sensitive land uses that are proposed adjacent to or in proximity to Employment Areas; and
- Support for local and regional efforts to develop clusters of associated economic activities.

Section 4E of the Regional O.P. outlines a number of key policy directions for the conversion of Employment Areas, including:

- Identification of the requirements for a conversion of Employment Areas for non-employment uses to be considered only through an M.C.R. and that a decision of Regional Council to refuse applications or non-decisions is not subject to appeal to the Local Planning Appeal Tribunal (LPAT).¹

¹ Formerly referred to as the Ontario Municipal Board (O.M.B.).



2.1.5 City of Niagara Falls Official Plan

The City of Niagara Falls Official Plan (Niagara Falls O.P.), 2019 sets out land-use policies and permissions for all lands within the City. The Niagara Falls O.P. defines employment lands as:

an area of land designated for clusters of business and economic uses being: manufacturing, warehousing, office uses and retail uses associated with or facilities ancillary to them; and areas supporting opportunities for cross-border trade, movement of goods and tourism.

The City's Employment Areas are comprised of lands designated Industrial, which are described in Part 2, section 8 in the 2019 Niagara Falls O.P.

Lands designated as Industrial on Schedule A: Future Land Use of the 2019 Niagara Falls O.P. are considered the City's employment lands, are the subject lands for this study, and are represented on Figure 2-3. The following highlights some key policies for lands designated Industrial.

2.1.5.1 Industrial Designation

Lands designated Industrial are intended to ensure that an adequate supply of land is available to provide opportunities for the expansion of existing industrial and stimulation of new industrial growth. The policies promote infilling and redevelopment within established industrial districts within the Built-Up Area (B.U.A.), in addition to the development of lands within Designated Greenfield Areas (D.G.A.) for new industrial and employment uses. Figure 2-3 displays the City's employment lands.

As per Niagara Falls O.P. policy 8.2, the primary uses permitted within the Industrial designation include manufacturing, assembly, fabricating, processing, reclaiming, recycling, warehousing, distribution, laboratory and research, and storage. In addition, all forms of service industries and utilities are permitted. Adult entertainment parlours and body-rub parlours are also permitted within the industrial designation, subject to other policies of the Niagara Falls O.P. Other uses that are permitted within the designation include:

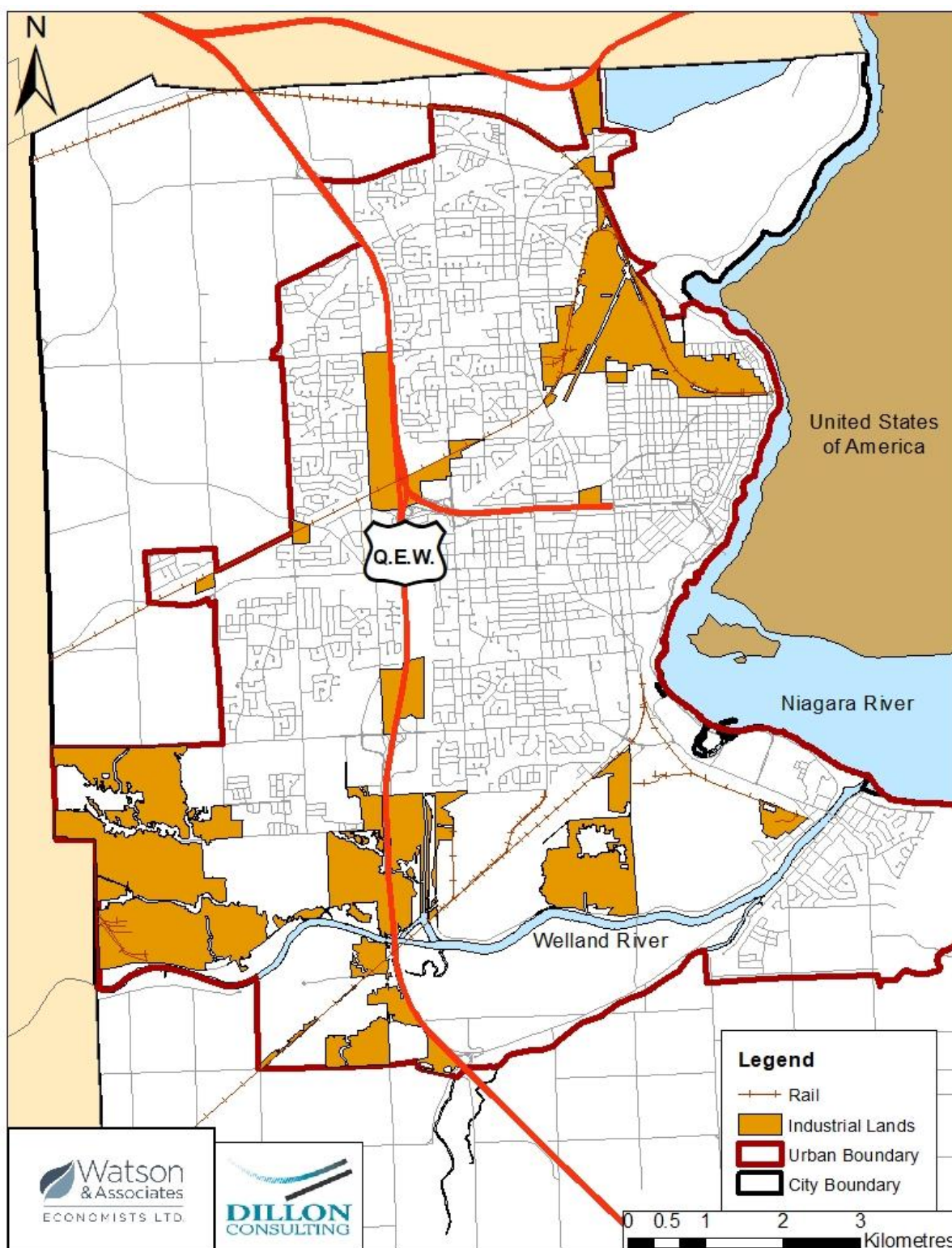
- Ancillary uses to industrial operations including offices, retail and wholesale showrooms, and outlets for products produced on the premises;



- Commercial services such as, but not limited to, banks, restaurants, convenience retail outlets, material suppliers, which are incidental to the industrial district servicing industries and their personnel;
- Corporate and business offices; and
- Health and fitness facilities, conference centres, and private clubs.



Figure 2-3
City of Niagara Falls Employment Lands





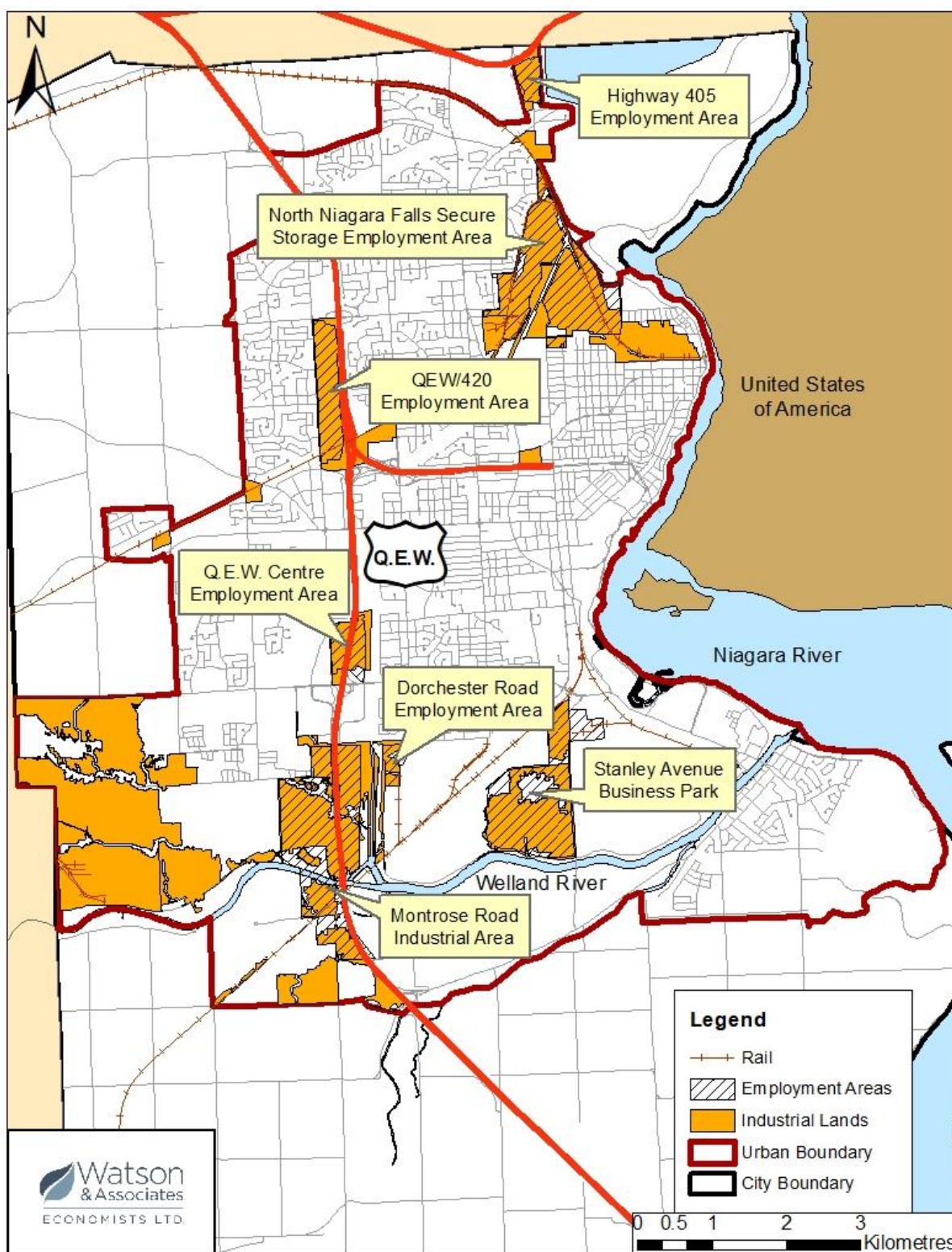
The Niagara Falls O.P. identifies several categories of industrial Employment Area uses ranging from heavy to prestige use to be established in the zoning by-law. The O.P. established policies to guide the categories include clustering industries, minimizing land-use conflicts and providing separation of uses wherever possible. The policies also recognize the importance of highway frontage and access for industrial uses.

Figure 2-4 of this report provides an overview of the Employment Areas within the City, which include:

- Highway 405 Employment Area;
- North Niagara Falls Secure Storage Employment Area;
- Q.E.W./420 Employment Area;
- Q.E.W. Centre Employment Area;
- Dorchester Road Employment Area;
- Montrose Road Industrial Area; and
- Stanley Avenue Business Park.



Figure 2-4
City of Niagara Falls Employment Areas





Some of these Employment Areas include Special Policy Areas and the Transit Station Secondary Plan Area, which are delineated on Schedule A: Future Land Use, and Schedule A5: Transit Station Secondary Plan Area of the Niagara Falls O.P. The information below provides an overview of the Special Policy Areas and the Transit Station Secondary Plan Area as they apply to the respective Employment Areas:

- **North Niagara Falls Secure Storage Employment Area:**

- Special Policy Area “7” is located within the North Niagara Falls Secure Storage Employment Area. As per policy 13.7, the area is recognized as a regeneration area that will accommodate a mix of light industrial, service commercial, office uses and recreational facilities. In addition, a portion of the area is located within the Transit Station Secondary Plan. While the intent of the Niagara Falls O.P. is to continue the expansion of the existing general industrial businesses within the Special Policy Area, the long-term intent is to transition the area to light industrial, service commercial and tourist commercial uses. For the areas surrounding the Transit Station this means that transitioning heavy industrial uses towards lighter industrial uses will support the development of a greater mix of housing units in the area (Part 2, section 13, policy 13.7.2).
- Special Policy Area “62” is located within the North Niagara Falls Secure Storage Employment Area. As per policy 13.62.1.1, the intent for these lands is to support a broader range of employment activities including “light industrial; warehousing; office; laboratory and research facilities; automotive uses; service commercial uses such as restaurants, printing shops, fitness and recreation, convenience stores; and, institutional uses such as community centres, arenas, and churches.”
- Lands in and around this area also include stable residential neighbourhood. There may be an opportunity to explore some site specific conversion opportunities where there is potential to address historic land use compatibility issues or advance opportunities for transit oriented development.

- **Montrose Road Industrial Area:**

- Special Policy Area “4” is located within the Montrose Road Industrial Area. As per policy 14.4, in addition to these lands being designated as Industrial, these lands may be used to accommodate an existing camping establishment.



- **Stanley Avenue Business Park:**

- Special Policy Area “25” is located within the Stanley Avenue Business Park. As per policy 13.25, in addition to the Industrial designation, policies related to the Theme Park – Marineland designation apply. Permitted uses include office and service buildings ancillary to the Marineland operations.

It should be noted that the Industrial designation is not intended to serve a significant commercial function. As per policy 8.4.1, the rezoning of industrial lands for non-industrial uses is to be limited.

In addition, the O.P. recognizes the City’s natural features – Niagara Falls – and their location along the U.S. border, which make them a local and international tourist attraction and an employment generator for the City. The Niagara Falls O.P. Part 2, section 4, policy 4.1.4, states that lands designated as Tourist Commercial are considered to be Employment Areas in the context of the conversion policies of the plan, except as provided for in the O.P.

2.1.5.2 Urban Structure

The Niagara Falls O.P. outlines an Urban Structure Plan on Schedule A2. Lands designated Industrial fall within the following Urban Structure elements:

- Built-up Area;
- Node;
- Brownfield Pilot Project Area;
- Designated Greenfield Area; and
- Q.E.W. Employment Corridor.

The following provides a brief discussion on each of the Urban Structure Elements as it relates to lands designated Industrial, which are represented on Figure 2-5.

Built-up Area (B.U.A.)

Policies pertaining to the City’s B.U.A. are delineated on Schedule A2: Urban Structure Plan of the Niagara Falls O.P.; please refer to Figure 2-5 of this report. Lands designated as B.U.A. are intended to provide for a mix of uses, including housing, commercial, parkland, and industrial. Part 2, section 8, policy 8.1 states that the City



has a substantial supply of land available for industrial development within the B.U.A. The B.U.A. includes underutilized parcels along the Q.E.W. Employment Corridor. As per policy 8.8, the Q.E.W. Employment Corridor is identified as being well suited for the development of employment uses. As noted in section 8 of the Niagara Falls O.P. the intensification and redevelopment of these lands for industrial purposes is encouraged.

Node

The City has identified nodes as areas that have the potential to accommodate higher density development over the long term on Schedule A2: Urban Structure Plan of the Niagara Falls O.P.; please refer to Figure 2-5 of this report. Section 3 identifies the following nodes within the City of Niagara Falls:

- Downtown Node;
- Drummondville Node;
- Stamford Node; and
- Morrison/Dorchester Node.

As per Part 1, section 3, policy 3.10 of the Niagara Falls O.P., nodes are areas in which residential intensification is encouraged in order to regenerate and increase the vitality of existing commercial or industrial areas. Policy 3.10 states that the intent is not to dislocate and re-designate non-residential uses within these nodes but to promote the long-term compatibility between residential and non-residential uses within these areas. As such section 3 provides guidance on matters such as building height, vistas, streetscape, and heritage characteristics within nodes.

Brownfield Pilot Project Area

The Brownfield Pilot Project Area is designated on Schedule A2: Urban Structure Plan of the Niagara Falls O.P.; please refer to Figure 2-5 of this report. The Brownfield Pilot Project Area is partially located within the City's industrial lands along Stanley Avenue. The City established the Brownfields C.I.P. in 2006, which is referenced in Niagara Falls O.P. Part 2, section 13, policy 13.7.1.8. The purpose of the C.I.P. is to establish a framework for incentive programs for brownfield remediation, rehabilitation, and adaptive reuse, as well as the overall improvement of brownfield areas.

Greenfield Area



Policies pertaining to the City's Greenfield Area are outlined in Part 2, section 8, policies 8.5 to 8.7 and delineated on Schedule A2: Urban Structure Plan of the Niagara Falls O.P.; please refer to Figure 2-5 of this report. Lands designated as Greenfield Area are intended to provide for industrial uses and to contribute to the creation of a complete community, while considering adequate separation distance between residential and other sensitive land uses and heavy industrial uses. Policy 8.6 states that land uses must be planned in accordance with the Ministry of Environment, Conservation, and Parks D6 Guidelines.

According to Niagara Falls O.P. policy 8.6, the following uses are permitted within the Greenfield Area:

- Offices;
- Government services, research, and training facilities;
- Facilities for the production of alternate energy sources;
- Prestige industrial uses, including research and development facilities, communications facilities, and manufacturing and processing of fully processed materials deemed not to be obnoxious by reason of dust, odour, fumes, particulate matter, noise and/or excessive vibrations;
- Commercial facilities such as, but not limited to, restaurants, material suppliers, which are incidental to the employment designation industries and their personnel; and
- Ancillary retail and service uses which shall not exceed 450 square metres (sq.m) (4,844 square feet (sq.ft.)) in gross floor area and only where internally integrated as a component of an employment use.

Q.E.W. Employment Corridor

Policies pertaining to the Q.E.W. Employment Corridor are outlined in Part 2, section 2, policy 8.8 of the Niagara Falls O.P. The Q.E.W. Employment Corridor within the City of Niagara Falls extends from south of Lundy's Lane to the interchange at Lyon's Creek Road. The Q.E.W. Employment Corridor is delineated on Schedule A2: Urban Structure Plan of the Niagara Falls O.P. and identified as a location for industrial growth; please refer to Figure 2-5 of this report. The corridor includes a substantial amount of vacant greenfield land and underutilized parcels within the B.U.A. Due to the corridor's proximity to the U.S. border, it has potential to be a major economic player. As such,



the sub-policies under policy 8.8 are directed to protect the lands along the corridor for long-term economic opportunities, including:

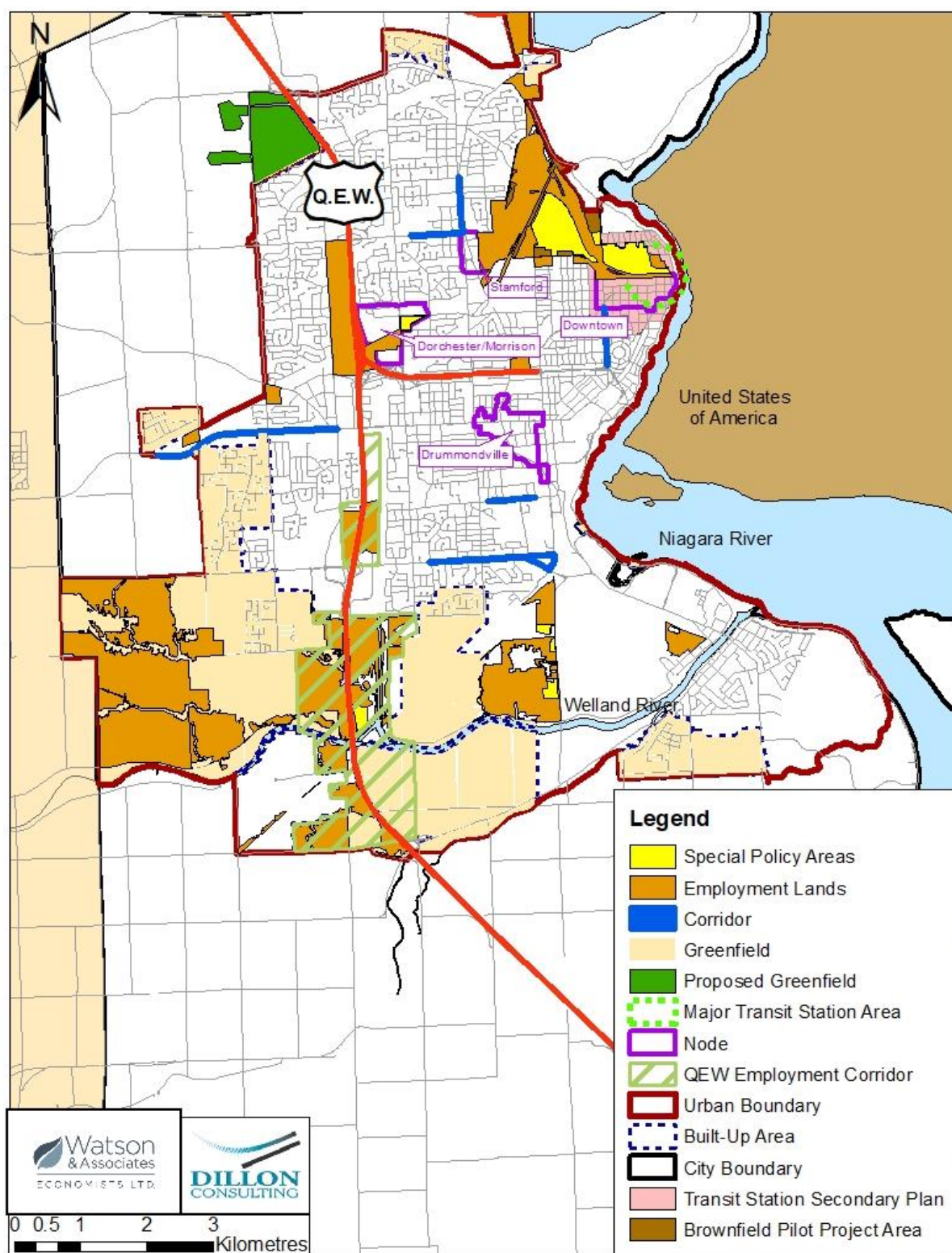
- Protecting the Q.E.W. Employment Corridor from conversion to, and encroachment from, non-employment uses;
- Setting the lands aside for manufacturing, warehousing, wholesaling, and logistics uses. Offices and large-scale institutional uses are also to be permitted as long as these uses require direct access to the Q.E.W.; and
- Permitting retail that is ancillary to the main industrial use at a maximum of 25% of the gross floor area of the main industrial use, but not exceeding 465 sq.m (5,005 sq.ft.).

Uses that do not require direct access to the Q.E.W. are prohibited, which includes automotive uses, service commercial including restaurants, printing shops, fitness and recreation, and convenience stores, among others.

In addition, lands that are located to the east side of the Q.E.W., south of the Welland River, are designated as Resort Commercial. These lands may provide for employment uses and are therefore included the Q.E.W. Employment Corridor. As per policy 8.8.7, however, further planning of the area is required to assess the types of uses that are appropriate for the area.



Figure 2-5
City of Niagara Urban Structure Plan





2.2 Summary of Policy Context and Gaps

The Niagara Falls O.P. was updated in 2019 and, as such, captures a variety of the provincial policy changes; however, recent changes to the provincial policies should be considered as part of future O.P. updates. In addition, the Regional O.P. is currently under review as part of the M.C.R. process to bring it into conformity with the Growth Plan, 2019. Once completed, the outcome of the M.C.R. process may have an impact on the City's employment lands. These potential changes to the regional policies should also be considered as part of future O.P. updates.

Based on current provincial and regional policies, potential provincial and regional gaps that the City may want to consider include:

- Designating the Niagara Economic Gateway on Official Plan mapping;
- Protecting the long-term viability of existing industrial and manufacturing uses in instances where the encroachment of incompatibility uses is not avoidable;
- Providing direction on what to do if the encroachment of sensitive land uses and existing industrial and manufacturing uses is not avoidable;
- Identifying industrial sites for strategic investment. While Niagara Falls O.P. Section 8 "Industrial" focuses on promoting industrial development, an opportunity exists to broaden the discussion by considering potential investment incentives for these areas;
- Identifying infrastructure and servicing required to support forecast employment growth;
- Promoting coordination between agencies and stakeholders in the context of industrial sites. An opportunity may exist to establish detailed plans for some of the City's employment lands;
- Ensuring urban design policies emphasize the need for appropriate transitions between industrial areas and adjacent non-Employment Areas;
- Potentially coordinating transportation initiatives – including active transportation initiatives -to industrial areas;
- Examining the impact of planning Employment Areas beyond a 25-year planning horizon on Employment Area conversions within the City; and
- Potentially exploring the implementation of a Community Planning Permit System for areas within the Niagara Falls Economic Gateway.



It should be noted that there are currently no P.S.E.Z. identified within the City of Niagara Falls.

The Regional O.P. and the Niagara Falls O.P. provide direction on the lands currently designated for employment within the Region, and these will form the basis of the employment land supply analysis.



Chapter 3

Macro and Regional Economic Trends and City of Niagara Falls Employment Conditions



3. Macro and Regional Economic Trends and City of Niagara Falls Employment Conditions

The following chapter provides a summary of the macro-economic trends influencing regional labour force and employment trends within Ontario, the Niagara Region, and the City of Niagara Falls over the past two decades. In examining the City's employment lands, it is essential to understand the broader influences and factors that affect the regional economy as a whole. This section briefly examines recent macro-economic trends influencing labour force and employment trends at all levels, including; internationally, nationally, provincially, sub-provincial area (G.G.H.) and regionally (Niagara Region).

3.1 Global Economic Trends and International Trade

Following steady economic growth since the world economy rebounded from the 2008/2009 financial crisis, the world has changed dramatically in 2020. The December 2019 outbreak of coronavirus disease (COVID-19) in Wuhan, China was officially declared a global pandemic by the World Health Organization (W.H.O.) on March 12, 2020 and has inflicted rising economic and human costs across the world. In response to the threat of further escalation associated with the spread of the virus, governments around the world have implemented quarantine and “social distancing” practices in what has been referred to as the “Great Lockdown.”

To date, the downward impact of these containment measures on global economic output, commodity prices, and consumer spending has been severe. Economic sectors such as travel and tourism, accommodation and food, manufacturing, energy, and finance have been hit particularly hard. Furthermore, required modifications to social behavior (i.e. physical distancing) and increased work at home requirements resulting from government induced containment measures and increased health risks have resulted in a significant economic disruption largely related to changes in consumer demand and consumption patterns. Lastly, escalating tensions and constraints related to international trade have also begun to raise further questions regarding the potential vulnerabilities of globalization and the structure of current global supply chains.

At the current time, the level of sustained economic impact related to this “exogenous shock” to the world and Canadian economy is largely unknown. Notwithstanding this



uncertainty, it is generally clear that the longer COVID-19 persists on an international scale, the greater the severity of the current global recession. In its latest World Economic Outlook, the International Monetary Fund (I.M.F.) baseline scenario is forecasting the global economy to contract by -3% in 2020, which represents a much more significant economic contraction than what was experienced during height of the 2008/2009 financial crisis. For advanced economies, the I.M.F. estimates -6.1% growth in 2020, while emerging markets and developing economies are also projected to experience negative growth of -1.0%.

Under the baseline I.M.F. assumption that the pandemic recedes in the second half of 2020 and policy measures have been effective, growth is projected to rebound to 5.8% in 2021. Despite this rebound, however, the global economy is projected to lose \$9 trillion dollars in 2020 and 2021. As previously noted, it is important to recognize that there is a great deal of uncertainty around the duration and intensity of the pandemic as well as the effectiveness of policy responses. As such, more or less adverse scenarios are a possibility.¹ The World Trade Organization (W.T.O.) forecasts that the volume of world merchandise trade will decline by -13% in 2020 and rebound by 22% in 2021 under an optimistic scenario, and decline by -32% and rebound by 24% under a pessimistic scenario.²

Within Canada's largest trading partner, the U.S., real G.D.P. (gross domestic product) is forecast to contract by -5.9% in 2020 and rebound by 4.7% in 2020.³ The recovery of the U.S. economy will largely depend on the U.S. administration's response to deal with the virus domestically, to date having issued a \$2 trillion stimulus bill in March 2020, in conjunction with their approach to international trade and protectionist policies.^{4,5}

The trade war between the U.S. and China which began in 2018, has been a steady source of volatility for global markets and has negatively impacted global investment

¹ World Economic Outlook. International Monetary Fund. Chapter 1 The Great Lockdown. April 2020.

