



Report to: Development Services Committee

Report Date: June 16, 2009

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**SUBJECT:** Employment Lands Strategy (Phase 1)  
**PREPARED BY:** Elisabeth Silva Stewart, Senior Policy Planner

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**RECOMMENDATION:**

That the Employment Lands Strategy (Phase 1) study prepared by urbanMetrics Inc. and Meridian Planning be received;

That the recommendations of the study be endorsed in principle as the basis for the Employment Lands component of the Growth Management Strategy;

That the Strategy recommended in the Phase 1 study form the basis for Phase 2 work – Implementation of the Employment Lands Strategy (through the new Official Plan);

And That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**EXECUTIVE SUMMARY:**

In mid 2008, the Town commissioned urbanMetrics and Meridian Planning Consultants Inc. to undertake an Employment Lands Strategy (ELS) (Phase 1) study for the Town. The purpose of the Phase 1 study is to offer guidance to Town decisions regarding land requirements to achieve employment forecasts to 2031, and updating the Official Plan policy framework for employment lands. The purpose of this report is to present the findings and recommendations of the ELS (Phase 1), to seek direction from Development Services Committee to incorporate the recommended directions into the Town's Growth Management Strategy, and to move forward and begin Phase 2 of the Strategy.

Markham 2020, the Town's Economic Development Strategy, launched in 2008, identifies key employment sectors for the Town to pursue. The accommodation needs of the 4 key sectors are being taken into account in a new Employment Lands Strategy.

Current Official Plan policies for employment lands are based on 1994 policy recommendations. Although updates have occurred over time, further revisions are needed in order to implement the new Provincial Planning framework, the Regional forecasts to 2031, and the 2008 Economic Development Strategy. Policy updates are also required to ensure direction for the provision of employment lands and accommodation of employees are forward thinking and relevant to new planning directions to 2031.

A new policy context for 'employment lands' has been created by the introduction of the Provincial Policy Statement, followed by the Growth Plan for the Greater Golden Horseshoe, and completed by the revised Ontario Planning Act. This policy framework

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mandates municipalities to provide and protect sufficient land to accommodate competitive opportunities for employment growth, while promoting intensification and mixed-use development, all within the context of sustainable, complete communities and long term economic prosperity. Municipal decisions and Official Plans must be in conformity with the new policy direction of these documents. The revised legislation supports municipal employment land decisions from appeals to the Ontario Municipal Board, and legislates a 5-year review of employment land needs which municipalities must undertake.

The Town is forecast to accommodate almost 250,000 employees by 2031 – nearly 90,000 more jobs than are accommodated today. The forecasts place about 90% of the 2031 employment within the Town's current settlement area and continue Markham's central role in accommodating employment within the Region of York. Combined with employment inside the current settlement area, the Region of York has identified a land requirement of 437 gross hectares outside Markham's current settlement area to be phased in over the period to 2031. The Region also identified another 120 gross hectares of land needed for Major Retail uses outside the current settlement area.

The ELS (Phase 1) incorporates assumptions for estimating land requirements which reflect new policy approaches to employment development. Future policy recommendations to be pursued in Phase 2 of the strategy will reflect senior government themes of building complete communities, preserving the employment land reserve, viable intensification and more mixed use development.

The Town's ELS (Phase 1) adheres to the Region of York's endorsed job forecasts for Markham. The ELS (Phase 1) also recommends that accommodation of the forecast employment growth will require approximately 456 gross hectares of business park land, including a market contingency (under the preferred scenario) outside the current settlement area to 2031. Approximately 35 hectares located east of Donald Cousens Parkway has already been identified through the Cornell Secondary Plan, leaving the balance of 421 additional hectares.

The Town's ELS (Phase 1) emphasizes infill and intensification within the existing settlement area, but confirms that development and intensification of existing employment areas cannot accommodate all of the additional jobs assigned to the Town to 2031. The ELS (Phase 1) does not contemplate a land requirement for Major Retail development outside the current settlement area, in the manner contemplated by the Region, as the Town seeks to maximize mixed land use and compact urban development within the existing settlement area.

