

**Looking Back,  
Moving Forward...  
Advancing Windsor's Vision  
Official Plan 5 Year Review**

**FINAL**

**LOOKING BACK  
SUMMARY REPORT:  
ECONOMIC  
CONDITIONS**

**January 2007**



*in collaboration with*  
Next Ideas Inc.  
EDP Consulting  
Lapointe Consulting

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## Executive Summary

Windsor’s Official Plan Update project is framed around the theme of, “Looking Back, Moving Forward, Advancing Windsor’s Vision.” The Looking Back phase of the work is characterized by a series of research and analysis that is intended to identify, describe and discuss the existing conditions, trends, and known challenges that face the City. This report provides a review of economic conditions and issues as they pertain to employment lands in Windsor for consideration in the Official Plan Review. Employment lands for the purpose of this discussion paper are defined as industrial and business parks lands. This report includes a review of:

- existing and future conditions pertaining to the Windsor local/regional economy;
- Windsor’s employment lands profile and employment land needs;
- opportunities and constraints related to economic development; and
- economic development related issues for the official plan review.

A summary of issues identified through the Economic Conditions report is provided in the table below (refer to Section 3 the report for a full discussion of each policy issue). Key points relating to be addressed through the Official Plan Update are also noted in the table below.

### Summary of Issues and Policy Gaps

Issue	Specific Concern	Key Points
<b>PPS Issues</b>		
<b>Requires assessment of the 20 year needs for employment lands</b>	OP contains no specific long-term employment lands strategy (e.g. targets for future employment levels) and implementing policies.  Additionally, employment projections and land needs assessment undertaken in the Annexed Area Master Plan Study are inadequate for this purpose.	<i>OP to include policies describing Windsor’s employment land strategy (which needs to be undertaken)</i>  <i>Undertake a detailed, quantitative Assessment of Windsor’s employment lands needs (Industrial, Business Park, Commercial Centre, Commercial Corridor, Major Institutional, Waterfront Port) as the foundation for that strategy</i>
<b>Conversion of industrial land to non-industrial land require a comprehensive review and extensive planning justification</b>	OP contains no policies regarding the conversion of employment lands to non-employment lands	<i>OP to include policy criteria for reviewing proposed conversions</i>

Issue	Specific Concern	Key Points
<p><b>Policies are needed for re-use of Vacant Old Employment Areas</b></p>	<p>In light of recent or planned plant closures (Pilette Road Plant, Ford Van Plant), the reuse of vacant industrial land need to be considered. The PPS only allows for the conversion of land in employment areas to non-employment areas where it has been demonstrated that the land is not required for employment purposes over the long term and there is a need for conversion. While there is a need for additional employment lands in Windsor, lands which are likely to become vacant in older industrial areas may not be suitable for new industrial development given land use compatibility issues (abutting mixed use/residential development) and are unattractive from a market perspective.</p>	<p><i>Consideration needs to be given to policies for the re-use of old employment areas</i></p>
<p><b>Industry restructuring, particularly in the automotive sector, and economic shifts need to be taken into account in employment projections and land needs assessment by type.</b></p>	<p>The employment and land needs projections prepared as part of the Annexed Area Master Plan Study have been based on assumptions that the industry distribution in the future will be consistent with the 2001 distribution, growth in the automotive sector, and a number of other assumptions which may no longer be valid.</p>	<p><i>Assumptions used in the Stantec report for employment projections need to be revisited and the employment projections and calculations of employment land needs by type revised accordingly.</i></p>