² Trade set to plunge as COVID-19 pandemic upends global economy – Press Release. World Trade Organization. April 2020.

³ World Economic Outlook. International Monetary Fund. Chapter 1 The Great Lockdown. April 2020.

⁴ Ibid.

⁵ U.S. coronavirus stimulus checks: are you eligible and how much will you get? The Guardian. April 2020.



growth.¹ Escalating trade tensions over the past several months between the U.S. and China, the world's two largest economies, continues to add risk to global economic growth and further add to trade disruption as well as near-term market volatility.^{2,3}

3.2 Planning within the Context of an Evolving National and Provincial Economic Outlook

3.2.1 Ontario Economic Outlook within the Canadian Context

The Ontario economy is facing significant structural changes. Over the past several decades, the provincial economic base, as measured by G.D.P. output, has shifted from the goods-producing sector (i.e. manufacturing and primary resources) to the services-producing sector. This has largely been driven by G.D.P. declines in the manufacturing sector which were accelerated as a result of the 2008/2009 global economic downturn. It noted that these G.D.P. declines in the manufacturing sector had begun to show signs of stabilization over the past several years, prior to the recent global recession of 2020.

Over the past decade, the Ontario economy experienced a steady rebound in economic activity since the 2008/2009 downturn; however, this recovery was relatively slow to materialize with levels sharply rebounding from 2013 to 2018, as illustrated in Figure 3-1. As previously mentioned, this economic rebound has been partially driven by a gradual recovery in the manufacturing sector, fueled by a lower-valued Canadian dollar and the gradual strengthening of the U.S. economy.⁴ Growth in 2019 eased to 1.6%, largely as a result of a tightening labour market and slowing global economic growth.⁵

While the recent performance of the Ontario economy has remained relatively strong over the past several years through to early 2020, the COVID-19 pandemic poses significant risks to the national and provincial economies that are important to

¹ The Investment Cost of the U.S-China Trade War. Liberty Street Economics. May 28, 2020.

² U.S. China Trade Tensions Area Back: Global Economy Week Ahead, Bloomberg, May 23, 2020.

³ A U.S.-China trade war is the last thing the world economy needs now, CNN Business, May 19, 2020.

⁴ Valued at approximately \$0.74 U.S. as of July, 2020.

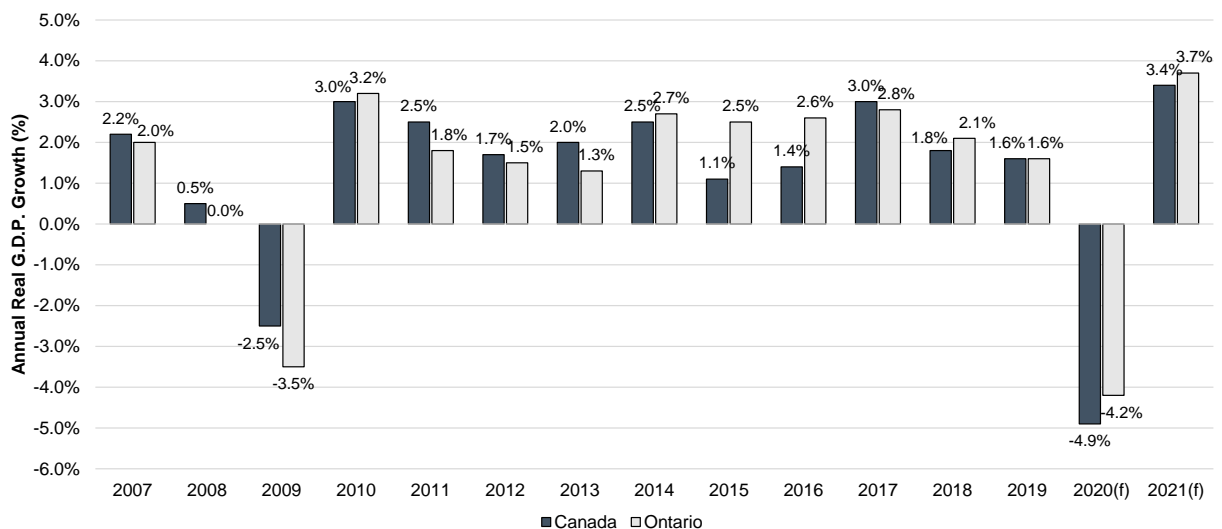
⁵ BMO Provincial Outlook, Spring 2019.



recognize. As illustrated in Figure 3-1, the Ontario economy is forecast to contract -4.2% in 2020 before growth rebounds 3.7% in 2021.¹

Domestically, the Ontario housing market also continues to pose a risk to the overall economy, which is important to recognize when considering forecast labour force and employment growth trends. The sharp rise in Ontario's housing prices, particularly in the Greater Toronto Area Hamilton (G.T.H.A.), has contributed to record consumer debt loads and eroded housing affordability. The impacts of COVID-19 on the regional and local housing markets are largely unknown at the current time. It is assumed that near-term housing demand across some of Ontario, particularly larger urban centres which are more heavily influenced by international migration, may be negatively impacted in 2020 and potentially 2021, resulting from a weakened labour market, reduced consumer spending, potential increases in mortgage defaults, and delinquent rent payments. Over the long term, the broader outlook for the Ontario housing market remains positive, but subject to significant variation at the regional level.

Figure 3-1
Annual Real G.D.P. Growth, Ontario and Canada
Historical (2007 to 2019), and Forecast (2020 to 2021)



Source: 2007 to 2018 derived from B.M.O. Capital Markets Economics, Provincial Economic Outlook, and 2019 to 2021 from RBC Economics Provincial Outlook - Update, April 2020, by Watson & Associates Economists Ltd.
Note: 2020 to 2021 are forecast by RBC Economics.

¹ COVID-19 Recession Deepens Fast from Coast to Coast. RBC Economics. April 13, 2020.



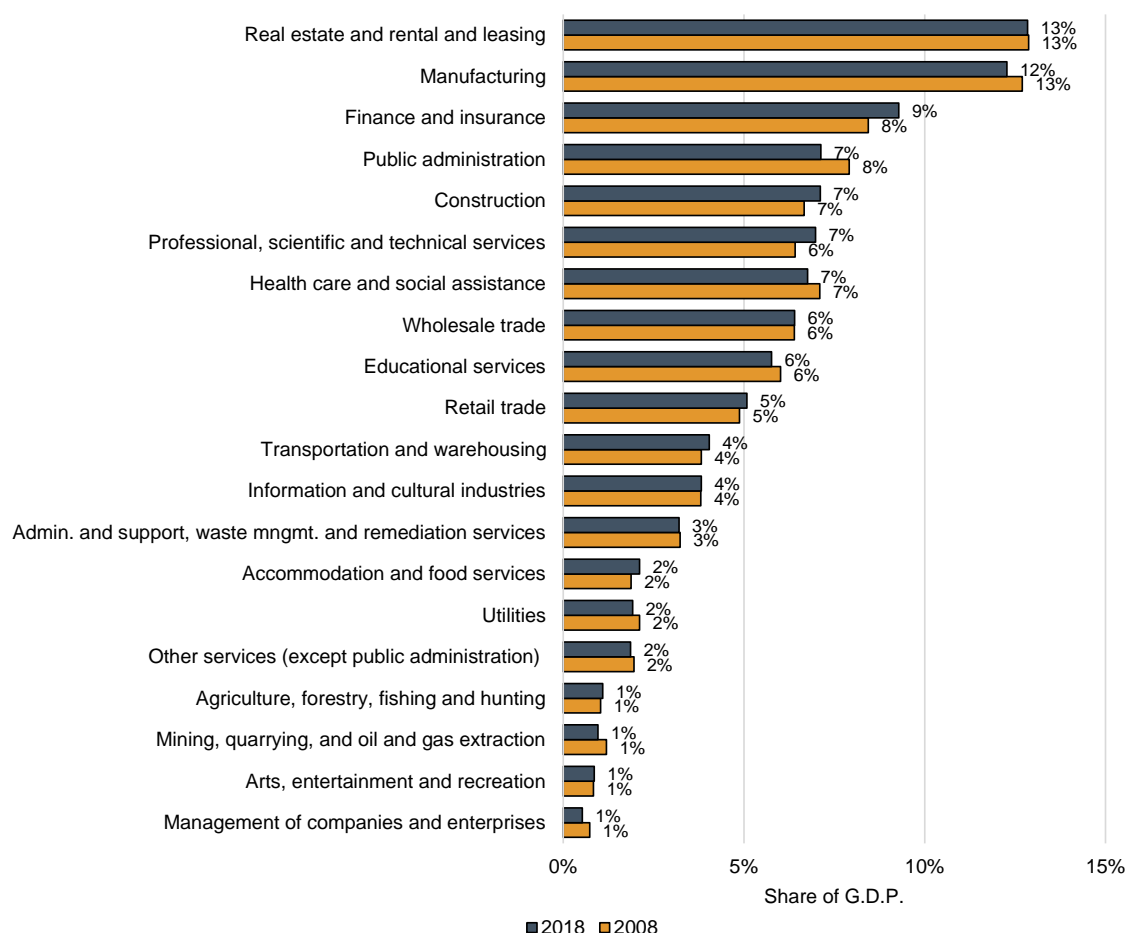
3.2.2 *Emerging Industry Sector and Labour Force Trends*

3.2.2.1 *Ontario's Shifting Economic Structure*

As previously mentioned, Ontario's economy is transitioning from goods to services production. The trend towards more knowledge-intensive and creative forms of economic activity is evident across many sectors within both the broader national, provincial, and G.G.H. economies. Employment sectors that are anticipated to lead the Ontario economy with respect to economic output and employment growth include financial services, information technology, business services, health care and social services, government, advanced manufacturing, energy, information and cultural industries, education, training and research, agri-business, and tourism.



Figure 3-2
Province of Ontario G.D.P. Growth by Industry, 2011 and 2018



Source: Derived from Statistics Canada GDP by Industry (chained to 2012 dollars) data, CANSIM Table 36-10-0402-010 by Watson & Associates Economists Ltd., 2020.

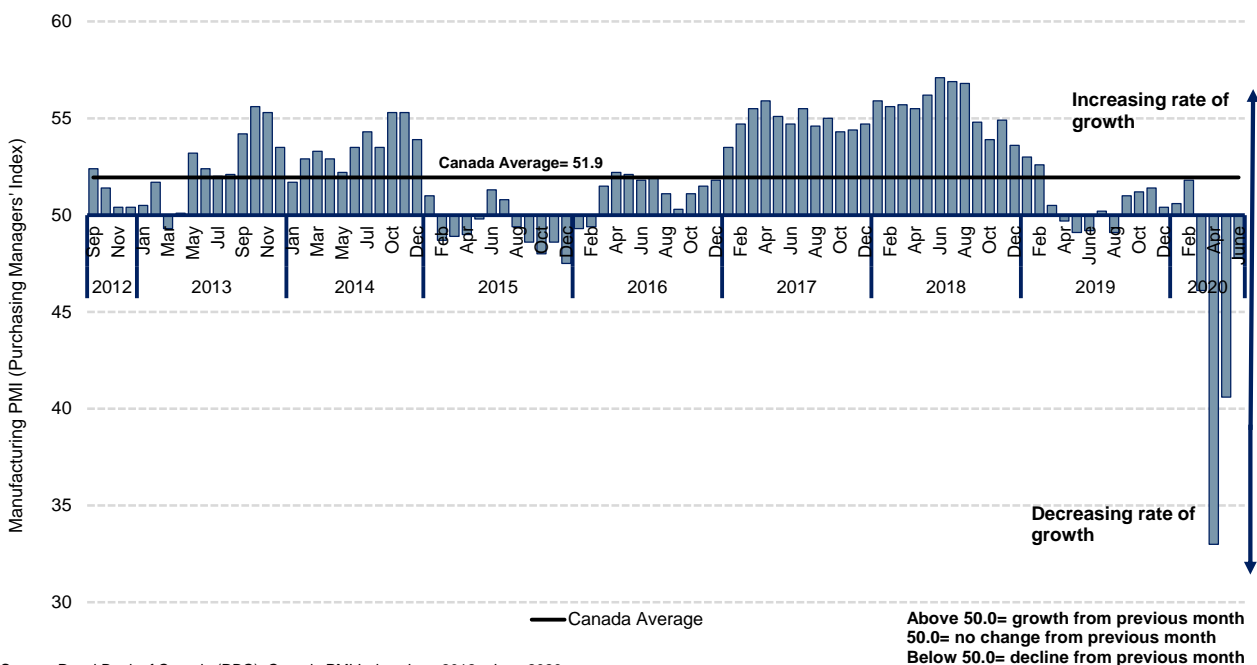
3.2.2.2 Outlook for the Manufacturing Sector

The Purchasing Managers' Index (P.M.I.) is a prevailing economic indicator for economic trends in the manufacturing and services sectors which is based on purchasing managers' market condition outlook, and serves as a key measure of the direction of the manufacturing sector on a monthly basis. The P.M.I. index ranges between a number of 1 to 100. A P.M.I. value greater than 50 represents an expansion relative to the previous month, while a P.M.I. value less than 50 represents a contraction. Figure 3-3 summarizes the P.M.I. index for Canada between 2012 and 2020 (April). As illustrated in Figure 3-3, the P.M.I. index has largely exhibited moderate to strong expansion between 2012 and 2018 with the exception of 2015, as



well as briefly in 2013 and early 2016. In contrast, the P.M.I. index was noticeably below the historical average in 2019. The P.M.I. index shows steep contractions at the beginning of March 2020 in manufacturing and services sector activity due to the negative effects of COVID-19 on the global economy, international trade, and the general demand for goods and services. These conditions worsened into April 2020, however, they showed signs of a moderate rebound in May and June.

Figure 3-3
Purchasing Managers' Index for Canada, 2001 to 2020 Y.T.D.

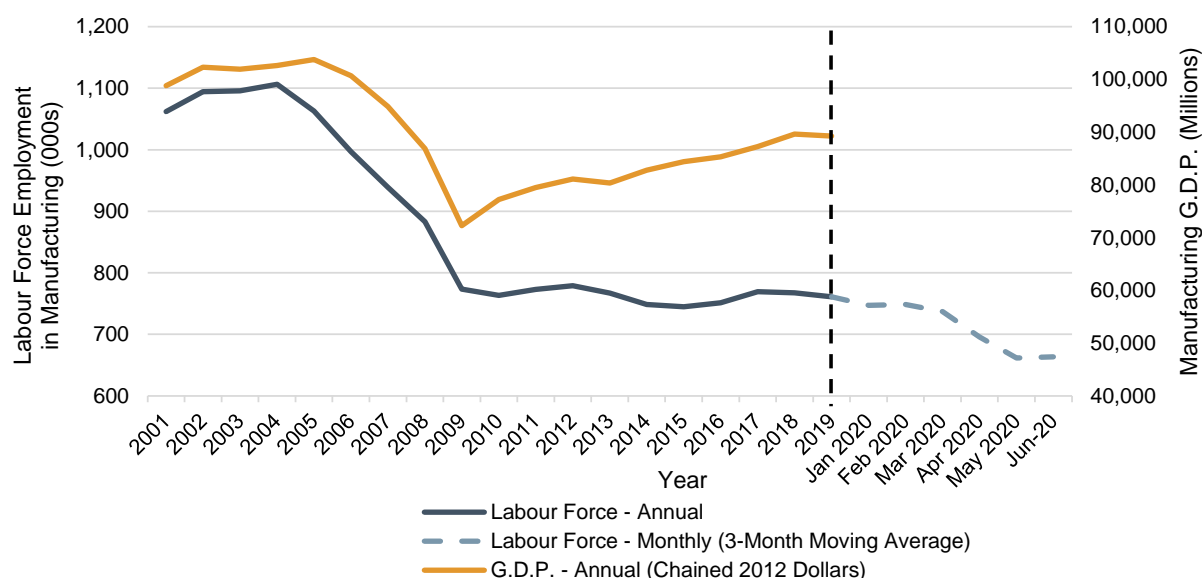


While manufacturing remains vitally important to the provincial economy with respect to jobs and economic output, this sector is not anticipated to generate significant labour-force growth across the Province over the coming decades. While there will continue to be a manufacturing focus in Ontario, industrial processes have become more capital/technology intensive and automated. The highly competitive nature of the manufacturing sector will require production to be increasingly cost effective and value-added oriented, which bodes well for firms that are specialized and capital/technology intensive. As a result of increased efficiencies in the manufacturing sector, G.D.P. has increased relative to generally flat labour force trends as G.D.P. output per employee rises.



As summarized in Figure 3-3, the manufacturing sector in Ontario experienced significant declines between 2004 and 2009 with respect to labour force and G.D.P. Between 2009 and 2019, however, provincial labour force levels have stabilized and G.D.P. output has shown signs of recovery in the manufacturing sector. While showing modest growth since 2016, labour force levels in the manufacturing sector are anticipated to decline in 2020 due to the impacts of COVID-19.

Figure 3-3
Manufacturing Labour Force Employment and G.D.P. in Ontario, 2001 to 2020 Y.T.D.



Source: Annual labour force data from Statistics Canada Labour Force Survey, Table 282-0125, and monthly data from Table 14-10-0091-01. Annual G.D.P. data from Statistics Canada Table 36-10-0402-01, by Watson & Associates Economists Ltd., 2020.

3.2.2.3 Regional Labour Force Trends

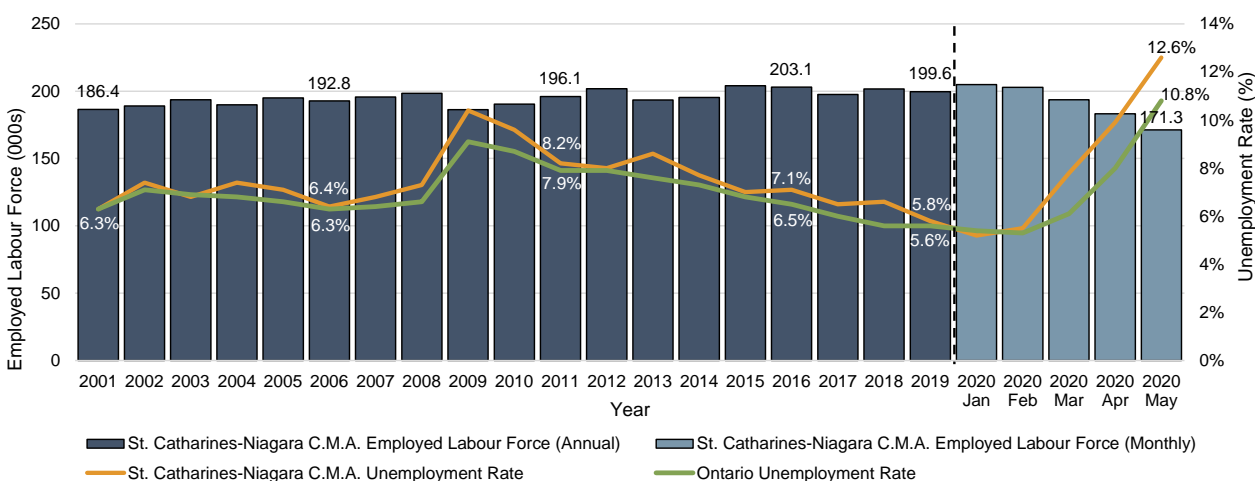
Figure 3-4 summarizes total labour force and unemployment rate trends for the St. Catharines-Niagara Census Metropolitan Area (C.M.A.). Labour force data is not available for Niagara Region post-2016, but it is captured in the broader St. Catharines-Niagara C.M.A. economic region. Key observations include the following:

- The total labour force within the St. Catharines-Niagara C.M.A. grew from 186,400 in 2001 to 199,600 in 2019, an increase of 13,200. From 2001 to 2016 the total labour force grew at a steady annual rate of 0.6%. Between 2016 and 2019, the labour force market slightly declined;



- Between 2001 and 2019, the unemployment rate in the St. Catharines-Niagara C.M.A. peaked at 10.4% in 2009, coinciding with the 2008 global recession, followed by a steady decline to a recent historical low of 5.8% in 2019; and
- Despite the strong recent historical performance of the St. Catharines-Niagara C.M.A. labour market, as of May 2020 the unemployment rate has increased to 12.6% as a result of the COVID-19 pandemic. According to Statistics Canada, the unemployment increase due to the COVID-19 pandemic has been driven by temporary layoffs, indicating that much of the labour force is expected to return to their former place of work as restrictions are relaxed.¹

Figure 3-4
St. Catharines-Niagara C.M.A.
Total Labour Force and Unemployment Rate Trends, 2001 to 2020 Y.T.D.



Note: Statistics Canada Labour Force Survey and Census labour force statistics may differ.

Source: Toronto Census Metropolitan Area (C.M.A.) employed labour force and unemployment rate from Statistics Canada Table 14-10-0096-01. Province of Ontario unemployment rate from Statistics Canada Table 14-10-0090-01. By Watson & Associates Economists Ltd., 2020.

3.3 Local Economic Trends and Growth Drivers within a Regional Context

This section examines labour force trends over the past 15 years in the City of Niagara Falls in relation to Niagara Region and the Province of Ontario. These trends are important to understand given the close relationship between regional labour force growth, net migration, and population growth.

¹ Statistics Canada, The Daily, Labour Force Survey, April 2020.



3.3.1 Outward Growth Pressure

Niagara Falls is located in the southeast of one of the fastest growing Regions in North America, known as the G.G.H. This region comprises the municipalities that make up the G.T.H.A., as well as the surrounding Regions/Counties within Central Ontario, known as the G.G.H. “Outer Ring,” which extends from Haldimand County in the southwest to Simcoe County in the north, to Niagara Region in the southeast (refer to Map 3-1). The strength of the broader regional G.G.H. economy presents a key opportunity for the City of Niagara Falls economy and its residents within commuting distance to many of the growing regional employment markets within this region, particularly within the west G.G.H.

As identified in the Growth Plan, 2019 and Proposed Amendment 1 to A Place to Grow (2020), the long-term outlook for the G.G.H. is positive, characterized by strong population growth primarily through migration, fueled by economic growth that is increasingly concentrated in large urban centres.

The population of the G.G.H. is forecast to increase from 9.5 million in 2016 to 14.9 million in 2051.¹ This represents a population increase of 5.3 million people (153,000 annually), or 1.3% annually between 2016 and 2051. With respect to the region’s economic potential, the G.G.H. employment base is forecast to increase from 4.6 million in 2016 to 7 million in 2051. This represents an employment increase of 2.4 million jobs (69,000 annually), or 1.2% annually between 2016 and 2051. Currently, the G.G.H. represents the fourth largest and one of the fastest growing larger City/Regions in North America.

The G.G.H. represents the economic powerhouse of Ontario and the centre of a large portion of the economic activity in Canada. The G.G.H. is also economically diverse with most of the top 20 traded industry clusters throughout North America having a strong presence in this region. Within the G.G.H., the G.T.H.A. industrial and office

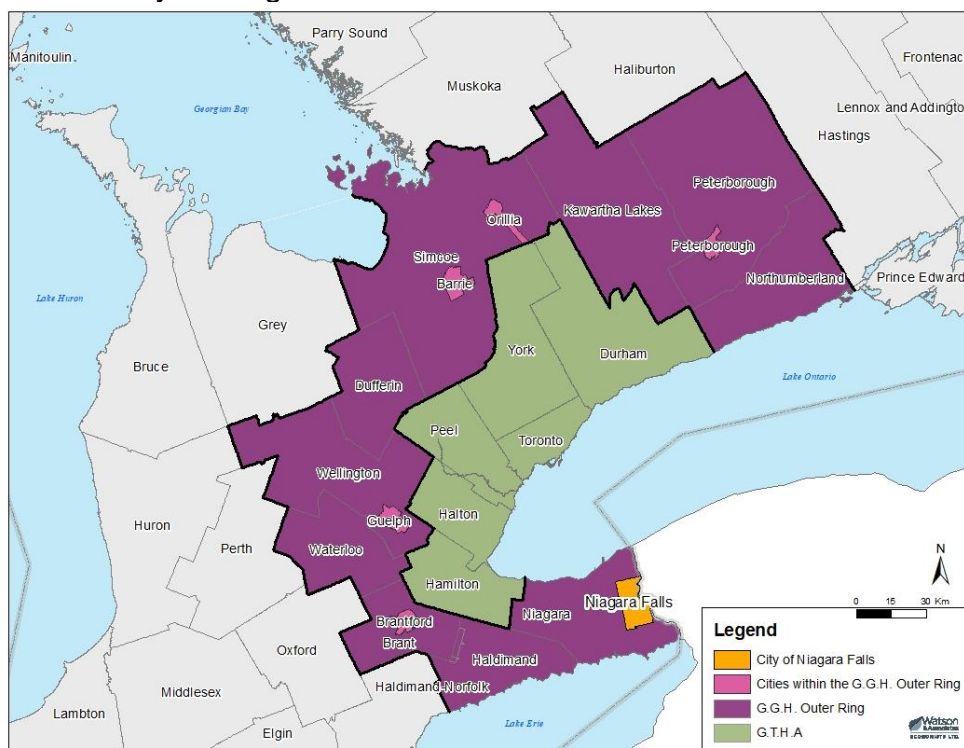
¹ As previously mentioned, proposed Amendment 1 to the Growth Plan extends the Schedule 3 forecast to 2051.



commercial real estate markets are significant, having the third and sixth largest inventories, respectively, in North America.¹

With a robust economy and diverse mix of export-based employment sectors, the G.G.H. is highly attractive on an international level to new businesses and investors. The G.G.H. also has a strong appeal given the area's regional infrastructure (i.e. Toronto Pearson International Airport (T.P.I.A.), other regional airports, provincial highways, inter-modal facilities), access to labour force, post-secondary institutions, and proximity to the U.S. border. In turn, this continues to support steady population and housing growth within this region, largely driven by international and inter-provincial net migration to this region.

Map 3-1
City of Niagara Falls within the Context of the G.G.H.



¹ Source: Derived from Cushman & Wakefield Toronto Industrial Market Beat and U.S. Industrial Market Beat Snapshot, Q3 2017, and Cushman & Wakefield Toronto Office Market Beat and U.S. Office Market Beat Snapshot, Q3 2017 by Watson & Associates Economists Ltd.



Figure 3-5 through Figure 3-7 summarize the long-term population employment growth forecast for the G.G.H. between the Greater Toronto Hamilton Area (G.T.H.A.) and the G.G.H. Outer Ring. Figure 3-5 identifies that the G.T.H.A. has historically experienced greater population and employment growth relative to the G.G.H. over the 2001 to 2016 period. Looking forward, forecast annual population and employment growth within the G.G.H. Outer Ring is anticipated to increase significantly, driven by continued outward growth pressure from the G.T.H.A. In fact, the forecast annual rate of employment growth in the G.G.H. Outer Ring is expected to exceed that of the G.T.H.A. between 2016 and 2051.