Phase 1 recommendations and directions include:

- Continue to intensify employment areas, focusing on the Town's Regional Centres, Key Development Areas and business parks.
- Assume average employment densities higher than those of the Province or Region.
- Add 2 priority employment areas outside the current settlement area to locate additional employment lands:

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- previously identified lands east of current Cornell Business Park prior to 2016
  - north and east of Highway 404 and Major Mackenzie Drive as early as 2016.
  - Consider an Employment Land Reserve to ensure requirements for employment use beyond 2031 are prioritized over other uses. These lands would only be brought into employment use following an appropriate review.
  - Protect all employment lands from conversion to other uses, including major retail and residential uses.
  - Encourage major office employment to occur primarily within Regional Centres and in Key Development Areas along high order transit corridors.
  - Require future retail development outside the current settlement area take place within a mixed use development context only, as part of new, healthy and sustainable communities.
  - Promote new retail/commercial through policies for provision of retail at grade in a mixed use format, particularly in the high order transit corridors and Regional Centres.
  - Protect designated commercial lands within the current settlement area to serve the long term retail requirements to 2031.
  - Refine and restructure Official Plan policies in Phase 2.
  - Confirm and adjust the land budget for employment, if necessary, in Phase 2.

Other items proposed to be dealt with in Phase 2 include:

- Prepare new Official Plan and Secondary Plan policies
- Recommend a Zoning Framework
- Policies to protect employment lands from conversion to other uses
- Strategic employment land reserve policies
- Acquisition or public control of lands in strategic employment lands reserve area
- Public Realm Framework including Urban Design
- Study other available tools and approaches such as Tax Increment Financing, or favourable taxation policies for preferred development forms (eg. 'rewarding' structured parking with a tax break)
- Incorporate other study findings dealing with sustainability.

The ELS (Phase 1) represents a balanced approach to meeting Markham's employment growth needs to 2031, with a variety of choices for accommodating the key identified sectors of Markham's economy. The recommendations in the ELS (Phase 1) reflect a new approach to determining land requirements, the provision of land for business park employment, and the provision of retail uses in mixed use formats, as well as new communities consistent with the new policy context established by the Province and Region. There will also be careful monitoring and adjusting over time in response to changing market conditions as prescribed by the Planning Act. This continuing review will act to protect land now and bring it into use for employment, only when required.

**PURPOSE:**

The purpose of this report is:

- To present the findings and recommendations of the Employment Land Strategy (ELS) (Phase 1) report to Development Services Committee;
- To receive endorsement of the ELS (Phase 1) from Development Services Committee;
- To receive direction from Development Services Committee to incorporate the recommended direction of this report into the Growth Management Strategy; and,
- To seek direction from Development Services Committee to proceed with Phase 2 - Implementation of the Employment Lands Strategy to be based on the recommendations of the ELS (Phase 1) and the Growth Management Strategy.

**BACKGROUND:**Employment Lands Strategy (Phase 1)

In mid 2008, the Town commissioned urbanMetrics inc. and Meridian Planning Consultants Inc. to initiate a new Employment Lands Strategy (ELS) (Phase 1) for the Town. The study is to offer guidance in regard to Town decisions with respect to conforming to senior government policy, identifying land requirements to achieve employment forecasts and updating the Town's policy framework for the provision and use of employment lands. This Employment Lands Strategy will support the Economic Development Strategy, Building Markham's Future Together and the Growth Management Strategy.

In November 2008 a Stakeholder Consultation session was held, and on March 31, 2009, the consultants presented their findings to Development Services Committee.

The Committee received the consultant's presentation and directed staff to arrange a Council Workshop to explore more fully the various aspects of the employment lands strategy, and emerging policy framework, with a focus on strategies to assist in the redevelopment of older existing employment areas.

A workshop was held on May 19, 2009, and included presentations from experts in the field of employment real estate and economics, and planning for employment land, for discussion with members of Council.

Economic Development Strategy

Markham launched its Economic Development Strategy 'Markham 2020' on October 31, 2008. The new Economic Development Strategy identifies strong growth opportunities within 4 key sectors:

- Convergence of Information and Communication Technology and Life Sciences;
- Information, Entertainment and Cultural Industries;
- Professional, Scientific and Technical Services; and,
- Finance and Insurance.

