



**City of Kingston  
Report to Council  
Report Number 24-221**

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**To:** Mayor and Members of Council  
**From:** Paige Agnew, Commissioner, Growth & Development Services  
**Resource Staff:** Tim Park, Director, Planning Services  
**Date of Meeting:** September 3, 2024  
**Subject:** Employment Area Lands Review

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**Council Strategic Plan Alignment:**

Theme: 2. Lead Environmental Stewardship and Climate Action

Theme: 3. Build an Active and Connected Community

Theme: 5. Drive Inclusive Economic Growth

Goal: 5.1 Ensure an adequate supply of "ready-to-go" employment lands.

Goal: 5.2 Evaluate policies, programs and services to support the use of the airport.

Goal: 5.3 Diversify Kingston's economic base.

Goal: 5.4 Support Kingston's economic competitiveness through workforce development and talent attraction.

**Executive Summary:**

As a key background study to the City's Official Plan project, an Employment Area Lands Review has been completed by Watson & Associates Economists Ltd. (Watson). The purpose of the Employment Area Lands Review is to guide long-range planning efforts with respect to Employment Areas within the City to the year 2051. Fundamental to this objective is to ensure there is an adequate supply of protected industrial areas located throughout Kingston to accommodate the forecasted employment growth. The conclusions and recommendations

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resulting from this study will inform the industrial land use policies and designations in the City's new Official Plan.

The Employment Area Lands Review is informed by the Population, Housing and Employment forecast endorsed by Council on December 5, 2023, and is accompanied by a series of reports being prepared concurrently by Watson, including a corresponding assessment of the City's future needs for residential and commercial lands, to support the City's new Official Plan project.

The Employment Area Lands Review has been prepared under the purview of the Provincial Planning Statement, 2024 (PPS, 2024), which was issued on August 20, 2024, and will come into effect on October 20, 2024. The PPS, 2024 as well as the *Planning Act* narrows the range of permitted uses within designated Employment Areas to uses that are primarily industrial in nature, including manufacturing, research and development in connection with manufacturing, warehousing, goods movement, associated retail and office, and ancillary facilities. Institutional and commercial uses, including retail and offices not associated with the primary industrial use are no longer included as permitted uses in Employment Areas.

The Province requires municipalities to "protect" Employment Areas from sensitive uses that would potentially hinder the growth of industrial uses and ensure that there is an appropriate supply of these protected industrial areas for projected future employment needs. These areas are protected by legislation and provincial policy, with specified criteria that must be met if a property owner requests a "conversion" to a non-industrial use (under PPS, 2024, this will be called a "removal").

While the Province and Watson use the term "Employment Area" to describe a narrow scope of light, medium and heavy industrial lands, and rural industrial lands, for clarity in this report, staff refer to these lands as "industrial areas", as there are other business uses that provide employment outside of industrial areas such as offices, standalone research and development, professional services and other businesses, and this results in confusion about what is included within the Employment Area term. These other business uses are important to plan for and have traditionally been accommodated within Business Parks due to their functional requirements, so they must also be planned for within the new Official Plan. These business uses will no longer be called "protected" industrial areas as per the updated "Employment Area" definition in the *Planning Act* but have been accounted for in the employment land needs presented in this report.

The complete Employment Area analysis and recommendations prepared by Watson are contained in a report titled "Employment Area Lands Review" dated August 23, 2024, and attached as Exhibit A to Report Number 24-221. The key findings and recommendations of the Employment Area Lands Review are summarized as follows:

- The existing supply of greenfield industrial lands available for development within the urban boundary is insufficient and limits development potential, especially where there is a demand for larger sites. The Employment Area Lands Review concludes that there is a need for the City to consider an urban boundary expansion to accommodate future

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industrial growth. The study identifies the need for an additional 325 gross hectares of land to be included in the urban boundary to adequately accommodate projected industrial area needs, and an additional 80 hectares for other business uses (such as office uses, training, and education, entertainment, wholesale trade, and service repair centres, etc.) that provide employment outside of the protected industrial areas, for a total of 405 gross hectares.

- In identifying potential locations for new protected industrial areas, the report recommends that consideration should be given to designating lands for industrial uses near the Highway 401 corridor.
- The current Official Plan Employment Area policies do not align with the changed *Planning Act* definition or the PPS, 2024 definition for Employment Areas. As such, the report recommends changes to the Official Plan Employment Area policies to be consistent with PPS, 2024.
- Considering the definition change of Employment Area in PPS, 2024 and the *Planning Act*, the City will be required to plan for, and protect, industrial uses based on a more narrowly scoped definition of Employment Area and will be limited to these uses that are primarily industrial in nature or other uses associated or ancillary to the primary use. A key challenge for the City will be the ability to provide an urban structure that will support employment uses outside of protected industrial areas, particularly non-retail commercial and institutional uses (e.g., office uses, training, and education, entertainment, wholesale trade, and service repair centres).
- The report recommends that as part of the new Official Plan, the City review existing development in the established designations of Business Park Industrial and General Industrial that meet the Employment Area definition in PPS 2024, and either group these together into a separate employment designation or add an overlay.
- The City received 25 requests for the conversion of properties located in an existing protected industrial designation to a non-industrial designation to be considered through the Official Plan project, 23 of which are located within the urban boundary, covering a total of 102 hectares. The report includes a review of the potential conversion sites and recommends that approximately 69 hectares be converted to non-employment uses, including business, residential or mixed-use, based on the provincial and local conversion criteria. Final recommendations for these sites are subject to further analysis by staff through the Official Plan project, with recommendations being made at the same time as the new Official Plan as a whole (projected timeline is Q2 of 2026).
- In consultation with staff, Watson has identified additional sites for conversion, as well as selected lands that are currently developed with uses that do not meet the definition of "Employment Areas", as such, they cannot be identified as protected industrial areas in the new Official Plan.
- The report recommends that the City strive to maintain a five-year supply of serviced and ready to develop industrial area lands (by various sizes, zoning, and locations), to allow for proper market functioning.
- The report notes that the private sector is not considered sufficiently strong and economically viable to support large-scale employment land development in Kingston. As

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such, it is expected that the City will need to continue to be the primary developer of industrial areas in Kingston to ensure sufficient market choice to meet forecast demand.

- The report recommends that Kingston's industrial areas and other urban non-residential lands be planned in a manner that aims to promote economic competitiveness, attract employment growth, and maximize employment density and land utilization, where appropriate. The report recommends exploring phasing policies that require the servicing of greenfield industrial areas to be completed prior to, or in parallel with, the servicing and development of Community Area settlement area boundary expansion lands (discussed in Report Number 24-172).
- The report recommends that the City of Kingston develop a comprehensive strategy to form Rural Industrial clusters. The strategy should include locational criteria to guide the establishment and growth of these clusters, as well as a regulatory framework to guide their development and operation, including zoning, land division and environmental protection, among other aspects. The locational criteria should focus on enhancing the diversification of industrial activities, promoting shared infrastructure such as access roads and utility services among clustered parcels, and ensuring servicing efficiency. These clusters would be accommodated on private individual services or private communal servicing. It is also recommended that the City expand the range of permitted industrial uses to include resource extraction and processing, light manufacturing, logistics, agribusiness services, and renewable energy production. Site Plan control for new industrial developments in Rural Industrial areas would ensure that site design, landscaping and infrastructure are compatible with the rural character and existing services.

Watson's scope of work includes providing recommendations on the conversion of industrially designated sites within the urban boundary, as well as an employment land needs assessment. The scope of work does not include providing recommendations on the location of the urban boundary expansion lands. The locations will be reviewed by staff as part of the Official Plan project. The identification of these lands will be done in a manner that supports the protection and enhancement of the natural heritage system, which is one of the seven critical public interests to be met through the new Official Plan project. A new natural heritage study is being initiated by staff which will assist with the identification of the natural heritage features that make up the natural heritage system.

The purpose of this report is to seek Council's endorsement of the Employment Area Lands Review, as it includes foundational background information for the Official Plan project. This report is being presented directly to Council for consideration, as it is in relation to a major policy initiative which will have long-term impacts on land use and economic development in all areas of the City. Staff will take the strategic directions and policy recommendations of the Employment Area Lands Review, as appropriate, to help inform the drafting of new policies related to industrial uses in the new Official Plan. There may be additional policies that are developed by staff and brought forward for Council's consideration through the Official Plan project.

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**Recommendation:**

**That** Council endorse the City of Kingston Employment Area Lands Review, dated August 23, 2024, prepared by Watson & Associates Economists Ltd., attached as Exhibit A to Report Number 24-221; and

**That** the policy recommendations included in Exhibit A to Report Number 24-221 inform the drafting of new policies related to industrial uses in the new Official Plan; and

**That** the employment land needs requirement, as presented in Exhibit A to Report Number 24-221, inform the more detailed work to be completed as part of the Official Plan project, which will identify the location of future urban boundary expansion lands.

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**Authorizing Signatures:**

ORIGINAL SIGNED BY COMMISSIONER

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**Paige Agnew, Commissioner,  
Growth & Development Services**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

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**Lanie Hurdle, Chief  
Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives	Not required
Brad Joyce, Commissioner, Infrastructure, Transportation & Emergency Services	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	Not required

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**Options/Discussion:****Background**

As part of the preparation for the Official Plan project, key studies have been initiated by Planning Services to support a long-term growth analysis and urban land needs assessment study. This includes Population, Housing, and Employment Forecast to the year 2051 and an assessment of the long-term urban land needs to accommodate forecast urban development over the planning horizon. A team led by Watson & Associates Economists Ltd. (Watson) was retained to undertake these studies. The analysis, conclusions and recommendations resulting from the studies will inform the residential, industrial, and commercial land use policies in the City's new Official Plan.

The following are the separate, but integrated deliverables:

- Population, Housing and Employment Growth Analysis Study;
- Community Area Land Needs Assessment and Intensification Analysis;
- Commercial Land Needs Review; and
- Employment Area Lands Review.

The Employment Area Lands Review builds upon each of the other deliverables, which together set out the broader planning framework for managing growth to the year 2051, including long-range population trends, housing forecasts by structure type and location, priorities and targets for residential intensification, urban land requirements for "Community Areas" (residential, institutional and commercial uses and the infrastructure and facilities necessary to support these uses) and strategic planning policy recommendations.

At the December 5, 2023, Council Meeting, Council endorsed the Medium Population, Housing and Employment Growth Scenario for the 2021-2051 horizon. Based on this growth scenario, Kingston is projected to grow from 154,100 people in 2021 to a total permanent and student population of 220,900 by 2051, representing 66,800 new residents, 29,300 new housing units and 33,400 new jobs. This forecast will form the basis of the more detailed work to be completed as part of the Official Plan project, as well as other municipal studies and plans, including but not limited to, the Integrated Mobility Plan and the Water and Wastewater Master Plan.

Following Council's endorsement of the growth forecast, Watson completed a Community Area Land Needs Assessment and Intensification Analysis, which was presented to Council on August 13, 2024. The purpose of this analysis was to determine if there is sufficient land in the urban boundary to accommodate forecasted housing growth to 2051 and to provide recommendations on future urban "Community Area" land requirements, which include residential land requirements, institutional, and commercial land requirements, along with land required to accommodate infrastructure such as roads, stormwater management ponds, parks, etc. to support the residential uses ([Report Number 24-172](#)).

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Concurrent with this work, Watson undertook an Employment Area Lands Review (Exhibit A) which focuses on planning for industrial areas within the definition of an “Employment Area” in the Provincial Planning Statement, 2024 (PPS, 2024). The Employment Area Lands Review analysis is intended to be a foundational background study for the new Official Plan. The purpose of the analysis is to determine if there is sufficient land in the urban boundary to accommodate forecasted growth in protected industrial areas, as well as other businesses that have typically been permitted in the City’s employment lands, to the year 2051 and to provide recommendations for future land requirements. The work evaluates existing industrially designated lands, employment conversion requests and employment opportunities in the rural areas. The analysis also includes a comprehensive assessment of current local and regional conditions, including an examination of anticipated non-residential real estate market trends, involving opportunities and disrupters that are anticipated to influence employment growth across Kingston by sector over the next 30 years.

The Employment Lands Review analysis has confirmed that the City has a shortfall of protected industrial area land within the urban area to accommodate forecasted employment growth, and the need for at least 325 gross hectares of additional lands within the urban boundary to accommodate this growth. The land needs for other businesses and uses that have traditionally been accommodated in the City’s industrial lands, such as office uses, training, and education, entertainment, wholesale trade, and service repair centres, etc. has been identified to be 80 gross hectares.

### **Employment Area Lands Review**

The Employment Area Lands Review report is comprised of two components: an Employment Area Technical Analysis and an Employment Area Strategy.

### **Employment Area Technical Analysis**

The Employment Area Technical Analysis includes an overview of provincial policy, a market analysis of regional and local economic and employment growth trends, and an Employment Area land needs analysis.

As noted previously, PPS, 2024 and the *Planning Act* narrow the range of permitted uses within designated Employment Areas to uses that are primarily industrial in nature, including manufacturing, research and development in connection with manufacturing, warehousing, goods movement, associated retail and office, and ancillary facilities. Institutional and commercial uses, including retail and offices not associated with the primary industrial use are no longer included as permitted uses in protected industrial areas. The Employment Area Lands Review has been prepared under the purview of the Provincial Planning Statement, 2024 (PPS, 2024), which was released on August 20, 2024.

The report notes that Kingston’s employment base grew by 12% between 2006 and 2023, increasing from approximately 71,700 to 80,500 jobs. Over the last seven years (2016 to 2023), employment growth averaged 1.1% annually. The fastest growing employment sectors over the last decade were primarily in the services-producing sector, including professional, scientific and



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technical services, health care and social assistance, and educational services. In the industrial sectors, the transportation and warehousing, administrative and support, waste management and remediation services, manufacturing; and construction sectors demonstrated strong employment growth. The study notes the following key industry and labour force trends that are expected to influence growth and development patterns in Kingston over the coming decades:

- Continued disruption of “bricks and mortar” retail, driven by changes in consumer behavior through e-commerce;
- Economic growth related to the logistics sector generated from the growing demand in e-commerce and requirements for regional fulfillment centres to serve the growing provincial population base;
- Increasing use of technology in commercial services leading to alternative platforms to purchase and share products;
- A continued economic recovery in the manufacturing sector, in particular advanced manufacturing;
- Longer-term opportunities and challenges in the manufacturing sector associated with nearshoring, automation, and the rise of artificial intelligence;
- Growing opportunities within the Green Technology sector as Kingston and the surrounding market area transition to a clean energy economy;
- Increased opportunities related to work at home, hybrid work at home/at office work models, and distributed work/learning largely driven by technological innovation and improvements to regional telecommunications; and
- The continued rise of the gig economy as individuals utilize technology to supplement their income in more flexible ways in contrast to traditional work patterns.

The study identifies the need for the City of Kingston to ensure that the amount, type, and location of the City’s established and protected industrial areas are well aligned with these broader trends and the anticipated local market demand.

The City has received 25 requests from private landowners for the conversion of industrially designated lands to another use for consideration through the Official Plan project, 23 of which are located within the urban boundary, covering a total of 102 hectares. The Employment Area Technical Analysis provides an overview of the requested conversions, as well as observations on those conversions based on provincial and local criteria which are detailed in Exhibit A. The sites recommended for conversion to another use are listed in Table 1 below. Where a conversion is recommended, a recommendation as to the type of use that would be appropriate has also been included in Table 1, as follows:

- Residential or mixed use that may include sensitive uses, or
- Business use that does not include sensitive uses. This may include a range of business and commercial uses and compatible light industrial uses.

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**Table 1: Employment Area Conversion Requests – Properties Recommended for Conversion**

Address	Recommended Use
2886 Creekford Rd.	Commercial/business uses
133 Dalton Ave.	Commercial/business uses
1085 Gardiners Rd.	Mixed use
125 Innovation Dr.	Commercial/business uses
1407 John Counter Blvd.	Commercial/business uses
1180 Midland Ave.	Mixed use
734 Montreal St.	Not designated employment
Site number 360820075 (Purdy's Mills)	Residential/mixed use
Site number 360820573 (Purdy's Mills)	Residential/mixed use
925 Princess St.	Mixed use
Roll Number 101108019013650 (Midland Avenue)	Mixed use
Roll Number 101108019013640 (Midland Avenue)	Mixed use
1125 Sydenham Rd.	Partial conversion to residential use

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Address	Recommended Use
1240 Sydenham Rd.	Commercial/business uses

The Technical Analysis component of the study concludes with Kingston’s industrial area land needs. The land needs assessment takes the following matters into consideration:

- Economic growth drivers and long-term industrial growth overlook;
- Planning for existing and future industrial areas within the context of evolving provincial and regional market trends;
- The share of employment growth on industrial area lands over the planning horizon, in accordance with PPS 2024;
- Forecast employment density (i.e. employees per net acre/hectare) on industrial area lands;
- The amount of future growth that can be accommodated within developed industrial areas, where existing industrial area lands are underutilized and have future intensification potential; and
- The amount of long-term vacant industrial area lands within Kingston’s protected industrial areas.

Based on Kingston’s anticipated long-term employment growth, the study concludes that the City will have an insufficient supply of protected industrial areas to accommodate growth through to 2051 and requires a total of 320 gross hectares of additional protected industrial areas as shown below.

- **Employment Land Demand:**
  - Total employment growth within employment lands to 2051 (jobs): 9,700
  - Intensification percentage: 10%
  - Total employment growth adjusted for intensification (jobs): 8,700
  - Net density (jobs per net hectare): 20
  - Net land requirements (net hectare): 440
- **Employment Land Supply:**
  - Employment land supply (net hectare) with potential conversions – with 15% Vacancy adjustment (net hectare): 135
- **Employment Land Needs:**
  - Land area surplus/deficit (net hectare): (305)
  - Gross land area surplus/deficit – 75% net to gross ratio (gross hectare): (405)

The employment land needs is shown in Table 2. Of the total 405 gross hectares of land need identified, 320 hectares are required for the protected industrial areas as defined in PPS 2024, and the remainder for other businesses and uses that have been typically accommodated in the

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City’s industrial areas, such as office uses, training, and education, entertainment, wholesale trade, and service repair centres, etc.

**Table 2: Total Employment Land Needs to 2051**

<b>Employment Land Needs</b>	<b>Gross Hectares</b>	<b>Percentage Share</b>
Protected industrial areas as per PPS 2024	325	80%
Other uses such as office uses, training, and education, entertainment, wholesale trade, and service repair centres, etc.	80	20%
<b>Total land need to 2051</b>	<b>405</b>	<b>100%</b>

The Technical Analysis recommends that the City consider options for expansion of its employment lands to address the anticipated deficit.

**Employment Area Strategy**

The Employment Area Strategy component of the study includes strategic directions and policy recommendations for the new Official Plan.

The strategic directions emphasize the following:

- The importance of protecting industrial areas, by recognizing the specific needs of manufacturing and warehousing and logistics uses, such as needing large tracts of land with good access to trade corridors, as well as the required separation distances from sensitive land uses such a residential.
- Strategically planning new protected industrial areas, where, considering the PPS changes, there is a more flexible horizon for planning for growth by providing a minimum of 20 years and maximum of 30 years, with an opportunity to designate additional protected industrial areas beyond the 30-year horizon.
- Industrial areas being a vital component of the land use structure and integral to the local economic development potential.
- The need for the City to ensure that new protected industrial areas are phased in and strategically planned based on the industrial area land needs identified and designed to accommodate the key growth sectors.
- Identifying employment opportunities in the rural area through rural industrial clusters.

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- The need for the City to continue to be involved in industrial area land development for the foreseeable future, though there may be opportunities for public-private partnerships with external parties on select projects.
- The continued promotion of economic development by ensuring there is sufficient supply of marketable, serviced and developable industrial area land to attract employment sectors and business over the planning horizon.
- The development of future industrial areas to accommodate employment growth to 2051 to be undertaken in a sustainable manner, in line with the City's Climate Leadership Plan and Community Energy Plan, as well as the City's Strategic Plan and priorities with respect to climate mitigation, adaption and resilience principles.

The following list provides a selection of recommended Official Plan policy directions. The full list of recommended policy directions is included in Exhibit A.

- Revise the definition of industrial areas in the Official Plan to align with the definition in PPS 2024 and develop policies accordingly to prohibit non-employment uses within the protected industrial areas, as well as transition policies for managing existing lawfully established non-conforming uses such as commercial and institutional.
- Maintain evaluation criteria for industrial area conversion requests to preserve protected industrial areas for future job growth.
- As part of the new Official Plan, review existing development in the established designations of Business Park Industrial and General Industrial that meet the Employment Area definition in PPS 2024, and either group these together into a separate employment designation or add an overlay.
- Prioritize the intensification and efficient use of existing protected industrial areas over conversion, including encouraging the redevelopment and upgrading of underutilized industrial areas to accommodate new industrial and business activities.
- Explore options for expansion of its employment lands to address the deficit of 405 gross hectares by 2051, with consideration to designating available lands near the Highway 401 corridor.
- Maintain a 5-year supply of serviced and ready to develop industrial areas.
- Expand the range of permitted rural industrial uses to include resource extraction and processing, light manufacturing, logistics, agribusiness services, and renewable energy production.
- Consider including policies that implement fast-track approval processes for industrial projects to facilitate quicker project initiation and completion by private developers (for example a potential minor variance framework or the exploration of a community planning permit system).
- Promote public-private partnerships for infrastructure development and industrial park projects, leveraging private investment with public support to enhance infrastructure quality and attract more businesses.
- Plan for new industrial clusters on the 405 gross hectares of new employment lands that are to be introduced, with a comprehensive framework to provide necessary infrastructure.

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- Designate specific parcels within the airport lands for new businesses and industrial areas to facilitate the development of high-tech, innovative businesses and support diverse industrial activities in light of the Airport Highest and Best Land Use Study completed in 2018, and the ongoing Airport Master Plan.
- Encourage compact and transit-supportive industrial areas and communities through initiatives such as sustainable building design, inclusion of green infrastructure and vegetation/greenspace, enhancement of natural features, retrofit existing buildings, transit accessibility, shared parking spaces and supports for electric vehicles.
- Create policy to ensure the availability of high-capacity utilities, including electricity, water and broadband internet, in all industrial areas to attract new businesses and facilitate quick setup, enhancing the region's industrial attractiveness.

### **Public Engagement**

Interviews with several stakeholders were held in the summer of 2023 to better understand the current state of Kingston's employment base and future economic opportunities. A public information session was held on April 17, 2024, to present the preliminary technical results of the Employment Area Lands Review. The session was held at INVISTA centre and was attended by 29 members of the public. The session included a presentation by the consultant team followed by a question-and-answer session. A summary of the feedback received at the public information session along with responses from the project team was included as an exhibit to [Report Number 24-172](#).

### **Next Steps**

Following endorsement of the Employment Area Lands Review, Watson will be continuing to work on the Commercial Land Review and the final Growth Analysis study. These will be presented in separate reports at upcoming meetings in September 2024.

### **Existing Policy/By-Law**

This report considers the existing Provincial Planning Statement 2020, and the Provincial Planning Statement, 2024, as well as the current City of Kingston Official Plan and the Official Plan project.

### **Notice Provisions**

None

### **Financial Considerations**

None

### **Contacts:**

Sukriti Agarwal, Manager, Policy Planning, Planning Services 613-546-4291 extension 3217

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Tess Gilchrist, Senior Planner, Planning Services 613-546-4291 extension 3212

**Other City of Kingston Staff Consulted:**

Brandon Forrest, Director, Business, Real Estate & Environment

Laura Flaherty, Project Manager, Planning Services

**Exhibits Attached:**

Exhibit A      Employment Area Lands Review, Watson & Associates Economists Ltd.



# Employment Area Lands Review

City of Kingston

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August 23, 2024

Watson & Associates Economists Ltd.  
905-272-3600  
info@watsonecon.ca



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## List of Acronyms and Abbreviations

C.M.A.	Census Metropolitan Area
CN	Canadian National
EV	Electric vehicle
G.D.P.	Gross domestic product
G.F.A.	Gross floor area
Growth Plan, 2019	A Place to Grow, Growth Plan for the Greater Golden Horseshoe, 2019
O.P.	Official Plan
P.I.C.	Public Information Centre
P.P.S.	Provincial Policy/Planning Statement
S.S.P.	Site-specific policies
SWOC	Strengths, weaknesses, opportunities, and challenges
U.S.	United States

# Executive Summary



# Executive Summary

## Study Overview

The City of Kingston retained a Consultant Team led by Watson & Associates Economists Ltd. to prepare an Employment Area Lands Review as a key deliverable of the Long-Term Growth Analysis and Urban Land Needs Assessment Study.

This report forms a foundational document to guide long-range planning efforts with respect to the management of all Employment Areas within the City to the year 2051. This document is intended to be accompanied by a series of other reports which have been prepared concurrently by the Consultant Team as part of this broader study process to support the City's ongoing Official Plan (O.P.) Project, including an update of the City's population, housing, and employment forecasts, and a corresponding assessment of the City's future needs for residential and commercial lands.

The primary objective of this Employment Area Lands Review for Kingston is to provide a long-term vision that supports a broad spectrum of employment uses over the long-term horizon of the City's O.P., while ensuring that the City continues to develop its Employment Areas in a competitive and sustainable manner. This Review provides a comprehensive assessment of current local and regional conditions on Employment Area lands, and an examination of anticipated non-residential real estate market trends, including opportunities and disrupters that are anticipated to influence employment growth across Kingston by sector over the next three decades.

This report has two major components. The first component, the Employment Area Technical Analysis, includes a market analysis and an Employment Area land needs analysis for the City's Employment Areas. The second component includes an Employment Area Strategy that builds upon the City's past successes and supports the City's key employment sectors and clusters. Strategic recommendations are provided in the Employment Area Strategy to strengthen the City's O.P. policies for Employment Areas and to support the City's competitiveness.

As part of the study process, the Consultant Team engaged with key stakeholders in the community to gain valuable input regarding employment growth drivers by industry sector, as well as current and anticipated market prospects for industrial development in Kingston.



## Provincial Policy Context

Employment Area land policies, regulations, and other guiding documents play a key role in directing development activity. To accommodate Kingston's steadily growing economic base, the City's land use planning policies must anticipate the evolving nature of the local and regional economy and reflect the diverse needs of industry and businesses of all sizes over the long term.

The employment growth forecast and land needs analysis, provided herein, was prepared under the purview of the new Provincial Planning Statement, 2024 (P.P.S., 2024), which was issued on August 20, 2024, and comes into effect on October 20, 2024. A key focus of the P.P.S., 2024 is that it recognizes that the approach to delivering Employment Area land needs requirements will vary by municipality and, as such, moves away from a prescriptive guideline-based approach. The P.P.S., 2024 provides a more flexible horizon for planning for urban growth and land needs over a 20- to 30-year planning horizon.

The P.P.S., 2024 includes an updated definition of Employment Area based on the amendment of the *Planning Act* on June 8, 2023. The *Planning Act* was amended under subsection 1 (1) to include a new definition of "area of employment." In accordance with the P.P.S., 2024, permitted uses within Employment Areas include manufacturing, research and development in connection with manufacturing, warehousing and goods movement, and associated retail and office uses and ancillary facilities. The P.P.S., 2024 prohibits residential uses, commercial uses, public service facilities, and other institutional uses from Employment Areas. This includes retail and office uses that are not associated with the primary employment use, and other sensitive land uses that are not ancillary to uses permitted in the Employment Area. The amendment to the *Planning Act* received Royal Assent as part of Bill 97 on June 8, 2023; however, the "area of employment" definition change is still awaiting a proclamation from the Lieutenant Governor before it comes into effect. For the purposes of this report, these protected industrial areas are referred to as "Employment Areas" to ensure clarity and consistency with the P.P.S., 2024.

In light of the definition change of Employment Area, the City of Kingston will be required to plan for, and protect, industrial uses based on a more narrowly scoped definition of Employment Area and will be limited to these uses that are primarily industrial in nature or other uses associated or ancillary to the primary use. A key



challenge for the City will be the ability to provide an urban structure that will support other employment-generating uses outside of Employment Areas, particularly non-retail commercial and institutional uses (e.g., office uses, training, and education, entertainment, wholesale trade, and service repair centres). Traditionally, Employment Areas have been regarded as areas protected for key targeted employment sectors, especially those in the export-based sectors.

### **Local Policy Context**

The City of Kingston O.P. provides policies to protect and preserve Employment Areas for current and future uses. The O.P. policies are designed to promote Employment Areas and to foster a strong and diversified economic base with a range of opportunities for residents. Through O.P. policies, the City intends to maintain a healthy and sustainable employment base by having services and amenities in close proximity. The O.P. policies aim to sustain the viability and efficiency of industrial operations by protecting Employment Area lands from incompatible uses. The O.P. policies support the revitalization of older Employment Areas and facilitate providing and improving infrastructure to create attractive Employment Areas that improve the quality of life of residents.

The existing approved O.P. identifies three land use designations that fall under the general category of urban Employment Area lands: General Industrial, Business Park Industrial, and Waste Management Industrial. The City also has a Rural Industrial designation for lands located outside the Urban Boundary.

It is important to note that the current O.P. Employment Area policies do not align with the changed *Planning Act* definition or the P.P.S., 2024 definition for Employment Areas. As such, changes to O.P. Employment Area policies will be needed in order to be consistent with the P.P.S., 2024.

### **Macro-Economic Trends Influencing Employment Area Lands Development in Kingston**

Kingston's employment base grew by 12% between 2006 and 2023, increasing from approximately 71,700 to 80,500 jobs. Over the seven-year period (2016 to 2023),





employment growth averaged 1.1% annually, which is marginally higher than the average annual employment growth rate across the Province of Ontario as a whole.<sup>[1] [2]</sup>

Over the past decade, the fastest growing employment sectors were primarily in the services-producing sector, including professional, scientific and technical services; health care and social assistance; and educational services. Of the industrial sectors, the transportation and warehousing; administrative and support, waste management and remediation services; manufacturing; and construction sectors demonstrated strong employment growth during this period.

It is important to recognize that the longer-term population and employment growth potential for the City of Kingston will be heavily dependent on the overall sustained economic growth potential of the Kingston Census Metropolitan Area and the Province of Ontario as a whole. Looking ahead, there are macro-economic headwinds largely related to persistently high inflation and global geopolitical tensions that need to be considered, as they have the potential to impede economic growth over the near term (i.e., next one to two years) within Kingston and the surrounding economic region. Despite these near-term economic headwinds, the long-term economic and housing outlook for Eastern Ontario and Kingston remains positive as the region continues to be attractive to international investment and newcomers alike.

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, which have been accelerated by the coronavirus disease (COVID-19) pandemic. There are a number of key industry and labour force trends that are expected to influence growth and development patterns in Kingston over the coming decades. These trends include:

- Continued disruption of “bricks and mortar” retail, driven by changes in consumer behavior through e-commerce;

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<sup>[1]</sup> Between 2016 and 2023, Ontario’s employment base grew at an annual average rate of 1.0%, compared to the City of Kingston which grew at an annual average rate of 1.1% over the same period.

<sup>[2]</sup> Based on Statistics Canada Census data and EMSI Inc./Ontario Ministry of Agriculture, Food and Rural Affairs employment data.



- Economic growth related to the logistics sector generated from the growing demand in e-commerce and requirements for regional fulfillment centres to serve the growing provincial population base;
- Increasing use of technology in commercial services leading to alternative platforms to purchase and share products;
- A continued economic recovery in the manufacturing sector, in particular advanced manufacturing;
- Longer-term opportunities and challenges in the manufacturing sector associated with nearshoring, automation, and the rise of artificial intelligence;
- Growing opportunities within the Green Technology sector as Kingston and the surrounding market area transition to a clean energy economy;
- Increased opportunities related to work at home, hybrid work at home/at office work models, and distributed work/learning largely driven by technological innovation and improvements to regional telecommunications; and
- The continued rise of the gig economy as individuals utilize technology to supplement their income in more flexible ways in contrast to traditional work patterns.

Recognizing these recent structural changes in the macro-economy, there is a need for the City of Kingston to ensure that the amount, type, and location of the City's established and planned Employment Areas are well aligned with these broader trends and the anticipated local market demand.

Ontario's economy is transitioning from goods to services production. The trend towards more knowledge-intensive and creative forms of economic activity is evident across many sectors within both the broader national and provincial economy. Recognizing the recent structural changes in the provincial and regional economy, there is a need for the City of Kingston to ensure that the amount, type, and location of its established and planned Employment Areas are well aligned with anticipated market demand. It is also important that Kingston's Employment Areas are planned and designed to accommodate a broad range of established industrial sectors related to advanced manufacturing, goods movement, construction, utilities, and other emerging industrial sectors. Employment Areas should also offer competitive attributes and supportive infrastructure, urban amenities, and synergies to attract the growing knowledge-based sector.



Over the planning horizon, Kingston is anticipated to experience continued employment growth, building on development trends experienced over the past decade. A broad range of considerations related to demographics, economics, and socio-economics are anticipated to impact future employment growth trends throughout Kingston over the 2021 to 2051 planning horizon. These factors will not only affect the rate and magnitude of growth but will also influence the form, density, and location of non-residential development and land needs.

For Kingston, the industrial sector represents a significant source of employment and economic development in the City. In the coming years, the City will continue to encounter opportunities and challenges concerning the management and marketability of its Employment Areas, particularly as the City responds to wider industry forces and an evolving provincial policy framework. While manufacturing remains vitally important to the provincial economy concerning jobs and economic output, this sector is continually evolving across Ontario. As the economy continues to shift towards knowledge-based sectors, it is important to continue to develop planning policies for accommodating a range of employment uses within the City. Having said that, it is important to recognize the recent provincial policy changes, including the new definition of “area of employment” in the Planning Act (received Royal Assent in June 2023, but has not yet received proclamation) limits the range of employment uses in Employment Areas to primarily industrial uses. As such, it is important that the City plan for an urban structure that provides a range of employment opportunities. It is also noted that P.P.S., 2024 supports this direction with respect to the accommodation of employment outside of Employment Areas to support development of complete communities.

As a result of continuing structural changes occurring in the macro-economy, it is important to recognize that the above-mentioned trends will generate both positive and disruptive economic impacts related to labour force demand; industrial, commercial, and retail space requirements; and long-term residential and Employment Area land needs. Ultimately, this will continue to influence local planning and economic development initiatives which will be increasingly geared to the knowledge-driven economy.

### **Kingston’s Employment Areas Profile**

Kingston has a large and diverse existing Employment Area land base, comprising a diverse range of permissions, including industrial, heavy industrial, business park, and complementary uses such as commercial, restaurants, and hotels, totalling



approximately 720 net hectares (1,780 net acres) of developed land within the City's urban area. A large share of the lands is in proximity to the Highway 401 corridor in the City's northwest and northeast urban areas.

Kingston is home to five existing areas that are designated Employment Areas which were originally developed and then sold by the City. These include the Cataraqui Estates Business Park, the Clyde Industrial Park, the Alcan Business Park, the St. Lawrence Business Park, and the Clogg's Road Business Park. Kingston's other areas that are designated Employment Area lands have been privately developed.

Employment Area lands within Kingston today accommodate a broad range of industrial uses, including manufacturing, distribution/logistics, construction, and transportation. In recent years, the City's Employment Area lands have accommodated an increasing share of commercial (including office) and institutional uses. Major employers located within Kingston's Employment Areas include Invista Canada, Novelis, and Canada Royal Milk.

Kingston accommodated an average of 16,300 square metres (175,451 square feet) of development within the current designated Employment Area lands annually over the 10-year period, largely comprising industrial space, as well as some commercial and institutional building space. Since 2017, development activity has been particularly strong. A large share of this has been associated with new manufacturing-related developments. Over the 2014 to 2023 period, most of the development activity was accommodated on Employment Area lands sold by the City.

Over the 2014 to 2023 period, a total of 65 hectares (161 acres) of Employment Area lands were absorbed in Kingston. Over this period, most of the land absorption was in the Cataraqui Estates Business Park (51%), the St. Lawrence Business Park (28%), and the Clyde Industrial Park (10%).

Kingston has a strong and successful history of municipal Employment Area land development. The City continues to be a key Employment Area land developer in Kingston, assembling and servicing land. Over the 2006 to 2022 period, the City's Employment Area land sales averaged 7 net hectares (17 net acres) per year. The City of Kingston has continued to be the main participant in Employment Area land development in Kingston over the past decade. To achieve its economic and planning objectives and to address future Employment Area land needs over the coming



decades, the role of the City in municipal Employment Area land development is expected to be required for the foreseeable future.

One of the most critical aspects related to the economic competitiveness of Kingston is the marketability and availability of its Employment Area land base relative to the surrounding market area. Kingston's designated vacant Employment Area lands are estimated at 237 net hectares (586 net acres). This includes 105 net hectares (259 net acres) of urban Employment Area lands, which are serviced and ready to develop, comprising both City-owned and privately owned lands.

While the overall availability of serviced and ready to develop vacant Employment Area lands appears sufficient 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. As previously discussed, Kingston has been the primary source of Employment Area lands through its municipal employment and development program. The City's inventory of municipal Employment Area lands has diminished significantly since 2014 due to strong development activity.

It is anticipated that a share of future employment growth within Kingston may be accommodated within existing developed Employment Areas. Intensification offers the potential to accommodate future employment growth and achieve improved land utilization resulting in higher employment density on developed Employment Area lands. Through a high-level desktop review, 153 hectares (377 acres) of Kingston's developed Employment Area lands were identified as underutilized. Infill and redevelopment of existing developed lands are expected to continue to gradually increase over time.

### **Investment Readiness and Competitiveness**

The City faces several opportunities and challenges concerning the management and growth of its existing and future Employment Area lands in light of the evolving structural changes in the economy and disruptive factors that continue to influence the nature of the economy. One of these challenges relates to macro-economic trends over which the City has limited control. This includes the relative strength of the global economy, international trade policy, and the competitiveness of the Canadian economic base relative to other established and emerging global markets.

