
For Information

DATE: February 19, 2020

REPORT TITLE: **EMPLOYMENT POLICIES AND TRENDS OVERVIEW**

FROM: Andrew Farr, Acting Commissioner of Public Works

OBJECTIVE

To provide an overview of the employment planning policy framework in Peel and trends that will guide updated employment policies as a part of the Peel 2041 Official Plan Review.

REPORT HIGHLIGHTS

- The broader Greater Toronto and Hamilton Area market is in the midst of a structural employment shift.
- The Peel economy is transitioning from goods production to goods movement and the service-knowledge based sector.
- New provincial plans emphasize the importance of identifying and protecting Employment Areas for short- and long-term job creation.
- Land use policies need to reflect the changing spatial patterns and location of employment.
- The Region of Peel Employment Strategy discussion paper provides recommendations and strategies to support the Region in achieving its employment forecasts to 2041.
- Updated Regional employment policies will address the need for criteria-based flexibility to accommodate a broader range of uses in strategic areas.

DISCUSSION
1. Background

The broader Greater Toronto and Hamilton Area (GTHA) market is experiencing a shift in job growth by employment sector as how people choose to work, and the location of job opportunities evolves. The shifts merit a review of the Region's employment policies to ensure they provide the appropriate flexibility to respond to market changes and provide sufficient opportunities for employment growth. Through the Peel 2041 Official Plan Review, the Region is reviewing its employment planning policy framework.

In 2019, the Region of Peel commissioned the MOWAT Centre to undertake a study titled "Rethinking Municipal Finance for the New Economy". The report included conclusions that the Peel economy is in transition and has shifted from goods production to good movement

EMPLOYMENT POLICIES AND TRENDS OVERVIEW

including manufacturing plants being replaced by warehouses and distribution centres. In addition, the service sector continues to expand with an emphasis on knowledge-based jobs.

On October 10, 2019 Regional Council passed Resolution 2019-926, requesting that staff bring forward a report on the nature of employment and jobs, including the potential for more flexible employment policies to reflect the changing nature of employment. This report is in response to the resolution.

2. Policy Context

The *Planning Act R.S.O 1990* (the *Planning Act*) identifies 'adequate employment opportunities' and 'the protection of the financial and economic well-being of the Province and its municipalities' as matters of Provincial interest.

To protect these matters of provincial interest, the term 'areas of employment' is defined in the *Planning Act* as an area of land designated in an official plan for clusters of business and economic uses, such as:

- manufacturing uses
- warehousing uses
- office uses
- retail uses associated with the uses mentioned above; and
- facilities ancillary to the uses mentioned above.

The concept of 'areas of employment' is further regulated by the Provincial Policy Statement, 2014 (PPS) and A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019 (Growth Plan). These provincial documents provide directions on how municipalities must protect and accommodate employment growth for 'areas of employment'. The official plan policies of municipalities must be consistent with the PPS and conform to the Growth Plan.

The Region of Peel Official Plan currently conforms to the policies of the PPS, 2005 and Growth Plan, 2006 by protecting for 'areas of employment'. The Regional Official Plan requires the local municipalities to designate lands for employment in their official plans and specify permitted employment uses.

New Provincial Direction on Employment

In 2019, the Province released A Place to Grow: Growth Plan for the Greater Golden Horseshoe and a draft Provincial Policy Statement, 2019. The two provincial plans provide enhanced direction on how municipalities should plan to accommodate employment. The provincial plans introduced the following considerations:

Provincially Significant Employment Zones: A policy framework that allows the Minister to identify areas of high economic output and impact that are strategically located to be protected to ensure employment lands that are critical to the local and provincial economy are identified. The areas will provide opportunities for improved coordination between land use planning, economic development, and infrastructure investment to support job creation.

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Regional Employment Area Designation: Upper-tier municipalities are now required to identify and designate ‘employment areas’ for protection in Regional Official Plans. Once designated, Employment Areas may only be converted through a Municipal Comprehensive Review undertaken by the Region.

Minimum density targets for Employment Areas: Upper-tier municipalities will establish minimum density targets for all Employment Areas within settlement areas.

Retail and office uses in locations supported by active transportation and transit: Municipalities must direct retail and office uses to areas supported by active transportation and existing or planned transit.

Protection of Employment Areas beyond planning horizon: The draft PPS, 2019 does not limit municipalities from planning for Employment Areas beyond the 25-year horizon that are outside of settlement area boundaries for strategic long-term protection.

Review existing Employment Areas: The draft PPS, 2019 encourages municipalities to assess the planned function of existing Employment Areas.

The new provincial policies emphasize the importance of identifying and protecting Employment Areas for short- and long-term job creation while directing employment uses that generate higher densities such as commercial, retail, and office to areas supported by active transportation and existing/planned transit.

3. Employment Trends

Over the past 15 years, the broader Greater Golden Horseshoe has been in a period of structural economic change as employment growth once driven by the manufacturing sector shifts to more service and knowledge-based industries. Various macro-economic trends including globalization, automation, and industry efficiencies have led to an overall decline in the amount of manufacturing jobs. The same forces have driven rapid growth in the warehouse and distribution, retail, and professional and technical service sectors. Appendix I provides an overview of employment growth trends in the Region.

Notwithstanding these trends, the industrial sector will continue to be critical to the economic health of the Region. Peel’s Employment Areas benefit from access to 400 series highways, the Pearson International Airport, and close border access. While jobs are a good measure for employment, they do not capture the other benefits Employment Areas provide such as supporting the existing tax base, providing a diversified land base, leveraging existing and planned goods movement and freight infrastructure, aligning with provincial investments, and supporting local opportunities for employment services such as Ontario Works.

On the other side of these trends, growth in the service-knowledge based employment sectors, inclusive of retail, finance and insurance, educational services, and healthcare and social assistance are on the rise. An educated labour force responding to the creative knowledge-based economy and the need to provide services for a growing population are a few of the driving forces.

While the service-knowledge based sectors are driving the new economy, this has not translated to new office development in the Region. In recent years, the Region has not

EMPLOYMENT POLICIES AND TRENDS OVERVIEW

been meeting its employment forecasts, with a lack of office development being one of the contributing factors. One of the challenges facing the Region and many of the 905 municipalities is the shift of office development from suburban locations to urban environments such as downtown Toronto. Between 2000 and 2008 the suburban GTA municipalities accounted for 92 per cent of new office supply, whereas in the last 10 years this share has declined to 41 per cent (Cushman and Wakefield, 2018).

A review of active non-residential development applications in Peel points to these trends as a significant portion of the Gross Floor Area in the development pipeline is attributed to proposed industrial development and major office and retail/commercial uses make up a much smaller component. It should be noted that high industrial Gross Floor Areas do not translate to significant jobs due to lower employment densities generally associated with employment area development.

As Peel looks forward to 2041, it is anticipated these trends will continue as a greater proportion of jobs in Peel will be captured in the service-knowledge based sectors and the demand for industrial space to accommodate warehousing will continue. With an increased focus on service-knowledge based sectors to accommodate jobs in Peel, there will be a need to direct these uses to areas that can support sustainable modes of transit with amenities to attract and retain businesses in the service-knowledge-based sectors. However, the competition for these uses is anticipated to be strong across the GTHA as provincial policy direction is resulting in the creation of numerous mixed-use urban centres in Strategic Growth Areas which will be competing for office development.

Employee Space and Land Needs

As Peel plan for new employment growth and the changing nature of employment, staff see a shift in how people work and where jobs are located. This includes home-based employment and no fixed place of employment. The continued advancement of automation and efficiency in industrial facilities may impact planning assumptions about the amount of jobs that will be accommodated in Employment Areas. Employment growth in the transportation, logistics, and warehousing sectors further exacerbated the trend, as these facilities are typically land extensive and require locations in new Employment Areas.

Employment growth in the service and knowledge-based sectors are supported by a workforce that is accommodated in denser built forms. Historically, these jobs have been located in business and office parks near 400 series highways, of which Peel has seen growth such as the corporate centres in Mississauga. However, office-based uses are now seeking urban environments that provide access to a knowledge based labour force, transit, urban lifestyles and amenities. Some service-knowledge sector jobs do locate in traditional Employment Areas. While these uses typical provide more jobs and increased densities, they can have the negative impact of creating land use compatibility issues that impact the ability of existing or potential new industries to operate.

These trends point to changes in the pattern and location of employment. Broad structural changes across employment sectors are challenging existing land use polices and the ability of municipalities to accommodate service-knowledge based employment uses in Employment Areas and urban environments.

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4. Employment Strategy Discussion Paper

In 2017, the Region undertook an Employment Strategy Discussion Paper as a part of the integrated approach to planning and managing growth. The report was accompanied by a Transportation Strategies Discussion Paper and presented to Council in October of 2017 as part of the draft Growth Management Regional Official Plan Amendment. The report addressed provincial policies and market trends and concluded with strategies and recommendations to mitigate risks and position the Region to meet its employment forecasts to 2041. This included the need to protect existing Employment Areas and develop Regional policies for strategic employment areas that will be planned through Settlement Area Boundary Expansion to support the Region's goods movement corridors and facilities.

The report concluded that there will be challenges for the Region to meet its employment forecasts to 2041, but risk can be mitigated by implementing a series of strategies targeted at the different employment sectors supported in Peel. The recommendation and strategies will be considered through the Region's employment policies and other implementation mechanisms.

Appendix III provides an overview of the discussion paper strategies and recommendations presented in the report. The full report can be found on the Region of Peel website: peelregion.ca/planning/officialplan/pdfs/employment-strategy-discussion-appendix-v.pdf.

