



**City of Kingston
Report to Council
Report Number 21-254**

To: Mayor and Members of Council
From: Peter Huigenbos, Commissioner, Business, Environment & Projects
Resource Staff: Brandon Forrest, Director, Business, Real Estate & Environment
Date of Meeting: November 16, 2021
Subject: Update on Current and Potential Future Employment Lands

Council Strategic Plan Alignment:

Theme: 4. Strengthen economic development opportunities

Goal: 4.1 Support new and existing businesses

Executive Summary:

The following report is in response to Council's direction to staff at the special Council meeting held on October 27, 2020, to research and report to Council on the current and potential future employment lands within the City of Kingston that could be developed in keeping with the Provincial Policy Statement (PPS) and other related city planning policies and strategic priorities.

To support this work, staff retained the services of Watson & Associates Economists Ltd. (Watson) to prepare an Employment Lands Development Trends and Supply update (Exhibit F). The review is a snapshot and an interim update to support staff's response to Council's motion.

This staff report summarizes the findings from the Watson report and provides an update on City-wide employment land supply inventory within the urban boundary and an assessment of recent development trends on employment lands. It will also provide an overview of mechanisms that could be used to increase the inventory of City-owned employment lands in keeping with the PPS. This report focuses on the urban area and not on rural economic

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development. Council recently approved a rural economic development strategy per [Report Number 21-111](#).

Kingston’s urban employment lands are organized into twelve (12) delineated industrial/business park areas which comprise a developed land base of approximately 1,791 net acres (Exhibit A - Map of Kingston Designated Employment Lands).

As of September 2021, there are a total of 608 net acres of vacant designated employment land in Kingston. This reflects serviced and unserviced lands designated as Business Park Industrial, General Industrial and Waste Management Industrial within the Urban Area. The City owns 201 net acres, while 407 net acres are privately owned.

Watson’s review of the net vacant designated employment lands determined there is 223 net acres of serviced shovel-ready urban employment land, this includes both the City-owned 110 net acres (accounting for 42%) and the 113 net acres privately owned (accounting for 58%) lands. Shovel-ready is defined as those that are serviced and zoned, and generally considered potentially developable in the short-term (i.e. next six months).

This is a breakdown of vacant employment lands by ownership:

	Net acres			% Share		
	City Owned	Privately Owned	Total	City Owned	Privately Owned	Total
Net Vacant Designated Employment Lands	201	407	608	33%	67%	100%
Shovel-Ready Employment Lands	110	113	223	49%	51%	100%

Of the 110 acres of City-owned shovel-ready vacant employment land, 95% are either conditionally sold or in negotiation for sale. This leaves 4.8 acres of shovel-ready land available for sale at the time of writing this report. When staff brought [Report Number 20-220](#) to the special meeting of Council in October 2020, there were 88 acres of serviced land available for sale (Exhibit B - St. Lawrence Business Park (SLBP) and Exhibit C - Map of Cataraqui Estates Business Park, showing lands that were available for sale in October 2020 compared to October 2021). If all of the current negotiations lead to sales, that means there could be 88 acres of absorption in about a one year period. This absorption rate is much higher than ever experienced in the City of Kingston.

The 2015 Employment Land Strategy recommended that Kingston should maintain a five year supply of shovel ready land for sale, with a variety of lot size options, for proper market functioning - a minimum of 74 acres over the five years based on projections at that time. Despite the significant level of potential sales activity noted over the past 12 months, City-wide employment land absorption is forecasted to be 84 net acres (62 net acres are forecasted for City-owned lands) over the 2021 to 2026 period based on anticipated employment growth, density and intensification assumptions. This forecast is based on the 2016 census data that

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does not reflect the higher absorption rate the city has experienced the past two years. The current City-owned shovel ready supply of 4.8 acres comes well short of this recommendation. Staff anticipate that the projections that will come from the 2021 census will likely be higher than what was captured in the 2016 census.

City of Kingston Employment Land Demand, 2021 to 2026:

	% Share	Employment Land Absorption (acres)
City-owned	75%	62
Privately owned	25%	22
Total	100%	84

As noted above, there are 407 net acres of privately owned vacant employment lands, 113 acres of which are shovel ready. This amount more than satisfies Kingston’s projected demand from 2021-2026. However, this amount of privately-owned vacant employment lands has remained vacant for a substantial number of years. Historically, industrial land prices in Kingston, as in other eastern Ontario municipalities, have been too low to facilitate broad private-sector development of industrial lands to transform raw lands into shovel-ready lots. Many shovel-ready private vacant lands are offered for lease only, and the overwhelming majority of inquiries that the City and Kingston Economic Development Corporation receive are to either purchase vacant lands, purchase existing industrial buildings or lease existing industrial space. It is rare to receive interest in leasing land for the owner to design and build space. Based on these historic trends it would not be prudent to rely on privately held lands to be the solution for addressing the immediate forecasted absorption needs for the City.

The report provides an overview of several strategies that staff will continue to pursue to address the immediate and medium-term pressures to provide vacant shovel-ready employment lands. It is important to note that the limited access to City-owned employment lands could result in a number of businesses choosing other cities or existing businesses having to relocate to other areas in order to accommodate their growth plans.

Staff will continue to develop the City-owned Clogg’s Road business park (Exhibit D - Clogg’s Road Business Park) and continue to work with Queen’s to develop Innovation Park to bring these lands to shovel-ready status as soon as possible. Clogg’s Road is currently subject to an application for a Minister’s Zoning Order (MZO) and has the potential to add 50 acres of shovel ready lands in Phase 1 in 2022. However, the majority of this acreage is already in negotiations for sale and is the reason for the MZO. Phase 2 of Clogg’s Road may bring on an additional 30 net acres of shovel ready lands; however, the servicing is not expected to be completed until at least 2024. The amount of acreage on the Innovation Park lands that may be available to the City for sale is not fully known at this time; however, it may be in the range of 20-25 acres.

As per past practice with the employment lands program, City staff will continue to pursue the acquisition of additional vacant employment lands from willing private sellers. Staff will continue to bring information related to negotiations for the purchase of land to Council in closed session.

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The City's intent, as per past practice, will be to acquire the lands at fair market value, apply for planning approvals and procure the necessary construction servicing work to bring the lands to shovel-ready status. This is the process that has been followed to develop all of the City's existing business parks. Based on previous experience with other business park development, once acquired, it can take up to 5 years or more to develop raw land into serviced lots.

City and Kingston Economic Development staff will continue to bring economic development inquiries to the private owners of vacant employment lands in Kingston. As noted, very few inquiries are interested in leasing vacant land for development, but staff are always open to bringing opportunities wherever they may best fit and recognize that market pressures may introduce change in this dynamic.

As well, staff will continue to pursue Airport development with businesses that have low water and sewer servicing requirements as per Council's direction to staff in October 2020.

In order to secure additional City-owned employment lands for short and medium-term needs, staff is recommending that the City fast track a fully updated Employment Lands Strategy in advance of the next Official Plan Update. The rationale for this is that the work is necessary should Council wish to make a boundary adjustment to include the City-owned lands north of the St. Lawrence Business Park into the City's inventory of shovel ready employment lands. These lands total 60 net acres and are immediately adjacent to the City's serviced business park. The inclusion of these lands into the urban boundary was supported by City Council at the last Official Plan update but removed by the Province primarily due to the amount of privately-owned employment lands that was available at that time.

As the City intends to initiate the next Official Plan update in 2023, many of the longer-term employment needs will be better understood through this process. However, that process is expected to take up to three years, therefore a completion time frame around 2026. The primary background studies needed include an Employment Lands Strategy, Commercial Land Review and an update to the Population, Housing & Employment Projects Study based on the 2021 Census. The City typically retains consultants with expertise in land use planning, economics, modeling and forecasting to undertake these studies. Because of the common areas of expertise and to improve the efficiency of the process, staff will be initiating a Request for Proposals process in 2022 to retain a single consultant firm to conduct these studies. Should Council support the recommendation, staff will place a fast-tracking prioritization of the deliverables related to the Employment Lands Strategy. Staff will report back to Council with the result of the study with any viable policy recommendations that appropriately increase the City's supply of employment lands, including the potential for a standalone Official Plan Amendment to implement the employment land recommendations in advance of the completion of the 2023 Official Plan Update. The recommendations may include a boundary adjustment to include the City-owned lands north of the St. Lawrence Business Park.

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Recommendation:

That Council direct staff to fast-track and report back with the results of the Employment Lands Strategy review, when complete in 2022, with viable policy recommendation(s) that appropriately increase the City's supply of employment lands, which may include a boundary adjustment to include the City-owned lands north of the St. Lawrence Business Park, in advance of the completion of the 2023 Official Plan Update.

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Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

**Peter Huigenbos, Commissioner,
Business, Environment &
Projects**

ORIGINAL SIGNED BY CHIEF
ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Community Services

Craig Desjardins, Acting Commissioner, Corporate Services Not required

Brad Joyce, Commissioner, Transportation & Public Works Not required

Jim Keech, President & CEO, Utilities Kingston Not required

Desirée Kennedy, Chief Financial Officer & City Treasurer Not required

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Options/Discussion:

Employment lands are an integral part of Kingston's economic development potential and accommodate a significant share of the City's businesses and employment. Employment lands accommodate primarily export-based employment, including a wide range of industrial uses (i.e. manufacturing, distribution/logistics, transportation services), as well as specific complementary uses (i.e. office, service, ancillary/accessory retail) which generally support the industrial/business function of the employment area. In contrast to other urban land uses (i.e. commercial and mixed-use areas), employment lands provide the opportunity to accommodate export-based employment sectors that cannot be easily accommodated in other areas of the City.

Emerging industry sector trends is a bit unpredictable; however, this further supports the need for a strong market-choice of a various sized and serviced lots. There are some trends that will influence growth and development in Kingston, for example, the growing prevalence of E-commerce is a major disruptor for retail and logistics, the trends in manufacturing are anticipated to generate significant labour-force growth as much of the manufacturing process is becoming more capital/technology intensive and automated, there are many complimentary and indirect economic benefits from manufacturing.

The relatively low market price of serviced industrial land creates conditions that limit private sector interest and involvement in land development (i.e. the costs of servicing lands are too high relative to market prices of serviced land). The absence of the private sector necessitates municipal development of industrial/business parks.

The City takes a lead role to ensure that there is an adequate supply of serviced, market-ready employment lands in order to meet the needs of businesses wishing to expand or locate in the City of Kingston. Providing an adequate supply of municipal employment lands is a component of the City's long term economic development strategy as set out in the Official Plan. This strategy includes, and working in partnership with Kingston Economic Development Corporation, promoting the City's existing Business Parks and developing City-owned lands within areas of employment. The availability of serviced, market ready lands positions the City to meet the goals of the Integrated Economic Development Strategy.

Through development of its employment land base, Kingston will be better positioned to build more balanced, complete and competitive communities. For Kingston to continue to be competitive and attractive to a broad range of industrial and commercial sectors, the City needs to ensure it has a sufficient supply and market choice of serviced employment lands.

Continue to Develop Planned Business Parks

Clogg's Road (Exhibit D - Map of Clogg's Road Business Park) - This proposed business park is located west of Gardiners Road and north of Creeksford Road. The total land area is approximately 117 gross acres, with an estimated 80 net acres for development. The property was acquired by the City in two parts in 2012 and 2013.

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Currently, the lands are progressing through planning and development approval processes. There is a pending Minister Zoning Order and Draft Plan of Subdivision for the west parcel. Should the MZO be issued by the Minister and draft plan of subdivision be achieved in mid-2022, final road and servicing design and related applications, known as Final Plan of Subdivision, are anticipated to be complete by middle of 2023.