In contrast to the above, Kingston has considerable control and ability to position itself positively when considering the City's regional competitive ranking. A major factor



regarding the future competitiveness of the City's economic base relates to the structure, quality, and "readiness" of its Employment Area lands.

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 Area land is available for purchase and absorption. This involves providing a readily available and serviced Employment Area land supply that is well beyond forecast absorption.

Over the next several decades, the City's employment base is anticipated to steadily grow across a broad range of employment sectors. Kingston, however, will be competing to attract and retain these sectors with other municipalities along the Highway 401 corridor and beyond. To accommodate the steadily growing economic base, the City's land use planning policies must anticipate the evolving nature of the local and regional economy and reflect the diverse needs of industry and businesses of all sizes over the long term. To ensure the long-term competitiveness, growth, and diversity of the City's economy, planning and marketing efforts must be geared toward the broader strengths of the City, as well as specific target-sector investment attraction efforts and an adequate supply of quality, development ready Employment Area lands.

### **Employment Conversions**

The current O.P. identifies General Industrial, Business Park Industrial or Waste Management Industrial designated areas as "protected" Employment Area lands in accordance with the current Provincial Policy Statement, 2020 (P.P.S., 2020). Changing the designation of any of these protected Employment Area lands to allow for non-employment uses not permitted for that designation, including residential, mixed-use, and specific commercial uses, is currently considered an Employment Area land conversion under the P.P.S., 2020. Under the P.P.S., 2024, however, conversions will be referred to as removals with the ability to redesignate "protected" Employment Area lands at any time.

The interest to convert designated Employment Area lands to non-employment uses is often driven by higher market and economic potential for commercial and residential development than Employment Area lands development. If not carefully evaluated, the conversion of protected Employment Area lands to non-employment uses can potentially lead to negative impacts on Kingston's economy.



Prior to starting work on this Report, the City received 25 employment conversion requests to be considered for a conversion to a non-employment use through this process. Twenty-three of these sites or applications are within the urban boundary, covering a total area of 102 hectares (252 acres). Following a review of these sites based on the provincial and local criteria discussed in this chapter, it has been recommended that a total of about 69 hectares (171 acres) are recommended to be converted, of which approximately 63 hectares or 156 acres are currently vacant.

In addition to the applications, several additional sites have been identified for conversion to non-employment uses, which increases the total vacant Employment Area lands to be converted to about 77 hectares (190 acres). This land area has accordingly been factored into the Employment Area land needs assessment presented herein.

### **Kingston Employment Growth Outlook**

Future demand for Employment Area lands within Kingston is ultimately driven by forecast employment growth. A broad range of factors, as discussed previously, are anticipated to drive future employment growth in Kingston over the long term. These factors will not only impact the rate and magnitude of growth, but they will also influence the form and density of industrial development and the corresponding demand for Employment Area lands.

There are several factors that indicate economic growth within Kingston over the long term will be relatively strong, building on the economic expansion experienced over the past decade. Key growth drivers include a favourable regional economic outlook, strong regional and local population growth prospects, continued local economic diversification, and municipal competitiveness.

In accordance with the growth projections prepared in the Growth Analysis Study, Kingston's employment base is forecast to reach 113,900 jobs by 2051.<sup>[1]</sup> This represents an increase of approximately 42,000 jobs between 2021 and 2051,

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<sup>[1]</sup> City of Kingston Staff Report to Council, Population, Housing, and Employment Growth Forecast Update to 2051, Report Number 24-016, December 5, 2023. Exhibit A attachment dated November 23, 2023, prepared by Watson & Associates Economists Ltd.





representing an average annual growth rate of 1.5% during this period, based on the current (2023) employment estimate for the City of 80,500.

Population-related employment growth is forecast to account for most of Kingston's employment growth (59%) from 2023 to 2051, followed by employment lands employment (31%) and major office employment (8%), while rural employment growth is expected to be limited (2%). Over the forecast planning horizon, employment growth within the City of Kingston is expected across a wide range of sectors, driven by continued diversification of the regional and local economic base and strong population growth.

Kingston is anticipated to experience strong employment growth in the institutional sector, representing 10,300 jobs (i.e., 31% of total employment growth), largely driven by the need for increased health services, higher education, government facilities, and other institutional facilities (i.e., cultural, religious, schools) associated with population growth. Future demand for commercial employment growth in Kingston is anticipated to also steadily increase (10,300 jobs), accounting for 31% of employment growth. Kingston is expected to experience a significant increase in knowledge-based employment driven by substantial growth in business services, professional, scientific and technical services, and information and cultural industries. A large share of this growth is expected to be in retail, personal services, and accommodation and food services.

The industrial employment base is forecast to increase by 7,300 jobs, accounting for approximately 22% of total employment growth. Significant employment opportunities are identified in sectors related to manufacturing, construction, wholesale trade/distribution, and transportation and warehousing. It is anticipated that the vast majority of the industrial employment growth will be accommodated within Kingston's Employment Areas with a small share accommodated in the rural area.

No fixed place of work employment is anticipated to expand by 2,900 jobs over the forecast period, accounting for 9% of total employment growth in Kingston. In addition to reviewing employment trends by usual place of work, consideration has also been given to the employment outlook in Kingston for employees who work at home. Over the forecast period, work at home employment in Kingston is expected to expand by 2,500 jobs.





## **Kingston Employment Area Land Needs**

Demand for Employment Area lands within Kingston is ultimately driven by the amount and type of future employment growth. A broad range of factors and industry sector prospects, as discussed above, are anticipated to drive future employment growth and land needs within Kingston's Employment Areas through 2051.

Employment Areas are anticipated to accommodate approximately 9,700 jobs over the 2024 to 2051 period, representing roughly 30% of Kingston's employment growth over that period. Based on intensification of 10% and employment density of 20 jobs per net hectare (8 jobs per net acre), Employment Area land demand in Kingston is expected to total 440 net hectares (1,087 net acres) over the planning horizon. In accordance with the net Employment Area land supply adjusted for conversions and land vacancy, Kingston has a supply of 135 net hectares (334 net acres). In accordance with the anticipated Employment Area land demand and supply presented herein, it is forecast that the City will have an insufficient supply of Employment Area lands to accommodate growth through 2051. Kingston has a need for 305 net hectares (754 net acres) or 405 gross hectares (1,000 gross acres) of additional employment lands to accommodate the forecast growth to 2051. This includes 325 gross hectares (803 gross acres) of land for Employment Areas for primarily industrial uses as defined by the P.P.S., 2024. As such, the City will need to consider options for expansion of its employment lands to address the anticipated deficit in employment lands.

## **Strategic Directions and Policy Recommendations**

The primary objective of the Employment Area Lands Review is to provide a long-term vision for Kingston that ensures the City continues to develop as a competitive and sustainable community and is well balanced between future population and employment growth.

As part of this study, the Consultant Team was asked to review the City's O.P. policies with respect to the findings of the land needs assessment, the P.P.S., 2024, and specific themes related to employment, business park, industrial, rural industrial, and airport-related industrial land uses. The following provides policy directions for these various subjects of interest.



## Planning for Employment Uses Under a New Provincial Policy Framework

- Under the new definition of Employment Area as per the P.P.S., 2024, municipalities are required to plan for, and protect, industrial uses based on a more narrowly scoped definition of Employment Area and are limited to these uses that are primarily industrial in nature or other uses associated or ancillary to the primary use. For the purpose of this report, these protected areas are referred to as Employment Areas to ensure clarity and consistency with the P.P.S., 2024. For the sake of policy conformity, it is recommended that the City's new O.P. also use similar clarifying language. The City, however, has strived over the years to carefully plan lands for employment and it is important for Kingston to also retain this framework that has served it well. Therefore, existing protected Employment Area lands (based on the definition in the P.P.S., 2020) with uses that do not meet the updated definition of Employment Area should be reclassified from future protected Employment Areas. It is recommended that:
  - The City of Kingston revise the definition of Employment Area in the O.P. to align with the definition provided in the P.P.S., 2024. This alignment will ensure consistency and clarity in the interpretation and application of Employment Area policies.
  - As part of updating the O.P., the City of Kingston review existing development in the established designations of "Business Park" and "General Industrial" that meet the Employment Area definition in the P.P.S., 2024, and either group these together into a separate employment designation or add an overlay on Schedule 3 with policies that align the land uses to those permitted by the P.P.S., 2024. Planned land uses (i.e., lands designated but not yet developed) could then be (re)classified using a similar approach.
  - The City of Kingston maintain O.P. policies related to the protection of employment lands (i.e., restrictions on the conversion of employment lands to non-employment uses) such that these policies are vested in the urban structure of the plan. This will continue the level of protection currently in place and avoid narrowing the protection to only the redefined Employment Area under the P.P.S., 2024.
  - While residential uses are already prohibited in Employment Areas, the City of Kingston should add specific policy language to ensure comprehensive clarity. This includes defining "residential" uses to encompass dwellings, live/work units, retirement homes, and long-term care facilities. This will prevent any potential



ambiguity and ensure consistent enforcement of the prohibition on residential uses in employment zones.

### Planning for Employment Uses in an Evolving Economy

The physical characteristics that make Employment Areas successful are changing as a result of the evolving knowledge-based economy. As such, land use planning policies must anticipate the evolving nature of the local and regional economy and reflect the diverse needs of established and emerging industries. As previously mentioned, it is important to recognize that structural changes in the broader economy continue to alter the nature of economic activities in Employment Areas and impact the built form (i.e., siting requirements), integration of uses, and the character of these lands. It is recommended that:

- The O.P. policies anticipate the evolving nature of the local and regional economy (e.g., knowledge-based economy) and reflect the diverse needs of industry and businesses of all sizes over the long term.
- The City of Kingston maintain the current separate designations of Business Park Industrial and General Industrial rather than merging them into a “Light Industrial” or “Industrial Park” designation. The separate designations should reflect the distinct intents and needs of these areas, ensuring appropriate land use compatibility, environmental protection, and economic development. Maintaining these distinctions supports targeted economic growth and effective land use planning, balancing the needs of both light and heavy industrial activities within Kingston’s O.P.
- The O.P. prioritize the development of comprehensive transportation and mobility solutions, including public transit access, cycling infrastructure, and pedestrian pathways, to ensure that industrial areas are easily accessible for all workers.

### Protecting Employment Areas

It is considered increasingly important to protect existing Employment Areas because they provide the opportunity to accommodate industrial uses that cannot be easily accommodated in other areas of Kingston. If not carefully evaluated, the conversion of Employment Area lands to non-employment uses can potentially lead to negative impacts on the City’s economy in several ways. Given the potential negative impacts resulting from the inappropriate conversion of Employment Area lands, it is recognized



that there is a need to preserve such designated lands within Kingston for industrial uses. It is also recognized that under some circumstances, an Employment Area lands conversion may be justified for planning and economic reasons, provided such decisions are made using a systematic approach and methodology, as set out herein.

The Province has noted that under the P.P.S., 2024, municipalities would be provided with greater control over Employment Area conversions (now referred to as Employment Area removals) with the ability to remove lands from Employment Areas at any time. Under the P.P.S., 2024, there is a requirement to demonstrate that there is an identified need for the removal and the land is not required for Employment Area uses over the long term. Furthermore, the Employment Area removal requires consideration of the impact of the produced use on the function of the Employment Area and whether existing infrastructure and public facilities can accommodate the proposed use.<sup>[1]</sup> It is recommended that:

- The City of Kingston maintain the existing criteria for evaluating conversion requests for the re-designation of Employment Area lands. The land needs assessment conducted for the Growth Study emphasized the importance of preserving Employment Areas for future job growth and the need to carefully manage the conversion of Employment Area lands to other uses. Maintaining the existing criteria for evaluating conversion requests for the re-designation of Employment Area lands will ensure that any proposed conversions are thoroughly assessed and justified, protecting the City's Employment Area land supply. Additionally, the City should implement measures to actively protect Employment Area lands from conversion to non-employment uses. This proactive approach will safeguard the City's capacity to meet long-term Employment Area land needs and support future job growth.

### Accommodating Future Growth Within Developed Employment Areas

A share of Kingston's Employment Area lands is underutilized and has future intensification potential. Future redevelopment, expansion, and infill opportunities will continue to grow in Kingston's Employment Areas as they mature and evolve. It is recommended that:

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[1] P.P.S., 2024, policy 2.8.2.5.



- Based on findings from the land needs assessment, the City prioritize the intensification and efficient use of existing Employment Area lands over conversion. Policies should encourage the redevelopment and upgrading of underutilized Employment Areas to accommodate new industrial activities.
- The City explore and monitor opportunities for infill and redevelopment in mature Employment Areas. Furthermore, it is recommended that the City promote and encourage the further intensification of Employment Areas, provided that the scale and type of intensification is consistent with the planned function of the area.
- The plan encourage the adaptive reuse of existing industrial buildings and sites to accommodate new industries. This strategy can preserve historical architecture, reduce construction waste, and expedite development processes.

### Strategically Plan New Employment Areas

As demonstrated herein, Kingston has an insufficient supply of urban Employment Area lands to accommodate forecast urban land demand in Employment Areas to the year 2051. It is important to recognize that the forecast anticipates a significant amount of employment growth with a spectrum of employment uses and sectors over the long-term horizon. The City will need to ensure that new Employment Areas are phased in and strategically planned based on the Employment Area land needs identified and are designed to accommodate the key growth sectors.

It is critical that Kingston's Employment Areas and other urban non-residential lands are planned in a manner that aims to promote economic competitiveness, attract employment growth, and maximize employment density and land utilization, where appropriate. Phasing policies that require the servicing of greenfield Employment Area lands to be completed prior to, or in parallel with, the servicing and development of Community Area settlement area boundary expansion lands should also be explored. It is recommended that:

- The City explore options for expansion of its Employment Areas to address the deficit of 405 gross hectares by 2051 identified herein. Consideration should be given to designating available lands for employment uses near the Highway 401 corridor.
- Kingston regularly monitor Employment Area land absorption and employment density levels.



- The City strive to maintain a five-year supply of serviced and ready to develop Employment Area lands.
- The City explore phasing policies that require the servicing of greenfield Employment Area lands prior to, or in parallel with, the servicing and development of Community Area settlement area boundary expansion lands.

### Identify the Positioning of Airport Lands

The Consultant Team has reviewed the airport policies in the O.P. in light of the Airport Highest and Best Land Use Study completed in 2018, the ongoing Airport Master Plan, and other airport studies. It is recommended that:

- The City of Kingston amend the O.P. to designate specific parcels within the airport lands as Business Park Industrial and General Industrial. This will facilitate the development of high-tech, innovative businesses and support diverse industrial activities.
- The City of Kingston integrate the findings from the ongoing Airport Master Plan into the O.P., focusing on employment uses that leverage the airport's strategic location.

### Identifying Employment Opportunities in the Rural Area

It is recognized that Kingston's rural area is an important asset for the City. Following the Consultant Team's review of the proposed initiatives in the report entitled "Rural Kingston Economic Development Strategy: Mobilizing Opportunities for the Greater Kingston Region" (October 2020), it is recommended that:

- The City of Kingston develop a comprehensive strategy to form Rural Industrial clusters, as outlined in the Integrated Economic Development Strategy. This strategy should include the development of locational criteria to guide the establishment and growth of these clusters. The criteria should focus on enhancing the diversification of industrial activities, promoting shared infrastructure such as access roads and utility services among clustered parcels, and ensuring servicing efficiency.
- The City of Kingston encourage the adaptive reuse of existing large industrial sites for new industrial purposes. The Employment Area land needs assessment conducted herein identifies the need for 405 gross hectares of land to be



included in the urban boundary for Employment Area land needs. By repurposing existing structures and infrastructure, Kingston can optimize land use and preserve the rural character, reducing the need for new land development and supporting sustainable growth.

A review of the City's Rural Industrial policies in the O.P. was completed and recommendations on the existing policy framework are provided. Specifically, recommendations are provided on the types of industrial uses that may be appropriate within the rural, privately serviced areas, whether additional land division policies are required, and how to account for large parcel sizes while maintaining an appropriate supply of rural industrial land. It is recommended that:

- The City of Kingston expand the range of permitted industrial uses to include resource extraction and processing, light manufacturing, logistics, agribusiness services, and renewable energy production.
- The City of Kingston introduce a minimum lot frontage requirement (e.g., 60 metres) for new land divisions within rural industrial areas. This ensures that parcels remain large enough to accommodate various industrial activities while maintaining the rural character and allowing for adequate access.
- The City of Kingston implement site plan control requirements for new industrial developments in Rural Industrial areas. This will ensure that site design, landscaping, and infrastructure are compatible with the rural character and existing services. Provisions should include buffering, setbacks, and access management to minimize conflicts with adjacent land uses, thereby promoting harmonious and sustainable development within rural settings.
- The City of Kingston, as part of the strategy to form Rural Industrial clusters, establish a regulatory framework to guide their development and operation. The framework should include clear guidelines on zoning, land division, and environmental protection, among other aspects. The O.P. should be updated to reflect these guidelines and support the implementation of the strategy, ensuring that industrial activities align with the City's overall planning objectives and sustainability goals.

### Site-Specific Policy Directions

There are several locations in Kingston where site-specific policies related to either employment or residential land usage apply. A number of these policies are outlined for



further review and additional consideration on their level of appropriateness is provided. Appropriateness is gauged based on how best policies can align to the ultimate strategic direction for the City of Kingston's economic growth potential and evaluating the best land use policies chosen for the target sites given all the other recently implicated provincial Ministry and O.P. policies. A summary of the policy considerations and their associated recommended strategic directions that were chosen are outlined below in Figure ES-1.





Figure ES-1  
Site-Specific Policy (S.S.P.) Considerations and Strategic Directions  
City of Kingston

Site-Specific Policies to Evaluate and Consider	Recommended Policy Direction and Policy Strategy
<p><b>Best Employment Use (1):</b> O.P. designation for city-owned lands north of the St. Lawrence Business Park on Highway 15.</p> <p><b>Best Employment and Non-Employment Use (2):</b> area between Division Street, Highway 401, Montreal Street, and Russell Street.</p> <p><b>Review Lands (3):</b> identified to fulfill shortages.</p> <p><b>Review Employment Land Policies (4):</b> in O.P. for appropriateness.</p> <p><b>Review D-6 Guidelines (5):</b> from the Ministry of Environment, Conservation, and Parks and determine where O.P. policies misalign.</p>	<p><b>(1)</b> The city-owned lands north of the St. Lawrence Business Park on Highway 15 be maintained as General Industrial with the frontage along Highway 15 as business/commercial.</p> <p><b>(2)</b> Some parcels within the mentioned Employment Areas are to be retained as employment zones, while some other parcels to be converted in accordance with direction from the North King’s Town Secondary Plan, by applying Strategic Growth policies.</p> <p><b>(3)</b> Conduct a review of available lands to identify ways to reach the 405 hectares of Employment Area land requirement set by the land needs assessment, also set forth criteria to review these lands.</p> <p><b>(4)</b> Integrate S.S.P. Area 2 into a cluster grouping with adjacent Employment Area lands; improves operational efficiencies and economic growth.</p> <p><b>(5)</b> No existing conflicts with Ministry guidelines, continued compliance ensured by robust industrial expansion studies, regular monitoring established, update buffer zone schedules within the Official Plan (<b>e.g., Schedule 11-A Constraint Mapping</b>). Additionally, warning clauses should be added onto residential property deeds for any purchases near sensitive lands.</p>



## Role of the Municipal and Private Sectors in Employment Area Lands Development

Kingston has a strong tradition of successful municipal Employment Area land development. From a market demand perspective, the City will need to be involved in Employment Area land development for the foreseeable future, though there may be opportunities to partner with external parties on select projects through public-private partnerships. It is recommended that:

- The City of Kingston include policies that implement fast-track approval processes for industrial projects to reduce bureaucratic delays and to facilitate quicker project initiation and completion by private developers. Additionally, the City should consider the implementation of a Community Planning Permitting System to further streamline and expedite the approval process for industrial developments.
- The City of Kingston establish policies promoting public-private partnerships for infrastructure development and industrial park projects, leveraging private investment with public support to enhance infrastructure quality and attract more businesses.
- The City of Kingston adopt policies to invest in upgrading infrastructure in designated industrial areas, including roads, utilities, and digital connectivity, to make industrial sites more attractive to private developers and businesses.
- The City of Kingston, following the Employment Area land needs assessment findings in the Growth Study, begin planning for new industrial clusters on the 405 gross hectares of new Employment Area lands that are to be introduced. The City should develop a comprehensive framework to provide necessary infrastructure, ensuring these areas are well-equipped to support industrial development and attract private investment.

## Climate Mitigation, Adaption, and Resilience Principles

The City of Kingston has undertaken a number of initiatives to facilitate and promote sustainable development, including the City's Climate Leadership Plan and Community Energy Plan. The City's Strategic Plan comprises a number of strategic priorities, including the Lead Environmental Stewardship and Climate Action program. It is imperative for the City to ensure that the planning and development of future Employment Areas is undertaken in a sustainable manner. One of the measures to achieve this is the inclusion of innovative practices in the design and development of



future Employment Areas. The City, through its O.P. policies, should continue to guide and encourage energy efficient and climate resilient development. It is recommended that the City:

- Develop policies to ensure industrial development considers long-term greenhouse gas emission reduction targets applicable to employment and other areas, that support achieving municipal and provincial targets and reflect consideration of the goal of carbon neutral communities.
- Encourage compact and transit-supportive Employment Areas and communities to contribute to these targets through initiatives, such as sustainable building design, inclusion of green infrastructure and vegetation/greenspace, enhancement of existing natural features, retrofit of existing buildings, transit accessibility, shared parking spaces, and supports for electric vehicles.
- Promote efficient industrial clusters based on compatible types of operation, resource requirements, and infrastructure requirement cooperative by-product synergy relationships, or densities to support district energy systems.
- Explore opportunities to attract investment in renewable energy systems (e.g., geothermal, district energy) in Employment Areas.
- Develop new Employment Areas with green infrastructure practices that manage stormwater on site, to limit stormwater run-off and urban flooding in neighbouring areas.

### Economic Development Policy Directions

To ensure long-term economic and fiscal sustainability, there is an increasing need for the City of Kingston to maximize opportunities to accommodate growth and strengthen industry attraction and retention. It is important for the City to continue to promote economic development by ensuring there is a sufficient supply of marketable, serviced, and developable Employment Area lands to attract target employment sectors and businesses over the planning horizon. It is recommended that:

- The City of Kingston create a policy to ensure the availability of high-capacity utilities, including electricity, water, and broadband internet, in all industrial zones. This will attract new businesses and facilitate quick setup, enhancing the region's industrial attractiveness.



- The City of Kingston incorporate the recommendations from the Integrated Economic Development Strategy into the O.P., having regard for:
  - Adopting a holistic approach that balances short-term and long-term economic plans;
  - Developing strategic clusters in sectors such as health innovation and sustainable manufacturing; and
  - Enhancing collaboration with key stakeholders and neighbouring communities to align efforts and maximize economic development potential.



# 1. Introduction

## 1.1 Terms of Reference

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The City of Kingston retained Watson & Associates Economists Ltd. (Watson), in association with Dillon Consulting Limited and urbanMetrics inc. (together referred to as the “Consultant Team”), in January 2023 to prepare a Long-Term Growth Analysis and Urban Land Needs Assessment Study to support the City’s Official Plan (O.P.) Project. This study is being prepared in two phases: Phase 1 (Technical Analysis), and Phase 2 (Strategic Directions).

This report forms a foundational document to guide long-range planning efforts with respect to the management of the City’s Employment Areas to the year 2051. This document is intended to be accompanied by a series of other reports which are being prepared concurrently by the Consultant Team as part of this broader study process to support the City’s ongoing O.P. Project, including an update of the City’s population, housing, and employment forecasts, and a corresponding assessment of the City’s future needs for Residential and Commercial lands.

The primary objective of this Employment Area Lands Review for Kingston is to provide a long-term vision that supports a broad spectrum of employment uses over the long-term horizon of the City’s O.P., while ensuring that the City continues to develop its Employment Areas in a competitive and sustainable manner. This Review provides a comprehensive assessment of current local and regional conditions on Employment Area lands as well as an examination of anticipated non-residential real estate market trends, including opportunities and disrupters that are anticipated to influence employment growth across Kingston by sector over the next three decades.

This Employment Area Lands Review provides a comprehensive analysis of both City-owned and privately owned Employment Area lands within Kingston to ensure that an adequate supply of Employment Area land is designated to accommodate long-term demand. In addition, a key objective of the Employment Area Lands Review is to provide a strategy to further enhance the City’s economic base.

This report has two major components. The first component, Employment Area Technical Analysis, includes a market analysis and Employment Area land needs analysis for the City’s Employment Areas. The second component includes an

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Employment Area Strategy that builds upon the City's past successes and supports the City's key employment sectors and clusters. Strategic recommendations are provided in the Employment Area Strategy to strengthen the City's O.P. policies for Employment Areas and to support the City's competitiveness.

## 1.2 Study Process

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As previously noted, the City of Kingston is currently preparing a long-term Growth Analysis and Urban Land Needs Assessment Study as background to its O.P. Project. This includes population, housing, and employment forecasts to the year 2051, and an assessment of long-term urban land needs to accommodate forecast urban development over the next three decades. The study has a number of separate but integrated deliverables, including:

- Population and Housing Growth Forecast to 2051 (including growth allocations by Sub-Area, Water Service and Wastewater Catchment Area);
- Community Area Land Needs and Intensification Analysis;
- Commercial Land Needs Review; and
- Employment Area Lands Review.

The Employment Area Lands Review presented herein builds upon each of the other deliverables outlined above. These other deliverables, provided as part of the City's Long-Term Growth Analysis and Community Area Land Needs and Intensification Analysis Study, set out the broader planning framework for managing growth over the next three decades, including long-range population trends, housing forecasts by structure type and location, priorities and targets for residential intensification, urban land requirements for residential and commercial/mixed-use development and strategic planning policy recommendations.

On December 5, 2023, City of Kingston Council endorsed the Medium Population, Housing, and Employment Growth Scenario to 2051, prepared by Watson.<sup>[5]</sup> The Medium Population, Housing, and Employment Growth Scenario forecasts a permanent

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<sup>[5]</sup> <https://events.cityofkingston.ca/default/Detail/2023-12-05-1900-Regular-Council2/>

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and student population base of 220,900 and an employment base of 113,900 by 2051.<sup>[6]</sup> Leading to the endorsement of the growth forecast scenario by City of Kingston Council, an in-person Public Information Centre (P.I.C.) was held in June 2023. The Consultant Team and City of Kingston Planning Services Department also engaged with various City departments and external stakeholders over the course of the project. Additionally, the Consultant Team and City of Kingston Planning Services Department also consulted with representatives of Queen's University, St. Lawrence College, and the Royal Military College of Canada in the development of the post-secondary student forecast.

More recently, on April 17, 2024, a second P.I.C. was held in-person to present and discuss the land needs and intensification findings contained in this report, and the preliminary technical results of the Commercial Land Review and Employment Area Lands Review.

### 1.3 What are Employment Area Lands?

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Employment Area lands typically include a broad range of designated lands, including light, medium, and heavy industrial lands, business parks, and rural industrial lands. Employment Area lands accommodate primarily export-based employment, including a wide range of industrial uses (e.g., manufacturing, distribution/logistics, transportation services). The City of Kingston's Employment Area lands in the context of the current O.P. are as discussed in section 2.2.

Employment Area refers to a cluster of Employment Area lands. The Provincial Policy Statement, 2020 (P.P.S., 2020) defines Employment Areas as lands designated in an O.P. for clusters of business and economic activities, including but not limited to manufacturing, warehousing, offices, and associated retail and ancillary facilities. Typically, these areas accommodate export-based activities that cannot be accommodated elsewhere in the municipality due to the need for buffering from sensitive land uses.

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<sup>[6]</sup> City of Kingston Staff Report to Council, Population, Housing and Employment Growth Forecast Update to 2051, Report Number 24-016, December 5, 2023. Exhibit A attachment dated November 23, 2023, prepared by Watson & Associates Economists Ltd.



The new Provincial Planning Statement, 2024 (P.P.S., 2024) narrows the range of permitted uses within Employment Areas to comprise uses that are primarily industrial in nature, including manufacturing; research and development in connection with manufacturing; warehousing and goods movement; and associated retail and office uses and ancillary facilities. The P.P.S., 2024 prohibits residential uses, commercial uses, public service facilities, and other institutional uses from Employment Areas. This includes retail and office uses that are not associated with the primary employment use, and other sensitive land uses that are not ancillary to uses permitted in the Employment Area.

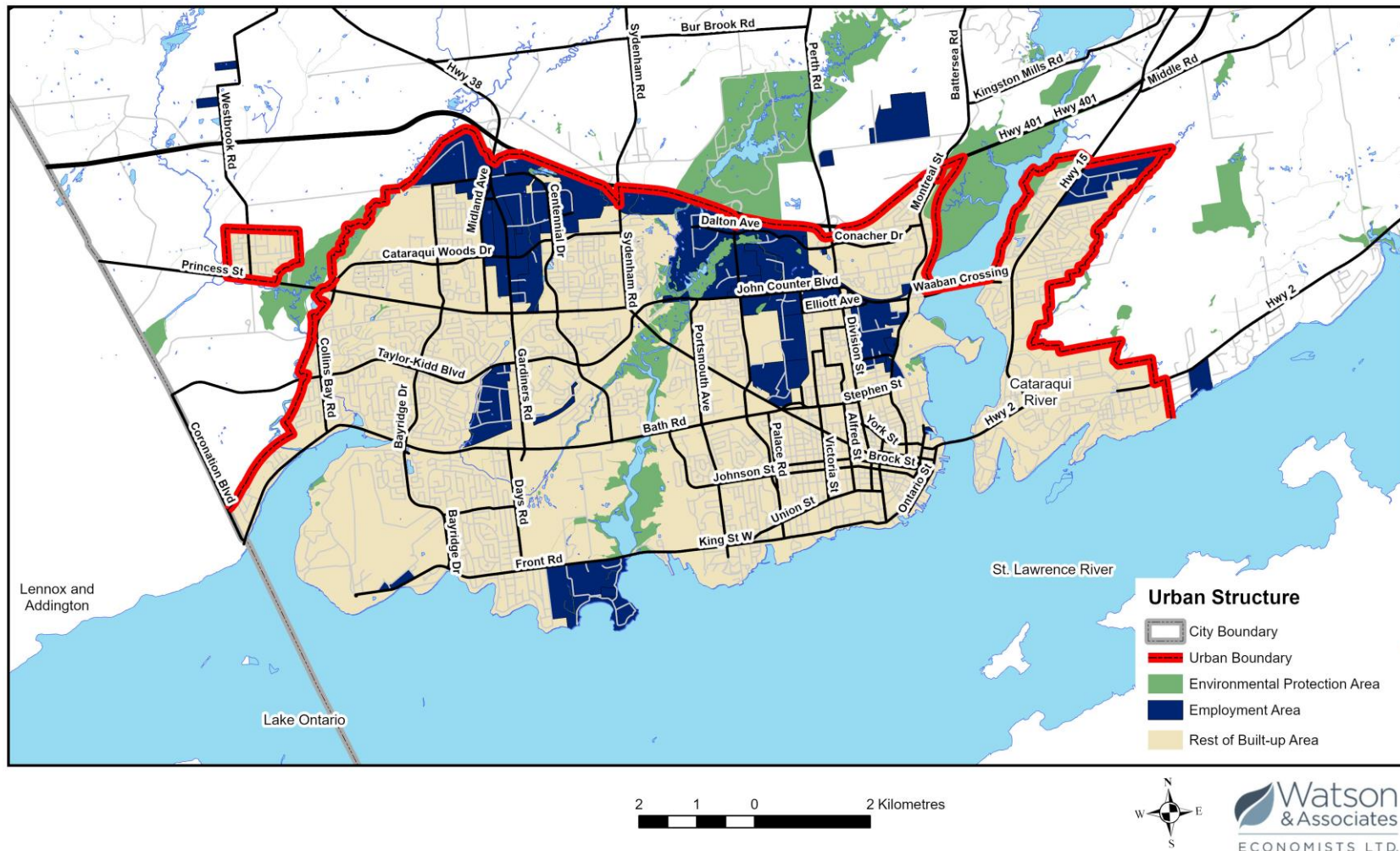
As illustrated in Figure 1, there are 15 distinct urban Employment Areas across Kingston comprising a range and mix of employment uses, in accordance with the P.P.S., 2020. Kingston also has rural Employment Area lands located outside the Urban Boundary, which are designated Rural Industrial and Waste Management Industrial in the City's O.P. The developed rural Employment Area lands are largely concentrated along McAdoo's Lane. The City's rural Employment Area lands accommodate general industrial-type businesses, including outdoor storage, warehousing, manufacturing, assembling, and processing. The rural Employment Area lands are privately serviced, which limits their utilization and the uses that can be accommodated.

Kingston's Employment Areas primarily comprise industrial uses and are intended to be developed for light, heavy, and business park industrial uses, limited-service commercial uses, and related uses, in accordance with the P.P.S., 2020. Kingston's Employment Area delineated boundaries and permitted uses are subject to change under the P.P.S., 2024 definition of Employment Areas, discussed in sections 1.3 and 2.1.





Figure 1  
City of Kingston  
Existing Designated Urban and Rural Employment Areas





Employment Areas form a vital component of Kingston's land use structure and are an integral part of the local economic development potential of the economic region. They are also home to many of the City's largest private-sector employers. Employment Areas contribute towards fostering a diverse economy, which is a key objective of the City's Economic Development Strategy. Through the development of its Employment Areas, Kingston is better positioned to build more balanced, complete, and competitive communities. Development typically accommodated on Employment Area lands generates relatively strong economic multipliers (i.e., spin-off effects) that benefit Kingston directly and indirectly. In addition, Employment Areas typically generate 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. Employment Area land development also tends to produce more positive net fiscal benefits for the community than other types of development (e.g., residential and retail). Thus, a healthy balance between residential and non-residential development is considered an important policy objective for Kingston and the surrounding economic region.

## 1.4 Stakeholder Consultation

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As part of the study process, the Consultant Team engaged with key stakeholders in the community to gain valuable input regarding employment growth drivers by industry sector, as well as current and anticipated market prospects for industrial development in Kingston. The input received is reflected in the municipal competitiveness assessment and growth outlook presented in Chapters 5 and 8, respectively.

## 2. Policy Context

Employment Area land policies and regulations, and other guiding documents play a key role in directing development activity. To accommodate Kingston's steadily growing economic base, the City's land use planning policies must anticipate the evolving nature of the local and regional economy and reflect the diverse needs of industry and businesses of all sizes over the long term. These policies must also offer a degree of flexibility and nimbleness that allows for relatively rapid responses to unforeseen changes, which can be a critical competitive advantage relative to competing markets.



The following provides a summary of the relevant provincial and local regulatory and policy framework that relates to Employment Areas and Employment Area lands. These policies provide a framework for the analysis and policy directions outlined in Chapter 8.

## 2.1 Provincial Policy Statement

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The employment growth forecast and land needs analysis, provided herein, was prepared under the purview of the new P.P.S., 2024, which was issued on August 20, 2024 and comes into effect on October 20, 2024. The P.P.S., 2024 is intended to simplify and integrate existing provincial policies (A Place to Grow: Growth Plan for the Greater Golden Horseshoe (the Growth Plan, 2019) and the P.P.S., 2020) while providing municipalities and the Province with greater flexibility to deliver on housing objectives.

A key focus of the P.P.S., 2024 is that it recognizes that the approach to delivering Employment Area land needs requirements will vary by municipality and, as such, moves away from a prescriptive guideline-based approach. The following summarizes key highlights of the P.P.S., 2024.

1. Compared to the P.P.S., 2020, the P.P.S., 2024 provides a more flexible horizon for planning for growth by providing a planning horizon with a minimum of 20 years and a maximum of 30 years. As per the P.P.S., 2024, “planning for infrastructure, public service facilities, strategic growth areas, and employment areas may extend beyond this time horizon.”<sup>[7]</sup> Based on our interpretation of the P.P.S., 2024, this would suggest that municipalities are to designate land to accommodate growth over a 20- or 30-year period, with the opportunity to designate additional land beyond the 30-year time horizon for Employment Areas.
2. The P.P.S., 2024 includes an updated definition of Employment Area based on the amendment of the *Planning Act* on June 8, 2023. The new definition of Employment Area is more narrowly scoped than under the P.P.S., 2020, allowing only uses that are primarily industrial in nature and only other uses associated or ancillary to the primary use. The *Planning Act* was amended under subsection 1 (1) to include a new definition of “area of employment.” The amendment to the

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<sup>[7]</sup> P.P.S., 2024, policy 2.1.3, p. 6.



*Planning Act* received Royal Assent as part of Bill 97 on June 8, 2023. The “area of employment” definition change in the *Planning Act* would require proclamation of the Lieutenant Governor before it comes into effect. In light of the definition change of Employment Area, a key concern for municipalities will be their ability to provide an urban structure that will support other employment-generating uses outside of Employment Areas, particularly non-retail commercial and institutional uses (e.g., office uses, training, and education, entertainment, wholesale trade, and service repair centres). Traditionally, Employment Areas have been regarded as areas protected for key targeted employment sectors, especially those in the export-based sectors.

3. The P.P.S., 2024 requires that all development within 300 metres of Employment Areas shall avoid, or mitigate, potential impacts on the “long term economic viability” of employment uses.<sup>[8]</sup> This means that planning for Employment Areas or other uses in proximity to Employment Areas, municipalities must ensure that there is an appropriate transition between Employment Areas and sensitive uses like residential uses. It is also suggested that specific industrial, manufacturing, and small-scale warehousing uses that do not require separation from sensitive land uses are to be encouraged to be located in mixed-use areas or Strategic Growth Areas where frequent transit service is available, outside of Employment Areas.<sup>[9]</sup>
4. The P.P.S., 2024 carries forward similar policies on conversions to those provided in the P.P.S., 2023. The Province has noted that under the P.P.S., 2024, municipalities are provided with greater control over Employment Area conversions (now referred to as Employment Area removals) with the ability to remove lands from Employment Areas at any time. Previously, under the P.P.S., 2020, and the Growth Plan, 2019, municipalities were required to review changes to designated Employment Areas during a Municipal Comprehensive Review or a Comprehensive Review. Under the P.P.S., 2024, there is a requirement to demonstrate that there is an identified need for the removal and the land is not required for Employment Area uses over the long term.

