

Employment Land Employment (ELE) Intensification Study



575 Hood Road
Pre-Expansion



575 Hood Road
Post-Expansion

Final Report Presentation
June 13, 2011



Study Intent

- Employment Land Employment (ELE) includes manufacturing, processing, warehousing and distribution related uses
- 2009 ELS indicated that there was some potential for additional employment through intensification on ELE properties - however, the amount was not determined
- The intent of this study is to determine what that potential may be
- The study also recommends what actions the Town could take to encourage intensification



Factors Considered

1. Physical capacity of existing lots to support additional floor space on the ground floor
2. Potential for the vertical expansion of existing buildings (adding additional floors)
3. Potential of existing developed lots to be severed to create new development opportunities
4. Economic viability of intensifying existing buildings either vertically or horizontally

NOTE: Increases in floor space do not automatically translate into an increase in the number of employees

Stakeholder Comments

- Three sessions held with real estate professionals, business operators and developers
- Most participants believed that the potential for additional ELE intensification was limited
- Many indicated that most properties are already developed to their maximum potential
- Others indicated that additional jobs could be created if more retail was permitted in employment areas
- Some indicated that permitting residential development in some key areas along corridors would stimulate additional development
- Lastly, some business owners indicated that introducing ‘sensitive’ land uses (such as day cares, places of worship, private schools, offices that are not associated with manufacturing or warehousing uses, restaurants, banks and medical clinics) into employment areas has the potential to significantly impact their businesses

Defining the Study Area

- Municipal Property Assessment Corporation data reviewed
- Air-photo interpretation and site visits also carried out
- Local knowledge considered
- Result was the identification of 593 industrial/warehouse ELE properties
- An additional 75 office properties also identified
- Buildings that were the site of primarily retail uses were not included in study area
- Buildings that were subdivided into condominium units were also not included



Location of ELE Properties in Study Area



Study Findings

- Majority of industrial and warehouse ELE properties located within the interior of industrial areas
- Over 50% of industrial and warehouse buildings are multiple unit buildings
- There is about 2,600,000 square metres of floor space in existing industrial and warehouse buildings
- This amount of floor space is located on 6,500,000 square metres of land
- About 38% of the available land on these parcels is occupied by buildings
- About 55% of the properties have lot coverages between 35% and 45%
- Vast majority of industrial/warehouse properties are the site of one storey buildings

History of ELE Building Expansion

- 23 buildings were expanded by 46,930 square metres in last 10 years - average lot coverage went from 30.7% to 41.9%
- This amount of new floor space represents about 1.8% of the industrial/warehouse ELE floor space in the study area
- Very limited amount of office building expansion



Pre-Expansion - 14th Avenue
Avenue



Post-Expansion - 14th

Physical Capacity Analysis

- The intent is to determine what physical capacity constraints exist
- The expansion of Industrial warehouse ELE businesses occurs in one of two ways.
 1. The expansion of a single use building on the same property
 2. Expanding within a multiple unit building
- Factors considered are related to business operations, including economic viability, purpose of additional space, timing of need for additional space and the amount of additional space required.



Limiting Factors

- Limiting factors are not mathematically based
- Instead, they are based on a combination of factors that are derived from operational site requirements and site design considerations
- These factors include the need for parking areas, loading areas, landscaping, driveways and areas for truck movements, drainage areas, setbacks and fire access routes
- Permitting 'sensitive' land uses in an employment area may also limit expansions on nearby properties



Office Properties

- There is a clear relationship between lot coverage and FSI based on number of storeys
- The greater the number of floors - the lower the amount of lot coverage because of the need to provide for parking

Number of Storeys	Lot Coverage	FSI
1	28%	39%
2	21%	43%
3	21%	63%
4	16%	64%
5	12%	58%
6	10%	62%

Vertical Expansion

- Mechanical and electrical systems in shed buildings are commonly left exposed
- Shed buildings have offices in front and are set back from the street to provide for parking in the front
- Most shed buildings do not have windows other than for the office component
- The most significant factor having an impact on additional storeys is the nature of the structural framing systems
- Major structural upgrades would be required - very capital intensive
- Potential for mezzanine construction is more likely

Economic Factors

- The economic viability of expanding is very much based on the viability of the company
- Generally, the owner's first choice will be to expand in place rather than to move
- The use of the additional floor space is also a factor (manufacturing versus storage)
- For office buildings, expansion will generally only occur if structured parking is introduced
- Multi-use buildings are generally more adaptable for internal expansion purposes since the internal organization of these buildings can be modified as required (no additional gfa)

Study Conclusions

Based on our review, we have determined that:

- Very few additions to ELE buildings have occurred in the last ten years;
- The potential for expanding existing industrial/warehouse buildings through ground floor additions is very limited as a result of site constraints;
- Adding additional floors to existing industrial/warehouse buildings is very unlikely as a result of structural limitations (with mezzanines being more likely);
- Adding additional floor space beside or on top of office buildings is also very unlikely because most if not all office buildings are purpose built for the size they are at the time of construction; and,
- Some potential does exist for new lot creation on a limited number of ELE properties.

What does this mean?

- 1 Purely speculative to predict how much ELE job growth is possible through intensification
- 2 ELE Job growth occurring through intensification would be very limited in comparison to what is anticipated to 2031
- 3 Relying upon any ELE intensification number to make decisions may have an impact on Markham's ability to implement the ELE allocation
- 4 Findings are consistent with the Employment Lands Strategy (Phase 1) recommendations regarding land budget and intensification

Some considerations....

Two matters the Town could consider to support ELE development as we move forward...

1. Zoning by-law standards
2. Sensitive land uses