Figure 3-5
Historical and Forecast Population Growth for the Greater Golden Horseshoe (G.G.H.), 2001 to 2051

Area	Population			2001 to 2016		2016 to 2051	
	2001	2016	2051	Total Population Growth	Annual Population Growth	Total Population Growth	Annual Population Growth
G.T.H.A.	5,808,000	7,183,000	11,172,000	1,375,000	91,700	3,989,000	114,000
G.G.H. Outer Ring	2,046,000	2,355,000	3,703,000	309,000	20,600	1,348,000	38,500
Total G.G.H.	7,854,000	9,538,000	14,875,000	1,684,000	112,300	5,337,000	152,500

Source: 2001 to 2016 derived from Statistics Canada Census. 2016 to 2051 derived from Greater Golden Horseshoe Growth Forecasts to 2051 Technical Report, June 16, 2020, Hemson Consulting Ltd. Figure by Watson & Associates Economists Ltd., 2020.

Note: Population includes the net Census undercount.

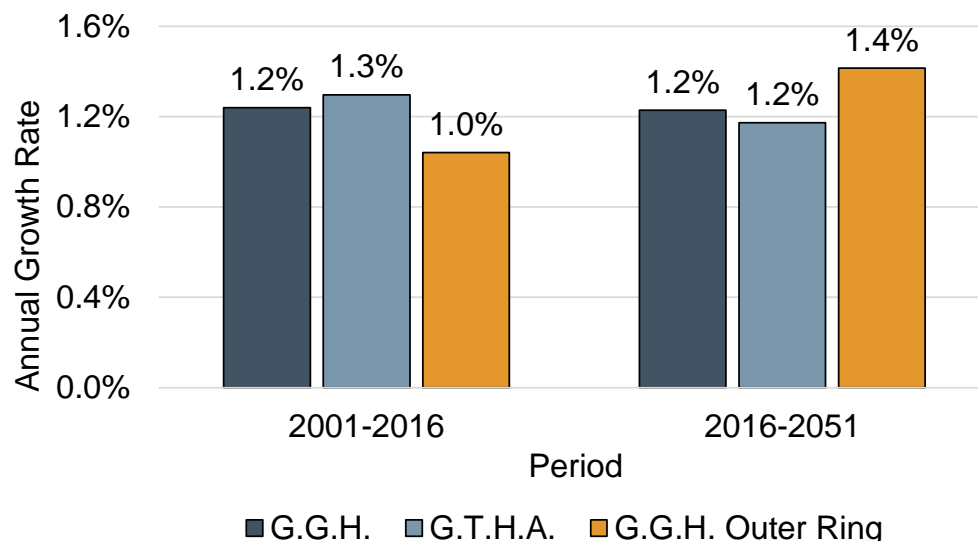
Figure 3-6
Historical and Forecast Employment Growth for the Greater Golden Horseshoe (G.G.H.), 2001 to 2051

Area	Employment			2001 to 2016		2016 to 2051	
	2001	2016	2051	Total Employment Growth	Annual Employment Growth	Total Employment Growth	Annual Employment Growth
G.T.H.A.	2,938,000	3,564,000	5,360,000	626,000	41,700	1,796,000	51,300
G.G.H. Outer Ring	890,000	1,034,000	1,650,000	144,000	9,600	616,000	17,600
Total G.G.H.	3,828,000	4,598,000	7,010,000	770,000	51,300	2,412,000	68,900

Source: 2001 to 2016 derived from Statistics Canada Census. 2016 to 2051 derived from Greater Golden Horseshoe Growth Forecasts to 2051 Technical Report, June 16, 2020, Hemson Consulting Ltd. Figure by Watson & Associates Economists Ltd., 2020.



Figure 3-7
Historical and Forecast Annual Employment Growth Rate for the Greater Golden Horseshoe (G.G.H.), 2001 to 2041



Source: 2001 to 2016 derived from Statistics Canada Census data. 2016 to 2051 derived Greater Golden Horseshoe Growth Forecasts to 2051 Technical Report, by Watson & Associates Economists Ltd., 2020.

As previously mentioned, the strength of the broader regional G.G.H. economy, in particular the G.G.H. Outer Ring, presents a significant opportunity for the Niagara Region economy and its residents within commuting distance to this growing regional employment market. As previously identified in Chapter 2, the population in the Niagara Region is expected to increase from 459,000 in 2016 to 674,000 in 2051, representing a growth of 215,000. Employment within the Niagara Region is also forecast to grow from 191,000 in 2016 to 272,000 in 2051, which is an increase of 81,000 jobs.¹

According to the 2016 Census, 94% of Niagara Falls residents work within Niagara Region, while the rest commute outside the Region for work. The G.T.H.A. represents the largest employment hub outside Niagara Region, as it employs 5% of Niagara Falls residents. With a relatively high live/work ratio within Niagara Region and a growing regional economy, it is anticipated that residents within the City of Niagara Falls will remain reliant on employment opportunities within the Region.

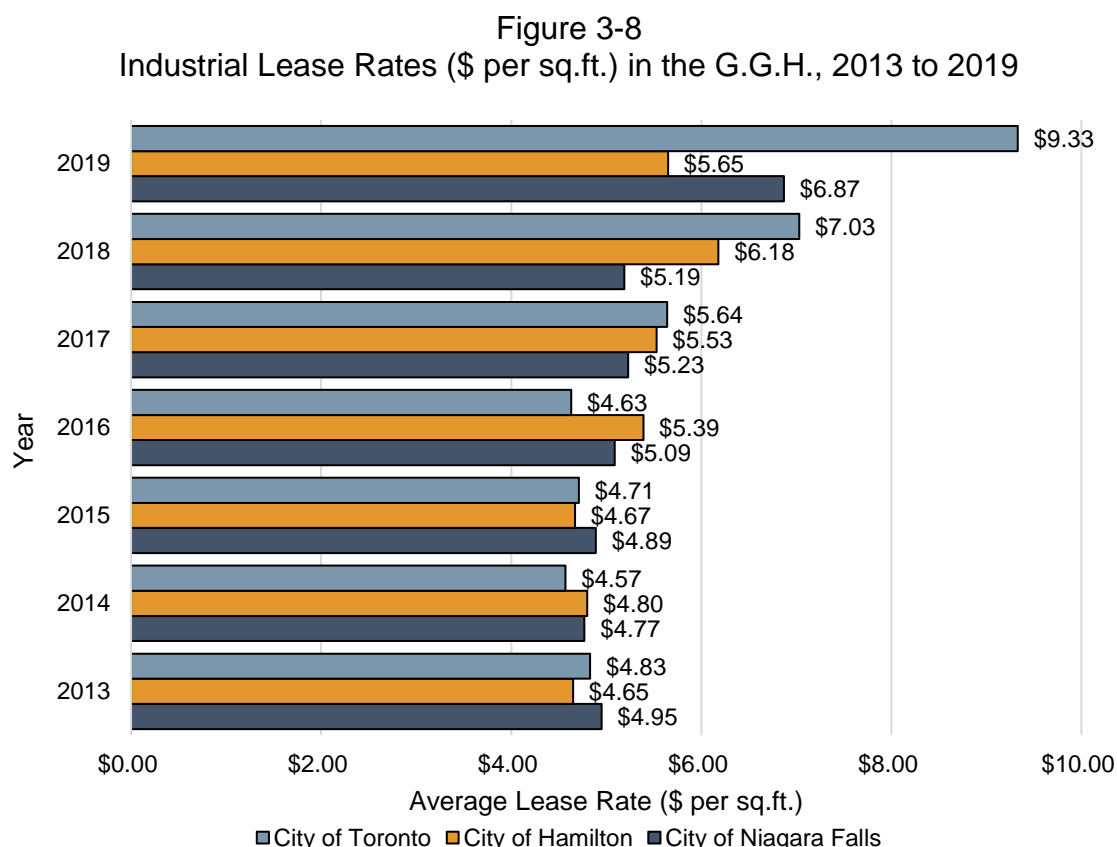
¹ In accordance with the reference scenario as per Proposed Amendment 1 to the Growth Plan, 2019.



3.4 Regional Industrial Market Overview

3.4.1 G.G.H. Industrial Lease Rates, 2013 to 2019

A key variable in understanding the relative strength of the industrial market is the net market rents for industrial space, typically expressed on a per sq.ft. of gross lease area on an annual lease basis and referred to as “net market rent.” Figure 3-8 summarizes the average market rent trends for industrial space in the City of Niagara Falls, City of Hamilton, and the City of Toronto. As shown, average industrial net market rents within the City of Niagara Falls are lower than the City of Toronto, but are similar to the City of Hamilton depending on the year. As a result, the City of Niagara Falls may struggle to attract G.T.H.A. industrial renters looking to relocate, due to its relatively uncompetitive industrial lease rates compared to the City of Hamilton, which has the geographical advantage of being in closer proximity to the City of Toronto.



Source: Colliers Niagara Region Industrial Market Report, to August 31, 2019 and Colliers International Research, Altus RealNet. Derived by Watson & Associates Economists Ltd., 2020.



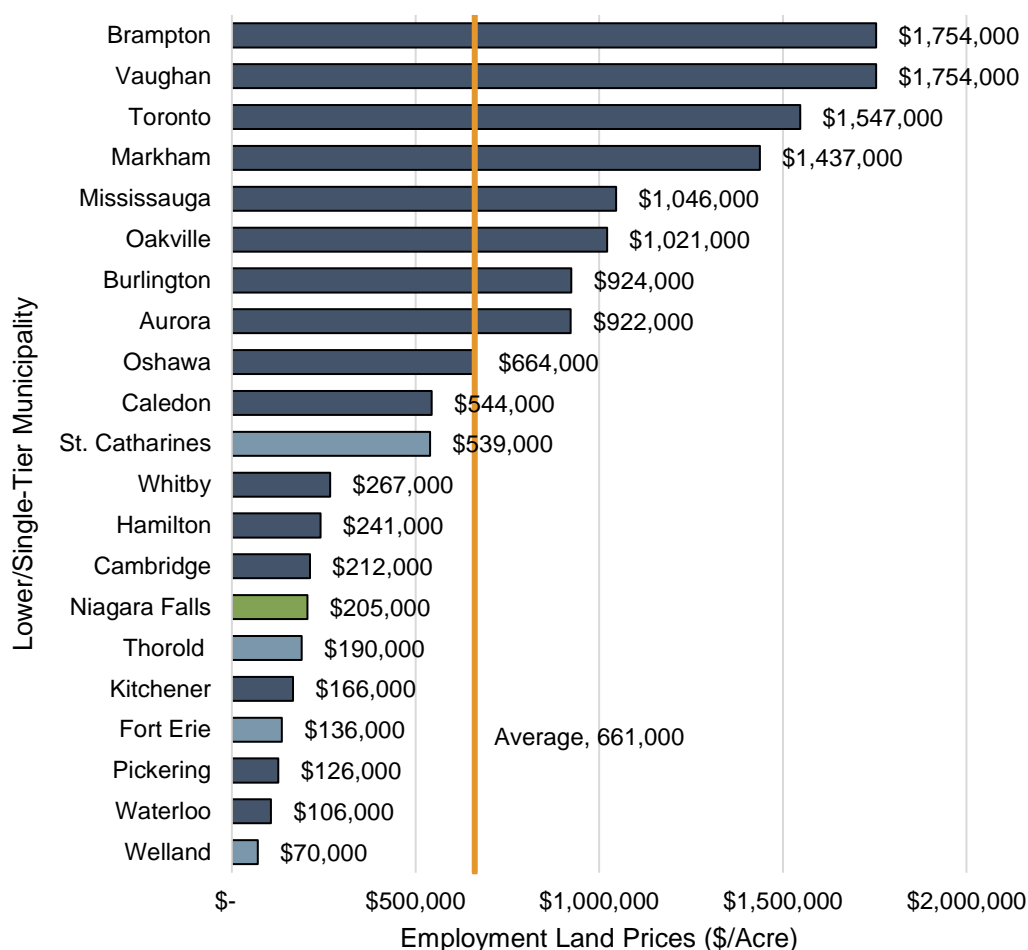
3.4.2 G.G.H. Employment Land Prices, 2019

From a competitiveness perspective, lower employment land prices can provide a key advantage, especially for land-expansive uses such as transportation, wholesale trade/logistics, warehousing, and large-scale manufacturing. Though competitive land prices can provide an economic advantage in terms of the cost of development, very low land prices may also be indicative of low demand.

Figure 3-9 summarizes average employment land prices (\$ per acre) for select Niagara Region local municipalities and comparator municipalities in the G.G.H., based on recent market survey data. As shown, employment land prices range between \$70,000 and \$1,754,000 per acre, with land prices generally highest in the central, west, and north G.T.H.A. (City of Toronto, and York, Halton, and Peel Regions) and lowest in Niagara Region. With the exception of St. Catharines, employment land prices within the Niagara Region are significantly lower than those in the G.T.H.A. In contrast to relatively similar net market rents, Niagara Region offers affordable employment land for purchase. This affordability is not necessarily indicative of stronger demand, especially from G.T.H.A. developers, since factors such as location and perceived development risk can impede employment land growth within Niagara Region.



Figure 3-9
G.G.H. Employment Land Prices, 2019



Source: Prices based on 2019 transactions. Data provided by Colliers International, derived by Watson & Associates Economists Ltd., 2020.

3.5 City of Niagara Falls Employment and Occupation Trends

The following subsection details employment growth trends and occupation outlook for the City of Niagara Falls. Further detail regarding the City's historical employment growth trends, educational attainment and business environment can be found in Appendix A.



3.5.1 City of Niagara Falls Employment Growth, 2016 to 2020

Figure 3-10 summarizes total job growth by industry from the 2016 to 2020 period. Key insights are described below:

- Niagara Falls experienced a total growth rate in jobs of 3.8% (net increase of approximately 1,720 jobs) from 2016 to 2020 or an average annual employment increase of 1.1%, similar to that witnessed across Niagara Region. Jobs in Niagara Region increased by 4.3% (net increase of approximately 8,970 jobs) from 208,760 jobs in 2016 to 217,730 jobs in 2020 or an average annual increase of 1.1%.
- The following sectors experienced the largest employment increase:
 - Accommodation and food services – increase of approximately 850 jobs (net increase of 7%);
 - Transportation and warehousing – increase of approximately 390 jobs (net increase of 32%); and
 - Construction – increase of approximately 320 jobs (net increase of 11%).
- Professional, scientific, and technical services and manufacturing have also experienced employment growth in recent years; and
- Arts, entertainment, and recreation, finance and insurance, educational services and information and cultural industries experienced a decline in jobs from 2016 to 2020.

Figure 3-10
City of Niagara Falls Job Growth by Sector, 2016 to 2020

Industry (NAICS)	Jobs		Job Change 2016-2020	
	2016	2020	Net Change	% Change
Total Jobs by Industry	45,379	47,103	1,723	4%
Accommodation and food services	11,910	12,758	848	7%
Transportation and warehousing	1,237	1,628	391	32%
Construction	2,807	3,127	320	11%
Professional, scientific, and technical services	1,504	1,802	298	20%
Manufacturing	2,389	2,684	295	12%
Admin & support, waste management & remediation services	2,424	2,708	284	12%
Retail trade	5,331	5,470	139	3%
Other services (except public administration)	1,833	1,919	86	5%
Health care and social assistance	4,015	4,084	69	2%
Wholesale trade	1,400	1,461	61	4%



Industry (NAICS)	Jobs		Job Change 2016-2020	
	2016	2020	Net Change	% Change
Agriculture, forestry, fishing, and hunting	166	164	(2)	-1%
Mining, quarrying, and oil and gas extraction	60	54	(5)	-9%
Management of companies and enterprises	82	33	(49)	-60%
Utilities	361	287	(74)	-21%
Information and cultural industries	364	289	(75)	-21%
Public administration	1,756	1,647	(109)	-6%
Arts, entertainment, and recreation	4,777	4,631	(146)	-3%
Real estate and rental and leasing	662	515	(146)	-22%
Finance and insurance	751	569	(182)	-24%
Educational services	1,551	1,272	(279)	-18%

Source: EMSI Analyst, 2020.

3.5.2 City of Niagara Falls Occupation Outlook, 2020 to 2026

In 2020, the top occupations in Niagara Falls by National Occupation Classification (N.O.C.) include:

- Food counter attendants, kitchen helpers, and related support occupations – 2,176 occupations (4.7% of total occupations);
- Light duty cleaners – 1,694 occupations (3.6% of total occupations);
- Retail salespersons – 1,565 occupations (3.4% of total occupations);
- Cashiers – 1,372 occupations (3.0% of total occupations);
- Cooks – 1,173 occupations (2.5% of total occupations);
- Food and beverage servers – 1,112 occupations (2.4% of total occupations);
- Retail and wholesale trade managers – 877 occupations (1.9% of total occupations);
- Casino occupations – 802 occupations (1.7% of total occupations);
- Janitors, caretakers and building superintendent – 773 occupations (1.7% of total occupations);
- Accommodation, travel, tourism, and related services supervisors – 758 occupations (1.6% of total occupations); and
- Operators and attendants in amusement, recreation, and sport – 738 occupations (1.6% of total occupations).

Occupational projections were studied up to 2026 to identify those occupations that are projected to be in-demand and relevant to the economic growth of the City. Figure 3-11

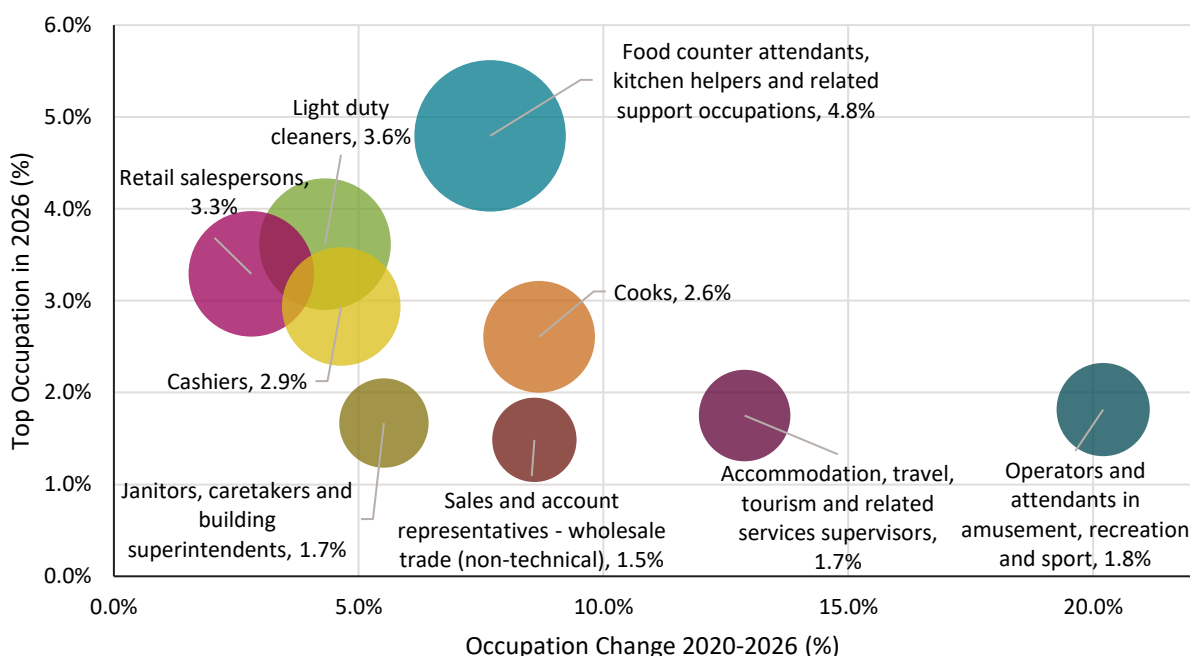


shows the proportion of the top occupations in 2026 and projected growth from the current year to 2026. The bubble size indicates the number of each of the top occupations in 2026 in Niagara Falls. Key observations include:

- Food counter attendants, kitchen helpers, and related support occupations are projected to be the top occupation in the City in 2026, followed by light-duty cleaners and retail salespersons;
- Operators and attendants in amusement, recreation and sport, cooks and accommodation, travel, tourism, and related services supervisors are some of the other high growth occupations;
- The projections assume that the attractiveness of tourism, food and accommodations, and retail occupations will remain in demand out to 2026. As identified in the economic diversification strategy, however, poor public infrastructure in the downtown has limited the City's ability to attract substantial investment. The impact of COVID-19 on the retail sector may further limit the City's long-term growth potential; and
- The rise of e-commerce spending has and will continue to have a pronounced impact on retail real estate, as some chains shrink the size of their store model footprint. Over time, this could translate into fewer retail employees on a floor space basis. This will impact land demand for new retail development and affect retail employment growth rates.



Figure 3-11
Proportion of Occupations in 2026 and Projected Change, 2020 to 2026



Source: EMSI Analyst, 2020.

3.6 Local Drivers and Disruptors of Future Growth in the City of Niagara Falls

This section explores growth drivers and disruptors for the City of Niagara Falls from a regional and local perspective. A broad range of considerations related to demographics, economics, socio-economic and infrastructure are anticipated to drive future economic and population growth in the City of Niagara Falls over the next several decades.

3.6.1 Outward Growth Pressure within the G.G.H.

As discussed previously, Niagara Falls is located within one of the fastest growing Cities/Regions in North America, the G.G.H. The magnitude and distribution of growth throughout the G.G.H. is of key significance to Niagara Region and the City of Niagara Falls. More specifically, as the more mature areas of the G.G.H. gradually build out, increasing outward growth pressure will be placed on the outlying municipalities of the G.G.H. “Outer Ring,” and beyond.



For Niagara Falls this outward growth pressure is anticipated to be most heavily felt from the west G.T.H.A. Strong net migration levels, primarily from the Toronto and Hamilton C.M.A.s, will continue to drive housing growth across the City with demand across a broad range of housing typologies.¹ In turn, population growth will also continue to drive growth in population-related employment sectors including retail, personal services, business services, and health and social services.

The bulk of these new residents coming to the Niagara Region in the 19-54 age category will ultimately seek competitively priced ground-oriented housing forms (i.e. low- and medium-density) to accommodate existing and future families. In comparison to the municipalities in the G.T.H.A., average housing prices in Niagara Falls are lower and more affordable relative to local income. As such, relatively greater housing affordability in Niagara Falls compared to the west G.T.H.A. represents a key driver of net migration to the City. It is noted, however, that as housing prices continue to steadily rise across the G.G.H., including the City of Niagara Falls, an increasing proportion of the population in the City will need to be accommodated in various forms of high-density housing (i.e. walk-up apartments, triplexes, and low-rise apartments).

It is also important to recognize that the accommodation of skilled labour and the attraction of new businesses are inextricably linked and positively reinforce one another. To ensure that economic growth is not constrained by future labour shortages, continued efforts will be required by both the Regional government and the City of Niagara Falls to explore ways to attract and accommodate new skilled working residents to the City across a diverse range of employment opportunities and a broader choice of affordable housing options. Attraction efforts must also be linked to housing accommodation (both ownership and rental), municipal services, and infrastructure, as well as quality of life attributes which appeal to the younger mobile population, while not detracting from the region's attractiveness to older population segments.

3.6.2 Geographic Location

Location plays a key role in the geographic distribution of the dominant industry clusters visible across Ontario today. In addition to its proximity to the G.T.H.A. and close access to the U.S. border, the City benefits from its location along the Q.E.W., which

¹ Over half of all intraprovincial migration to the St. Catharines-Niagara C.M.A. came from the Toronto and Hamilton C.M.A.s.



serves as a major trade corridor and links major urban centres in Ontario. With the development of the Niagara Falls GO Transit station expected to be completed by 2023, the City will increasingly accommodate residents commuting to the G.T.H.A. for work. The City will also remain an attractive location for those Canadian residents seeking work in the Buffalo, New York, employment market. With close access to the U.S. border, the City stands to capture broad economic opportunities by increasing the capacity for trade and investment across Canada and the U.S. Many of the City's Employment Areas are located in close proximity to the Q.E.W. and the U.S. border.

3.6.3 Regional Economic Opportunities

Export-based economic growth throughout the local and surrounding regional economy will continue to generate demand for new housing within the City of Niagara Falls. New housing construction and associated local population growth is anticipated to generate demand for local industries within the City related to the construction sector as well population-related employment sectors such as retail, accommodation, and food, plus other personal service uses. Other local “knowledge-based” and “creative class” employment sectors such as information and cultural industries, arts, entertainment, and recreation, and professional, scientific and technical services are also beginning to experience moderate employment growth. Population growth combined with the aging of the existing population base will also place increasing demands on employment sectors and municipal services related to the growing population base of seniors, primarily related to the health care and social assistance sector.

The local economic base is also oriented towards small businesses and home-based occupations. Such businesses act as incubators for local economic development and stimulate innovation and entrepreneurialism within the City. Home-based job growth will be facilitated by opportunities related to telecommuting and increased technology. Demographics also play a role in the employment outlook for work at home employment. As the population and labour force continue to age, it is likely that an increased number of working and semi-retired residents will be seeking lifestyles that will allow them to work from home on a full-time or part-time basis.

In addition to its broader impacts on the economy, COVID-19 is also anticipated to accelerate changes in work and commerce as a result of technological disruptions which were already in play prior to the pandemic. As such, enterprises will increasingly be required to rethink the way they conduct business with an increased emphasis on



remote work enabled by technologies such as virtual private networks (V.P.N.s), virtual meetings, cloud technology and other remote work collaboration tools. These trends are anticipated to have a direct influence on commercial and industrial real estate needs over both the near and longer terms.

These identified trends are anticipated to place increasing pressure for urban amenities, including municipal infrastructure, programs, and services, as well as increased options for shopping and entertainment. In turn, such growth pressures are anticipated to drive the need for future population-related employment services, placing demands on the local labour force as well as the housing market to support this growing local population and employment base.

3.6.4 Innovation Landscape in the Niagara Region – Enabling Assets

The following list of assets has been developed through the documentation provided by the City of Niagara Falls, the business directory, and independent research. The database provided below is not exhaustive and is meant to illustrate the breadth of the innovation support system for the Region and the City.

Similar to the broader national and provincial trends, the City of Niagara Falls is undergoing a rapid transformation from traditional economies to one that is centred on technology-based development with a demand for knowledge-based industries. In fact, one of the core pillars identified within the City's 2018 Economic Diversification Strategy was the creation of Niagara Falls as a “magnet city,” that draws new people, investment, and business activity due to a combination of strong lifestyle, environmental, and economic attributes. The attraction of “young wealth creators” and the “cultivation of new ideas” formed underlying principles of this document and will continue to influence priority development moving forward.

Supporting the demand for knowledge and technology-based sectors, the Niagara is home to a significant number of business incubators, business accelerators and business support services. The list below highlights some of the most relevant actors within the innovation landscape in the Niagara Region. Although the majority of these serve the broader Regional Municipality, the location of these innovation elements is concentrated in two areas, namely, the City of St. Catharines and the City of Niagara Falls.



Incubators, Accelerators, and Innovation Support Services

Innovative Niagara brings together an extensive range of resources throughout the Region in order to foster the growth of innovative industry clusters, including interactive digital media, health and wellness, life science, bio-products, and green energy/technology. The incubator hosts a suite of educational and networking events throughout the Niagara region, including Learn at Lunch seminars, industry networking events, entrepreneurial training programs, and intensive hands-on workshops.

Spark Niagara is a collaborative workplace community for today's entrepreneurial workforce. Spark offers a space where start-ups and established businesses can locate as well as a supportive, safe, and secure collaborative environment for entrepreneurs in all stages of development.