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<sup>[8]</sup> P.P.S., 2024, policy 2.8.1.3, p. 13.

<sup>[9]</sup> Ibid., policy 2.1.8.2, p. 13.



5. The P.P.S., 2024 identifies that development within rural areas needs to be assessed within the rural context in terms of the scale of servicing and character.<sup>[10]</sup> No further direction is provided with respect to development within existing or new rural Employment Areas. Under subsection 2.2.9.5 of the Growth Plan, 2019, the Province provided a framework for rural Employment Area expansions. The framework identified that the expansion of Employment Areas outside settlement areas on rural lands that were designated for employment uses may only be permitted if necessary to support the immediate needs of existing businesses and if compatible with the surrounding uses.<sup>[11]</sup> The P.P.S., 2024 does not carry forward this policy.

As previously noted, as part of Bill 97, the definition of Employment Area has received Royal Assent but will require proclamation before it comes into effect. Upon initial review of these documents, the technical results of this analysis would remain unchanged.

The technical analysis and policy directions presented herein have been prepared in accordance with Bill 185 and the P.P.S., 2024, with the assumption that the new provincial policy framework will come into effect prior to finalizing the broader study.

## 2.2 Current City of Kingston Official Plan

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The City of Kingston O.P. provides policies to protect and preserve Employment Areas for current and future uses. The O.P. policies are designed to promote Employment Areas and to foster a strong and diversified economic base with a range of opportunities for residents. Through O.P. policies, the City intends to maintain a healthy and sustainable employment base by having services and amenities in close proximity. The O.P. policies aim to sustain the viability and efficiency of industrial operations by protecting Employment Area lands from incompatible uses. The O.P. policies support the revitalization of older Employment Areas and facilitate providing and improving infrastructure to create attractive Employment Areas that improve the quality of life of residents.

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<sup>[10]</sup> P.P.S., 2024, policy 2.5.3.

<sup>[11]</sup> A Place to Grow, Growth Plan for the Greater Golden Horseshoe, Office Consolidation, 2020, policy 2.2.9.5, p. 28.





It is important to note that the current O.P. Employment Area policies do not align with the changed *Planning Act* definition or the P.P.S., 2024 definition for Employment Areas. As such, changes to O.P. Employment Area policies will be needed in order to be consistent with the P.P.S., 2024.

The existing approved O.P. identifies three land use designations that fall under the general category of urban Employment Area lands (as defined herein): General Industrial, Business Park Industrial, and Waste Management Industrial. The City also has a Rural Industrial designation for lands located outside the Urban Boundary.

The following provides a brief description of each designation:

- **General Industrial:** lands under this designation are intended to provide convenient locations for manufacturing, wholesale trade, construction, transportation, storage, communications, utilities, and similar uses. These uses are grouped into distinct Employment Areas to foster economic synergy and avoid or mitigate adverse effects on residential uses or other sensitive neighbouring uses.
- **Business Park Industrial:** lands under this designation are intended to provide prominent locations for industrial and industrial-support uses in architecturally treated and finished buildings with a high-quality landscaped setting. These areas promote manufacturing, office, research, and similar employment uses.
- **Waste Management Industrial:** lands under this designation are intended to provide suitable locations and conditions that may involve intrusive levels of noise, odour, dust, and other emissions and may have unsightly visual impacts.
- **Rural Industrial:** lands under this designation are intended to recognize limited areas of industrial development that are generally of a larger scale that serves the local rural community and the agricultural community.

## 2.3 Other Economic/Planning Studies

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### 2.3.1 *Employment Lands Development Trends and Supply Update, 2021*

Watson was retained by the City of Kingston in 2021 to prepare an Employment Lands Development Trends and Supply Update. The purpose of this assignment was to update key elements of the City of Kingston 2015 Employment Land Strategy Review,

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including the urban Employment Area land supply inventory and the assessment of recent development trends on urban Employment Area lands. This review was intended to serve as an interim update to support on-going planning and real estate work ahead of a Comprehensive Review in 2023. The analysis and findings of this study was intended to help support Kingston's new Integrated Economic Development Strategy.<sup>[12]</sup>

The study concluded that the City's inventory of municipal Employment Area lands has diminished significantly since 2014 due to strong development activity. As of 2021, Kingston had 45 hectares (110 acres) of City-owned serviced and ready to develop Employment Area land.

### ***2.3.2 Integrated Economic Development Strategy, 2020***

The City of Kingston's and Kingston Economic Development's Integrated Economic Development Strategy provides a framework to promote a prosperous and sustainable local business ecosystem that facilitates economic growth and prepares the City for the future.

Kingston's Integrated Economic Development Strategy adopts a cluster approach that prioritizes two key sectors: health innovation and sustainable manufacturing. The cluster approach builds on the unique strengths of Kingston and focuses on multi-level collaboration towards common goals while using resources more effectively. Through the cluster approach, Kingston will be promoted as a Canadian leader in the health innovation and sustainable manufacturing sectors. By developing two strategic clusters in these two sectors, Kingston will be able to retain and grow its employment base, help local businesses sustainably grow, attract investments, and encourage new direct foreign investment opportunities in Kingston.

### ***2.3.3 Integrated Workforce Development and In-Migration Strategy, 2023***

Kingston's Integrated Workforce Development and In-migration Strategy is an initiative designed to enhance economic growth, address local labour market needs, and attract talented individuals from around the world. This strategy provides a comprehensive solution to complex challenges and intends to not only strengthen the local workforce

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<sup>[12]</sup> Integrated Economic Development Strategy, Kingston Economic Development and the City of Kingston, November 2020.



but also position Kingston as a destination for professionals seeking new opportunities. Through targeted marketing efforts, strategic partnerships, and a welcoming approach to immigration, Kingston's Integrated Workforce Development and In-migration Strategy aims to attract and retain individuals who can contribute their skills, experiences, and perspectives to the local industries in Kingston.

### **2.3.4 Clogg's Road Business Park**

The Clogg's Road Business Park is in the Cataraqui Westbrook neighbourhood, and is located south of Highway 401, west of Gardiners Road, north of Creekford Road, and east of Collins Creek. The Business Park comprises east and west parcels known as 2800 Clogg's Road and 3001 Clogg's Road, respectively. The Business Park was previously subject to a Minister's Zoning Order (MZO), the MZO was revoked by the Minister of Municipal Affairs and Housing in April 2024. The Business Park is now subject to the Kingston Zoning By-Law and is designated and zoned Business Park, M1 Zone. The east parcel is serviced. The west parcel is going through a draft plan of subdivision process and is currently unserviced.

### **2.3.5 North King's Town Secondary Plan Area**

The City of Kingston is developing a secondary plan for the North King's Town area to guide growth and development in the area. The northern part of the North King's Town Secondary Plan area includes the Old Industrial Area, which is mainly classified as General Industrial in the Kingston O.P. The area covers 64 net hectares of developed Employment Area land and contains a number of vacant and underused properties, many of which face constraints such as brownfield sites, lack of road access, and connectivity issues. Despite being home to various industrial sectors such as manufacturing, construction, wholesale trade, and public administration, the area's distance from and limited access to Highway 401, and the shortage of serviced and ready to develop industrial lands, limit its potential for industrial development. The area, however, presents opportunities for business park-style development, particularly for office spaces catering to "knowledge-based" industries.

### **2.3.6 Rural Kingston Economic Development Strategy: Mobilizing Opportunities for the Greater Kingston Region**

The Rural Kingston Economic Development Strategy: Mobilizing Opportunities for the Greater Kingston Region (October 2020) identified a number of key initiatives for the





rural area, including support agriculture activities and businesses; promote plan-led Hamlet development; revitalize tourism in the rural area; and develop strategic rural business clusters. To support agricultural activities and businesses, the strategy aims to attract new farmers, encourage local food consumption, foster farming innovation, and explore niche and value-added food production. For hamlet-led development, the strategy includes developing hamlet-based opportunities, promoting concentrated residential development, and attracting commercial residential projects. Tourism opportunities are revitalized through animation and agri-tourism initiatives. Additionally, the development of strategic rural business clusters focuses on encouraging industry-specific business parks and leveraging the proximity to Highway 401 to attract businesses. These initiatives collectively aim to stimulate economic growth and sustainability in Rural Kingston.

### 3. Regional and Local Economic and Employment Growth Trends

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

#### 3.1 Macro-Economic Trends Influencing Employment Area Lands Development in the City of Kingston

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##### 3.1.1 *Global Economic Outlook*

In its latest World Economic Outlook, the International Monetary Fund is forecasting global economic growth to increase slightly from 2.9% in 2023 to 3.1% in 2024 and 3.2% in 2025. For advanced economies, economic growth of 1.6% in 2023 exceeded the International Monetary Fund's forecast of 1.5% from its previous October 2023 projections. Looking forward, the outlook has slightly improved from the International Monetary Fund's October 2023 projections, with forecast growth of 1.5% in 2024 and 1.8% in 2025. Global headline inflation is anticipated to fall from 6.8% estimated as of 2023 to 5.8% in 2024 and 4.4% in 2025.

Growth prospects for emerging markets and developing economies are much more varied, but overall have strengthened slightly from the International Monetary Fund's

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October 2023 outlook and are noticeably stronger relative to advanced economies with economic growth projections of 4.1% in 2023 and 4.2% in 2024.<sup>[13]</sup>

Within the United States (U.S.), real gross domestic product (G.D.P.) grew by a relatively moderate 1.9% in 2022 and by 2.5% in 2023. The G.D.P. is forecast to continue to grow by about 2.1% in 2024 before decreasing to 1.7% in 2025. This outlook is broadly based on assumptions related to anticipated declines in interest rates, declining inflation, a related softening in labor markets, and pass-through effects from earlier and ongoing declines in relative energy prices.

### **3.1.2 Trends in Ontario Economy in Canadian Context**

Similar to the broader Canadian economy, the economic base of Ontario, as measured by G.D.P. output, has shifted from the goods-producing sector (i.e., manufacturing and primary resources) to the services-producing sector over the past several decades. This shift has largely been driven by G.D.P. declines in the manufacturing sector which were accelerated as a result of the 2008/2009 global economic downturn. It is noted, however, that these G.D.P. declines in the manufacturing sector have started to show signs of stabilization over the past few years, both prior to the coronavirus disease (COVID-19) pandemic and through the more recent economic recovery.

Over the past decade, the Ontario export-based economy experienced a rebound in economic activity following the 2008/2009 downturn; however, this recovery was relatively slow to materialize with levels sharply rebounding by 2014, as illustrated in Figure 2. This economic rebound was partially driven by a gradual recovery in the manufacturing sector, fueled by a lower-valued Canadian dollar combined with the gradual strengthening of the U.S. economy.<sup>[14]</sup> Provincial G.D.P. growth eased in 2019, largely as a result of a tightening labour market and slowing global economic growth.<sup>[15]</sup>

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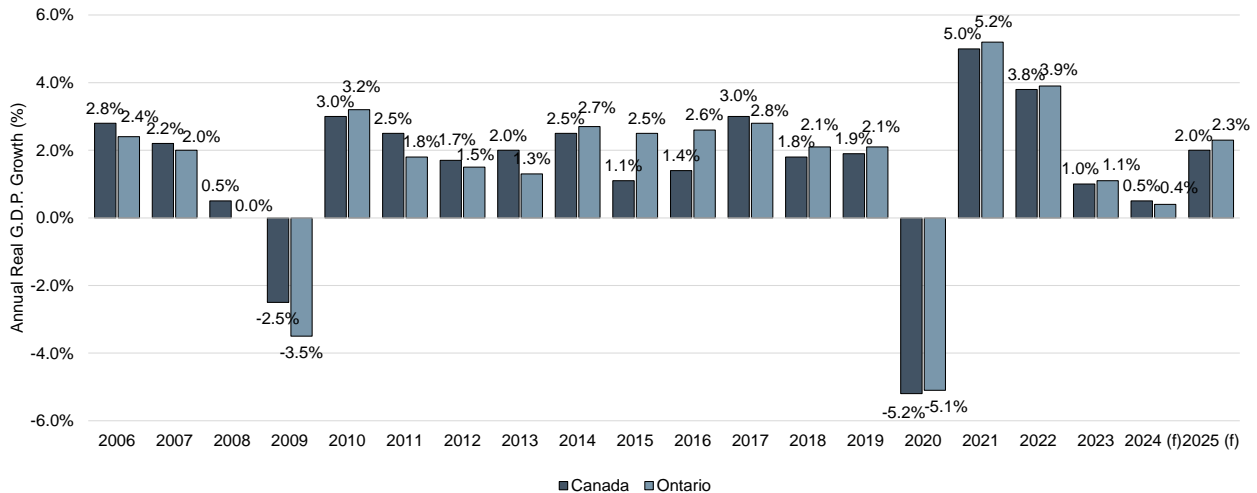
<sup>[13]</sup> International Monetary Fund, World Economic Outlook, Moderating Inflation and Steady Growth Open Path to Soft Landing, October 2023.

<sup>[14]</sup> Valued at approximately \$0.73 U.S. as of June 2024.

<sup>[15]</sup> Provincial Economic Outlook, BMO Capital Markets, January 5, 2024.



Figure 2  
Province of Ontario and Canada  
Annual Real G.D.P. Growth, Historical (2006 to 2023), and Forecast (2024 to 2025)



Note: 2024 and 2025 are forecast by BMO Capital Markets Economics.  
Source: Derived from BMO Capital Markets Economics, Provincial Economic Outlook, January 19, 2024, by Watson & Associates Economists Ltd.

Since being declared a pandemic by the World Health Organization on March 12, 2020, the economic impact of COVID-19 on economic output has been significant. The Canadian and Ontario economy contracted by 5.2% and 5.1%, respectively, in 2020, as illustrated in Figure 2. Economic sectors such as travel and tourism, accommodation and food, manufacturing, and energy were hit particularly hard by COVID-19 social-distancing measures.

Following a sharp national economic downturn in 2020 in response to COVID-19 policy measures, federal economic support and fiscal stimulus, and vaccine rollouts, Canada experienced a sharp economic recovery in 2021 and 2022. BMO Capital Markets has forecast that G.D.P. growth declined to 1.1% in Ontario in 2023 and 1.0% overall for Canada and will further moderate in 2024 to 0.4% for Ontario and 0.5% for all of Canada.

Notwithstanding this recovery, there are growing macro-economic headwinds of which to be aware, that are influencing the economy at the national, provincial, and regional levels. Most notably, persistently high global and national inflation levels have required an aggressive response by central banks to tighten monetary conditions through sharp



increases in interest rates and quantitative tightening.<sup>[16]</sup> It is noted that in April 2024, Canada's inflation rate was 2.7%.<sup>[17]</sup> Current measures by central banks are anticipated to continue to cool economic output and consumer demand; however, on-going trade disruptions, geo-political conflict, and tight labour conditions continue to aggravate global supply shortages of goods and services. In turn, this somewhat limits the ability of tighter monetary conditions to ease rising inflationary pressures.

Rising public-sector debt due to pandemic response measures and increasing household debt loads resulting from sharp housing price appreciation in many areas of Canada, most notably the Country's largest urban centres, are also a concern. While the national housing market has recently showed cooling signs as a result of higher mortgage rates, rising borrowing costs and upward pressures on rents are further exacerbating challenges associated with declining housing affordability through increases in monthly household carrying costs. These impacts, combined with the broader inflationary concerns outlined above, are increasingly likely to result in potential near-term setbacks in the economic recovery path for Ontario, and more broadly for Canada.

It is important to recognize that the longer-term population and employment growth potential for the City of Kingston will be heavily dependent on the overall sustained economic growth potential of the Kingston Census Metropolitan Area (C.M.A.) and Province of Ontario as of whole. Looking ahead, there are evolving macro-economic headwinds of which to be aware, that are impacting the economic conditions within Kingston and the surrounding economic region. Despite these unintended consequences of COVID-19 and the near-term economic headwinds discussed above, the long-term economic and housing outlook for Eastern Ontario and Kingston remains positive as the region continues to be attractive to international investment and newcomers alike.

### **3.1.3 Outlook for National and Provincial Manufacturing Sector**

The Purchasing Managers' Index is a prevailing economic indicator for economic trends in the manufacturing and services sectors, which is based on the purchasing managers' market condition outlook and serves as a key measure of the direction of the

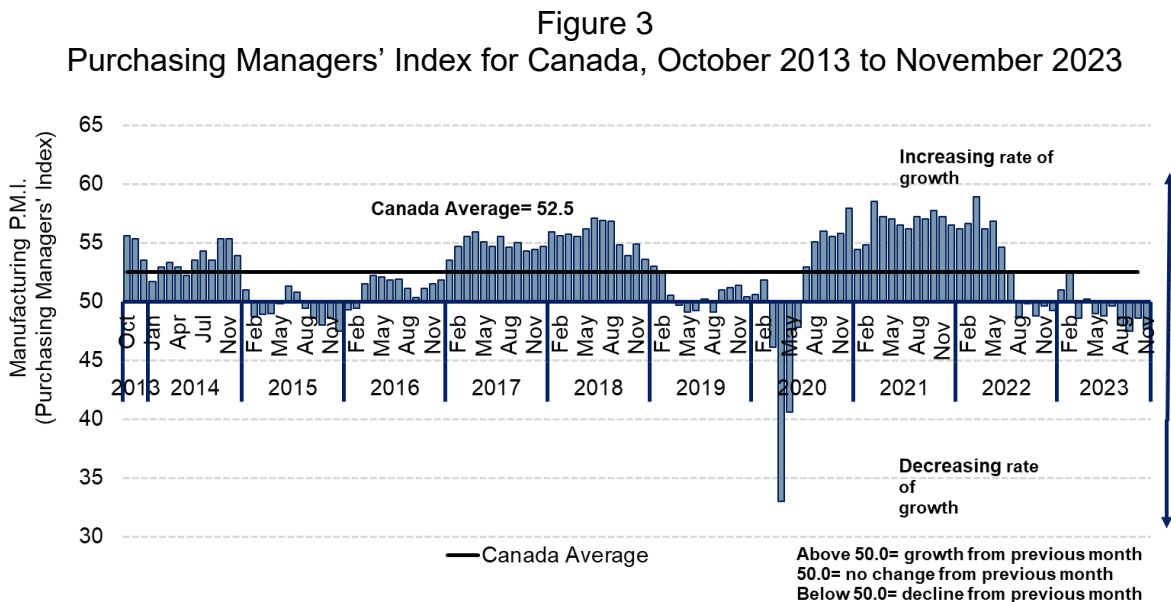
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<sup>[16]</sup> Quantitative tightening is a process whereby a central bank reduces the supply of money circulating in the economy by selling its accumulated assets, mainly bonds.

<sup>[17]</sup> Statistics Canada The Daily, Consumer Price Index: May 21, 2024.



manufacturing sector monthly. The Purchasing Managers' Index is a number that ranges between 1 and 100. A Purchasing Managers' Index value greater than 50 represents an expansion relative to the previous month, while a Purchasing Managers' Index value less than 50 represents a contraction. Figure 3 summarizes the Purchasing Managers' Index for Canada between 2013 (October) and 2023 (November). As illustrated in Figure 3, the Purchasing Managers' Index indicated moderate to strong expansion between 2013 and 2021, except in the years 2015, 2019, and 2020 for which the index showed sustained monthly contractions. The Purchasing Managers' Index showed steep contractions in manufacturing at the beginning of March 2020 due to the negative effects of COVID-19 on the global economy, international trade, and the general demand for goods and services. These conditions worsened into April 2020; however, they showed signs of a strong rebound by July 2020 before moderating by July 2022. For the rest of 2022 through November 2023, the index showed sustained contractions in most months. The Canadian Purchasing Managers' Index's average for the entire reference period is 52.5.



Source: HIS Markit Canada, Canada Purchasing Managers' Index, October 2013 to November 2023, summarized by Watson & Associates Economists Ltd., 2023.

As summarized in Figure 4, from 2004 to 2009 the labour force and G.D.P. of Ontario's manufacturing sector decreased significantly. Between 2009 and 2019, however, provincial labour force levels stabilized in this sector, while G.D.P. output steadily increased. Since stabilizing in 2010, labour force levels in the manufacturing sector



have remained relatively steady except for the mid-2020 decline and sharp recovery following the onset of COVID-19.

While manufacturing remains vitally important to the provincial and regional economy concerning jobs and economic output, this sector has not represented an employment growth sector at the provincial or regional level over the past several decades. Notwithstanding these structural economic challenges, within the Kingston Census Metropolitan Area the manufacturing sector has experienced a relatively strong recovery over the past decade, increasing from a 2012 labour force of 4,300 to a labour force of 5,400 by 2023.<sup>[18]</sup>

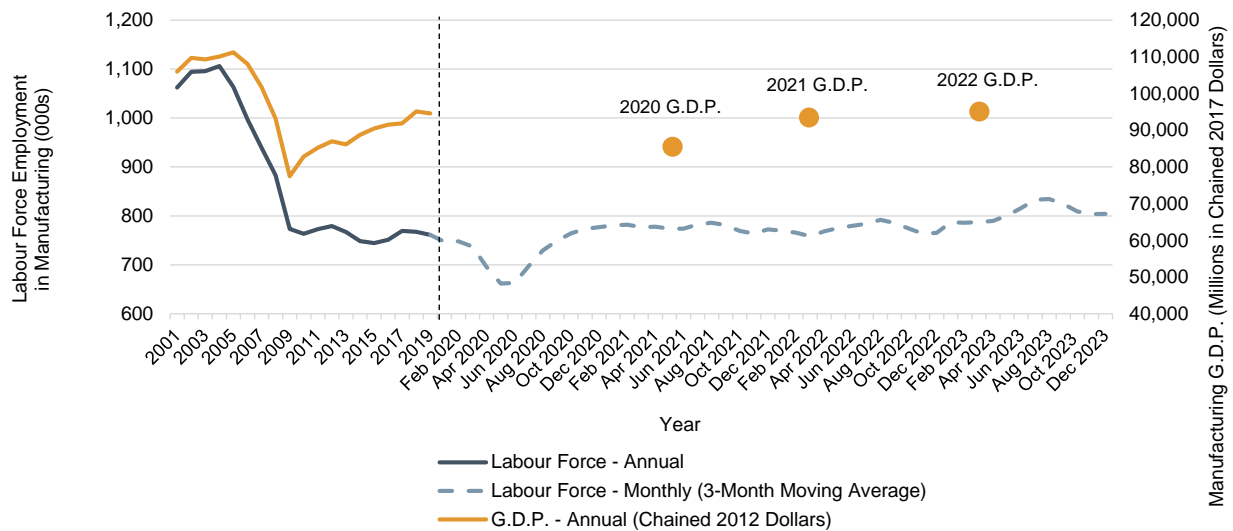
While there will continue to be a manufacturing focus in Ontario, the nature of industrial processes is rapidly shifting, becoming more capital/technology intensive and automated, with lower labour requirements. The highly competitive nature of the manufacturing sector will require production to be increasingly cost-effective and value-added oriented, which bodes well for firms that are specialized and capital/technology intensive. As a result of increased technological efficiencies in the manufacturing sector, provincial G.D.P. levels related to the manufacturing sector are anticipated to outpace labour force growth over the next decade, indicating increasing G.D.P. output per employee.

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<sup>[18]</sup> Statistics Canada Employment by Industry, Census Metropolitan Areas, Annual.



Figure 4  
Manufacturing Labour Force Trends in Ontario, 2001 to December 2023



Source: Annual labour force data from Statistics Canada Labour Force Survey, Table 282-0125, 2020 monthly data from Table 14-10-0091-01, and 2021 to 2023 monthly data from Table 14-10-0388-01. Annual G.D.P. data from Statistics Canada Table 36-10-0402-01, by Watson & Associates Economists Ltd.

### 3.2 Emerging Industry Sector and Labour Force 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, which have been accelerated by the COVID-19 pandemic. There are a number of key industry and labour force trends that are expected to influence growth and development patterns in Kingston over the coming decades. These trends include:

- Continued disruption of “bricks and mortar” retail driven by changes in consumer behavior through e-commerce;
- Economic growth related to the logistics sector generated from the growing demand in e-commerce and requirements for regional fulfillment centres to serve the growing provincial population base;
- Increasing use of technology in commercial services leading to alternative platforms to purchase and share products;
- A continued economic recovery in the manufacturing sector, in particular advanced manufacturing;





- Longer-term opportunities and challenges in the manufacturing sector associated with nearshoring, automation, and the rise of artificial intelligence;
- Growing opportunities within the Green Technology sector as Kingston and the surrounding market area transition to a clean energy economy;
- Increased opportunities related to work at home, hybrid work at home/at office work models, and distributed work/learning largely driven by technological innovation and improvements to regional telecommunications; and
- The continued rise of the gig economy as individuals utilize technology to supplement their income in more flexible ways in contrast to traditional work patterns.

Recognizing these recent structural changes in the macro-economy, there is a need for the City of Kingston to ensure that the amount, type, and location of the City's established and planned Employment Areas are well aligned with these broader trends and the anticipated local market demand.

### **3.3 Planning for the New Economy**

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Ontario's economy is transitioning from goods to services production. The trend towards more knowledge-intensive and creative forms of economic activity is evident across many sectors within both the broader national and provincial economy. Employment sectors that are anticipated to lead Ontario with respect to economic output and employment growth include financial services, information technology, business services, health care and social services, government, advanced manufacturing, energy, information and cultural industries, education, training and research, agri-business, and tourism.<sup>[19]</sup>

#### **3.3.1 Planning for Industrial Sectors**

Recognizing the recent structural changes in the provincial and regional economy, there is a need for the City of Kingston to ensure that the amount, type, and location of its established and planned Employment Areas are well aligned with anticipated market demand. It is also important that Kingston's Employment Areas are planned and

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<sup>[19]</sup> It is important to note that the manufacturing industry experienced a G.D.P. decline in 2020 due to the negative effects of COVID-19 and has been recovering, as illustrated in section 3.2.2.3.





designed to accommodate a broad range of established and emerging industrial uses related to the City's target sectors, including advanced manufacturing, goods movement, construction, and utilities. Employment Areas should also offer competitive attributes and supportive infrastructure, promote employee quality of life, and synergies to attract the growing knowledge-based sector, building on the successes of the Cataraqui Estates Business Park and the St. Lawrence Business Park.

Many of the growing sub-sectors in advanced manufacturing, such as energy, automotive, technology, and clean tech, require integrated operations on larger sites in a "industrial campus" setting, composed of multiple buildings. These integrated facilities often accommodate a combination of office, research and development, warehousing and logistics, and on-site manufacturing.

To address the broad needs of industry, a range of Employment Areas by site size, access, designation/zoning, and surrounding land use are required that will provide significant land area to accommodate mid- to large-scale uses with opportunities for surface parking and future expansion potential. On average, employment density levels for integrated office/distribution and training facilities are much lower than standalone major office developments. Given the unique operational requirements of these facilities, such uses often cannot be accommodated in downtown or mixed-use office settings. In industrial/business parks, high order industrial uses are often positioned at gateway locations (i.e., at major highway interchanges) with direct highway access/exposure and good connectivity to arterial roads.

Continued growth in e-commerce continues to drive demand for increasingly larger, more land-extensive warehousing facilities, generally in greenfield Employment Areas. Across North America, the goods movement industry is continuously evolving at a rapid pace, responding to growing consumer demand and increased expectations with respect to speed of delivery. As discussed below, e-commerce and technological improvements represent the biggest drivers of change in the goods movement industry, powered by the rapid growth of mobile technology.

### ***3.3.2 Planning for Knowledge-Based Sectors***

Recent employment growth has been increasingly driven by growth in the knowledge-based or creative class economy, including employment sectors such as advanced manufacturing, professional, scientific and technical services, finance and insurance,



real estate, information and culture, health care and social assistance, and education. With an increasing emphasis on these knowledge-based sectors, major office, flex office, and multi-purpose facilities encompassing office and non-office uses are becoming increasingly dominant built forms.

Workers in knowledge-intensive industries are increasingly demanding accessible and dynamic work environments that promote interaction and innovation. This underscores “place making” as an increasingly recognized and important concept in creating diverse and vibrant workplaces which, in turn, can help attract local population and job growth, provided that other necessary infrastructure requirements are met. This is particularly relevant in compact, pedestrian-oriented, mixed-used environments that integrate office commercial, residential, and other community uses with public open spaces. To address the broad needs of industry, a range of employment and commercial areas by site size, access, designation/zoning, and surrounding land use should be considered within both Employment Areas and Community Areas.

### 3.4 Kingston Employment Growth Trends

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Kingston is home to an estimated 80,500 jobs, as of 2023. The majority (68% or 54,800 jobs) is population-related employment, while 20% is employment land employment, 6% major office employment, and 6% is rural.<sup>[20] [21]</sup>

Kingston has a diverse employment base, as illustrated in Figure 5. The largest sector in the City is health care and social assistance, which accounts for 18% of total employment. Other key sectors include public administration (14% of total employment), educational services (14%), retail trade (10%), accommodation and food services (7%), and construction (6%).

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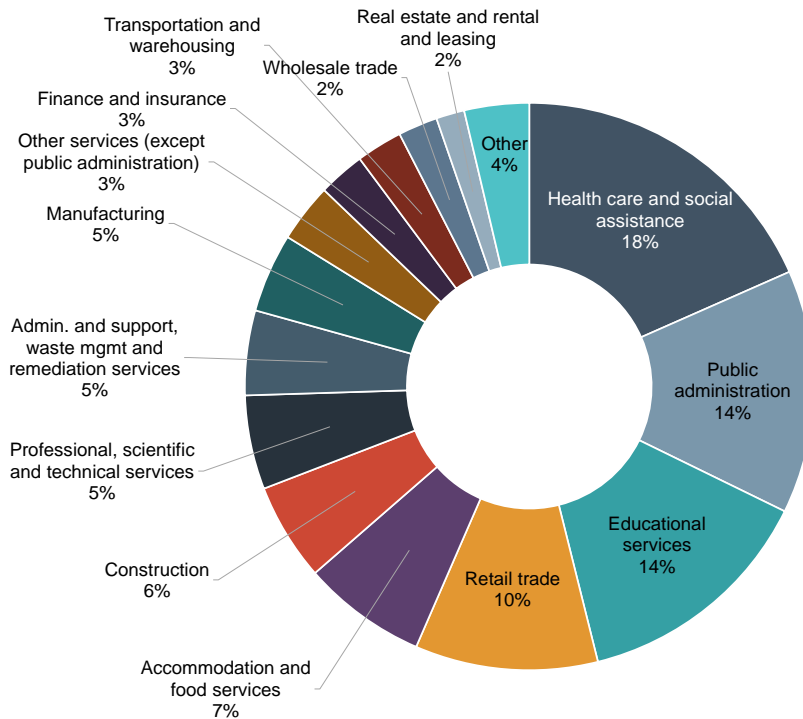
<sup>[20]</sup> Watson & Associates Economists Ltd. Please note that figures may not add precisely due to rounding.

<sup>[21]</sup> Population-related employment includes employment in institutional and commercial sectors such as retail and services that generally serve the local population base; major office employment comprises employment accommodated in free-standing office buildings greater than 1,900 square metres (20,000 square feet); employment lands employment represents jobs accommodated in industrial-type buildings.

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Figure 5  
City of Kingston  
Employment Base by Sector, 2023



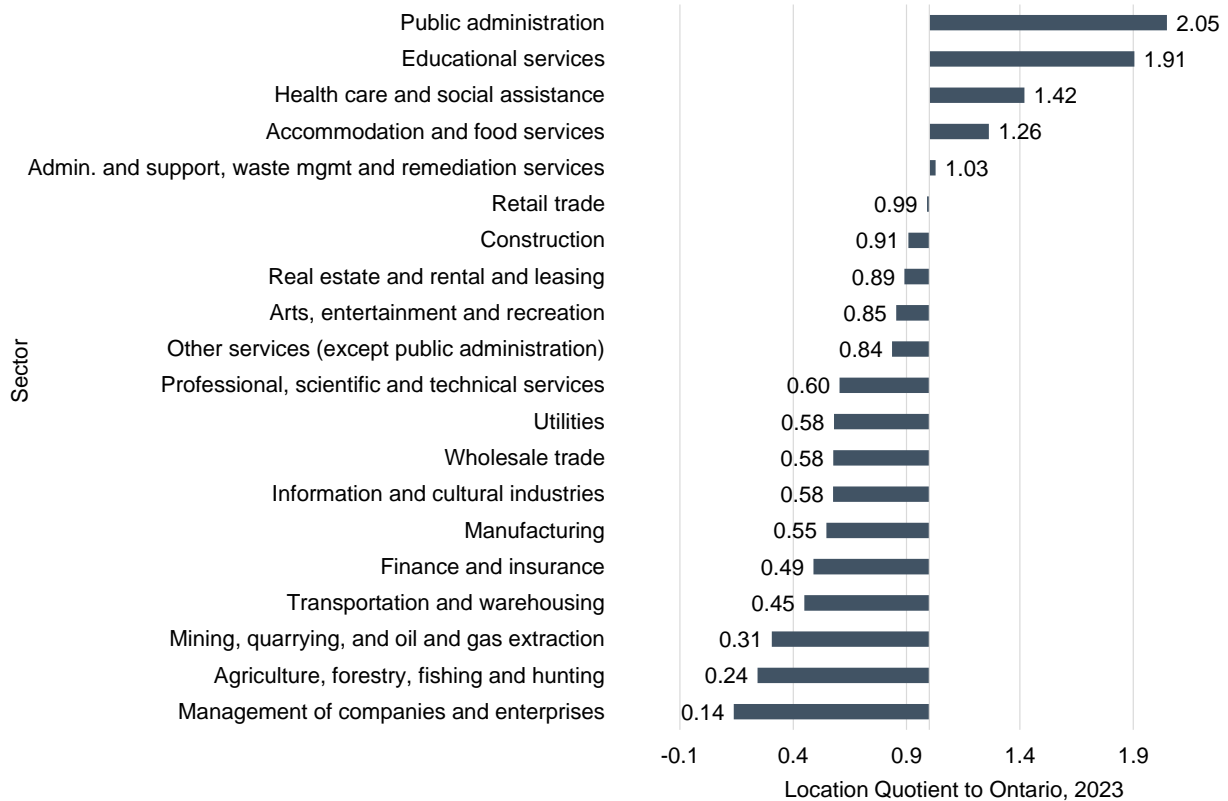
Source: Employment base estimated by Watson & Associates Economists Ltd., 2023

Figure 6 illustrates the strength of employment sectors in the City of Kingston relative to the Province, using Location Quotients.<sup>[22]</sup> As shown, Kingston’s economy is largely oriented towards service sectors including public administration, educational services, health care and social assistance, accommodation and food services, and administrative and support, waste management and remediation services. Kingston has a relatively low concentration of industrial sectors, including transportation and warehousing, manufacturing, wholesale trade, and utilities.

[22] A Location Quotient of 1.0 identifies that the concentration of employment by sector is consistent with the broader employment base average. A Location Quotient of greater than 1.0 identifies that the concentration of employment in a given employment sector is higher than the broader base average, which suggests a relatively high concentration of a particular employment sector or “cluster.”



Figure 6  
City of Kingston  
Location Quotient Relative to Ontario, 2023



Source: Derived from EMSI Inc. data by Watson & Associates Economists Ltd., 2023.

The total employment base for Kingston grew by 12% between 2006 and 2023, increasing from approximately 71,700 to 80,500 jobs, as illustrated in Figure 7. The City’s employment base is estimated to total 80,500 in 2023, having increased by an estimated 5,700 jobs over the 2016 to 2023 period. Over the seven-year period (2016 to 2023), employment growth averaged 1.1% annually, which is marginally higher than the average annual employment growth rate across the Province of Ontario as a whole.<sup>[23] [24]</sup>

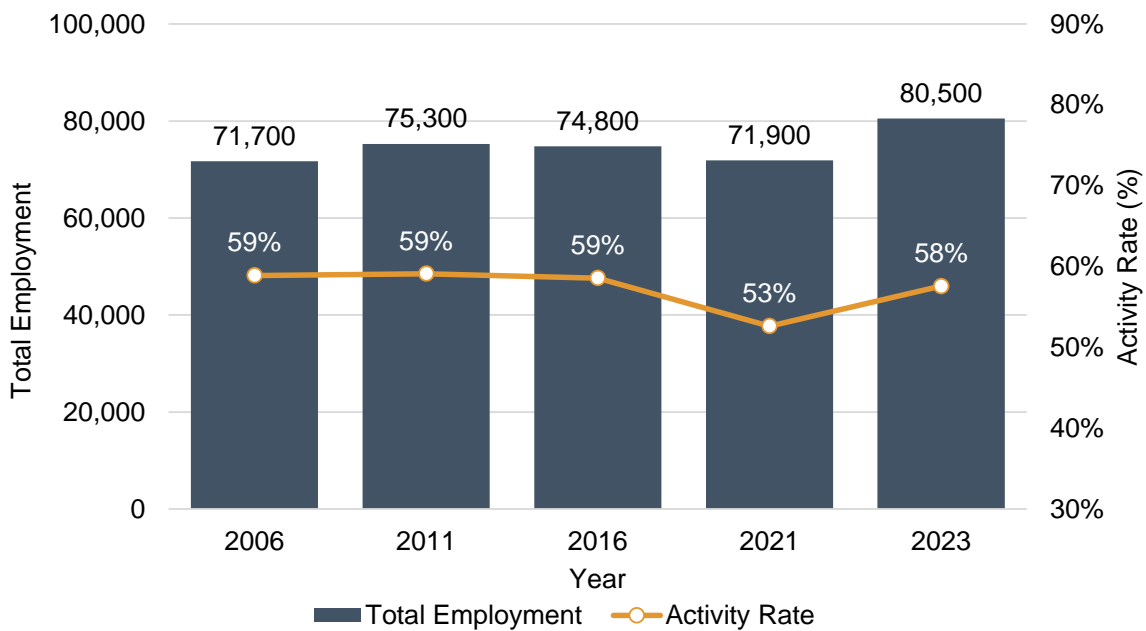
<sup>[23]</sup> Between 2016 and 2023, Ontario’s employment base grew at an annual average rate of 1.0% compared to the City of Kingston, which grew at an annual average rate of 1.1% over the same period.