5. Planning 2041 – Employment Policy Directions

The Region is currently undertaking the Peel 2041 Official Plan Review, through the review, the employment policies and other section of the plan will be updated to address provincial plans, employment trends, and the employment strategy recommendations. Based on preliminary research, Staff will be looking to advance the following policy directions:

- Designate Employment Areas for protection in the Regional Official Plan;
- Plan for new Employment Areas to be accommodated through Settlement Area Boundary Expansion;
- Map Provincially Significant Employment Zones;
- Establish location-based criteria for Employment Areas where increased flexibility for retail, commercial, and office uses are appropriate;
- Direct higher density employment uses to areas with existing or planned transit to align transit and infrastructure investment; and
- Provide directions on planning for employment lands within Major Transit Station Areas

Draft Employment Area mapping was presented to Council in October 2017. The Region's current proposed Employment Area mapping is provided as Appendix IV and staff will be working with local municipal staff and stakeholders through the Peel 2041 Official Plan Review to consult on the mapping, evaluate employment conversion requests, and further develop draft employment policies.

It is anticipated that Council will receive the draft employment policies and a recommended Official Plan schedule for formal statutory public consultation later in the process.

EMPLOYMENT POLICIES AND TRENDS OVERVIEW**CONCLUSION**

Employment within Peel and the broader GTHA continues to evolve as the proportion of manufacturing jobs decreases and the proportion of employment in the logistics/warehousing and service-knowledge based sectors increases. These shifts are challenging the locational characteristics of employment, specifically in the service-knowledge based sectors. To better prepare Peel to address the continued evolution of employment, a policy framework is required that balances the protection of existing and future Employment Areas with the implementation of policies that allow flexibility in strategic locations supportive of complete communities. Updated employment policies will be developed and presented to Council through the Peel 2041 Official Plan Review.



Andrew Farr, Acting Commissioner of Public Works

Approved for Submission:


N. Polsinelli, Interim Chief Administrative Officer

APPENDICES

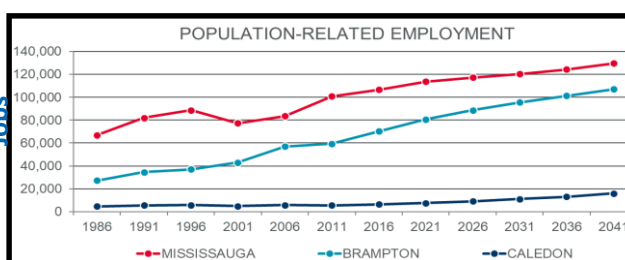
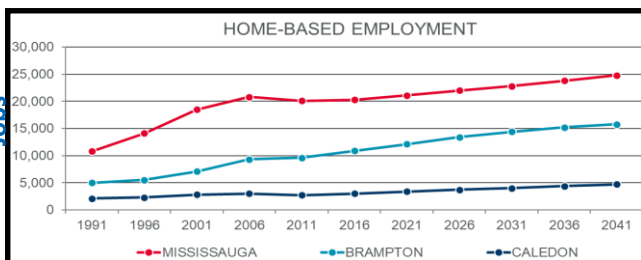
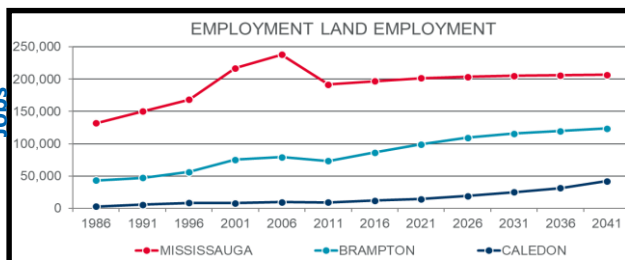
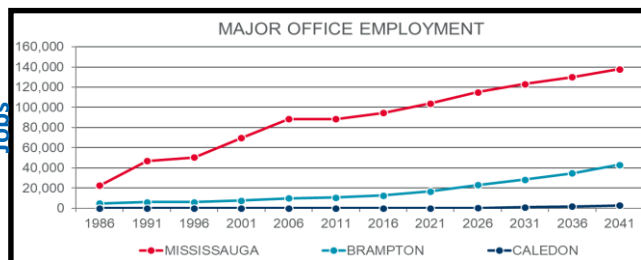
Appendix I - Employment Growth Trends Overview
 Appendix II - Employment Strategy Discussion Paper – Recommendations Overview
 Appendix III - Draft Regional Employment Area Mapping

For further information regarding this report, please contact Adrian Smith, RPP, Acting Chief Planner & Director, Regional Planning and Growth Management, Ext 4047.

Authored By: Duran Wedderburn, RPP, Principal Planner, Regional Planning and Growth Management

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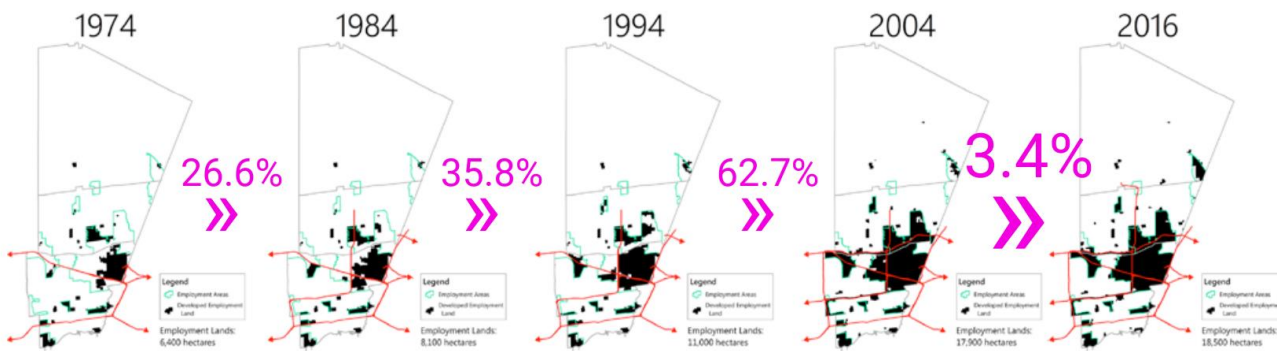
Historical and Forecasted Employment Growth in Peel by Type



Note Forecast employment shown in this table is based on the proposed municipal allocation of population and employment growth. It does not include the portion of employment that is in the No Fixed Place of Employment category.

Source: Cushman and Wakefield, 2017. Employment Strategy Discussion Paper prepared for the Region of Peel

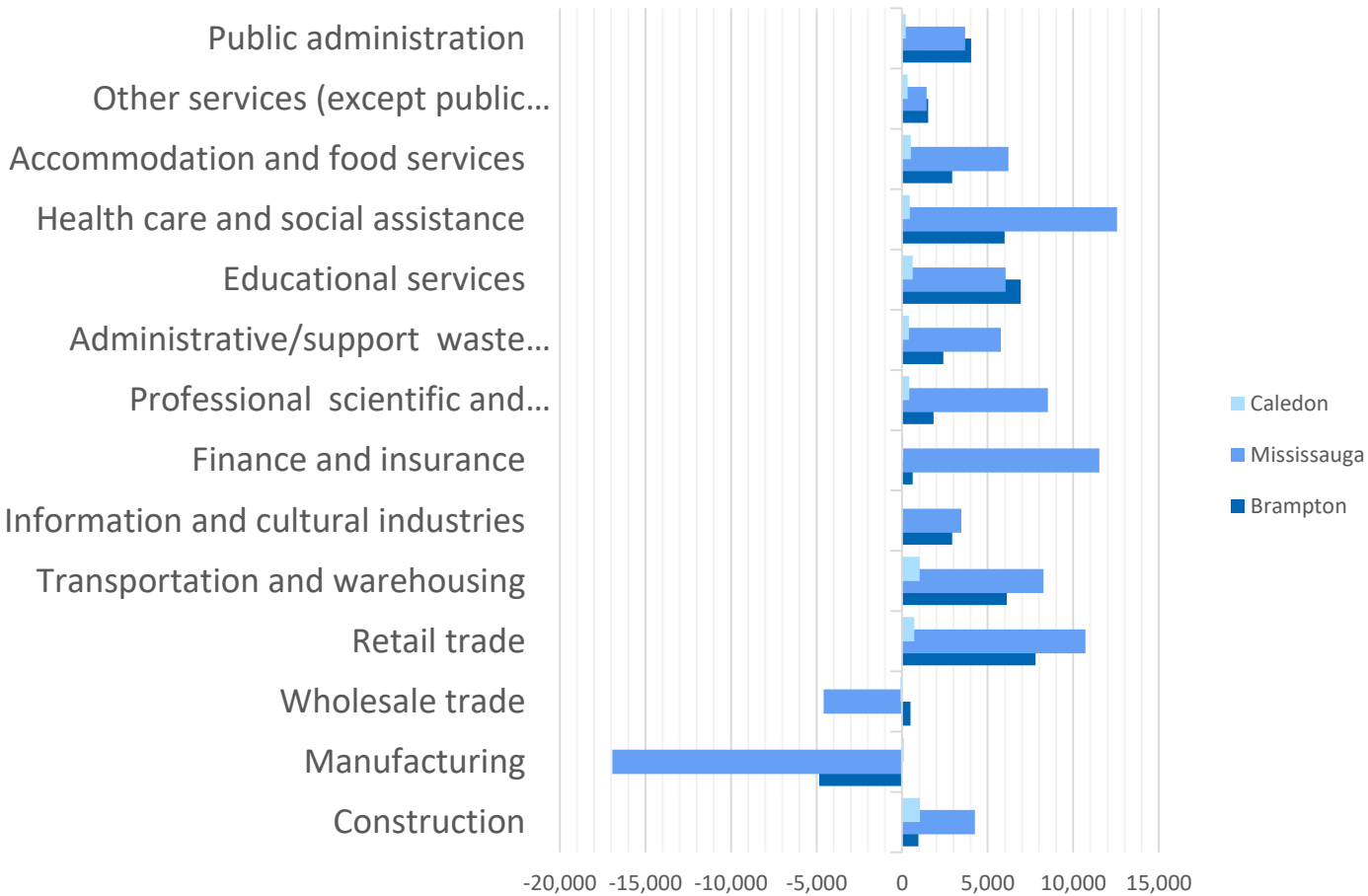
Growth Rate of Employment Land Consumption In Peel



Source: Mowat Center, 2019. Rethinking Municipal Finance For The New Economy prepared for the Region of Peel