The east parcel will likely be serviced by fall 2022. The final design for road and services on the parcel west of Clogg's Road will be initiated in 2023 with shovel-ready lots available by early 2024, with a net serviced lands anticipated to be 30 acres.

Airport (Exhibit E - Airport Employment Lands) - In 2018, City Council endorsed a [highest and best use land study](#) for the phased development of employment land parcels at the Kingston Airport. The land study recommended a phase 1 development timeline for the next 10 years that generally focuses on aviation employment uses such as aircraft maintenance and ground side light industrial uses, and general aviation needs such as t-hangars that do not require water and sewer services. Aviation employment uses can be developed on Parcels 1 and 2 with access to existing water and sewer services or with minor extensions. Parcel 5, located off Bayridge Drive, is not serviced but could accommodate the development of t-hangars that would not require water and sewer services. The cost of extending water and sewer services into Parcel 5 would add considerable costs to airport development. The highest and best use land study identified the potential development of non aviation commercial uses with water and sewer services to front onto Bayridge Drive in the later stages. In addition to the highest and best use land study an Airport Master Plan will be underway shortly and completed by Q2 2022, as part of that new master plan, the airport is exploring air service development uses, general aviation, light cargo and non-aviation related development that will support the financial model at the airport.

Although not part of the City of Kingston's existing business parks, Innovation Park owned by Queen's University has the potential to become a future business park and innovation hub. The City and Queen's University continue to go through the planning process to bring these lands online (approximately 50 acres); however, only a portion may become available to the City to add to its own inventory available for sale.

Working with Private Landowners

City staff will continue to work with private landowners to explore options that could create opportunities for a potential acquisition and in turn an increase in the serviced City-owned supply or increase access and opportunities working with private owners. Staff at the City and Kingston Economic Development Corporation will also continue to bring economic development inquiries to the private owners of vacant employment lands in Kingston. As noted, very few inquiries are interested in leasing land for development, but staff are always open to bringing opportunities wherever they may best fit and recognize that market pressures may introduce change in this dynamic.

City Acquisition of Privately-owned Lands Designated for Employment Use

As per past practice with the employment lands program, City staff will continue to pursue the acquisition of additional vacant employment lands from willing private sellers. Staff will continue

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to bring information related to negotiations for the purchase of land to Council in closed session. The City's intent, as per past practice, will be to acquire the lands at fair market value, apply for planning approvals and procure the necessary construction servicing work to bring the lands to shovel-ready status. This is the process that has been followed to develop all of the City's existing business parks. Based on previous experience with other business park development, once acquired, it can take up to 5 years or more to develop raw land into serviced lots.

Utilizing Expropriation Measures

Staff have reviewed the option for expropriation of privately owned industrial lands and the limited examples that exist across the province. Based on the review it showed that many municipalities that initially consider expropriation often halt the process, and from those that did proceed it appears the process was often contentious, expensive and lengthy. In situations where the City of Kingston has required land, typically from transportation related projects, the City's approach has consistently been to negotiate with landowners first. The City's need to utilize its provincially legislated authority to expropriate in these situations has been rare compared to the number of negotiated acquisitions it has completed.

City-owned Lands North of the St. Lawrence Business Park and the Official Plan Update

The City owns a parcel of land on the north side of the St. Lawrence Business Park. Out of 115 gross acres, it is estimated a maximum of 60 net acres could be developed for serviced industrial uses. These lands are located just outside the urban boundary and therefore are not available for servicing and development without adjusting the urban boundary. Based on previous experience with other business park development, it can take up to 5 years or more to develop raw land into serviced lots. Although adjacent to the existing business park, during the 2015 Official Plan update process the Ministry of Municipal Affairs and Housing declined the City's request to add this property into the urban boundary based on the fact that there were sufficient employment lands to accommodate future growth within the existing boundary.

As per the PPS, 2020, expansion of the urban boundary can only be permitted at the time of a comprehensive review of the Official Plan, and only where it has been demonstrated that:

- a) sufficient opportunities to accommodate growth and to satisfy market demand are not available through intensification, redevelopment and designated growth areas to accommodate the projected needs over the identified planning horizon;
- b) the infrastructure and public service facilities which are planned or available are suitable for the development over the long term, are financially viable over their life cycle, and protect public health and safety and the natural environment;
- c) in prime agricultural areas:
 1. the lands do not comprise specialty crop areas;
 2. alternative locations have been evaluated; and
 - i. there are no reasonable alternatives which avoid prime agricultural areas; and
 - ii. there are no reasonable alternatives on lower priority agricultural lands in prime agricultural areas;
- d) the new or expanding settlement area is in compliance with the minimum distance separation formulae; and

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- e) impacts from new or expanding settlement areas on agricultural operations which are adjacent or close to the settlement area are mitigated to the extent feasible.

PPS, 2020, includes some flexibility for municipalities to make minor urban boundary adjustments than was previously available. Under PPS, 2014, a full comprehensive review was required for any settlement boundary expansion or adjustment. Now, an alternative option is available for minor adjustments that do not result in a net increase in land within the urban boundary (settlement area), as per the following PPS policy:

“1.1.3.9 Notwithstanding policy 1.1.3.8, municipalities may permit adjustments of settlement area boundaries outside a comprehensive review provided:

- a) there would be no net increase in land within the settlement areas;
- b) the adjustment would support the municipality’s ability to meet intensification and redevelopment targets established by the municipality;
- c) prime agricultural areas are addressed in accordance with 1.1.3.8 (c), (d) and (e); and
- d) the settlement area to which lands would be added is appropriately serviced and there is sufficient reserve infrastructure capacity to service the lands.”

Any proposal to adjust the urban boundary would involve removing lands from the urban boundary in one location and adding lands to the urban boundary in another location, along with changes to the land use designations. These would need to be reviewed in the context of the above-noted criteria and would require consultation with affected property owners.

Staff intend to initiate the next comprehensive review of the Official Plan in 2023, with work on the background studies starting in 2022. Many of the longer-term employment needs will be better understood through this process. This process is expected to take up to three years. The primary background studies needed for this review include an Employment Lands Strategy, Commercial Land Review and an update to the Population, Housing & Employment Projects Study based on the 2021 Census.

The City typically retains consultants with expertise in land use planning, economics, modeling and forecasting to undertake these studies. Because of the common areas of expertise and to improve the efficiency of the process, staff will be initiating a Request for Proposals process in 2022 to retain a single consultant firm to conduct these studies, with a prioritization of the deliverables related to the Employment Lands Strategy. Staff anticipate that retaining a single consultant would likely result in cost savings to the City and will also help reduce the amount of staff time that goes into managing multiple consultants.

The recommendations coming out of the Rural Kingston Economic Development Strategy will need to be reviewed as part of the overall Employment Land Strategy for the City. The lands north of the St. Lawrence Business Park will also be further reviewed through this work. Should Council support the recommendation, staff will place a fast-tracking prioritization of the deliverables related to the Employment Lands Strategy. Staff will be reporting back to Council with the result of the study with any viable policy recommendations that appropriately increase the City’s supply of employment lands, including a standalone Official Plan Amendment to

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implement the employment land recommendations in advance of the completion of the 2023 Official Plan Update. An Official Plan Amendment would be open to appeal in accordance with the provisions of the *Planning Act*.

It should be noted that in addition to the above-mentioned studies, there is other background work that would also need to be initiated at the time of the Official Plan update, such as that related to residential intensification and density targets in the urban area, urban design, transportation, parkland, rural areas, agricultural areas, etc.

Existing Policy/By-Law:**Provincial**

[Planning Act](#)
[Provincial Policy Statement, 2020](#)

Municipal

[City of Kingston Official Plan](#)

Notice Provisions:

None

Accessibility Considerations:

None

Financial Considerations:

There are sufficient funds in the City's existing capital budget and the draft 2022 capital budget to support the recommendation of this report.

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Other City of Kingston Staff Consulted:

Sukriti Agarwal, Manager, Policy Planning, Planning Services

Saru Bajwa, Land Development Manager, Business, Real Estate & Environment

Exhibits Attached:

Exhibit A - Map of Kingston Designated Employment Lands

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Exhibit B - Map of St. Lawrence Business Park (SLBP) October 2020 and October 2021

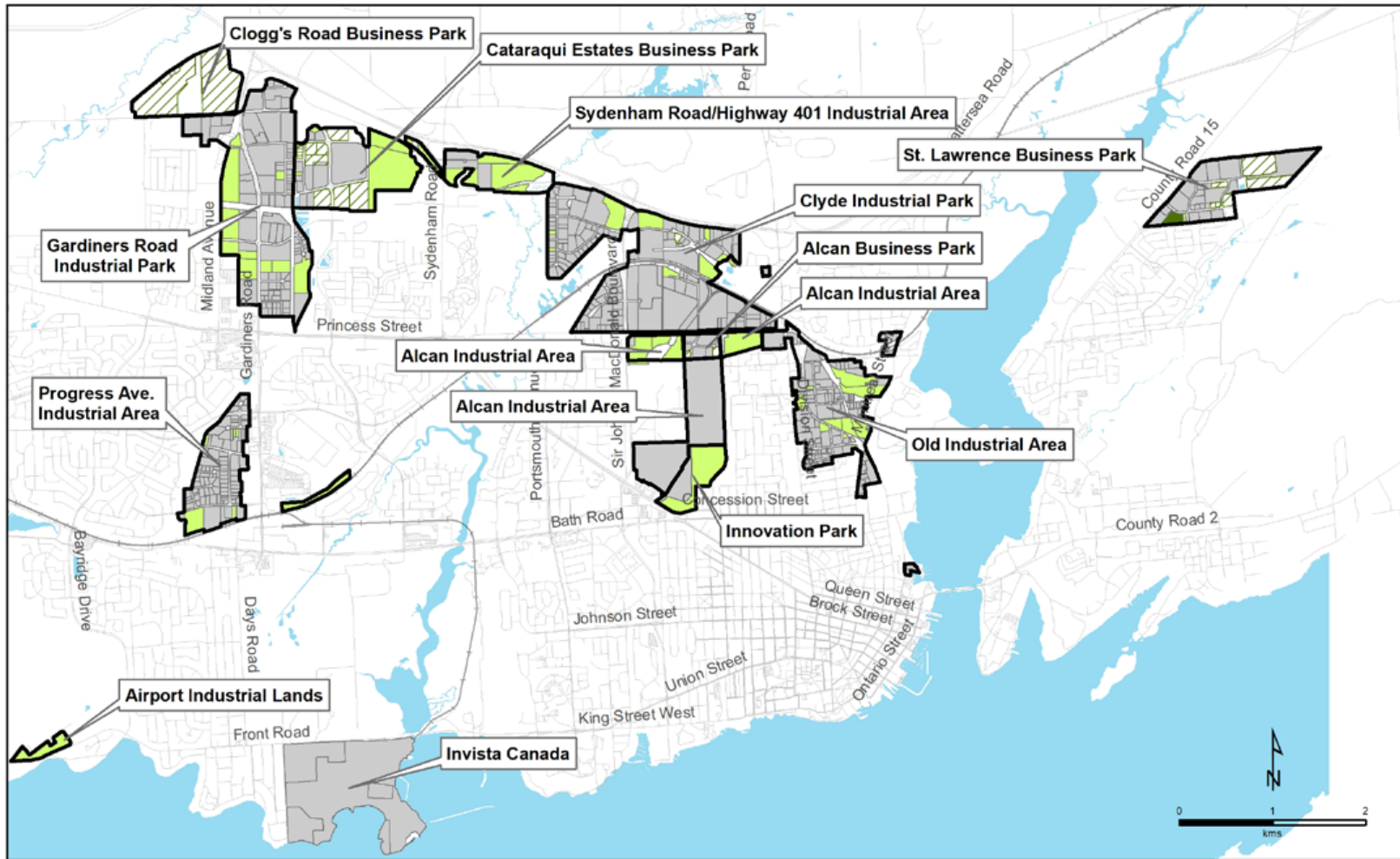
Exhibit C - Map of Cataraqui Estates Business Park October 2020 and October 2021