The **Canadian Food & Wine Institute CFWI** is Canada's only commercial Teaching Winery, and vineyards give students a hands-on curriculum and an in-depth knowledge that sets graduates on the road to employment or entrepreneurship.

Brock University's Learning, Innovation, Networking, and Collaboration (LINC) resides at the intersection of Brock's experiential education and trans-disciplinary research. The LINC is a shared space located in the new Rankin Family Pavilion, with a diverse community that crosses all disciplines, faculties and the private sector – a place for “collisions” of bright minds where students, alumni, researchers, and regional innovators are encouraged to interact.

Niagara Falls Ryerson Innovation Hub (NFRIH) brings together founders and teams to enable innovation. The hub will offer access to expertise, mentorship, research and development and international partnerships to incubate and accelerate the growth of promising digital media start-ups. Funding will support 85 companies, commercialize 12 new innovations, and stimulate diversification of the Niagara Falls economy, and is free for local firms. Founded by the City of Niagara Falls, Ryerson University, and Spark Niagara, NFRIH has created an educational ecosystem, which will foster entrepreneurial growth.

Business Innovation Zone (BIZ) Program is run by the City of Niagara Falls and helps nurture entrepreneurial companies to grow and prosper by providing the education and support young businesses need.

Greenhouse Technology Network (GTN) In 2019, federal funding was announced for Niagara College in collaboration with Vineland Research and Innovation Centre and the University of Guelph to develop this network. The network will bring together greenhouse growers and technology experts to accelerate the development, commercialization, and adoption of new, leading-edge greenhouse technologies.

Brock-Niagara Validation, Prototyping and Manufacturing Institute (VPMI) Funding was also announced for Brock University to establish this institute. The VPMI will be a single-site resource to help businesses in the growing bioproducts, bioscience, bio-agriculture, and chemical manufacturing sectors to scale up and increase their competitiveness.



Incubators, Accelerators, and Innovation Support Services

iHub is a dynamic incubation entity focused on the Educational Technology (EdTech) sector. iHub facilitates collaboration with educators, students, parents, researchers, industry leaders, and iHub portfolio companies to enhance and innovate modern education experience and foster local economic development and growth.

The **South Niagara Community Futures Development Corporation** (also known as the Niagara Business & Innovation Fund) invests in a wide range of business platforms from existing to new and emerging innovative ideas that will help transform the Niagara economy.

The **Niagara Falls Small Business Enterprise Centre** is a one-stop shop for information and advice on starting or growing a small business. The organization offers free and confidential consultations to discuss business ideas and assist in the development of a business plan. The Niagara Falls Small Business Enterprise Centre can guide small businesses and entrepreneurs through any registration and licensing requirements and help answer any business-related questions.

The **Generator at One** serves as a catalyst for interactive digital media growth in Niagara. The vision of this organization is to create a nurturing environment for interactive digital media (IDM) for companies, researchers, and students.

The **COMMIS Culinary Workspace** is a co-working space for food entrepreneurs, chefs, and artisans all working to bring products to market in the Niagara Region.

Venture Niagara stimulates the growth of Niagara's rural economy by providing a broad range of risk financing and assistance to small business entrepreneurs and fostering purposeful community development initiatives.

3.6.5 Tourism

Niagara Region has a robust tourism sector, specifically within Niagara-on-the-Lake and Niagara Falls. In 2018, approximately 40,000 people were directly employed through Regional tourism opportunities.¹ Employment generated from the City's tourism sector directly leads to an increase in the City's population. As tourism-based population growth continually occurs within the City, there exists a pressure to provide housing, local infrastructure, and commercial accommodations. As such, the City's industrial ardate employment uses such as construction and light industrial with ancillary ret.RegionindustryEmployment Areas. The Q.E.W./420 Employment Area exemplifies this type of employment, with ancillary retail businesses such as Artcraft Kitchens utilized for light manufacturing and Roman Cheese Products Ltd., conducting food

¹ New report shows tourism impact on Niagara's economy. Niagarafalls.ca



processing. Growth in the tourism sector will continue to drive these indirect employment opportunities within the City's employment lands.

3.6.6 Assessing the Impacts of Technology and Innovation on Economic Development and Population Growth

Long-term labour force growth potential across the national, provincial, regional, and local levels, will be directly influenced by continued structural changes and disruptions driven by technology and automation. According to the Brookfield Institute for Innovation + Entrepreneurship, over the next 10 to 20 years 42% of the Canadian labour force is at high risk of being affected by automation, either through significant task restructuring or elimination. Jobs that are anticipated to be most highly impacted by automation are primarily within occupations that are administrative, routine, or oriented towards sales and service. As such, employment within the City's tourism sector could face potential disruption over the longer term. The Brookfield Institute report also notes that highly skilled occupations are expected to grow much more quickly than the rest of the labour force and are at a lower risk of being negatively affected by automation. This suggests that more highly skilled labour will be a significant driver of Canada's future economic growth.¹

To prevent an undesirable, lose-lose scenario associated with anticipated technological change in the economy – talent shortages, unemployment, and growing inequality – a number of critical actions are needed. This includes businesses assuming an active role in supporting their existing workforce through reskilling and upskilling, individuals taking a proactive approach to their own lifelong learning, and governments creating an enabling environment to assist in these efforts.²

While the long-term net economic impacts of automation and/or artificial intelligence (A.I.) appear to be positive, global competition from both established and emerging markets looking to capitalize on potential opportunities related to this technology will be increasingly fierce. Building on its strong community foundations above, the Region of Niagara and the City of Niagara Falls have the opportunity to influence their readiness towards an ever-evolving knowledge-based economy through on-going leadership and

¹ The Talented Mr. Robot. The impacts of automation on the Canadian workforce. Brookfield Institute for Innovation + Entrepreneurship. June 2016.

² World Economic Forum. Insight Report. The Future of Jobs Report. Centre for the New Economy and Society. 2018.



investment. Ultimately, these efforts are important to enhance youth in-migration, talent attraction, and local employment opportunities geared towards an increasingly skilled labour force.

3.6.7 *Quality of Life*

Quality of life is a key factor influencing the residential location decisions of individuals and their families. It is also a factor considered by companies regarding location decisions. Typically, quality of life encompasses several sub-factors such as employment opportunities, cost of living, housing affordability, crime levels, quality of schools, transportation, recreational opportunities, climate, arts and culture, entertainment, amenities, and population diversity. The importance of such factors, however, will vary considerably depending on life stage and individual preferences.

The City offers a high quality of life which is expected to drive net migration from a broad range of demographic groups, including first-time home buyers, families, empty nesters, and seniors. As previously mentioned, the City also has a reputation for being an affordable location in which to live in Ontario, specifically within the G.G.H. The City has a wide range of recreational opportunities with a vibrant tourism industry located within proximity to other recreational destinations such as Niagara-on-the-Lake and Buffalo, New York.



Chapter 4

Employment Land Supply Analysis



4. Employment Land Supply Analysis

The chapter provides a comprehensive inventory of existing vacant developable employment land supply within the City of Niagara Falls. The Consultant Team has worked collaboratively with City staff to develop the employment land supply using geographic information systems (G.I.S.) mapping software. The findings of this chapter include an analysis of current developed and vacant employment land supply with a particular focus placed on the supply of “shovel-ready” and net developable employment lands by Employment Area. Shovel-ready employment lands are identified as lands which abut an arterial, collector, or local road and have sanitary, water, and storm stubbed at the property line. A further assessment has also been undertaken regarding intensification opportunities on developed parcels within Employment Areas.

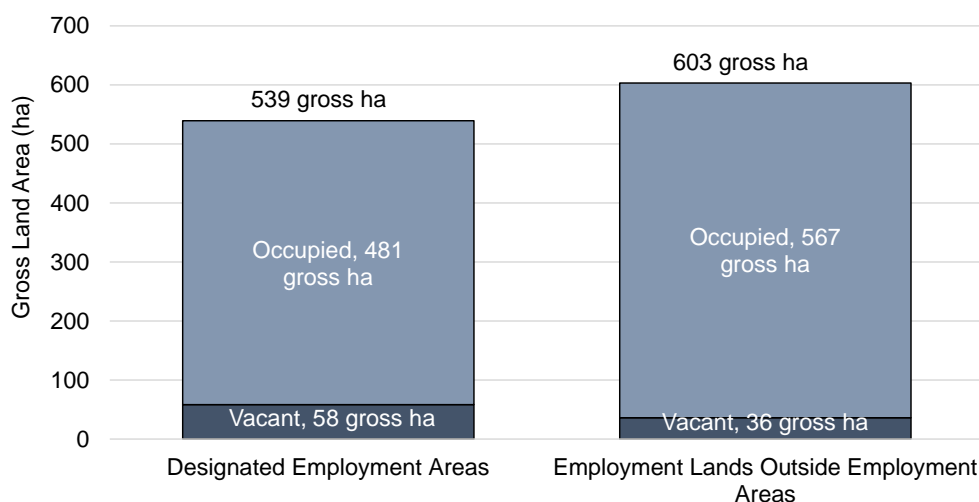
4.1 City-wide Employment Land Inventory

Figure 4-1 to Figure 4-3 summarize the City’s gross employment land supply by location. Figure 4-4 provides a map illustrating the location of the City’s Employment Areas. The following are key highlights of the designated employment land inventory:

- The City’s employment land supply is 1,142 gross hectares (ha) (2,822 gross acres) and is comprised of 1,048 gross ha (2,590 gross acres) of developed/occupied employment land and 95 gross ha (235 acres) of vacant employment land; and
- The City’s Employment Areas account for less than half the designated employment land supply. The vacant land supply, however, is greatest within Employment Areas, as they represent 61% of the vacant employment land supply.



Figure 4-1
City of Niagara Falls
Designated Employment Area Lands
Developed/Occupied and Vacant Employment Lands as of July 2020



Source: Watson & Associates Economists Ltd., 2020.

Note: Gross has been calculated in accordance with Growth Plan, 2019. Take-outs include environmental features, major roads and highway corridors.

In determining the vacant land inventory on a net basis, adjustments for environmental features, utility corridors, and hydrological features were identified. Further, larger vacant parcels (i.e. 10 ha/25 acres or greater) which were not considered shovel-ready were also subject to an additional downward adjustment to reflect internal infrastructure (i.e. roads, stormwater ponds, easements, etc.). Figure 4-2 provides a summary of the vacant employment land supply by Employment Area and Figure 4-3 displays the distribution of designated employment land supply within Niagara Falls, showing that over half of all the City's employment lands are located outside Employment Areas. Figure 4-4 displays a map of the City's employment lands, Employment Areas, and the Cytec lands.¹ For the purposes of this analysis, the Cytec lands are considered as a part of the 'Developed/Occupied Land Area.'

As of July 2020, it is estimated that the City of Niagara Falls has a vacant employment supply of approximately 90 ha (222 acres), adjusted for internal infrastructure for large parcels. The City has 33 ha (82 acres) of vacant employment lands which are located outside Employment Areas. The North Niagara Falls Secure Storage Employment Area

¹ Cytec Canada Inc. is a chemical manufacturer in the City. There exists a two-kilometer environmental buffer around these Cytec Lands in which no development can occur.



offers 41 ha (101 acres) of vacant employment land, accounting for almost half the vacant employment land supply in the City of Niagara Falls and a majority of vacant land within the City's Employment Areas. The Montrose Road Industrial Area contains 11 ha (27 acres) of the remaining vacant land and the Stanley Avenue Business Park has 5 ha (12 acres) of net vacant employment land remaining.

Figure 4-2
City of Niagara Falls
Developed/Occupied and Vacant Employment Lands as of July 2020

Location	Developed/Occupied Land Area, ha		Vacant Employment Lands, ha			Total Designated Land Area, ha	
	Gross ¹	Net ²	Gross ²	Net ³	Net of Internal Infrastructure ⁴	Gross	Net
	A	B	C	D	E	F = A + C	G = B + D
Montrose Road Industrial Area	136	133	11	11	11	147	145
Q.E.W. Centre Employment Area	29	27	0	0	0	29	27
North Niagara Falls Secure Storage Employment Area	112	112	43	43	41	155	155
Stanley Avenue Business Park	123	121	5	5	5	128	126
Highway 405 Employment Area	16	16	0	0	0	16	16
Q.E.W./420 Employment Area	55	54	0	0	0	55	54
Dorchester Road Employment Area	11	11	0	0	0	11	11
Outside Employment Areas	567	561	36	36	36	603	598
Total	1,048	1,036	95	95	93	1,142	1,130

Source: Watson & Associates Economists Ltd., 2020.

1. Gross (columns A and C) has been calculated in accordance with the Growth Plan, 2019. Take-outs include environmental features, major roads and hydro corridors.

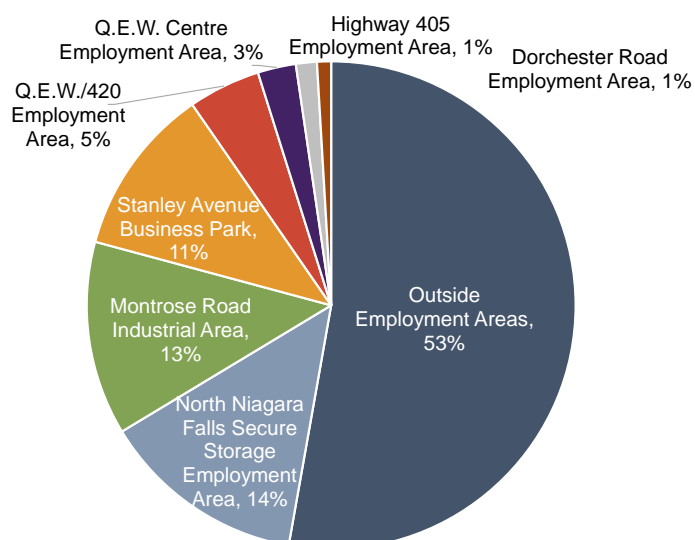
2. Net developed land area (Column B) has been calculated based on parcel fabric (excludes local roads, parks and other non-developable features).

3. Net vacant land area (Column D) is calculated based on parcel fabric (excludes roads, parks and other non-developable features).

4. Net of internal infrastructure (Column E) has been calculated based on parcel fabric (excludes local roads, parks and other non-developable features) and a downward adjustment to large parcels (greater than 10 ha/25 acres) of 10% for internal infrastructure.



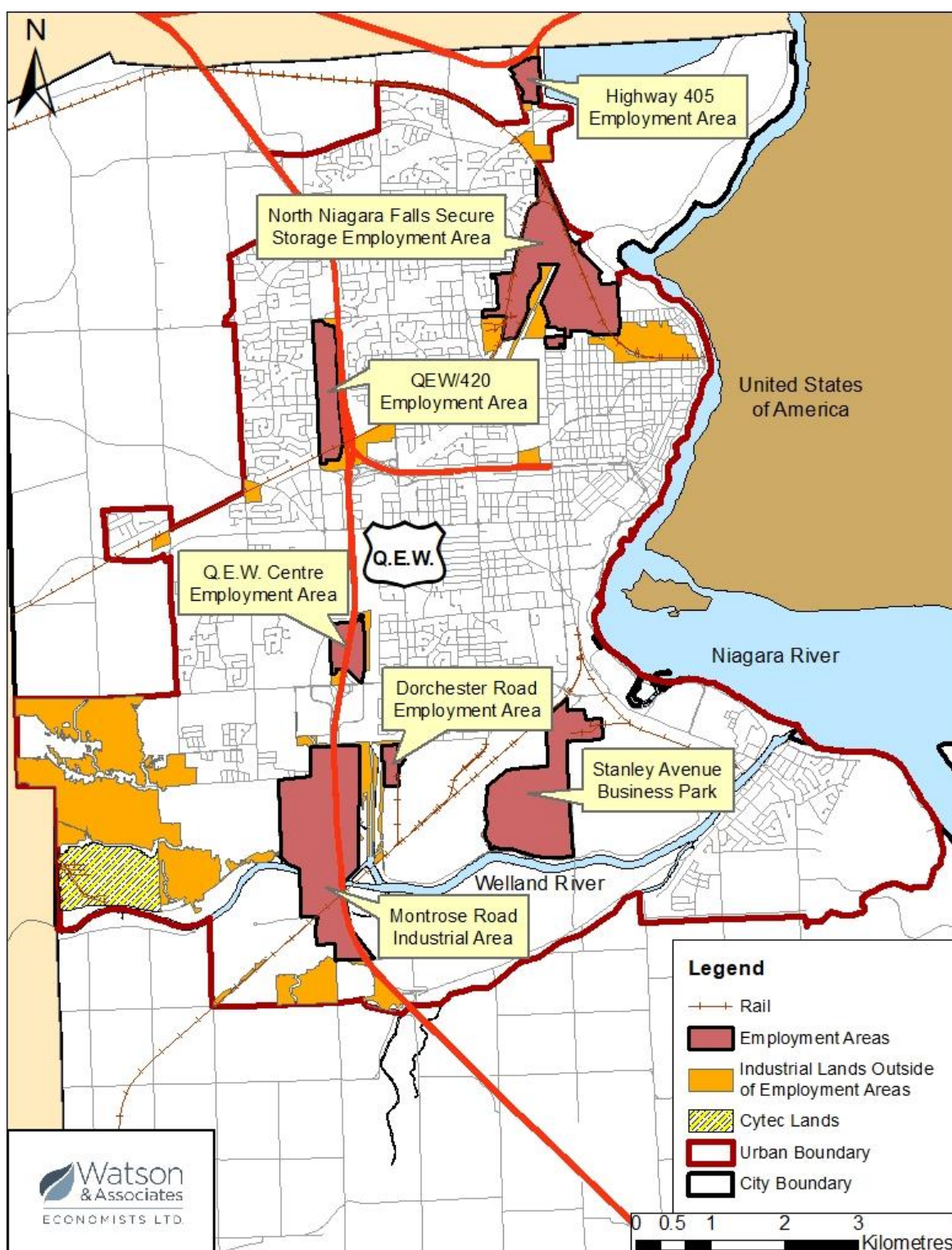
Figure 4-3
City of Niagara Falls: Distribution of Designated Employment Land Area by Location



Source: Derived from the City of Niagara Falls G.I.S. data, by Watson & Associates Economists Ltd., 2020.
Note: Based on gross land area with take-outs in accordance with Growth Plan, 2019.



Figure 4-4
City of Niagara Falls
Designated Employment Lands



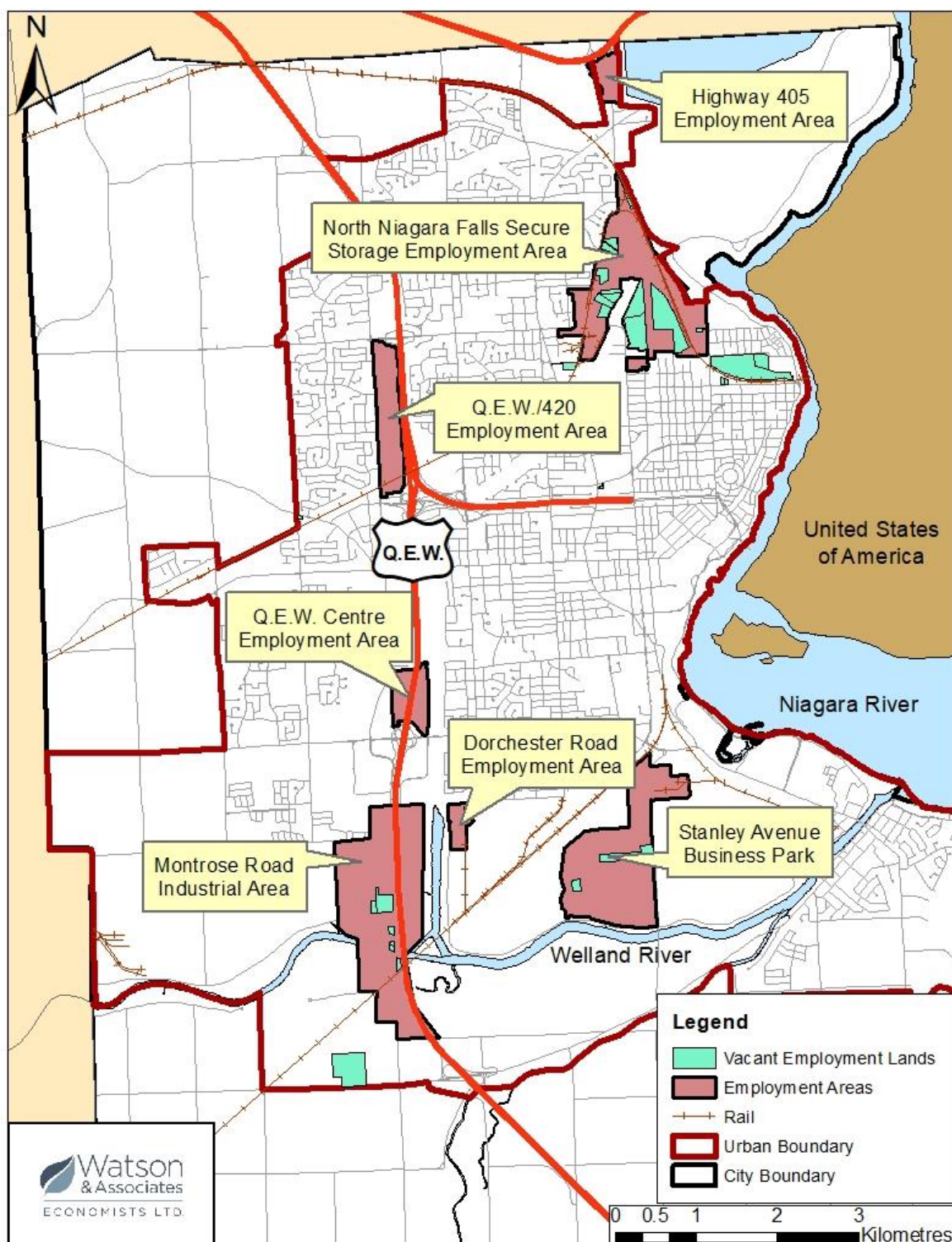


4.2 Vacant Employment Land Supply Characteristics by Land-Use Type and Location

Figure 4-5 provides a map of the City's Employment Areas and the vacant employment land inventory in the City of Niagara Falls as of July 2020. Vacant employment parcels have been identified with an overlay on the map (turquoise overlay). As illustrated, the bulk of the City's vacant land supply is located in the North Niagara Falls Secure Storage Employment Area, as well as outside the City's Employment Areas.



Figure 4-5
City of Niagara Falls
Map of Designated Employment Areas and Vacant Employment Supply, July 2020



In accordance with servicing data provided for the City of Niagara Falls land sites, vacant employment lands that are shovel-ready and have the potential to develop within



a short term (i.e. within approximately 6 months) have been identified. It is important to note that the term shovel-ready used in this report refers to the zoning and servicing of land to accommodate development within a short-term time framework. Another factor that warrants consideration through an economic development strategy is the identification of lands that are market-ready or available for development (i.e. for sale/for lease).

Shovel-ready lands and the remaining serviceable vacant employment lands are identified in Figure 4-6 through Figure 4-9. Lands identified as shovel-ready include lands which abut an arterial, collector, or local road and have sanitary, water, and storm stubbed at the property line. The following summarizes the key findings regarding the shovel-ready land supply:

- It is estimated that there are 60 ha (148 acres) of shovel-ready employment lands in Niagara Falls, comprising 64% of the vacant designated employment land area;
- The shovel-ready employment land supply in Niagara Falls includes a range of parcel sizes, including two large parcels greater than 10 ha;
- The majority of the shovel-ready parcels are less than 2 ha in size, yet most of the shovel-ready land supply is comprised of the two parcels greater than 10 ha;
- The North Niagara Falls Secure Storage Area contains most of the City's vacant, shovel-ready land supply within Employment Areas; and
- Almost all of the City's remaining serviceable vacant employment land within Employment Areas is located on parcels less than 5 ha, of which the majority are located in the North Niagara Falls Secure Storage Area.



Figure 4-6
City of Niagara Falls
Vacant Designated Employment Land Supply by Parcel Size and Shovel-Ready Status

Parcel Size Range	Shovel-Ready ¹			Serviceable ²			Total Designated Vacant		
	Count of Parcels	Gross Land Area ha	% of Land Area	Count of Parcels	Gross Land Area ha	% of Land Area	Count of Parcels	Gross Land Area ha	% of Land Area
Less than 1 ha	8	3	4%	5	2	5%	13	4	5%
1 - 2 ha	5	7	12%	4	6	18%	9	13	14%
2 - 5 ha	2	8	13%	3	9	25%	5	16	17%
5 - 10 ha	2	15	24%	0	0	0%	2	15	16%
Greater than 10 ha	2	28	47%	1	18	52%	3	46	49%
Total	19	60	100%	13	34	100%	32	95	100%
% Total Shovel-Ready	59%	64%		41%	36%		100%	100%	

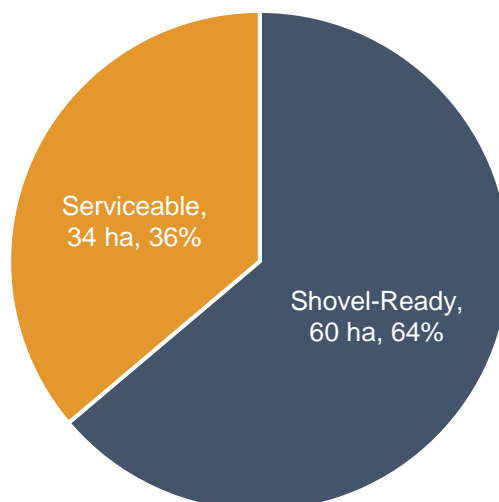
Source: Derived from City of Niagara Falls G.I.S. data, by Watson & Associates Economists Ltd., 2020.

Note: Using gross land area. Excluding underutilized parcels.

¹ "Shovel-Ready" lands are defined as those that are serviced and zoned and generally considered potentially developable within the next 6 months.

² Remaining vacant designated employment lands that are not shovel-ready and can accommodate servicing for new development by 2051. All designated employment lands are considered serviceable within the City of Niagara Falls.

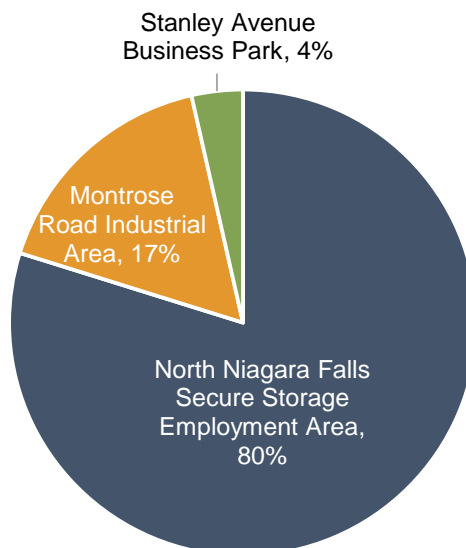
Figure 4-7
City of Niagara Falls
Vacant Designated Employment Land Supply
by Shovel-ready Status, Gross Land Area (ha)



Source: Derived from City of Niagara Falls G.I.S. data, by Watson & Associates Economists Ltd., 2020.