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The Economic Development Strategy provides an action framework to support growth in these 4 key sectors. The Economic Development Strategy identified that Markham's competitiveness is constrained by the limited and diminishing supply of appropriately sized and located employment lands available for development, particularly for sale to end-users. To remain competitive, Markham requires a development-ready land supply that can serve the growth needs of existing businesses as they transition through the growth cycle from small to larger space requirements, and adapt to changing functional and technological building requirements. A diverse range of flexible land supply is regarded as a competitive advantage. However, Markham's existing supply is inadequate especially in regard to a limited supply of larger lots (i.e., greater than 25 acres/10 hectares), new campus style development to serve major single users, and a lack of purchase opportunities by end-users. Markham's employment land owners are predominantly interested in build to suit and lease. These strategic competitiveness weaknesses are to be addressed through preparation of an Employment Lands Strategy.

#### Existing Official Plan Policies

Current Official Plan policies were based on the Commercial Uses Policy Study of 1994 which were implemented through Official Plan Amendment No.26. Another commercial Policy Review took place in 2004 and found that the policy structure was largely working well. However, some changes were recommended. OPA No.132 was adopted in August 2005. OPA No.132 clarified the planned function for the Business Corridor Area designation. As well, a Neighbourhood Commercial Strategy (endorsed by Council in April 2005) implemented recommendations related to delivery of neighbourhood commercial. Although updates have occurred over time, further revisions are needed in order to implement the new Provincial Planning framework, the Regional forecasts to 2031, the Economic Development Strategy and to ensure Markham policies are forward thinking.

#### Provincial Planning Policy Statement

In 2005 and 2006 new Provincial planning initiatives were introduced which have created a new planning policy environment for 'employment lands'. On March 1 2005, the new Provincial Policy Statement (PPS) came into effect. Municipalities now must ensure that their policies shall 'be consistent with' the PPS.

Provincial policy promotes economic development and preservation of employment lands. Planning authorities must plan for employment and must promote economic development and competitiveness by:

- providing for an appropriate mix and range of employment opportunities,
- providing opportunities for a diversified economic base including a range and choice of suitable sites for employment which support a range of economic activities,
- planning for, protecting and preserving employment areas for current and future uses, and
- ensuring necessary infrastructure is provided to support current and projected needs.

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The PPS also contains stronger employment lands policies intended to protect employment lands from conversion to other uses. The PPS includes a definition of employment areas and a conversion policy. The policy states that conversion of employment lands will only be permitted where it is demonstrated, through a comprehensive review, that the land is not required for long-term employment uses and there is a need for conversion of the lands to another use.

The PPS also requires that all municipal decisions be consistent with the policies of this document and that municipalities keep their Official Plans up-to-date with the policies of the PPS. The PPS also notes that where there are conflicts, Provincial Plans take precedence over the policies of the PPS.

#### Growth Plan for the Greater Golden Horseshoe

In June of 2006, the Province introduced the Growth Plan for the Greater Golden Horseshoe (Growth Plan), a 25-year plan directing how municipalities within the Greater Golden Horseshoe will grow. Within the document are specific employment forecasts allocated to the Region of York (as well as other upper tier municipalities) and employment lands policies.

Employment lands policies which relate to the Town include:

- ensuring the availability of sufficient land for employment to accommodate growth to support the Greater Golden Horseshoe's economic competitiveness
- planning and investing for a balance of jobs and housing to reduce the need for long distance commuting
- developing complete communities with a diverse mix of land uses, a range of employment and housing types, and easy access to local stores and services
- planning intensification areas to cumulatively attract a significant portion of population and employment growth
- providing a diverse and compatible mix of land uses, including residential and employment uses, to support vibrant neighbourhoods
- planning urban growth centres to among other things accommodate a significant share of employment growth, and serve as a high density major employment centres attractive to significant employment uses
- directing Major Office and institutional uses to urban growth centres or areas with frequent or higher order transit services
- protecting employment lands from conversion to other uses
- identifying significant employment areas including prime industrial lands
- designating and preserving lands within settlement areas in the vicinity of existing major highway interchanges, as areas for manufacturing, warehousing, and associated retail, office and ancillary facilities
- facilitating the development of transit-supportive, compact built form and minimizing surface parking
- requiring a minimum density for employment lands of 50 employees per hectare and 200 residents/employees per hectare in urban growth centres

Municipalities are required to bring their Official Plans into conformity with the Growth Plan. The Places to Grow Act which enables the Growth Plan, also requires that all municipal planning decisions be in conformity with these policies.