Exhibit D - Map of Clogg's Road Business Park

Exhibit E - Map of Airport Employment Lands

Exhibit F - Watson & Associates Economists Ltd. - Employment Land Development Trends and Supply Inventory Update, City of Kingston

Kingston Employment Lands



- | | |
|-----------------------------|-------------------------------------|
| Delineated Employment Areas | Vacant Employment Lands |
| Developed Employment Lands | City Owned Lands Available for Sale |
| Waterbody | Other City Owned Lands |
| Rail | Privately Owned Lands |
| Roads | |

October 15, 2021





Summary:

Lots Sales (2014-2020) - 32 acres

 Available Lots - 17 acres PLUS

 New Inventory in 2019 - 33 acres

Exhibit B
Report Number 21-254



Easement
 Transit Stop

2km to the Hwy 15 and Hwy 401 Interchange

Source: GIS Enterprise Geodatabase, NearMap 2019
Disclaimer: The Corporation of the City of Kingston assumes no responsibility for inaccurate or inconsistent data set out in this map product.
Updated to Oct 2020, St Lawrence Business Park-NExpansionArea2.mxd



Summary: Lots Sales (2014-2021) - 35 acres

Available Lots - 4.8 acres

Sold pending Site Plan approval - 11.8 acres

In Negotiations - 31 acres

Exhibit B

Report Number 21-254



Easement
 Transit Stop
 2km to the Hwy 15 and Hwy 401 Interchange



GIS Enterprise Geodatabase, NearMap 2021
 The City of Kingston assumes no responsibility for inaccurate or inconsistent data set out in this map product.
 Oct 2021, St Lawrence Business Park-NExpansionArea2.mxd



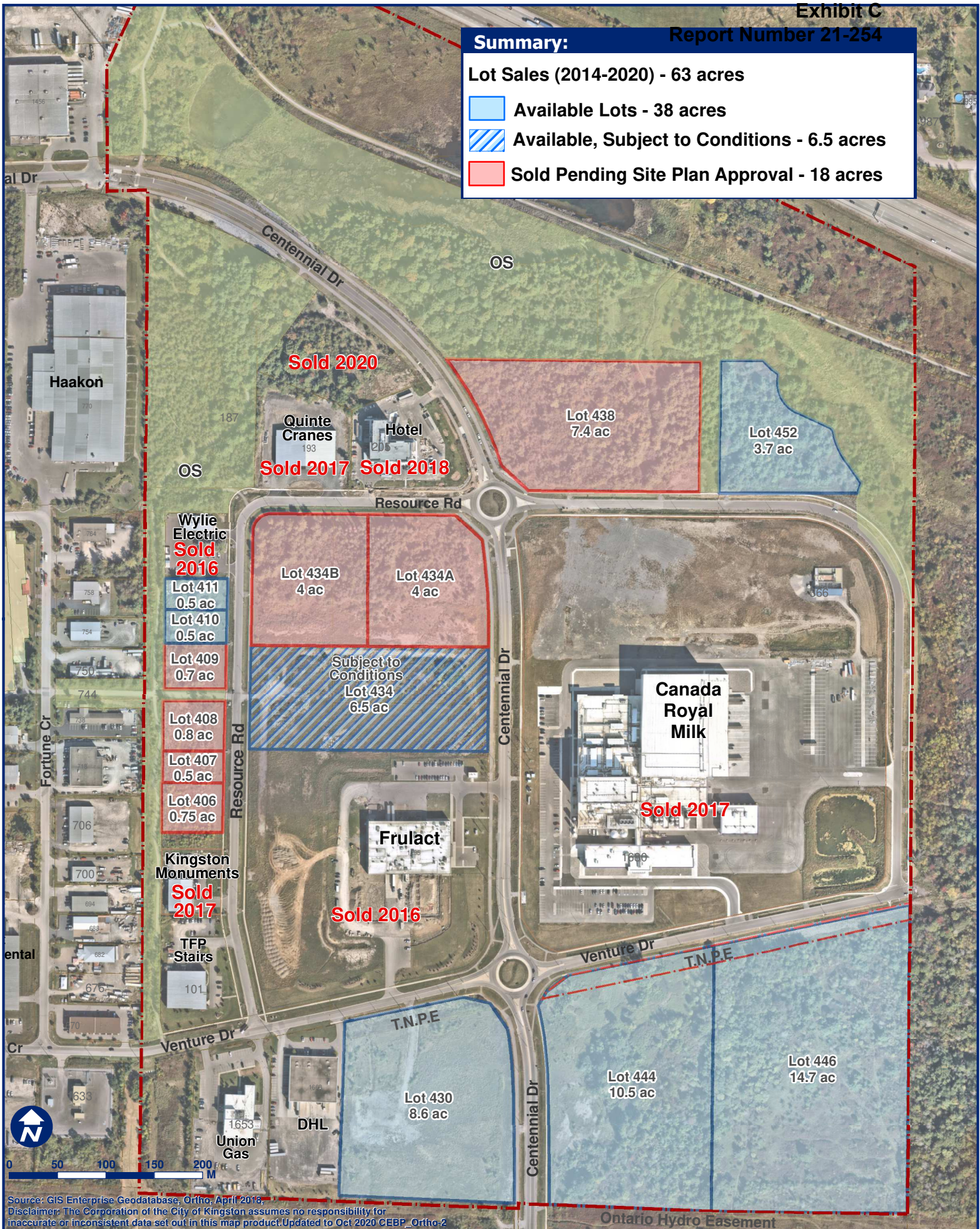
Summary:

Lot Sales (2014-2020) - 63 acres

 Available Lots - 38 acres

 Available, Subject to Conditions - 6.5 acres

 Sold Pending Site Plan Approval - 18 acres



Source: GIS Enterprise Geodatabase, Ortho, April 2016.
 Disclaimer: The Corporation of the City of Kingston assumes no responsibility for inaccurate or inconsistent data set out in this map product. Updated to Oct 2020 CEBP_Ortho-2



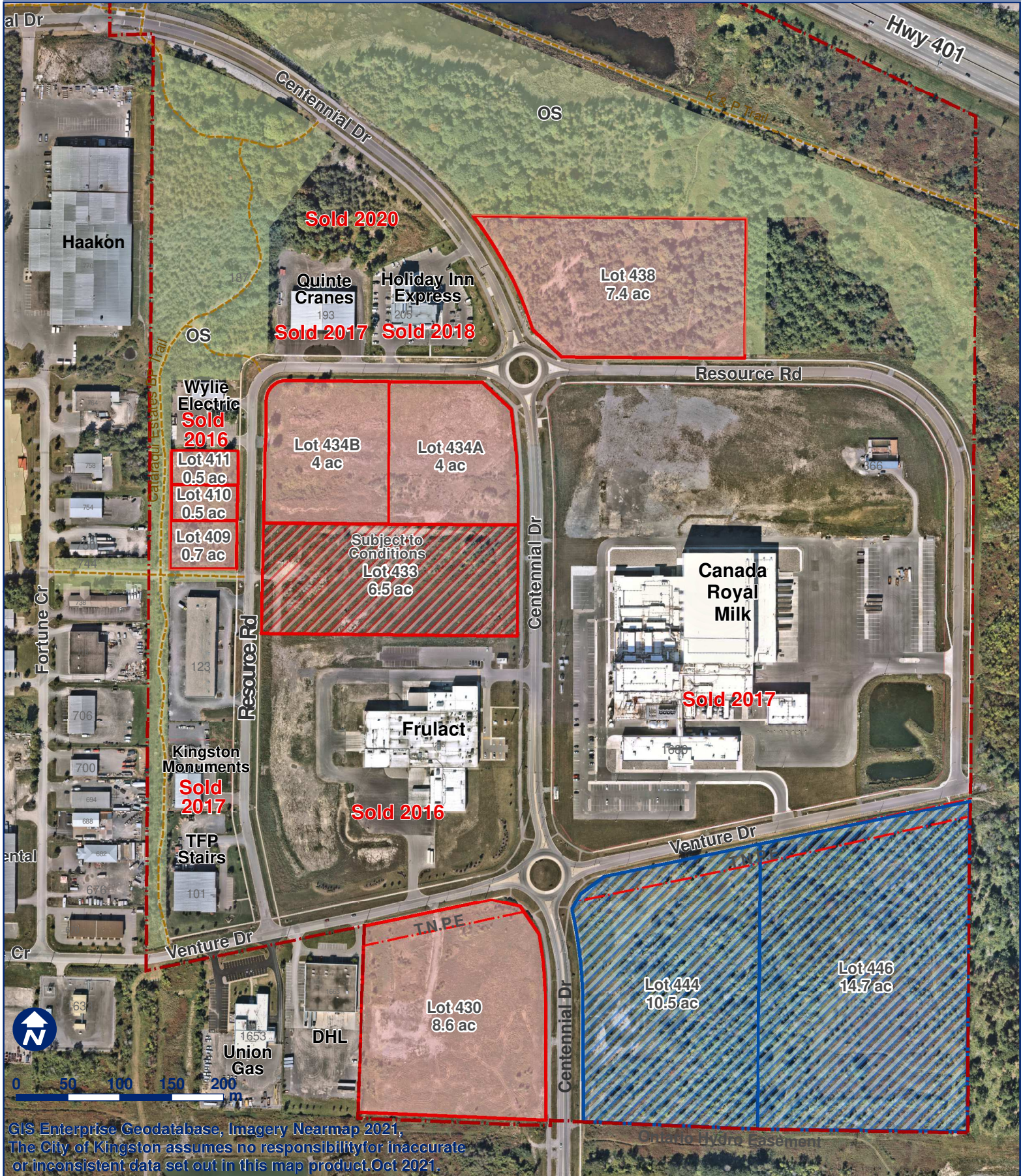
**Lot Sales
(2014-2021)
63 acres**

Available Lots - None

Subject to Conditions - 6.5 acres

Sold Pending Report & Plan Approval - 25.7 acres

In Negotiations - 26 acres





Source: GIS Enterprise Geodatabase, Ortho May 2018
 Disclaimer: The Corporation of the City of Kingston assumes no responsibility for inaccurate or inconsistent data set out in this map product.

Exhibit E - Airport Employment Lands , Parcels 1, 2 and 5



Note: All boundaries are approximate



Employment Land Development Trends and Supply Inventory Update

City of Kingston

November 9, 2021

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1. Introduction

1.1 Terms of Reference

Watson & Associates Economists Ltd. (Watson) was retained by the City of Kingston to prepare an Employment Lands Development Trends and Supply Update.¹ The purpose of this assignment is to update key elements of the City of Kingston 2015 Employment Land Strategy Review (ELSR) including the urban employment land supply inventory and assessment of recent development trends on urban employment lands.² This review is intended to serve as an interim update to support on-going planning and real estate work ahead of a Municipal Comprehensive Review (MCR) anticipated to occur in 2022. The analysis and findings of this study are also intended to help support Kingston's new Integrated Economic Development Strategy.³

The assessment builds on the findings of the Population, Housing and Employment Growth Forecast, 2016 to 2046 study, prepared for the City of Kingston by Watson, hereinafter referred to as the 2019 Growth Study.⁴

1.2 What are Employment Lands and Why are They Important?

Employment lands are an integral part of Kingston's economic development potential and accommodate a significant share of municipal-wide businesses and employment.