Issue	Specific Concern	Key Points
<b>Shortage of High Quality, Vacant, Uncommitted, Serviced Employment Lands in Windsor</b>	There is a shortage of high quality, uncommitted, vacant serviced employment lands in Windsor. Based on discussions with the Windsor Essex Development Commission, Windsor is lacking in 'available' employment lands – it is estimated that currently only around 10 hectares of uncommitted land is available for development.	<i>Additional employment land is needed and could be provided through designation of a portion of the recently annexed lands for industrial and business park development. However, an assessment of the specific amount of employment land needs by type can not be determined until the employment projections have been adjusted as noted above.</i>
<b>Need for Higher-End Business, Technology/Research Park</b>	At present, there are no high quality business parks or technology parks in the city. To increase Windsor's competitiveness in attracting knowledge-intensive industries, consideration should be given to land use and design policies to create a high quality business park. It will be important to ensure that these policies serve to protect the intent of the higher end business park areas.	<i>A high quality business park is needed to increase Windsor's competitiveness in attracting knowledge intensive industries. OP to include policies for a high quality business park, consistent with Windsor's Employment Land Strategy.</i>
<b>Service and Retail Commercial Lands</b>	A review of service and retail commercial lands is beyond the scope of this discussion paper. It is noted, however, that there will be a need to undertake a regional commercial systems study to identify the hierarchy of appropriate retail land uses and commercial floor space requirements to serve growth. This work has not been allocated under the current budget for the Official Plan Review, but should be allocated under the 2007 budget.	<i>A regional commercial systems study is needed – funds should be allocated under the 2007 budget.</i>

Issue	Specific Concern	Key Points
<p><b>Urban Amenities and Quality of Life Considerations</b></p>	<p>Quality of life is a factor influencing the residential location decisions of individuals, particularly for well educated 'knowledge workers' who are easily mobile. It is also a factor considered by companies in relocation decisions, particularly knowledge intensive industries. The City can increase the attractiveness of the area for knowledge workers through enhancement of urban amenities/cultural opportunities, the downtown, and the quality of employment areas and housing.</p>	<p><i>Consideration should be given in the Official Plan review to policies for enhancing work and residential environments to make them more attractive to new talent and businesses, and policies to enhance the downtown and recreational/cultural areas for visitors and residents.</i></p> <p><i>Consideration should be given to the 'Culture' recommendations outlined in the Built Form Discussion Paper.</i></p>
<p><b>Border Issues/Need for Policy to Enhance Windsor's role in cross-border trade</b></p>	<p>There may be opportunities to enhance Windsor's role as a strategic border community through planning concepts such as a Gateway Economic Zone similar to that envisioned for Niagara Region border communities in the <i>Places to Grow: Growth Plan for the Greater Golden Horseshoe</i>, 2006. That zone was developed to acknowledge the importance of, and to support, cross-border trade with the United States and to support economic diversity and promote increased opportunities for cross-border trade, movement of goods, and tourism.</p>	<p><i>Consideration will be given to this concept in the next phase of this project.</i></p>

The next step in the process will be to consolidate all the issues into a single *Issues Synthesis Discussion Report*. This will complete the Looking Back phase of the work. The City will then proceed with the Moving Forward phase of work (aligning the City's approach to addressing the issues with the Community Strategic Plan, stakeholder consultation, and documenting specific changes to the City's Official Plan). Through the last stage, the Advancing Vision phase of work, the revised Official Plan will be prepared for Council adoption and approval by the Ministry of Municipal Affairs and Housing, with additional public consultation contemplated.

## **1.0 Introduction**

The City of Windsor is at a critical crossroads in planning for its future. The economy is changing. The environment is changing. The people are changing. The shape of development is changing. With change comes a degree of uncertainty but also, and more importantly, opportunity.

### **1.1 Official Plan Update**

As the City changes, so must its Official Plan. The Official Plan is the primary document for managing change and guiding growth. The policies of the Official Plan direct the use of land, establish a framework for orderly development, stimulate revitalization, promote economic development, encourage efficient transportation and strive for a healthy environment, all in order to provide a high quality of life for current and future members of the Windsor community.

Since the adoption of the last Official Plan, the Province of Ontario has issued a new *Provincial Policy Statement* for land use planning and the City has initiated the updating of its Strategic Plan. The Province has also amended the *Planning Act* twice, through the *Strong Communities (Planning Amendment) Act* and the *Planning and Conservation Land Statute Law Amendment Act*. These will be the key drivers for change in the City's Official Plan; however, major trends and current challenges of local significance will be considered. These trends and challenges will also help update the Official Plan. The Official Plan must have regard for, and integrate the work of other major exercises, such as the Environmental Master Plan, Transit Master Plan, Long-Range Transportation Plan, and Annexed Area Master Plan.