<sup>[24]</sup> Based on Statistics Canada Census data and EMSI Inc./Ontario Ministry of Agriculture, Food and Rural Affairs employment data.



As illustrated in Figure 7, over the 2006 to 2023 period, Kingston’s employment activity rate (ratio of jobs to population) declined slightly indicating that the local population base increased faster than the local employment base. The City’s activity rate increased from 53% in 2021 to 58% in 2023.

Figure 7  
City of Kingston  
Total Employment, 2006 to 2023



Note: Employment figures include work at home and no fixed place of work. Employment figures have been rounded.

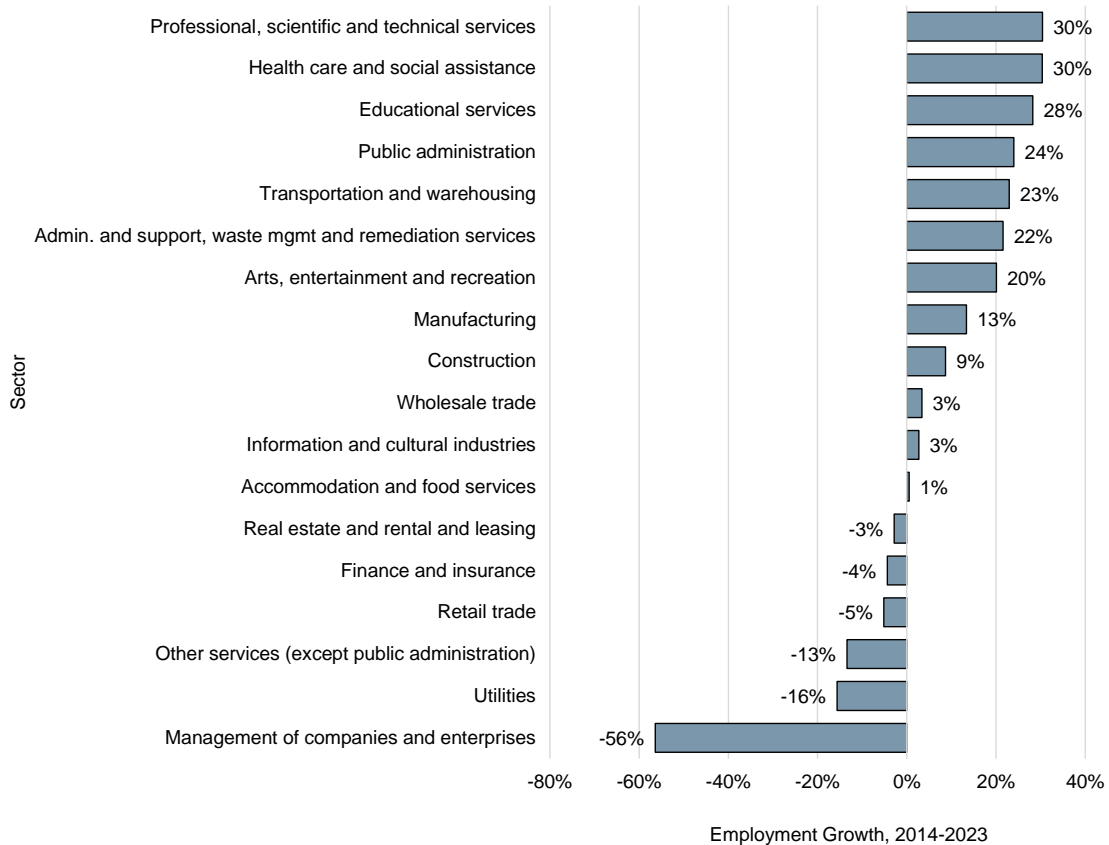
Source: Historical 2006 to 2021 employment figures derived from Statistics Canada Place of Work data. 2023 employment figure estimate by Watson & Associates Economists Ltd. based on EMSI Inc./Ontario Ministry of Agriculture, Food and Rural Affairs employment data.

Figure 8 summarizes employment change by industry sector over the 2014 to 2023 period in the City of Kingston. As shown, the fastest growing employment sectors were primarily in the services-producing sector, including professional, scientific and technical services, health care and social assistance, and educational services. Of the industrial sectors, the transportation and warehousing, administrative and support, waste management and remediation services, manufacturing, and construction sectors demonstrated strong employment growth during this period. In comparison, wholesale trade, information and cultural industries, and accommodation and food services



exhibited more moderate growth, while employment in the management of companies and enterprises, utilities, retail trade, finance and insurance, and real estate and rental and leasing sectors contracted.

Figure 8  
City of Kingston  
Employment Growth by Sector, 2014 to 2023



Note: Employment metrics include both employees and self-employed.  
Source: 2014-2023 data from Ontario Ministry of Agriculture, Food and Rural Affairs, derived by Watson & Associates Economists Ltd., 2023.

### 3.5 Industrial Space Market Indicators

Coinciding with the recent increase in industrial development activity, vacancy rates have declined to relatively low levels. Kingston currently has 30,844 square metres (332,000 square feet) of vacant industrial floor space, representing an industrial



vacancy rate of approximately 3.6%.<sup>[25]</sup> Industrial vacancy has declined significantly since 2014 when it averaged 8.1%.<sup>[26]</sup> Kingston's current industrial vacancy rate indicates that there is limited underutilized building capacity in the industrial market.

### 3.6 Major Office Market

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Kingston is home to approximately 124,000 square metres (1.34 million square feet) of major office space<sup>[27]</sup> with about 77% located within Central Kingston, 12% in Kingston East, and 11% in Kingston West. Of the total major office space in Kingston, 42% is located within Employment Areas.<sup>[28]</sup> Currently, the office vacancy rate in Kingston averages 7%.<sup>[29]</sup>

Since 2014, Kingston's major office inventory expanded by approximately 5,155 square metres (55,500 square feet).<sup>[30]</sup> Of this development, the new building floor space that was accommodated within Employment Areas is comprised of suburban low-rise buildings. Over the past decade, there has not been any new major office development in Kingston.

Office development and the employment sectors they typically accommodate have certain site-specific requirements, including access to skilled labour, proximity to related industry clusters (companies and public institutions such as universities), access to public transit and major highways, access to on-site amenities/services, and proximity to off-site services. These factors can strongly influence business location decisions for both new development and expansions. Within the Kingston context, the relative

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<sup>[25]</sup> Watson & Associates Economists Ltd. estimate, March 2023. Vacant space data based on desktop review of active lease listings from Rogers & Trainor Commercial Realty and Cushman & Wakefield.

<sup>[26]</sup> DTZ Ltd., May 2014.

<sup>[27]</sup> Major office buildings include standalone office buildings 1,860 square metres (20,000 square feet) of G.F.A. or greater.

<sup>[28]</sup> Watson & Associates Economists Ltd. estimate.

<sup>[29]</sup> Watson & Associates Economists Ltd. estimate, March 2023. Vacant space data based on desktop review of active lease listings from Rogers & Trainor Commercial Realty and Cushman & Wakefield.

<sup>[30]</sup> Derived from City of Kingston non-residential building permit data by Watson & Associates Economists Ltd.

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importance of these attributes is evolving, which is impacting office development patterns.

Demand for standalone low-rise office, research and development facilities, flex office, and multi-tenant commercial/industrial space is anticipated to continue to account for a growing share of building gross floor area (G.F.A.). A large portion of demand is anticipated to be driven by growth in knowledge-based employment sectors, including information technology, business services, and professional and technical services such as engineering and environmental services, and research and development. Flex office space has become a major trend across many markets in Canada. 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.

In addition to its broader impacts on the economy, COVID-19 also accelerated changes in work and commerce as a result of technological disruptions which were already taking place prior to the pandemic. Businesses were required to rethink the way they conduct business, with an increased emphasis on remote work enabled by technologies such as virtual private networks, virtual meetings, cloud technology, artificial intelligence and other remote work collaboration tools. These disruptive forces continue to broadly impact the nature of employment by place of work and sector and have a direct influence on office space needs.

### **3.7 Observations**

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Over the planning horizon, Kingston is anticipated to experience continued employment growth, building on development trends experienced over the past decade. A broad range of considerations related to demographics, economics, and socio-economics are anticipated to impact future employment growth trends throughout Kingston over the 2021 to 2051 planning horizon. These factors will not only affect the rate and magnitude of growth but will also influence the form, density, and location of non-residential development and land needs.

For Kingston, the industrial sector represents a significant source of employment and economic development in the City. In the coming years, the City will continue to encounter opportunities and challenges concerning the management and marketability of its Employment Areas, particularly as the City responds to wider industry forces and

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an evolving provincial policy framework. While manufacturing remains vitally important to the provincial economy concerning jobs and economic output, this sector is continually evolving across Ontario. As the economy continues to shift towards knowledge-based sectors, it is important to continue to develop planning policies for accommodating a range of employment uses within the City. Having said that, it is important to recognize the recent provincial policy changes, including the new definition of “area of employment” in the Planning Act (received Royal Assent in June 2023, but has not yet received proclamation) limits the range of employment uses in Employment Areas to primarily industrial uses. As such, it is important that the City plan for an urban structure that provides a range of employment opportunities. It is also noted that P.P.S., 2024 supports this direction with respect to the accommodation of employment outside of Employment Areas to support development of complete communities.

As a result of continuing structural changes occurring in the macro-economy, it is important to recognize that the above-mentioned trends will generate both positive and disruptive economic impacts related to labour force demand, industrial space requirements, and long-term Employment Area land needs. Ultimately, this will continue to influence local planning and economic development initiatives which will be increasingly geared to the knowledge-driven economy.

## 4. Kingston’s Employment Areas Profile

### 4.1 Overview

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Kingston has a large and diverse existing Employment Area land base, comprising a diverse range of permissions, including industrial, heavy industrial, business park, and complementary uses such as commercial, restaurants, and hotels, totalling approximately 720 net hectares (1,780 net acres) of developed land within the City’s urban area. A large share of the lands is in proximity to the Highway 401 corridor in the City’s northwest and northeast urban areas.

The City’s rich history in industrial development is rooted in industrial development that was once focused on the City’s waterfront with water and rail connections. After the Second World War, these locations were largely redeveloped for other uses and during the 1950s and 1960s, Kingston experienced greenfield development with large industrial sites including Alcan (now Novelis) and Dupont Canada (now Invista). In the



1970s, the 1980s, and the 1990s, Kingston experienced strong growth in newer suburban Employment Areas, including the Progress Industrial Area, the Clyde Industrial Area, and the Gardiners Road Industrial Area. In the 2000s, new Employment Areas in the Cataraqi Estates Business Park and the St. Lawrence Business Park were developed. A large share of the City's newer Employment Areas are located in proximity to the Highway 401 corridor.

Kingston is home to five existing areas that are designated Employment Areas, which were originally developed and then sold by the City, These include the Cataraqi Estates Business Park, the Clyde Industrial Park, the Alcan Business Park, the St. Lawrence Business Park, and the Clogg's Road Business Park. Kingston's other areas that are designated Employment Area have been privately developed.



The following provides an overview of Kingston's key Employment Areas:

- **Alcan Business Park** is a small Employment Area located next to the Alcan Industrial Area. The Alcan Business Park is home to jobs in office commercial and government services.



- **Alcan Industrial Area** covers a large geographic area bounded by Princess Street to the south, Sir John A. Macdonald Boulevard to the west, Leroy Grant Drive to the east, and John Counter Boulevard to the north. Most of the lands are designated General Industrial, while the lands along John Counter Boulevard are designated Park Industrial.
- **Airport Industrial Lands** are situated south of the airport terminal, bordered by Front Road to the south, Hampton Gray Gate to the east, and Len Birchall Way to the north. These lands are designated as Business Park Industrial, with the intention of supporting economic activities related to the airport and complementary uses.
- **Cataraqi Estates Business Park** is located immediately east of the Gardiners Road Industrial Area (east of Fortune Crescent) and is bounded by a major hydro easement to the south and Highway 401 to the north. The lands in the business park are a combination of Business Park Industrial and General Industrial zoning, accommodating various types of businesses.
- **Clyde Industrial Park**, previously known as the New Industrial Park, is located between John Counter Boulevard in the south, Division Street in the east, Highway 401 in the north, and Little Cataraqi Creek in the west. The park is home to businesses representing a diverse range of sectors such as construction, wholesale trade, transportation, manufacturing, and professional services.
- **Clogg's Road Business Park** is a planned Employment Area located at the northwest corner of Gardiners Road and Creekford Road, adjacent to the Gardiners Road Industrial Area. These lands fall within the Urban Boundary and are predominantly owned by the City. With their advantageous location, the lands hold significant market potential for prestigious employment purposes.
- **Gardiners Road Industrial Area** is a well-established and expansive industrial zone that offers a range of industrial development opportunities. Its prime geographic location, proximity to Highway 401, and easy access via Gardiners Road make it highly marketable. The area is marketable for a broad range of uses, including wholesale trade, distribution/logistics, warehousing and manufacturing.
- **Innovation Park** is a highly marketable and unique space that caters to knowledge-based sectors focused on technology and research. It includes the Modern Niagara building, a 260,000 sq.ft. recently renovated facility which



accommodates various types of businesses, from start-ups to medium-sized firms, with strong ties to Queen's University.

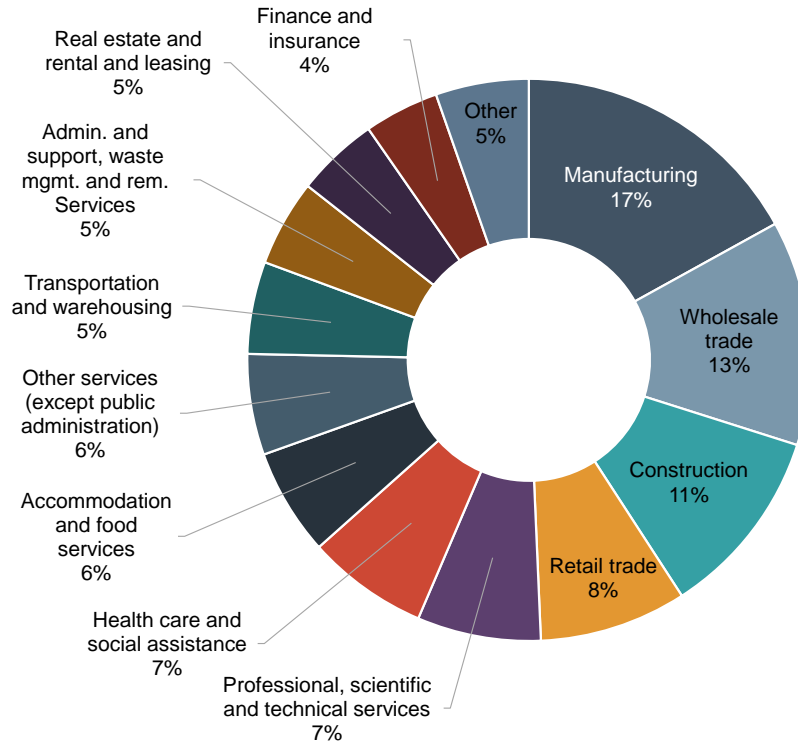
- **Old Industrial Area** is the City's oldest industrial zone, centrally located but with limited ready to develop supply opportunities and restricted access to Highway 401, which hinders industrial development. The area offers limited potential for industrial uses but has opportunities for knowledge-based and office-based sectors.
- **Progress Industrial Area** is bounded by Gardiners Road to the east, the CN rail line to the south, and the west branch of the Little Cataraqui Creek to the west and north. The area is largely built out and accommodates a range of industrial sectors, including construction, manufacturing, wholesale trade, and business and professional services. Most of the lands are designated General Industrial with the exception of lands north of Arlington Park Place which are designated Business Park Industrial.
- **St. Lawrence Business Park** is a highly marketable Employment Area due to its proximity to Highway 401 and the availability of City-owned serviced and ready to develop lands. It has experienced significant industrial development in the past decade and is suitable for various uses, including distribution/logistics, professional, scientific and technical services, business services, and manufacturing.

Employment Area lands within Kingston today accommodate a broad range of industrial uses, including manufacturing, distribution/logistics, construction, and transportation. In recent years, the City's Employment Area lands have accommodated a notable share of complementary commercial (including office) and institutional uses. Major employers located within Kingston Employment Areas include Invista Canada, Novelis, and Canada Royal Milk.

Figure 9 summarizes the share of employment by sector on Employment Area lands in Kingston. The largest sector is manufacturing, which accounts for 17% of the total. This is followed by wholesale trade (13%), construction (11%), retail trade (9%), professional, scientific and technical services (7%), health care and social assistance (7%), accommodation and food services (6%), other services (except public administration) (6%), transportation and warehousing (5%), administrative and support, waste management and remediation services (5%), real estate and rental leasing (5%), and finance and insurance (4%).



Figure 9  
City of Kingston  
Employment on Employment Area Lands by Sector, 2023



Note: Employment metrics reflect businesses with five employees or greater.  
Source: Derived from InfoCanada data by Watson & Associates Economists Ltd., 2023.

Kingston’s Employment Areas, investment readiness, and competitiveness are discussed in further detail in Chapter 5.

## 4.2 Recent Development Activity

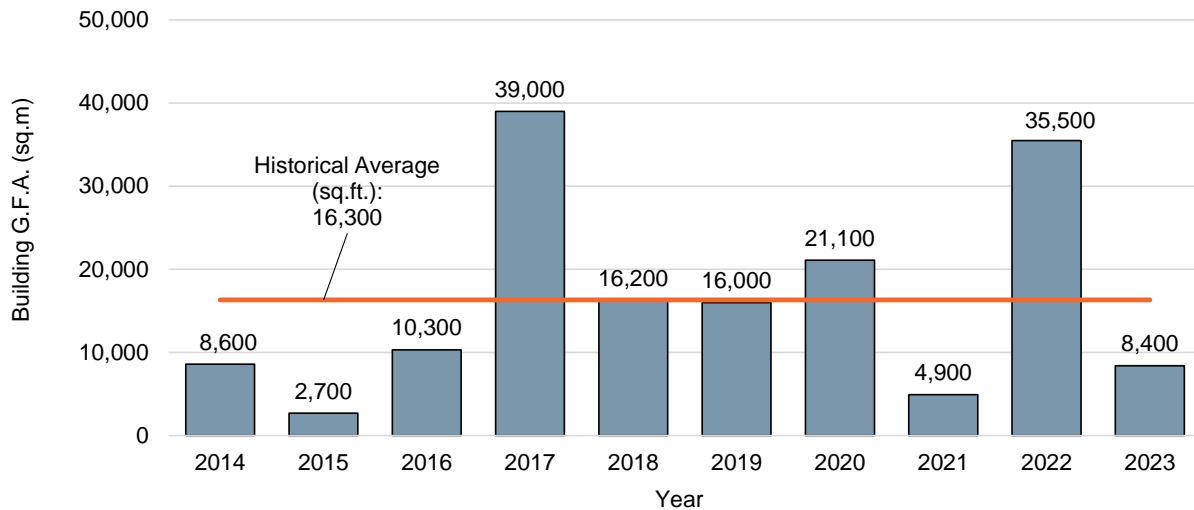
Figure 10 summarizes building construction (new development and expansions) within Kingston’s designated Employment Areas over the 2014 to 2023 period, expressed in building G.F.A. As illustrated, Kingston accommodated an average of 16,300 square metres (175,451 square feet) of development within current designated Employment Area lands annually over the 10-year period, largely comprising industrial space as well as some commercial and institutional building space. Since 2017, development activity has been particularly strong with development activity totalling 141,100 square metres (1.5 million square feet) over the period, an average of 20,100 square metres (277,000



square feet) per year. A large share of this has been associated with new manufacturing-related developments.

Over the 2014 to 2023 period, new construction accounted for 92% of development activity within Employment Areas, compared to 8% for additions/expansions.<sup>[31]</sup> During this period, most of the development activity was accommodated on Employment Area lands sold by the City.

Figure 10  
City of Kingston  
Annual Development Activity on Employment Area Lands, 2014 to 2023



Source: Derived from City of Kingston building permit data by Watson & Associates Economists Ltd., 2024.

An increasing share of development activity on Employment Area lands is in the industrial sector. As illustrated in Figure 11, over the 2016 to 2023 period, 81% of development on Employment Area lands was within the industrial sector. A large share of the recent industrial development is attributed to the development of two large-scale manufacturing facilities. This is compared to 2006 to 2010, and 2011 to 2015, when the share of development within the industrial sector accounted for 49% and 35% of G.F.A., respectively, with non-industrial development, including community recreational

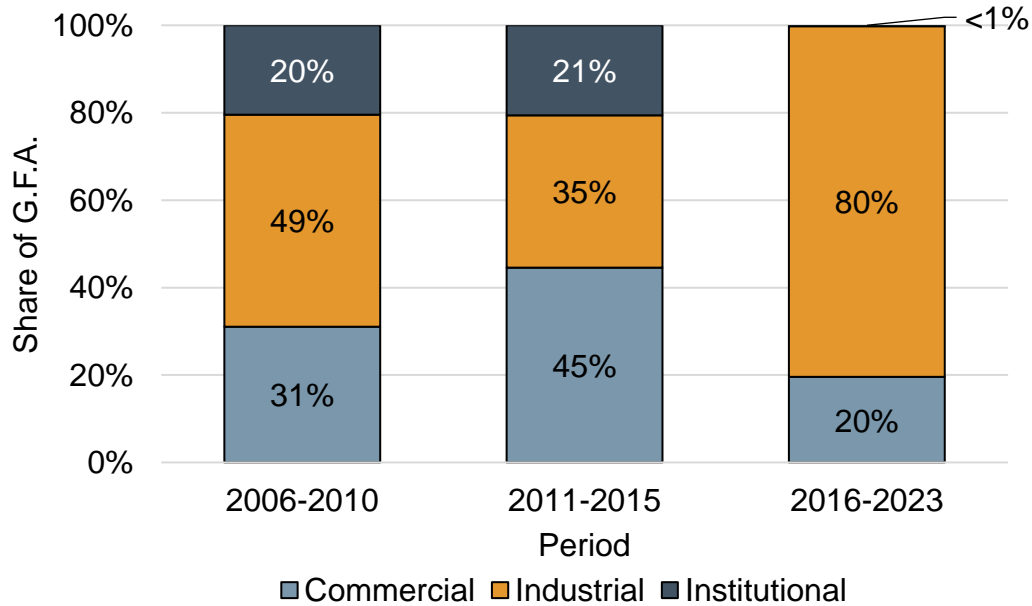
<sup>[31]</sup> Derived from City of Kingston building permit data by Watson & Associates Economists Ltd.





facilities, government buildings, and employment supportive uses representing a relatively large share of development.

Figure 11  
City of Kingston  
Development Activity on Employment Area Lands by Major Sector

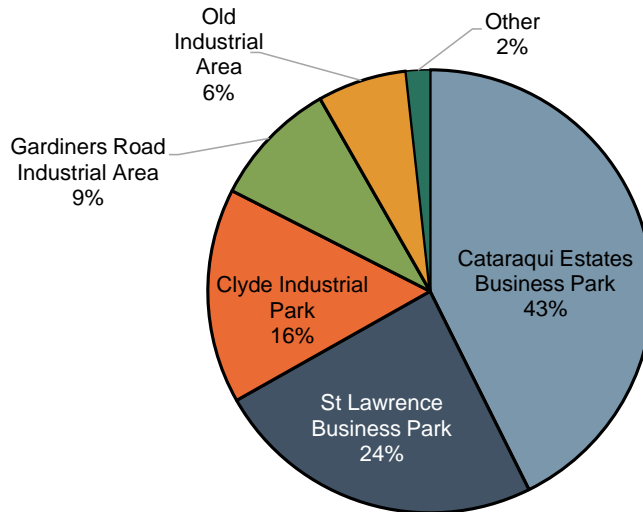


Source: G.F.A. data provided by City of Kingston, derived by Watson & Associates Economists Ltd., 2024.

Over the 2014 to 2023 period, 43% the development within Kingston Employment Area lands was accommodated within the Cataraqui Estates Business Park, followed by 24% in the St. Lawrence Business Park, 16% in the Clyde Industrial Park, 9% in the Gardiners Road Industrial Area, and 6% in the Old Industrial Area, as shown in Figure 12.



Figure 12  
City of Kingston  
Non-Residential Building Permit Activity on Employment Area Lands  
by Industrial/Business Park, 2014 to 2023



Source: Building permit data from City of Kingston, derived by Watson & Associates Economists Ltd., 2024.

### 4.3 Employment Area Land Absorption Trends

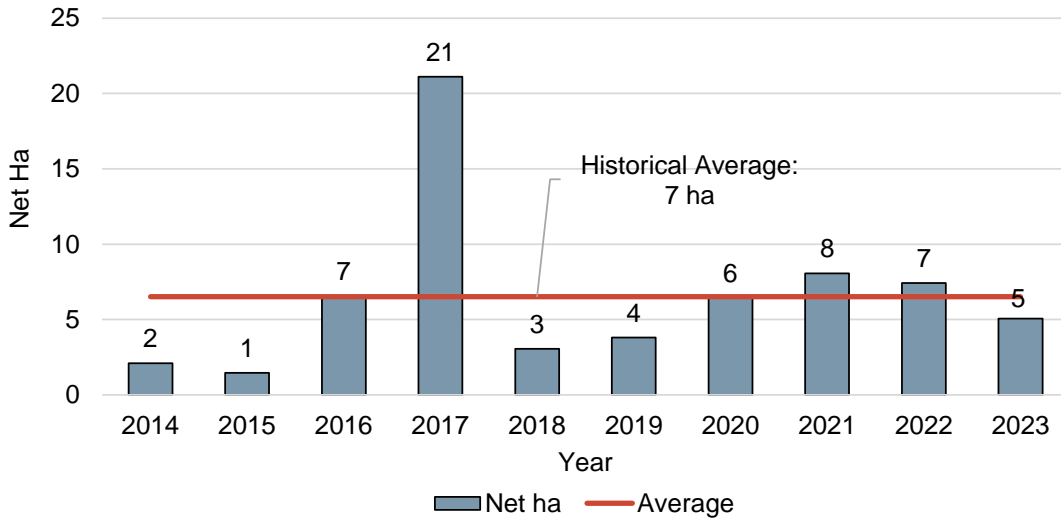
Figure 13 summarizes annual absorption of Employment Area lands within Kingston over the past 10 years (i.e., 2014 to 2023). As illustrated, over the period, Employment Area land absorption levels averaged approximately 7 net hectares (17 net acres) per year.

Over the 2014 to 2023 period, a total of 65 hectares (161 acres) of Employment Area lands were absorbed in Kingston. Over this period, most of the land absorption was in the Cataraqui Estates Business Park (51%), the St. Lawrence Business Park (28%), the Clyde Industrial Park (10%), and the Gardiners Road Industrial Area (7%), as illustrated in Figure 14.



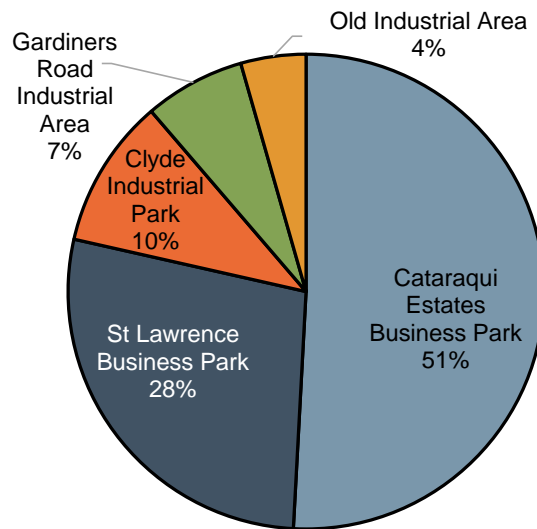


Figure 13  
City of Kingston  
Annual Employment Area Lands Absorption (net hectares), 2014 to 2023



Source: Watson & Associates Economists Ltd., 2024.

Figure 14  
City of Kingston  
Absorbed Employment Area Lands by Employment Area, 2014 to 2023

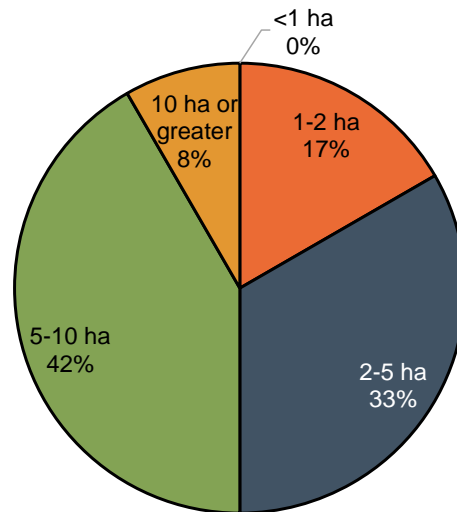


Source: Watson & Associates Economists Ltd., 2023.



Employment land absorption over the 2014 to 2023 period comprised a broad range of parcel sizes. Approximately half (42%) the land absorbed over the period consisted of parcels between 5 and 10 net hectares (12.4 to 24.7 net acres) in size, as summarized in Figure 15. Meanwhile, parcels from 2 to 5 net hectares (4.9 to 12.4 net acres) in sizes accounted for 33% of the total. Smaller parcels (less than 2 net hectares) and larger parcels (greater than 10 net hectares) accounted for 17% and 8% of absorbed parcels, respectively.

Figure 15  
City of Kingston  
Employment Area Lands Absorbed by Parcel Size, 2014 to 2023

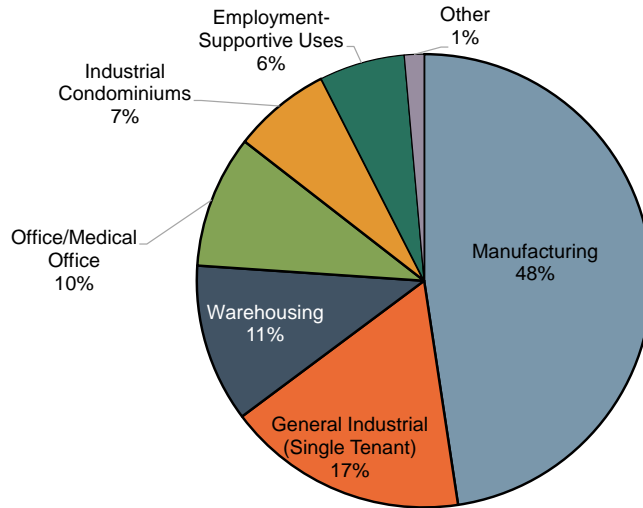


Source: City of Kingston data, derived by Watson & Associates Economists Ltd., 2024.

Figure 16 identifies the types of uses that were accommodated on absorbed Employment Area lands between 2014 and 2023. As shown, 48% accommodated manufacturing facilities. Other key sectors accommodated include general industrial, warehousing, multi-tenant industrial condominiums, and employment-supportive uses.



Figure 16  
City of Kingston  
Employment Area Lands Absorbed by Use, 2014 to 2023



Source: Derived from the City of Kingston's data by Watson & Associates Economists Ltd., 2024.

Over the 2014 to 2023 period, City-owned Employment Area lands accounted for approximately three-quarters (77%) of total Employment Area lands absorbed in Kingston.<sup>[32]</sup> It is important to note that recently sold City-owned Employment Area lands are only identified as absorbed when building permits for new construction are issued.

### Employment Density and Floor Space Index

Figure 17 summarizes the average floor space index and floor space per worker on Employment Area lands absorbed within Employment Areas between 2014 and 2022. During this period, the floor space index averaged 35% and the floor space per worker on Employment Area lands averaged approximately 176 square metres (1,894 square feet) per employee. Based on these metrics, calculated employment density on absorbed Employment Area lands is estimated to be 20 jobs per net hectare (49 jobs per net acre).

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<sup>[32]</sup> Watson & Associates Economists Ltd., 2024.



The highest employment densities are typically found in multi-tenant industrial buildings, standalone office development, and employment-supportive uses, while distribution/logistics, transportation and warehousing, manufacturing, and single-tenant industrial buildings tend to have lower employment densities.

Figure 17  
City of Kingston  
Employment Area Lands Absorption Density of Development, 2014 to 2022

Employment Area Lands Absorption Density	
Floor Space Index <sup>[1]</sup>	0.35
Floor Space per Worker (square metres) <sup>[2]</sup>	176
Employment Density (jobs per net hectare)	20

<sup>[1]</sup> Derived from building permit data and characteristics of buildings located on urban Employment Area lands absorbed over the 2014 to 2022 period.

<sup>[2]</sup> Derived from 2023 InfoCanada Business Directory data and employment data provided by Kingston Economic Development, a review of businesses operating on absorbed Employment Area lands, and available data on total employment and business floor space.

Source: Watson & Associates Economists Ltd., 2023.

## 4.4 Municipal Role in Employment Area Lands Development

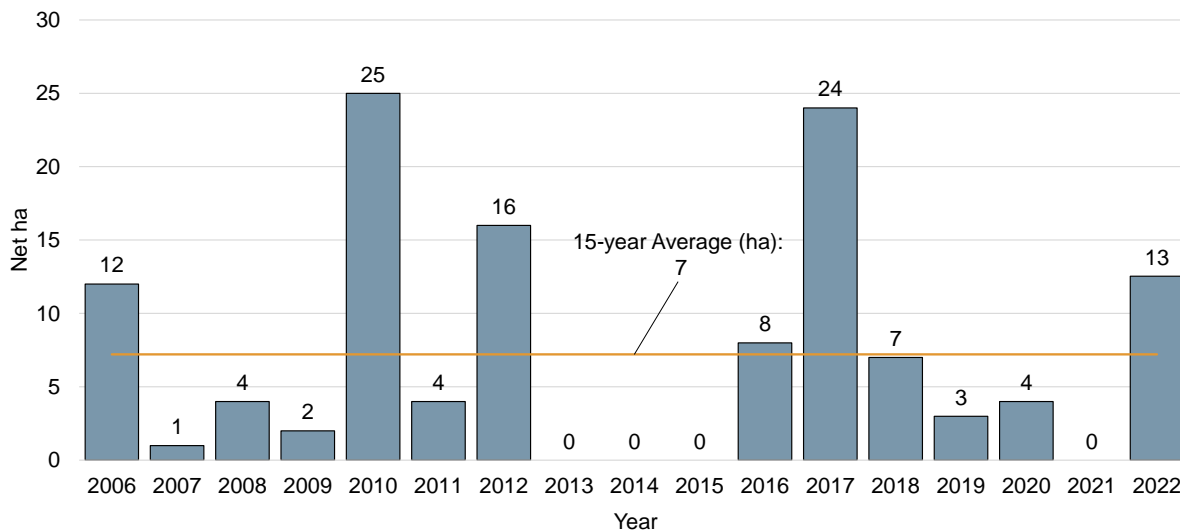
Kingston has a strong and successful history of municipal Employment Area land development. The City, through its Business, Real Estate & Environment Department, continues to be a key Employment Area land developer in Kingston, assembling and servicing land. The City is responsible for subdivision design, infrastructure development, and land sales. The City guides development through subdivision phasing and sells land parcels to private developers and individuals as demand warrants.

Over the past two decades, the City of Kingston has developed a number of key Employment Areas, including Cataraqui Estates Business Park, Clyde Industrial Park, Alcan Business Park, St. Lawrence Business Park, and Clogg’s Road Business Park.

Figure 18 illustrates the City’s Employment Area land sales between 2006 and 2022. Over the period, land sales averaged 7 net hectares (17 net acres) per year.



Figure 18  
Employment Area Land Sales (Net hectares), 2006 to 2022



Source: City of Kingston sales data, derived by Watson & Associates Economists Ltd., 2023.

#### 4.4.1 Trends in Municipal Employment Land Development

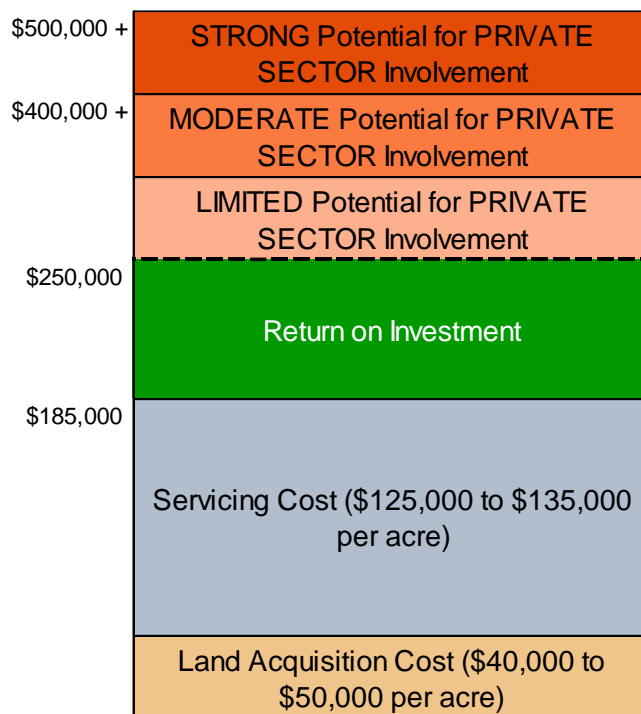
In recent decades, most industrial/business parks in Ontario within municipalities outside of the Greater Toronto Area and the City of Ottawa area have been municipally developed. Examples of communities that have had active municipal land development include Barrie, Belleville, Brantford, Cornwall, Quinte West, London, and Peterborough. Similarly, the City of Kingston has a strong and successful history of municipal Employment Area land development.