#### Amended Planning Act

Bill 51 amended the Planning Act in 2007. Among other things, it introduced new provisions to protect employment lands for the purpose of ensuring the long term economic competitiveness of communities. The provisions also address conversion of employment lands.

The Planning Act now requires municipalities to confirm or amend their policies dealing with areas of employment, including designations and policies dealing with conversion by means of a 5-year review to the Official Plan. Full appeal rights are applicable to the new policies coming out of the 5-year reviews or at any time the municipality alters employment land designations and policies.

#### York Region Employment Forecasts

York Region has allocated the largest percentage share of employment growth to the southern municipalities, with 31% of the Region's future employment growth being assigned to Markham.

The Region's forecast employment growth for Markham is shown below on Table 1. The chart shows that the largest increase in employment growth is anticipated to be in Major Office Employment (40%), followed by Employment Land Employment (35%), and finally Population Related Employment (25%).

<b>Table 1 – Region of York Forecasts for the Town of Markham 2008</b>				
	<b>2006</b>	<b>2031</b>	<b>Growth 2006- 2031</b>	<b>% share of total increase</b>
<b>Major Office Employment</b>	47,400	88,700	41,300	40
<b>Employment Land Employment</b>	50,000	86,500	36,500	35
<b>Population Related Employment</b>	47,500	73,300	25,800	25
<b>Total</b>	144,900	248,500	103,600	100

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### Regional Policy Directions

In April 2008, the Region identified that existing 400-Series Highway corridors should be first-priority in identifying future employment lands beyond the existing urban area.

In its report dated June 19, 2008, the Region presented Emerging Policy Directions including a number of key principles for employment planning such as:

- plan for the long term
- identify role of different economic areas
- provide an adequate vacant land supply
- early planning and construction of 400 series highways to support employment
- plan for major retail
- major office uses should be located in regional centres
- include high quality design

These principles, applied to the Region's forecasts for Markham, result in approximately 90% of the Town's 2031 employment being located within the current settlement area.

### Region of York Land Budget

The Region's land budget forecast assumes that the majority of Markham's 2031 employment can be located on existing employment lands, and in centres and corridors within the Town's current settlement area. The budget forecast concludes however, that a portion of the employment growth will need to be located in an extension of the settlement area. In addition to population serving employment located within the new residential communities the Region concludes that there is a need for:

- 437 gross hectares for employment land employment, and
- 120 gross hectares for major retail employment.

## **OPTIONS/ DISCUSSION:**

### Forecasts

The ELS (Phase 1) forecasts are based on accommodating the Region of York's 2031 forecasts for Markham (see Table 1, page 7). The chart illustrates that the greatest share of employment growth will be in the form of Major Office Employment (MOE) followed by Employment Land Employment (ELE) and finally Population Related Employment (PRE).

Currently about 67% of Markham's total jobs are located on INDUSTRIAL designated areas (Business Park Area, General Industrial Area, and Business Corridor Area); the remainder of current employment is located in other designations. By 2031, this share will decrease modestly to 65% due to the intensification of jobs within Regional Centres and Corridors, however, the role of the Town's industrially designated land will remain preeminent, accommodating two thirds of all employment within the Town.

Approximately 51% of the jobs accommodated on the developed Industrially designated land (1040 hectares) are ELE jobs; 44% are MOE jobs and 5% are PRE jobs. The ELS



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(Phase 1) study assumes that the MOE share within the INDUSTRIAL designation would gradually be reduced as the take-up of MOE within Centres and Corridors increases.

The ELS (Phase 1) recommends that all currently designated land should be retained and protected for employment use and protected from conversion to other uses.

#### Major Office Areas

The ELS (Phase 1) recommends that new Major Office Employment should be directed to Regional Centres and Key Development Areas along Regional Corridors (53% of the total new MOE jobs), and the remaining new MOE (47%) jobs would occur within the Town's business parks. This assumption approximates a similar assumption in the Region of York's forecasts (50%/50%). This approach is consistent with the provisions of the Growth Plan and the Region's Centres and Corridors policies, which call for more intensive development in these locations. The ELS (Phase 1) identifies that a strong policy programme will be needed to support this approach which redirects a larger share of MOE employment to Centres and Corridor locations. Phase 2 of the Employment Lands Strategy will address a policy programme to support this approach.