### **1.2 Official Plan “Looking Back Summary Reports”**

Windsor's Official Plan Update project is framed around the theme of “Looking Back, Moving Forward, and Advancing Windsor's Vision.”

The Looking Back phase of the work is characterized by a series of research and analysis that is intended to identify, describe and discuss the existing conditions, trends, and known challenges that face the City. This information is available chiefly through a variety of previous studies and a review of recent legislative changes, but will also be supplemented by discussions with stakeholders, statistical analysis, and field surveys, as needed.

The Looking Back phase of the work has been designed to culminate with the release of a series of reports covering key topics related to the current situation of the City of Windsor. The report will identify changes to which policy must respond immediately, and longer term trends which

must be addressed through planning. The preparation of each report has been undertaken by a team comprising both consultants and City representatives, focussed on specific topics. The topics and related reports are:

- *Looking Back Report – Legislation*, discusses the legislative changes by the Province, and addresses those broad legislative changes which are not specific to the individual topics listed here;
- *Looking Back Report – Social Conditions*, discusses demographics and social trends;
- *Looking Back Report – Economic Conditions*, discusses economic changes and trends, both locally and globally;
- *Looking Back Report – Environment*, discusses the natural environment, environmental stewardship and conservation;
- *Looking Back Report – Built Form*, discusses emerging trends, issues and legislation relating to urban form, heritage and culture;
- *Looking Back Report – Infrastructure*, discusses servicing needs and requirements from a policy perspective; and,
- *Looking Back Report – Transportation*, discusses automobile, pedestrian, cycling, and transit modes of travel, as well as the needs of the airport.

More about this specific Looking Back Summary Report is provided in Subsection 1.3 below.

Following the completion of the Looking Back phase of work, the City will proceed with the Moving Forward and Advancing Vision phases of work. These following phases of work include documenting specific changes to the City's Official Plan, public consultation, and preparing the revised Official Plan for Council adoption and approval by the Ministry of Municipal Affairs and Housing.

### **1.3 About this Discussion Paper**

The purpose of this paper is to provide a review of economic conditions and issues as they pertain to employment lands in Windsor for consideration in the Official Plan Review. Employment lands for the purpose of this discussion paper are defined as industrial and business parks lands. This Economic Conditions paper includes a review of:

- existing and future conditions pertaining to the Windsor local/regional economy;
- Windsor's employment lands profile and employment land needs;
- opportunities and constraints related to economic development; and
- economic development related issues for the official plan review.

This discussion paper is structured as follows:

- Section 2 consists of a summary of background information relevant to the economic conditions review, including the results of pertinent background studies and primary research.
- Section 3 is a summary and discussion of relevant issues pertaining to the economic conditions as they relate to future land use considerations.
- Section 4 consists of a discussion of the next steps in the project.

## 2.0 Summary of Relevant Background Information

### 2.1 Windsor Community Strategic Plan

City Council has initiated a series of actions aimed at reviewing and updating the City's Community Strategic Plan (CSP). Council originally adopted the CSP in 1996 to plan for the future of the community. It established a community vision for the future along with objectives and actions for the City to follow in realizing this future. The City's commitment to the community vision was reflected in the strategic themes and corporate mission statement.

The overall vision for the City of Windsor as stated in the Community Strategic Plan is as follows:

*"Windsor, Canada's southernmost city and international gateway, is a diverse community of safe, caring neighbourhoods, with a vibrant economy and a healthy sustainable environment."*

*"Windsor is an international gateway and major manufacturing centre located at the heart of the Great Lakes. To support a vibrant economy, the Official Plan will ensure that Windsor maximizes its geographic and community advantages conducive to economic diversification and growth."*

Strategic Plan themes related to the vibrant economy vision include a positive business environment; an enhanced tourism and hospitality sector; an improved image and awareness, globally and locally; and a skilled adaptable work force.

Action items for the vibrant economy strategic theme, as identified in the 2003 Action Plan for the Community Strategic Plan, include:

- Improve the visual impression of the city to visitors and residents;
- Enhance the marketing/publicity for Windsor as a community;
- Diversify the economy and maintain/enhance existing strengths;
- Build relationships for economic development.