Employment lands 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

¹ Reference to "City of Kingston" or "City" herein refers to the Corporation of the City of Kingston.

² Kingston's urban employment lands are those located within the Urban Boundary. The analysis herein doesn't address rural employment lands located outside of the Urban Boundary.

³ Integrated Economic Development Strategy, Kingston Economic Development and the City of Kingston, November 2020.

⁴ City of Kingston Population, Housing and Employment Growth Forecast, 2016 to 2046, March 2019, prepared by Watson & Associates Economists Ltd.



Employment Area. In contrast to other urban land uses (e.g., commercial and mixed-use areas), employment lands provide the opportunity to accommodate export-based employment sectors that cannot be easily accommodated in other areas of Kingston.

An Employment Area refers to a cluster of employment lands. The Provincial Policy Statement (P.P.S.) defines Employment Areas 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 facilities.”

Development typically accommodated on employment lands generates relatively strong economic multipliers (i.e., spin-off effects) that benefit the community directly and indirectly. In addition, employment lands development typically generates high-quality employment opportunities, which 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 competitive property taxes and stronger municipal service levels. Industrial development also tends to produce more positive net fiscal benefits for the community than other types of development such as residential and retail uses.

1.3 Context

Kingston has a significant and diverse employment lands base which is highly important to the local economy. Kingston's employment lands accommodate a broad range of industrial uses, including manufacturing, distribution/logistics, construction and transportation, as well as commercial (including office) and institutional/recreational uses.

Kingston's urban employment lands are organized into twelve delineated industrial/business park areas which comprise a developed land base of approximately 725 net ha (1,791 net acres). This includes four large, established, industrial/business park areas within proximity to Highway 401, including Cataraqui Estates Business Park, Gardiners Road Industrial Area, Clyde Industrial Park and St. Lawrence Business Park. Kingston also has a number of older industrial areas, including the Old Industrial Area, Alcan Industrial Area, and Progress Industrial Area, which have incurred limited development activity over the past decade. Kingston also has two small business/research and development parks – Queen's Innovation Park and Alcan Business Park –



which are prestige Employment Areas. The City also has one planned Employment Area known as Clogg's Road Business Park.

Kingston has a strong tradition of successful municipal industrial/business park development. The City's land development activity accounts for a substantial portion of total employment land absorption yielding assessment and employment growth for Kingston.

Through development of its employment land base, Kingston will be better positioned to build more balanced, complete, and competitive communities. In order for Kingston to continue to be competitive and attractive to a broad range of industrial and commercial sectors, the City needs to ensure it has a sufficient supply and market choice of serviced employment lands.

1.4 Long-Term Growth Outlook

Future demand for employment lands within Kingston is ultimately driven by forecast employment growth. A broad range of factors is anticipated to drive future employment growth in Kingston over the next decade. These factors will not only impact the rate and magnitude of growth, but they will also influence the form and density of non-residential development and corresponding demand for employment lands.

As identified in the 2019 Growth Study, Kingston is anticipated to experience moderate population, housing, and employment growth over the 2016 to 2046 period, as summarized in Figure 1. As shown, Kingston's employment base is anticipated to increase from 74,800 in 2016 to 85,700 in 2046, an increase of 10,900 jobs. Of this employment growth, approximately 19% (2,100 jobs) is expected to be in the industrial sector. Kingston is also anticipated to incur strong growth in a range of commercial and institutional sectors. A notable share of this employment growth is anticipated to be accommodated within Kingston's Employment Areas.



Figure 1
Kingston Employment Growth, 2016 to 2046

Employment	2016	2046	2016-2046 Growth
Primary	190	200	10
Industrial	9,390	11,500	2,110
Commercial/Population Related	25,850	28,700	2,850
Institutional	30,420	34,000	3,580
Work at Home	3,480	4,200	720
N.F.P.O.W.	5,460	7,100	1,640
Total Employment	74,790	85,700	10,910

Note: Growth forecast based on reference Scenario from 2019 Growth Study

Source: 2016 to 2046 forecast prepared by Watson & Associates Economists Ltd., 2019.

2. Macro-Economic Trends Influencing Employment Lands Development

The following provides a brief review of recent macro-economic trends and regional growth drivers that are anticipated to influence future growth trends on employment lands within Kingston.

2.1 Trends in the Global and Provincial Economies

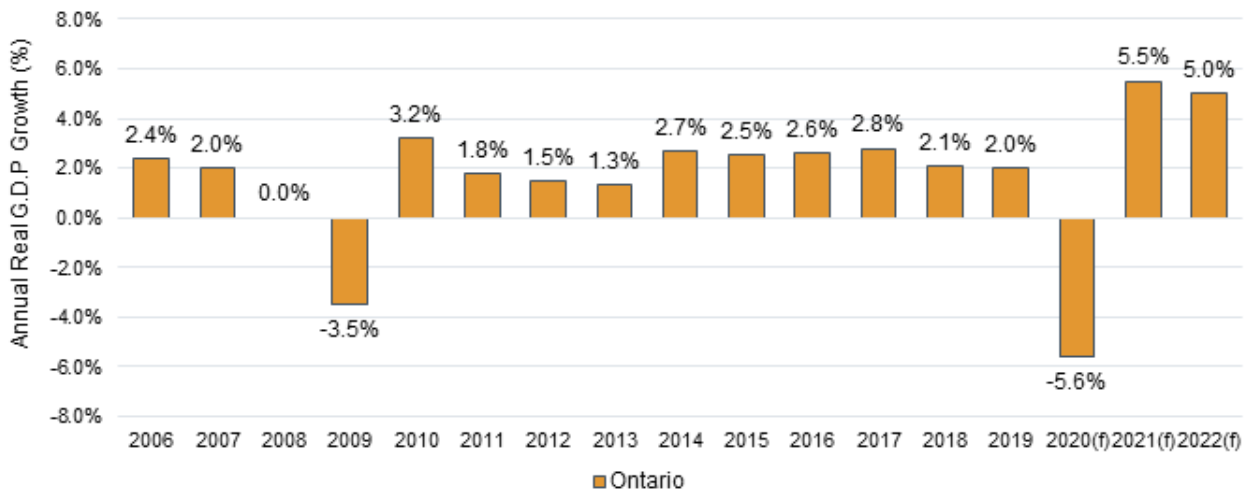
Over the past decade, the provincial economy experienced relatively strong economic growth, as illustrated in Figure 2. Growth in 2019 eased to 2.0% in Ontario, largely as a result of a tightening labour market and slowing global economic growth.

While the recent performance of the Ontario economy has remained relatively strong over the past several years through to early 2020, the coronavirus disease (COVID-19) pandemic has resulted in strong economic contraction. As illustrated in Figure 2, the Ontario economy is forecast to contract by 5.6% in 2020 before growth rebounds 5.5% in 2021. By 2022, RBC Economics forecasts the Ontario economy will continue its momentum growing by 5.0%.



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 has contributed to record consumer debt loads and eroded housing affordability.

Figure 2
Annual Real G.D.P. Growth, Ontario, Historical (2010 to 2019), and Forecast (2020 to 2022)



Source: 2007 to 2019 derived from BMA Capital Markets Economics Provincial Economic Outlook, and 2020 to 2022 (forecast) from RBC Economics Provincial Outlook, December 2020, by Watson & Associates Economists Ltd., 2021.

Recent structural changes in the macro-economy experienced over the past several decades have been well documented. At the provincial level, Ontario’s economic base, as measured by G.D.P. output, has shifted from the goods-producing sector (i.e., manufacturing and primary resources) to services-producing sectors. Much of this shift has occurred during the past two decades, driven by G.D.P. declines in the manufacturing sector which were most significant immediately following the 2008/2009 global economic downturn. In contrast, service-based sectors such as financial and business services have incurred significant increases over the past several years.

A range of commercial, institutional and industrial sectors experienced an increase in G.D.P. in Ontario over the past decade.¹ G.D.P. growth has been particularly strong in sectors including professional, scientific and technical services; accommodation and

¹ Based on G.D.P. data by sector reported in Statistics Canada Table 36-10-0402-01.



food services; finance and insurance; and agriculture, forestry, fishing, and hunting. Industrial sectors such as transportation/warehousing, wholesale trade, and construction had notable increases in G.D.P. The manufacturing and utilities sectors, in contrast, experienced relatively modest G.D.P. growth over the past decade.

2.2 Emerging Industry Sector Trends

Continued structural changes in the global economy and technological advancements will require municipalities to be increasingly responsive and adaptive to changing industry needs and disruptive economic forces. The following key industry trends are expected to influence growth and development patterns in Kingston.

- **E-Commerce as a Major Disruptor for Retail and Logistics** – E-commerce sales in Canada have increased at a rate that is five times the pace of overall growth in retail trade. The rise of e-commerce has reduced the demand for retail square footage, in particular retail space for the sale of goods-based retailers. Increasing growth in e-commerce is also having a significant impact on employment growth and land demand related to the logistics sector. Delivery expectations within this sector are increasing on an annual basis. As delivery times decrease, it is anticipated that demand for regional fulfilment centres will increase. Further, it is estimated that 25% to 30% of online merchandise is returned, which is also driving the need for reverse logistics and return centres.
- **Potential Impacts of Technology on Commercial Services** – Digital and mobile technologies are making it easier to access goods and services on-demand which has led to alternative platforms to purchase products and services. Among these platforms are those that support the sharing economy which provide opportunities for individuals to earn an income by leveraging under-utilized assets. These platforms are providing customers with an alternative to traditional buying/selling platforms, including those in hospitality (e.g., hotels and taxis) and office leasing (office sharing). Other alternative purchasing platforms are providing income-earning opportunities for individuals to perform services or tasks that are typically not outsourced by households (e.g., assembling furniture, small household repairs, picking up food at fast-food restaurants, meal preparation, grocery pick-up and delivery). It is anticipated that further advancements in the sharing economy will have an increasingly negative



impact on the need for non-residential building space and continued growth in precarious employment.

- **Trends in Manufacturing** – 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. In general, globalization has led to increased outsourcing of production processes to overseas manufacturers. While there will continue to be a manufacturing focus in Ontario and in Kingston, the nature of traditional industrial processes is rapidly shifting, becoming more capital/technology intensive and automated, with lower labour requirements. The highly competitive nature of the manufacturing sector will require production to be increasingly cost effective and value-added oriented.

COVID-19 and the New Economy

As discussed above, COVID-19 is having a significant negative impact on short-term macro-economic growth. Within the Kingston context, near-term economic challenges due to this pandemic have resulted in elevated rates of unemployment with contraction in employment across a broad range of industry sectors. Despite the near-term challenges, employment levels are expected to largely recover in 2021 and long-term economic growth is expected to remain positive in Kingston. Based on near-term trends observed, COVID-19 is accelerating previously noted technological disruptors, including e-commerce, the gig economy, and automation. Under COVID-19, enterprises are increasingly required to rethink the way they conduct business with an increased emphasis on remote work enabled by technology. These trends are anticipated to fuel further growth for distribution/logistics centres, and place continued downward pressure on bricks-and-mortar retail store/service and office space needs. Near-term and longer-term employment land demand in Kingston is not anticipated to be negatively impacted by COVID-19.