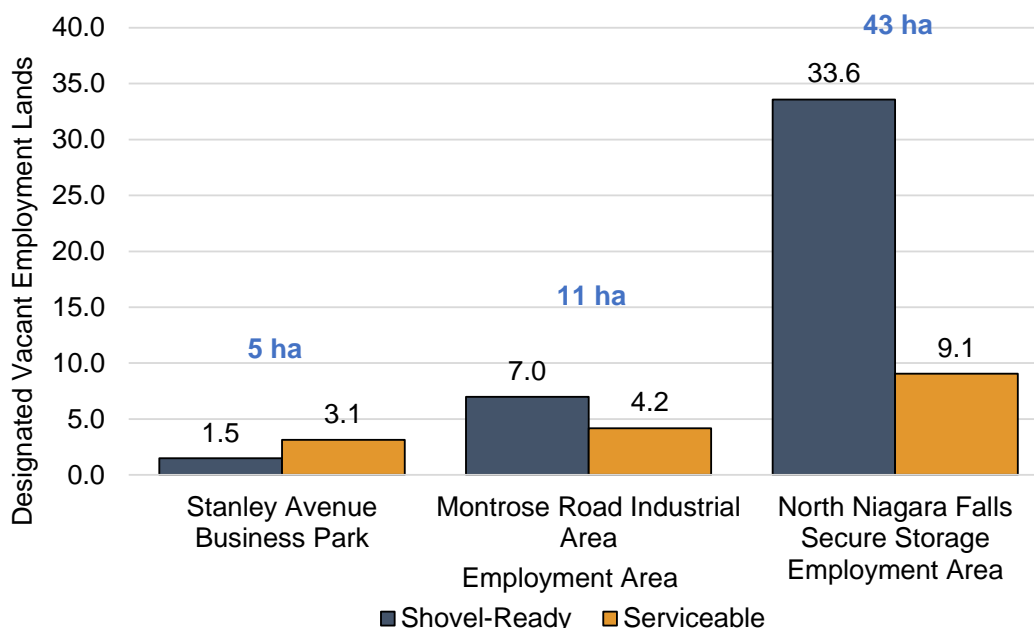
Figure 4-8
City of Niagara Falls
Location of Shovel-ready Land Supply by Employment Area



Source: Derived from City of Niagara Falls G.I.S. data, by Watson & Associates Economists Ltd., 2020.



Figure 4-9
City of Niagara Falls
Location of Vacant Serviceable and Shovel-ready
Land Supply by Employment Area, Net Land Area (ha)



Source: Derived from City of Niagara Falls G.I.S. data by Watson & Associates Economists Ltd., 2020.

4.3 Intensification Potential in Employment Areas

Intensification on employment lands can take a number of forms, including further development of underutilized and partially vacant lots (infill), expansion (horizontal or vertical) of existing buildings and redevelopment of employment land parcels.

Intensification offers the potential to accommodate future employment growth and achieve increased land utilization resulting in higher employment density in existing Employment Areas. Higher land utilization on existing employment lands can also lead to more effective use of existing infrastructure (e.g. roads, water/sewer servicing).

Through a high-level desktop review using the developed industrial parcel inventory within Employment Areas, building footprints, and orthophoto overlays, 76 ha (188 acres) of developed employment lands were identified as underutilized. This reflects parcels that have:

- A vacant portion (potential for severance or building expansion);



- Relatively low building coverage (ratio of building space to land area is less than 15%) or sites that are currently used exclusively for storage and/or parking; and
- Redevelopment sites that are derelict, abandoned, or underutilized built sites.

As summarized in Figure 4-10, there are 63 sites comprising 76 ha (188 acres) of land area that may have the potential to accommodate additional employment growth within Employment Areas in the City of Niagara Falls. Of the 63 parcels, only ten sites are larger than two ha in size and can be expected to potentially accommodate mid- to large-scale developments within the City of Niagara Falls. Most of the underutilized parcels are less than one ha in size, and can only be expected to accommodate minor expansions and small-scale redevelopment opportunities.

Figure 4-10
City of Niagara Falls
Intensification Potential – Size Range of Parcels

Parcel Size Range	Count of Parcels		Gross Land Area, ha	
Less than 1 ha	39	62%	20	26%
1 - 2 ha	14	22%	20	27%
2 - 5 ha	8	13%	21	27%
5 - 10 ha	2	3%	15	20%
Greater than 10 ha	0	0%	0	0%
Total	63	100%	76	100%

Source: City of Niagara Falls G.I.S. data, by Watson & Associates Economists Ltd., 2020.

A further review was completed to categorize underutilized lands according to potential:

- No Potential – sites are unlikely to redevelop over the forecast horizon (e.g. lands with no access to existing or planned roads, sites are utilized for municipal infrastructure/public works facilities);
- Low Potential – opportunity only for expansion to existing operations on-site (i.e. cannot accommodate severances or another site opportunity due to lot configuration) or redevelopment; and
- High Potential – sites can accommodate a wide-range of development opportunities including either an expansion of existing operation or accommodating an additional business operation on site.



Opportunities for infill development and building expansion are present within the City's existing Employment Areas. As summarized in Figure 4-11, 16 sites totalling 19 ha (47 acres) have the highest potential for intensification, including opportunities for facility expansions or the development of another business operation (i.e. severance). Intensification of these sites would increase employment densities and generate higher utilization of developed employment lands. Sites with low potential for intensification include 39 sites totalling 54 ha (133 acres). As previously mentioned, low potential sites due to parcel configuration are likely unable to accommodate additional business operation opportunities (i.e. through severances). The remaining eight sites totaling 4 ha (10 acre) are considered to have no opportunity for intensification in the short- to long-term.

Figure 4-11
City of Niagara Falls
Underutilized Parcels Based on Intensification Potential

Intensification Opportunity	Number of Sites	Net Land Area, ha
No Opportunity	8	4
Low Potential	39	54
High Potential	16	19
Total	63	76

Source: City of Niagara Falls G.I.S. data, by Watson & Associates Economists Ltd., 2020.

Identifying and evaluating intensification opportunities against market demand is challenging. The intensification potential of the underutilized employment lands will largely be determined by future development plans of existing or future landowners, which is highly speculative. Over the past five years (2015 to 2019), the City has seen modest expansions/additions within Employment Areas, with annual expansion activity of 1,700 sq.m (18,300 sq.ft.) (for greater detail regarding historical development activity, refer to Appendix B). Two-thirds of this activity occurred from two expansion permits – Graybar Canada in the Q.E.W. Centre Employment Area, and U-Haul in the Q.E.W./420 Employment Area. Infill and redevelopment of existing developed lands is expected to continue over time, largely driven by rising employment land values and the continued buildout of the City's designated employment lands.



Figure 4-12 and Figure 4-13 summarize employment intensification potential by Employment Area. The greatest potential for intensification on employment lands is within the Stanley Avenue Business Park (36% of City-wide underutilized lands). The Montrose Road Industrial Area contains the second largest share of underutilized lands within Employment Areas, representing 27% of intensification potential. Outside of these business parks, intensification opportunities are relatively dispersed across the remaining City of Niagara Falls Employment Areas.



Figure 4-12
City of Niagara Falls
Map of Intensification Potential on Employment Lands

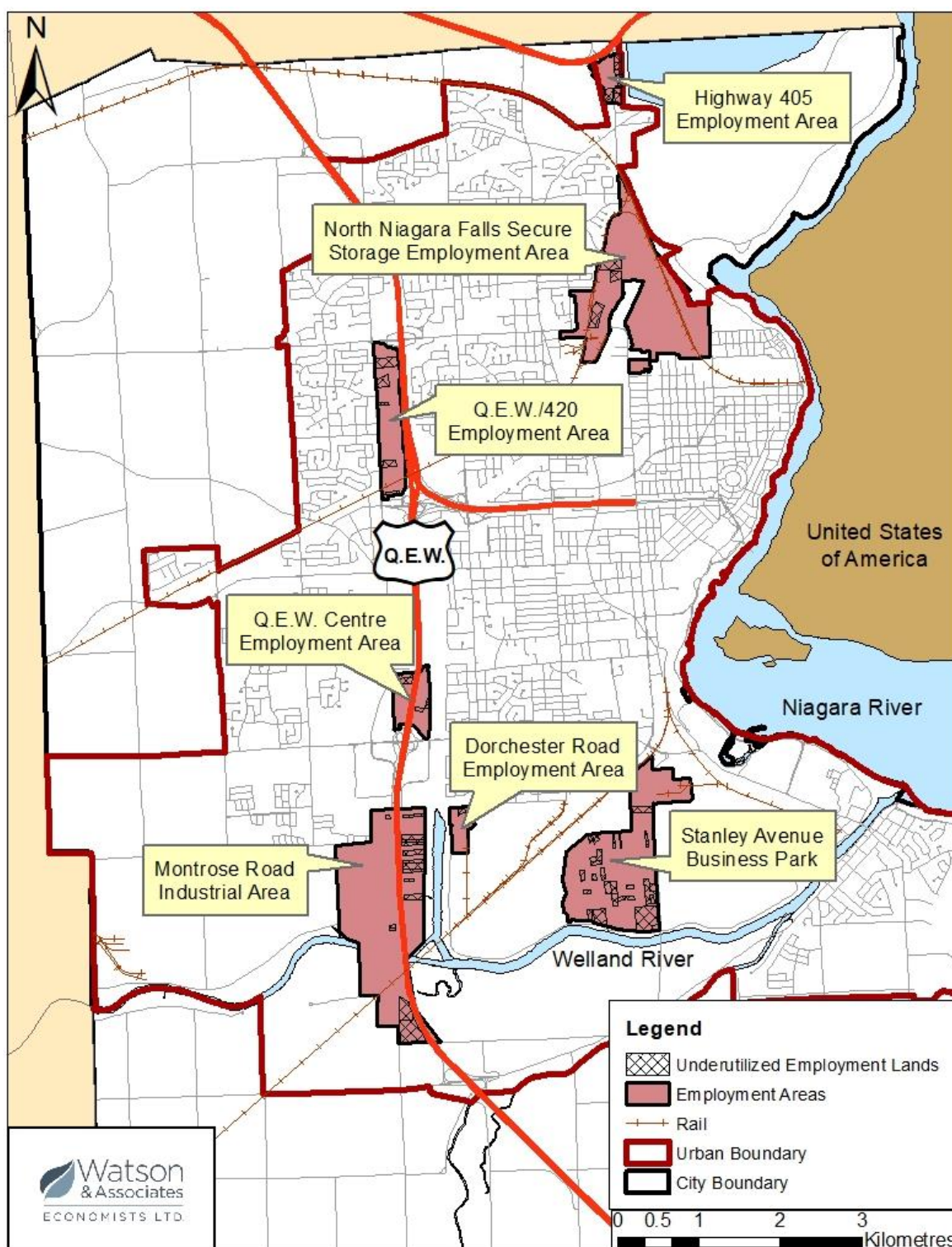
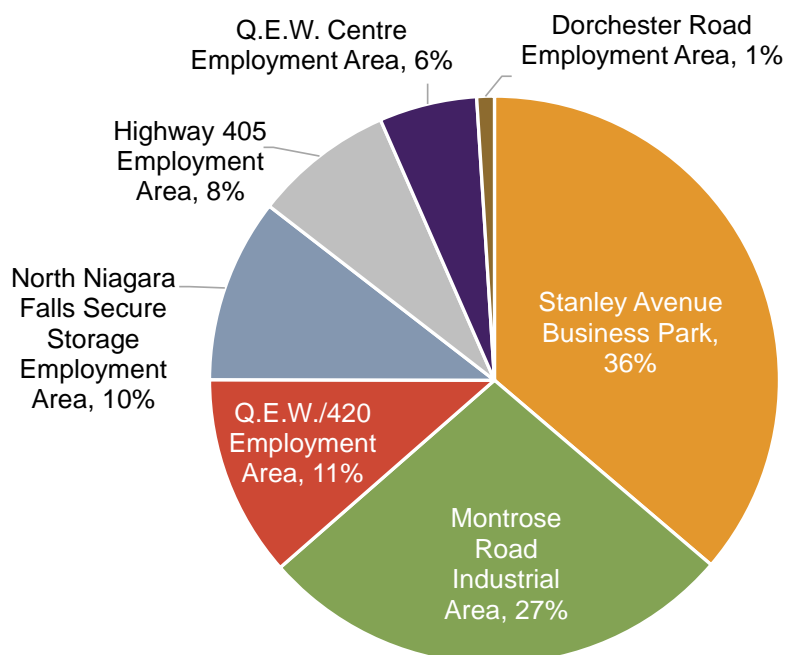




Figure 4-13
City of Niagara Falls
Intensification Potential by Employment Area



Source: Derived from City of Niagara Falls G.I.S. data, by Watson & Associates Economists Ltd., 2020.
Note: Based on gross land area with take-outs in accordance with Growth Plan, 2019.

4.4 Conclusions

The City of Niagara Falls has a well-established industrial base and its Employment Areas are an integral part of the City's economic development potential. The City's inventory of vacant designated employment lands is diminishing. In order for the City of Niagara Falls to continue to be competitive and attractive to a broad range of industrial and commercial sectors, the City needs to ensure that it has a sufficient supply and market choice of serviced and serviceable employment lands to meet long-term employment demands on employment lands. Over the long-term planning horizon (i.e. 2051), it will become increasingly critical for the City to protect and retain its existing vacant employment land inventory to ensure that future demand on employment lands is not unduly constrained by a lack of market choice throughout its remaining vacant parcels. The City should also further explore opportunities to encourage development



on underutilized vacant employment land parcels, based on a review of servicing and infrastructure to support growth.



Chapter 5

Competitiveness and Investment Readiness of the City's Employment Areas



5. Competitiveness and Investment Readiness of the City's Employment Areas

5.1 Introduction

The following Chapter provides a S.W.O.C. analysis of existing Employment Areas in the City. The specific requirements of each identified industry cluster are assessed to determine which Employment Areas are best positioned to accommodate specific employment sectors identified for growth over the long term. Factors that can be considered include:

- Recent absorption activity on employment lands by sector and geographic area;
- Employment density trends by Employment Area;
- Quality of developed and vacant employment land area;
- Market choice of developable land in terms of site size, configuration, access, zoning, servicing, surrounding land uses, and future expansion potential;
- Parcel fragmentation (physical and by ownership);
- The feasibility of identifying large contiguous areas for development (large areas of land provide for larger economies of scale and greater efficiencies, in addition to providing multiple siting options for individual users);
- The location of the lands in relation to key highways and transit corridors; and
- The effects of residential encroachment on the City's employment lands.

5.2 City of Niagara Falls Employment Lands Profile

5.2.1 Comparison of Regional Vacant Employment Land Supply

Municipalities compete directly for business attraction with other communities in the regional market area and beyond. The City of Niagara Falls has a number of competitors along the Q.E.W. and surrounding area with which it competes for business attraction and retention. These municipalities also offer location and other regional attributes that appeal to prospective international and local firms.



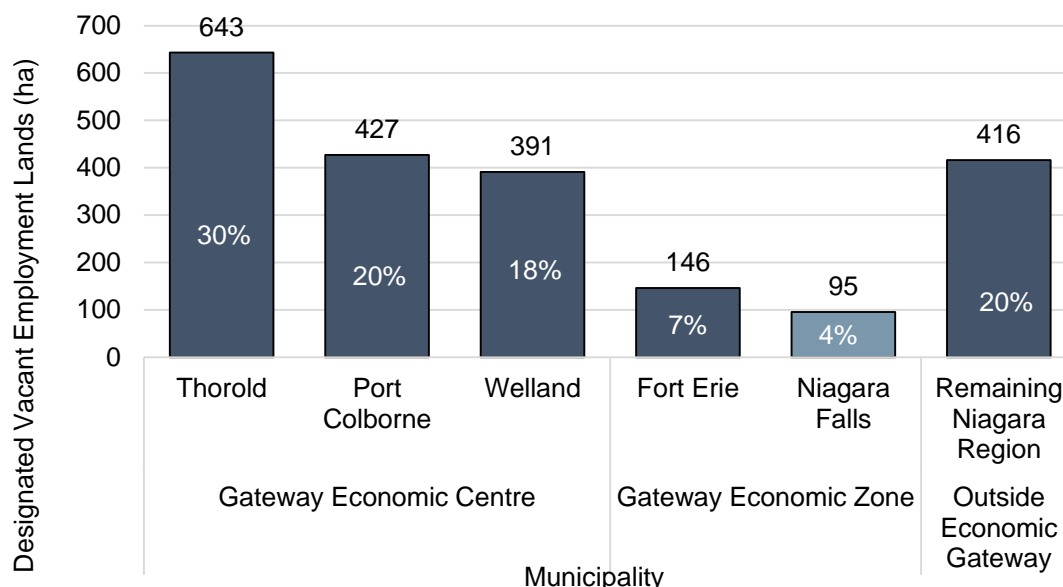
The City's competitiveness has been explored within a regional context in the Niagara Region's Employment Area Strategy (2020). As such, it is the goal of this chapter to further analyze the City's Employment Areas and their respective attractiveness to the City's identified target sectors. To first contextualize this analysis, Figure 5-1 summarizes the total amount of designated vacant employment land by surveyed municipality.¹ Key findings include the following:

- As previously mentioned in Chapter 4, Niagara Falls has 95 gross developable ha (235 acres) of designated vacant employment land, accounting for 4% of the Regional supply; and
- Thorold, Port Colborne, and Welland account for the largest share of the Regional vacant land supply, accounting for a combined 68%. These municipalities make up the Gateway Economic Centre.

¹ According to Niagara Region's Employment Area Strategy: Background Report and Recommendations, March 20, 2020. Niagara Region's Employment Area Strategy reports a vacant land supply of 242 ha for the City of Niagara Falls, while the results of this analysis show a gross vacant land supply of 95 ha. This discrepancy will be resolved with staff before the Phase 2 Report.



Figure 5-1
City of Niagara Falls and Surrounding Market Area Municipalities
Total Designated Vacant Employment Land



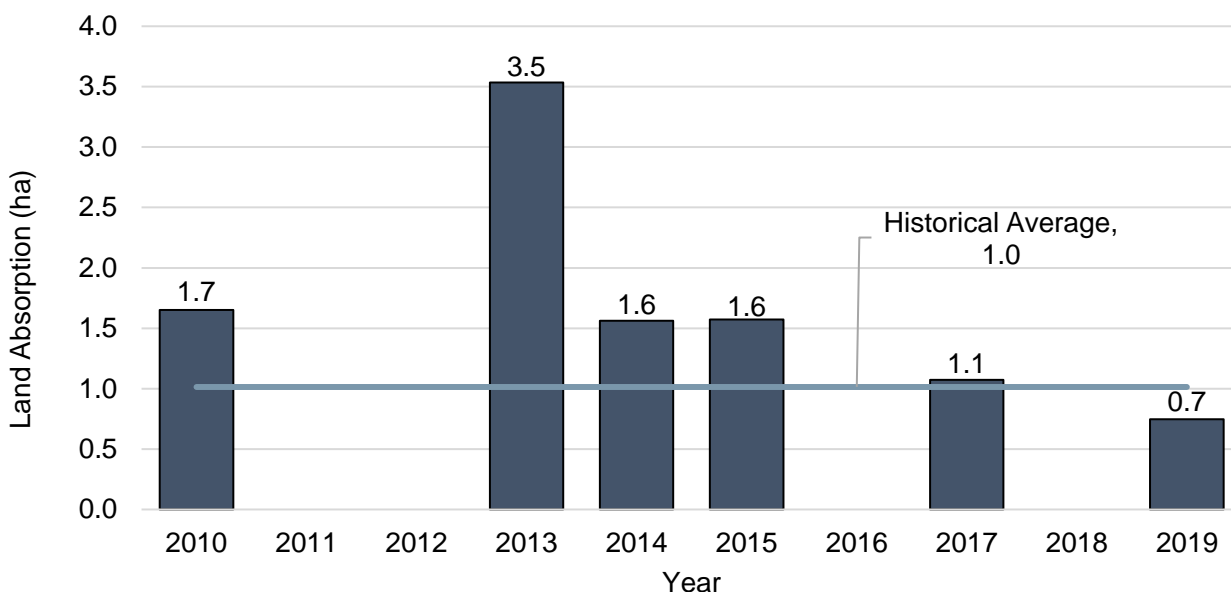
Source: Niagara Region's Employment Area Strategy: Background Report and Recommendations, March 20, 2020. Figure by Watson & Associates Economists Ltd., 2020.

5.2.2 Recent Employment Land Absorption Activity, 2010 to 2019

Figure 3-12 summarizes recent absorption on employment lands in the City of Niagara Falls from 2010 to 2019. The City's Employment Areas have averaged 3,300 sq.m (35,500 sq.ft.) annually in non-residential building activity over the 2010 to 2019 period, which accounts for only 11% of City-wide non-residential development activity. Roughly half the non-residential development activity within the industrial sector occurred within the City's Employment Areas (see Appendix B for more details). During this period, a total of approximately 10 ha (25 acres) have been absorbed in the City's Employment Areas, which represents an average of 1 ha (2.5 acres) per year. Recent employment absorption activity has primarily been in the Montrose Road Industrial Area with 62% of the total absorption over the 2010 to 2019 period. With the Montrose Road Industrial Area being a new Employment Area, and the City's other Employment Areas being relatively mature, it is expected that most of the recent absorption would have occurred in this Employment Area. A review of the City's site plan activity indicates there is one potential development of a two-storey industrial building in the Stanley Avenue Business Park (on approximately 1.5 ha) which would result in a 2020 absorption.



Figure 5-2
City of Niagara Falls
Absorption within Employment Areas (net ha), 2010 to 2019



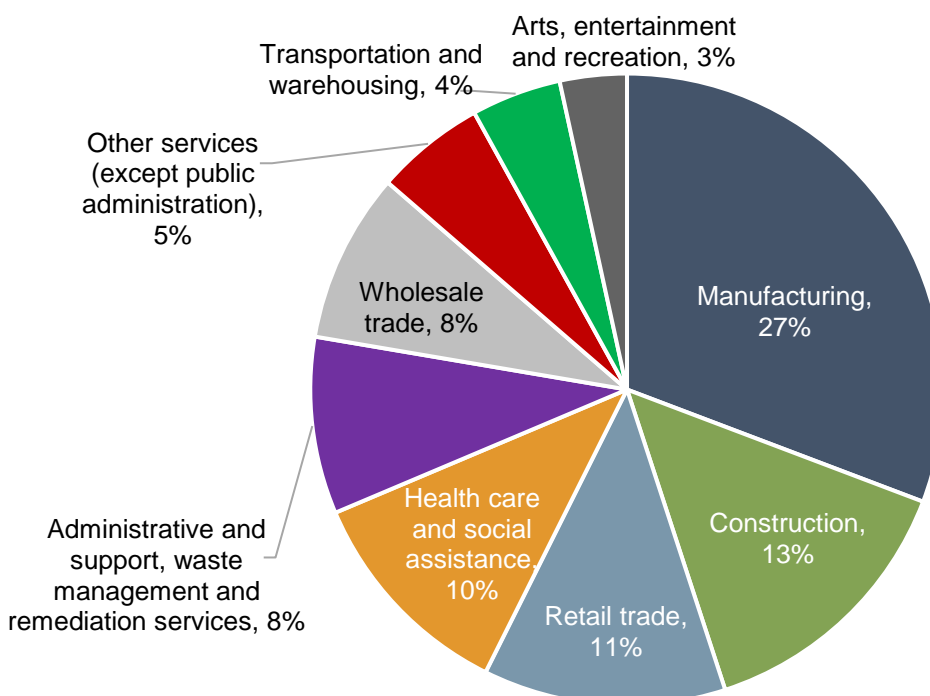
Source: Derived from City of Niagara Falls building permits and G.I.S. data, 2010 to 2019, by Watson & Associates Economists Ltd., 2020.

5.2.3 City of Niagara Falls Existing Employment Structure Within Employment Areas

Existing developed and designated urban Employment Areas within the City of Niagara Falls accommodate approximately 5,300 jobs, representing approximately 15% of the employment base. As illustrated in Figure 5-2, 27% of local employment within Employment Areas is concentrated in the manufacturing sector, followed by moderate shares within construction; retail trade; and health care and social assistance. The remaining employment is largely in other service-oriented sectors. Similar trends exist on the City's employment lands outside Employment Areas, where 41% of jobs are in the manufacturing sector, followed by wholesale trade with 17%.



Figure 5-3
Share of Employment in Niagara Falls Employment Areas by Major Sector, 2019

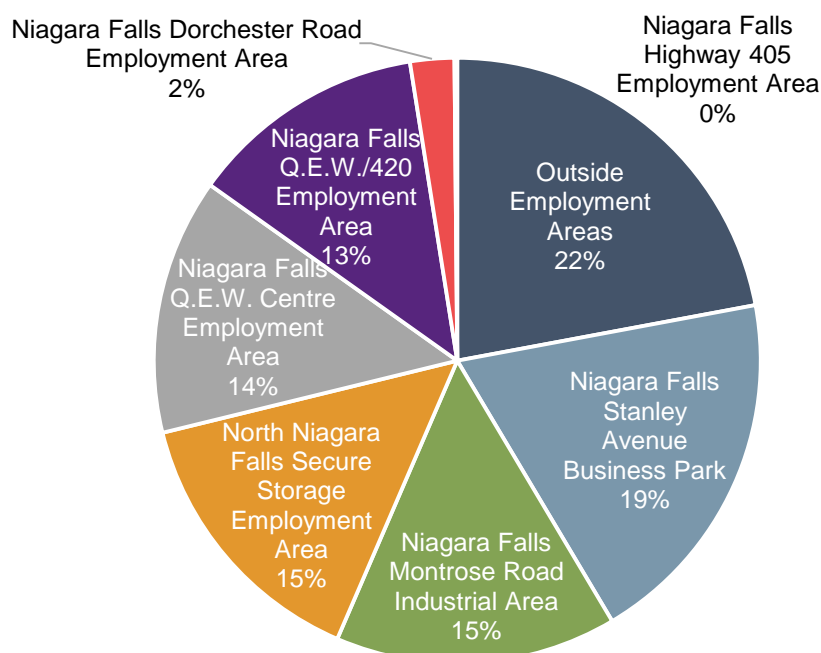


Source: Niagara Region Business Directory, 2019, by Watson & Associates Economists Ltd., 2020.

Employment lands in the City of Niagara Falls are home to approximately 320 businesses, employing roughly 6,800 individuals. Figure 5-3 displays the share of the jobs by Employment Area and remaining employment lands. The City's employment lands outside Employment Areas account for the largest share of employment land employment, with 22%. Business parks contain the next largest share of employment, comprising 34% of the total jobs on City's employment lands. The remaining employment is shared across the City's other Employment Areas.



Figure 5-4
Share of Employment on Employment Lands by Number of Employees



Source: Niagara Region Business Directory, 2019, by Watson & Associates Economists Ltd., 2020.

5.2.4 City of Niagara Falls Employment Areas Employment Density and Building F.S.I.

In accordance with the identified employment within developed Employment Areas across the City of Niagara Falls, the City-wide average employment density within Employment Areas is 11 jobs per net ha (5 jobs per net acre), as presented in Figure 4-9. The highest employment densities are found within the Q.E.W. Centre Employment Area, with an average of 34 jobs per net hectare (14 jobs per net acre). The Montrose and Stanley Avenue Business Parks are located further from the inner City and maintain employment densities of 8 and 11 jobs per net hectare, respectively. These business parks exhibit slightly lower employment densities compared to the City-wide average.