#### Intensification for Employment Areas

The ELS (Phase 1) assumes that average employment densities in Markham will remain higher than the Region's density assumptions and exceed the minimum density requirements of the Growth Plan over the forecast period. The ELS (Phase 1) anticipates that Markham's existing Employment Areas will continue to attract growth through build-out of remaining lands and intensification of existing parcels and/or reuse of buildings. However, this potential to accommodate employment growth is not sufficient to accommodate the 90,000 additional jobs to be added between 2008 and 2031.

Phase 2 of the Employment Lands Strategy will examine and bring forward policies to encourage intensification opportunities within the Town in order to address the approach inherent in the Phase 1 work. Phase 2 will also look at other tools which may also stimulate intensification, including any recommendations to pursue with other levels of government (such as creating favourable taxation policies that reward development forms which contribute to improving density – an example is 'rewarding' structured parking with a tax break).

#### ELE Land Budget

Approximately 1040 hectares of land currently designated industrial, within the Town is developed. There remains almost 485 net hectares of industrially designated vacant lands within the current settlement area. However, more than 50% of this vacant land supply is not 'market ready'; only 198 hectares are vacant and 'market ready'. The ELS (Phase 1) assumes that all this vacant land will eventually be developed, and that even with these 485 net vacant hectares developing at higher densities, a shortfall in the ELE land requirement to 2031 remains.

The ELS (Phase 1) provides a forecast of land required for employment to 2031. The preferred or 'reference' forecast scenario identifies a shortfall of 456 gross hectares of land,

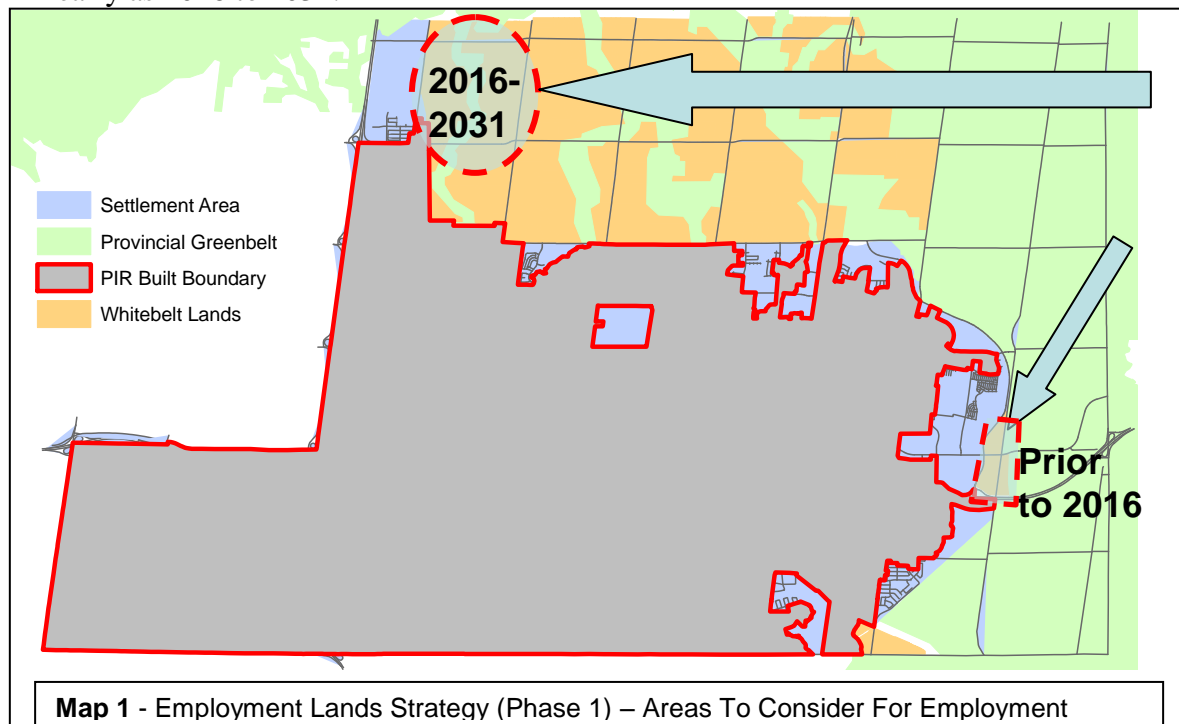
including a market contingency, in 2031. Approximately 35 hectares of this estimate located east of Donald Cousens Parkway was identified through the new Cornell Secondary Plan and remains to be confirmed. The balance of additional land required is 421 gross hectares. This forecast additional land requirement is close to the Region of York's estimate of 437 gross hectares.