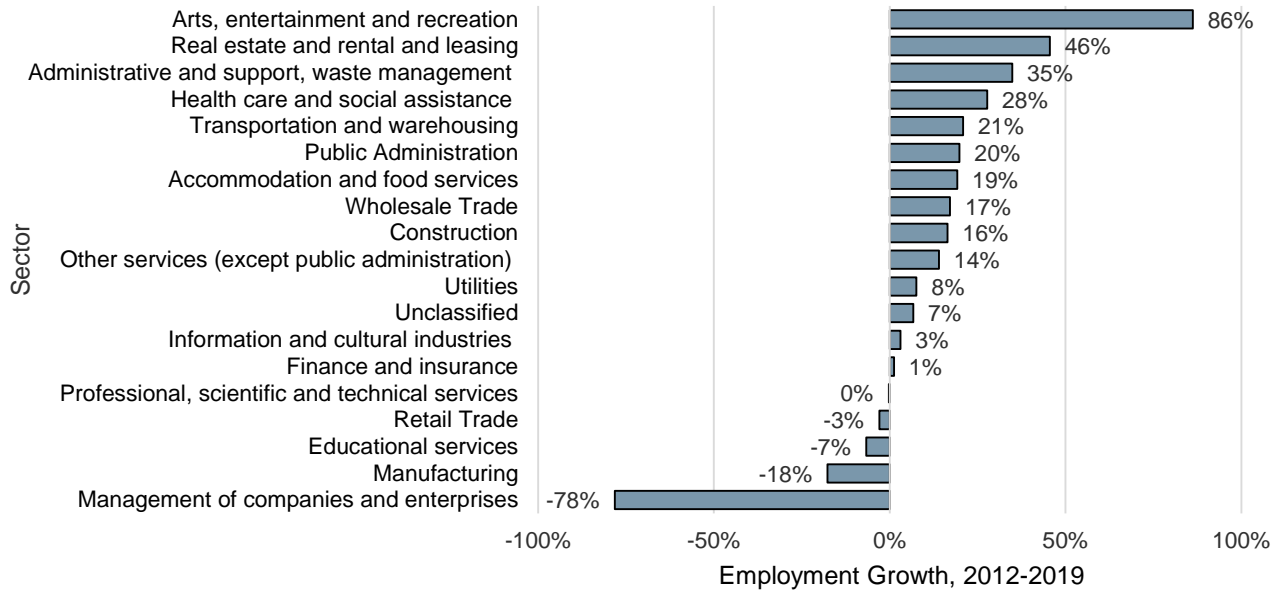
2.3 Kingston Employment Growth Trends

Similar to the broader provincial economy as a whole, Kingston has also incurred strong employment growth in a number of sectors from 2012 to 2019, including arts, entertainment and recreation and real estate and rental and leasing. Strong population growth across the municipality has also fueled steady growth in population-related



employment sectors, including health care and social assistance. With respect to the industrial sector, Kingston has incurred moderate-to-strong growth in transportation and warehousing, wholesale trade, and construction. The manufacturing sector experienced a decline in employment over the period.

Figure 3
Kingston Change in Employment, 2012 to 2019



Source: 2012-2019 data from OMAFRA, derived by Watson & Associates Economists Ltd., 2021

3. Employment Lands Development Trends

The following provides a summary of recent development activity and land absorption trends within Kingston Employment Areas.

3.1 Recent Development Activity

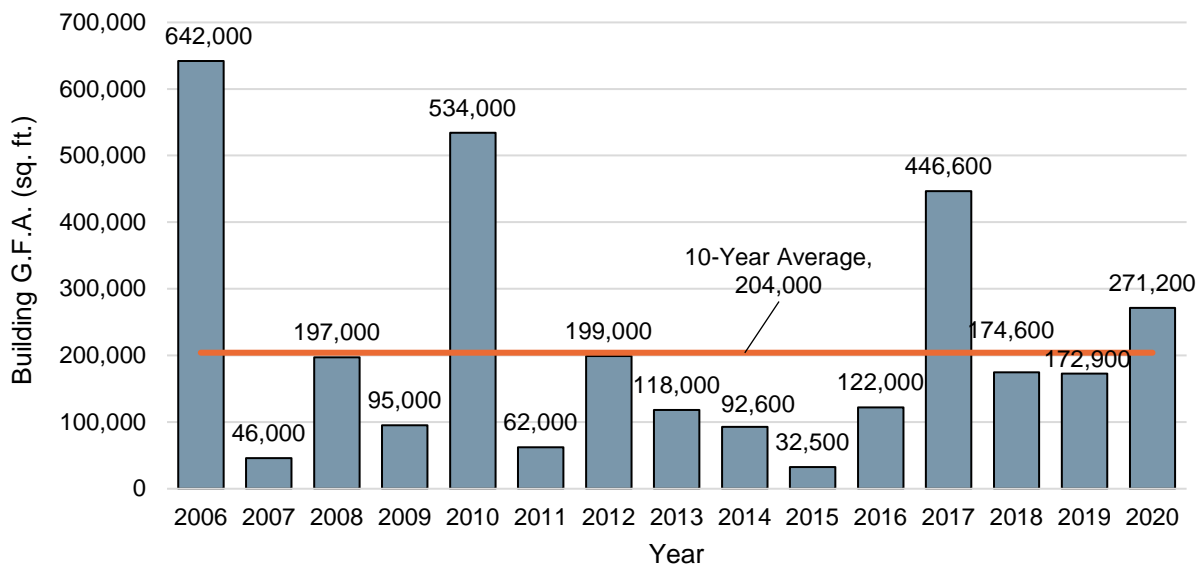
Figure 4 summarizes building construction (new development and expansions) within Kingston’s designated Employment Areas over the 2006 to 2020 period, expressed in building G.F.A. (gross floor area). As illustrated, Kingston accommodated an average of 204,000 sq.ft. (19,000 sq.m) of development within Employment Areas annually over the 15-year period, comprised largely of industrial space as well as some commercial and institutional building space.



Since 2017, development activity has been particularly strong with development activity totalling 1.07 million sq.ft. (99,400 sq.m) over the period. For the first half of 2021 (January to June), development activity totalled 60,000 sq.ft. (5,574 sq.m).

Over the 2014 to June 2021 period, new construction accounted for 93% of development activity within Employment Areas, compared to 7% for additions/expansions.¹ During this period, the vast majority of development activity has been accommodated on employment lands sold by the City.

Figure 4
Kingston Annual Development Activity on Employment Lands, 2006 to 2020



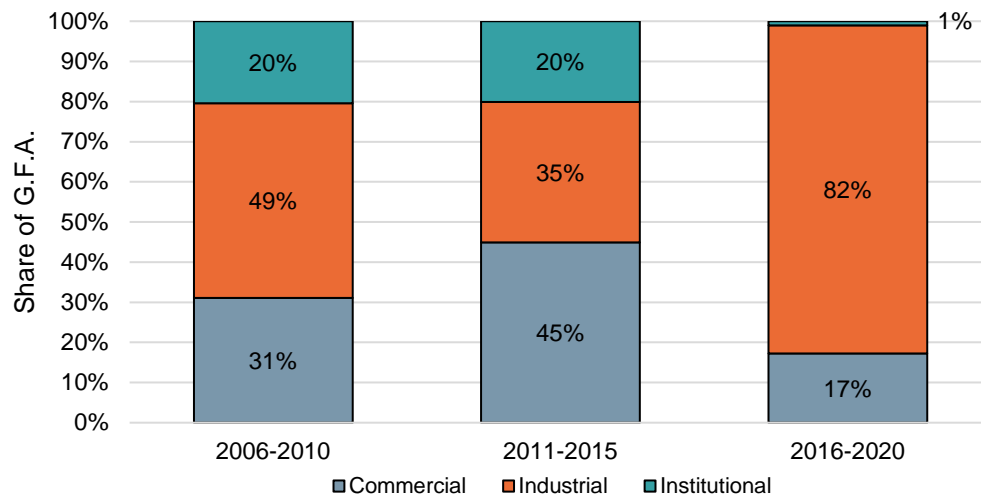
Source: City of Kingston building permit data derived by Watson & Associates Economists Ltd., 2021

An increasing share of development activity on employment lands is in the industrial sector. As illustrated in Figure 5, over the 2016 to 2020 period, 82% of development on employment lands was within the industrial sector. This is compared to the 2006 to 2010 and 2011 to 2015 periods, where the share of development within the industrial sector accounted for 49% and 35% of G.F.A., respectively. A large share of the recent industrial development is attributed to the development of two large-scale manufacturing facilities.

¹ Derived from City of Kingston building permit data by Watson & Associates Economists Ltd.



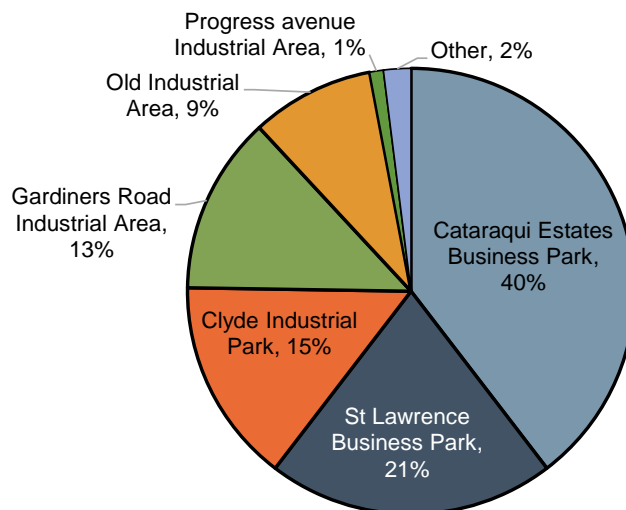
Figure 5
Kingston Development Activity on Employment Lands by Major Sector



Source: G.F.A. data provided by City of Kingston, derived by Watson & Associates Economists Ltd., 2021

Over the 2014 to 2020 period, 40% the development within Kingston employment lands was accommodated within the Cataraqui Estates Business Park, followed by 21% in the St. Lawrence Business Park, 15% in the Clyde Industrial Park and 13% in the Gardiners Road Industrial Area.

Figure 6
Kingston, Non-Residential Building Permit Activity on Employment Lands by Industrial/Business Park, 2014 to 2020



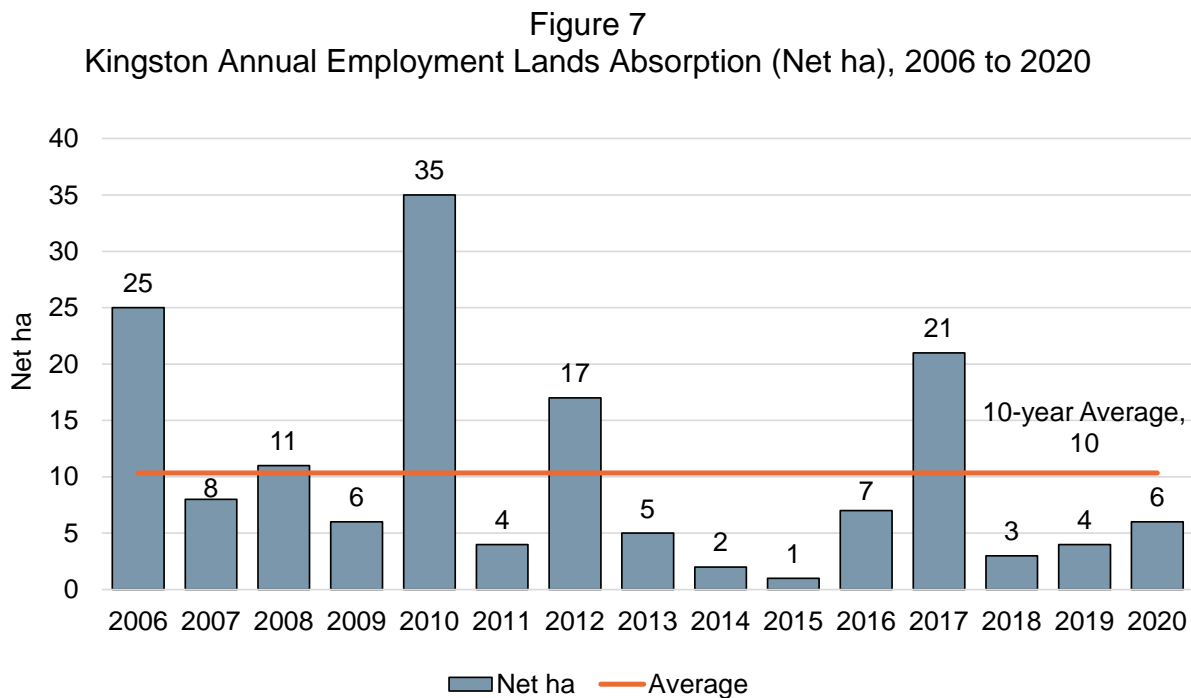
Source: Building permit data from City of Kingston, derived by Watson & Associates Economists Ltd., 2021.