Relatively low land prices and slower rates of development activity in these communities compared to the Greater Toronto Area create difficulties in attracting and sustaining private-sector development of Employment Area lands. The relatively low market price of serviced 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. Under these circumstances, many municipalities take a proactive approach and develop municipal industrial/business parks, investing municipal dollars to buy, subdivide, and fully service the land. Recouping municipally funded servicing costs (in full or in part) occurs through land sales to end users who then develop the parcels.



Figure 19 illustrates the cost components to servicing land, the potential return on investment, and the corresponding market price of land required to sustain the private-sector development market. As noted in the previous subsection, servicing land is a costly undertaking, typically averaging between \$125,000 and \$135,000 per acre. Factoring in the cost of land acquisition (typically between \$40,000 and \$50,000 per acre), the total cost of serviced land can easily exceed \$185,000 per acre. To allow for a minimum return on investment, the market value of serviced land typically must be more than \$250,000 to \$300,000. The potential for private-sector development above this point increases with the market value of serviced land. Most communities in Eastern and Southwestern Ontario, including Kingston, have serviced land market values below \$250,000.

Figure 19  
Private-Sector Employment Land Development Profitability Threshold



Source: Watson & Associates Economists Ltd., 2024.

The relatively high threshold point for the private sector is driven by the differing cost/benefit methods and expectations regarding return on investment. The private sector typically only includes the revenue of the sale of the serviced land in its return-on-investment analysis. This is unlike the municipality which factors in not only the revenue generated from the sale of the serviced land, but also the potential employment, tax



assessment, and development charge revenue generated from the proposed development. This fundamental difference in approach can have a significant impact in terms of expected return on investment (revenue from sale of serviced land less costs).

#### ***4.4.2 Anticipated Role for Municipal Employment Area Land Development in Kingston***

The City of Kingston has continued to be the main participant in Employment Area land development in Kingston over the past decade. Employment land prices in Kingston are approximately at the \$200,000 per acre threshold where markets can sustain a limited degree of private-sector development. Having said that, experience in other markets with a similar price point for land suggests that municipal-led Employment Area land development is still necessary to provide for sufficient market choice.

To achieve its economic and planning objectives and to address future Employment Area land needs over the coming decades, the role of the City in municipal Employment Area land development is expected to be needed for the foreseeable future.

Municipal Employment Area land development offers a number of advantages for Kingston. Municipal development of Employment Area lands tends to provide stronger control over the type and appearance of development that can be more consistent and supportive of municipal strategy and other policy directions. Furthermore, under municipal development, the control of Employment Area phasing/timing can be based on municipal-wide Employment Area land needs (as identified herein) as opposed to being market driven and dependent on private-sector interests.

Municipalities are often more receptive to developing more difficult and problematic lands than the private sector. Municipal land development, however, requires extensive financial resources and exposes a municipality to financial and market risk.

### **4.5 Employment Area Lands Inventory**

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One of the most critical aspects related to the economic competitiveness of Kingston is the marketability and availability of its Employment Area 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.



#### **4.5.1 Vacant Urban Designated Employment Area Lands**

Building on the inventory of vacant Employment Area land data prepared for the 2015 Employment Land Strategy Review, the Consultant Team reviewed all parcels designated for employment uses within the urban area. Kingston's vacant Employment Area land inventory was developed using geographic information system-based mapping software with various mapping overlays, including O.P. designation layers and orthophotos. Furthermore, a windshield survey of the Employment Areas was completed to refine the analysis.

Figure 20 summarizes the total gross and net vacant designated Employment Area lands in Kingston (as of end of year 2023) by Employment Area.<sup>[33]</sup> As illustrated, Kingston has a total of 272 gross hectares (672 gross acres) of vacant designated Employment Area land. The gross land area reflects reductions for environmental features identified as Environmental Protection Area in the City's O.P. and Zoning By-law.

In determining the net Employment Area lands, larger vacant parcels (i.e., 4 hectares 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 Area lands are estimated at 237 net hectares (586 net acres).

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<sup>[33]</sup> 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 O.P.





Figure 20  
City of Kingston  
Vacant Designated Employment Area Lands (hectares), (end of year 2023)

Employment Area	Total Gross Vacant <sup>[1]</sup>	Adjustment for Roads and Other Internal Infrastructure <sup>[2]</sup>	Net Vacant Employment Area Lands
	A	B	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
Cataraqi Estates Business Park	47.3	6.5	40.8
Clyde Industrial Park	40.6	5.8	34.8
Clogg's Road Business Park	47.3	9.3	38.0
Gardiners Road Industrial Area	41.8	2.1	39.7
Innovation Park	19.5	3.9	15.6
Old Industrial Area	20.0	3.5	16.5
Progress Industrial Area	6.8	0.0	6.8
St. Lawrence Business Park	17.3	0.0	17.3
Other	10.2	1.6	8.6
<b>Total (hectares)</b>	<b>272</b>	<b>35</b>	<b>237</b>

Note: Numbers may not add due to rounding.

<sup>[1]</sup> Reflects environmental takeouts.

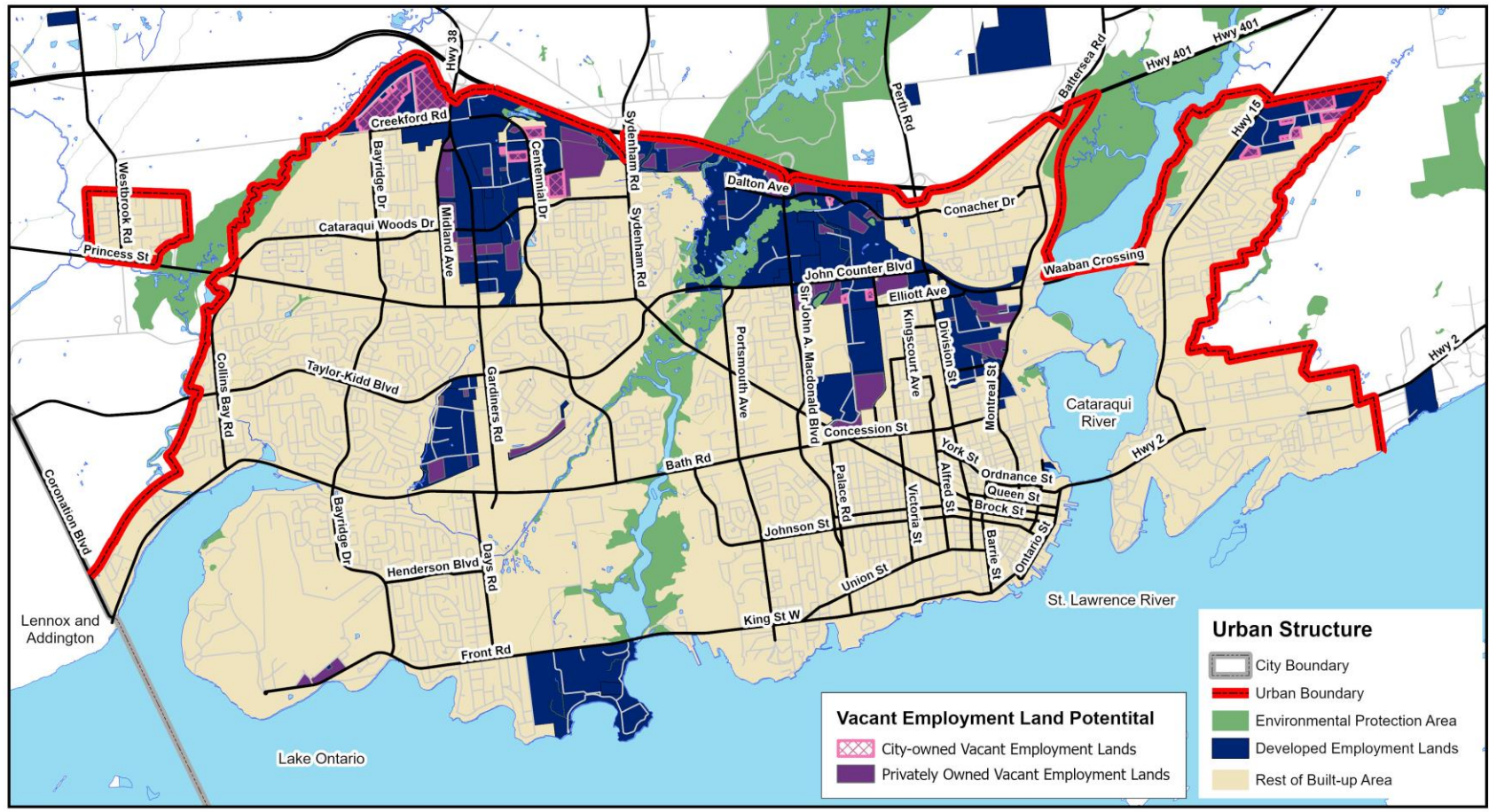
<sup>[2]</sup> A downward adjustment of 20% of the gross area has been applied to account for internal infrastructure on unsubdivided parcels typically greater than 4 acres.

Source: Watson & Associates Economists Ltd., 2024.

Figure 21 illustrates the vacant designated and developed Employment Area lands in Kingston.



Figure 21  
City of Kingston  
Designated Vacant Employment Area Lands





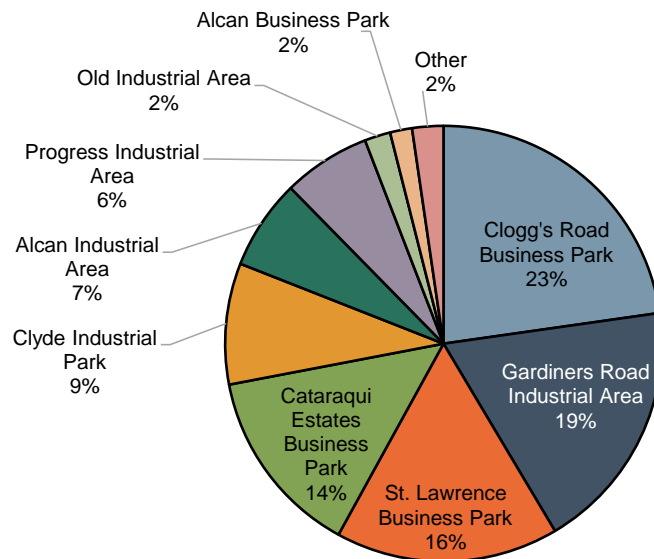
#### 4.5.2 Serviced and Ready to Develop Employment Land Supply

As previously stated, market choice of serviced and ready to develop Employment Area lands and the potential for future expansion are key factors in the industrial site selection process. Based on a further review of the 237 net hectares (586 net acres) of vacant designated urban Employment Area lands identified in

Figure 20, it was determined that Kingston has 105 net hectares (259 net acres) of urban Employment Area land, which are serviced and ready to develop, comprising both City-owned and privately owned lands.

Figure 22 summarizes the share of serviced and ready to develop Employment Area land by location. As illustrated, approximately one-fifth (23%) of available serviced and ready to develop Employment Area land is in the Clogg's Road Business Park, 19% is in the Gardiners Road Industrial Area, 16% is in the St. Lawrence Business Park, and 14% is in the Cataraqui Estates Business Park.

Figure 22  
City of Kingston  
Serviced and Ready to Develop Employment Area Lands by Location



Source: Watson & Associates Economists Ltd., 2024.



Figure 23 summarizes the share of serviced and ready to develop Employment Area land parcels, by parcel size. As shown, vacant serviced and ready to develop sites of less than 2 net hectares (5 net acres) represent 73% of the total parcels available for development. In terms of medium- and larger-sized parcels, those measuring 2 to 5 net hectares (5 to 10 net acres) account for 17% of the supply of vacant serviced and ready to develop parcels, while sites measuring 5 to 10 net hectares (12.5 to 25 net acres) account for 8% of the supply. Kingston currently has one serviced and ready to develop site greater than 10 net hectares (25 acres) which accounts for 2% of the total supply of vacant serviced and ready to develop parcels in Kingston. Kingston’s current serviced and ready to develop supply is approximately 20% lower than in 2015 with a limited supply of larger sites.

Figure 23  
City of Kingston  
Serviced and Ready to Develop Employment Area Lands by Parcel Size

Parcel Size (Net hectares)	Parcels (#)	Share of Parcels (%)
<1 hectares	29	56%
1-2 hectares	9	17%
2-5 hectares	9	17%
5-10 hectares	4	8%
10+ hectares	1	2%
<b>Total</b>	<b>52</b>	<b>100%</b>

Note: Percentages may not add due to rounding.  
Source: Watson & Associates Economists Ltd., 2024.

### 4.5.3 Vacant Employment Area Lands by Ownership

Figure 24 summarizes Kingston’s total vacant designated Employment Area land supply and serviced and ready to develop Employment Area lands by ownership. As shown, approximately 30% of the vacant designated Employment Area land (71 net hectares or 175 net acres) is owned by the City. Most of the City-owned lands are located in the Clogg’s Road Business Park, the St. Lawrence Business Park, and the Catarauqui Estates Business Park. The remaining 166 net hectares (410 net acres) are privately owned lands located throughout Kingston. Of Kingston’s serviced and ready to develop



Employment Area lands, 57 net hectares (140 net acres) are City-owned, accounting for 54% of the total. Most of the City-owned serviced and ready to develop lands are sold pending site plan approval with only three parcels, totalling 23 net hectares, available for sale.

Figure 24  
City of Kingston  
Vacant Employment Area Lands by Ownership

Employment Area Lands	City Owned (net hectares)	Privately Owned (net hectares)	Total (net hectares)	City Owned (%)	Privately Owned (%)	Total (%)
Vacant Designated Employment Area Lands	71	166	237	30%	70%	100%
Serviced and ready to develop Employment Area Lands	57	48	105	54%	46%	100%

Source: Watson & Associates Economists Ltd., 2024.

While the overall availability of serviced and ready to develop, vacant Employment Area 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. As previously discussed, The City of Kingston has been the primary source of serviced and ready to develop Employment Area land through its municipal employment and development program. The City’s inventory of municipal Employment Area lands has diminished significantly since 2014 due to strong development activity.

#### **4.5.4 Underutilized Employment Area Lands**

It is anticipated that a share of future employment growth within Kingston may be accommodated within existing developed Employment Areas. Based on a desktop review, the Consultant Team has identified underutilized sites based primarily on building coverage/floor space index. Sites with a low coverage/floor space index or that are poorly utilized (i.e., used primarily for storage, parking, etc.) have been further reviewed based on a site-by-site physical capacity analysis. Understanding the market





potential for intensification on Employment Area lands is an important element of this assignment. Accordingly, key Employment Areas identified for intensification have been assessed from a market demand perspective using a number of broad parameters, including physical, economic, and transportation/access factors.

Intensification can take a number of forms, including development of underutilized lots (infill), expansion (horizontal or vertical) of existing buildings, and redevelopment of sites. Given the large number of established Employment Areas in Kingston, opportunities for intensification exist. While it is beyond the scope of this assignment to undertake an Employment Area intensification study, a high-level review to assess the share of underutilized sites has been provided to determine supply potential for intensification.

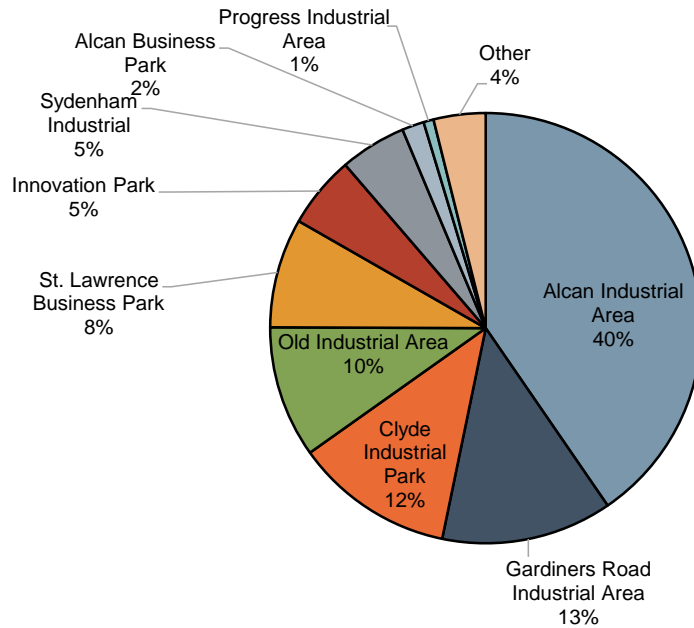
Intensification offers the potential to accommodate future employment growth and achieve improved land utilization resulting in higher employment density on developed Employment Area lands. Higher land utilization on existing Employment Area lands can also lead to more effective use of existing infrastructure (e.g., roads, water/sewer servicing), a built form that is more conducive to support public transit, resulting in communities that are more functional and complete. Through a high-level desktop review using the developed Employment Area land parcel inventory, building footprints, and orthophoto overlays, 153 hectares (377 acres) of Kingston's developed Employment Area lands were identified as underutilized. This reflects parcels that have:

- Sites that are currently used exclusively for open storage and/or parking;
- Parcels with relatively low building coverage (less than 10%); and
- Vacant buildings.

The underutilized parcels account for approximately one-fifth of the total developed Employment Area land base in Kingston. The highest share of underutilized lands is in the Alcan Industrial Area which accounts for 40% of the total underutilized Employment Area lands in Kingston.



Figure 25  
City of Kingston  
Underutilized Lands by Employment Area



Source: Watson & Associates Economists Ltd., 2024.

Redevelopment activity has been limited and most of the recent activity has been related to expansion activity of existing businesses. Infill and redevelopment of existing developed lands are expected to continue to gradually increase over time, largely driven by rising Employment Area land values and related development costs, and the continued buildout of Kingston’s Employment Area lands, especially in the most marketable locations.

## 4.6 Rural Employment Area Lands

Rural Employment Areas typically accommodate businesses such as the construction industry (i.e., lay-down yards), trucking terminals, equipment rentals/sales, agri-business, as well as the manufacturing of construction products such as concrete. Rural Employment Areas provide opportunities that may not be easily accommodated in an urban setting.



Kingston has approximately 250 hectares (617 acres) of developed rural industrial lands located outside the Urban Boundary. This includes lands designated Rural Industrial and Waste Management Industrial in the City's O.P. Kingston has approximately 75 hectares (185 acres) of vacant land designated Rural Industrial. The rural industrial lands are privately serviced, which limits their utilization and the uses that can be accommodated. Most of the vacant designated rural industrial lands are located on Highway 15 just north of Highway 401.

## 4.7 Observations

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Kingston has a relatively large, stable, and diverse supply of Employment Area lands which has evolved significantly over the past decade with respect to the mix of uses and location of new development. Kingston has experienced strong employment growth and development activity over the past decade within its City-owned Employment Areas.

A major factor influencing the future competitiveness of the City's economic base relates to the structure, quality, and "readiness" of its Employment Area lands. Market choice of serviced and ready to develop Employment Area lands and the potential for future expansion are key factors in the industrial site selection process. To remain competitive, the City of Kingston needs to provide a balanced inventory of appropriately zoned, serviced and ready to develop, vacant Employment Area lands that is sufficient to meet market demand in the short to medium term.

This involves providing a readily available and serviced Employment Area 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 Area 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 Area land development in Kingston. Furthermore, 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 Area lands in Kingston to ensure sufficient market choice to meet forecast demand.





## 5. Investment Readiness and Competitiveness

Kingston faces several opportunities and challenges concerning the management and growth of its existing and future Employment Areas in light of the evolving structural changes in the economy and disruptive factors that continue to influence the nature of the economy. One of these challenges relates to macro-economic trends over which the City has limited control. This includes the relative strength of the global economy, international trade policy, and the competitiveness of the Canadian economic base relative to other established and emerging global markets. In contrast to the above, Kingston has considerable control and ability to position itself positively when considering the City's regional competitive ranking. The following provides an assessment of Kingston's municipal competitiveness with respect to Employment Area lands development and a Strengths, Weaknesses, Opportunities, and Challenges (SWOC) analysis of the City's key Employment Areas.

### 5.1 Comparative Analysis

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Notwithstanding Kingston's regional location attributes, the City is located in proximity to a number of municipalities along the Highway 401 corridor in Eastern Ontario with which it competes directly for business attraction and retention. Each of these municipalities offers regional attributes that generally appeal to prospective international, national, and local firms.

In the highly competitive regional market, there are a number of comparable municipalities with which the City of Kingston competes for "export-based" business attraction and retention. Kingston's most immediate competition within the industrial sector includes Belleville, Quinte West, and Cornwall.

There are a number of broad comparative factors that companies in most economic sectors will look at when considering location decisions and evaluating the competitiveness of a location. This includes:

- **Labour force**, including population characteristics, employment/unemployment rates, availability of skilled and unskilled labour, and labour management relations;



- **Local industry**, including largest employers, recent projects and new companies, presence of suppliers and supply chain connections, and existing corporate research base;
- **Transportation and distribution**, including proximity to current/future markets, proximity to suppliers, proximity to major infrastructure (road, rail, air, water), and third-party trucking/logistics availability and capacity;
- **Development and costs**, including local, regional, provincial, and federal tax rates, and including the availability and cost of electricity, natural gas, water/sewer, and telecommunications services, including industrial/commercial building availability and cost, and serviced industrial/commercial land availability and cost;
- **Business support environment**, including the availability of and connections to business financing, provincial and local incentives, and international resources, as well as the presence of local chambers of commerce and business associations, post-secondary programs and research capacity, and local employment and training services; and
- **Quality of place**, including the availability of health care, recreation and culture, and housing, and positive external perceptions.

These factors are explored herein.

### **5.1.1 Labour Force Characteristics**

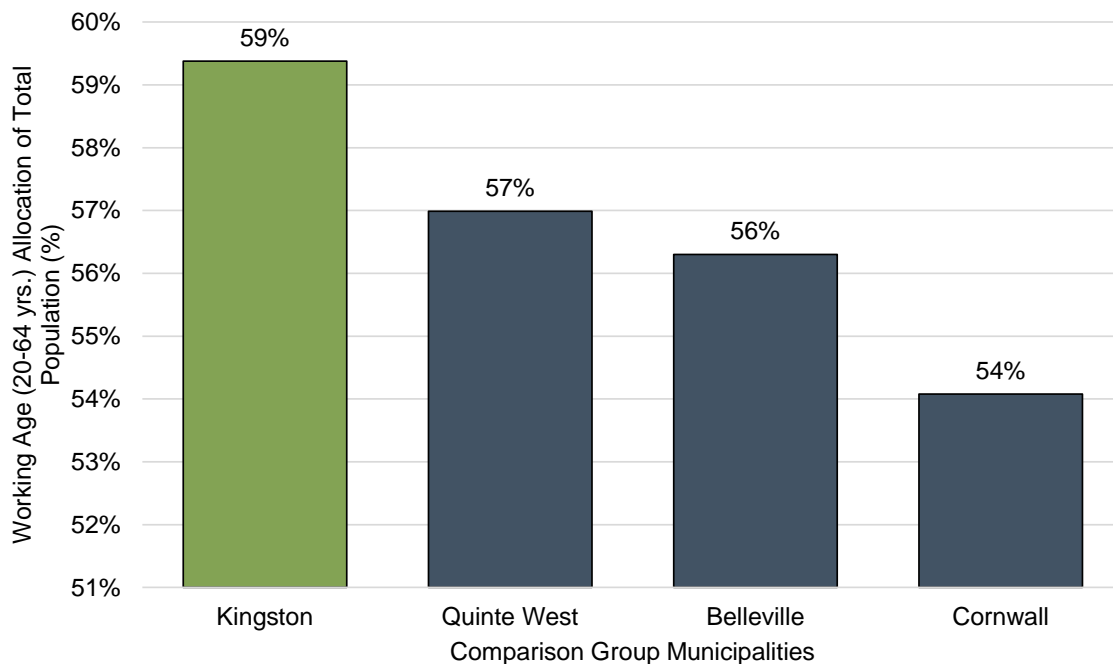
The availability of a local skilled labour force is an increasingly important location factor in the “new economy.” Having a labour force that meets the needs and demands of current and future businesses is essential to the competitiveness of a community or region in attracting industry and job creators. When the labour force does not meet the demands of business and industry, it becomes difficult for a business to either continue operations at present capacity or expand to meet new opportunities.

Having an understanding of the composition and characteristics of a community’s labour force is necessary in determining competitiveness. Competitiveness in labour force and employment characteristics is typically assessed based on both demographic and economic indicators, which are meant to provide insight into the existing ability of the labour force to meet demand, and the emerging trends in terms of growth and skills that will influence competitiveness on a longer-term basis.



Figure 26 summarizes the proportion of the population that is of working age (20 to 64 years of age) in Kingston and by select municipality. Amongst the comparative group, the City of Kingston had the highest proportion of population that is considered of working age, at approximately 59%. In contrast, the lowest allocation of working age population was recorded in the City of Cornwall, which exhibited an allocation of approximately 54%. The Cities of Belleville and Quinte West are also on the lower end of the comparable group population allocations, with approximately 56% and 57%, respectively.

Figure 26  
Working Age Population within Kingston and Select Municipalities, 2021



Note: Numbers have been rounded.

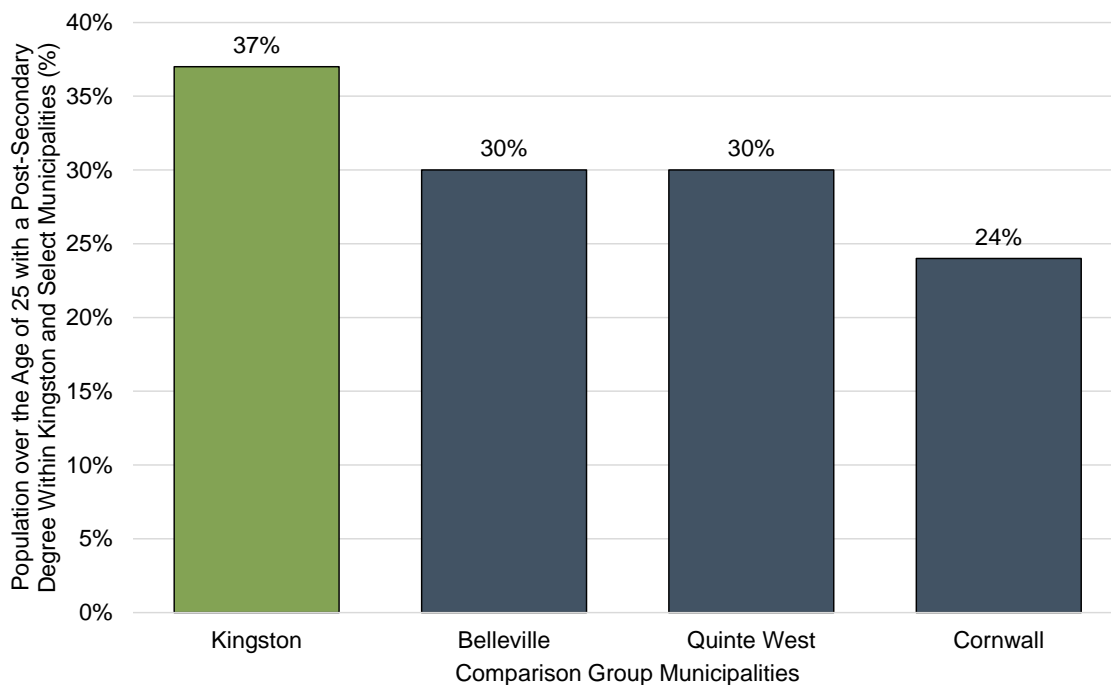
Source: Derived from 2021 Statistics Canada Census data by Watson & Associates Economists Ltd.

Figure 27 summarizes the proportion of the population aged 25 years and older in Kingston and the surveyed municipalities that has a post-secondary degree, including a university or college degree or diploma. As shown, 37% of the City of Kingston’s population aged 25 and older has a post-secondary degree, which is notably higher than the comparison group average of approximately 30%. The Cities of Belleville and



Quinte West both had allocation rates that were equivalent to the comparison group average, both exhibiting approximately 30% of their 25-years-or-older population. The City of Cornwall subsequently had the lowest post-secondary graduates amongst its working age population, with an approximate allocation of only 24% for those aged 25 years and older within the municipality.

Figure 27  
Population over the Age of 25 with a Post-Secondary Degree  
Within Kingston and Select Municipalities



Source: Derived from 2021 Statistics Canada Census data by Watson & Associates Economists Ltd.

### 5.1.2 *Transportation and Distribution*

An efficient, dependable transportation and distribution network is an increasingly critical factor in location decisions for more industrial-oriented sectors of the economy. A strong transportation network offers companies access to the raw and semi-finished materials they need, while ensuring access to markets in close proximity and abroad. This translates into lower costs for businesses as well.



In general, the competitiveness of a community based on its transportation and distribution assets can be distilled down to a few factors, such as access to major highways, distance to key markets, proximity to water ports of exit, proximity to intermodal facilities, and proximity to air travel.

The City of Kingston is located approximately 260 kilometres east of Toronto, 290 kilometres west of Montreal, and 175 kilometres southwest of the City of Ottawa. This thereby makes Kingston the geographic midpoint between the country's two largest cities, in addition to an equivalent half-trip's distance to the national capital, one of the next largest Canadian population centers. The City of Kingston is also immediately adjacent to the New York stretch of the Canada/U.S. border, with additional large American cities such as Syracuse, Rochester, and Albany all within relatively close proximity.

Besides several nearby military facilities, there exists one major air-entry into the City: the Norman Rogers Airport or YGK Airport. The airport is the largest in the immediate area that pre-pandemic serviced any significant volume of commercial flights into the region. It has experienced disruptions to its passenger routes into both Montreal and Toronto, the only two major cities to which it has offered passenger travel, alongside the still active air-cargo route that flies into Hamilton and medical transport flights that come in from Montreal.

There is a passenger rail station that is operated by VIA in the north-end of Kingston, where many industrial sites exist that are individually serviced by separate railway tracks primarily utilized for cargo and freight. Both express and regular train services are offered daily by VIA, with passenger trains going in both the eastward and westward directions.

The region has historically been serviced by Highway 401, with this route being the primary road-based method that either commuting or cargo shipping connections are established into the City. The highway is also the single most critical road link for both Quebec and Ontario, and for over a decade has been designated North America's busiest highway as the sections across Toronto record over 420,000 vehicles each day. Improvement upgrades for Highway 401 along the Kingston Bypass were initialized in 2005 and since their completion, an approximate decade later, the exits corresponding to the Montreal Street and Highway 15 Interchange have been upgraded to six lanes.



This is a notable lane number since this corresponds to the same quantity of lanes for the record-holding stretches through Toronto. With this comparison in mind, it can be considered a significant overhaul of the City's capacity to handle vehicle volumes and any road-based inter-regional commuting or shipping.

### **5.1.3 Development and Costs**

Development-oriented indicators and business costs represent a fundamental component of investment competitiveness. They can signal the strength of the local market from a development perspective, both in terms of feasibility and cost, and can provide an indication of the diversity of market opportunities and market choice. In most respects, the availability and cost of development options are moderate to high priority location factors in most industrial and knowledge-based sectors of the economy.

Key cost parameters include land costs, development charges, property taxes, and utilities' costs which are discussed below within a more general context.

#### **Price of Serviced Employment Land**

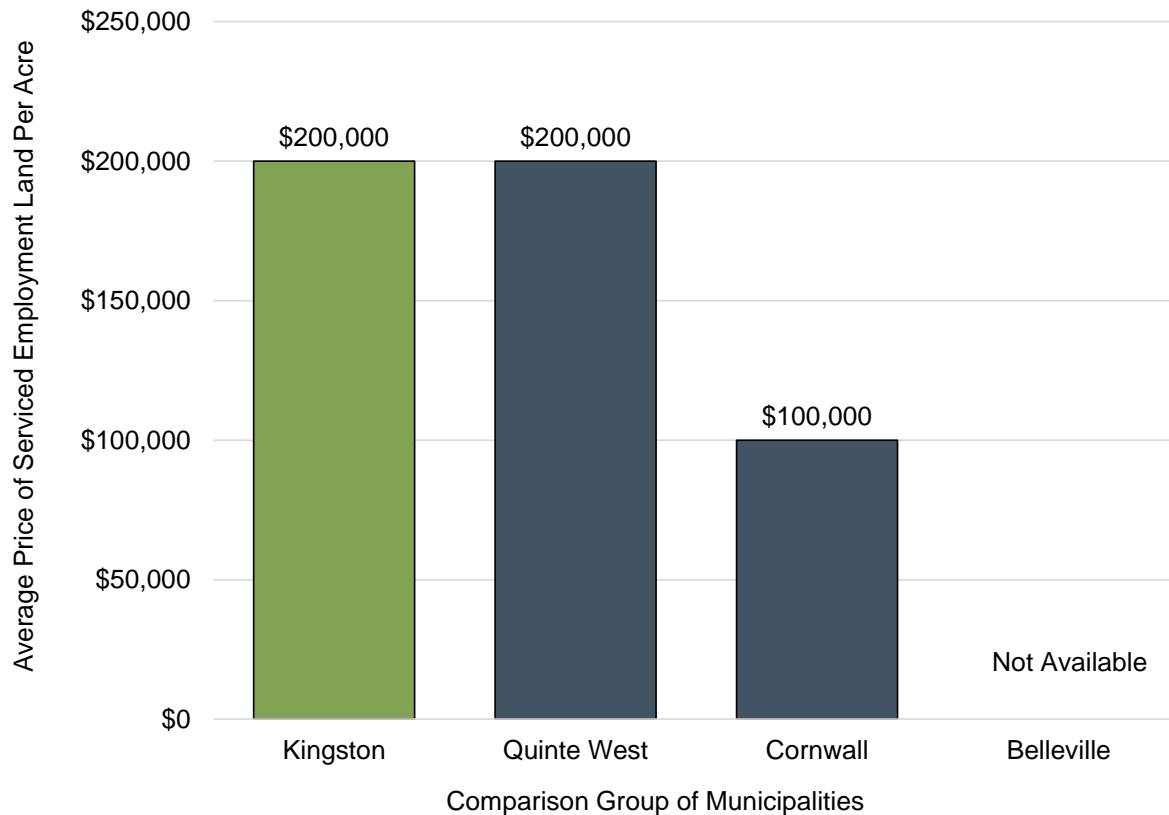
From a competitiveness perspective, Employment Area land prices can provide a key advantage, especially for land-expansive uses such as transportation, wholesale trade/logistics, warehousing, and large-scale manufacturing, however this is less of an issue for land intensive uses such as office development. Though competitive land costs provide an economic advantage in terms of the cost of development, very low land prices may be indicative of low market demand.

Figure 28 below summarizes the average Employment Area land prices (\$/serviced acre) for the City of Kingston and the select comparison group of municipalities, based on recent available market survey data. As shown, Employment Area land prices range between approximately \$100,000 and \$200,000 per acre and are generally highest within the City of Kingston and the City of Quinte West; both have an average rate of approximately \$200,000 per serviceable acre. Eastward from these municipalities is the City of Cornwall which exhibits an average serviceable price of approximately \$100,000 per acre for its Employment Area lands, this being the lowest average rate amongst the comparison group. The average land price for the comparison group is equivalent to a rate of approximately \$166,667 per serviceable acre for the entire geographic area



encompassed in the selection, excluding the City of Belleville which did not have available data.

Figure 28  
Average Price of Serviced Employment Land Per Acre



Source: Adapted from available municipal data by Watson & Associates Economists Ltd., 2024.

### Development Charges

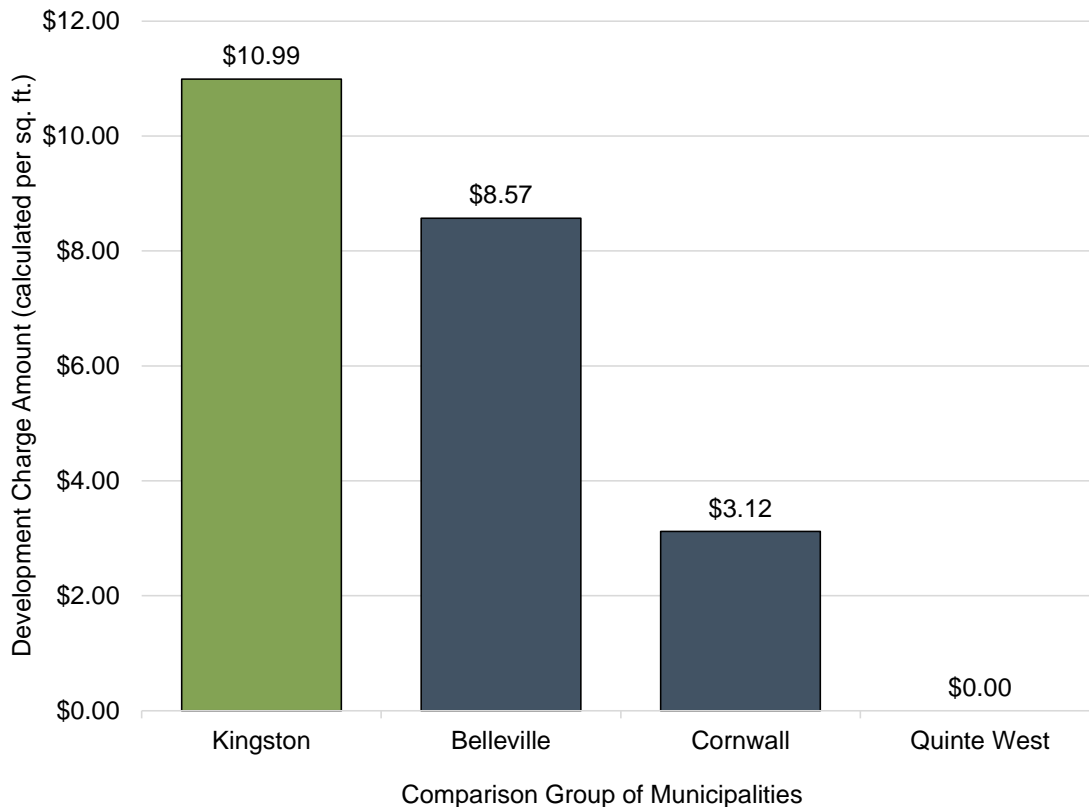
Development charges are also a component of total development cost. Figure 29 and Figure 30 illustrate the average industrial and commercial office development charges within the comparison group of municipalities.