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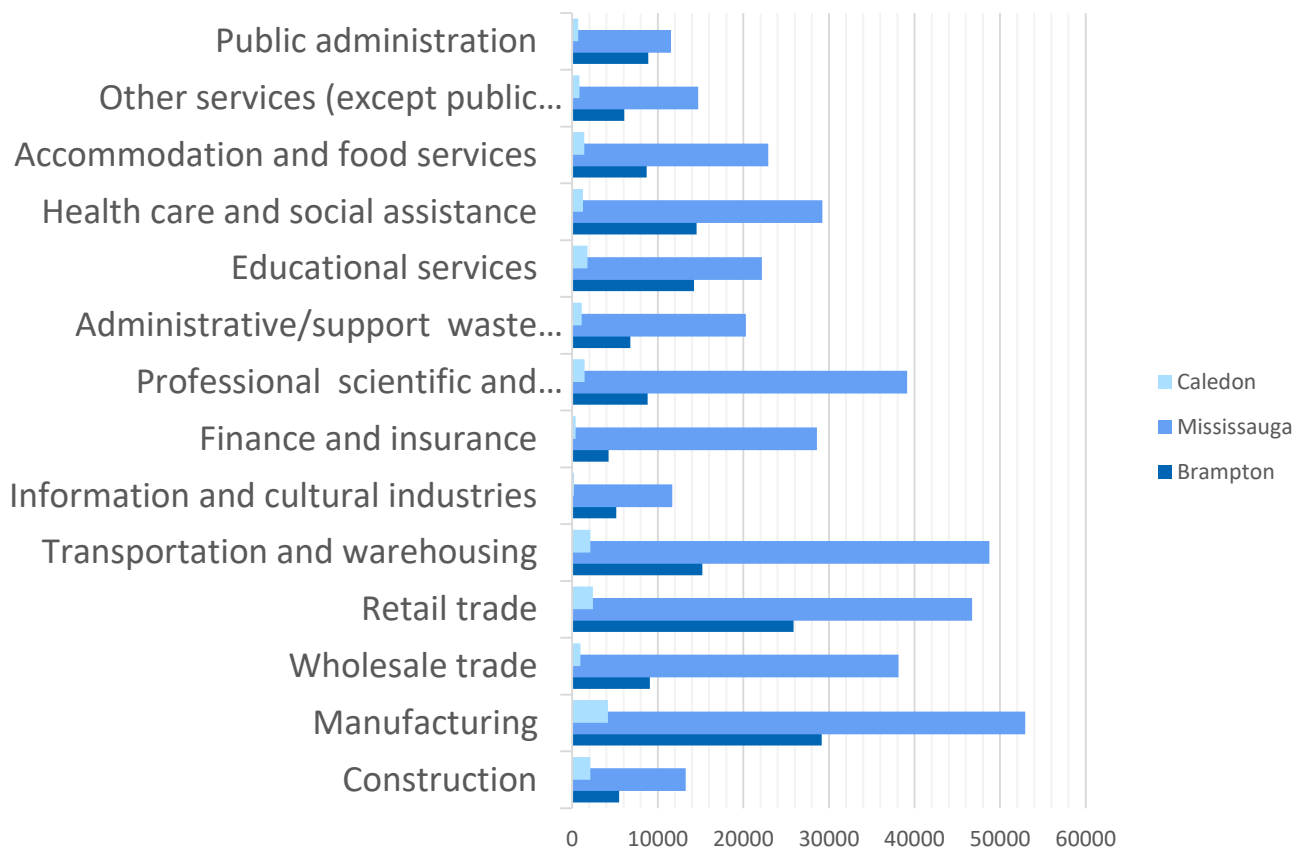
Employment Growth by North America Industry Classification System 2001-2016 in Peel



Source: Statistics Canada, Custom geography, Place of Work data by North America Industry Classification Systems Codes, 2001 and 2016

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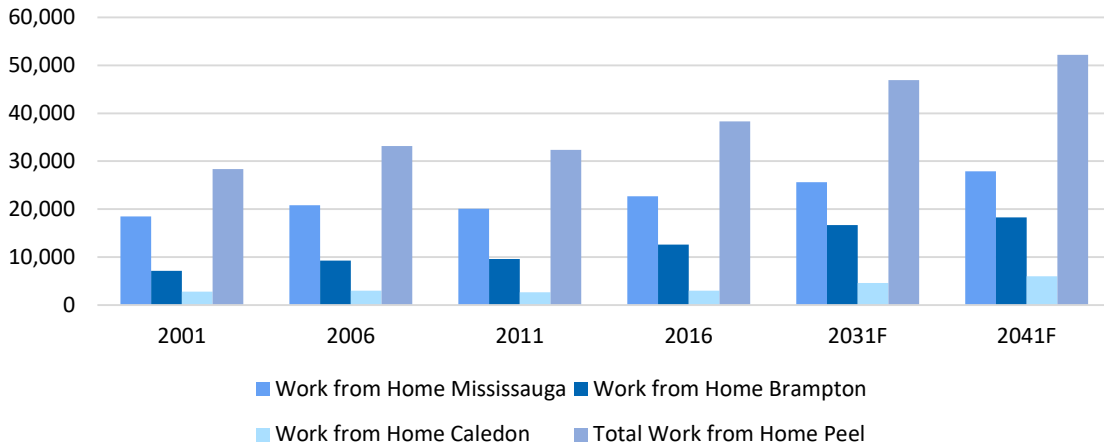
Employment by North America Industry Classification System 2016 in Peel



Source: Statistics Canada, Custom geography, Place of Work data by North America Industry Classification Systems Codes, 2016

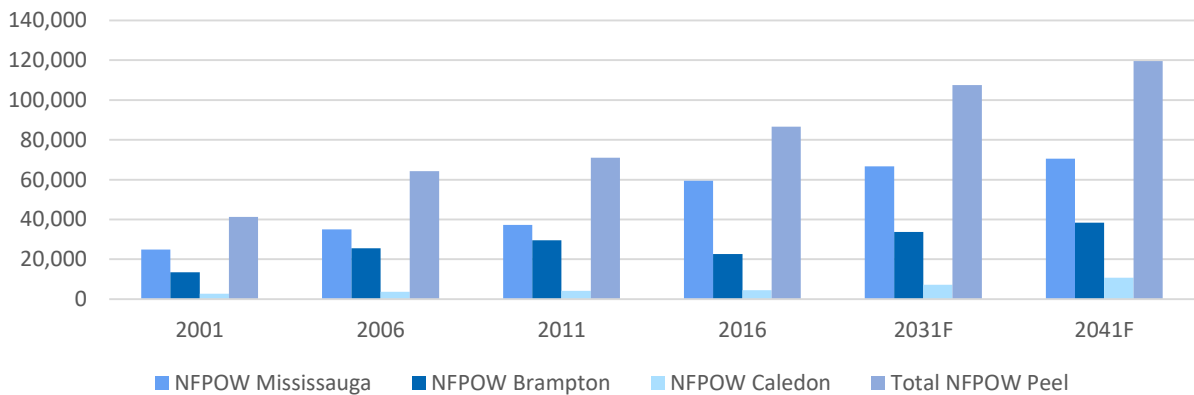
Regional Planning & Growth Management

Historical and Forecasted Work from Home Jobs in Peel



Source: Hemson consulting, data for 2001, 2006, 2011, 2016, 2031F, 2041F —Note: Data for forecasted years based on Hemson Consulting Scenario 16, prepared for the Region of Peel

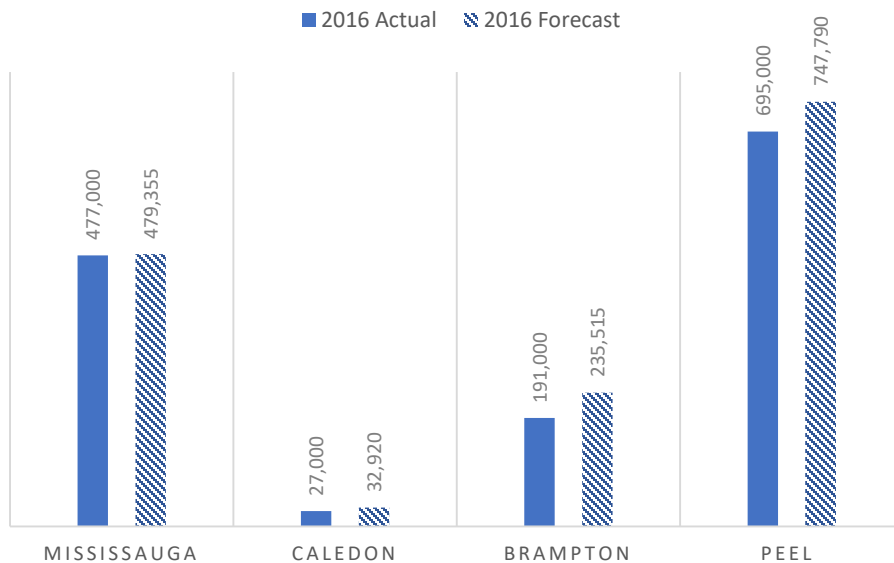
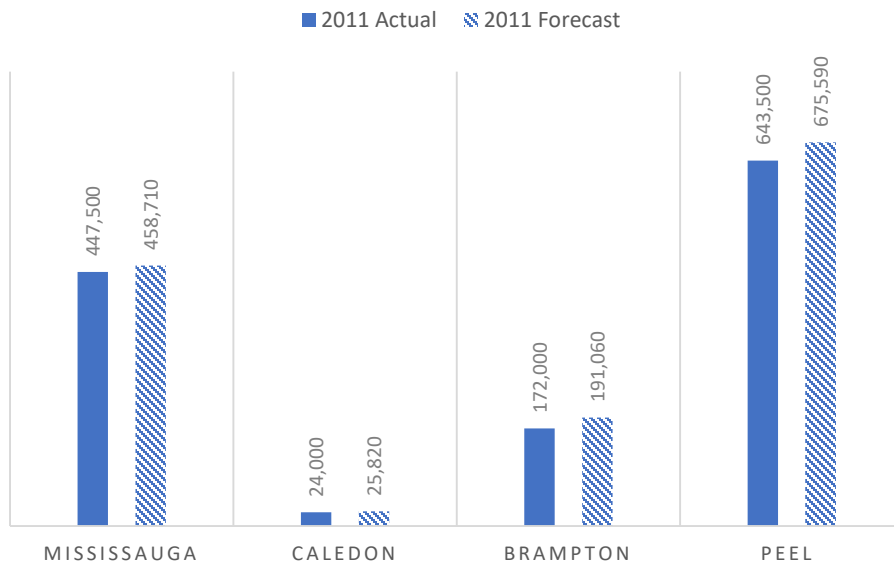
Historical and Forecasted No Fixed Place Of Work Jobs in Peel