3.2 Employment Land Absorption Trends

Figure 7 summarizes annual absorption of employment lands within Kingston over the past 15 years (i.e. 2006 to 2020). As illustrated, over the period, employment land absorption levels averaged approximately 10 net ha (25 net acres) per year.

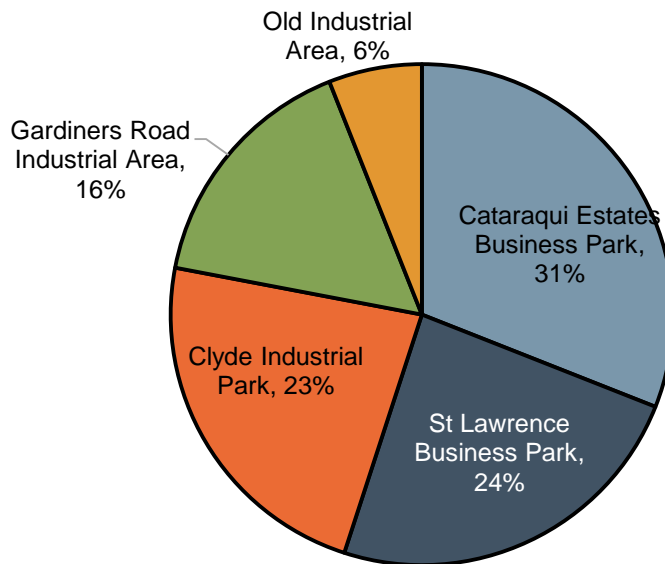
Over the past decade (2011 to 2021 YTD), a total of 78 ha (193 acres) of employment land have been absorbed in Kingston. The majority of land absorption over the past decade has been in the Cataraqui Business Park, the St. Lawrence Business Park, and the Clyde Industrial Park, as illustrated in Figure 8. Approximately 57% of employment lands absorbed over the past decade have been prestige employment lands (i.e. Business Park Industrial designated lands).



Source: City of Kingston derived by Watson & Associates Economists Ltd., 2021



Figure 8
Kingston Absorbed Employment Lands by Employment Area, 2011 to 2021

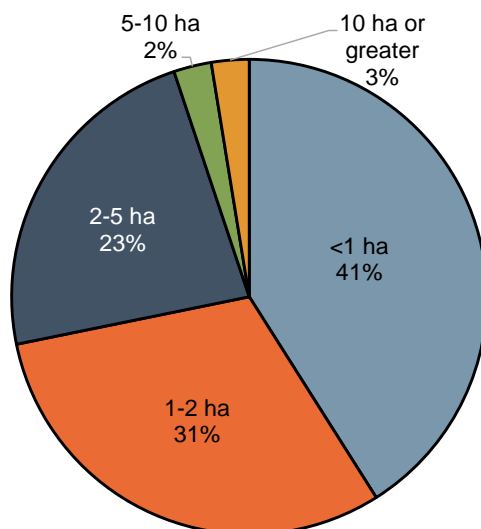


Source: Building permit data from City of Kingston, derived by Watson & Associates Economists Ltd., 2021.

Employment land absorption over the 2011-YTD 2021 period was comprised of a broad range of parcel sizes. Approximately two-fifths (41%) of the land absorbed over the period consisted of parcels less than 1 net ha (2.5 net acres) in size, as summarized in Figure 9. Meanwhile, parcels 1 to 2 net ha (2.5 to 5 net acres) accounted for 31% of the total. Larger parcels (greater than 5 net ha) accounted for 5% of absorbed parcels.



Figure 9
Kingston Employment Lands Absorbed by Parcel Size, 2011 to 2021

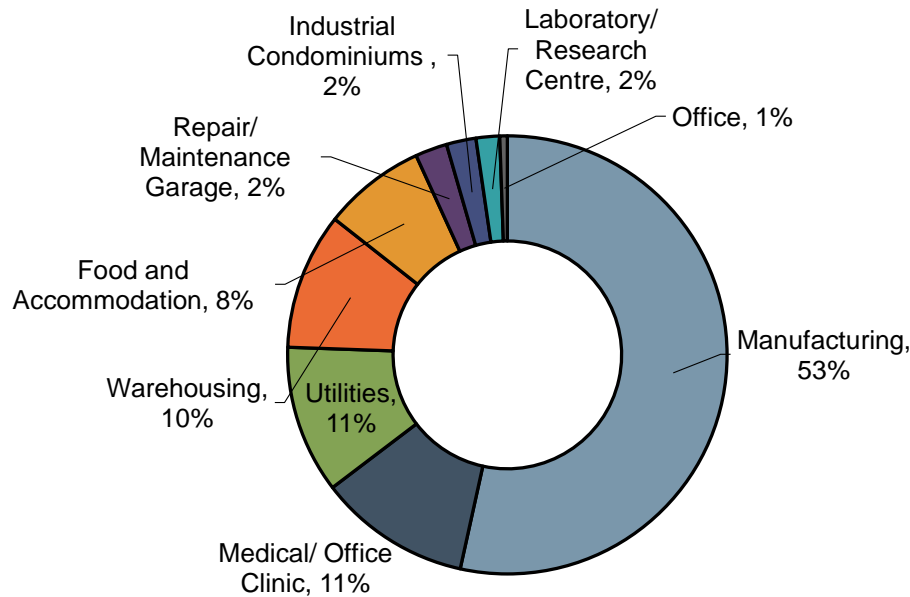


Source: City of Kingston data, derived by Watson & Associates Economists Ltd., 2021

Figure 10 identifies the type of buildings that were accommodated on absorbed employment lands between 2014 and 2021 YTD. As shown, over half the lands absorbed (53%) accommodated manufacturing facilities. Other key sectors accommodated include medical offices, utilities, warehousing, and food and accommodation.



Figure 10
Employment Lands Absorption Share by Employment Sector, 2014 to 2021



Source: City of Kingston, derived by Watson & Associates Economists Ltd., 2021

Over the 2014 to June 2021 period, City-owned employment lands accounted for nearly three-quarters (73%) of total employment lands absorbed in Kingston.¹ It's important to note that recently sold City-owned employment lands are only identified as absorbed when building permits for new construction are issued.

3.3 City of Kingston Employment Land Sales

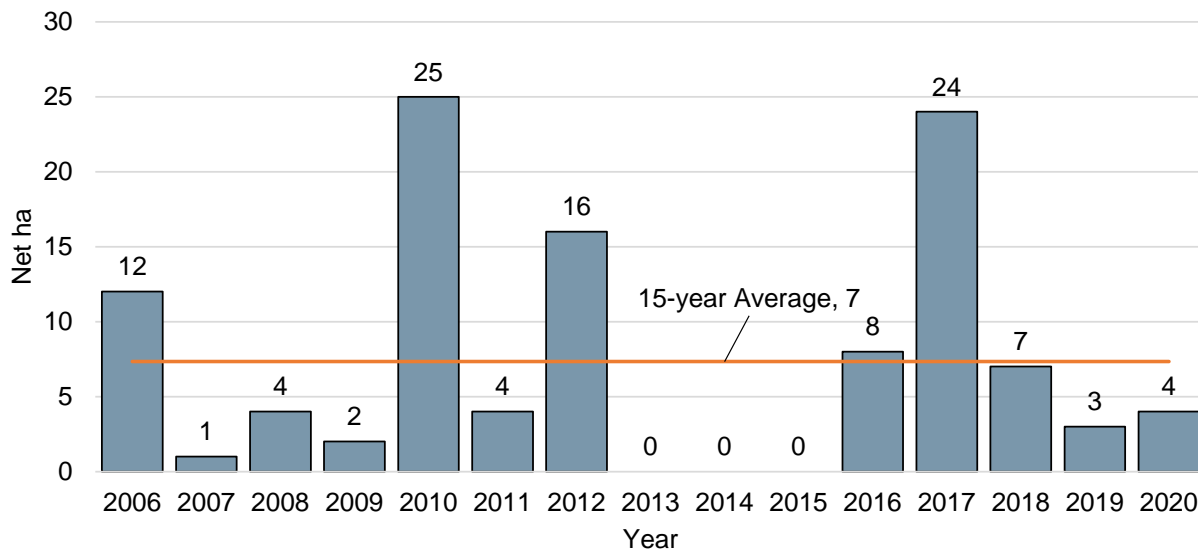
As mentioned previously, the City is a key employment land developer in Kingston, assembling and servicing land. The City is responsible for subdivision design, infrastructure development and land sales. The City guides development through subdivision phasing and sells land parcels to private developers and individuals as demand warrants.

Figure 11 illustrates the City's employment land sales between 2006 and 2020. Over the period, land sales averaged 7 net ha (17 net acres) per year.

¹ Watson & Associates Economists Ltd.



Figure 11
City of Kingston Employment Lands Sales (Net ha), 2006 to 2020



Source: City of Kingston sales data, derived by Watson & Associates Economists Ltd., 2021

3.4 Industrial Space Market Indicators

Coinciding with the recent increase in industrial development activity, vacancy rates have declined to relatively low levels. Kingston currently has 272,000 sq.ft. of vacant industrial floor space, representing an industrial vacancy rate of approximately 3.1%.¹ Industrial vacancy has declined significantly since 2014 when it averaged 8.1%.² Kingston's current industrial vacancy rate indicates that there is limited underutilized building capacity in the industrial market.

4. Employment Lands Inventory

One of the most critical aspects related to the economic competitiveness of Kingston is the marketability and availability of its employment land base relative to the surrounding market area. It is critical that the City continues to plan for employment uses with consideration given to market demand and trends.

¹ Watson & Associates Economists Ltd. estimate, September 2021. Vacant space data based on desktop review of active lease listings from Rogers & Trainor Commercial Realty and Cushman & Wakefield.

² DTZ Ltd., May 2014.



4.1 Vacant Urban Designated Employment Lands

Building on the inventory of vacant employment land data prepared for the 2015 ELSR, the Consultant Team reviewed all parcels designated for employment uses within the urban area. Kingston's vacant employment land inventory was developed using G.I.S.-based mapping software with various mapping overlays, including Official Plan designation layers and orthophotos. Further, a windshield survey of the Employment Areas was completed to refine the analysis.

Figure 12 summarizes the total gross and net vacant designated employment lands in Kingston (as of mid-2021) by Employment Area.¹ As illustrated, Kingston has a total of 283 gross ha (698 gross acres) of vacant designated employment land. The gross land area reflects reductions for environmental features identified as Environmental Protection Area in the City's Official Plan and Zoning By-law.

In determining the net employment lands, larger vacant parcels (i.e. 4 ha or greater) that are not subdivided were also subject to an additional downward adjustment to reflect internal infrastructure (i.e. roads, stormwater ponds, easements, etc.) with a net to gross adjustment of 80%. In accordance with the aforementioned adjustments for internal infrastructure, Kingston's designated vacant employment lands is estimated at 246 net ha (608 net acres).