For the surveyed group, the average industrial development charge rate is \$4.54 per square foot. The highest industrial development charges are found in the City of Kingston, at approximately \$10.99 per square foot. The lowest industrial rates are found



in the City of Quinte West, which does not have an industrial charge delineated due to an exemption in place. The City of Belleville has the second highest rates, followed by the City of Cornwall.

Figure 29  
Industrial Development Charge Rates



Note: Quinte West has a development charge exemption in place.  
Source: Adapted from available municipal data by Watson & Associates Economists Ltd.

### Municipal Property Taxes

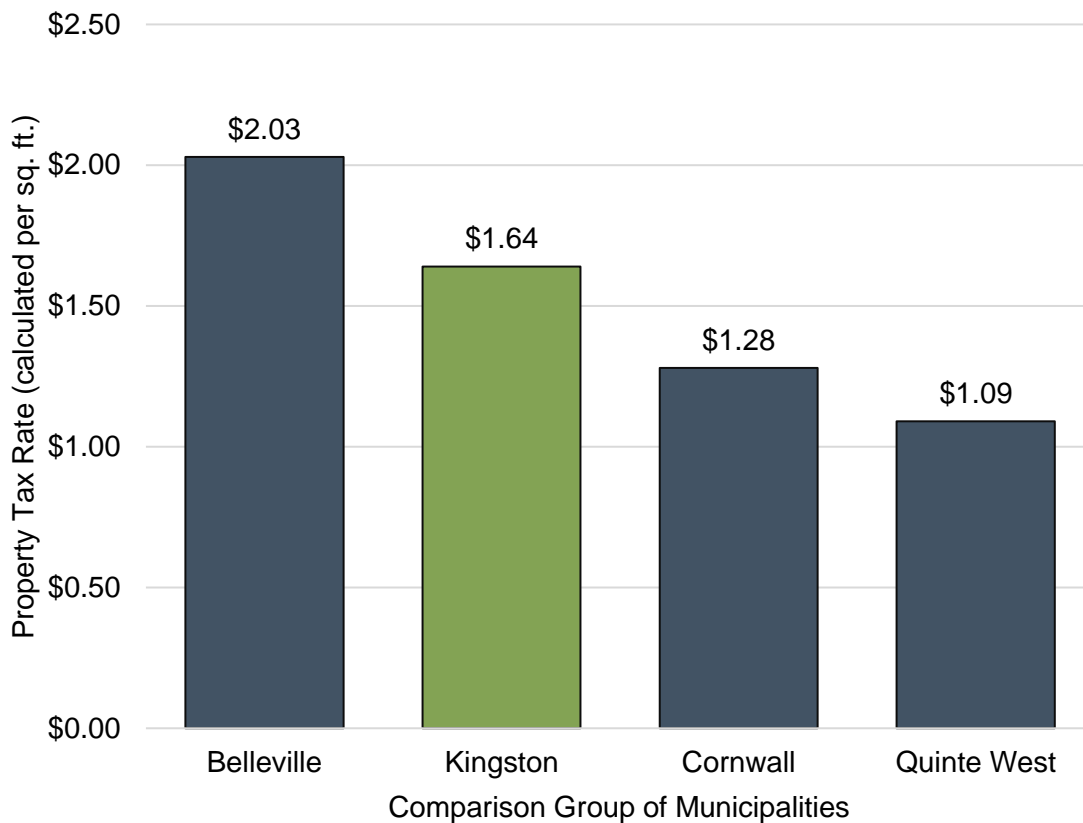
Property tax rates represent a consideration for business location decisions since taxes impact operating profit annually. Figure 30 illustrates average standard industrial property taxes expressed on a square foot basis of property building space within surveyed select municipalities based on 2023 area municipal property taxes.





Industrial property taxes per square foot are highest within the City of Belleville. This is followed in the ranking by the Cities of Kingston and Cornwall, while the City of Quinte West has the lowest rates for their standard industrial property class. The average standard industrial rate for the comparison group was found to be \$1.51 per square foot.

Figure 30  
Standard Industrial Property Tax Rates per Square Foot



Note: Values based on available municipal data.  
Source: Adapted from BMA Management Consulting Inc. Municipal Study – 2023 Report by Watson & Associates Economists Ltd.

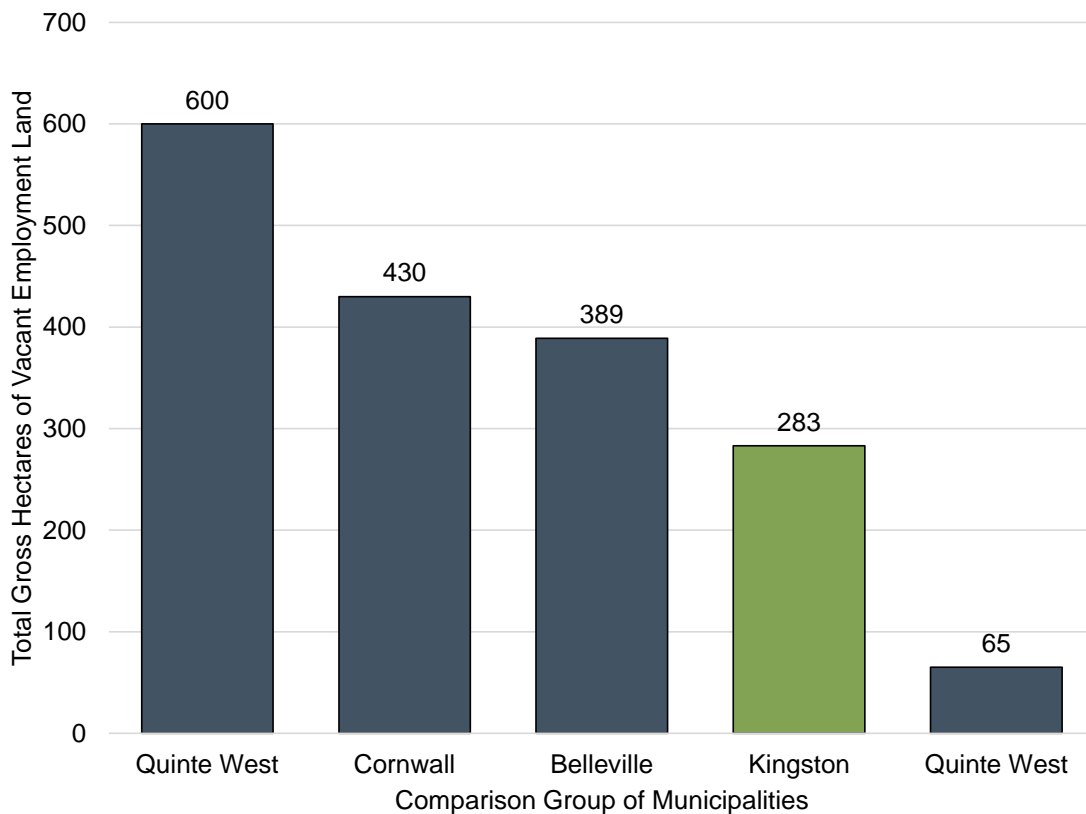
### 5.1.4 Employment Land Supply

The competitiveness of Kingston’s export-based economy is partly determined by the availability and quality of its developable Employment Area lands. Figure 31 provides a summary of the supply of designated Employment Area lands within Kingston in comparison to select municipalities.



The average supply of vacant Employment Area land for the select group of municipalities was 353 hectares. The most constrained municipality regarding vacant gross total Employment Area lands is the City of Kingston with approximately 283 gross hectares of lands available. Both the Cities of Belleville and Cornwall were relatively in line with the comparison group average, where they had approximately 389 hectares and 430 hectares, respectively, of vacant Employment Area lands available. The lowest supply of useable Employment Area lands was found within Quinte West, where it was shown that several ecological and geographic pressures were notably decreasing the available serviced and ready to develop supply of lands from the original gross total of 600 hectares to approximately only 65 hectares.

Figure 31  
Total Gross Hectares of Vacant Employment Area Lands within the Comparison Group



Note: Values based on available municipal data.

Quinte West vacant Employment Area land data is based on the serviced and ready to develop land supply, as the municipality has significantly more outlier constraints on its available land supply that are not implicated as heavily in the other municipalities.

Source: Derived by Watson & Associates Economists Ltd., 2024.



## 5.2 Stakeholder Perspectives on Employment Opportunities in Kingston

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Interviews with a diverse cross-section of stakeholders representing interests across a range of employment sectors were undertaken to better understand the current state of Kingston's employment base and future economic opportunities for Employment Areas.<sup>[34]</sup> A summary of these interviews has been organized in a SWOC analysis and is provided below.

### Strengths and Opportunities

- Industrial market remains strong, albeit demand has slowed moderately from the pandemic peak in 2022.
- Strong market interest from out-of-town industries/companies seeking Employment Area land sites, including large-scale development.
- Local companies looking to grow, seeking new and larger sites to accommodate growing business needs.
- Kingston has favourable development costs for industrial development (e.g., land costs, municipal fees).
- Kingston's skilled and educated labour force is considered an asset and attractive for new businesses looking to locate to the City. The City's post-secondary institutions are considered an asset.
- New third crossing (Waaban Crossing) has expanded the marketability of the St. Lawrence Business Park.

### Weakness and Challenges

- Constrained supply of greenfield Employment Area lands available for development limits Employment Area land development potential, especially larger sites; need for the City to consider urban expansion options to accommodate future growth.

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<sup>[34]</sup> Four stakeholders were interviewed by Watson & Associates Economists Ltd. for an approximately 1-hour discussion each.

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- Major competitors along Highway 401 corridor for industrial development include Belleville and Cornwall.
- Lack of passenger air services at Kingston Airport detracts from the City's appeal in attracting some larger-scale new businesses.
- Low vacancy rate for industrial space limits market choice of available leasable space for tenants; particularly challenging for smaller businesses.
- Office sector is struggling with high vacancy rates and limited demand for new space.

### 5.3 Target Industry Sector Requirements

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At both the regional and local levels, location requirements of industry can vary considerably depending on the nature of the industry sector. The relative importance of these attributes is evolving in response to structural changes in the macro-economy which is impacting non-residential development patterns in Ontario. While the cost of development and access/proximity to major infrastructure have historically weighed heavily on business location decision making, the relative weighting of factors is shifting. Quality factors are becoming increasingly important in business location decision making. This is particularly apparent in knowledge-based sectors.

Building on the analysis presented in section 5.1, the following assesses Kingston's relative competitive position within the context of the two key industry target clusters identified in the Integrated Economic Development Strategy, including:

- Sustainable Manufacturing including Material & Process Innovation, Advanced Manufacturing and Low-impact Food Processing; and
- Health Innovation and life sciences.

There is an increasing emphasis on “soft” location factors such as the availability of skilled labour, workforce housing and quality of life, and the proximity to college/technical training. Soft location factors often refer to criteria that are not associated with cost but provides employee or skill benefits to the business locating in that community. It reflects the community's industry strength as it relates to its labour force profile (educated, skilled, semi-skilled, young, old) and the business support environment that provides businesses with education and training programs and other



business support programs. This is particularly important for knowledge-based sectors, including the advanced manufacturing and health industries clusters.

“Hard” location factors also influence location decisions. Hard location factors often refer to criteria that are associated with cost and time. Factors that impact transportation and distribution and development costs, such as highway accessibility, occupancy/construction costs, land costs, and proximity to logistic centres are more often being rated as “very important” or “important” to site selectors. Other key factors influencing location decisions include operating costs which would range from energy availability and costs, and corporate tax rates.

Transportation and distribution characteristics have a varying level of importance for each target sector, with health industries placing a low importance on most transportation characteristics with the exception of proximity to an airport to enable business travel, which is still only moderately important. The manufacturing sector, on the other hand, highly values transportation and distribution assets, with a particular emphasis on proximity to transportation assets and key markets, and the availability of services.

Health industries place a high importance on the availability, quality, and cost of electricity, natural gas, and telecommunications; the costs for permitting and construction; and the cost of land or lease rates. In comparison, advanced manufacturing places only moderate importance on tax rates; high importance on the cost and availability of electricity; high importance on the costs for permitting and construction; and high importance on the availability and cost of industrial facilities and serviced and ready to develop land.

### **5.3.1 Health Innovation Cluster Industry Sector Requirements**

The health industries sector is defined as establishments primarily engaged in pharmaceutical and medicine manufacturing, general medicinal and surgical hospitals, providing health care by diagnosis and treatment, providing residential care for medical and social reasons, and providing social assistance, such as counselling, welfare, child protection, community housing and food services, vocational rehabilitation and child care, to those requiring such assistance.



Kingston has a high concentration of employment within the health industries cluster, which employs approximately 6,200 people in the city. This cluster has had strong employment growth over the past decade, with an increase of 22% during this time period.

The 2017 edition of *The World's Most Competitive Cities* finds that the world's leading health industry cities tend to be characterized by two common elements – clusters of superior talent emerging from local post-secondary institutions and a strong collaborative partnership environment between companies. Both elements speak to the impact that industry strength can have in attracting like-minded companies.

As health industries expand and adapt, access to diagnostic and research lab services will also increase. Growth in the industry is dependent on proximity of these partners. Kingston is well-positioned with its existing business support environment, with access to three post-secondary institutions which offer courses in a variety of health-science related programs. In addition, these institutions house several research centers and academic research initiatives. Queen's University offers several science-related bachelor's degree programs and masters/graduate programs within eight core medical specialties, which allow students the pathway to becoming a medical doctor. Furthermore, St. Lawrence College offers its students a bachelor's degree program in either science or nursing, in addition to a number of certificate and diploma programs in medical and technology-related fields. The third academic institution within the City of Kingston that hosts relevant medical industry expertise is the Royal Military College of Canada, which accommodates a number of federal government-funded academic groups whose research projects are either medical or technological in nature.

Besides academic institutions, the following medical service providers and major facilities operate within the City of Kingston: the Kingston General Hospital, Kingston Cancer Centre, Cancer Centre of Southeastern Ontario, Hotel Dieu Hospital (DT), Providence Transitional Care Centre, Providence Care Hospital, UHK Foundation, Arthritis Society Canada office, and St. Mary of the Lake Hospital, in addition to the Bio-medical sciences centre found on Queen's Campus.

Kingston's competitive advantage is its business support environment, in particular, the range of health care providers, research labs, and post-secondary programs. Relative to the Province, Kingston has a lower concentration of health-related manufacturing, which



is one area that the City could continue to advance, and leverage, building on its broader strengths in the cluster. Many of these associated uses can be accommodated on Employment Area lands.

### **5.3.2 Sustainable Manufacturing**

Kingston has a diverse and growing manufacturing base focused on advanced manufacturing.

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.

Just-in-time manufacturing will continue to be the industry norm, placing increasing emphasis on more frequent and smaller deliveries by truck transport, typically during the last mile.<sup>[35]</sup> As the e-commerce market continues to expand, this component of the supply chain is becoming increasingly important to businesses as it has a direct influence on the customer experience. In addition to the need to provide timely, accurate service delivery, it is also critical for industry to ensure cost efficiency given that 30% to over 50% of total parcel delivery cost is associated with this leg of the supply chain.<sup>[36]</sup> <sup>[37]</sup>

Key opportunities for growth are discussed below.

#### **Clean Technology Manufacturing**

As the broader economy is undergoing a transition towards clean technologies, government and private-sector investments are increasingly supporting the restructuring of Ontario’s key manufacturing sectors, specifically the automotive sector. Many of

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<sup>[35]</sup> The last mile is commonly referred to in the logistics sector as the last leg of the transportation process from the distribution centre or fulfillment hub to the final destination (i.e., the retailer or consumer).

<sup>[36]</sup> Breaking Down the “Last-Mile Delivery”: Challenges and Solutions. October 12, 2016.

<sup>[37]</sup> Parcel Delivery. The Future of the Last Mile. McKinsey & Company. September 2016.



Ontario's automotive plants (e.g., Honda in Alliston; Ford in Oakville; Chrysler in Brampton and Windsor; General Motors in Oshawa; and General Motors (CAMI) in Ingersoll) are undergoing retooling to support the production of electric vehicles (EV), while large-scale investments have been announced to support the EV parts market (i.e., EV batteries). This includes two significant new EV projects; Stellantis and LG Energy in Windsor, and the Volkswagen EV battery plant in St. Thomas.

Umicore recently announced a \$1.5 billion investment EV battery materials plant in Loyalist Township which will create over 1,200 direct and indirect jobs.<sup>[38]</sup> The construction of the project is currently on hold due to shifting economic conditions in the broader EV sector but is anticipated to be completed. The new plant will supply cathode active materials and precursor cathode active materials for EVs. Steady future economic growth is anticipated across the Kingston C.M.A., in the local supply chains to support the planned Umicore EV battery manufacturing facility and broader EV sector ecosystem over the long term.

It is important to recognize that the clean technology market faces strong competition globally and will require municipalities in Ontario to plan for Employment Areas that offer the critical mass to support large facilities and spin-off industries. Employment Areas that are reaching capacity and offer limited or fragmented supply opportunities by size, location, and zoning/designation may not provide the market appeal to attract this growing and competitive market.

### **Circular Economy and Resource Recovery**

The circular economy includes bringing products that have reached their end of useful life back into industrial production as a resource. The circular economy is seen as a way to help Canada stay competitive as the global economy becomes more resource productive. Furthermore, the circular economy is an opportunity to drive innovation and to support other green industries. The EV market, for example, is anticipated to require industrial activities to support the recycling of EV batteries. While EVs are considered a green alternative to gas-powered vehicles, EVs are powered by lithium-ion batteries which are considered highly toxic. According to auto research firm J.D. Power, EV

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<sup>[38]</sup> <https://globalnews.ca/news/9533043/loyalist-township-battery-plant-land-preparation/>





batteries have a lifespan of 10 to 20 years<sup>[39]</sup> which suggests that the early users of EVs in Canada are approaching the need to replace batteries. The anticipated growth in the use of EVs in Canada will require consideration of not only the manufacturing of vehicles and batteries, but also the recycling of batteries. Recently, Kingston attracted two new CleanTech businesses to the City: Li-Cycle (45 jobs) in 2019 and Cyclic Materials (10 jobs) in 2022.<sup>[40]</sup>

To support the circular economy, large Employment Area sites that are well buffered from sensitive uses (such as residential uses) with direct access to a major highway are required.

### **Food Manufacturing**

Food manufacturing is anticipated to continue to be a growing sector in Eastern Ontario. Within Kingston there has been some notable expansions and investments of food processing facilities, including Frulact, Canada Royal Milk, and Sensient. Kingston's employment base in the food processing sector has increased significantly over the past decade.

Direct access to a major highway connecting suppliers and the market, and having a selection of large, serviced Employment Area land parcels are key requirements in supporting future growth opportunities for food manufacturing.

Transportation and distribution are weighted the highest in the food processing sector, reflecting the relative importance of having access to a large consumer market as the sector is largely driven by local demand. Furthermore, labour force availability, together with an available supply chain and suppliers are important factors for the food processing sector. For food processing, investors identify proximity to raw agricultural products as a critical element to business location requirements.

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<sup>[39]</sup> CBC News, Electric vehicle sales are racing ahead, but is there a plan for the waste they create? – retrieved April 27, 2023.

<sup>[40]</sup> Data provided by the City of Kingston.



## 5.4 Target Sector Employment Area Requirements

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At both the regional and local levels, location requirements of industry can vary considerably depending on the nature of the employment sector/use. Employment sectors typically situated in employment areas have varying site-specific requirements. Based on this analysis, the ability of current and future Employment Area lands in Kingston to support the target employment sectors discussed in section 5.2 was considered based on the following criteria:

- Locational requirements;
- Servicing requirements (i.e., water/wastewater servicing);
- Range of parcel sizes needed;
- Transportation access (route from highway, proximity to customer base, etc.);
- Land use requirements (potential for expansion, buffers from surrounding land uses, integration with surrounding operations, etc.); and
- Development characteristics (building coverages, parking requirements, ceiling heights, etc.).

Figure 32 provides a summary of the Employment Area requirements to support the identified target sectors.



Figure 32  
Target Employment Sectors Employment Area Requirements

Sector	Potential Sector-based Uses	Development Characteristics	Land and Development Requirements
<b>Advanced Manufacturing</b>	<ul style="list-style-type: none"> <li>• Clean Technology</li> <li>• Production Technology and Heavy Machinery</li> <li>• Food Processing and Manufacturing</li> <li>• Plastics Manufacturing</li> <li>• Metal Products</li> <li>• Information Technology and Instruments</li> </ul>	<ul style="list-style-type: none"> <li>• Low to high design quality</li> <li>• Range of building types, including small, large, single-tenant and multi-tenant buildings</li> <li>• Emphasis on integrated operations (logistics and office), landscaping and enclosed storage</li> <li>• 10,000 to 250,000 square feet building space</li> <li>• High utilization of land for building space and on-site employment density</li> </ul>	<ul style="list-style-type: none"> <li>• Water/wastewater servicing required</li> <li>• Access to 400 series/controlled access highways</li> <li>• Buffering required near sensitive uses and unencumbered access to highway</li> <li>• 1 to 4 hectares (2-10 acre) parcel sizes</li> <li>• Large parcels of at least 10 hectares (25 acres) required to attract high profile manufacturing uses (especially for Foreign Direct Investment)</li> <li>• Employment Area offers opportunity to accommodate spin-off uses</li> </ul>
<b>Health/Life Sciences</b>	<ul style="list-style-type: none"> <li>• Professional Services</li> <li>• Research and Development</li> </ul>	<ul style="list-style-type: none"> <li>• Moderate to prestige design</li> <li>• Standalone or multi-tenant offices</li> <li>• Facilities with bays for storage/service of equipment and vehicles</li> <li>• High on-site employment density</li> </ul>	<ul style="list-style-type: none"> <li>• Full municipal servicing (water/wastewater servicing)</li> <li>• 0.5 to 2 hectares (1 to 5 acre) parcel size</li> <li>• Can be accommodated through infill</li> <li>• Outdoor storage of equipment or vehicles may be required</li> <li>• Access to commercial and recreational amenities</li> <li>• Walkable environments for most operations</li> </ul>



## 5.5 General Characteristics of Employment Areas

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Employment Areas require good access to regional transportation networks, on-site infrastructure including roadways and utilities, and available, zoned, serviced and ready to develop lands. Employment Areas are typically located on flat to slightly rolling topography in areas with minimal environmental issues. Roadways within Employment Areas tend to be laid out in a grid system to optimize circulation and parcel configuration. Parcels are typically square or rectangular in shape to optimize site design. Many of these attributes help to optimize the end-users' speed to market while minimizing development costs and project risk.

At both the regional and local levels, location requirements of industry can vary considerably depending on the nature of the employment sector/use. Employment sectors typically situated within Employment Areas have varying site-specific requirements. To be successful in attracting a broad range of employment sectors, it is recommended that available vacant lands and any future Employment Areas in the City provide the corresponding industry requirements. The specific attributes that are required for an Employment Area to be successful are largely based on the intended function and designations.

### General Employment Areas

General Employment Areas (also known as Industrial Parks) have a more general industrial orientation and accommodate industrial uses such as advanced manufacturing, logistics, distribution, and transportation sectors. These areas are serviced and typically offer the following physical requirements:

- **Access** – Proximity to controlled-access highways (i.e., Highway 401) is critical for the success of general industrial parks that have a significant degree of manufacturing, warehousing, distribution, and logistics uses. These parks do not necessarily have to be adjacent to a controlled access highway but must be in proximity and easily accessible via major arterials that pass through limited residential or mixed-use commercial area(s).
- **Critical Mass** – Size is vital to ensure a wide selection and flexibility of land options, and parks must include a sufficient supply of large parcels. As a



minimum, 80 hectares (200 acres) is generally a suitable size for a park to reach the critical mass needed to provide reasonable presence, choice, and economies of scale. In practice, many general industrial parks across Ontario are notably larger than 80 hectares (200 acres) in size.

- **Location** – The location must provide efficient and effective vehicular access and circulation, particularly for heavy truck traffic, with a minimum of two access points to enter/exit the industrial park.
- **Land Use Compatibility** – Buffering is important for general industrial parks to minimize noise and air pollution to neighbouring residential and other sensitive land uses. Open space/parkland and trails are also often provided for pedestrians.
- **Market Choice** – Parcel size and configuration need to be conducive for a wide range of Employment Area land uses, especially for land-extensive uses such as wholesale trade and transportation.
- **Competitive Development/Operating Costs** – Land prices must be competitive, given the land-extensive nature associated with many uses in general industrial parks.

### **Prestige Employment Areas**

Prestige Employment Areas typically have a more distinct character than general industrial parks. These Employment Areas typically have higher quality building design, stricter urban design standards (i.e., curb and gutter, streetlighting, buried utilities, stormwater management, etc.), and landscaping requirements to create a campus-style setting. Typically, such areas would also impose stricter land use permission regarding heavy industrial uses and outdoor storage.

## **5.6 Kingston's Employment Areas Assessment**

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The degree to which Kingston can capitalize on its regional location advantages will depend largely on the competitiveness of its Employment Areas, which is largely dictated by the above local factors. To gain a better understanding of the City's competitive position, each of the City's Employment Areas will be assessed using a number of broad parameters, including physical and economic characteristics, opportunities, and constraints, as follows:

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- Total industrial/business park size (occupied versus vacant), parcel sizes, configuration, and agglomeration potential;
- Occupant mix (of occupied portion);
- Recent absorption;
- Servicing, amenities, and aesthetics;
- Surrounding land uses and topography;
- Designation/zoning and applicable design guidelines;
- Availability and marketability of industrial lands;
- Proximity/exposure to provincial highways and arterial roads;
- Access to rail; and
- General access and circulation.

The results of this consultation have contributed to the development of a SWOC analysis of City-owned Employment Areas in Kingston, as illustrated in Figure 33.



Figure 33  
City of Kingston  
Employment Areas Assessment

Employment Area	Strengths	Weaknesses/Challenges	Development Opportunities
<b>Alcan Business Park</b>	<ul style="list-style-type: none"> <li>• Setting attractive for “knowledge-based” sectors.</li> <li>• Proximity to off-site services/amenities.</li> <li>• Adjacent to John Counter Boulevard, a major east-west arterial.</li> </ul>	<ul style="list-style-type: none"> <li>• Small size of park limits “sense of place” and does not have a critical mass.</li> <li>• Employment Area has only one access point (to John Counter Boulevard).</li> <li>• Approaching buildout.</li> </ul>	<ul style="list-style-type: none"> <li>• Highly marketable for office and “knowledge-based” uses including stand-alone and multi-tenant industrial/commercial.</li> <li>• Only two vacant parcels remaining and no sites available for sale.</li> </ul>
<b>Cataraqui Estates Business Park</b>	<ul style="list-style-type: none"> <li>• Large contiguous size and prestige in character.</li> <li>• Has had significant development activity over the past five years.</li> <li>• Has excellent access to Highway 401 and major arterial roadways, including Gardiners Road and Cataraqui Woods Drive.</li> <li>• On-site amenities and off-site amenities in proximity, including quick-serve restaurants and hotels.</li> </ul>	<ul style="list-style-type: none"> <li>• Approaching buildout.</li> </ul>	<ul style="list-style-type: none"> <li>• Highly marketable for a range of small-, medium-, and large-scale industrial developments, including manufacturing, multi-tenant industrial and transportation/logistics.</li> <li>• A few City-owned parcels available for development and sale.</li> <li>• Significant expansion potential – sizeable contiguous block of serviceable vacant designated land to the east.</li> </ul>



Employment Area	Strengths	Weaknesses/Challenges	Development Opportunities
<b>Clyde Industrial Park</b>	<ul style="list-style-type: none"> <li>• Over the past decade, strong general industrial development activity.</li> <li>• Proximity/access to Highway 401 at two interchanges.</li> <li>• Excellent access/ frontage on two major arterials – Sir John A. Macdonald Boulevard and John Counter Boulevard.</li> <li>• Rail spur access.</li> </ul>	<ul style="list-style-type: none"> <li>• Physical/natural barriers (environmental protection zones and CN rail line) divide the industrial area into two parts.</li> <li>• Park lacks definition and area functions more as four individual parks.</li> <li>• Approaching buildout.</li> </ul>	<ul style="list-style-type: none"> <li>• Well suited for a broad range of industrial uses, including transportation, warehousing, manufacturing and construction.</li> <li>• Limited vacant developable sites remaining with no sites available for sale.</li> <li>• Underutilized lands along John Counter Boulevard offer long-term redevelopment potential.</li> </ul>
<b>Clogg’s Road</b>	<ul style="list-style-type: none"> <li>• Proximity/access to Highway 401.</li> <li>• Market choice in development-ready sites.</li> <li>• Competitive land prices and sites available from the City.</li> <li>• Adjacent to a large, well established existing Employment Area.</li> </ul>	<ul style="list-style-type: none"> <li>• Creekford Road not to urban standards.</li> <li>• Relatively small Employment Area which lacks critical mass.</li> </ul>	<ul style="list-style-type: none"> <li>• Highly marketable for a range of small-, medium-, and large-scale industrial developments, including manufacturing, multi-tenant industrial, research and development.</li> </ul>
<b>St. Lawrence Business Park</b>	<ul style="list-style-type: none"> <li>• Excellent proximity/ access to Highway 401.</li> <li>• Express transit route access.</li> </ul>	<ul style="list-style-type: none"> <li>• Location is somewhat isolated on the edge of the urban boundary.</li> <li>• Its location east of the Great Cataraqui River</li> </ul>	<ul style="list-style-type: none"> <li>• Desirable for higher order employment uses.</li> <li>• Expansion potential to the north of the site.</li> </ul>





Employment Area	Strengths	Weaknesses/Challenges	Development Opportunities
	<ul style="list-style-type: none"> <li>• Relatively strong development has occurred historically.</li> <li>• Recent surrounding developments have created a more robust and appealing urban environment.</li> </ul>	<p>limits its upward market potential.</p>	<ul style="list-style-type: none"> <li>• Park is complementary to multiple ancillary uses.</li> <li>• Continued future development will only strengthen the park by decreasing its isolation.</li> </ul>



## 5.7 Observations

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The City faces several opportunities and challenges concerning the management and growth of its existing and future Employment Areas in light of the evolving structural changes in the economy and disruptive factors that continue to influence the nature of the economy. One of these challenges relates to macro-economic trends over which the City has limited control. This includes the relative strength of the global economy, international trade policy, and the competitiveness of the Canadian economic base relative to other established and emerging global markets.

In contrast to the above, Kingston has considerable control and ability to position itself positively when considering the City's regional competitive ranking. A major factor regarding the future competitiveness of the City's economic base relates to the structure, quality, and "readiness" of its Employment Area lands.

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 Area land is available for purchase and absorption. This involves providing a readily available and serviced Employment Area land supply which is well beyond forecast absorption.

Over the next several decades the City's employment base is anticipated to steadily grow across a broad range of employment sectors. Kingston, however, will be competing to attract and retain these sectors with other municipalities across the Highway 401 corridor and beyond. To accommodate the steadily growing economic base, the City's land use planning policies must anticipate the evolving nature of the local and regional economies and reflect the diverse needs of industry and businesses of all sizes over the long term. To ensure the long-term competitiveness, growth, and diversity of the City's economy, planning and marketing efforts must be geared toward the broader strengths of the City, as well as specific target-sector investment attraction efforts and an adequate supply of quality, development ready Employment Area lands.



## 6. Employment Area Conversions

### 6.1 Introduction

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Changes to the designation of a site identified in the current O.P. as one of the Industrial designations to allow for uses not permitted for that designation, including residential, mixed-use, and specific commercial uses, is considered an Employment Area land conversion. As discussed in section 2.1, under the P.P.S., 2024, conversions will be referred to as removals with the ability to remove lands from Employment Areas at any time.

The interest to convert designated Employment Area lands to non-employment uses is often driven by higher market and economic potential for commercial and residential development than Employment Area land development. If not carefully evaluated, the conversion of Employment Area lands to non-employment uses can potentially lead to negative impacts on Kingston's economy in several ways:

- Inappropriate Employment Area conversions can reduce employment opportunities, particularly in export-based sectors, creating local imbalances between population and employment.
- Employment conversions can potentially erode the City's Employment Area land supply and lead to further conversion pressure as a result of encroachment of non-employment uses within, or adjacent to, Employment Areas.
- Inappropriate Employment Area conversions can potentially fragment existing Employment Areas and/or reduce their size (i.e., critical mass), undermining their functionality and competitive position.

Ultimately, inappropriate Employment Area conversions may reduce Kingston's ability to attract and accommodate certain industries. Given the potential negative impacts resulting from the inappropriate conversion of Employment Areas, it is recognized that there is a need to preserve such designated lands within Kingston for employment uses.

The criteria for evaluation of conversion sites has been provided in Figure 36, and consists of two parts: (1) provincial policies regarding Employment Area conversions, and (2) localized criteria developed within the context of the City of Kingston.



Potential Employment Area conversions should be evaluated using a systematic approach and methodology that should consider the following:

- Protect Employment Areas in proximity to major transportation corridors and goods movement infrastructure to ensure businesses have access to a transportation network that safely and efficiently moves goods and services.
- Maintain the configuration, location, and contiguous nature of Employment Areas to prevent fragmentation and provide business-supportive environments.
- Provide a variety of Employment Area lands to improve market supply potential and attractiveness to a variety of employment sectors and business sizes.
- Maintain or improve the employment function and job potential of Employment Areas.
- Support efforts of transformative change in key intensification areas if it can be demonstrated that the employment and job potential of Employment Areas can be retained or improved.
- Align with municipal interests and policies related to Employment Areas.
- Limit and/or mitigate land use incompatibilities with sensitive land uses and natural or human-made hazards in accordance with the P.P.S.

The considerations presented herein are meant to provide further rationale to the employment conversion criteria identified through provincial and local policy direction and reflecting best practices of protecting, planning, and developing designated Employment Areas.

## 6.2 Conversion Sites

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Prior to starting work on this Report, the City received 25 employment conversion requests to be considered for a conversion to a non-employment use through this process. Of the 25 sites, 23 are located in the urban boundary. Figure 36 summarizes these Employment Area conversion requests which total 102 hectares (252 acres). As part of this Employment Area Lands Review, Employment Area conversion requests have been reviewed and evaluated in accordance with provincial and local criteria provided in Figure 34. The map in Figure 35 illustrates the location of the subject sites. From the total area under conversion applications, about 69 hectares (171 acres) are recommended to be converted, of which approximately 63 hectares or 156 acres are



currently vacant. Appendix A in this report provides details of the Employment Area conversion analysis criteria by site.

Where a conversion is recommended, a recommendation as to the type of use that would be appropriate has also been included in Figure 36, as follows:

- Residential or mixed use that may include sensitive uses; or
- Business use that does not include sensitive uses. This may include a range of business and commercial uses and compatible light industrial uses.

In addition to the conversion applications, several additional sites have been identified for conversion to non-employment uses in consultation with City staff, including sites in the proposed North King's Town Secondary Plan area and additional areas along Gardiners Road. Furthermore, there are designated Employment Area lands that are currently developed with non-employment or employment-supportive uses. These sites have been identified in Figure 35 and recommendations on planning for these sites in light of the P.P.S., 2024, as discussed in Chapter 8. These additional lands include vacant Employment Area lands covering about 14.5 hectares (36 acres). Collectively, the total vacant Employment Area lands recommended to be converted amounts to 77 hectares (190 acres). These lands are reflected in the Employment Area land needs calculations discussed in Chapter 7.