Source: Hemson consulting, data for 2001, 2006, 2011, 2016, 2031F, 2041F —Note: Data for forecasted years based on Hemson Consulting Scenario 16, prepared for the Region of Peel

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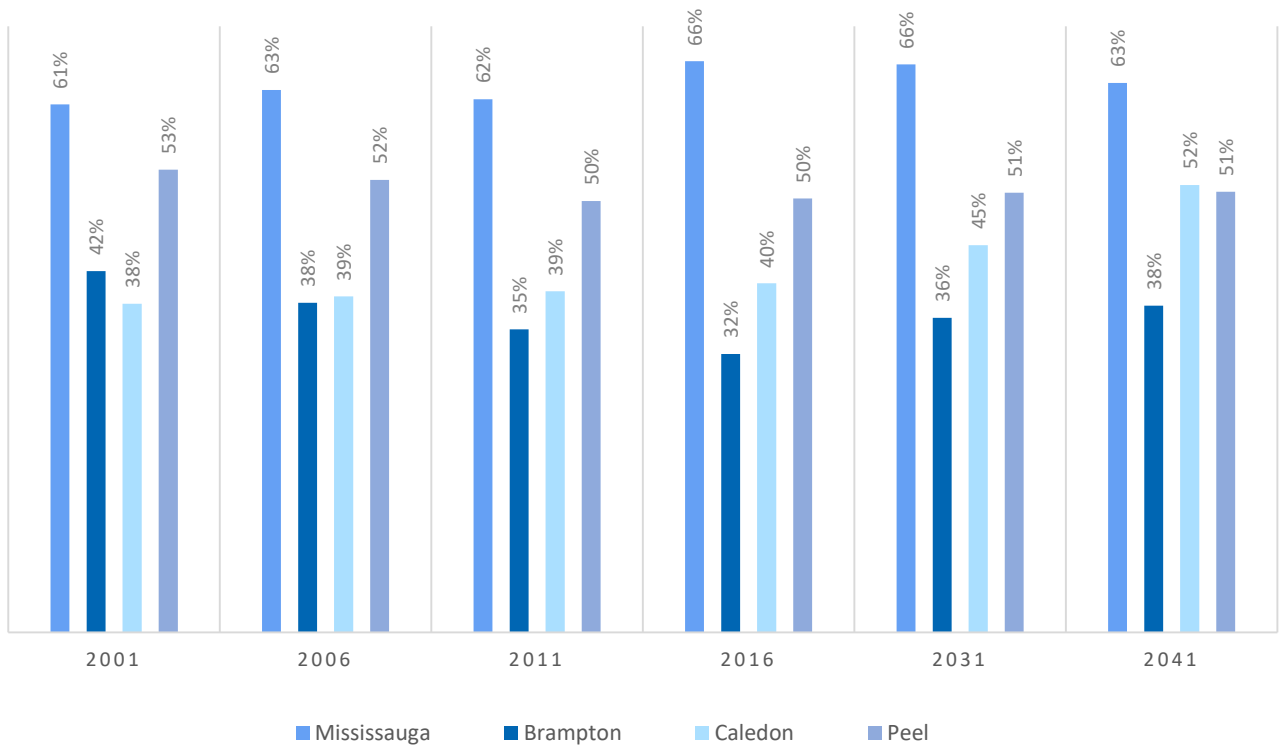
Employment Comparison - Forecast vs Actual in Peel



Source: Region of Peel Official Plan Amendment #24 (2011F and 2016F), Statistics Canada Census (2016), Statistics Canada National Household Survey (2011).

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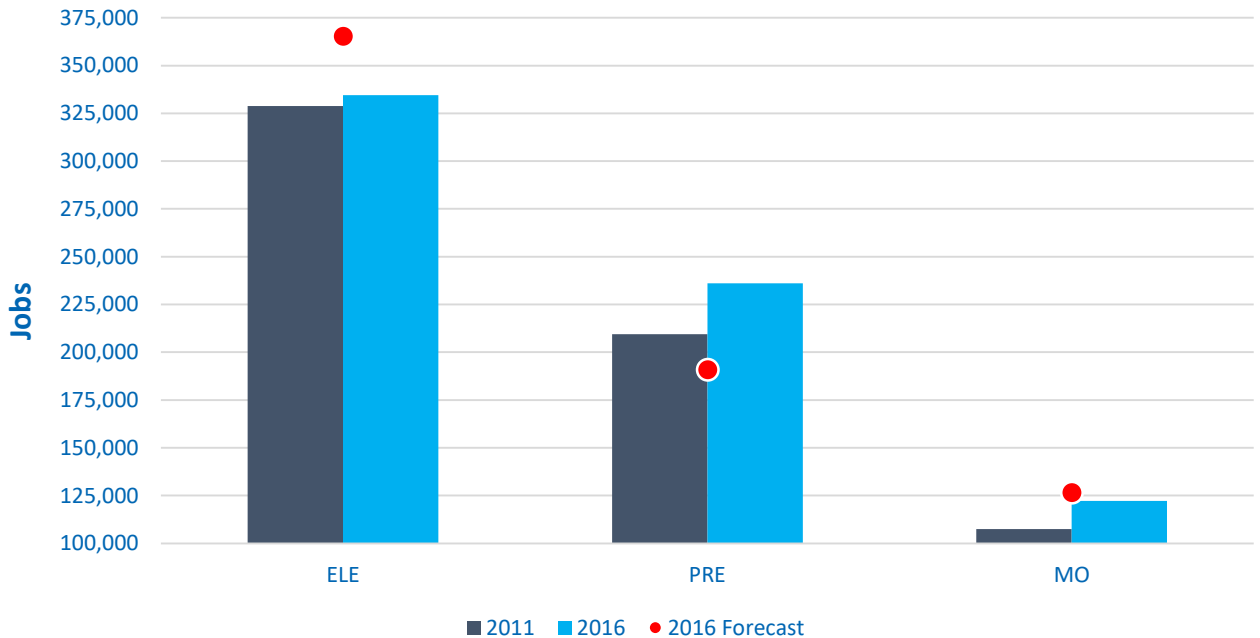
Historical and Forecasted Activity Rate



Source: Statistics Canada, Census Population 2001, 2006, 2011, 2016. Hemson consulting, Scenario 16 forecast, 2016, 2031, 2041. Peel Data Centre

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Employment Comparison - Forecast vs Actual by Employment Type

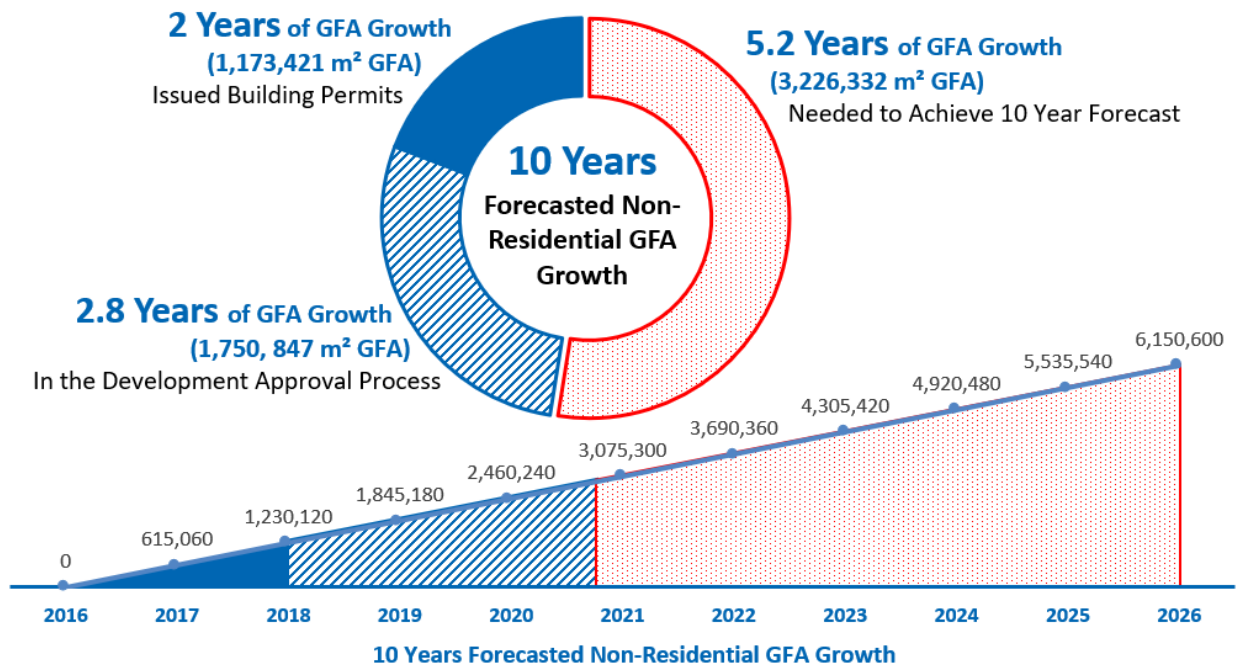


Source: Region of Peel Official Plan Amendment #24 (2016F), Statistics Canada Census (2016), Statistics Canada National Household Survey (2011).

