

**REPORT TO:** Mayor James M. Diodati  
and Members of Municipal Council

**SUBMITTED BY:** Planning, Building & Development

**SUBJECT:** **PBD-2021-18**  
**City of Niagara Falls Employment Lands Strategy**  
**Phase 2 Report**

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## **RECOMMENDATIONS**

1. That Council receive the presentation regarding the City of Niagara Falls Employment Lands Strategy Phase 2 Report attached as Appendix I.
2. That Council direct staff to proceed to Phase 3 of the Strategy including consultation with the community.

## **EXECUTIVE SUMMARY**

The purpose of this report is to provide Council with an update on the City of Niagara Falls Employment Lands Strategy. The goal of the Strategy is to ensure that the City has the right amount of developable employment land in the right location to meet forecasted industrial demand to the year 2051.

With an estimated forecast of 2,990 jobs assigned to employment areas, it is determined that the City will have an employment land shortfall of approximately 60 gross hectares (147 gross acres) resulting in a need to designate additional land to house future industrial job growth. Accordingly, the City will need to explore new lands for a future employment area designation to ensure the long term employment forecast can be accommodated. A new employment area designation will require an amendment to the City's Official Plan informed by public consultation.

## **BACKGROUND**

The City of Niagara Falls is undertaking an Employment Lands Strategy. A key objective of the Strategy is to assess the 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 in the near term. Ultimately, the Strategy is trying to ensure that the City has the right amount of developable employment land in the right location to meet forecasted industrial demand to the year 2051 with a supportive policy framework in the City's Official Plan.

### What are Employment Areas and Lands?

Employment lands are those lands designated Industrial in the City's Official Plan and can include light, medium and heavy industrial lands organized into business parks or as a stand alone use.

Employment lands can exist both inside and outside of employment areas. Employment areas can be defined as areas designated in an official plan for clusters of business and economic activities including but not limited to manufacturing, warehousing, offices and associated retail and ancillary uses. The City of Niagara Falls contains seven different employment areas located throughout the City's urban area which will need to be mapped in the City's Official Plan. Most of Niagara Falls employment lands exist within employment areas, with some designated employment lands lying outside of employment areas yet within the City's urban area.

### Why are Employment Lands Important?

Employment lands, home to many of the City's large private sector employers, form a vital component of the City's land use structure and are an integral component of the City's economy. Employment lands in the City are home to approximately 320 businesses employing roughly 6,800 people concentrated mainly in the manufacturing sector.

With a broad employment lands base, the City is better positioned to build a more balanced, competitive and complete community. Businesses located on employment lands generate relatively strong economic spin-offs and help diversify the City's tax assessment base.

## **ANALYSIS/RATIONALE**

### Policy Context

The Planning Act requires City planning decisions to be consistent with Provincial Plans and policies. The management and planning of employment lands and areas is guided by both the 2020 Provincial Policy Statement and 2019 Provincial Growth Plan which provide the general direction and policy framework that informs the way a municipality plans for employment lands and areas over the long term. Overall, provincial policy dictates that municipalities designate all employment areas in their respective Official Plans and protect them for appropriate employment uses for the long term.

To protect employment areas for the long term, the Province prohibits the introduction of major retail uses and the inclusion of residential and other sensitive and incompatible uses into employment areas. Further, the Province provides restrictive criteria governing the conversion of land within an employment area to a non-employment use. Finally, Provincial policy directs municipalities to ensure that there is sufficient land available to accommodate forecasted employment growth. To ensure alignment with provincial policy, the Niagara Region and City of Niagara Falls' Official Plans both contain a similar policy direction for employment areas.

### Employment Growth Forecasts

In August 2020, Schedule 3 of the Provincial Growth Plan was updated with new Niagara Region population and employment forecasts to the year 2051. As part of the Niagara Region's ongoing Municipal Comprehensive Review to support the new Regional Official Plan, a draft 2051 employment forecast allocation by employment type has been prepared for the City of Niagara Falls.

In 2051 it is anticipated that Niagara Falls will have a total of 59,000 jobs, a growth of 17,400 jobs over 41,600 jobs reported in the City in the 2016 Census. More specifically, the increase in the number of jobs can be broken down as follows: population related employment 12,650 jobs, employment land employment 2,370 jobs, major office employment 1,310 jobs and rural area employment 1,430 jobs. For the purposes of the Strategy all of the employment land employment (2,370 jobs) and 5% of the population related employment (620 jobs) will be assigned to the City's employment areas for a total of 2,990 jobs that will need to be accommodated.