¹ Reflects serviced and unserviced lands designated as Business Park Industrial, General Industrial and Waste Management Industrial within the Urban Area in accordance with the City of Kingston Official Plan.



Figure 12
Kingston Vacant Designated Employment Lands (ha), 2021

Employment Area	Total Gross Vacant (A) ¹	Adjustment for Roads and Other Internal Infrastructure (B) ²	Net Vacant Employment Lands (C = A-B)
Alcan Business Park	1.7	0.0	1.7
Alcan Industrial Area	12.7	2.5	10.1
Airport Industrial Lands	7.0	0.0	7.0
Cataragui Estates Business Park	57.1	6.5	50.6
Clyde Industrial Park	40.6	5.8	34.8
Clogg's Road Business Park	47.3	0.0	36.7
Gardiners Road Industrial Area	41.8	2.1	39.7
Innovation Park	19.5	3.9	15.6
Old Industrial Area	21.0	3.5	17.4
Progress Industrial Area	6.8	0.0	6.8
St. Lawrence Business Park	19.4	0.0	19.4
Other	7.8	1.6	6.2
Total	282.6	26.0	246.0

Source: Watson & Associates Economists

Note: numbers may not add due to roundi

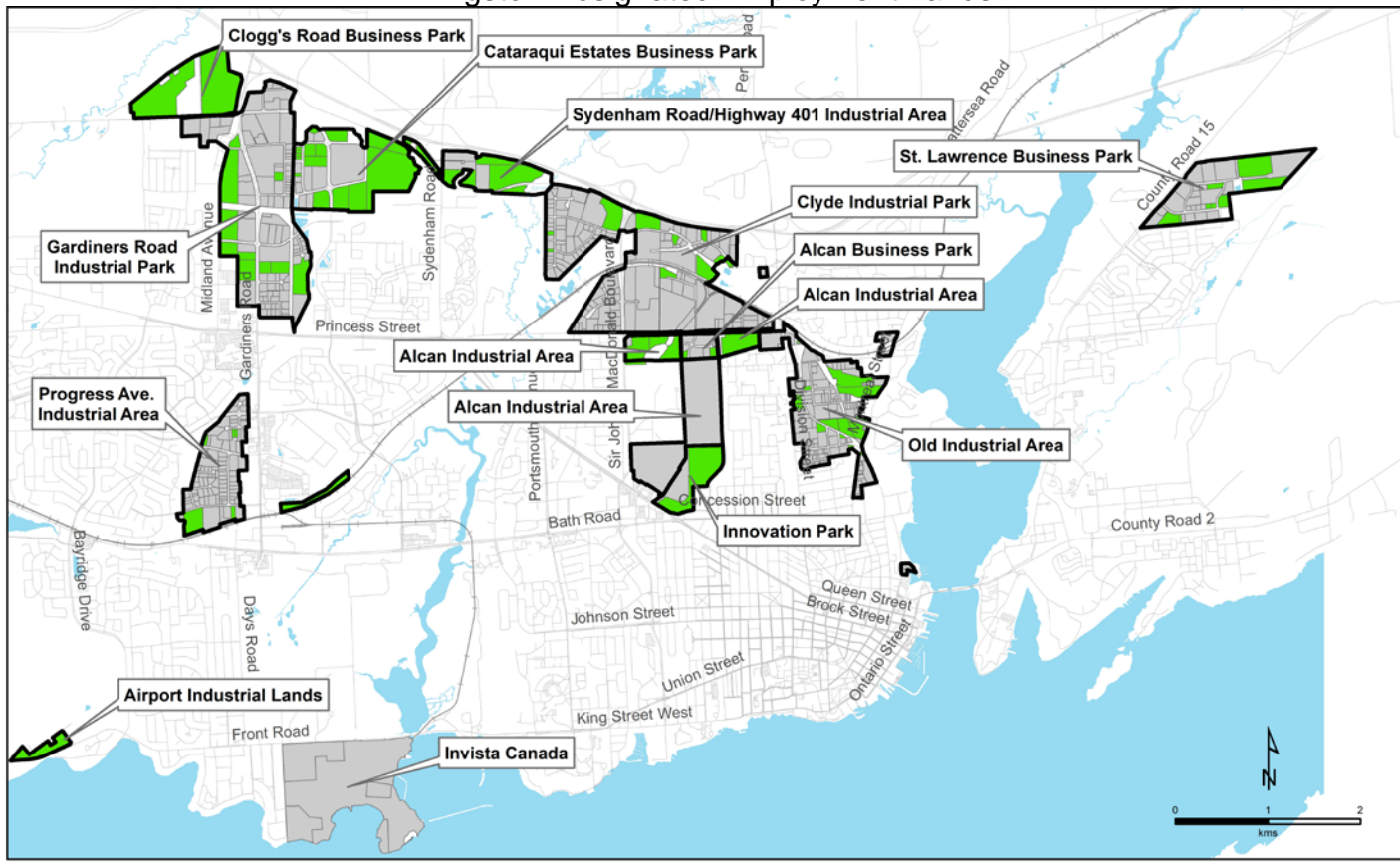
1. Reflects environmental takeouts

2. A downward adjustment of 20% of the goss area has been applied to accounting for internal infrastructure on unsubdivided parcels typically greater res

Figure 13 illustrates the vacant designated and developed employment lands in Kingston.



Figure 13
Kingston Designated Employment Lands



- Delineated Employment Areas
- Vacant Employment Lands
- Developed Employment Lands
- Waterbody
- Rail
- Roads

October 15, 2021



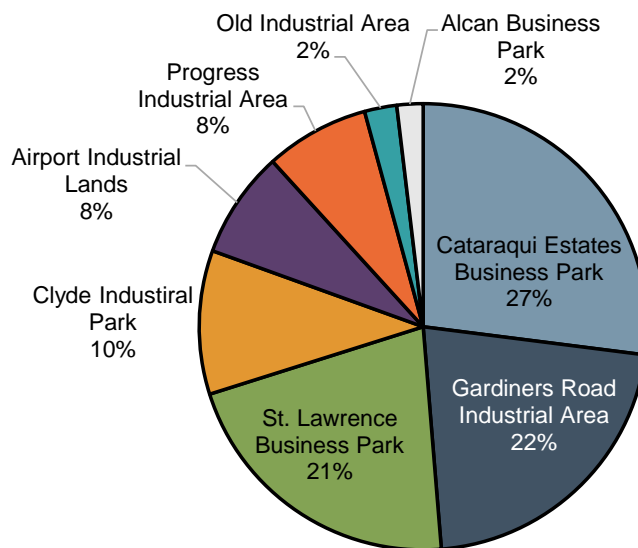


4.2 Shovel-ready Employment Land Supply

As previously stated, market choice of shovel-ready employment lands and the potential for future expansion are key factors in the industrial site selection process. Based on a further review of the 246 net ha (608 net acres) of vacant designated urban employment lands identified in Figure 12, it was determined that Kingston has 90 net ha (223 net acres) of shovel-ready urban employment land, comprised of both City-owned and privately owned lands.¹

Figure 14 summarizes the share of shovel-ready employment land by Employment Area. As illustrated, approximately one quarter (27%) of available shovel-ready employment land is in the Cataraqui Estates Business Park, 22% is in the Gardiners Road Industrial Area, 21% is in the St. Lawrence Business Park, and 10% in the Clyde Industrial Park.

Figure 14
Kingston Shovel-ready Employment Lands by Location



Source: Watson & Associates Economists Ltd., 2021.

Figure 15 summarizes the share of shovel-ready employment land parcels, by parcel size. As shown, vacant shovel-ready sites of less than 2 net ha (5 net acres) represent

¹ "Shovel-Ready" Lands are defined as those that are serviced and zoned, and generally considered potentially developable in the short-term (i.e. next six months)



71% of the land parcels available for development. In terms of medium- and larger-sized parcels, those measuring 2 to 5 net ha (5 to 10 net acres) account for 20% of the supply of vacant shovel-ready parcels, while sites measuring 5 to 10 net ha (12.5 to 25 net acres) account for 10% of the supply. Kingston currently has no shovel-ready sites greater than 10 net ha (25 acres).

Figure 15
Kingston Shovel-Ready Employment Lands by Parcel Size

Parcel Size (Net ha)	Parcels (#)	Share of Parcels (%)
<1 ha	26	51%
1-2 ha	10	20%
2-5 ha	10	20%
5-10 ha	5	10%
10+ ha	0	0%
Total	51	100%

Source: Watson & Associates Economists Ltd., 2021.

Note: "Shovel-Ready" Lands are defined as those that are serviced and zoned, and generally considered potentially developable in the short - term (i.e next six months)

Note: Percentages may not add due to rounding.

Figure 16 summarizes the share of serviced shovel-ready employment land parcels by Official Plan designation. As shown, approximately 51% of the parcels are designated General Industrial, 47% are designated Business Park Industrial, and 1% are designated Waste Management Industrial.

Figure 16
Kingston Shovel-Ready Employment Lands by Official Plan Designation

Official Plan Designation	Number of Sites	Share by Number
Business Park Industrial	24	47%
General Industrial	26	51%
Waste Management Industrial	1	2%
Total	51	100%

Source: Watson & Associates Economists Ltd., 2021.



4.3 Vacant Employment Lands by Ownership

Figure 17 summarizes Kingston’s total vacant designated employment land supply and shovel-ready employment lands by ownership. As shown, approximately one-third of vacant designated employment land (81 net ha or 200 net acres) is owned by the City. Most of the City-owned lands are located in the St. Lawrence Business Park, the Cataraqui Estates Business Park and Clogg’s Road. The remaining 165 net ha (408 net acres) are privately owned lands located throughout Kingston. Of Kingston’s shovel-ready employment lands, 45 net ha (111 net acres) are City-owned, accounting for 49% of the total.

Figure 17
City of Kingston Vacant Employment Lands by Ownership

	Net ha			% Share		
	City Owned	Privately Owned	Total	City Owned	Privately Owned	Total
Net Vacant Designated Employment Lands	81	165	246	33%	67%	100%
Shovel-Ready Employment Lands	45	46	90	49%	51%	100%

Source: Watson & Associates Economists Ltd., 2021.

4.4 City-Owned Employment Lands Inventory

As a key developer of employment land in Kingston, it is critical that the City maintain a sufficient supply of developable employment land to accommodate anticipated demand. Kingston’s municipal-owned employment lands inventory is presented in Figure 18 and



Figure 19. As shown:

- Kingston has 81 net ha (201 net acres) of City-owned designated vacant employment land of which 55% (45 net ha or 110 net acres) is shovel-ready;
- Of the City-owned shovel-ready employment land supply, 37% (17 net ha or 41 net acres) are conditionally sold pending draft plan approval while 58% (26 net ha or 64 net acres) are currently in negotiation for sale; and
- With 95% of City-owned shovel-ready employment land conditionally sold or in negotiation for sale, Kingston currently has only one parcel (2.0 net ha or 4.8 net acres) of shovel-ready employment land available for sale.¹ This parcel is located in the St. Lawrence Business Park.