The ELS (Phase 1) study's preferred scenario recommends that a minimum of 456 hectares of employment lands should be brought into the urban area to satisfy the Town's employment needs to 2031. As the specific policies developed by Phase 2 may affect the land budget requirement, the land budget, including the market contingency, will need to be confirmed during Phase 2 and finalized through this work. The ELS (Phase 1) describes that the contingency employed is "to provide the business and investment community with a healthy range of land development options at a variety of locations and price points to sustain on-going industrial development". A monitoring program will also be developed through the work to be done in Phase 2 to help ensure the Town keeps up with its long term industrial land supply needs.

#### New Employment Areas

The Employment Lands Strategy identifies 2 strategic areas (see Map 1) outside the Current Settlement Area boundary which are ideal candidates for employment uses:

- lands east of the Cornell Business Park area at Highway 7 and Donald Cousens Parkway identified in the Cornell Secondary Plan, to help with the shortfall prior to 2016.
- lands north and east of Highway 404 and Major Mackenzie Drive should be considered for addition to the settlement area to meet the employment lands needs of the Town as early as 2016 to 2031.



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Both locations are consistent with the policies of the Provincial Growth Plan and the Region of York's work regarding land requirements and locational principles for employment.

Specific phasing policies for lands to be brought into the Urban Area will need to be developed. This work can be done through Phase 2 of the Employment Lands Strategy and the new Official Plan.

#### Employment Land Reserve beyond 2031

The ELS (Phase 1) recommends that the Town consider the creation of a new Employment Lands Reserve for employment land requirements beyond 2031 as it is expected that additional land will be required beyond that timeframe. Although there is an estimate in the ELS (Phase 1) as to the quantum of lands that might be required, the exact amount should be further assessed when the Town begins looking at growth beyond 2031. What is important to consider at this stage is the notion that candidate lands for employment requirements beyond 2031 should be 'protected' from other uses (including residential and retail uses) until needed.

The ELS (Phase 1) recommends locating the Employment Land Reserve immediately next to the new proposed employment node (lands identified north and east of Highway 404 and Major Mackenzie Drive), which would create a unified future employment area 'critical mass'. The ultimate location of this Land Reserve should also take into consideration the routing of the future Donald Cousens Parkway extension, since access to major transportation corridors is vital in locating sustainable employment areas.

The recommendation that these lands be protected for future use in a strategic employment land reserve is rooted in the understanding that for Markham to continue to remain a leader in the retention and attraction of targeted sector employment and investment, it must be able to provide development opportunities to accommodate large, industry-leading businesses whose land requirements call for large lots and campus-style development. The attraction and accommodation of targeted industry clusters is a key objective of the Town's Economic Development Strategy. The provision for a land reserve will signal Markham's commitment to remaining competitive in the pursuit of this objective. Land use other than existing and agriculture within this reserve would be prohibited until the need for the lands for employment use has been addressed in an appropriate comprehensive review.

The specific policies for the land reserve will need to be consistent with the new Regional Official Plan and can be worked out in Phase 2 of the Employment Lands Strategy.

#### Population Related Employment (PRE) Land Budget

The ELS (Phase 1) indicates that Markham has enough vacant commercially designated land (105 hectares) within the current settlement area to serve a range of retail requirements of the PRE forecast to 2031, as long as the lands remain available for retail use over that term. The report recommends that Markham protect these lands for a range retail development to 2031 and establish a target of 300,000 m<sup>2</sup> of new retail use on these vacant

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lands. On this basis, no land budget for new major retail uses is included in the recommendations.

The conclusion regarding the land budget for retail commercial development is also based on the assumption that nodes and corridors will accommodate 25% to 30% (target 147,000 m<sup>2</sup>) of future commercial space requirements. For this reason, the Employment Lands Strategy (Phase 1) recommends that Markham promote new retail/commercial development including uses at-grade within key nodes and corridors such as the Regional Centres and Key Development Areas. This approach is consistent with senior government policy and will be examined in terms of policy direction in Phase 2 of the Employment Lands Strategy.