Note: ELE – Employment Land Employment, PRE – Population Related Employment, MO – Major Office

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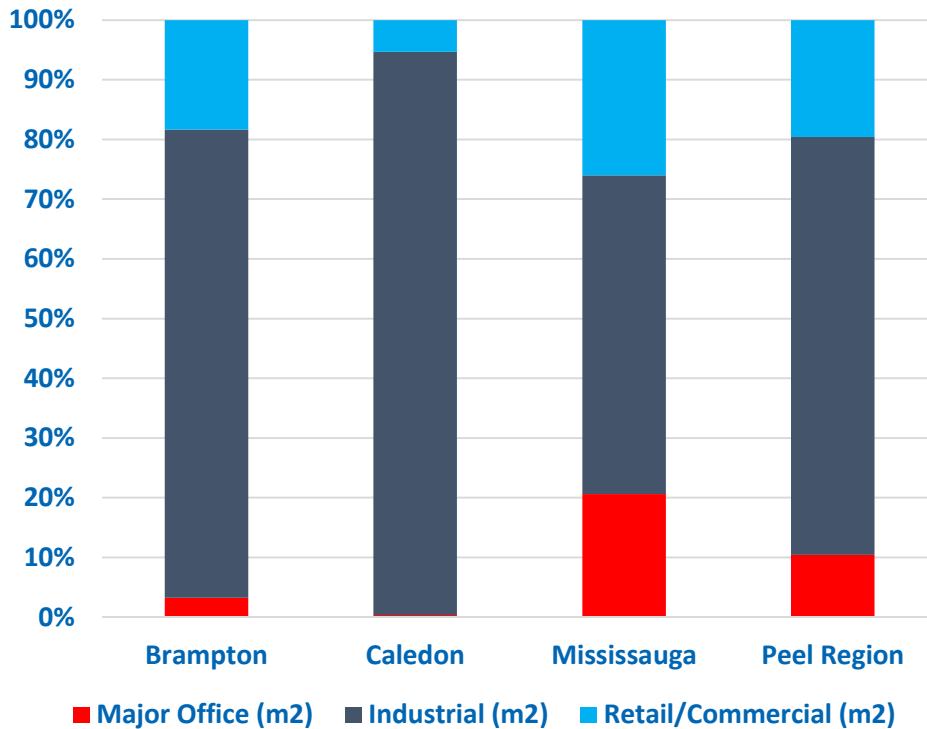
Non-Residential Gross Floor Area (GFA) Actual vs Forecast



Sources: Municipal building permits (source: Peel Data Centre); Development Tracker (source: Development Services). Council Endorsed Growth Forecast to 2041, Hemson Consulting (2016)

Regional Planning & Growth Management

Non-residential Gross Floor Area (GFA) in Active Development Applications by type (%)



Source: Region of Peel, Development Application Track, Q3 2019

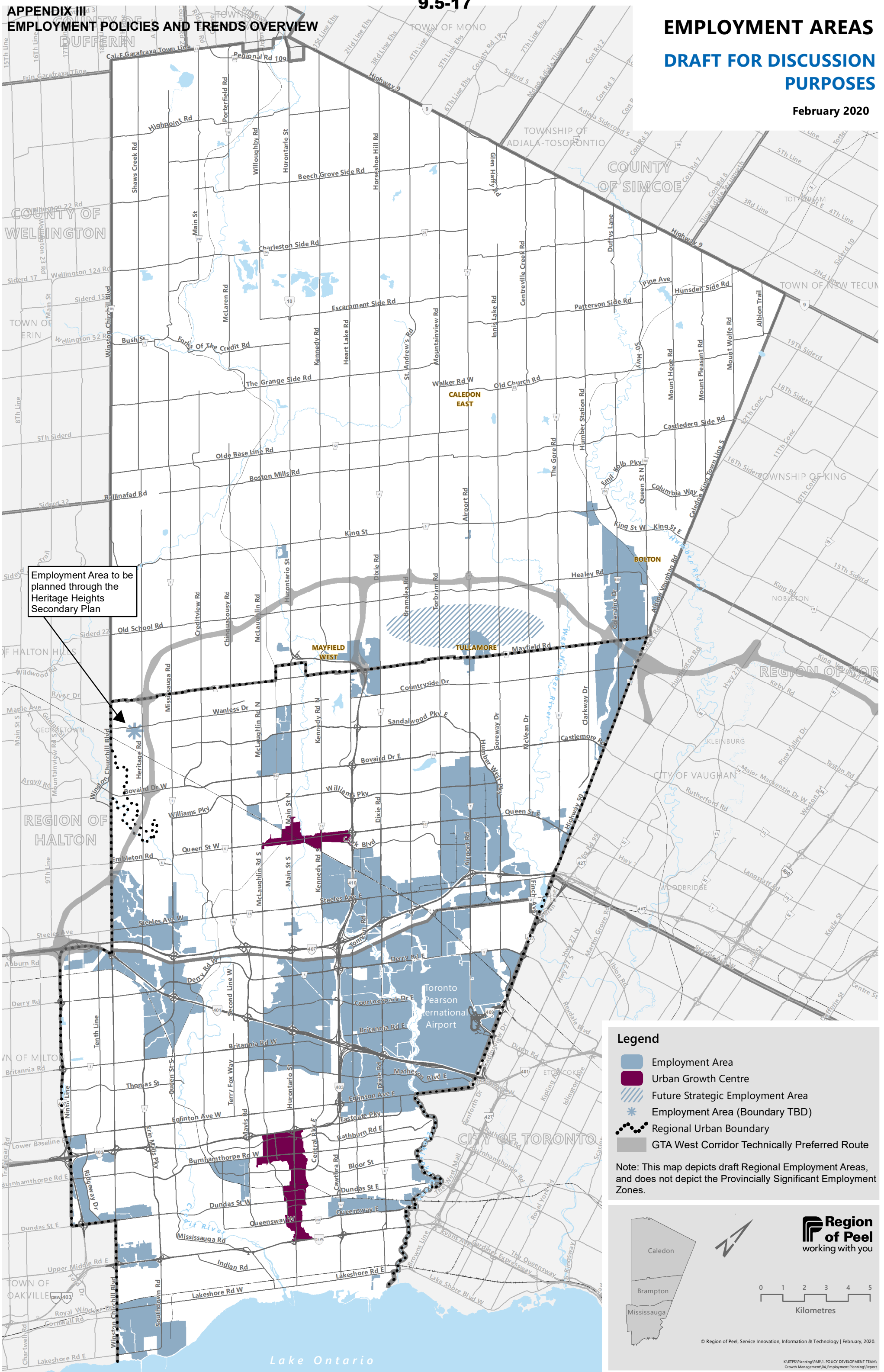
Note: Major Office is defined as employment occurring in freestanding buildings of 1,860 m2 or more.

**APPENDIX II
EMPLOYMENT POLICIES AND TRENDS OVERVIEW**

Employment Strategy Discussion Paper – Recommendations Overview

Employment Strategy Discussion Paper – Recommendations Overview by Employment Category			
Employment Land Employment (ELE)	Population Related Employment (PRE)	Major Office (MO)	Other
Protect budgeted employment lands from conversion	Recognize that Population-Related Employment requires a more nuanced level of consideration	Suburban locations must offer an urban environment to compete for major employment	Recognize a continuum of home-based employment, and provide policy support
Identify employment areas	Plan for the decline in future retail employment demand, as E-commerce increases as a share of Total Retail Spending	Support major office with mixed use amenities and multi-modal transit	Collaborate to increase Rural Employment
Ensure a variety of employment lands – location, size, servicing		Leverage positive spin-off effects from Major office development	Implement New Provincial policy
Support employment land intensification opportunities		Consider financial incentives to attract new office development	Support broadband investment in Peel
Recognize highway access as increasingly important		Monitor Major Office densities	Move from sprawl to intensification to accommodate affordable housing and affordable workspaces
Recognize multi-modal transportation access increasingly important			Distinguish employment types that require permission, protection, and incentives
Monitor ELE density to ensure adequate supply			

Source: Employment Strategy Discussion Paper 2017, prepared by Cushman and Wakefield for the Region of Peel



Employment Area to be planned through the Heritage Heights Secondary Plan

Legend

- Employment Area
- Urban Growth Centre
- Future Strategic Employment Area
- Employment Area (Boundary TBD)
- Regional Urban Boundary
- GTA West Corridor Technically Preferred Route

Note: This map depicts draft Regional Employment Areas, and does not depict the Provincially Significant Employment Zones.

Region of Peel
working with you

0 1 2 3 4 5
Kilometres

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KLETPS/Planning/PAR/1. POLICY DEVELOPMENT TEAM/ Growth Management/04_Employment Planning/Report

Employment Planning in Peel

An Overview of Employment Trends and the Provincially Significant Employment Zones Framework

Adrian Smith,
Acting Chief Planner and Director of Regional Planning
and Growth Management

Outline

- Employment Policy and Trends Overview
- Provincially Significant Employment Zones Framework
- Impacts on the Settlement Area Boundary Expansion Study



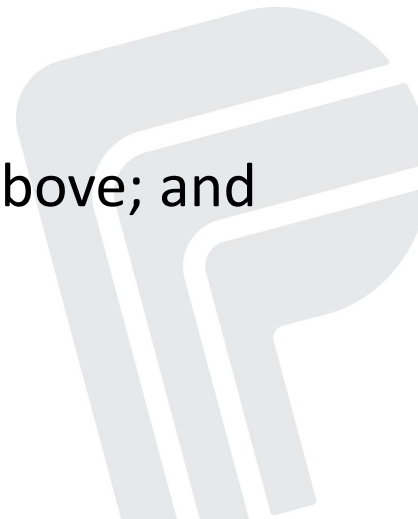
Employment Policy & Trends



What are Employment Areas?

Land designated in an official plan for clusters of business activity and economic uses, such as:

- manufacturing uses
- warehousing uses
- office uses
- retail uses associated with the uses mentioned above; and
- facilities ancillary to the uses mentioned above.



Employment Areas in Peel?