Figure 18
City-Owned Employment Lands Inventory by Status, October 2021

Status	Net ha
Net Vacant Designated Employment Lands	81.5
Shovel-Ready Employment Lands	44.6
Less: Land Sales in Progress (under agreement)	16.7
Less: Lands in Negotiations	25.9
Lands Available for Sale	2.0

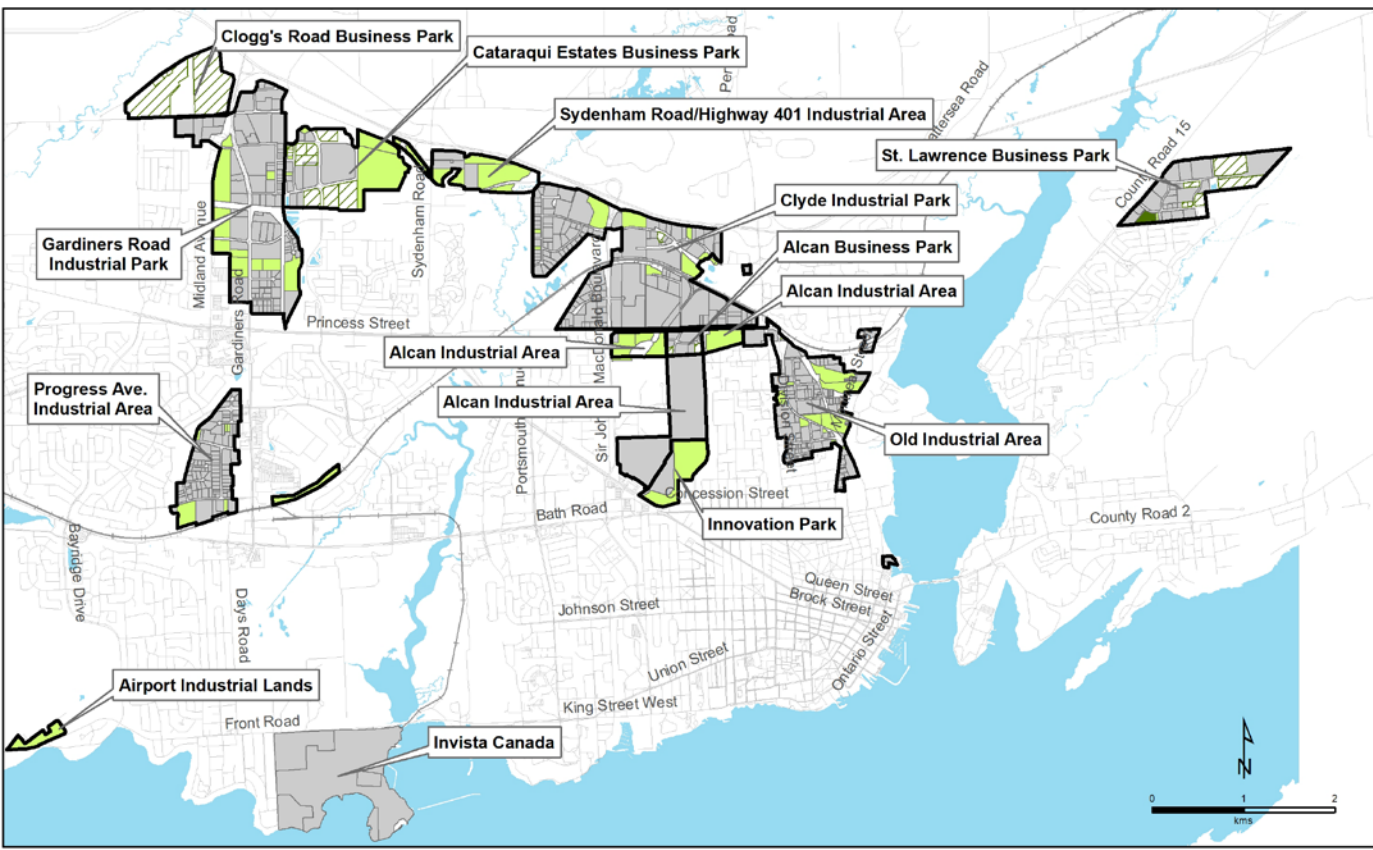
Note: Status as of October 15, 2021.

Source: Watson & Associates Economists Ltd., 2021.

¹ Status as of October 15, 2021.



Figure 19
City-Owned Vacant Employment Lands Inventory



- | | |
|-----------------------------|-------------------------------------|
| Delineated Employment Areas | Vacant Employment Lands |
| Developed Employment Lands | City Owned Lands Available for Sale |
| Waterbody | Other City Owned Lands |
| Rail | Privately Owned Lands |
| Roads | |

October 15, 2021





5. Assessment of Short-Term Employment Land Need

Based on the 2019 Growth Study and informed by recent development trends and broader economic drivers, the following provides an analysis of the anticipated employment land demand over the short-term (five-year) time horizon in Kingston. This analysis also considers the opportunities and challenges to accommodate the forecast growth based on supply opportunities identified in section 4.

5.1 Five-Year Employment Land Demand Outlook

A short-term (five-year) employment land demand growth forecast was prepared based on anticipated employment growth and non-residential development patterns. The forecast employment growth within employment lands and corresponding employment land demand for the 2021 to 2026 period is summarized in Figure 20. Key observations include the following:

- Employment growth in Kingston is anticipated to total 1,875 jobs over the next five years (2021 to 2026) in accordance with the employment forecast presented in the 2019 Growth Study.¹
- The anticipated municipal-wide employment growth is expected to comprise a range of industrial, commercial and institutional sectors, of which approximately 40% (750 jobs) is anticipated to be accommodated within employment lands.
- It is recognized that a portion of forecast employment on employment lands growth will be accommodated through intensification such as the expansion of existing buildings, additional development on already occupied parcels and infill on partially vacant lots. Over the 2021 to 2026 period, an estimated 75 jobs (10% of employment growth) are expected to be accommodated through intensification.
- Adjusted for intensification, employment growth on employment lands over the five-year period is anticipated to total 675 jobs.
- It is anticipated that employment growth on employment lands over the 2021 to 2026 period will average 20 jobs/net ha (8 jobs/net acre). It is assumed that

¹ Adapted from Reference Scenario employment forecast for the 2019 to 2029 period, adjusted for recent employment growth trends through mid-2021.



employment densities will be similar to densities achieved over the past five years.

- Based on the employment forecast, and employment density and intensification assumptions for employment lands identified above, municipal-wide employment land absorption is expected to total 34 net ha (84 net acres) over the 2021 to 2026 period.

Figure 20
Kingston Short-Term Employment Land Demand, 2021 to 2026

Employment Land Demand	2021-2026
Municipal-wide Employment Growth	1,875
Employment Lands Employment Growth (40%)	750
Employment Growth Accommodated by Intensification (10%)	75
Total Employment Growth on Employment Lands Adjusted for Intensification	675
Employment Land Density (jobs/net ha)	20
Employment Land Demand, Net ha	34

Source: Watson & Associates Economists Ltd., 2021.

Employment lands in Kingston provide opportunities to accommodate a wide variety of employment sectors and businesses within a range of building types and forms. The following provides a summary of key characteristics of established and emerging employment sectors across Kingston that are expected to be accommodated over the next five years.

- The Goods Movement sector includes a range and scale of operations. Established Goods Movement consists of wholesale distribution centres, freight/trucking terminals, multi-tenant distribution centres and transportation direct laydown yards. These uses are land extensive and require access or close proximity to major highways (i.e. Highway 401).



- 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.
- It is anticipated that due to the strong residential and non-residential growth in the local and surrounding area, existing and new construction businesses will continue to drive future employment growth for Kingston.
- The knowledge-based economy is driving the demand for single-storey and multi-storey office space. Flex office space has become a major trend across many markets in Canada for business services. Flex office space allows occupants flexibility in the use and allocation of space according to operation needs. Tenants of flex office space may include businesses that require a blend of office and industrial site characteristics.
- Employment land supportive commercial uses typically include accommodation and food services and commercial services. These uses are key amenities in attracting businesses and employment in industrial and office sectors.

Based on historical trends and anticipated development activity in the municipal and private sectors with respect to employment lands development in Kingston, it is estimated that City-owned employment land will account for 75% of the forecast employment land absorption over the 2021 to 2026 period. This represents 25 net ha (62 net acres) of demand for City-owned employment lands over the next five years, averaging 5 net ha (12 acres) per year, as illustrated in Figure 21.

Figure 21
City of Kingston Municipal Employment Land Demand, 2021 to 2026

	% Share	Employment Land Absorption (ha)	Average Annual Absorption (ha)
City-Owned Employment Land	75%	25	5.1
Privately Owned Employment Land	25%	8	1.7
Total	100%	34	6.8

Source: Watson & Associates Economists d., 2021.



5.2 Market Choice Requirements

Market choice of shovel-ready employment lands and the potential for future expansion are key factors in the industrial site selection process. The City of Kingston needs to provide a balanced inventory of shovel-ready and zoned developable vacant employment lands that is sufficient to meet market demand in the short to medium term.

From a market choice perspective, one of the most important industrial site selection criteria, which is largely controllable by the City, relates to ensuring that an ample supply of suitable vacant serviced (and serviceable) employment land is available for purchase and absorption. This involves providing a readily available and serviced employment land supply which is well beyond forecast absorption. As a general rule of thumb, in order to allow for proper market functioning, it is recommended that a minimum five-year supply of serviced employment lands (by various sizes, zonings and locations) is available at all times throughout the forecast period.

The private sector is not considered sufficiently strong and economically viable to support large-scale employment land development in Kingston. Further, private land developers may be restrictive, not necessarily willing to sell land or only offering build-to-suit or lease opportunities. As such, it is expected that the City will need to continue to be the primary developer of employment lands in Kingston to ensure sufficient market choice to meet forecast demand.

As discussed in section 4 above, Kingston has 90 net ha (223 net acres) of serviced shovel-ready employment land. Kingston's supply of shovel-ready employment land is approximately one-third lower than in 2014.¹ While the overall availability of shovel-ready vacant employment land appears reasonable against historical and forecast absorptions trends, market choice is limited with respect to the share that is available for development and sale within City-owned Employment Areas. This is discussed below.

Supply of City-owned Inventory of Shovel-Ready Land

Historically, Kingston has been the primary source of shovel-ready employment land through its municipal employment and development program. The City's inventory of

¹ The 2015 City of Kingston Employment Land Strategy Review identified approximately 135 net ha (333 net acres) of shovel-ready industrial lands as of mid-2014.



municipal employment lands has diminished significantly since 2014 due to strong development activity. In 2014, Kingston had 67 net ha (166 net acres) of City-owned land available for development.¹ In comparison, Kingston has 45 ha (110 acres) of City-owned shovel-ready employment land as summarized in Figure 18, a one-third decrease from 2014, and almost all of this is currently in the process of being sold as noted earlier.

Limited Supply of City-owned Inventory Available for Sale

The availability of City-owned lands currently for sale is severely constrained and inadequate to meet near term market needs. As previously identified in Figure 18, the City currently has one parcel of 2 ha (5 acres) of vacant employment land available for sale which, based on historical and anticipated sales trends, is significantly less than the optimal amount based on the five-year absorption threshold discussed above. Based on anticipated absorption of City-owned employment lands, a minimum inventory of 25 to 35 ha (63 to 86 acres) of City-owned employment lands available for sale should be maintained at all times to provide for sufficient market choice. This includes providing a range of parcel sizes including larger sites to potentially accommodate goods movement and large-scale manufacturing facilities.

Opportunities to Expand Market Choice for Employment Lands

It is critical that new serviced City-owned employment lands become available for sale and development over the near term to ensure that Kingston has sufficient market choice of employment lands to meet forecast demand.

Opportunities to broaden the range and choice of vacant City-owned employment land supply to meet forecast demand over the short to medium term include servicing the Clogg's Road Business Park employment lands which offers 37 net ha (91 net acres) of potential developable employment land. Longer term employment land needs for Kingston are anticipated to be addressed through the next Official Plan Review process and Comprehensive Review component in 2022.

¹ 2015 City of Kingston Employment Land Strategy Review.