The report also recommends commercial uses only be provided for convenience purposes in a mixed-use development context in new communities (lands currently outside the current settlement area). This approach is supportive of healthy and sustainable communities. The report further recommends that development of local and convenience commercial uses outside the current settlement area should be commensurate with and supported by population and employment growth and that such uses would need to demonstrate that they will not destabilize the planned function of existing and approved commercial facilities. Phase 2 will examine the potential for delivering such a policy.

Phase 2 will develop and refine the policies to protect for the Town's long term retail/commercial needs. A monitoring program will also be developed through the work to be done in Phase 2 to help ensure the Town is informed regarding its long term retail/commercial land supply needs.

#### Major Retail and the Issue of Conversion

The ELS (Phase 1) concludes that protecting Markham's industrial land supply must remain a high priority in dealing with applications that seek to convert major parcels of industrially designated land for non-office or non-employment uses. The report states that conversion of employment lands to other uses, including major retail, will only serve to accelerate the Town's pending industrial land deficit and for that reason the Town of Markham should avoid all conversions to its current employment land base.

As noted above, the ELS (Phase 1) recommends that Markham should avoid designating any lands outside the current settlement area for the purposes of major retail or any other regionally oriented commercial developments. This is a new approach for Markham and varies from the Region of York's land budget proposal of 120 gross hectares for major retail uses outside the current settlement area in Markham.

There is no doubt that the protection of existing lands designated for employment must be a priority and that approvals for major retail development have significantly impacted the supply of employment land in Markham. There is also a legitimate issue related to the future role and form of major retail as this relates to the changing policy context favouring mixed use development and community planning that reduces reliance on the automobile.

Phase 2 of the Employment Lands Strategy will further refine Markham's approach to future major retail. Phase 2 will also further examine the issue of conversion, establishing criteria to be used, as well as a definition for 'employment area' that clearly excludes major retail. Phase 2 will also work to define any additional policy considerations relating to major retail.

#### ELS (Phase 1) Inside/Outside Current Settlement Area

The chart on the next page helps to illustrate the ELS (Phase 1) approach to employment on land inside and outside the current settlement area (CSA):

<b>ELS (Phase 1)</b>	<b>Inside CSA</b>	<b>Outside CSA</b>	<b>Staff Comment</b>
	Region's forecasts propose approximately 90% of total employment within the CSA	Region's forecasts propose approximately 10% of total employment outside of CSA	ELS (Phase 1)'s forecast is in line with the Region and the same distribution would be anticipated.
<b>MOE</b>	Focus is on accommodating MOE within Centres and Corridors and existing business parks. All forecast MOE growth can be accommodated.	No MOE development is required.	The ELS (Phase 1) approach is consistent with the Region's approach. ELS (Phase 1) MOE density assumptions are higher than senior governments.
<b>ELE</b>	Anticipates complete development of available lands. Assumes that there will be intensification where practical. Preserve and protect current land supply.	Additional land requirement (456 hectares) primarily in north-west Markham to be phased in over the forecast period.	The ELS (Phase 1) approach is consistent with the Region's approach. ELS (Phase 1) land requirement, including market contingency, is close to Region's estimate (437 hectares). ELS (Phase 1) ELE density assumptions are higher than senior governments.
<b>PRE</b>	Anticipates complete development of available lands. Retail component of PRE focussed also in centres, corridors and mixed use development.	Sufficient land for PRE to serve population and employment available in new communities. No separate land budget provision for major retail. Required retail to be accommodated within mixed-use developments; Incorporate retail and service into mixed use in new communities and employment areas.	ELS (Phase 1) approach provides for supporting retail in employment areas. ELS (Phase 1) retail density assumptions are higher than senior governments.

#### Official Plan Refinements

The policy framework being recommended incorporates defining 'areas of employment' within the Official Plan. The recommended policy framework also entails re-defining the employment designations and determining what types of uses belong within each of the new designations.