Average building floor space index (F.S.I.), often referred to as building lot coverage for single-storey industrial areas, also provides a good indication of general land



utilization.¹ The average F.S.I. regarding occupied Employment Areas in the City of Niagara Falls is 11%, as shown in Figure 5-4. The F.S.I. is highest in Dorchester Road Employment Area, followed by the Q.E.W./420 Employment Area and the Stanley Avenue Business Park, which range between 14% and 19%. The F.S.I. is considerably lower in the remaining Employment Areas. Montrose Road Industrial Area has a low F.S.I. of 6% which is likely attributed to larger parcels and a lack of manufacturing uses that would otherwise require larger building footprints.² Compared to other Employment Areas, employment within the Montrose Road Industrial Area is comprised of only 11% manufacturing, which is considerably lower than the City-wide average of 27%.

Figure 5-5
City of Niagara Falls Employment Lands Employment Density and F.S.I.

Employment Area	Employment Density (Jobs/net ha)	F.S.I.
Montrose Road Industrial Area	8	6%
Q.E.W. Centre Employment Area	34	13%
North Niagara Falls Secure Storage Employment Area	9	10%
Stanley Avenue Business Park	11	14%
Highway 405 Employment Area	1	3%
Q.E.W./420 Employment Area	16	16%
Dorchester Road Employment Area	15	19%
Employment Area Average	11	11%

Source: Niagara Region Business Directory, 2019 and G.I.S. data, by Watson & Associates Economists Ltd., 2020.

5.3 Strengths, Weaknesses, Opportunities, and Constraints Review of Existing Employment Areas in the City of Niagara Falls

Market competitiveness is typically driven by a broad range of factors that can strongly influence business location decisions, both for new development and expansion. These factors include access to transportation infrastructure, access to labour and employment markets, supply and market choice of land development opportunities, cost structure of

¹ F.S.I. (Floor Space Index) calculated by building G.F.A./net parcel size.

² Further to these trends, many of the parcels within the Montrose Road Industrial Area have been sold and are in the pre-development stage. As these businesses are built, total employment will rise.



the business environment, and quality of life aspects. With the continued shift towards a more knowledge-based economy, the business landscape has been particularly challenging for Ontario's small to mid-sized municipalities, especially as it relates to being competitive with respect to labour force attraction attributes, local infrastructure (e.g. high-speed internet, transportation networks, including high-order transit) and supporting amenities.

As previously discussed, the economic development prospects of Niagara Falls are in many ways tied to the success of the broader regional market. The City of Niagara Falls is a relatively competitive location along the broader Q.E.W. Niagara to Toronto highway corridor in terms of employment land prices, lower industrial property tax rates than the Niagara Region average, non-residential development charges¹ and overall development costs. This, along with the City's proximity to the G.T.H.A., and the U.S. border, provides an important competitive advantage for industrial development. The degree to which Niagara Falls can capitalize on its regional location advantages will depend largely on the quality and quantity of its employment lands to accommodate preferred employment uses.

5.3.1 City of Niagara Falls S.W.O.C. Overview

As a background to Niagara Region's M.C.R. process, an Employment Area Strategy Background Report was prepared which provided a detailed S.W.O.C. analysis for each of the Region's Employment Areas. Building on the results of this analysis, the following will examine the City's position within the broader competitive landscape.

Strengths

- **Location** – Geographically, Niagara Falls is well-positioned to provide unique location-based benefits for employers in terms of access to international trade corridors and major goods movement facilities.
- **Excellent Road, Rail, and Seaway Infrastructure Assets** – The City's extensive road infrastructure connections include the 400-series highway, the

¹ If an industrial development meets the Niagara Region's definition of Industrial Use (as per By-law 2017-98) and can demonstrate the positive economic impact the business will generate in Niagara, then up to 100% of the Regional development charge can be received as a grant.



Q.E.W., and the I-90 corridor that allows access to the eastern U.S. Overall, local businesses can reach upwards of 2,000,000 customers in less than 1 hour's drive. In addition, the Welland Canal is located in Niagara Region and provides a strategic trade corridor via the St. Lawrence Seaway for inter- and intra-regional trade and tourism.

- **Foreign Trade Zone Point** – The Foreign Trade Zone Point enables businesses to receive tariff and tax exemptions with respect to the purchase or importation of raw materials, components, or finished goods. Such materials and goods can generally be stored, processed, or assembled in the G.T.H.A. for re-export (in which case taxes and duties generally would not apply) or for entry into the domestic market, at which time taxes and duties would be deferred until the time of entry.
- **Gateway Economic Zone and Gateway Economic Centre in Niagara** – These areas are distinguished for their unique economic importance to the region and Ontario based on proximity to major international border crossings. There are no other areas in the Province that have these designations.
- **Cluster Development** – Investment attraction and business retention and enhancement initiatives are focused on identified sectors including tourism and hospitality, manufacturing, and manufacturing-related agribusiness.
- **Growing Innovation Ecosystem** – There is currently a growing innovation ecosystem anchored by incubators, accelerators, and innovation support services including Innovative Niagara, Spark Niagara, and the Niagara Falls Ryerson Innovation Hub (NFRIH), among others. The presence and access to educational institutions, including Brock University in St. Catharines and Niagara College in Niagara-on-the-Lake, ensure access to incubation and commercialization, and targeted response to industry needs.

Weaknesses

- **Knowledge Economy Gaps** – A key theme across many City reports (e.g. Economic Diversification Strategy 2018) was the lack of access to knowledge-based workers. This contention is supported by the data, with professional, scientific, and technical service jobs accounting for only 4% of total jobs in 2020



and recording a low location quotient (L.Q.) score of 0.47 when compared to the Province.¹

- **Aging Downtown** – One of the key weakness areas currently for the City is the aging assets in the downtown core and struggling retail sector. The lack of amenities/services has affected tourism growth. In addition, there has been limited private investment which has stifled growth. The area also has an old industrial feel with the northern edge of the downtown being a series of brownfield industrial sites adjacent to the rail line.
- **Gaps within the Regional Public Transit System** – While the Region enjoys strong transportation assets, limited transit options within the City hinder growth. Local businesses are unable to attract workers to their operations, particularly when these workers do not live in proximity to where they work.
- **Continued Decline in Manufacturing Jobs** – Manufacturing sectors jobs across Ontario are at risk of continued automation which may displace portions of the local/regional labour force. This, however, does not necessarily mean a decline in demand for floor space, which has implications for the amount of land and location for this use.

Opportunities

- **Downtown Revitalization** – The City is seeking to address this through the NFRIH which will become part of the Niagara Falls Business Innovation Zone program to support local business and entrepreneurial development. Planned upgrades to the existing VIA Rail station will also improve the visual attractiveness of the area. Additionally, three of the City's historic power plants that were recently retired have been purchased by the Niagara Parks Commission (N.P.C.) and are in the process of redevelopment.
- **Magnet City** – In the City's Economic Diversification Strategy 2018 there is strong mention of positioning the region as a "Magnet City" by attracting more private investment, research grants and public funds and investing in key infrastructure and cultural assets. This vision is a substantial opportunity for the City as it would be a driver of job and population growth.

¹ An L.Q. of 1 would represent a comparable employment concentration to the provincial average.



- **Improved Transit** – The City is improving regional transit options as part of the Growth Plan. For example, in 2019, GO Transit announced the first transit expansion for two trains for weekday service to/from Niagara Falls Metrolink. The design and retrofit of the existing VIA Rail station in downtown Niagara Falls are also underway.
- **Agri-Business** – The City's proximity to agriculture lands within Niagara Region along with Niagara College's Food and Wine Institutes are core strengths. This, along with the City's strength in manufacturing, presents opportunities to support value-added/ancillary uses in agri-business and food processing sectors.
- **Workforce Development** – Focusing on workforce development is a key component of economic development; focus on attracting both skilled workforce capable of participating in the technology-based economy and semi-skilled and low-skilled workforce to service industries.
- **Leveraging Technology-Based Development** – Niagara Falls is well-positioned to capitalize upon advances in technology (e.g. A.I. and Machine Learning) to increase local sector efficiency and attract new technology-focused businesses. Current policy action by the City, such as the establishment of the NFRIH is evidence of the City's willingness to embrace digital transformation.

Constraints

- **Industry 4.0 and Industrial Production** – The rise and rapid adoption of new technologies have resurfaced concerns over technology eliminating jobs. New technologies, however, can also drive innovation and give rise to entirely new industries and economic opportunities. As a result, technology has often helped to produce more jobs than it destroyed. There is an immediate need for the City to broaden its practical knowledge about technology tools and its implications for employment land.
- **Digital Disruption and E-Commerce** – The rise of e-commerce will continue to impact retail real estate, as some chains shrink the size of their store model footprint. Over time, this could translate into fewer retail employees on a floor space basis and less demand for retail overall. This will impact land demand for new retail development and affect retail employment growth rates.
- **COVID-19** – One of the largest short-term constraints facing businesses within the City of Niagara Falls is COVID-19. The forced closure of businesses



nationwide for an extended period of time has devastated the economy, particularly vulnerable sectors such as tourism and retail which rely heavily on in-person trade and form core components of Niagara Falls' local economy. While it is hard to predict the long-term implications of the pandemic on business performance due to the lack of certainty regarding a vaccine, the current limits on travel and the closure of the U.S. border suggest that local businesses face a long road to recovery.

- **U.S.-China Trade Dispute** – The ongoing U.S. and China trade dispute will continue to impact export-oriented industries in Canada.
- **Climate Change** – While not an immediate threat, climate change poses issues to regional agricultural manufacturers as it relates to food security and farming practices which have direct implications to the food and beverage processing industries. Implications on employment land planning are also important as the frequency of severe weather events (e.g. fire, storm, floods) is more likely to occur.

5.3.2 City of Niagara Falls Target Sectors

As per the Niagara Falls 2018 Business Profile, the target sectors for the City include tourism, manufacturing, retail/commercial and the knowledge-based industries. As the City has developed sector profiles, there is a gap in information as to the landscape and business environment for the tourism, retail, and knowledge sectors. The following information presents an overview of the target sectors for Niagara Falls as understood through existing literature and a high-level data analysis. While the following is understood to be the City's target sectors, only certain uses would typically fall within Employment Areas (discussed further in section 5.4).

Tourism Sector

Niagara Region estimates show that tourism spending in the region is over \$2 billion annually and that every \$100 million increase in direct revenue in tourism produces an indirect output of \$69 million.¹ Niagara Falls is a critical part of this revenue generation – the 2018 City of Niagara Falls Economic Diversification Strategy and the 2018

¹ Niagara Canada, Key Sectors Tourism, <https://niagaracanada.com/key-sectors/tourism/>



Niagara Region Tourism Profile estimates that the City welcomes 14 million tourists each year, resulting in an overall tax base of more than 30%.

As of 2018, the sector accounted for 39,995 jobs, an increase of 18% from 6,059 jobs in 2011. This sector is comprised of five core subsectors including accommodation and hospitality (27,270 jobs or 68% of total); arts, entertainment, and recreation (8,974 jobs or 22% of total); beverage manufacturing (2,519 jobs or 6% of total); transportation (828 jobs or 2% of total); and, travel arrangement and recreation services (404 jobs or 1% of total). From a business perspective, there was a total of 2,824 businesses recorded in the sector in 2018, of which 55% had employees. Accommodation and hospitality had the highest concentration of businesses at 63% of the total.

The continued success of the tourism sector is dependent on several factors, as identified in the City's Economic Diversification Strategy. It calls for downtown revitalization and the better leveraging of existing assets (e.g. Meridian Centre in St. Catharines) and increased arts and cultural events. This is of particular relevance, given the current COVID-19 pandemic. Focus should be given to strategic actions which support local tourism operators and enhance existing offerings.

Manufacturing Sector

As per the 2018 Niagara Region Manufacturing sector profile,¹ the manufacturing sector is the fourth largest employment sector for Niagara Region, accounting for 18,791 jobs spread across 1,130 businesses. The sector accounted for \$2.4 billion (14%) of the Niagara Region's total G.D.P. and is forecast to grow at 1.3% (CAGR) annually from 2019 to 2022.

Niagara Falls is well-positioned to capitalize on the strengths of the manufacturing sector. As per the 2019 Canadian Business Counts, a total of 170 manufacturing businesses were registered in the City, of which 91 were businesses with employees. With an L.Q. of 0.84 as a factor of the Province, the sector is well-positioned for growth opportunities. As per the 2018 Economic Diversification Strategy, Niagara Falls has economic specializations in specific manufacturing sub-sectors, including fertilizer and other agricultural chemical manufacturing; fruit and vegetable preserving and specialty

¹ Niagara Region, Niagara Manufacturing Profile, 2018.



food manufacturing; beverage manufacturing, alumina and aluminium production and processing (e.g. castings); resin, synthetic rubber, artificial/synthetic fibers and filaments manufacturing; and, pay and specialty television, petroleum and coal product manufacturing.

Planning for the manufacturing sector should consider the increasing impact of automation of both skills and jobs. Industry 4.0¹ signifies a shift in the type of work and the skills that employees will be required to perform. Advanced manufacturing is evolving and is requiring integrated operations on larger sites in a “campus-style” setting. These integrated facilities often accommodate a combination of office, research and development, warehousing and logistics, and on-site manufacturing. While new technologies have resurfaced concerns over technology eliminating jobs, they help drive innovation and give rise to entirely new industries and economic opportunities. As a result, in the long run, technology has often helped to produce more jobs than it destroyed.

Retail/Commercial

In 2020, the retail sector accounted for 5,470 jobs (11.6% of total jobs) and 628 businesses. The majority of the sector (64% or 399 businesses) had employees and was characterized by a small or medium-sized business (82% had less than 20 employees). Tourism also has a significant impact on the local retail sector which should be considered, but which is mostly concentrated in tourist commercial zoned areas.

A key theme identified within the economic diversification strategy was that the downtown area of the City of Niagara Falls has struggled in recent years to generate and retain retail traffic. Poor public infrastructure in the downtown has limited the City’s ability to attract substantial investment. This has subsequently resulted in limited amenities and services being provided, services which have become staples in most other cities. Additionally, expediting the development of a GO Transit station is an important stage in helping bolster this struggling sector in the coming years alongside solid employment land planning. As technology continues to advance, the retail sector

¹ The Fourth Industrial Revolution through the continued automation of traditional industrial practices through advanced technologies.



will experience ongoing disruptions. The advent of COVID-19 has illustrated the vulnerabilities of physical retail spaces and growing preferences amongst consumers to purchase goods online via e-commerce.

E-commerce has already had a pronounced effect on retail real estate, as some chains shrink the size of their store model footprint through improvements in inventory management reducing storage floor space requirements.

Knowledge-Based Industries

The knowledge-based sector of the City of Niagara Falls is a small, albeit slowly growing sector. As a sector profile has not yet been conducted, insights from EMSI Analysis data 2020 has been used to quantify the sector size and impact on jobs with the professional, scientific and technical services, finance and insurance, and information and cultural industries sectors used to represent the sector. Overall, total jobs accounted for 2,659 or 6% of total jobs, with the professional, scientific, and technical services sector accounting for the majority (68% of jobs). From a business perspective, the knowledge-based industries accounted for 969 businesses (14% of total), with a concentration again within the professional, scientific and technical services sector (55% of businesses).

Niagara Falls' education and occupational profile suggests that the major fields of study including architecture, engineering, and related technologies, business, management, and public administration, and health and related fields with a comparatively lower proportion of the labour force with an education related to STEM fields including mathematics, computer and information sciences, and physical and life sciences and technologies. Niagara Falls' share of the total workforce employed in occupations considered knowledge-based is currently lower than both the Niagara Region and Province. Recent increases in skilled and technology workers across the Province is fuelling growth in the sector as is the commitment by the City towards further developing the innovation ecosystem (e.g. the NFRIH initiative). Key challenges remain, such as putting in place adequate support systems to attract talent and foster local growth, as well as differentiating the City from other key competitors (e.g. Waterloo and Hamilton). Similarly, managing the COVID-19 impacts on knowledge-based industries, particularly regarding their need for office space as they shift towards more online models, is an important consideration.



Observations

While the above target sectors have been identified for the City of Niagara Falls as a whole, not all employment uses within these sectors will be accommodated within Employment Areas. Future and existing Employment Areas in Niagara Falls have the opportunity to accommodate a wide-variety of employment sectors and businesses within a range of building types and forms. In the addition to the above, the City's Employment Areas are expected to experience growth in wholesale trade, construction, utilities, and a broad range of commercial and employment supportive uses in accordance with permitted zoning and land use requirements - this will be further discussed in Phase 2. The degree to which the City of Niagara Falls will facilitate emerging employment uses will be subject to the availability and quality of employment lands and the City's regional competitiveness position.

5.3.3 General Characteristics of Industrial/Business Parks

Industrial/business parks require good access to regional transportation networks, on-site infrastructure including roadways and utilities, a critical mass, and available, zoned, shovel-ready lands. Industrial/business parks are typically located on flat to slightly rolling topography in areas with minimal environmental issues. Roadways within industrial/business parks tend to be laid out in a grid system to optimize circulation and parcel configuration. Parcels are typically square or rectangular in shape to optimize site design. Many of these attributes help to optimize the end-users' speed to market, while minimizing development costs and project risk.

At both the regional and local levels, location requirements of industry can vary considerably depending on the nature of the employment sector/use. Employment sectors typically situated in industrial areas have varying site-specific requirements. To be successful in attracting a broad range of employment sectors, it is recommended that the City's Employment Areas provide the corresponding attributes summarized in Appendix C. The specific attributes that are required for an industrial/business park to be successful are largely based on the intended function and designations. These are discussed in more detail below within the context of general industrial parks, business parks and research and development parks.



General Industrial Parks

Industrial Areas have a more general industrial orientation and accommodate largely industrial uses such as advanced manufacturing, logistics, distribution, and transportation sectors. These areas typically offer the following physical requirements:

- **Access** – Proximity to controlled access highways (i.e. Q.E.W.) is critical for the success of general industrial parks that have a significant degree of manufacturing, warehousing, distribution, and logistics uses. These parks do not necessarily have to be adjacent to a controlled access highway but must be in proximity and easily accessible via major arterials that pass through limited residential or mixed-use commercial area(s);
- **Critical Mass** – Size is vital to ensure a wide selection/flexibility of land options, and parks must include a sufficient supply of large parcels. As a minimum, 80 ha (200 acres) is generally a suitable size for a park, in order to reach the critical mass needed to provide reasonable presence, choice and economies of scale;
- **Location** – The location must provide efficient and effective vehicular access and circulation, particularly for heavy truck traffic, with a minimum of two access points to enter/exit the industrial park;
- **Land-Use Compatibility** – Buffering is important for general industrial parks in order to minimize noise and air pollution to neighbouring residential and other sensitive land uses;
- **Market Choice** – Parcel size and configuration need to be conducive for a wide range of industrial land uses, especially for land-extensive uses such as wholesale trade and transportation; and
- **Competitive Development/Operating Costs** – Land prices must be competitive, given the land-extensive nature associated with many uses in general industrial parks.

Business Parks

A strong employment growth outlook in knowledge-based sectors continues to generate an increasing need to accommodate light industrial and office uses on both employment lands and within commercial, mixed-use areas. In terms of built form, knowledge-based sectors are typically accommodated in multi-tenant and standalone industrial and office buildings. To address the broad needs of the knowledge-based sector, a range of lands



by type, size, and location should be considered. In industrial/business parks, prestige office uses are often positioned at gateway locations (i.e. at major highway interchanges) with direct highway access/exposure as well as strong connectivity to arterial roads. Industrial Areas which are designated as business parks typically have a more prestige character than general industrial parks.¹ The following are characteristics typically associated with prestige employment uses, such as:

- **Access** – Access and exposure/visibility to controlled access highways or major arterial roadways are more critical for business parks, particularly for corporate offices;
- **Critical Mass** – Size is less important to prestige business parks relative to general industrial areas; however, the business park must be generally large enough to foster a sense of place within a well-defined precinct and to allow for on-site amenities;
- **Land-Use Compatibility** – Buffering is often required for prestige business parks located in proximity to general Employment Areas or residential uses. Open space/parkland and recreational trails are also often provided for pedestrian movement and leisure; and
- **Character** – Business parks typically present a more prestigious image, created through higher quality building design, stricter urban design standards (i.e. curb and gutter, streetlighting, buried utilities, stormwater management, etc.) and landscaping requirements to create a campus style setting. Typically, such areas would also impose stricter land-use permission regarding heavy industrial uses and outdoor storage.

According to the City of Niagara Falls Official Plan (O.P.), ancillary office and retail uses are permitted on designated employment lands, as well as standalone corporate and business offices, which are subject to guidelines established in Section 8.4 of the O.P. The City of Niagara Falls' zoning by-law establishes further categorizations of employment land uses by Prestige Industrial Zone; Light Industrial Zones; General

¹ Prestige or light industrial lands typically accommodate a larger share of office employment and a relatively higher share of employment-supportive employment uses when compared to general industrial areas. For these reasons, prestige or light industrial areas often have higher average density levels compared to general industrial areas.



Industrial Zone; Heavy Industrial Zone; and Transportation-Distribution Industrial Zone. Generally, the City's Employment Areas are zoned as Light Industrial, with the Stanley Avenue Business Park zoned as General Industrial, and the Montrose Road Industrial Area as Prestige Industrial. Industrial lands zoned as Prestige Industrial are scattered throughout the City, with a concentration within the Montrose Road Industrial Area that could potentially accommodate employment uses commonly associated with Prestige Business Parks. At the current time, none of the City's Employment Areas or Business Parks possesses the cohesive characteristics to be considered as "Prestige" and can instead be understood as General Industrial Parks, as defined above.

Research and Development Parks

Research parks represent communities of innovation that link industry with government and academia. These parks are typically developed in partnership with key stakeholders such as municipal, provincial, and federal governments, affiliated universities, and economic development agencies. Typically, research and development parks are developed with the objective to attract, accommodate, and facilitate business ventures and investment as well as to create synergies related to the commercialization of research activities. Research and development parks also tend to provide resources (i.e. incubators) to support existing and new business ventures. The City of Niagara Falls is currently planning for a Medical Business Park adjacent to the new community hospital which will function as a medical A.I. research hub.¹ The sizes of research parks in Canada range from a single parcel with one building adjacent to a university to larger standalone campuses. In terms of uses, research parks are comprised primarily of office, institutional, research and development facilities and a limited retail base. Key features of a research park include:

- Large anchor (e.g. university);
- Cluster of firms and organization in the knowledge-based sector;
- Prestige "campus-like" setting for office and light industrial uses;
- Access and exposure to highways and arterial roads, and transportation connectivity;
- Access to skilled and unskilled labour;

¹ City of Niagara Falls Economic Diversification Strategy. June 11, 2018.



- Proximity to markets and related industry clusters;
- Access to on-site amenities and proximity to off-site amenities;
- Availability of office space for lease or purchase;
- Partnership and support with government, organizations, and firms;
- Land area ranging from a single parcel with one building to a large campus with a developable land area of 30 to 50 ha;
- High quality design environment to stimulate creativity and innovation; and
- Availability of supporting infrastructure and resources (i.e. training/research and incubator facilities, synergies with post-secondary institutions).

5.3.4 City of Niagara Falls Employment Areas

The following provides an overview of existing conditions within the City's designated Employment Areas.

5.3.4.1 Stanley Avenue Business Park

The Niagara Falls Stanley Avenue Business Park is comprised of 126 net hectares of developable employment land, with 3.5 net ha (9 net acres) of undeveloped designated vacant employment land remaining. The lands are located in the southeast area of the City, approximately ten minutes from the nearest Q.E.W. exit and the Rainbow Bridge border crossing to the U.S. The City's heavier industrial uses are found here, with a large concentration of employment within the manufacturing sector, followed by a relatively high concentration of employment within the construction and wholesale trade sectors. There are currently three vacant parcels within the park, two of which are constrained by environmental features. As such, new development opportunities within the Stanley Avenue Business Park are minimal. Business retention and increasing employment densities should remain the focus at this park.



Centennial Concrete Niagara Inc., on Progress Street.

Tire Resort at 6160 Don Murie Street.

5.3.4.2 Montrose Road Industrial Area

The Montrose Road Industrial Area is located immediately south of McLeod Road, parallel to the Q.E.W. on both the east and west side. The park is located only a couple of minutes from the nearest Q.E.W. exit and 20 minutes from the Peace Bridge border crossing into Buffalo, New York. Unlike the Stanley Avenue Business Park, border access can be achieved via the Q.E.W., without driving through residential arterial roads. The Montrose Road Industrial Area has facilitated a larger share of the City's development activity over the past five years, accommodating new employment in a number of small to medium-sized businesses within the administrative and support, waste management and remediation services, construction and public administration. Montrose Road Industrial Area consists of 145 net ha (358 net acres) of employment land which is largely developed, with only six vacant parcels remaining which total 6.4 net ha (16 net acres). Five of the remaining parcels are approximately less than 1 hectare in size, with one developable site almost 5 ha. The vacant lands within the Montrose Road Industrial Area are considered to be shovel-ready.



Niagara Falls Nissan on Oakwood Drive.



Premier Trucking Group on Oakwood Drive.

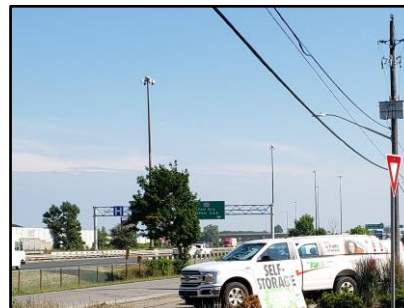
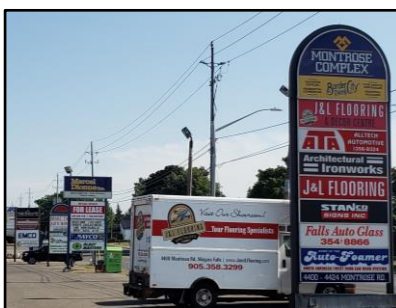


Jellystone Park Camp Resort on Oakwood Drive.



5.3.4.3 Q.E.W./420 Employment Area

The Q.E.W./420 Employment Area is centrally located within the City, in proximity to residential neighbourhoods, with visible exposure to the Q.E.W. This Employment Area is easily accessed to the north from the Q.E.W. and to the south from Highway 420. Approximately 860 jobs exist within this Employment Area, with a concentration of manufacturing (43%) and retail trade (19%). Many of the business establishments in this area are mixed-use, with light manufacturing/warehousing operations combined with a retail storefront. No vacant lots remain here, so planning considerations should be focused on maintaining higher employment densities through leasing, business expansions and redevelopment opportunities.



Roman Cheese Products Ltd., on Montrose Road.

U-Haul on Kent Avenue.

5.3.4.4 North Niagara Falls Secure Storage Employment Area

The North Secure Storage Employment Area is the second largest in the City. Unlike the City's other Employment Areas, the employment land here is quite fragmented by internal roads, rail and hydro lines, and environmental constraints. Approximately 1,000 jobs exist within this Employment Area, without any discernable industry concentration. Employment is mixed between retail trade, health care and social assistance, transportation and warehousing, finance and insurance, and construction. Youngs Insurance Brokers and Lococo's are some of the largest employers in the area, with 140 and 80 employees, respectively. There are 17 vacant parcels (36 net ha) of employment land, accounting for almost 80% of the City's vacant employment land within Employment Areas and approximately 40% of the City-wide vacant employment land supply. There is a range of small-to-large parcels, with a mix of shovel-ready sites. Business attraction to this area may be difficult because of the parcel fragmentation, residential encroachment, location, and lack of vacant parcels.



Lococo's on Victoria Avenue.



Youngs Insurance Brokers on Regional Rd 57.