- Caledon
 - Bolton
 - Mayfield West
- Brampton
 - Bram West
 - SP 47
- Mississauga
 - Corporate Centres
 - Lester B. Pearson Airport



Seven 400-Series Highways:
The densest network of 400-series highways in the GTHA



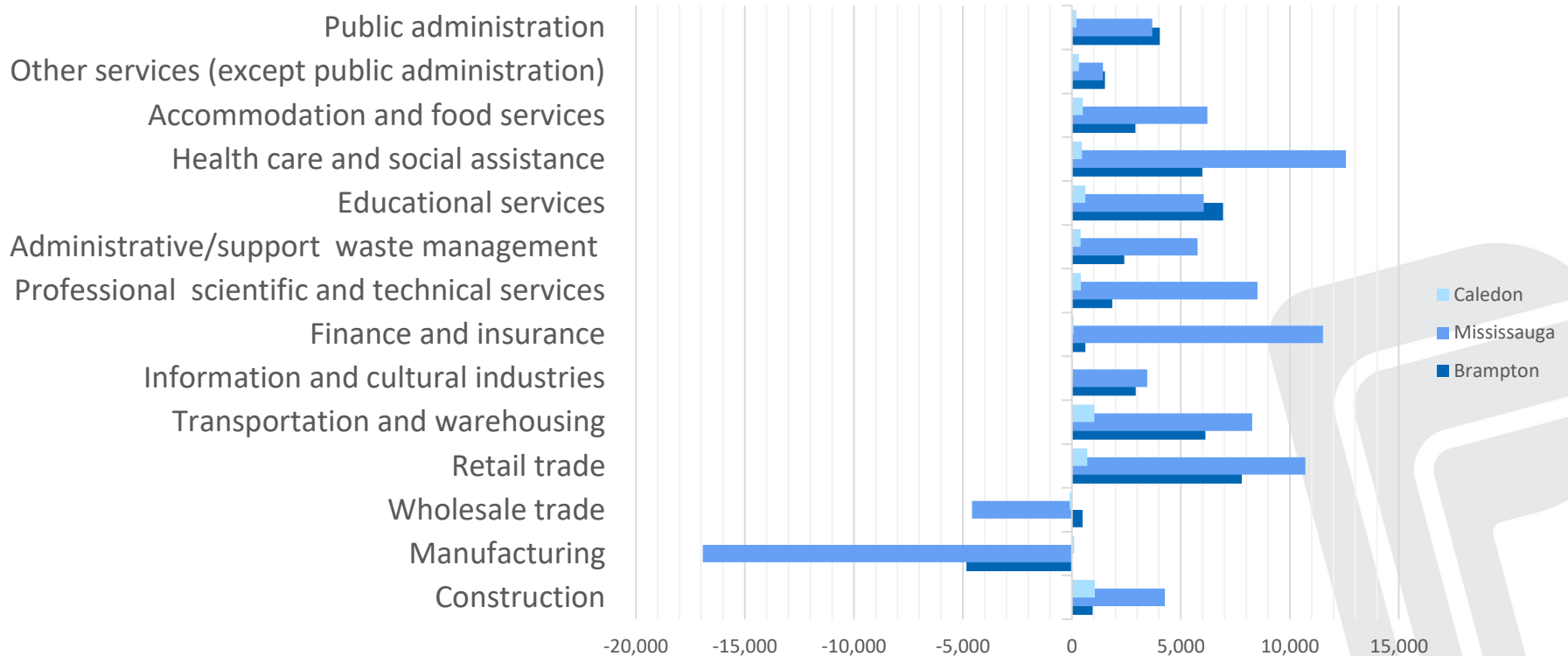
Canada's Largest International Airport



Mainline Tracks and Facilities for Canada's two Major Railroads: CN and CP

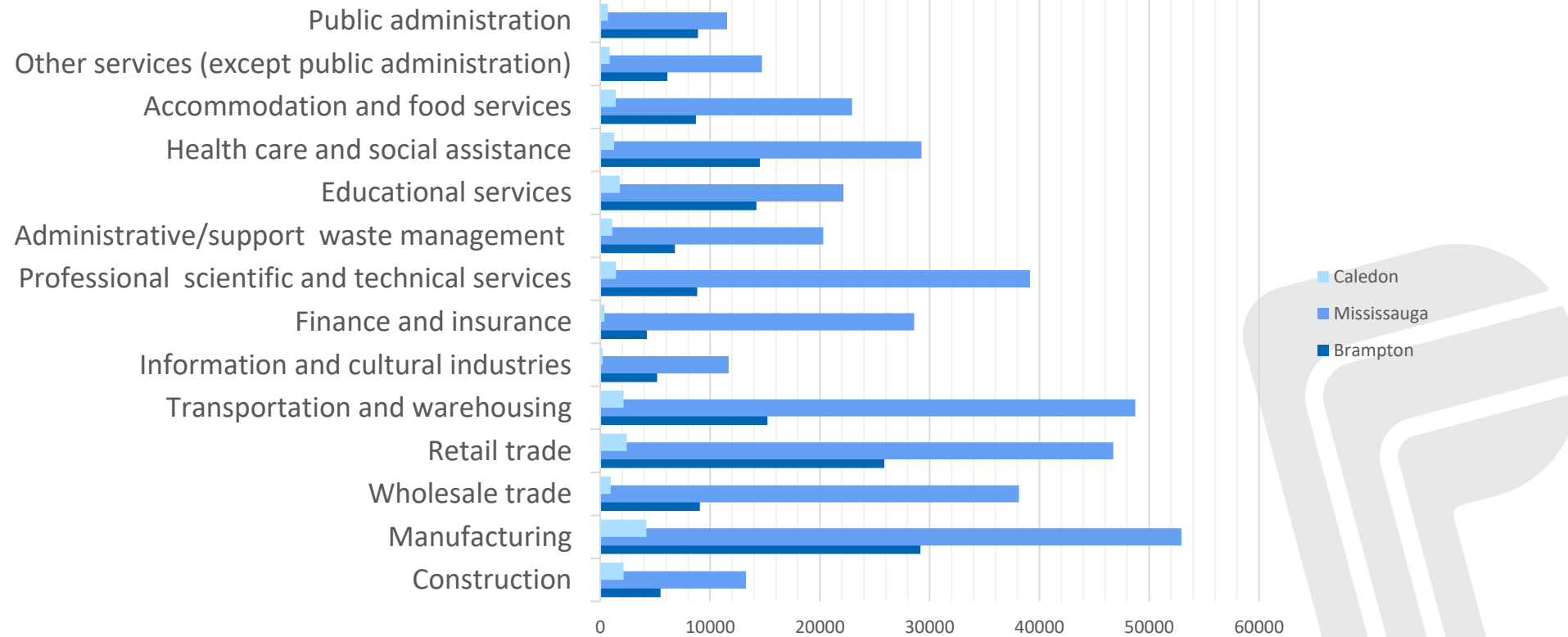
Peel Economy in Transitioning

Employment Growth by North America Industry Classification System 2001-2016

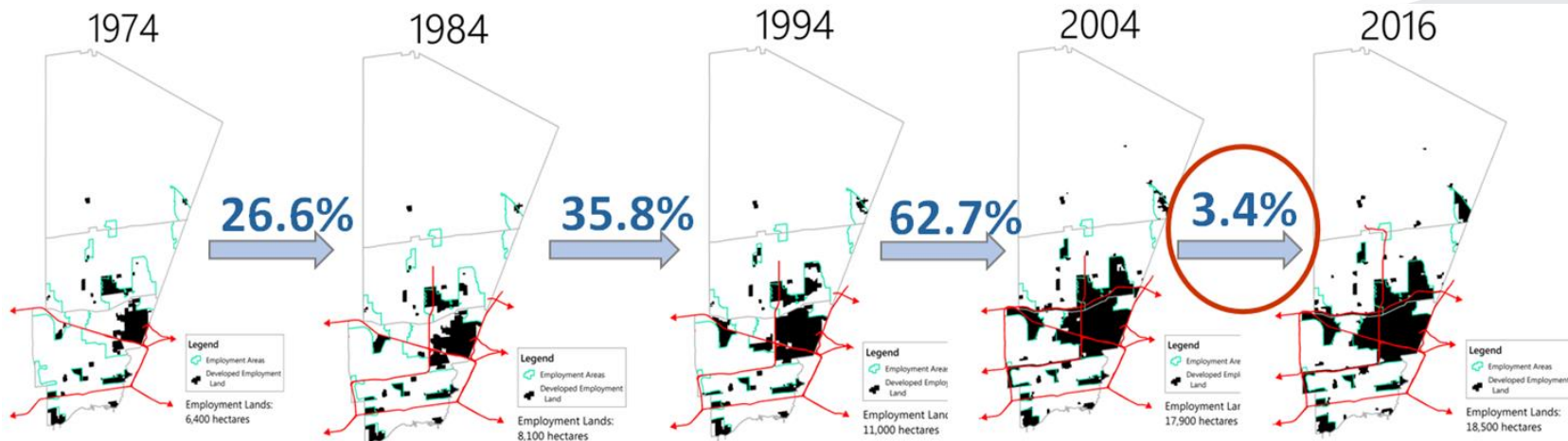
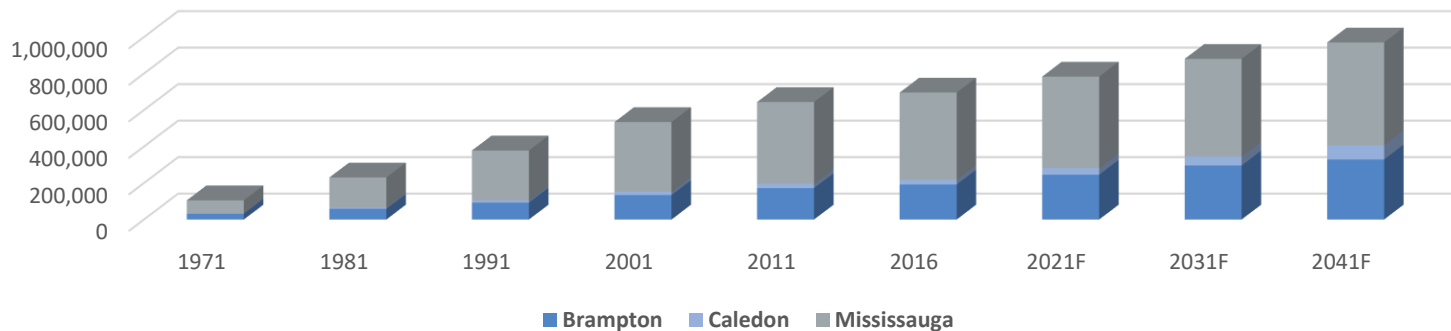