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Several of the current categories of designation in the INDUSTRIAL and COMMERCIAL designations are proposed to be changed to allow more flexibility in use permissions, while at the same time protecting employment lands from ‘conversion’ to non-employment uses. The Business Park Area and the Heritage Main Street Area designations are proposed to remain largely unchanged, while all the other categories are proposed to be reviewed to better reflect existing use as well as planned function. The implications of these proposed changes are to be examined in detail during Phase 2. The recommended policy approach will examine what should be included and the extent of the application of the following designations:

- New **Markham Centre** designation

A new Markham Centre designation would create a policy environment to support the density requirements to meet Growth Plan requirements and the assumptions in the land budget exercise of the ELS (Phase 1). The ELS (Phase 1) builds in the expectation for Markham Centre will play an important role in the provision of major office buildings and population related employment uses such as institutional and retail and service uses. Work in progress relating to the Markham portion of the Richmond Hill – Langstaff Gateway Regional Centre will determine the policy approach for this Centre.

- Maintain the **Business Park Area** designation

While no changes to the Business Park Area designation is recommended, some lands designated Business Park Area are being recommended to be reserved for major office uses through zoning implementation.

- New **Employment** designation

This designation could combine some Business Corridor Area lands with General Industrial Area lands that share common functions today. The new designation would provide greater land use controls that prevent the encroachment of uses that should be located in other areas while at the same time supporting a broad range of industrial functions and business activities.

- New **Employment Mixed Use** designation

This designation would be applied to locations that have transitioned beyond conventional industrial functions, and/or which now include high concentrations of businesses that provide regionally oriented services. This designation is recommended to remain classified as employment.

- New **Retail Commercial** designation

Proposing to replace Major Commercial Area and Retail Warehouse Area lands into a new Retail Commercial designation. There may be some lands within the current Business Corridor Area lands which are functioning as Retail Commercial which could also be included in this designation.

- New **Residential Mixed Use** designation

Proposing to designate most of the lands within the Community Amenity Area and some within the Commercial Corridor Area into a Residential Mixed Use designation.

The nature and extent of retail permissions within the new Employment Mixed Use and the Residential Mixed Use designations will be examined within the Phase 2 work program.

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Monitoring and phasing policies for phasing in land for employment uses outside the current settlement area will also be examined Phase 2.

#### Sustainability Issues

Currently new Institutional, Commercial and Industrial (ICI) development is strongly encouraged by the Town to achieve a minimum of LEED Silver. The Town will be looking to raise that standard through the course of the forecast period.

Studies underway in support of this direction include:

- Sustainable Development Standards and Guidelines
- Integrated Community Sustainability Plan (Green Print)
- Markham District Energy Expansion Initiatives
- Master Servicing Study

The conclusions and recommendations of these studies are expected to address a range of sustainability factors and should provide a framework for policy development for employment lands in Phase 2 of the Employment Lands Strategy.

#### Employment Lands Strategy (Phase 2 – Implementation)

Items to be addressed include:

- New Official Plan and Secondary Plan Policies
- Land budget confirmation
- Employment land conversion policies
- Strategic employment land reserve policies
- Acquisition or public control of lands in strategic employment lands reserve area
- Zoning framework
- Public Realm Framework including Urban Design
- Sustainability Issues
- Studying other available tools and approaches

Phase 2 can commence once the ELS (Phase 1) directions are endorsed. Budget for the Phase 2 work is in place.

#### Conclusion and Recommendation

The ELS (Phase 1) represents a balanced approach with a variety of choices for accommodation for the different sectors of Markham's economy. The recommendations in the ELS (Phase 1) encompass the requirements of the PPS, Growth Plan and the Region's forecasting related to employment lands.

Phase 2 will develop a monitoring program. This program will enable the Town to make any needed adjustments in response to changing market conditions as prescribed by the Planning Act and to inform phasing decisions for employment lands.

It is staff's recommendation that the ELS (Phase 1) be endorsed as the basis for the more detailed Phase 2 work ahead. The recommendations contained in this Phase 1 will also be incorporated into the Town's Growth Management Strategy.

**FINANCIAL TEMPLATE**

n/a

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Aligns with the strategic priorities of Growth Management, Environment and Transportation/Transit within the Building Markham's Future Together Framework.

**DEPARTMENTS CONSULTED AND AFFECTED:**

Economic Development

**RECOMMENDED BY:**

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Valerie Shuttleworth M.C.I.P., R.P.P.  
Director of Planning & Urban Design

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Jim Baird M.C.I.P., R.P.P.  
Commissioner of Development Services

**ATTACHMENTS:**

Appendix A – Executive Summary of the Town of Markham Employment Lands Strategy (Phase 1)

Appendix B - Town of Markham Employment Lands Strategy (Phase 1) – electronic copy only