5.3.4.5 Highway 405 Employment Area

The Highway 405 Employment Area is abutting the north of the City's urban boundary, with direct access to Highway 405. It is located approximately 15 minutes from the Lewiston-Queenston Bridge border crossing to the U.S. It is a relatively small Employment Area with a scattered mix of residential lots and employment uses. Only three businesses exist here according to the Niagara Region 2019 Business Inventory. Of important note, Modern Landfill Inc. and Cotton Inc. are technically located outside the Employment Area to the north and west of Fruitbelt Pkwy. Modern Landfill and Cotton are significant employers within the City, having a staff of 106 and 187, respectively. There are no remaining vacant parcels within the Employment Area.



Cotton Inc., storage area located within the Employment Area, on Fruitbelt Parkway.

5.3.4.6 Q.E.W. Centre Employment Area

Located just north of the Montrose Road Industrial Area, sites within the Q.E.W. Employment Area benefit from proximity to the QEW interchange. Its employment density is the highest in the City at 45 jobs per net hectare (18 jobs per acre) containing approximately 920 jobs. To the left of the Q.E.W. there are more retail/commercial uses, while employment to the right of the Q.E.W. is largely comprised of two nursing



homes employing over 100 persons each. There are no vacant employment lands remaining in this Employment Area.



Stamford Fireplaces on Oakwood Drive.



Battlefield Equipment Rentals (left) and Danceworks (right), on Oakwood Drive.



6893 Oakwood Drive Plaza.

5.3.4.7 *Dorchester Road Employment Area*

The Dorchester Road Employment Area is approximately five minutes from the Q.E.W. This is the City's smallest Employment Area with four businesses employing approximately 160 individuals. The predominant employment use is in manufacturing through Palfinger Inc., which has 122 employees. There are no designated vacant employment lands remaining in the Dorchester Road Employment Area.



WRB Sales & Marketing Inc., on Dorchester Road.



Storage One Self Storage on Dorchester Road.



Palfinger Inc., on Dorchester Road.

5.4 Employment Area Attractiveness

Building on the analysis completed in this chapter, the City's Employment Areas are assessed herein to better understand their potential to accommodate future employment growth. This is summarized in Figure 5-6. Consideration has been given to industry sector attractiveness, including the sectors that the industrial area is best suited to accommodate, and the strength of that area with regard to those sectors.



Qualitative observations are provided and categorized as follows:

- ✓ notes a positive rating of the industrial area with regard to the factor being examined;
- notes a neutral (i.e. neither positive, nor negative) rating of the industrial area with regard to the specific factor; and
- ✗ notes a negative rating for the industrial area with regard to the factor being examined.

Figure 5-6: Employment Area Attractiveness

Employment Area	Vacant Employment Land Supply	Intensification Opportunities	Industry Sector Attractiveness
Stanley Avenue Business Park	<ul style="list-style-type: none"> - Limited opportunities for new development. - Five gross ha of vacant developable land remaining. - Only 1.5 ha considered to be shovel-ready. 	<ul style="list-style-type: none"> ✓ Largest supply of underutilized parcels in the City. Containing 36% of the City's underutilized lands within Employment Areas. ✗ Residential encroachment along Ramsey Road and Kister Road. 	<ul style="list-style-type: none"> - With limited parcels available for development, a significant increase in employment is unlikely. Future efforts can be focused on increasing densities through lease and redevelopment opportunities. - Unlikely to support future employment gains outside of established base sectors – manufacturing, wholesale trade, and construction.
Montrose Road Industrial Area	<ul style="list-style-type: none"> - Opportunities for new development on vacant parcels are becoming constrained, with 11 ha of vacant land remaining in the park. ✓ Approximately two-thirds of the vacant land supply is considered shovel-ready. 	<ul style="list-style-type: none"> ✓ Second largest supply of underutilized parcels in the City. Containing 27% of the City's underutilized lands within Employment Areas. ✓ The Montrose Road Industrial Area also contains the largest share of underutilized lands considered to have “high potential” for 	<ul style="list-style-type: none"> ✓ Diverse employment base exists in the park, with a concentration in administrative and support, waste management and remediation services, construction, public administration, and manufacturing. ✓ Opportunity for new knowledge-based development. Concentrix currently provides 400 knowledge-based jobs within the business park.



Employment Area	Vacant Employment Land Supply	Intensification Opportunities	Industry Sector Attractiveness
	<ul style="list-style-type: none"> Many of the vacant parcels will likely be developed by 2021. 	<p>redevelopment and expansion.</p>	
Q.E.W./420 Employment Area	<ul style="list-style-type: none"> No vacant parcels remaining. 	<ul style="list-style-type: none"> Approximately 9 ha of underutilized lands have been identified across 6 parcels. Two-thirds of the underutilized land supply can be considered to have a “high potential” for redevelopment, representing the second largest share of “high potential” Employment Area intensification opportunities. 	<ul style="list-style-type: none"> A strong concentration of employment within the manufacturing sector currently exists in the Employment Area. Retail trade represents the second largest source of employment, with all other forms of employment minimally dispersed throughout. With no vacant land remaining, future increases in employment densities will likely be achieved through the expansion of currently existing businesses. The employment makeup of this Employment Area is expected to remain the same.
North Secure Storage Employment Area	<ul style="list-style-type: none"> Sufficient vacant land supply of 43 gross ha, with a mix of parcel sizes. Almost 80% of the vacant supply considered as shovel-ready, representing a majority of the City’s shovel-ready supply. 	<ul style="list-style-type: none"> Minimal intensification opportunities currently exist. Four parcels identified as underutilized, all considered to have “low potential.” Residential encroachment and no direct highway access without utilizing residential streets. 	<ul style="list-style-type: none"> Large vacant parcels to the north of the Employment Area available for a wider range of potential industrial uses. Parcel fragmentation leads to a lack of “campus-like” setting. Supportive of more standalone uses. Diverse employment base, with no discernable industry concentration existing. Opportunity for potential office/knowledge-based uses, such as Youngs Insurance Brokers Inc., which currently employs 140 individuals. Tourist uses adjacent to Employment Area along the Niagara Parkway. Businesses such as Great Wolf Lodge and Niagara Helicopters Ltd.,



Employment Area	Vacant Employment Land Supply	Intensification Opportunities	Industry Sector Attractiveness
			currently function to the east of the Employment Area.
Highway 405 Employment Area	<ul style="list-style-type: none"> ✗ No vacant land remaining. 	<ul style="list-style-type: none"> ✓ Intensification opportunities exist in the Employment Area. Eight underutilized parcels exist, with a range of development potential. ✗ Residential lots are scattered throughout the Employment Area. 	<ul style="list-style-type: none"> ✗ Heavier industrial uses currently exist with Modern Landfill Inc. and Cotton Inc. located directly to the west of the Employment Area. Together these companies employ 106 and 187 staff in the waste management and construction sectors, respectively. ✗ Outside of the above two companies, less than ten jobs exist in the Employment Area according to the Niagara Region 2019 Business Directory. ✗ If intensification opportunities arise, industrial uses can be accommodated with immediate access to Highway 405 and the close distance to the Lewiston-Queenston Bridge.
Q.E.W. Centre Employment Area	<ul style="list-style-type: none"> ✗ No vacant parcels available for development. 	<ul style="list-style-type: none"> ✗ Intensification opportunities exist to the east of the Q.E.W. ✗ Four ha of underutilized lands, with “low” to “high” potential. 	<ul style="list-style-type: none"> ✗ Future redevelopment opportunities would best accommodate manufacturing and construction uses, considering the current employment base. ✗ Large base within the health care and social assistance sector, generated by nursing home employment. ✓ Highway exposure and close proximity to retail amenities on McLeod Road.
Dorchester Road	<ul style="list-style-type: none"> ✗ No vacant parcels remaining. 	<ul style="list-style-type: none"> ✗ One potential underutilized site on 	<ul style="list-style-type: none"> ✗ Redevelopment opportunities would best accommodate manufacturing



Employment Area	Vacant Employment Land Supply	Intensification Opportunities	Industry Sector Attractiveness
Employment Area		Quantum Niagara Gymnastics property.	and construction uses, considering the current employment base.

5.5 Key Stakeholder Interviews

Key stakeholders were interviewed to better understand the current state of the City's employment lands in terms of their market supply potential, relative strengths and weaknesses by geographic location, and overall market competitiveness. These interviews also provided the ground insight in developing a cohesive vision related to the City's Employment Areas and, more broadly, future local economic opportunities.

The Consultant Team worked with City staff to develop a list of stakeholders to interview, with the goal being to obtain a cross-section of stakeholders across different industry sectors and organizations that would provide local insight into the City's existing economy and emerging industries. Key stakeholders interviewed include Regional staff, City staff and departments, industrial brokers, and local industrial-based employers. Stakeholders were contacted and invited to participate in telephone interviews with the Consultant Team in the spring of 2020.

The key takeaways from these interviews are as summarized below:

- **There was overall agreement that the City is well-positioned to attract economic activity and improve its competitiveness in the long term; however, it was expressed that a lack of vacant, shovel-ready employment land is preventing successful attraction efforts.** Stakeholders expressed that the City needs more vacant employment land that is not environmentally constrained, has municipal servicing, and is not suffering from residential encroachment. The City's employment lands are expensive to service and parcels that are not shovel-ready are far less desirable to outside developers. Stakeholders also expressed concerns regarding residential encroachment making the City's employment lands less desirable. Potential manufacturing companies do not want to commute through the City's residential areas or absorb



the potential risk associated with paying for land-use compatibility mitigation measures (e.g. conducting noise audits or building retaining walls).

- **Stakeholders generally agreed that there is demand for employment land in Niagara Falls, following a “build it and they will come” mentality.** Previous success marketing the Montrose Road Industrial Area employment lands points to the City’s ability to capture developer demand, and the relocation of small to medium-sized G.T.H.A. companies. The City is poised to capture G.T.H.A., industrial developers looking outwards for vacant, serviced employment land, yet Hamilton is currently absorbing most of this outward pressure. Stakeholders have claimed that G.T.H.A. developers are cautious to purchase land in Niagara Falls, preferring leasing opportunities because of the reduced risk – this may change as Hamilton’s available industrial supply slowly becomes absorbed. With Niagara Falls industrial lease rates not significantly cheaper than the G.T.H.A., the City will have a difficult time attracting this outward industrial pressure.
 - Some stakeholders viewed the City’s proximity to the U.S. border as a strategic advantage in attracting developer demand, while others viewed this as an overstated growth driver.
 - Stakeholders discussed that competition to attract development exists within the Niagara Region. The City has recently lost industrial interest to Welland and Thorold where there is a perception of greater supply and larger parcel sizes.
- **In order to capitalize on the above characteristics and avoid missed opportunities in attracting businesses and emerging industries, there is a consistent need for varied types of Employment Areas (e.g. size, location, configuration, amenities, etc.), but more specifically there is a need for large, serviced, and developable Employment Areas.** Stakeholders expressed that there is an overall challenge to attract new businesses and encourage existing businesses to scale-up because of limited market supply of Employment Areas in the City. Overall, stakeholders agreed that in the absence of varied types of Employment Areas, the City’s market supply potential and attractiveness can become strained. It also has the potential to limit the types of sectors that the City and Niagara Region could support and/or pursue. This is concerning given the changing nature of employment and need to capitalize on emerging knowledge-based and services-producing sectors in the near term.



- The development of a new Employment Area south of the City's urban boundary was a consistent suggestion from stakeholders.
- **The final key theme discussed among stakeholders focused on the types of employment the City can attract through its Employment Areas as well as the nature of industrial parcels required to accommodate these target industries.** Stakeholders discussed Niagara Falls' previous success in attracting food-related industries to the City. There has been a dedicated effort to move away from low-density employment uses, such as logistics operations, towards knowledge-based employment. The development of a potential medical business park adjacent to the City's new hospital is an example of the desired employment land uses moving forward. The City's supply of vacant employment land is not currently supportive of new operations within such industries, because smaller parcel sizes cannot support operations with long-term expansion visions. While some stakeholders expressed the need for larger parcel sizes, others referenced past business attraction to the Montrose Road Industrial Area, where parcel sizes had to be reduced to accommodate developer demand.

5.6 Observations

The City faces a number of opportunities and challenges with respect to the management and growth of its existing and future Employment Areas in light of the evolving structural changes in the economy and disruptive factors which continue to influence the nature of the economy. One of these challenges relates to macro-economic trends over which the City has limited control. This includes the relative strength of the global economy, international trade policy and the competitiveness of the Canadian economic base relative to other established and emerging global markets.

In contrast to the above, Niagara Falls has considerable control and ability to position itself in a positive manner when considering the City's regional competitive ranking. A major factor for the future competitiveness of the City's economic base relates to the structure, quality, and "readiness" of its employment lands. Over the next several decades the City's employment base is anticipated to steadily grow across a broad range of export-based and population serving employment sectors – growth within knowledge-based sectors will be an attraction effort for the City. The City, however, will be competing to attract and retain these sectors with other municipalities across the



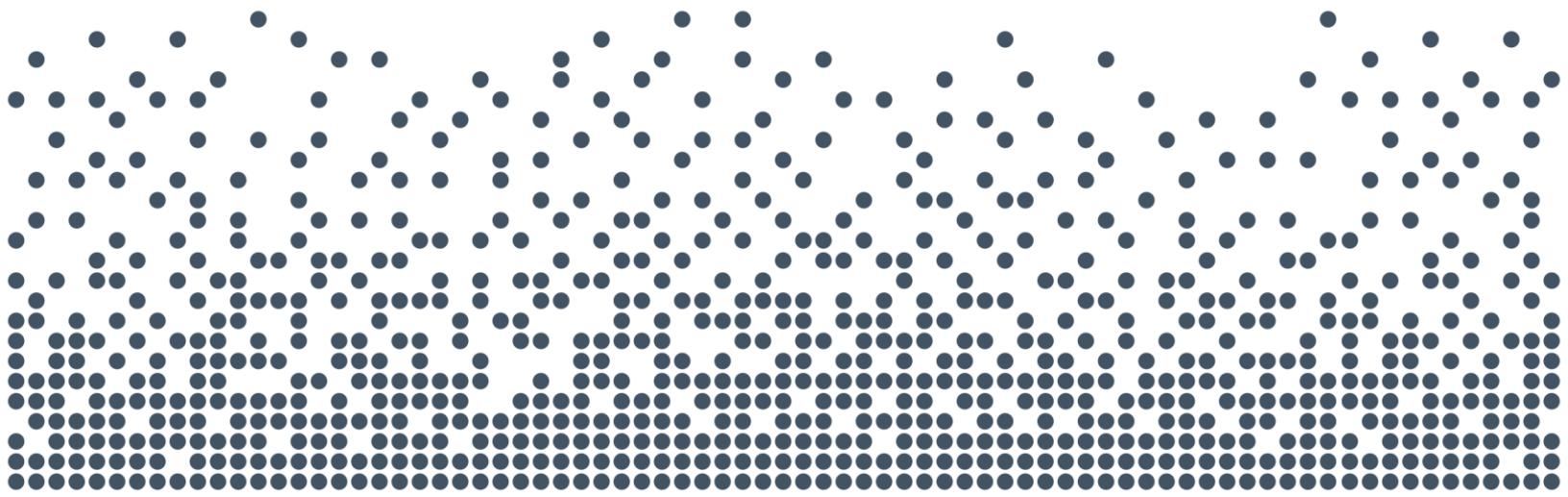
G.G.H. and beyond. To accommodate the steadily growing economic base within Niagara Falls, the City's land-use planning policies must anticipate the evolving nature of the local and regional economies and reflect the diverse needs of industry and businesses of all sizes over the long term. To ensure the long-term competitiveness, growth, and diversity of the City's economy, planning and marketing efforts must be geared toward the broader strengths of the City and its communities, specific target sector investment attraction efforts, and an adequate supply of quality, shovel-ready lands within Employment Areas.

The supply of vacant employment land within the City of Niagara Falls is diminishing, with 95 gross ha (235 acres) remaining. Almost two-thirds of the vacant land supply is located within Employment Areas, with the remaining land spread throughout the Niagara Falls urban boundary. While there are opportunities within the City for intensification, the availability of future land uses is subject to speculation and is not necessarily a reliable indicator of readily developable land supply. As such, focus should be given to the vacant employment land within the City considered to be shovel-ready – of the total vacant land supply, 60 gross ha can be considered shovel-ready. As Chapter 5 has demonstrated, a majority of this shovel-ready land exists within the North Niagara Falls Secure Storage Employment Area. The Stanley Avenue Business Park is nearly built-out due to environmental constraints and the Montrose Road Industrial Area will likely be approaching buildout in the next few years. As such, business attraction efforts within the City's Employment Areas will be focused toward the North Niagara Falls Secure Storage Employment Area. The age of this Employment Area and the vacant land supply remaining is indicative of business attracting efforts proving difficult. As discussed, many of the parcels within this Employment Area are fragmented, suffer from residential encroachment, and do not offer direct Q.E.W. exposure. The availability of shovel-ready land outside this Employment Area is dwindling.

Having a sufficient supply of shovel-ready lots is vital in attracting new business operations to the City. Stakeholders expressed the importance of this shovel-ready land, as well as the need for a range of different parcel sizes to attract different industry types, employment lands that are not compromised by residential encroachment, and parcels that are located with direct Q.E.W. access. As the supply of vacant, shovel-



ready supply continues to shrink, attracting target employment sectors to the City will become an increasingly more difficult task.



Appendices



Appendix A

City of Niagara Falls

Employment and Demographic Trends



Appendix A: City of Niagara Falls Employment and Demographic Trends

Employment Trends and Industry Cluster Trends

This section examines the employment base and growth trends for the City of Niagara Falls in relation to Niagara Region and the Province of Ontario.

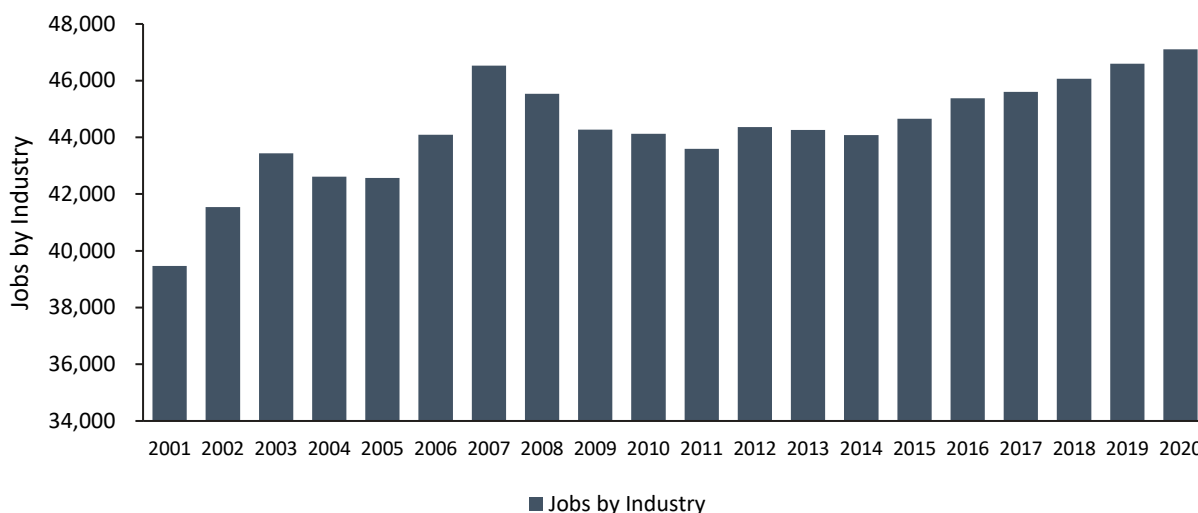
City of Niagara Falls Employment Trends

Figure A-1 shows the total number of jobs (self-employed and employees) by industry for the City of Niagara Falls from 2001 to 2020. Key observations include the following:

- In 2020, Niagara Falls had an employment base of 47,103 jobs, including both self-employed and employees of local businesses. The City accounted for 22% of all jobs in Niagara Region (217,731 jobs);
- Jobs in the City grew from 39,467 in 2001 to 47,103 jobs in 2020, a net increase of 7,636 or 19.3%; and
- After experiencing a decline in 2004, jobs in the City grew until 2007 where it peaked at 46,529 jobs, after which jobs declined coinciding with the onset of the 2008/2009 global economic recession and post-recession impacts that resulted in a decline in jobs until 2011.



Figure A-1
Total Jobs, Self-employed and Employed, City of Niagara Falls, 2001 to 2020



Source: EMSI Analyst, 2020.

Niagara Falls has a diverse industrial base, as shown in Figure A-2. The largest sector is accommodation and food services, accounting for 27% of all jobs. This is not surprising given the importance of the tourism sector to the City. Other top sectors include retail trade, and arts, entertainment, and recreation, making up 11.6% and 9.8% of all jobs in the City, respectively. Combined, these three sectors make up 49% of all jobs in the City and form important components of the tourism sector, which is a target sector for the City.

Other sectors of importance include health care and construction, which are generally population-related employment based. Manufacturing is also an important sector, accounting for 5.7% of all jobs in the City.



Figure A-2
City of Niagara Falls Jobs by Sector, 2020

Industry (NAICS)	Jobs	% of Total
Total Jobs	47,103	100.0%
Accommodation and food services	12,758	27.1%
Retail trade	5,470	11.6%
Arts, entertainment, and recreation	4,631	9.8%
Health care and social assistance	4,084	8.7%
Construction	3,127	6.6%
Administrative and support, waste management and remediation services	2,708	5.7%
Manufacturing	2,684	5.7%
Other services (except public administration)	1,919	4.1%
Professional, scientific, and technical services	1,802	3.8%
Public administration	1,647	3.5%
Transportation and warehousing	1,628	3.5%
Wholesale trade	1,461	3.1%
Educational services	1,272	2.7%
Finance and insurance	569	1.2%
Real estate and rental and leasing	515	1.1%
Information and cultural industries	289	0.6%
Utilities	287	0.6%
Agriculture, forestry, fishing, and hunting	164	0.3%
Mining, quarrying, and oil and gas extraction	54	0.1%
Management of companies and enterprises	33	0.1%

Source: EMSI Analyst, 2020.

Figure A-3 shows the concentration of jobs in the City of Niagara Falls relative to Niagara Region and the Province. The strength of the business and industrial sectors was measured using the location quotient (L.Q.). Key observations include the following:

- Niagara Falls' economy is largely oriented towards the tourism, cultural and support services, including arts, entertainment, and recreation, accommodation and food services, and retail trade;
- Compared to the Province, Niagara Falls has a relatively low concentration of employment (L.Q. below 0.50) in several key sectors, including finance and insurance, information and cultural industries, educational services, and professional, scientific, and technical services (P.S.T.S.). These sectors are

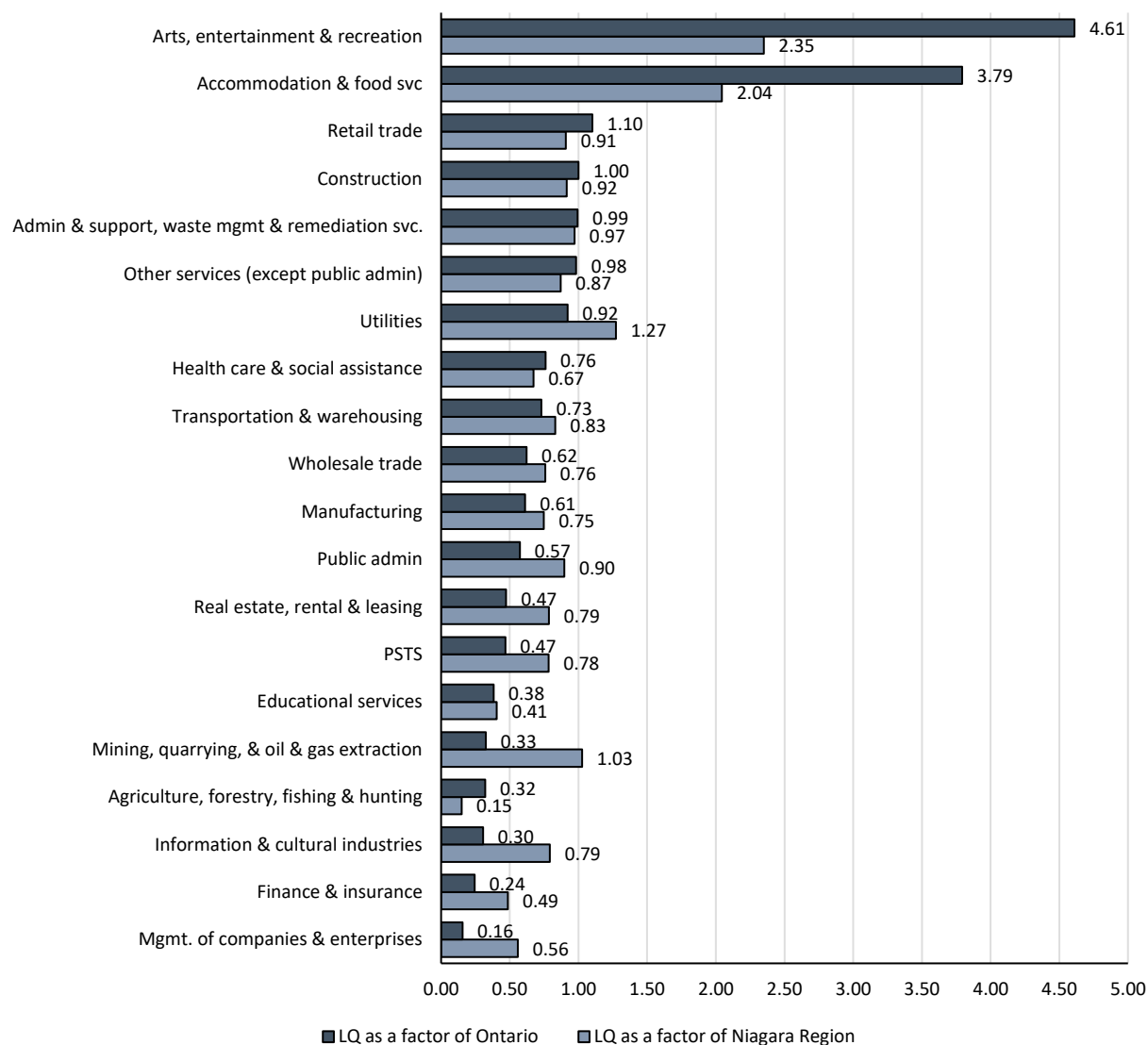


important components of the knowledge economy for the G.T.H.A. The City could focus on putting adequate support systems in place to attract talent and foster local growth;

- While manufacturing is a target sector for the City, the sector shows a low concentration of jobs with an L.Q. of 0.61 as a factor of the Province and 0.75 as a factor of Niagara Region. It is understood that the increased automation of skills and jobs is one of the most prominent threats facing the local manufacturing sector. While the degree of automation is unknown, technology needs will continue to impact manufacturing labour needs and employment land requirements.



Figure A-3
City of Niagara Falls Jobs Location Quotient Relative to Niagara Region & Ontario,
2020



Source: EMSI Analyst, 2020.