Peel Economy is Transitioning

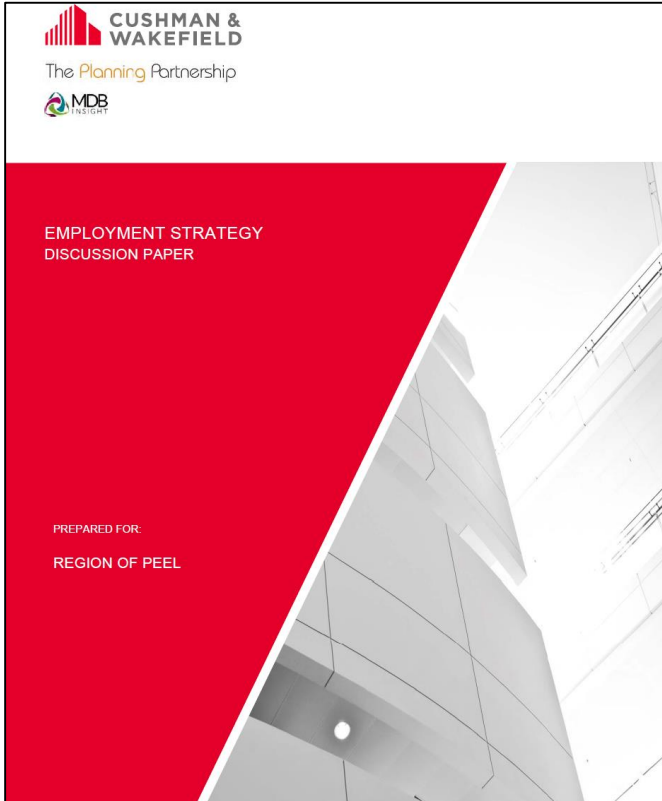
Employment by North America Industry Classification System 2016



More Jobs on Less Land



Employment Strategy Discussion Paper



Unique approaches required to support the diverse employment land use types:

- Protect Employment Land Employment (ELE)
- Account for locations to accommodate Population Related Employment (PRE)
- Consider incentives to attract and retain Major Office (MO)

New Provincial Policies



- Regional Employment Area Designation
- Provincially Significant Employment Zones
- Minimum density targets for Employment Areas
- Retail and office uses in locations supported by active transportation and transit

Employment Policy Directions

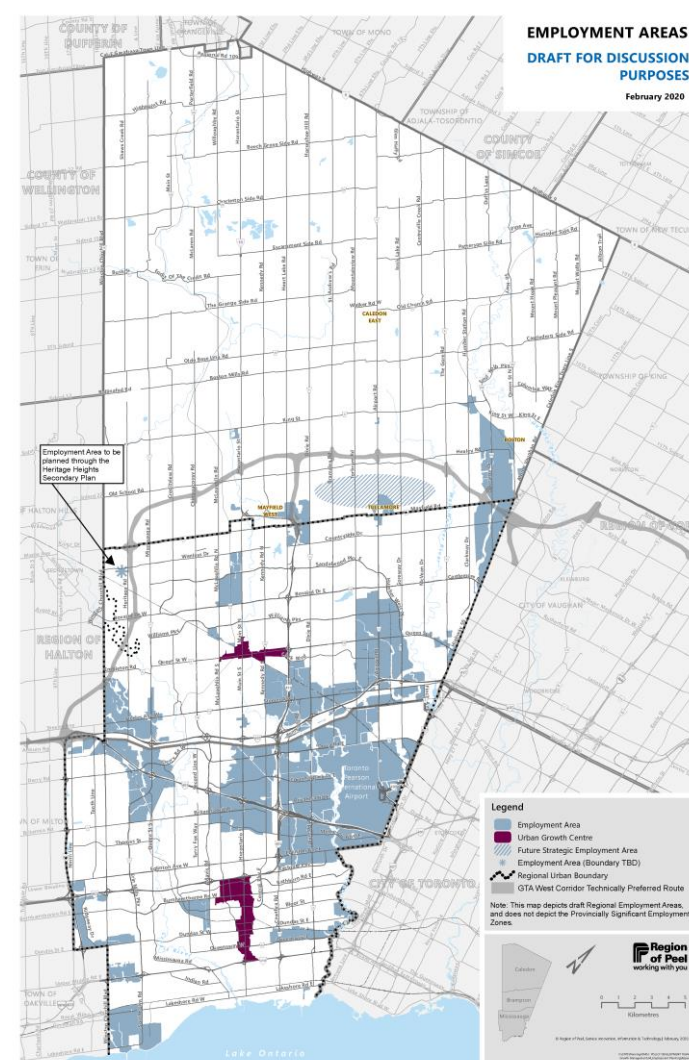
Designate Employment Areas in the Regional Official Plan

Map Provincially Significant Employment Zones

Explore criteria based flexibility for retail, office, and commercial uses

Direct higher density employment uses to areas with transit

Provide direction on employment lands within Major Transit Station Areas



Provincially Significant Employment Zones Framework

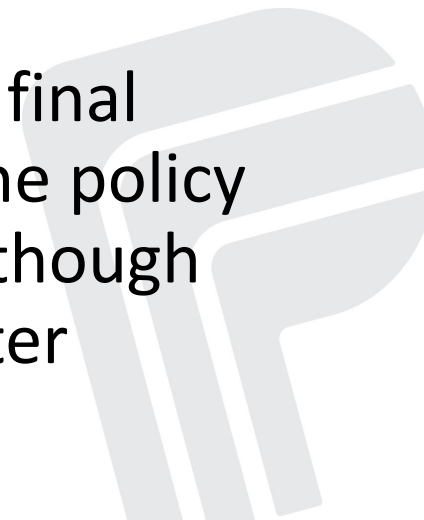


What is a PSEZ?

- Provincially significant employment zones (PSEZ) are in-effect through the Growth Plan, 2019.
- PSEZ identify employment areas:
 - Which support a significant number of jobs;
 - Need protection for the longer term; and
 - May act as an economic development tool.

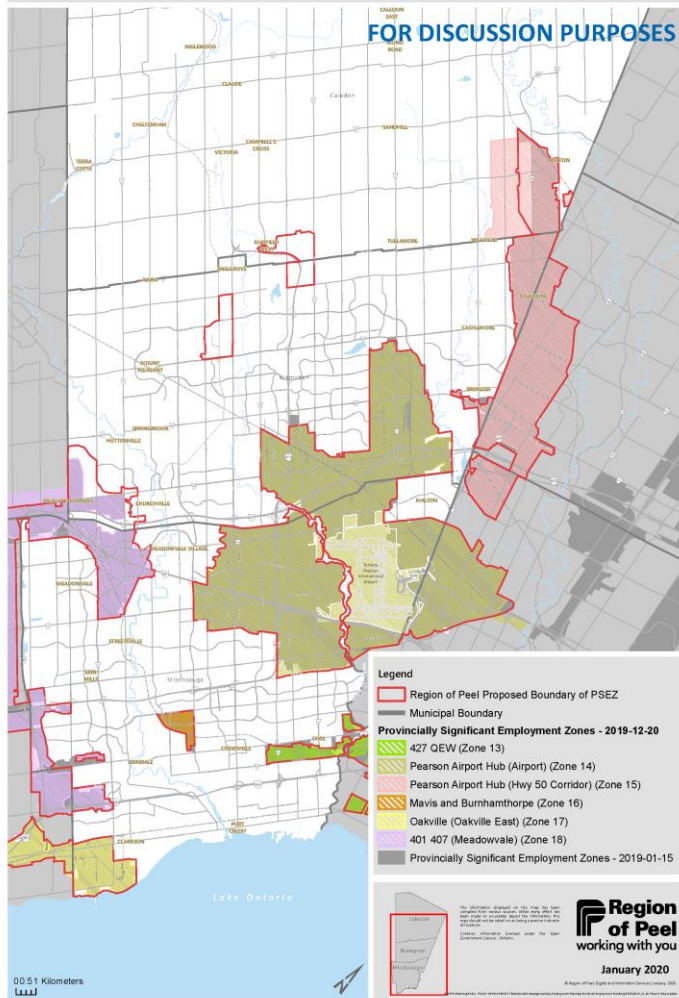


PSEZ Process

- **Phase 1:** Introduced through the Growth Plan in January 2019
 - **Phase 2:** Mapping refinements in May 2019 and December 2019
 - **Phase 3:** The Province is commencing the final phase of the PSEZ process to determine the policy implementation framework for the PSEZ, though mapping may still be refined by the Minister
- 

PSEZ in Peel

- The Province has consulted with municipalities and private parties to refine the PSEZ in Jan. 2019
- Regional staff submitted the red proposed boundary line to the Province