### Employment Land Supply & Demand

The City's total employment land supply is 1,088 gross hectares (2,689 gross acres) and is comprised of 1,008 gross hectares (2,491 gross acres) of developed/occupied employment land and 79 gross hectares (195 gross acres) of vacant employment land.

As highlighted above, by the year 2051, an estimated 2,990 additional jobs will need to be accommodated within the City's employment areas. Based on a review of the City's occupied and underutilized employment areas, a modest 10% employment intensification assumption has been made on employment areas. Intensification refers to additional job growth in employment areas that may occur through the expansion of existing buildings and additional development on partially vacant land. The intensification of existing employment uses could accommodate 299 additional jobs by the year 2051.

Assuming an average target density on employment areas of 25 jobs per gross hectare (10 jobs per gross acre), the City of Niagara Falls is forecasted to absorb an average of 3 gross hectares (7 gross acres) of employment area per year over the next 26 years. This annual absorption will generate a total demand of 108 gross hectares (351 gross acres) over the long term planning horizon to 2051. Taking into consideration the 60 gross hectares (148 gross acres) of currently vacant developable land in existing employment areas, the City will need an additional 48 gross hectares (118 gross acres) of land as shown in Figure 1.

Figure 1  
City of Niagara Falls  
Forecast Employment Area Land Needs (Demand vs. Supply), 2020 to 2051

Employment Growth 2020-2051 (jobs)	A	2,691
Employment Area Demand at 2051 (hectares)	B	108
Employment Density (jobs per gross hectare)	$C=A/B$	25
Vacant Employment Area (gross hectare)	D	60
Employment Area Surplus/Shortfall at 2051	$E=D-B$	(48)

Finally, long term land vacancy is a common characteristic that is experienced in employment areas across Ontario and beyond. As a prudent measure an estimate of 20% long term vacancy factor has been applied to the net developable vacant employment land inventory. Adjusted for land vacancy, the City's long term employment land need has been upwardly adjusted to 60 gross hectares (147 gross acres).

### Potential Employment Land Conversions

As part of the Phase 2 work, the consulting team was asked to assess a number of previously known candidate employment land sites with less desirable characteristics which may be appropriate to convert to a non-employment use. This assessment was completed within the framework of the 2019 Growth Plan and 2020 Provincial Policy Statement as well as site specific evaluation based on a broad range of criteria.

The Phase 2 report has made recommendations on the known candidate sites as to whether they should continue to retain their industrial designation. To guard against converting too much employment land, all potential conversion requests must be examined comprehensively to fully understand the potential impacts of a conversion on the City's existing employment land supply.

### Public and Stakeholder Engagement

To date, consultation has entailed interviews with key stakeholders to better understand the current state of City's employment lands in terms of their market supply potential, relative strengths and weaknesses by geographic location, and overall market competitiveness. Key stakeholders interviewed included Region and City staff, industrial brokers and local industrial based employers. In Phase 3 of the Strategy, broad consultation will need to occur with the public and other stakeholders through open houses and a statutory public meeting.

### Next Steps

Upon Council's endorsement of this report, the Strategy will enter Phase 3 which will investigate how and where the City should address removal of certain lands and the calculated 60 gross hectares (147 gross acres) shortfall such as the inclusion of a new business park. To address the shortfall, the City will need to immediately explore new lands for a future employment area designation to accommodate the long term employment forecast. The next step will be public and stakeholder consultation through open houses and a statutory public meeting which will inform a new employment area designation requiring an amendment to the City's Official Plan. It is anticipated that the Phase 3 report will be presented to council by the end of the third quarter.

## **FINANCIAL/STAFFING/LEGAL IMPLICATIONS**

The Employment Lands Strategy is jointly funded through the 2020/2021 Council approved Economic Development and Planning operating budgets. There are no direct financial implications arising from this report.

## CITY'S STRATEGIC COMMITMENT

The development of an Employment Lands Strategy is consistent with the City's Strategic priority of a Vibrant and Diverse Economy.

## LIST OF ATTACHMENTS

Appendix 1 – Employment Lands Strategy Phase 2 Report

**Recommended by:**

  
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Alex Herlovitch, Director of Planning, Building & Development

**Respectfully submitted:**

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Ken Todd, Chief Administrative Officer