City Council has agreed that a CSP remains a valuable tool to assist with informed decisions on the strategic issues facing the City in the future and has authorized the plan to be updated to coincide with the beginning of the 2006-2010 term of Council.

The formal review and updating of the CSP was authorized by City Council in June 2005. At that time, Council directed that the work program be incorporated into the five-year review of Windsor's Official Plan. In December 2005, the organizational review for the Official Plan project was approved including the theme *Looking Back, Moving Forward: Advancing Windsor's*

*Vision.* Early in 2006, as part of the “Looking Back” phase of the review, City Council, senior staff members and community leaders attended workshops to review the CSP.

Three separate workshops (two in February and one in March) were conducted to gather comments on the 1996 Community Strategic Plan. At each session, participants were asked to identify key challenges facing Windsor that required the proactive planning of a CSP.

The proposed 2006 Community Strategic Plan vision and mission statement are, respectively:

***Vision** - Windsor – Dream, Dare, Do: Windsor is a desirable city full of history and potential, with a diverse culture, a durable economy, and a healthy environment, where citizens share a strong sense of belonging and a collective pride of place.*

***Mission** - Our City is built on relationships – between citizens and their government, businesses and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together.*

## **2.2 Recent Amendments to the *Planning Act* through Bill 51**

Bill 51, the *Planning and Conservation Land Statute Law Amendment Act*, received Royal Assent on October 19, 2006. There are numerous amendments to the *Planning Act*. Most of these modify aspects of the land use planning process, provide additional tools for implementation of provincial policies and give further support to sustainable development, intensification and brownfield redevelopment. Some technical and housekeeping amendments are also included, as well as consequential amendments to the *Greenbelt Act*, 2005 and the *Municipal Act*, 2001.

Changes to the *Planning Act* through Bill 51 relevant to this report include:

- The Bill clarifies that municipalities’ power to regulate the density of development includes power to regulate minimum and maximum height, and minimum as well as maximum density;
- The Bill authorizes municipalities to impose conditions on zoning;
- Municipalities may establish second unit policies as of right, without appeal to the Ontario Municipal Board;
- Employment areas are protected from re-designation and employment uses are specified, subject to policies in Official Plan;
- Urban design controls implemented through Official Plan policies, Site Plan by-law, and Site Plan Approval;

- Sustainable design (streetscaping) elements implemented through Official Plan policies, Site Plan by-law, and Site Plan Approval;
- Accessibility improvements implemented through Site Plan;
- Reduction of cash-in-lieu for parkland for sustainable redevelopment;
- Consideration of optimized energy conservation in layout of Plans of Subdivision;
- Dedication of pedestrian paths, bicycle paths and public transit rights-of-way for Plans of Subdivision.

### **2.3 Amendments to the *Planning Act* through the *Strong Communities (Planning Amendment) Act***

Bill 26, the *Strong Communities (Planning Amendment) Act*, received Royal Assent on November 30, 2004. The Act requires that decisions, comments, submissions and advice for municipal planning matters must be “consistent with” policy statements issued by the Minister. This is a strengthening of the previous requirement to “have regard to” Minister’s policy statements. The other changes to the *Planning Act* arising from the *Strong Communities (Planning Amendment) Act* are technical in nature (i.e., addressing matters of appeal, timelines, etc.) and are outlined in the Looking Back Summary Report – Legislation, available under separate cover. It should be noted, however, that many of the matters empowered by the *Strong Communities (Planning Amendment) Act* are implemented through the Provincial Policy Statement and the new requirement for municipalities to “be consistent with” the PPS. As a result, the key issues arising from the *Strong Communities (Planning Amendment) Act* which relate to the Windsor Official Plan emerge in the discussion of the Provincial Policy Statement, below.

### **2.4 Provincial Policy Statement (PPS)**

In 2004 the new Provincial Government introduced its Vision for Ontario’s Land Use Planning System: to maintain strong communities, a clean and healthy environment and a strong economy to ensure the long term prosperity and social well being of Ontarians. To achieve that vision, the Provincial Government made changes to the *Planning Act* through the *Strong Communities (Planning Amendment) Act, 2004*.