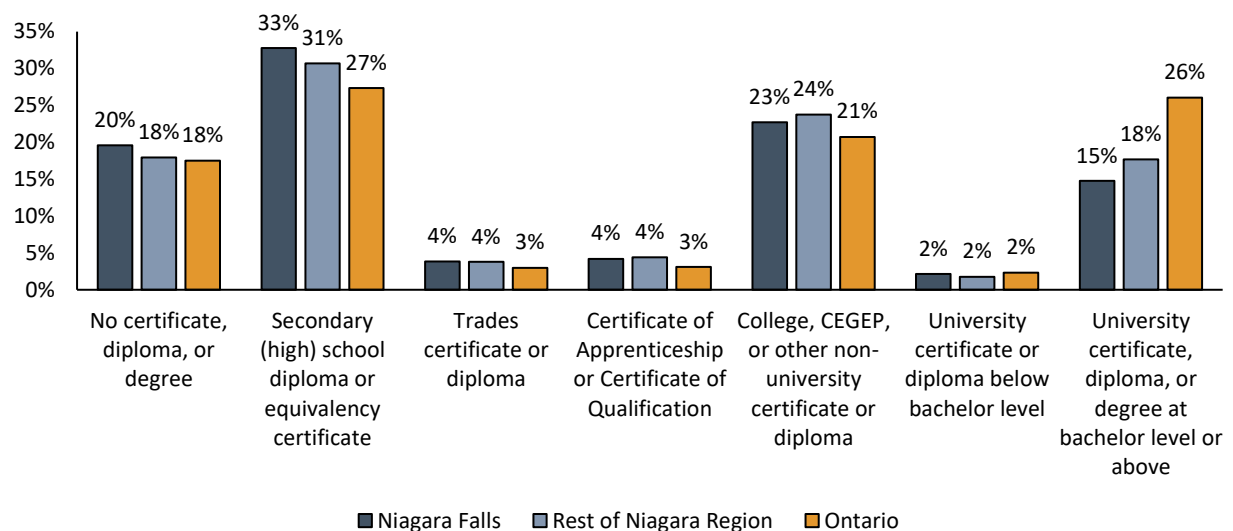
Educational Attainment and Occupation

In 2020, 18% of the Niagara Falls labour force had no certificate, diploma, or degree, similar to that of the rest of Niagara Region. The City has a higher share of the labour force with a high school diploma at 33% compared to the Province at 27%. The share



of people with a college, CEGEP, or non-university diploma or degree is also comparable to the rest of Niagara Region and the Province. Niagara Falls, however, has a comparatively low proportion of the labour force with a university certificate, diploma, or degree at a bachelor level or above at 15% compared to the Province at 26%.

Figure A-5
City of Niagara Falls Educational Attainment, 2020

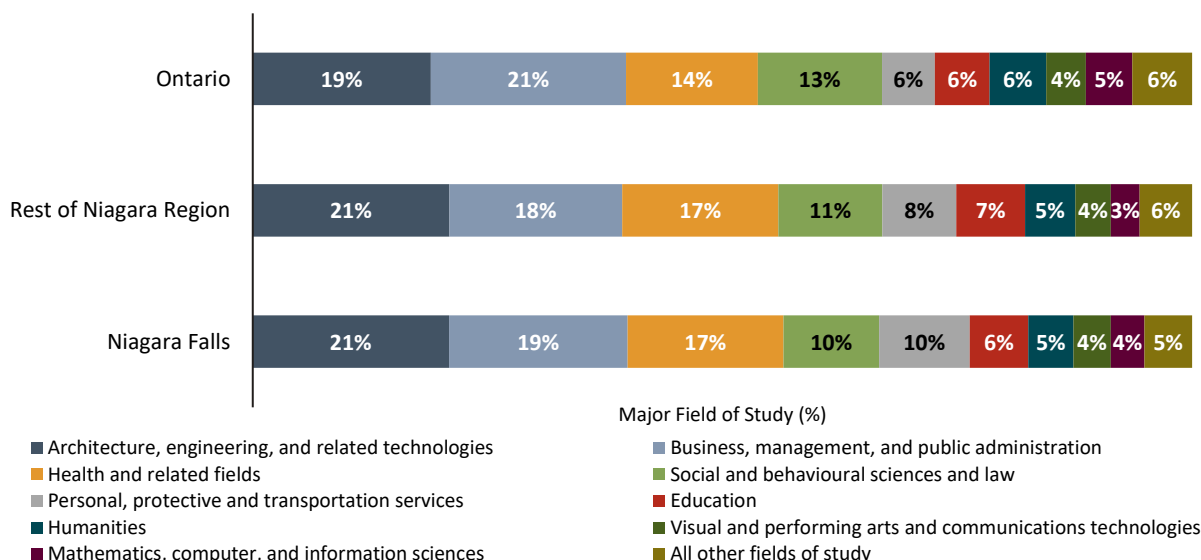


Source: Manifold Data Mining, 2020.

Architecture, engineering, and related technologies, business, management, and public administration, and health and related fields are the major fields of study for Niagara Falls (Figure A-6). Niagara Falls has a comparatively lower proportion of the labour force with education related to STEM fields including mathematics, computer and information sciences, and physical and life sciences and technologies. A similar trend is seen across the rest of Niagara Region and Ontario.



Figure A-6
City of Niagara Falls Education by Major Field of Study, 2020



Source: Manifold Data Mining, 2020.

Business Environment and Structure

Statistics Canada's Canadian Business Counts data provides a record of business establishments by industry and size, collected from the Canada Revenue Agency (C.R.A.), and is an effective indicator of economic performance over time. The data collected for Niagara Falls includes all local businesses that meet at least one of the three criteria below:

- Have an employee workforce for which they submit payroll remittances to C.R.A.; or
- Have a minimum of \$30,000 in annual sales revenue; or
- Are incorporated under a federal or provincial act and have filed a federal corporate income tax form within the past three years.

The Canadian Business Counts Data records business counts by "Total," "Indeterminate," and "Subtotal" categories. The establishments in the "Indeterminate" category include the self-employed (i.e. those who do not maintain an employee payroll but may have a workforce consisting of contracted workers, family members, or business owners). It should be noted that the Canadian Business Counts Data uses the C.R.A. as a primary resource in establishment counts; therefore, businesses without a



business number or indicating annual sales less than \$30,000 are not included. The population of these small, unincorporated businesses is thought to be in the range of 600,000 in all of Canada.

Current Business Structure

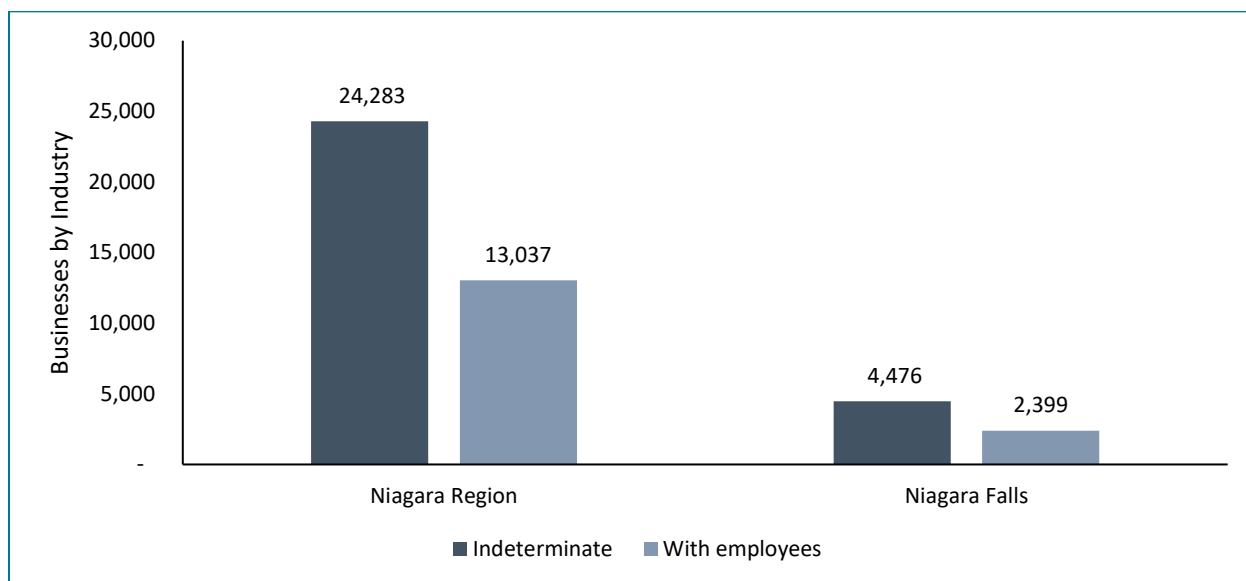
A detailed review of the business counts data provides an understanding of the key characteristics that define Niagara Falls' business community. When combined with the broader industry analysis, the business counts will assist in understanding the key industry opportunities for City and associated employment land implications.

As of December 2019, a total of 7,506 businesses were registered in Niagara Falls. These include businesses classified by industry (6,875 businesses) and those unclassified (631 businesses). Figure A-7 shows the total businesses classified by industry in the City of Niagara Falls and Niagara Region. Key observations include the following:

- Of the 6,875 businesses classified by industry, the majority were self-employed establishments (65% or 4,476 businesses) while the remaining were businesses with employees (35% or 2,399 businesses); and
- Niagara Falls accounted for 18% of all businesses by industry in Niagara Region (37,320 businesses).



Figure A-7
Total Businesses by Industry, Niagara Region, and the City of Niagara Falls, 2019



Source: Canadian Business Counts, 2020

As shown in Figure A-8, of the 2,399 businesses with employees, the majority are small businesses employing between one and nine employees (24% of total businesses by industry). The City is also a centre for large business establishments with approximately 71 businesses, employing at least 100 employees.

Figure A-8
Business by Size, Niagara Falls, 2019

Total Businesses by Industry (2019)	Without employees	Total, with employees							
		1-4	5-9	10-19	20-49	50-99	100-199	200-499	500 +
6,875	4,476	1,115	503	333	248	129	41	23	7
100%	65%	16%	7%	5%	4%	1.9%	0.6%	0.3%	0.1%

Source: Canadian Business Counts, 2020

Business Structure by Sector

Figure A-9 illustrates the business counts by industry sector and the proportion of businesses by self-employed and employee-based establishments.



The following sectors exhibited the highest proportion of business establishments by industry in 2019. These include sole-proprietorships and businesses with employees:

- Real estate and rental and leasing – 1,641 businesses (24% of total);
- Construction – 740 businesses (11% of total); and
- Retail trade – 628 businesses (9% of total).

The sectors with the highest number of sole proprietors in 2019 were:

- Real estate and rental and leasing – 1,531 businesses (34% of total without employees);
- Construction – 484 businesses (11% of total without employees); and
- Professional, scientific, and technical services – 362 businesses (8% of total without employees).

Analyzing businesses with employees, it was determined that top industry sectors in 2019 were:

- Retail trade – 399 businesses (17% of total with employees);
- Accommodation and food services – 394 businesses (16% of total with employees); and
- Construction – 256 businesses (11% of total with employees).



Figure A-9
Businesses by Industry Sector (NAICS), Niagara Falls, 2019

Businesses by Industry Sector (NAICS)	Total		Without employees		Total, with employees	
	Counts	% of Total	Counts	% of Total	Counts	% of Total
Total	6,875	100%	4,476	100%	2,399	100%
Agriculture, forestry, fishing, and hunting	36	0.5%	28	0.6%	8	0.3%
Mining, quarrying, and oil and gas extraction	6	0.1%	3	0.1%	3	0.1%
Utilities	8	0.1%	6	0.1%	2	0.1%
Construction	740	10.8%	484	10.8%	256	10.7%
Manufacturing	170	2.5%	79	1.8%	91	3.8%
Wholesale trade	159	2.3%	78	1.7%	81	3.4%
Retail trade	628	9.1%	229	5.1%	399	16.6%
Transportation and warehousing	408	5.9%	299	6.7%	109	4.5%
Information and cultural industries	73	1.1%	48	1.1%	25	1.0%
Finance and insurance	356	5.2%	267	6.0%	89	3.7%
Real estate and rental and leasing	1,641	23.9%	1,531	34.2%	110	4.6%
Professional, scientific, and technical services	540	7.9%	362	8.1%	178	7.4%
Management of companies and enterprises	49	0.7%	41	0.9%	8	0.3%
Admin & support, waste mgmt. & remediation	271	3.9%	170	3.8%	101	4.2%
Educational services	56	0.8%	43	1.0%	13	0.5%
Health care and social assistance	455	6.6%	211	4.7%	244	10.2%
Arts, entertainment, and recreation	156	2.3%	85	1.9%	71	3.0%
Accommodation and food services	579	8.4%	185	4.1%	394	16.4%
Other services (except public administration)	542	7.9%	327	7.3%	215	9.0%
Public administration	2	0.0%	-	0.0%	2	0.1%

Source: Canadian Business Counts, 2020

The business L.Q. profile details the concentration of businesses across all sectors for the City of Niagara Falls. The analysis benchmarks the City's business sectors to the Region and the Province of Ontario. The key findings are listed below:

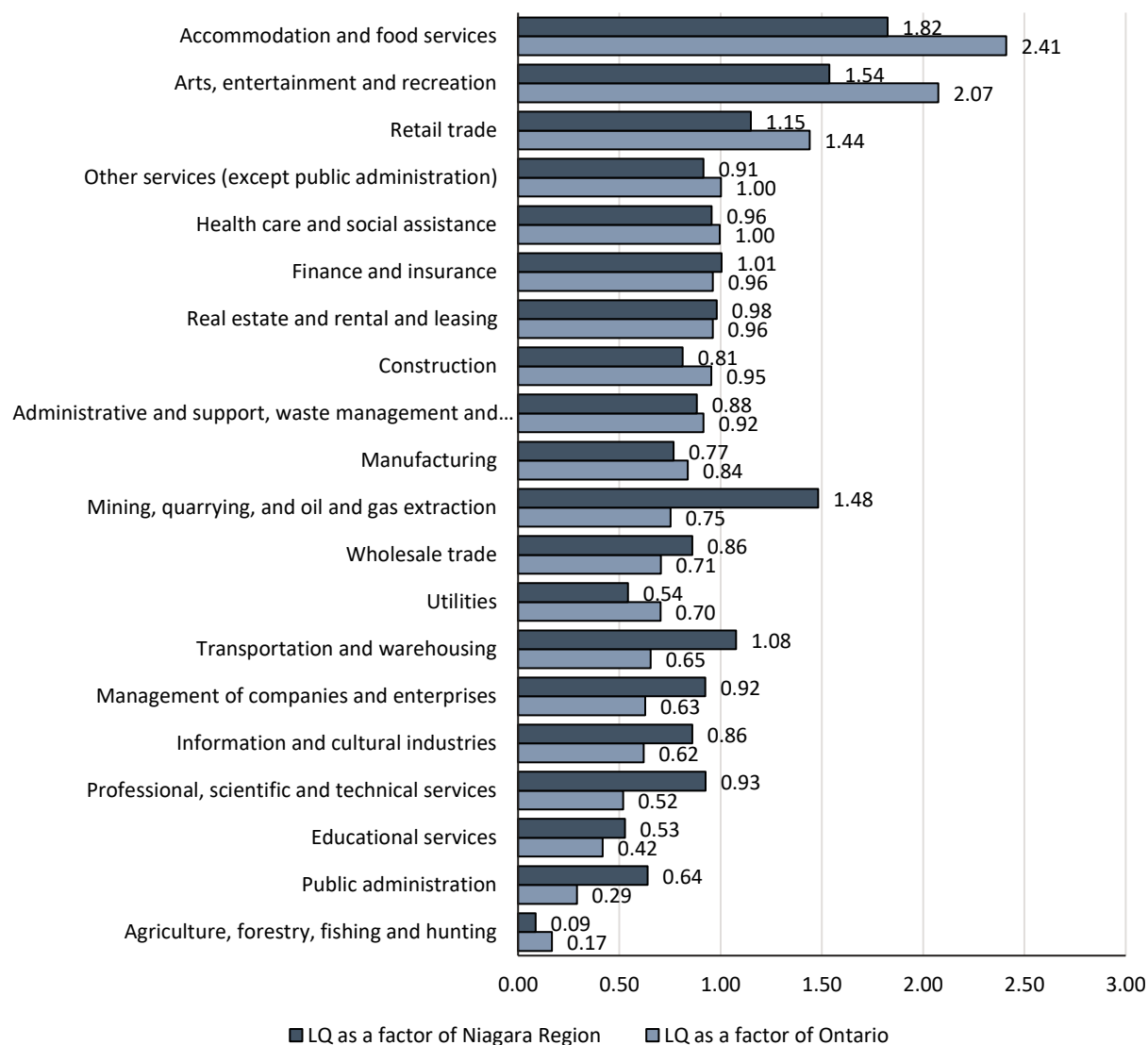
- Accommodation and food services with an L.Q. of 2.74 indicates that the City of Niagara Falls has a proportionately “high” concentration of businesses in that industry compared to the Province. Similarly, when compared to Niagara Region, it shows an L.Q. of 1.79, indicating a high concentration. This is consistent with the findings indicated in the jobs L.Q. analysis above.



- Other sectors of comparative strength, when compared to the Province, include retail trade (L.Q. of 1.39), arts, entertainment, and recreation (L.Q. of 1.30) and other services (except public administration) (L.Q. of 1.18). It is noted that these sectors, along with accommodation and food services, form core components of the tourism sector which is a driving force in the local economy and had been a core economic development focus across recent years.
- Sectors that are “on par” with the Province include construction (L.Q. of 1.09) and real estate and rental leasing.
- Conversely, notable sectors of comparative weakness when compared to Niagara Region and the Province include educational services (L.Q. of 0.67) and professional, scientific, and technical services (L.Q. of 0.57). These are areas that the City of Niagara Falls has indicated in their 2018 Economic Development Strategy as priorities for growth.
- Note, the high L.Q. reading of 1.42 when compared to Niagara Region for the mining and oil gas extraction sector is due to extremely low business counts and should not be misinterpreted for a sector of strength.



Figure A-10
City of Niagara Falls Business Location Quotient Relative to Niagara Region & Ontario,
2020



Source: Canadian Business Counts, 2020



Appendix B

Historical Non-Residential Development Activity in the City of Niagara Falls



Appendix B: Historical Non-Residential Development Activity in the City of Niagara Falls

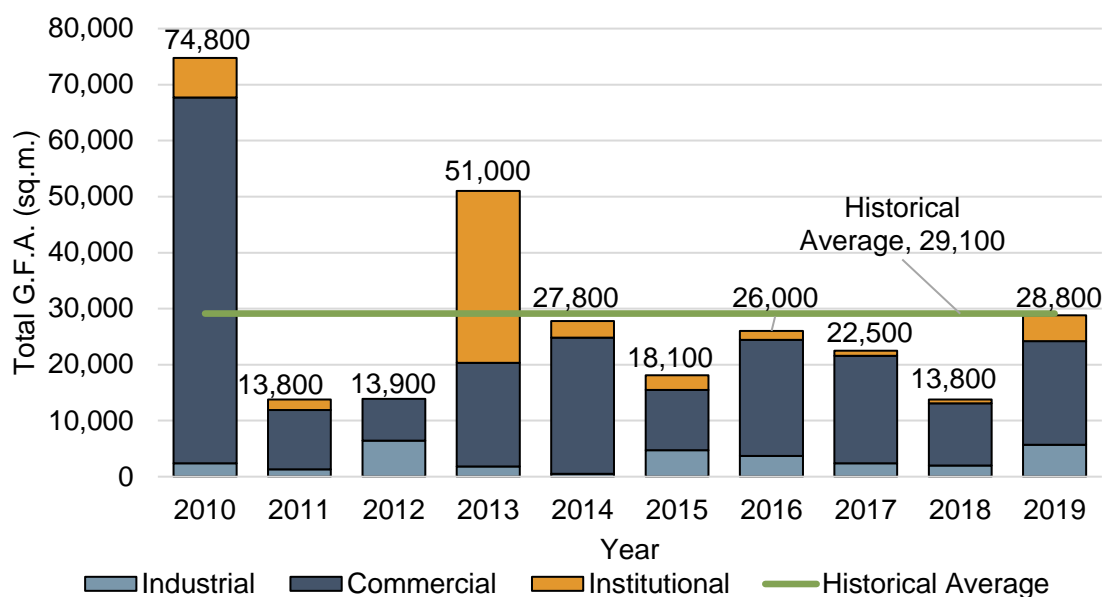
Historical Non-Residential Building Permit Activity by Industrial-Commercial-Institutional (I.C.I.), 2010 to 2019

Figure B-1 summarizes non-residential building construction by industrial, commercial, and institutional sector (I.C.I.) for the City of Niagara Falls during the 2010 to 2019 period expressed in G.F.A. (gross floor area) (sq.m).

- The City of Niagara Falls has averaged 29,100 sq.m (312,800 sq.ft.) of non-residential building activity annually over the 2010 to 2019 period. Construction of commercial buildings accounted for 71% of recent non-residential activity, while construction activity related to industrial development accounted for 11%;
- Roughly half of all industrial building permit activity occurred outside the City's Employment Areas. A large share of this building permit activity outside Employment Areas was located at Garner Road Cytec Canada, Inc., in 2012;
- Over half (59% of G.F.A.) the non-residential building activity has been accounted through the construction of new buildings; and
- Only 8% of G.F.A. associated with addition/expansions to existing buildings has occurred within the industrial sector. The commercial sector accounted for a majority of the G.F.A. expansions within the City.



Figure B-1
Annual G.F.A. Development Activity (sq.m.) by I.C.I. Sectors, 2010 to 2019



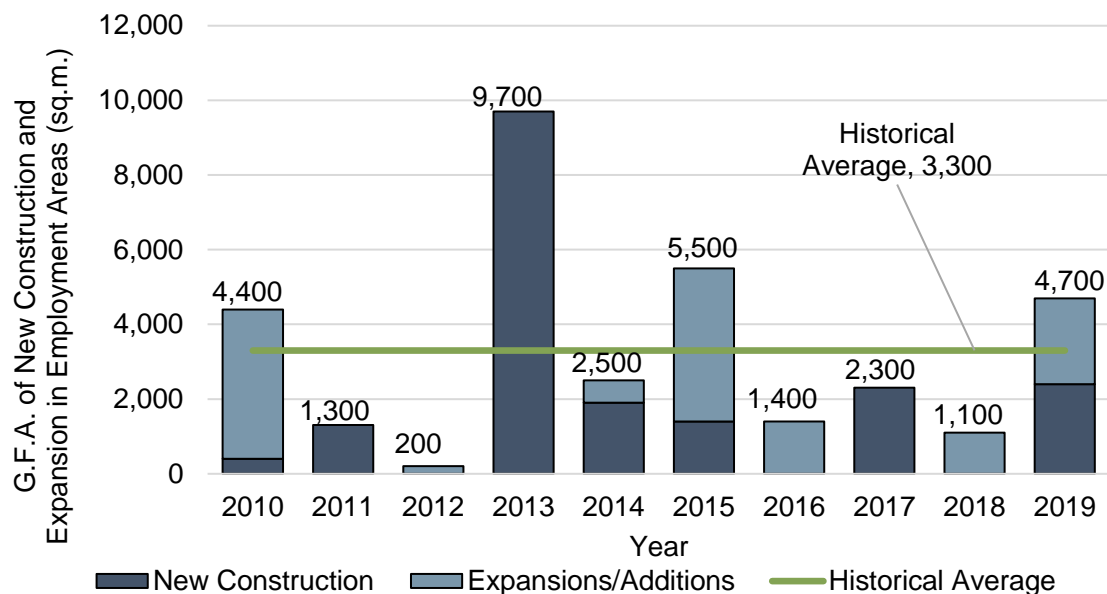
Source: Derived from City of Niagara Falls building permits, 2010 to 2019, by Watson & Associates Economists Ltd., 2020.

Figure B-2 summarizes non-residential building construction in Employment Areas throughout Niagara Falls during the 2010 to 2019 period, expressed in G.F.A. (sq.m.). As shown, the City's Employment Areas have averaged 3,300 sq.m (35,500 sq.ft.) annually in non-residential building activity over the 2010 to 2019 period, which accounts for only 11% of City-wide non-residential development activity. Roughly half the non-residential development activity within the industrial sector occurred within the City's Employment Areas. Construction activity in Employment Areas has been dominated by new construction, accounting for 59% of building construction activity.

Major expansions and new construction activity in the City's Employment Areas over the 2010 to 2019 period have largely occurred within the Montrose Road Industrial Area and the Niagara Falls Q.E.W./420 Employment Area. Together, these lands accounted for 70% of all G.F.A. development on Employment Areas. The Stanley Avenue Business Park accounted for 14% of G.F.A. growth, with the remaining Employment Areas facilitating minimal development. Industrial development patterns similarly occurred primarily in the Stanley Avenue Business Park, the Niagara Falls Q.E.W./420 Employment Area, and the Montrose Road Industrial Area.



Figure B-2
City of Niagara Falls
Annual G.F.A. Development Activity (sq.m.) in Employment Areas, 2010 to 2019



Source: Derived from City of Niagara Falls building permits, 2010 to 2019, by Watson & Associates Economists Ltd., 2020.



Appendix C

Industry Sector Requirements



Appendix C: Industry Sector Requirements

At both the regional and local levels, location requirements of industry can vary considerably depending on the nature of the employment sector/use. Employment sectors typically situated in industrial areas have varying site-specific requirements. To be successful in attracting a broad range of employment sectors, it is recommended that the City's Employment Areas provide the following corresponding attributes, as summarized in Figure C-1.

Figure C-1
Employment Sector/Land Use Requirements

Employment Sector/Land Use	Requirements
Advanced Manufacturing	<ul style="list-style-type: none">• Access to 400-series/controlled access highways.• Access to skilled and unskilled labour.• Proximity to markets and related industries.• Proximity to U.S.• Competitive land prices.• Parcel size: 1-4+ ha.• Buffers from surrounding non-industrial uses.• General or prestige setting.• Expansion potential.
Distribution and Logistics	<ul style="list-style-type: none">• Access to 400-series/controlled access highways.• Excellent access/traffic circulation for heavy truck traffic.• Truck access, loading/unloading requirements.• Proximity to markets, U.S. border.• Competitive land prices.• Parcel size: 5-20 ha.• Flexibility in parcel configuration to accommodate large-scale users.• Possible need for open storage.• Compatible surrounding land uses/buffers from surrounding non-industrial uses.• Expansion potential.• Ceiling height (typically 30 to 50+ ft.).• Access to on-site amenities and proximity to off-site services.



Research and Development/ “Knowledge-based” Sectors	<ul style="list-style-type: none">• Access to skilled labour force.• Proximity to related industry cluster (companies and public institutions such as universities).• Prestige “campus-like” setting.• Parcel size: 1-2 ha for standalone building or facility space within multi-tenant incubator/accelerator type building.• Flexible leasing options.• Proximity to transit.• Access to on-site amenities and proximity to off-site services.
Corporate/ Government Office	<ul style="list-style-type: none">• Prestige setting.• Access to skilled labour force.• Access and exposure to 400-series/limited access highway or major arterials.• Access to on-site amenities and proximity to off-site services.• Parcel size: 1-2 ha.• Proximity to transit.
Professional, Scientific, and Technical Services/Business Services	<ul style="list-style-type: none">• Access to on-site amenities and proximity to off-site services.• Prestige setting.• Access to skilled labour force.• Flexible leasing structures and market choice (multi-tenant vs. freestanding office, Class A vs. Type B Office Space, and multi-tenant industrial condominiums).• Proximity to transit.
Construction	<ul style="list-style-type: none">• Access to skilled and semi-skilled labour force.• Competitive land prices.• Proximity to customer base.• Range of size of development sites.• Need for open storage.