Figure 34  
City of Kingston  
Employment Conversion Criteria

**Provincial Criteria**

No.	Theme	Criteria
A1	<i>Planning Act</i> Definition	<p>New definition of Employment Areas as identified in the <i>Planning Act</i> Schedule 6. The uses consist of business and economic uses, including any of the following:</p> <ul style="list-style-type: none"> <li>i. Manufacturing uses;</li> <li>ii. Uses related to research and development in connection with manufacturing anything;</li> <li>iii. Warehousing uses, including uses related to the movement of goods;</li> <li>iv. Retail uses and office uses that are associated with uses mentioned in subparagraphs i to iii;</li> <li>v. Facilities that are ancillary to the uses mentioned in subparagraphs i to iv;</li> <li>vi. Any other prescribed business and economic uses.</li> </ul> <p>The uses do not include any of the following uses:</p> <ul style="list-style-type: none"> <li>i. Institutional uses;</li> <li>ii. Commercial uses, including retail and office uses not referred to above.</li> </ul>
A2	Provincial Policy Statement (2020)	<p>1.3.2.4 – Planning authorities may permit conversion of lands within <i>employment areas</i> to non-employment uses through a <i>comprehensive review</i>, only where it has been demonstrated that the land is not required for employment purposes over the long term and that there is a need for the conversion.</p>



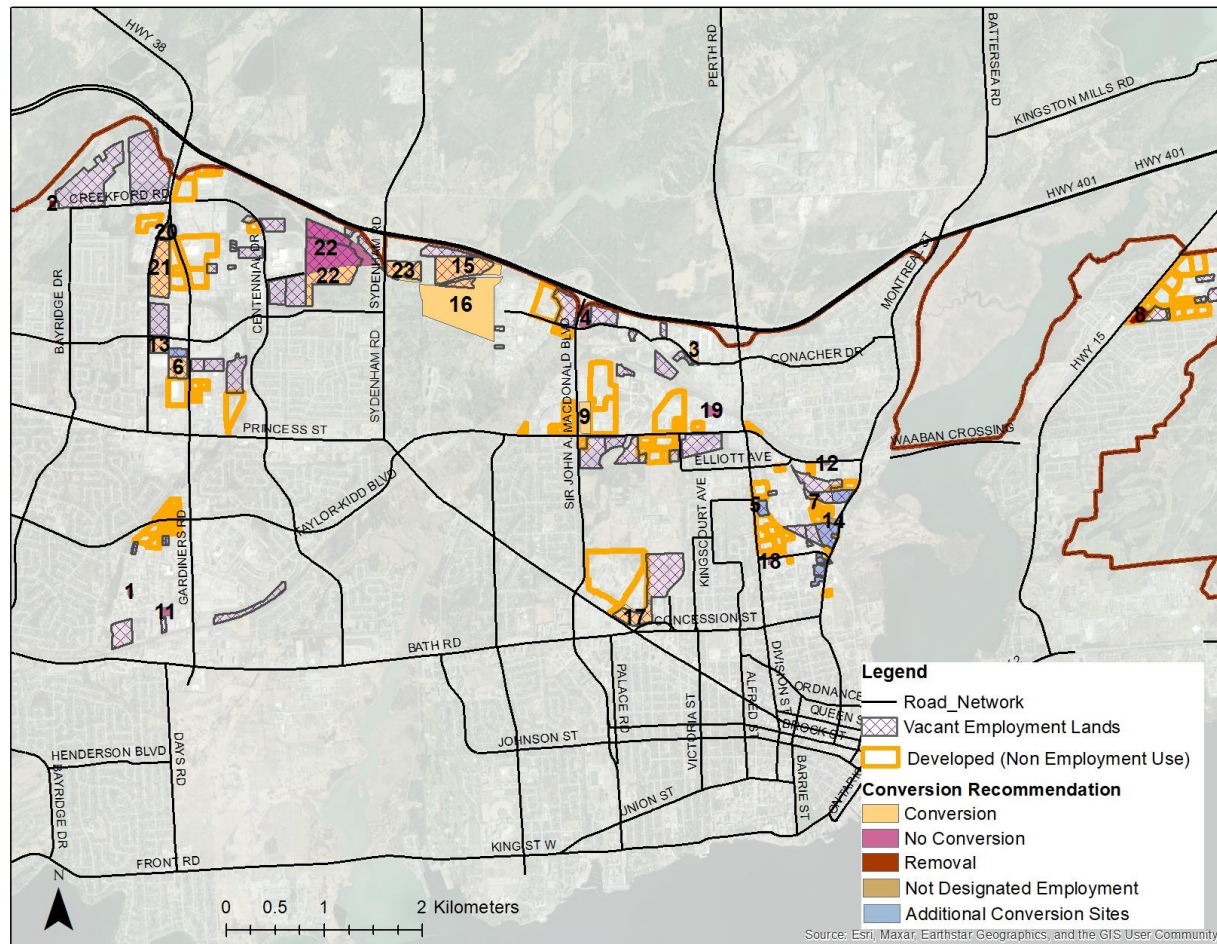
### Localized Criteria

No.	Theme	Criteria
B	Land Use	The proposed conversion to non-employment uses is compatible within surrounding land uses and/or could be mitigated from potential land use conflicts.
C	Location	The site is not located in proximity to major transportation corridors (e.g., highways, goods movement network, cross-jurisdictional connections) and goods movement infrastructure (e.g., airports, intermodal yards, and rail).
D	Access	The site does not offer direct access to major transportation corridors (e.g., highways, goods movement network, cross-jurisdictional connections) and goods movement infrastructure (e.g., airports, intermodal yards, and rail).
E	Employment Area Configuration	The site is located outside or on the fringe of an assembly of Employment Areas.
F	Site Configuration	The site offers limited market supply potential for Employment Areas development due to size, configuration, access, physical conditions, servicing constraints, etc.
G	Supply	Newly designated or developing Employment Areas are generally not considered for conversion requests because they are still establishing their marketability, viability, and/or presence.
H	Supply	The conversion of the proposed site to non-employment uses would not compromise the City's overall supply of large Employment Area land sites.
I	Municipal Interests and Policy	The conversion request supports the long-term prosperity of the City through the redevelopment of a brownfield site that is no longer viable for Employment Area purposes but is viable for other uses. This site will retain the employment and job potential of the Employment Area, including proximity to public service facilities, location along a major arterial, and the opportunity to support a range of housing options.
J	Municipal Interests and Policy	The conversion request is supported by local Council and the conversion of the site to a non-employment use would not conflict with municipal interests and policies.
K	Municipal Interests and Policy	The conversion of the site would not present adverse cross-jurisdiction impacts.





Figure 35  
City of Kingston  
Conversion Sites Locations



Source: Conversion application data provided by the City of Kingston, recommendations by Watson & Associates Economists Ltd., 2024.





Figure 36  
City of Kingston  
Employment Area Land Conversion Requests

Application Number	Address	Area in Hectares (under employment use)	O.P. Designation	Status	Recommendation
1	780 Burnett St.	0.46	General Industrial	Developed	No conversion
2	2886 Creekford Rd., Westbrook	0.40	Business Park Industrial	Developed	Conversion to non- employment (business) use
3	133 Dalton Ave.	1.42	Business Park Industrial	Developed	Conversion to non- employment (business) use
4	369 Dalton Ave.	1.75	Business Park Industrial	Vacant	No conversion
5	779 Division St.	0.04	General Industrial	Developed	No conversion
6	1085 Gardiners Rd.	4.27	Business Park Industrial	Vacant	Conversion to non- employment (mixed) use
7	135 Hickson Ave.	0.10	General Industrial	Developed	No conversion
8	125 Innovation Dr.	0.98	Business Park Industrial	Developed	Conversion to non- employment (business) use
9	1407 John Counter Blvd.	3.65	General Industrial	Developed	Conversion to non- employment (business) use
10	592 Justus Dr.	0.30	General Industrial	Developed	No conversion
11	700-710 Development Dr.	0.62	General Industrial	Developed	No conversion
12	86 Maple St.	0.11	General Industrial	Developed	No conversion
13	1180 Midland Ave.	2.85	Business Park Industrial	Vacant	Conversion to non- employment (mixed) use
14	734 Montreal St.	0.00	Business Park Industrial	Developed	Not designated employment



Application Number	Address	Area in Hectares (under employment use)	O.P. Designation	Status	Recommendation
15	360820075	13.04	Business Park Industrial	Vacant	Conversion to non- employment (residential/mixed) use
16	360820573	10.01	General Industrial	Vacant	Conversion to non- employment (residential/mixed) use
17	925 Princess St.	5.72	Business Park Industrial	Vacant	Conversion to non- employment (mixed) use
18	170 Railway St.	0.15	General Industrial	Developed	No conversion
19	55 Rigney St.	1.33	General Industrial	Vacant	No conversion
20	101108019013650	1.15	Business Park Industrial	Vacant	Conversion to non- employment (mixed) use
21	101108019013640	9.80	Business Park Industrial	Vacant	Conversion to non- employment (mixed) use
22	1125 Sydenham Rd.	32.04	Business Park Industrial	Vacant	Recommended for partial conversion (lands south of Trans Northern Pipeline measuring about 9.4 hectares to be converted to residential and lands north of the pipeline to remain employment)
23	1240 Sydenham Rd.	6.52	Business Park Industrial	Vacant	Conversion to non- employment (business) use

Source: Conversion application data provided by the City of Kingston; recommendations by Watson & Associates Economists Ltd., 2024.

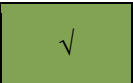

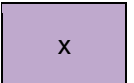
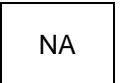


Figure 37  
City of Kingston  
Summary of Planning and Economic Evaluation Results for Conversion Sites

Evaluation Criteria	Site #														
	1	2	3	4	5	6	7	8	9	10	11	12			
A1	√	√		The site has an existing restaurant. There are no further details on the application. Uses to remain as is.	The applicant does not mention the intent to convert land use. Uses to remain as is.		Site is currently occupied by residential, but is adjacent to industrial uses Designation to be kept as is.								
A2	√	√	√					x	√	√	√	√	√	√	
B	x	x	x					x	x	x	x	x	x	x	
C	x	x	x					x	x	x	x	x	x	x	
D	x	√	-					√	√	√	√	√	x	x	
E	x	√	-					x	x	x	x	x	x	x	
F	x	√	-					√	√	√	√	√	x	x	
G	NA	NA	NA					NA	NA	NA	NA	NA	NA	NA	
H	√	√	√					x	x	x	x	x	-	-	
I	NA	NA	NA					NA	NA	NA	NA	NA	NA	NA	
J	x	-	√					√	√	√	-	x	x	x	
K	√	√	√		√	√	√	√	√	√	√				
	No conversion.	Conversion to non-employment use.	Conversion to non-employment use.	No conversion.	No conversion.	Conversion to non-employment use.	No conversion.	Conversion to non-employment use.	No conversion.	No conversion.	No conversion.	No conversion.			



Evaluation Criteria	Site #											
	13	14	15	16	17	18	19	20	21	22	23	
A1	NA	The property is designated residential and is used for restaurant/bar/branch administration uses. Owner would like to keep the uses as is. No applicable for conversion analysis.	NA	NA	NA	x	No conversion application - existing designation and zoning to remain.	NA	NA	NA	NA	
A2	x		x	x	x	√		x	x	x	x	
B	x		x	x	x	√		x	x	x	x	
C	x		√	√	x	√		x	x	x	x	
D	x		x	√	√	x		x	x	x	x	
E	x		x	√	x	x		x	√	x	x	
F	√		x	√	√	x		x	√	√	x	x
G	NA		NA	NA	NA	NA		NA	NA	NA	NA	NA
H	x		x	√	x	√		√	√	x	x	x
I	NA		NA	NA	NA	√		√	NA	NA	NA	NA
J	√		√	√	√	x		√	√	√	√	√
K	√	√	√	√	√	√	√	√	√	√		
	Conversion to non-employment use	Not designated employment	No Conversion	Conversion to non-employment use	Conversion to non-employment use	No Conversion	No Conversion	Conversion to non-employment use	Conversion to non-employment use	No Conversion	No Conversion	

 Meets Criteria    
  Neutral    
  Does Not Meet Criteria    
  Criteria Not Applicable

Source: Watson & Associates Economists Ltd., 2024.



## 6.3 Observations

The City has received 25 employment conversion request applications through the Employment Area Lands Review study process. Twenty-three of these sites or applications are within the urban boundary, covering a total area of 102 hectares (252 acres). Following a review of these sites based on the provincial and local criteria discussed in this chapter, it is recommended that a total of about 69 hectares (171 acres) be converted to non-employment uses, including business, residential, or mixed use. Figure 38, below, highlights the recommended uses for the proposed conversions and/or removal of sites. Final recommendations for the use of the sites would be subject to further site-specific analysis by the City.

Figure 38  
City of Kingston  
Developed Employment Area Designated Sites

Application number	Address	Recommendation
2	2886 Creekford Rd., Westbrook	Commercial/business uses
3	133 Dalton Ave.	Commercial/business uses
6	1085 Gardiners Rd.	Mixed use
8	125 Innovation Dr.	Commercial/business uses
9	1407 John Counter Blvd.	Commercial/business uses
13	1180 Midland Ave.	Mixed use
14	734 Montreal St.	Not designated employment
15	360820075	Residential/mixed use
16	360820573	Residential/mixed use
17	925 Princess St.	Mixed use
20	101108019013650	Mixed use
21	101108019013640	Mixed use
22	1125 Sydenham Rd.	Partial conversion to residential use
23	1240 Sydenham Rd.	Commercial/business uses

Of the total area recommended for conversion, approximately 63 hectares (156 acres) are currently vacant. In addition to the applications, several additional sites have been



identified for conversion to non-employment uses, which increases the total vacant Employment Area lands to be converted to about 77 hectares (190 acres). This land area has accordingly been factored into the Employment Area land needs assessment discussed in Chapter 7.

## 7. Kingston Employment Area Land Needs

Future demand for Employment Area lands within Kingston is ultimately driven by forecast employment growth. A broad range of factors, as discussed in Chapter 3, are anticipated to drive future employment growth in Kingston over the long term. These factors will not only impact the rate and magnitude of growth, but they will also influence the form and density of industrial development and the corresponding demand for Employment Area lands.

### 7.1 Economic Growth Drivers

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There are several factors that indicate economic growth within Kingston over the long term will be relatively strong, building on the economic expansion experienced over the past decade. In turn, anticipated employment growth and new non-residential development will generate continued demand for Employment Area land. These factors are discussed below.

#### Regional Growth Context

The long-term economic outlook for the regional economy generally remains positive. Long-term population and employment potential for Kingston is closely tied to the economic outlook for the broader economic region and the Province as a whole. Generally, economic development activity, as measured by employment and population growth, has steadily increased across the regional economy over the past few years. This is expected to continue over the coming decades.



## Population Growth Outlook

In accordance with the latest growth forecast prepared for Kingston, the City's total population is expected to increase from 154,100 in 2021 to 220,900 in 2051.<sup>[41]</sup> This represents an increase of 43% over the 2021 to 2051 period, representing an average annual growth rate of 1.2% over the period.

Population growth is anticipated to drive the demand for population-related commercial and institutional employment in Kingston. New residential and population-related development will also drive demand within the construction sector and influence investment across certain industrial sectors that are more closely driven by regional population growth (e.g., fulfilment centres, urban warehouses).

Most industrial and office commercial employment (export-based employment), however, is not directly linked to population growth. Employment within these sectors tends to be more influenced by broader market conditions (i.e., economic competitiveness, transportation access, access to labour force growth/supply, and distance to employment markets) and local site characteristics, such as servicing capacity, highway access and exposure, site size/configuration, physical conditions, and site location.

## Diversification of Economy

Continued economic diversification provides opportunities for a broader range of non-residential development potential and employment prospects for Kingston. Recent development trends and employment and business growth over the past decade, as discussed earlier, show a shift to more advanced manufacturing in the industrial sector and “knowledge-based” sectors in both the commercial and institutional sectors.

The diversification of the local economy is identified in Kingston's Integrated Economic Development Strategy (discussed in subsection 2.3.2) which recognizes sustainable manufacturing and health innovation as key industry clusters for growth.

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<sup>[41]</sup> Source: City of Kingston Staff Report to Council, Population, Housing and Employment Growth Forecast Update to 2051, Report Number 24-016, December 5, 2023. Exhibit A attachment dated November 23, 2023, prepared by Watson & Associates Economists Ltd.

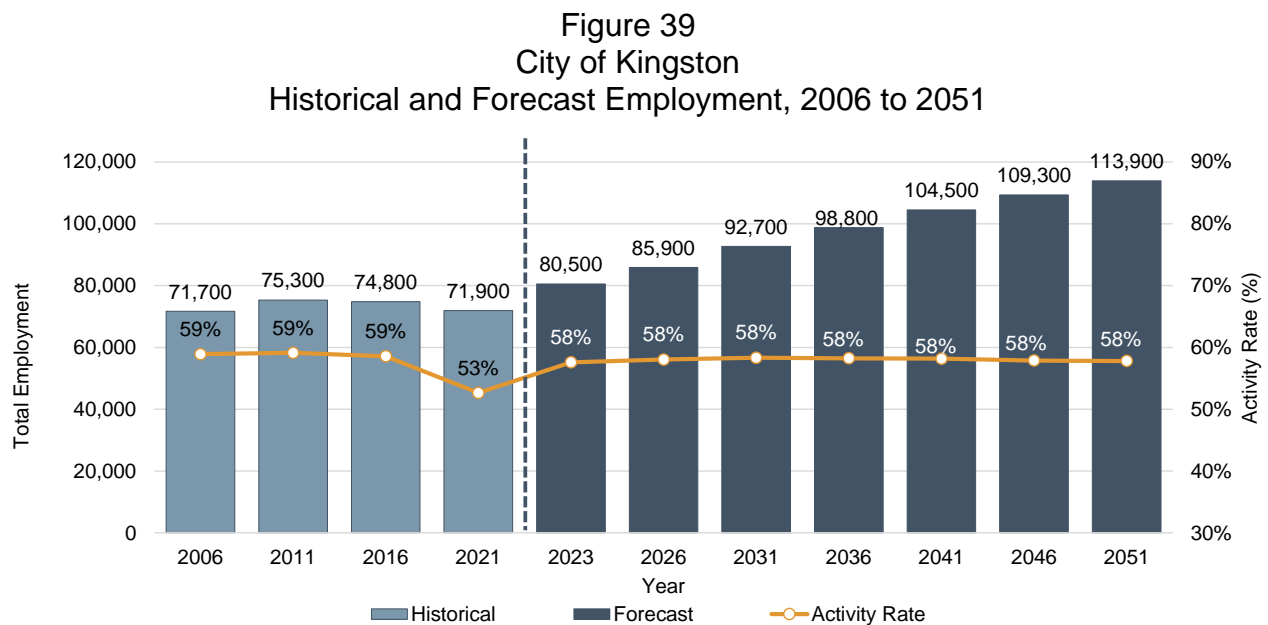


## Municipal Competitiveness

Kingston offers a competitive cost of development environment which makes it attractive for new industrial development. The municipality also has direct access to Highway 401, proximity to the U.S. market, access to a growing working-age population and skilled labour force, and synergies with post-secondary institutions. Kingston also offers a relatively high quality of life, which is an increasingly important attribute for both employers and employees.

## 7.2 Long-Term Employment Growth Outlook

In accordance with the growth projections prepared in the Growth Analysis Study, Kingston’s employment base is forecast to reach 113,900 jobs by 2051, as illustrated in Figure 39.<sup>[42]</sup> This represents an increase of approximately 42,000 jobs between 2021 and 2051, signifying an annual growth rate of 1.5% during this period, based on the current (2023) employment estimate for the City of 80,500.



Source: 2006-2021 data from Statistics Canada Census; forecast prepared by Watson & Associates Economists Ltd., 2023.

<sup>[42]</sup> City of Kingston Staff Report to Council, Population, Housing and Employment Growth Forecast Update to 2051, Report Number 24-016, December 5, 2023. Exhibit A attachment dated November 23, 2023, prepared by Watson & Associates Economists Ltd.





### **7.2.1 Employment Forecast by Employment Category**

Figure 40 summarizes the City's employment growth forecast by employment category share for the 2023 to 2051 period. As shown, population-related employment growth is forecast to account for most of Kingston's employment growth (59%) from 2023 to 2051, followed by Employment Area lands employment (31%) and major office employment (8%), while rural employment growth is expected to be limited (2%).

The following provides a summary of employment growth by land use category.

#### **Population-related Employment**

Population-related employment generally serves the local population base by providing convenient locations to local residents. Typically, as the population grows, the demand for this employment also increases to serve the needs of the region. Population-related employment also captures work from home employment.

Kingston's population is anticipated to increase by approximately 56,700 people between 2023 and 2051.<sup>[43]</sup> Forecast population growth in Kingston is anticipated to drive demand for future population-related employment growth in the City. This includes employment growth in retail, personal services, accommodation and food services, health and social services, and educational service sectors. Population-related employment growth over the 2023 to 2051 period is expected to total 10,900 jobs, representing 59% of overall employment growth in Kingston.

#### **Major Office Employment**

Major office employment in Kingston is forecast to increase by approximately 2,600 jobs over the 2023 to 2051 period, representing 8% of the City's total employment growth over the forecast period. Major office employment growth in Kingston will be driven largely by growth in key knowledge-based, top-traded industry clusters, including professional, scientific and technical services, real estate, and finance and insurance.

#### **Employment Lands Employment**

Over the forecast period (2023 to 2051), employment lands employment is expected to account for 31% of total employment growth (10,300 jobs) and reflects growth largely in

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<sup>[43]</sup> Watson & Associates Economists Ltd.

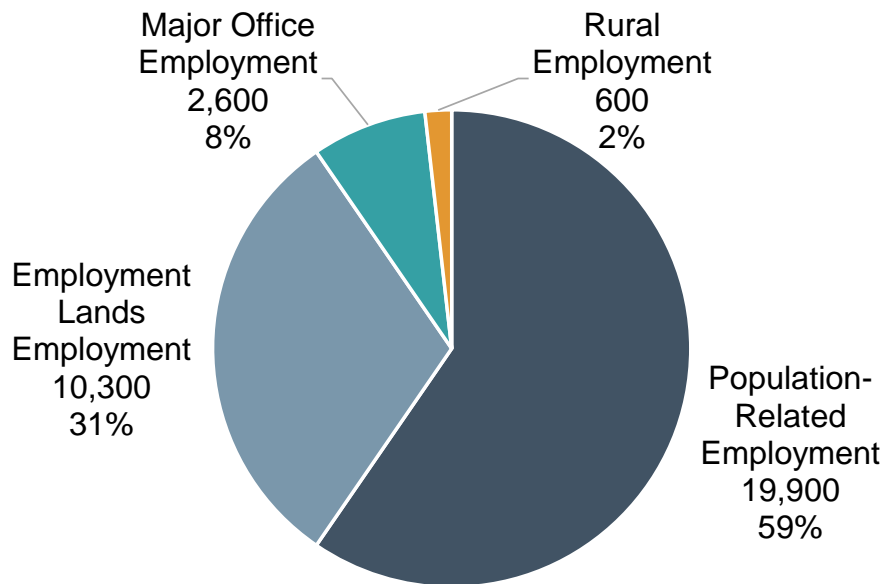


industrial-based sectors and other innovation-based sectors currently permitted under the City’s O.P. in General Industrial and Business Park designated lands. The growth in employment lands employment is expected to be mainly driven by continued growth across a number of top-traded industry clusters as previously discussed.

### Rural Employment

Rural-based employment, employment primarily consisting of primary sectors, is anticipated to represent 2% (600 jobs) of Kingston’s employment growth over the 2023 and 2051 period. This results in the rural-based share of city-wide employment growth remaining relatively stable over the forecast period.

Figure 40  
City of Kingston  
Employment Forecast by Employment Category, 2023 to 2051



Note: Figures include work at home and no fixed place of work employment. Numbers may not add precisely due to rounding.

Source: Watson & Associates Economists Ltd., 2023.

### 7.2.2 Growth Outlook by Industry by Sector

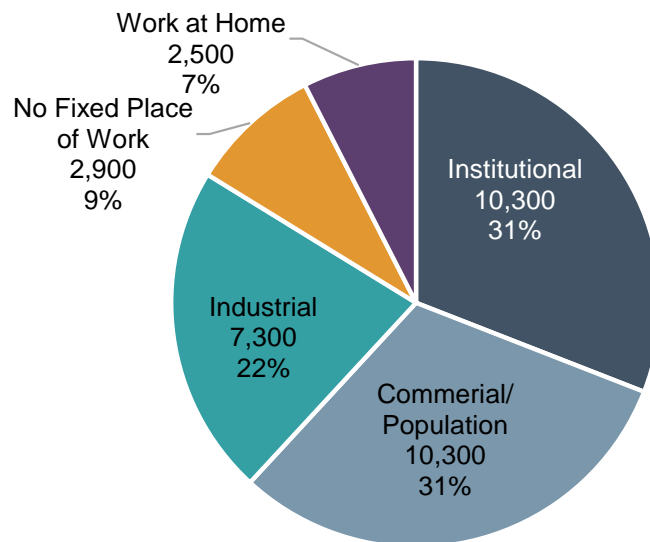
Over the forecast planning horizon, employment growth within the City of Kingston is expected across a wide range of sectors, driven by continued diversification of the



regional and local economic base and strong population growth, as identified in the City’s 2024 Growth Analysis Study.

In accordance with the employment forecast presented above, a more detailed employment forecast by industry sector was prepared for the planning horizon. Figure 41 summarizes the city-wide employment forecast by sector over the 2023 to 2051 period, with a more detailed discussion provided below.

Figure 41  
City of Kingston  
Employment Forecast, 2023 to 2051



Source: Watson & Associates Economists Ltd., 2023.

With respect to employment growth by major employment sector, the following observations have been made:

- Kingston is anticipated to experience strong employment growth in the institutional sector, representing 10,300 jobs (i.e., 31% of total employment growth), largely driven by the need for increased health services, higher education, government facilities and other institutional facilities (i.e., cultural, religious, schools) associated with population growth.
- Future demand for commercial employment growth in Kingston is anticipated to steadily increase (10,300 jobs), accounting for 31% of employment growth.



Kingston is expected to experience a significant increase in knowledge-based employment driven by substantial growth in business services, professional, scientific and technical services, and information and cultural industries, which will be largely accommodated within stand-alone and multi-tenant office buildings. A large share of this growth is expected to be in retail, personal services, and accommodation and food services.

- The industrial employment base is forecast to increase by 7,300 jobs, accounting for approximately 22% of total employment growth. Significant employment opportunities are identified in sectors related to manufacturing, construction, and wholesale trade/distribution, and transportation and warehousing. It is anticipated that the vast majority of the industrial employment growth will be accommodated within Kingston's Employment Areas with a small share accommodated in the rural area.
- No fixed place of work employment is anticipated to expand by 2,900 jobs over the forecast period, accounting for 9% of total employment growth in Kingston.
- In addition to reviewing employment trends by usual place of work, consideration has also been given to the employment outlook in Kingston for employees who work at home. Over the forecast period, work at home employment in Kingston is expected to expand by 2,500 jobs, driven by forecast growth in the knowledge-based and creative economy. This will be facilitated by opportunities related to telecommuting and increased technology. Demographics also play a role in the employment outlook for work at home employment. As Kingston's population and labour force continue to age, it is likely that an increased number of working and semi-retired residents will be seeking lifestyles that will allow them to work from home on a full-time or part-time basis.

Being a major regional centre in Eastern Ontario located along the Highway 401 corridor between the urban centres of Ottawa, the Greater Toronto Area, and Montreal, Kingston has strong growth potential across a wide range of industry sectors. Kingston is a nexus of employment for correctional facilities, military defense and related fields, medical research institutions, post-secondary academics, and a hub for regional tourism.

Public administration-related industries and educational services are expected to exhibit the highest quantum of employment over the 2023 to 2051 forecast period, increasing by approximately 3,800 jobs and 3,400 jobs, respectively. Health and social services



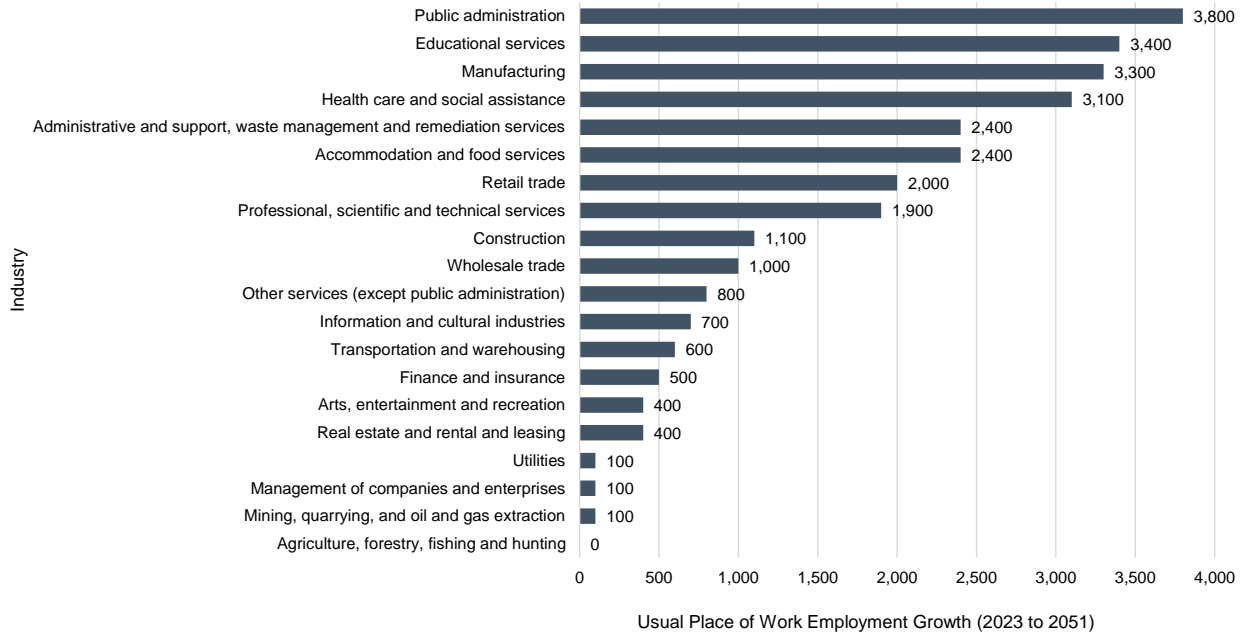
jobs, including those associated with the strategic health innovation cluster, are anticipated to increase by 3,100 jobs over the same period.

Over the forecast period, manufacturing employment is expected to increase by 3,300 jobs over the period, building on the momentum achieved over the past decade and the broader regional growth prospects. Other key industrial sectors, including construction, wholesale trade, and transportation and warehousing are also anticipated to experience strong employment growth, driven primarily by the relatively stronger regional and local population growth outlook.

Commercial industries that service regular population needs are forecast to expand significantly, primarily resulting from the ongoing influx of new residents and the services that are required to satisfy their regular demands, in addition to the needs of existing Kingston residents. The anticipated increase in the presence of student-based and tourist-servicing businesses within the City of Kingston will place further demands on a range of population-related commercial sectors over the long term. The full breakdown for each sector and its anticipated growth over the forecast period is illustrated below in Figure 42.



Figure 42  
City of Kingston  
Employment Forecast by Usual Place of Work by Two-Digit NAICS, 2023 to 2051



Notes:

- Numbers have been rounded.
- Statistics Canada 2021 Census place of work employment data has been reviewed. The 2021 Census employment results have not been utilized due to a significant increase in work at home employment captured due to Census enumeration occurring during the provincial COVID-19 lockdown from April 1, 2021, to June 14, 2021.

Source: 2023 to 2051 employment forecast derived by Watson & Associates Economists Ltd.

### 7.3 Employment Area Land Needs, 2024 to 2051

As previously identified, Employment Areas in Kingston provide opportunities to accommodate a wide variety of industrial employment sectors and businesses within a range of building types and forms.

Building on the long-term employment forecast presented in section 7.1, anticipated Employment Area land need requirements have been identified based on consideration of the following:

- Planning for existing and future Employment Areas within the context of evolving provincial and regional market trends;



- The share of employment growth on Employment Area lands over the planning horizon, in accordance with the P.P.S., 2024;
- Forecast density (i.e., employees per net acre/hectare) of employment on Employment Area lands; and
- The amount of long-term vacant Employment Area lands within Kingston's Employment Areas.

The Employment Area land needs assessment is detailed below and summarized in Figure 43 and Figure 44.

### **7.3.1 Employment Area Land Demand to 2051**

Demand for Employment Area lands within Kingston is ultimately driven by the amount and type of future employment growth. A broad range of factors and industry sector prospects, as discussed in sections 7.1 and 7.2, are anticipated to drive future employment growth and land needs within Kingston's Employment Areas through 2051.

As discussed in subsection 7.2.1, employment lands employment in Kingston is anticipated to increase by 10,300 jobs over the 2023 to 2051 period, representing roughly 30% of Kingston's employment growth over that period. Adjusted for 2023 growth, employment lands employment growth is expected to total 9,700 jobs over the 2024 to 2051 period.

### **7.3.2 Anticipated Intensification within Employment Areas**

As summarized in Figure 43, over the planning horizon, approximately 10% of the employment growth (approximately 970 jobs) on Employment Area lands is anticipated to be accommodated through intensification. This intensification includes the expansion of existing business facilities and the redevelopment of Employment Area lands.

### **7.3.3 Employment Area Density**

As discussed in section 4.4, over the past decade, the average employment density on absorbed parcels has averaged 20 jobs per net hectare (8 jobs per net acre). Employment densities of new development have been marginally higher on average



than in the previous period assessed (2006 to 2013), largely attributed to a higher floor space index.<sup>[44]</sup>

There are two diverging trends across Southern Ontario that are influencing average density trends on Employment Area lands. On the one hand, average density levels on Employment Area lands are declining in the manufacturing sector, as domestic manufacturers focus efforts on increased efficiency and competitiveness through automation. This trend is coupled with increasing demand for large, land-extensive warehousing and logistics facilities to support distribution and transportation of goods throughout the expanding Ontario population base.

On the other hand, growing demand associated with multi-tenant industrial/commercial uses (including small-scale office) with a range of diverse employment uses is anticipated to have a modest upward influence on average employment densities on Employment Area lands over the long term.

Over the planning horizon, the average employment density on Employment Area lands is forecast to be similar to the historical average over the past decade. As summarized in Figure 43, it is anticipated that the density of Employment Area land development will average 20 jobs per net hectare (8 jobs per net acre).

### **7.3.4 Employment Land Supply**

As discussed in section 4.5, Kingston has approximately 237 net hectares (583 net acres) of designated vacant Employment Area land. Adjusted for recommended conversions, as discussed in Chapter 6, the current supply of vacant designated Employment Area lands in Kingston has been reduced by 77 net hectares (190 net acres).

Some of Kingston's vacant Employment Area land parcels will likely not develop over the planning horizon due to small size, fragmentation, landowner willingness, odd configuration, access issues, inactivity/land banking, etc., which may tie up potentially developable lands. Long-term land vacancy is a common characteristic that is experienced in Employment Areas across Ontario. For the purposes of this land needs

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<sup>[44]</sup> The 2014 Kingston Industrial Land Strategy identified that Employment Area lands absorbed between 2006 and 2014 had an average employment density of 18 jobs per net hectare (7 jobs per net hectare).





analysis, an estimate of 15% long-term land vacancy has been applied to the net developable Employment Area land inventory. Factoring in the recommended conversions and the land vacancy adjustment, Kingston's supply of designated vacant Employment Area lands is 135 net hectares (334 net acres).

### **7.3.5 Employment Area Land Needs**

Figure 43 and Figure 44 summarize forecast Employment Area land demand for Kingston through 2051. As shown, based on a 10% intensification target and a target Employment Area density of 20 jobs per net hectare (8 jobs per net acre), Employment Area land demand in Kingston is expected to total 440 net hectares (1,087 net acres) over the planning horizon. In accordance with the net Employment Area land supply adjusted for conversions and land vacancy, Kingston has a net supply of 135 net hectares (334 net acres).

Based on Kingston's anticipated long-term employment growth, it is forecast that the City will have an insufficient supply of Employment Area lands to accommodate growth through 2051. As highlighted in Figure 43, Kingston has a need for 305 net hectares (754 net acres) or 405 gross hectares (1,000 gross acres) of additional Employment Area lands to accommodate the forecast growth to 2051. As such, the City will need to consider options for expansion of its Employment Area lands to address this anticipated deficit.



Figure 43  
City of Kingston  
Total Employment Area Land Needs to 2051

<b>Employment Land Demand</b>	
Employment Lands Employment, 2023-2051	10,300
Employment Lands Employment Growth to 2051 Adjusted for 2023 Estimated Absorption	9,700
Intensification %	10%
Total Employment Growth Adjusted for Intensification	8,700
Net Density (jobs per net hectare)	20
Net Land Demand to 2051 (net hectare)	440
<b>Employment Area Land Supply</b>	
Employment Land Supply (net hectare) with potential conversions - with 15% Vacancy Adjustment	135
<b>Employment Area Land Needs</b>	
Land Area Surplus/Deficit (net hectare)	(305)
Gross Land Area Surplus/Deficit - 75% Net to Gross Ratio (gross hectare)	(405)

Source: Watson & Associates Economists Ltd., 2024.

It is important to note that of the 405 gross hectares (1,000 gross acres) of land need identified in Figure 43, a large share constitutes Employment Area lands under the new P.P.S., 2024 definition of Employment Area. As discussed in section 2.1, Employment Areas, as defined by the P.P.S., 2024, permit primarily industrial uses, including manufacturing, warehousing, and goods movement. Based on anticipated industry sector growth and density trends over the planning horizon, the City is expected to require approximately 325 gross hectares (803 gross acres) of land for Employment Areas, as defined in the P.P.S., 2024, representing about 80% of the overall land need, as illustrated in Figure 44. Furthermore, it is recognized that the City has a responsibility to also continue to plan for and accommodate other employment-generating uses outside of P.P.S., 2024 Employment Areas, particularly non-retail commercial and institutional uses (e.g., office uses, training, and education, entertainment, wholesale trade, and service repair centres). These are non-residential uses that are not permitted within Employment Areas under the P.P.S., 2024 but have traditionally been accommodated on Kingston's designated Employment Area lands. The City's long-term



2051 land needs for other local Employment Areas total approximately 80 gross hectares (198 gross acres), as illustrated in Figure 44.

Figure 44  
City of Kingston  
Employment Lands Needs to 2051 by Policy Area

Employment Area Land Needs to 2051 by Policy Area	Gross Hectares	% Share
Employment Areas as per the P.P.S. 2024 <sup>[1]</sup>	325	80%
Other Local Employment Areas <sup>[2]</sup>	80	20%
<b>Total Land Need to 2051</b>	<b>405</b>	<b>100%</b>

<sup>[1]</sup> Accommodating primarily industrial uses, including manufacturing, warehousing, and goods movement.

<sup>[2]</sup> Other employment-generating uses outside of P.P.S., 2024 Employment Areas, particularly non-retail commercial and institutional uses (e.g., office uses, training, and education, entertainment, wholesale trade, and service repair centres) traditionally accommodated on Kingston’s designated Employment Area lands.

Source: Watson & Associates Economists Ltd., 2024.

## 8. Strategic Directions and Policy Recommendations

The primary objective of the Employment Area Lands Review is to provide a long-term vision for Kingston that ensures the City continues to develop as a competitive and sustainable community and is well balanced between future population and employment growth. Fundamental to this objective is an adequate supply of Employment Area lands within well-defined, designated Employment Areas located throughout Kingston to accommodate demand over the next two decades and beyond.