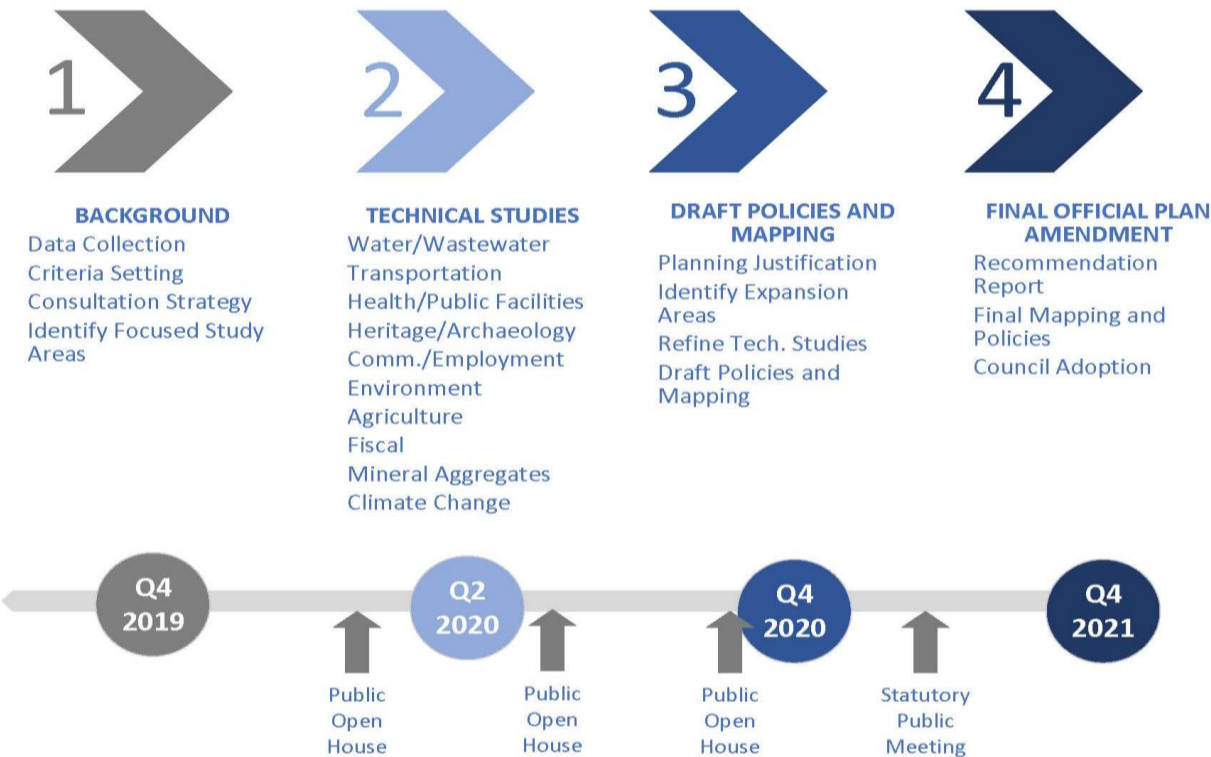


Impacts on Peel 2041 Municipal Comprehensive Review

- PSEZs must be incorporated into Official Plans
- The new designation must be addressed through the Peel 2041 MCR, though the Province is still determining the policy implementation framework
- The extension of Zone 15 necessitates further study of the area in relation to:
 - Growth to 2041
 - Employment land needs
 - The Settlement Area Boundary Expansion Study

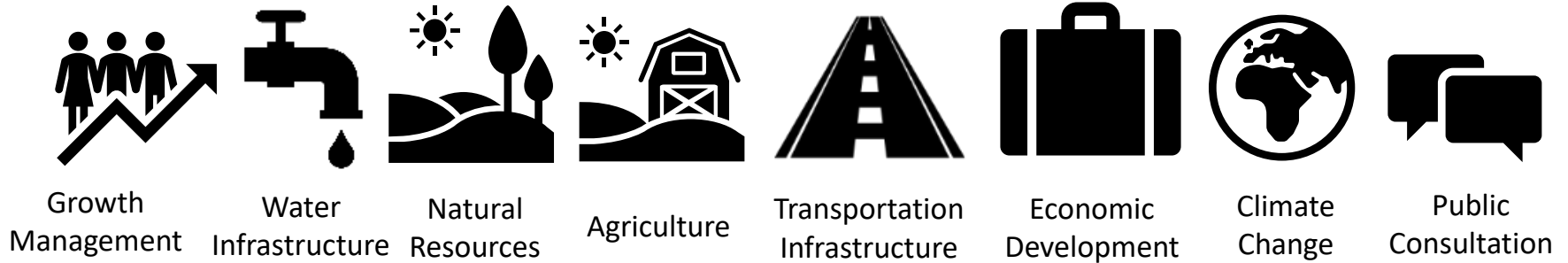


Settlement Area Boundary Expansion Study Project Phases

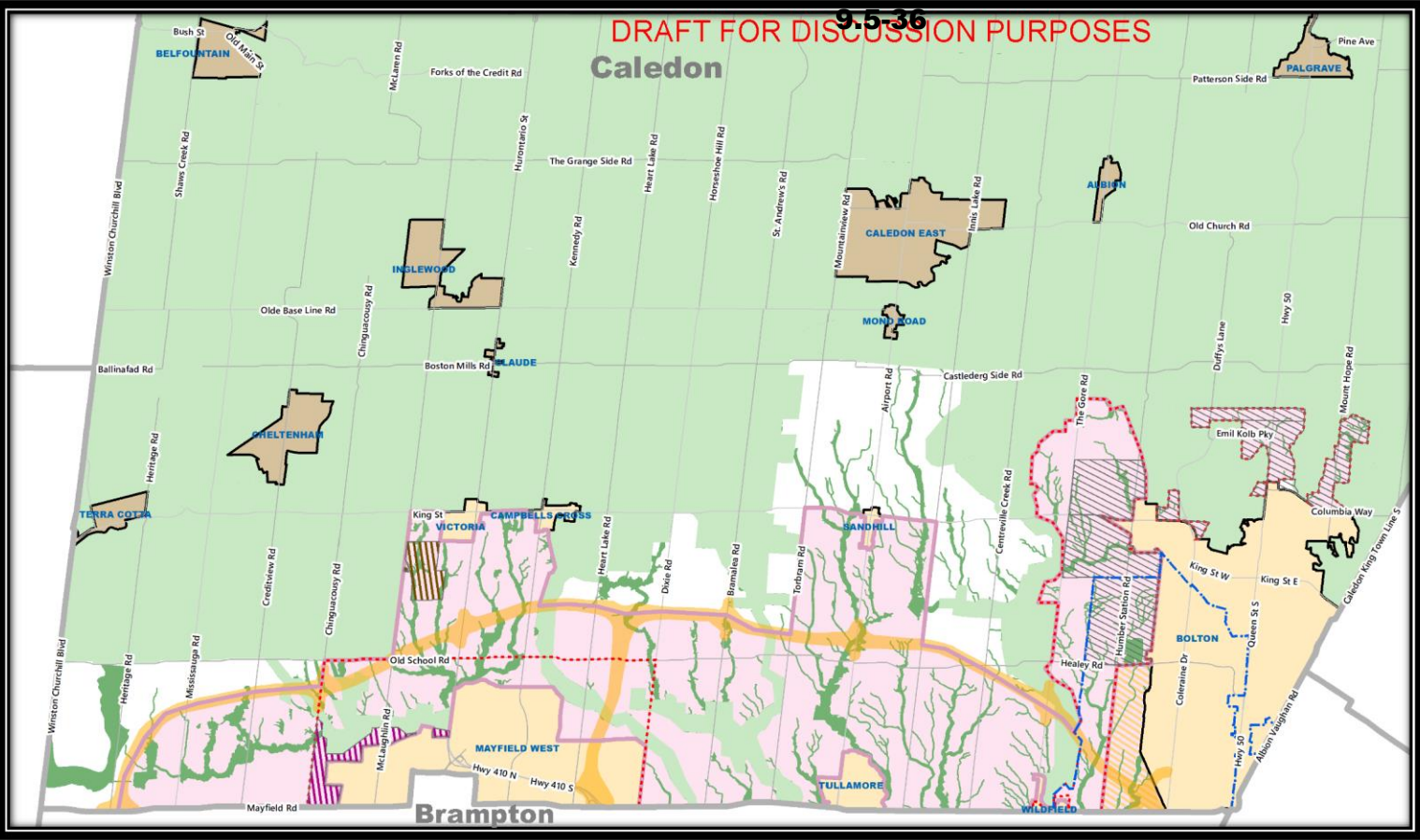


Public Consultation



Criteria Themes Considered When Identifying the Focused Study Area



DRAFT FOR DISCUSSION PURPOSES



FOCUS STUDY AREA (FSA) (2041)

-  **FSA**
(Area identified for further study)
-  **Study Areas**
(ROP Policy 5.4.3.2.7)
-  **GTA West Corridor**
(Technically Preferred Route)
-  **Municipal Boundary**
-  **Settlement Areas**
(Outside Greenbelt)
-  **Settlement Areas**
(Within Greenbelt)
-  **Greenbelt Area**
(Protected Countryside)
(Niagara Escarpment)
(Oak Ridges Moraine)
(Growth Plan NHS)
-  **Natural Environment**
High Constraint
(Wood Team Data)
-  **Bolton Residential Expansion Area**
(Adopted and Under Appeal)
-  **Bolton Residential Expansion Area**
(Other Areas Studied)
-  **Mayfield West**
(Phase 2 Stage 2
proposed by ROPA 34)
-  **Provincially Significant Employment Zone**
-  **Brampton Caledon Airport**

Approx. size, to scale, of SABE land requirement (~1,300 ha) to 2041

Disclaimer: This map has been developed for the Settlement Area Boundary Expansion (SABE) Study and represents an area to be studied for the purpose of identifying a SABE. For additional information, please refer to the *Settlement Area Boundary Expansion Study Phase A: Focus Study Area* report.

Note:

- (1) There may be opportunities to expand rural settlements outside the FSA as part of the SABE Study.
- (2) Other natural environmental constraints not identified on this map, including features not captured through existing mapping and potential buffers, will be identified through further analysis and may further limit development.
- (3) ROP Policy 5.4.3.2.7 as it relates to the area surrounding Bolton is under appeal.
- (4) The ~1,300 ha SABE is based on a draft land needs assessment which is under review.



1 cm = 1 km

Resources

Peel 2041 Official Plan Review

<https://www.peelregion.ca/officialplan/review/>

Upcoming Consultation Event Details: March 2, 3, and 5, 2020

<https://www.peelregion.ca/officialplan/review/focus-areas/>

Provincial Drivers of the Peel Official Plan Review, Including PSEZ Information

<https://www.peelregion.ca/planning/officialplan/provincial-drivers.htm>





Thank you

Adrian Smith,
Acting Chief Planner and Director of Regional Planning and Growth
Management Ext. 4047
Adrian.Smith@peelregion.ca