Over the planning horizon, Kingston is anticipated to experience continued growth, building on development trends experienced over the past decade. A broad range of considerations related to demographics, economics, and socio-economics are anticipated to impact future employment growth trends throughout Kingston over the 2021 to 2051 planning horizon.

As part of this study, the Consultant Team was asked to review the City's O.P. policies with respect to the findings of the land needs assessment, the P.P.S., 2024, and specific themes related to employment, business park, industrial, rural industrial, and



airport-related industrial land uses. The following provides policy directions for these various subjects of interest. It should be noted that as policy directions, the specific wording and/or mapping will emerge as part of a forthcoming update to the City's O.P.

## 8.1 Planning for Employment Uses Under a New Provincial Policy Framework

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As previously noted, the P.P.S., 2024 includes an updated definition of Employment Area based on the amendment of the *Planning Act* on June 8, 2023. The *Planning Act* was amended under subsection 1 (1) to include a new definition of “area of employment.” The amendment to the *Planning Act* received Royal Assent as part of Bill 97 on June 8, 2023. The definition change in the *Planning Act* would require proclamation of the Lieutenant Governor before it comes into effect.

Under the new definition of Employment Area as per the P.P.S., 2024, municipalities are required to plan for, and protect, industrial uses based on a more narrowly scoped definition of Employment Area and are limited to these uses that are primarily industrial in nature or other uses associated or ancillary to the primary use. Lands that do not meet the Employment Area definition would not be subject to provincial Employment Area protection policies and would allow for opportunities for residential and other non-employment uses.

In light of the definition change of Employment Area, a key concern for municipalities will be their ability to provide an urban structure that will support employment uses outside of Employment Areas, particularly non-retail commercial and institutional uses (e.g., office uses, training and education, entertainment, wholesale trade, and service repair centres). Traditionally, Employment Areas have been regarded as areas protected for key targeted employment sectors, especially those in the export-based sectors.

It is important to recognize that the definition change may result in already developed Employment Area lands not meeting the definition. Based on the emphasis found in the P.P.S., 2024 for supporting mixed uses, going forward, municipalities will need to assess whether existing Employment Areas meet the new provincial definition and identify areas that should transition into mixed-use areas. While municipalities are required to plan Employment Areas according to the new definition, existing uses that were legally established prior to the *Helping Homebuyers, Protecting Tenants Act*,

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2023 coming into force are allowed the continuation of use, regardless of whether the use meets the definition change.<sup>[45]</sup>

For the purpose of this report, these protected areas are referred to as Employment Areas to ensure clarity and consistency with the P.P.S., 2024. For the sake of policy conformity, it is recommended that the City's new O.P. also use similar clarifying language. The City, however, has strived over the years to carefully plan lands for employment and it is important for Kingston to also retain this framework that has served it well. Therefore, existing protected Employment Area lands (based on the definition in the P.P.S., 2020) with uses that do not meet the updated definition of Employment Area should be reclassified from future protected Employment Areas.

### **Recommended Policy Direction:**

- That the City of Kingston revise the definition of Employment Area in the O.P. to align with the definition provided in the P.P.S., 2024. This alignment will ensure consistency and clarity in the interpretation and application of Employment Area policies.
- As part of updating the O.P., the City of Kingston review existing development in the established designations of “Business Park” and “General Industrial” that meet the Employment Area definition in the P.P.S., 2024, and either group these together into a separate employment designation or add an overlay to Schedule 3 with policies that align the land uses to those permitted by the P.P.S., 2024. Planned land uses (i.e., lands designated but not yet developed) could then be (re)classified using a similar approach.
- The City of Kingston maintain O.P. policies related to the protection of employment lands (i.e., restrictions on the conversion of employment lands to non-employment uses) such that these policies are vested in the urban structure of the plan. This will continue the level of protection currently in place and avoid narrowing the protection to only the redefined Employment Area under the P.P.S., 2024.
- While residential uses are already prohibited in Employment Areas, that the City of Kingston add specific policy language to ensure comprehensive clarity. This includes defining “residential” uses to encompass dwellings, live/work units, retirement homes, and long-term care facilities. This will prevent any potential

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<sup>[45]</sup> *Planning Act*, Schedule 6, section 1 (2).



ambiguity and ensure consistent enforcement of the prohibition on residential uses in employment zones.

## 8.2 Planning for Employment Uses in an Evolving Economy

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Land use planning policies must anticipate the evolving nature of the local and regional economies and reflect the diverse needs of established and emerging industries. Land use policies must also offer a degree of flexibility and nimbleness that allows for relatively rapid responses to disruptive factors, which can be a critical advantage compared to competitive markets.

With recent structural changes in the regional economy, there has been a shift in how Employment Areas are planned and developed. “Place making” is increasingly recognized as an important planning component in creating diverse and vibrant communities which, in turn, can help attract local population and job growth provided that other necessary infrastructure requirements are met.<sup>[46]</sup>

Emerging sectors, including sustainable manufacturing and health innovation and life sciences, are anticipated to influence the demand for Employment Area lands in Kingston across a wide range of uses. It is also important to recognize that emerging industrial sectors have site, space, and built-form requirements that are significantly different from traditional industrial operations. This may include integrated operations combining manufacturing, research and development, warehousing and logistics, on-site manufacturing, associated retail and office, and ancillary facilities in a “campus-style” setting. Anticipating and responding to the evolving needs of industry will be necessary for the City to better position itself for sustained growth, particularly in the emerging sectors.

As part of the Employment Area Lands Review, the Consultant Team assessed whether there would be a benefit in reorganizing the Employment Area policies in the O.P. to merge the Business Park Industrial and portions of the General Industrial designations into a “Light Industrial” or “Industrial Park” designation, while establishing a new

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<sup>[46]</sup> Place making is a process of creating unique, quality locations, places or spaces that possess a strong sense of place. With respect to places of work, the concept of place making often encompasses the attraction of knowledge-based workers and businesses with an emphasis on collaboration, connection, and innovation.



designation for “Heavy Industrial” to capture larger-scale manufacturing or uses with outdoor processes.

The physical characteristics that make Employment Areas successful are also changing as a result of the evolving knowledge-based economy. As such, land use planning policies must anticipate the evolving nature of the local and regional economy and reflect the diverse needs of established and emerging industries. As previously mentioned, it is important to recognize that structural changes in the broader economy continue to alter the nature of economic activities in Employment Areas and impact the built form (i.e., siting requirements), integration of uses, and character of these lands.

### **Recommended Policy Direction:**

- That the O.P. policies anticipate the evolving nature of the local and regional economy (e.g., knowledge-based economy) and reflect the diverse needs of industry and businesses of all sizes over the long term.
- That the City of Kingston maintain the current separate designations of Business Park Industrial and General Industrial rather than merging them into a “Light Industrial” or “Industrial Park” designation. The separate designations should reflect the distinct intents and needs of these areas, ensuring appropriate land use compatibility, environmental protection, and economic development. Maintaining these distinctions supports targeted economic growth and effective land use planning, balancing the needs of both light and heavy industrial activities within Kingston’s O.P.
- That the O.P. prioritize the development of comprehensive transportation and mobility solutions, including public transit access, cycling infrastructure, and pedestrian pathways, to ensure that industrial areas are easily accessible for all workers.

## **8.3 Protecting Employment Areas**

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Employment uses in Employment Areas (e.g., manufacturing, and warehousing and logistics) typically require large tracts of land with good access to trade corridors near major highway interchanges and other major transportation facilities such as ports, rail yards, intermodal facilities, and airports.





Employment Areas primarily accommodate industries that require adequate separation from sensitive land uses (e.g., residential uses, education, health care facilities, and day care centres). Designating new Employment Areas in a municipality becomes challenging without adequate consideration for the requirements that support their success. For these reasons, it becomes increasingly important to protect existing Employment Areas, because they provide the opportunity to accommodate employment uses that cannot be easily accommodated in other areas of Kingston.

If not carefully evaluated, the conversion of Employment Area lands to non-employment uses can potentially lead to negative impacts on the City's economy in several ways. Firstly, inappropriate Employment Area conversions can reduce employment opportunities, particularly in export-based sectors, creating local imbalances between population and employment. Secondly, employment conversions can potentially erode Kingston's Employment Area land supply and lead to further conversion pressure as a result of encroachment of non-employment uses within, or adjacent to, Employment Areas. Finally, inappropriate Employment Area conversions can potentially fragment existing Employment Areas and/or reduce their size (i.e., critical mass), undermining their functionality and competitive position. Ultimately, inappropriate Employment Area conversions may reduce the City's ability to attract and accommodate certain industries.

Given the potential negative impacts resulting from the inappropriate conversion of Employment Areas, it is recognized that there is a need to preserve such designated lands within Kingston for employment uses. It is also recognized that under some circumstances, an Employment Area conversion may be justified for planning and economic reasons, provided such decisions are made using a systematic approach and methodology, as set out herein.

The P.P.S., 2024 carries forward similar policies on conversions provided in the proposed P.P.S., 2023. The Province has suggested in the P.P.S., 2024 proposal summary that the policies in the P.P.S. are sufficient for the protection of Employment Areas.<sup>[47]</sup> Under the P.P.S., 2024, municipalities are provided with greater control over Employment Area conversions (now referred to as Employment Area removals) with the ability to remove lands from Employment Areas at any time. Previously, under the P.P.S., 2020, municipalities were required to review changes to designated

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<sup>[47]</sup> Environmental Registry of Ontario, ERO 019-8462, Review of Proposed Policies for a New Provincial Planning Policy Instrument, Proposal Summary, section 2.





Employment Areas during a Comprehensive Review. Under the P.P.S., 2024, there is a requirement to demonstrate that there is an identified need for the removal and the land is not required for Employment Area uses over the long term. Furthermore, the Employment Area removal requires consideration of the impact of the produced use on the function of the Employment Area and whether existing infrastructure and public facilities can accommodate the proposed use.<sup>[48]</sup>

**Recommended Policy Direction:**

- That the City of Kingston maintain the existing criteria for evaluating conversion requests for the re-designation of Employment Area lands. The land needs assessment conducted for the Growth Study emphasized the importance of preserving Employment Areas for future job growth and the need to carefully manage the conversion of Employment Area lands to other uses. Maintaining the existing criteria for evaluating conversion requests for the re-designation of Employment Area lands will ensure that any proposed conversions are thoroughly assessed and justified, protecting the City's Employment Area land supply. Additionally, the City should implement measures to actively protect Employment Area lands from conversion to non-employment uses. This proactive approach will safeguard the City's capacity to meet long-term Employment Area land needs and support future job growth.

## **8.4 Accommodating Future Growth Within Developed Employment Areas**

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As discussed in subsection 4.5.4, a share of Kingston's Employment Area lands is underutilized and has future intensification potential. Future redevelopment, expansion, and infill opportunities will continue to grow in Kingston's Employment Areas as they mature and evolve.

The infill and redevelopment of existing developed lands are expected to continue to increase over time, largely driven by rising Employment Area land values and related development costs, and the continued buildout of Kingston's Employment Areas, especially in the most marketable locations.

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<sup>[48]</sup> P.P.S., 2024, policy 2.8.2.5.



### Recommended Policy Direction:

- Based on findings from the land needs assessment, the City prioritize the intensification and efficient use of existing Employment Area lands over conversion. Policies should encourage the redevelopment and upgrading of underutilized Employment Areas to accommodate new industrial activities.
- That the City explore and monitor opportunities for infill and redevelopment in mature Employment Areas. Furthermore, it is recommended that the City promote and encourage the further intensification of Employment Areas, provided that the scale and type of intensification is consistent with the planned function of the area.
- That the plan encourage the adaptive reuse of existing industrial buildings and sites to accommodate new industries. This strategy can preserve historical architecture, reduce construction waste, and expedite development processes.

## 8.5 Strategically Plan New Employment Areas

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Compared to the P.P.S., 2020, the P.P.S., 2024 provides a more flexible horizon for planning for growth by providing a planning horizon with a minimum of 20 years and a maximum of 30 years. Similar to the proposed P.P.S., 2023, “planning for infrastructure, public service facilities, strategic growth areas and employment areas may extend beyond this time horizon.”<sup>[49]</sup> Based on our interpretation of the P.P.S., 2024, this would suggest that municipalities are to designate land to accommodate growth over a 20- or 30-year period, with the opportunity to designate additional land beyond the 30-year time horizon for Employment Areas.

Employment Areas form a vital component of Kingston’s land use structure and are an integral part of the local economic development potential of the City. Through development of its Employment Area land base, the City is better positioned to build more balanced, complete, and competitive communities.

As demonstrated in section 7.3, Kingston has an insufficient supply of urban Employment Area lands to accommodate forecast urban land demand in Employment Areas to the year 2051. It is important to recognize that the forecast anticipates a significant amount of employment growth with a spectrum of employment uses and

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<sup>[49]</sup> P.P.S., 2024, policy 2.1.3, p. 6.



sectors over the long-term horizon. The City will need to ensure that new Employment Areas are phased in and strategically planned based on the Employment Area land needs identified and are designed to accommodate the key growth sectors.

It is critical that Kingston's Employment Areas and other urban non-residential lands are planned in a manner that aims to promote economic competitiveness, attract employment growth, and maximize employment density and land utilization, where appropriate. Phasing policies that require the servicing of greenfield Employment Area lands to be completed prior to, or in parallel with, the servicing and development of Community Area settlement area boundary expansion lands should also be explored.

**Recommended Policy Direction:**

- That the City explore options for expansion of its Employment Areas to address the deficit of 405 gross hectares by 2051 identified in subsection 7.3.5. Consideration should be given to designating available lands for employment uses near the Highway 401 corridor.
- That Kingston regularly monitor Employment Area land absorption and employment density levels.
- That the City strive to maintain a five-year supply of serviced and ready to develop Employment Area lands.
- That the City explore phasing policies that require the servicing of greenfield Employment Area lands prior to, or in parallel with, the servicing and development of Community Area settlement area boundary expansion lands.

## 8.6 Identify Positioning of Airport Lands

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Norman Rogers Airport (also known as Kingston Airport) is located in the southwest part of the City. There are approximately 7 net hectares (17 net acres) of undeveloped, designated, vacant Employment Area lands adjacent to the airport.

The Consultant Team has reviewed the airport policies in the O.P. in light of the Airport Highest and Best Land Use Study completed in 2018, the ongoing Airport Master Plan, and other airport studies, and hereby provides recommendations on strategies for the development of various airport parcels for employment uses and any appropriate changes to the airport policies.



### Recommended Policy Direction:

- That the City of Kingston amend the O.P. to designate specific parcels within the airport lands as Business Park Industrial and General Industrial. This will facilitate the development of high-tech, innovative businesses and support diverse industrial activities.
- That the City of Kingston integrate the findings from the ongoing Airport Master Plan into the O.P., focusing on employment uses that leverage the airport's strategic location.

## 8.7 Identifying Employment Opportunities in the Rural Area

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It is recognized that Kingston's rural area is an important asset for the City. As part of this study, the Consultant Team has reviewed the recommended initiatives contained in the report entitled "Building on the Rural Kingston Economic Development Strategy: Mobilizing Opportunities for the Greater Kingston Region" (October 2020). The key initiatives identified for the rural area include the following: support agriculture activities and businesses; plan Hamlet-led development; revitalize tourism in the rural area; and develop strategic rural business clusters.

The P.P.S., 2024 identifies that development within rural areas needs to be assessed within the rural context in terms of the scale of servicing and character.<sup>[50]</sup> No further direction is provided with respect to development within existing or new rural Employment Areas.

It is recommended that the City of Kingston develop a comprehensive strategy to form Rural Industrial Clusters, as outlined in the Integrated Economic Development Strategy. This strategy should include the development of locational criteria to guide the establishment and growth of these clusters. The criteria should focus on enhancing the diversification of industrial activities, promoting shared infrastructure such as access roads and utility services among clustered parcels, and ensuring servicing efficiency.

It is recommended that the City of Kingston encourage the adaptive reuse of existing large industrial sites for new industrial purposes. The Employment Area land needs assessment conducted herein identifies the need for 405 gross hectares of land to be

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<sup>[50]</sup> P.P.S., 2024, policy 2.5.3.



included in the urban boundary for Employment Area land needs. By repurposing existing structures and infrastructure, Kingston can optimize land use and preserve the rural character, reducing the need for new land development and supporting sustainable growth. A review of the City's Rural Industrial policies in the O.P. was completed and recommendations on the existing policy framework are provided. Specifically, recommendations are provided on the types of industrial uses that may be appropriate within the rural, privately serviced areas, whether additional land division policies are required, and how to account for large parcel sizes while maintaining an appropriate supply of rural industrial land.

**Recommended Policy Direction:**

- That the City of Kingston expand the range of permitted industrial uses to include resource extraction and processing, light manufacturing, logistics, agribusiness services, and renewable energy production.
- That the City of Kingston introduce a minimum lot frontage requirement (e.g., 60 metres) for new land divisions within rural industrial areas. This ensures that parcels remain large enough to accommodate various industrial activities while maintaining the rural character and allowing for adequate access.
- That the City of Kingston implement site plan control requirements for new industrial developments in Rural Industrial areas. This will ensure that site design, landscaping, and infrastructure are compatible with the rural character and existing services. Provisions should include buffering, setbacks, and access management to minimize conflicts with adjacent land uses, thereby promoting harmonious and sustainable development within rural settings.
- That the City of Kingston, as part of the strategy to form Rural Industrial Clusters, establish a regulatory framework to guide their development and operation. The framework should include clear guidelines on zoning, land division, environmental protection, among other aspects. The O.P. should be updated to reflect these guidelines and support the implementation of the strategy, ensuring that industrial activities align with the City's overall planning objectives and sustainability goals.



## 8.8 Site-Specific Policy Directions

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There are several locations in Kingston where site-specific policies related to either employment or residential land usage apply. A number of these policies are outlined for further review and additional consideration on their level of appropriateness.

Appropriateness is gauged based on how best policies can align to the ultimate strategic direction for the City of Kingston's economic growth potential and evaluating the best land use policies chosen for the target sites given all the other recently implicated provincial Ministry and O.P. policies. A summary of the policy considerations and their associated recommended strategic directions that were chosen are outlined below in Figure 45.



Figure 45  
City of Kingston  
Site-Specific Policy (S.S.P.) Considerations and Strategic Directions

Site-Specific Policies to Evaluate and Consider	Recommended Policy Direction and Policy Strategy
<p><b>Best Employment Use (1):</b> O.P. designation for city-owned lands north of the St. Lawrence Business Park on Highway 15.</p> <p><b>Best Employment and Non-Employment Use (2):</b> area between Division Street, Highway 401, Montreal Street, and Russell Street.</p> <p><b>Review Lands (3):</b> identified to fulfill shortages.</p> <p><b>Review Employment Land Policies (4):</b> in O.P. for appropriateness.</p> <p><b>Review D-6 Guidelines (5):</b> from the Ministry of Environment, Conservation, and Parks and determine where O.P. policies misalign.</p>	<p><b>(1)</b> The city-owned lands north of the St. Lawrence Business Park on Highway 15 be maintained as General Industrial with the frontage along Highway 15 as business/commercial.</p> <p><b>(2)</b> Some parcels within the mentioned Employment Areas are to be retained as employment zones, while some other parcels to be converted in accordance with direction from the North King's Town Secondary Plan, by applying Strategic Growth policies.</p> <p><b>(3)</b> Conduct a review of available lands to identify ways to reach the 405 hectares of Employment Area land requirement set by the land needs assessment, also set forth criteria to review these lands.</p> <p><b>(4)</b> Integrate S.S.P. Area 2 into a cluster grouping with adjacent Employment Area lands; improves operational efficiencies and economic growth.</p> <p><b>(5)</b> No existing conflicts with Ministry guidelines, continued compliance ensured by robust industrial expansion studies, regular monitoring established, update buffer zone schedules within the Official Plan (<b><u>e.g., Schedule 11A Constraint Mapping</u></b>). Additionally, warning clauses should be added onto residential property deeds for any purchases near sensitive lands.</p>



## 8.9 Role of the Municipal and Private Sectors in Employment Area Lands Development

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Kingston has a strong tradition of successful municipal Employment Area land development. The City has been responsible for most of the Employment Area land development in Kingston over the past decade, which has yielded strong assessment and employment growth for Kingston.

From a market demand perspective, the City will need to be involved in Employment Area land development for the foreseeable future, though there may be opportunities to partner with external parties on select projects through public-private partnerships.

### **Recommended Policy Direction:**

- That the City of Kingston include policies that implement fast-track approval processes for industrial projects to reduce bureaucratic delays and to facilitate quicker project initiation and completion by private developers. Additionally, the City should consider the implementation of a Community Planning Permitting System to further streamline and expedite the approval process for industrial developments.
- That the City of Kingston establish policies promoting public-private partnerships for infrastructure development and industrial park projects, leveraging private investment with public support to enhance infrastructure quality and attract more businesses.
- That the City of Kingston adopt policies to invest in upgrading infrastructure in designated industrial areas, including roads, utilities, and digital connectivity, to make industrial sites more attractive to private developers and businesses.
- That the City of Kingston, following the Employment Area land needs assessment findings in the Growth Study, begin planning for new industrial clusters on the 405 gross hectares of new Employment Area lands that are to be introduced. The City should develop a comprehensive framework to provide necessary infrastructure, ensuring these areas are well-equipped to support industrial development and attract private investment.





## 8.10 Climate Mitigation, Adaption and Resilience Principles

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The City of Kingston has undertaken a number of initiatives to facilitate and promote sustainable development including the City's Climate Leadership Plan and Community Energy Plan. The City's Strategic Plan includes a number of Strategic Priorities including lead environmental stewardship and climate action.

As identified in Chapter 7 of this report, it is anticipated that a substantial amount of Employment Area lands will need to be developed to accommodate employment growth to 2051. It is imperative for the City to ensure that the planning and development of future Employment Areas is undertaken in a sustainable manner. One of the measures to achieve this is inclusion of innovative practices in the design and development of future Employment Areas.

### **Recommended Policy Direction:**

The City through its O.P. policies should continue to guide and encourage energy efficient and climate resilient development. Recommendations include the following:

- That the City of Kingston develop policies to ensure industrial development considers long-term greenhouse gas emission reduction targets applicable to employment and other areas, that support achieving municipal and provincial targets and reflect consideration of the goal of carbon neutral communities.
- That the City of Kingston encourage compact and transit-supportive Employment Areas and communities to contribute to these targets through initiatives such as sustainable building design, inclusion of green infrastructure and vegetation/greenspace, enhancement of existing natural features, retrofit of existing buildings, transit accessibility, shared parking spaces and supports for electric vehicles.
- That the City of Kingston promote efficient industrial clusters based on compatible type of operation, resource requirement and infrastructure requirement cooperative by-product synergy relationships, or densities to support district energy systems;
- That the City of Kingston explore opportunities to attract investment in renewable energy systems (e.g., geothermal, district energy) in Employment Areas.



- That the City of Kingston develop new Employment Areas with green infrastructure practices that manage stormwater on site, to limit stormwater run-off and urban flooding in neighbouring areas.

## 8.11 Economic Development Policy Directions

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To ensure long-term economic and fiscal sustainability, there is an increasing need for the City of Kingston to maximize opportunities to accommodate growth and strengthen industry attraction and retention. As previously discussed, Kingston faces several opportunities and challenges with respect to the management and growth of existing and future Employment Area lands in light of the evolving structural changes in the economy and disruptive factors. It is important for the City to continue to promote economic development by ensuring there is sufficient supply of marketable, serviced, and developable Employment Area land to attract target employment sectors and businesses over the planning horizon.

### Recommended Policy Direction:

- That the City of Kingston create a policy to ensure the availability of high-capacity utilities, including electricity, water, and broadband internet, in all industrial zones. This will attract new businesses and facilitate quick setup, enhancing the region's industrial attractiveness.
- That the City of Kingston incorporate the recommendations from the Integrated Economic Development Strategy into the O.P., having regard for:
  - Adopting a holistic approach that balances short-term and long-term economic plans.
  - Developing strategic clusters in sectors such as health innovation and sustainable manufacturing.
  - Enhancing collaboration with key stakeholders and neighbouring communities to align efforts and maximize economic development potential.

# Appendices



# Appendix A

## Details of Conversion Criteria by Site



## Appendix A – Details of Conversion Criteria by Site

Site #	1	2	3	4	5	6	7	8	9	10	11	12
A1	The site is developed industrial/ supportive commercial uses.	The site is developed and has a mix of residential and commercial uses.	The site has a predominantly commercial use in the building – wheelchair store, electrical supplier, medical/ pharmacy – identified as a candidate site for removal based on <i>Planning Act</i> definition.			The site is currently vacant.		The site is currently occupied by commercial. Identified as candidate for removal under the P.P.S.	The site is currently occupied with small-scale industrial/service commercial uses.	The site is currently developed with industrial uses.	The site is currently developed with industrial uses.	
A2	The site is developed with employment related uses.	The site is developed, and lands are not a part of vacant inventory.	The site is developed, and lands are not a part of vacant inventory.			The site is currently vacant and there is a general deficit of Employment Area land availability in the City.		The site is developed, and the lands are not a part of the vacant inventory.	The site is developed, and the lands are not a part of the vacant inventory.	The site is developed, and the lands are not a part of the vacant inventory.	The site is developed, and the lands are not a part of the vacant inventory.	
B	The site is close to Highway 33.	The site is close to Highway 401.	The site is close to Highway 401.	The site has an existing restaurant. There are no further details on the application. Uses to remain as is.	The applicant does not mention the intent to convert land use. Uses to remain as is.	The site is about 4 km from the Highway 401 interchange.	The site is currently occupied by residential but is adjacent to industrial uses. Designation to be kept as is.	The site is about 4 km from the Highway 401 interchange.	The site is about 4 km from the Highway 401 interchange.	The site is about located close to Bath Rd./Ontario Highway 33.	The site is located close to Bath Rd./Ontario Highway 33.	The site has an existing residence but is in close proximity to existing industrial uses.
C	Direct access from ON Highway 33/ Bath Rd.	The site is directly accessible from the Highway 401 interchange through Creekford Rd.	The site located next to Highway 401 and has direct access.			The site is directly accessible from the Highway 401 interchange through Gardiners Rd.		The site is directly accessible from the Highway 401 interchange through Gardiners Rd. & Cataraqui Woods Dr.	The site is directly accessible from the Highway 401 interchange through Gardiners Rd. & Cataraqui Woods Dr.	The site is directly accessible from Highway 33 through Gardiners Rd.	The site is directly accessible from Highway 33 through Gardiners Rd.	
D	The site is in the middle of the Employment Area and is surrounded with employment uses.	The site is located on the fringe of the Employment Area.	The site is located between the Business Park Industrial and Regional Commercial designations.			The site is on the fringe of the Employment Area. The site is located between the Business Park Industrial and Regional Commercial designations and is surrounded by commercial/ institutional uses.		The site is on the fringe of the Employment Area. The site is located between the Business Park Industrial and Regional Commercial designations and is surrounded by commercial/ institutional uses.	The site is on the fringe of the Employment Area. The site is located between the Business Park Industrial and Regional Commercial designations and is surrounded by commercial/ institutional uses.	The site is not on the fringe of the Employment Area. The site is a part of a larger planned Employment Area; conversion may lead to further pressure on the adjacent sites.	The site is not on the fringe of the Employment Area. The site is a part of a larger planned Employment Area; conversion may lead to further pressure on the adjacent sites.	



Site #	1	2	3	4	5	6	7	8	9	10	11	12
E	The site is well configured for light industrial/ service uses.	The site is small and developed with mixed uses.	The site is well configured for employment uses; however, it is developed and cannot include further industrial/ employment related uses.			The site is well configured for employment uses.		The site is well configured for employment uses.	The site is well configured for employment uses.	The site is well configured for employment uses and has existing small-scale employment uses.	The site is well configured for employment uses and has existing small-scale employment uses.	
F	The site is in middle of a developed industrial area, surrounded by employment uses.	Current uses are residential and commercial and are compatible with the surrounding area.	Proposed uses are compatible with the surrounding commercial uses and may serve as a buffer from the surrounding commercial uses. Conversion, however, may lead to further pressure on the adjacent sites; therefore, permissions need to be evaluated.			Proposed uses are compatible with the surrounding commercial uses and may serve as a buffer from the surrounding commercial uses.		Proposed uses are compatible with surrounding commercial uses and may serve as a buffer from the surrounding commercial uses.	Proposed uses are compatible with surrounding commercial uses and may serve as a buffer from the surrounding commercial uses.	Proposed uses, particularly sensitive uses like residential, may be incompatible with the broader area.	Proposed uses, particularly sensitive uses like residential, may be incompatible with the broader area.	
G	The site is developed and is not in a newly developed Employment Area.	Criteria does not apply.	The site is part of a mature Employment Area and has developed industrial uses surrounding it.			The site is part of a mature Employment Area and has developed industrial uses surrounding it.		The site is part of a mature Employment Area.	The site is part of a mature Employment Area.	The site is part of a mature Employment Area.	The site is part of a mature Employment Area.	
H	The site is developed and would not impact vacant supply opportunities.	The site is developed, and lands are not a part of the vacant inventory.	The site has been developed and is not a part of the vacant inventory.			Conversion will put further pressure on the vacant Employment Area land availability.		Conversion will put further pressure on the vacant Employment Area land availability.	Conversion will put further pressure on the vacant Employment Area land availability.	Site has been developed and is not a part of the vacant inventory.	Site has been developed and is not a part of the vacant inventory.	
I	It is not a brownfield site, and criteria does not apply	Site is not considered brownfield. Criteria does not apply.	It is not a brownfield site, and criteria does not apply.			It is not a brownfield site, and criteria does not apply.		The site is not considered brownfield – the criteria will not apply.	The site is not considered brownfield – the criteria will not apply.	The site is not considered brownfield – the criteria will not apply.	The site is not considered brownfield – the criteria will not apply.	
J	The conversion is not supported by City staff.	The conversion is supported by City staff.	The conversion is supported by City staff.			Conversion is supported by City staff.		Under discussion by City staff.	City staff do not support the conversion.	City staff do not recommend the conversion.	City staff do not recommend the conversion.	
K	Conversion will not present cross-jurisdictional impacts.	Conversion will not present cross-jurisdictional impacts.	Conversion will not present cross-jurisdictional impacts.			Conversion will not present cross-jurisdictional impacts.		Conversion will not present cross-jurisdictional impacts.	Conversion will not present cross-jurisdictional impacts.	Conversion will not present cross-jurisdictional impacts.	Conversion will not present cross-jurisdictional impacts.	
	No Conversion.	Conversion to non-employment use.	Conversion to non-employment use.	No Conversion.	No Conversion.	Conversion to non-employment use.	No Conversion.	Conversion to non-employment use.	Conversion to non-employment use.	No Conversion.	No Conversion.	No Conversion.





Site #	13	14	15	16	17	18	19	20	21	22	23
A1	The site is currently vacant.	The property is designated residential and is used for restaurant/bar/branch administration uses. Owner would like to keep the uses as is. No applicable for conversion analysis.	The site is currently vacant.	The site is currently vacant.	The site is currently vacant.	The site is developed with service commercial/employment use. Not a candidate for removal from EA category.	No conversion application – existing designation and zoning to remain.	The site is currently vacant.	The site is currently vacant.	The site is currently vacant.	The site is currently vacant.
A2	There is a deficit of Employment Area land availability in the City.		There is a deficit of Employment Area land availability in the City.	There is a deficit of Employment Area land availability in the City.	There is a deficit of Employment Area land availability in the City.	The site is developed, and lands are not a part of the vacant inventory.		There is a deficit of Employment Area land availability in the City.	There is a deficit of Employment Area land availability in the City.	There is a deficit of Employment Area land availability in the City.	There is a deficit of Employment Area land availability in the City.
B	The site is about 4 km from the Highway 401 interchange.		The site is close to Highway 401.	The site is close to Highway 401.	The site is at the intersection of Highway 33 and Princess Street. It has good exposure and frontage to a major road.	The site is not close to a highway or major goods movement corridor.		The site is close to the Highway 401 interchange.	The site is close to the Highway 401 interchange.	The site is close to the Highway 401 interchange.	The site is close to the Highway 401 interchange.
C	The site is directly accessible from the Highway 401 interchange through Gardiners Rd.		The site is not directly accessible from the Highway 401 interchange and will need access through residential areas.	The site is not directly accessible from the Highway 401 interchange and will need access through residential areas.	The site is directly accessible from Highway 33.	The site is not directly accessible from a highway or major transportation corridor.		The site is directly accessible from the Highway 401 interchange through Gardiners Rd.	The site is directly accessible from the Highway 401 interchange through Gardiners Rd.	The site is accessible from the Highway 401 interchange through Venture Dr. Access can also be through Sydenham Rd. (access needs to be built)	The site is accessible from the Highway 401 interchange through Sydenham Rd.
D	The site is not on the fringe of the Employment Area. The site is surrounded by Employment uses on three sides.	The site is not on the fringe of the Employment Area. The site is surrounded by Employment uses on two sides.	The site is on the fringe of the Employment Area; separated from larger Employment Area from the KP Trail and abutting residential uses.	The site is on the fringe of an Employment Area. The existing uses in the Employment Area are more commercial/office type uses.	The site not on the fringe of the Employment Area. Conversion of this site can lead to pressure on the remaining sites to convert as well.	The site is not on the fringe of the Employment Area. The site is surrounded by employment uses on three sides.	The site is not on the fringe of the Employment Area. The site is surrounded by employment uses on three sides.	The site is not on the fringe of the Employment Area and is part of the overall critical mass. Conversion may lead to pressure on the remaining Employment Area sites to convert to residential as well.	The site is not on the fringe of the Employment Area and is part of the overall critical mass.		



Site #	13	14	15	16	17	18	19	20	21	22	23
E	The site is well configured for employment uses.		The site is large and well configured for employment uses.	Employment designated part of the site not well configured for industrial uses.	The site is large and well configured for employment uses.	The site configuration is suitable for a light industrial use.		The site has an irregular shape and will not be suitable for some employment uses.	The site is large and well configured for employment uses.	The site is well configured for employment uses.	The site is well configured for employment uses.
F	Proposed uses are compatible with surrounding commercial uses and may serve as a buffer from the surrounding commercial uses.		Proposed residential uses are not compatible with surrounding employment uses; may need local planning measures.	Part of the parcel is already converted to residential. The surrounding areas may be incompatible with residential uses. The land uses could be refined using an existing physical feature (creek/KP Trail).	The site is surrounded by higher-order employment uses, R&D, office, commercial, and residential. Conversion will not pose conflict to surrounding uses.	Residential use would be incompatible with the adjacent industrial uses.		Proposed uses are compatible with the surrounding commercial and employment uses.	Proposed uses are compatible with the surrounding commercial and employment uses.	Proposed uses are not compatible with the Employment Area uses. There are existing businesses on parcels surrounding the site.	Proposed uses are not compatible with the Employment Area uses. There are existing businesses on parcels surrounding the site.
G	The site is part of a mature Employment Area.		The site is part of a mature Employment Area.	The site is part of a mature Employment Area.	The site is part of a mature Employment Area.	The site is part of a mature Employment Area.		The site is part of a mature Employment Area.	The site is part of a mature Employment Area.	The site is part of a mature Employment Area.	The site is part of a mature Employment Area.
H	Conversion will put further pressure on the vacant Employment Area land availability.		Conversion will put further pressure on the vacant Employment Area land availability.	Since the sites are largely constrained for larger employment uses (majority of lands are not identified in vacant inventory), conversion of this site is not seen to put significant pressure on supply.	Conversion will put further pressure on the vacant Employment Area land availability.	The site is developed and is not part of the vacant inventory. Conversion will not impact the City's overall supply of large Employment Area sites.		The site is small and of irregular shape. Conversion is not seen to have a large impact on the vacant Employment Area land availability.	Conversion will put further pressure on the vacant Employment Area land availability.	Conversion will put further pressure on the vacant Employment Area land availability, particularly large Employment Area land sites.	Conversion will put further pressure on the vacant Employment Area land availability, particularly large Employment Area land sites.
I	The site is currently vacant and is not considered a brownfield site. Criteria does not apply to the site.		The site is not a brownfield site and this criteria is not applicable.	The site is not a brownfield site and this criteria is not applicable.	The site is not a brownfield site and this criteria is not applicable.	The site is part of an older Employment Area. The parcels with frontage to Division St. & Fraser St. are residential.		The site is currently vacant and part of a mature EA. The site is not considered a brownfield site. Criteria does not apply to the site.	The site is currently vacant and part of a mature EA. The site is not considered a brownfield site. Criteria does not apply to the site.	The site cannot be considered brownfield and the criteria does not apply.	The site cannot be considered brownfield and the criteria does not apply.
J	Conversion is supported by City staff.		Conversion is supported by City staff.	Conversion is supported by City staff.	Conversion is supported by City staff.	City staff do not recommend conversion.		Conversion is supported by City staff.	Conversion is supported by City staff.	Conversion is supported by City staff.	Conversion is supported by City staff.





Site #	13	14	15	16	17	18	19	20	21	22	23
K	Conversion will not present cross-jurisdictional impacts.		Conversion will not present cross-jurisdictional impacts.	Conversion will not present cross-jurisdictional impacts.	Conversion will not present cross-jurisdictional impacts.	Conversion is not seen to present any cross-jurisdictional impacts.		Conversion will not present cross jurisdictional impacts.	Conversion will not present cross jurisdictional impacts.	Conversion will not present cross jurisdictional impacts.	Conversion will not present cross jurisdictional impacts.
	Conversion to non-employment use.	Not designated employment.	Conversion to non-employment use.	Conversion to non-employment use.	Conversion to non-employment use.	No Conversion.	No Conversion.	Conversion to non-employment use.	Conversion to non-employment use.	Partial Conversion to non-employment use.	Conversion to non-employment use.