The *Planning Act* as amended by the *Strong Communities (Planning Amendment) Act, 2004* requires that all decisions affecting land use planning matters “shall be consistent with” the new PPS. Municipal official plans are the primary tool for implementing the PPS. The Provincial Policy Statement addresses the importance of building strong economic communities, competitiveness of employment areas, and long term economic prosperity. Particularly relevant to this discussion paper are the PPS requirements that:

- The Official Plan must include the breadth of policies for long-term economic prosperity.
- Official plans “make provision for sufficient land to accommodate an appropriate range and mix of land uses to meet projected needs for employment (industrial, commercial and institutional) uses for up to 20 years”.

## **2.5 Windsor Official Plan**

The City of Windsor Official Plan was originally adopted by Council in November 1999 and approved in part by the Province in March 2000; the remainder was approved by an Ontario Municipal Board decision on November 1, 2002. The City entered into a land transfer agreement for annexed lands from Tecumseh (former Township of Sandwich South) on January 1, 2003 to provide for its growth needs. The Official Plan of the former Sandwich South currently applies to these lands (it is recognized that the City has prepared a Master Plan for the development of the annexed lands).

The Official Plan includes a number of policies on economic growth as discussed below.

Section 4 of the Official Plan includes the goal ‘to achieve economic opportunities throughout Windsor’ including specifically: to provide for a wide range of employment opportunities at appropriate locations throughout Windsor; and to encourage a range of economic development opportunities to reach full employment.

Specific objectives for employment lands relate to ensuring that Windsor becomes an attractive place to establish businesses and locate employees; expanding Windsor’s assessment base by attracting employers and economic development; ensuring that employment uses are developed in a manner which is compatible with other land uses; accommodating a full range of employment activities in Windsor; enhancing the quality of employment lands by providing for complementary services and amenities; and locating employment activities in areas which have sufficient and convenient access to all modes of transportation. It is stated in Section 6.4.2.1 of the Official Plan that a sufficient supply of appropriately located industrial and business park land be designated to meet the 20 year employment demand.

Official Plan policies pertaining to Industrial Areas and Business Parks are identified in sections 6.4.3 and 6.4.4 of the Official Plan respectively. As stated in Section 6.4.3 of the Official Plan, the industrial land use designation provides for a broad range of industrial uses which, because of their physical and operational characteristics, are more appropriately clustered together and separated from sensitive land uses. This designation is also applied to certain older industrial

areas of Windsor where such a separation may not have been achieved. Uses permitted in the Industrial land use designation include establishments which may exhibit any or all of the following characteristics: (a) large physical size of site or facilities; (b) outdoor storage of materials or products; (c) large production volumes or large product size; (d) frequent or continuous shipment of products and/or materials; (e) long hours of production and shift operations; (f) likelihood of nuisances, such as noise, odor, dust or vibration; (g) multi-modal transportation facilities; (h) is dependent upon, serves or otherwise complements the industrial function of the area. Specific ancillary uses are also permitted.

As stated in Section 6.4.4 of the Official Plan, the Business Park land use designation provides for business and industrial uses of a similar quality and character to locate together in highly visible areas according to a comprehensive development plan. Uses permitted in the Business Park land use designation include: establishments devoted to research, development and information processing, business offices, business services, industrial research and/or training facilities, communication, production uses, printing and publishing; and selected industrial uses which: (i) do not create nuisances such as noise, dust, vibration or odour; (ii) confine industrial operations within a building and/or structure; and (iii) do not require outside storage. Permitted ancillary uses include convenience stores, gas bars, service stations, personal services, restaurants and financial institutions which, by their size are designed to serve the employees in the Business Park and which have access to an Arterial or Collector road; and hotels or motels, provided that they meet specific criteria.

## **2.6 Other Background Documents**

Background reports particularly relevant to this discussion paper include the *Windsor-Essex Regional Strategy* report, *Windsor-Essex Economic Base Analysis*, the *City of Windsor Annexed Master Plan Study*, and the *Autumn 2006 Conference Board Economic Outlook for Windsor*. A brief discussion of the pertinent key findings of those reports is provided on the following pages.

### **2.6.1 Windsor Essex Regional Economic Development Strategy report**

A regional economic development strategy report for Windsor-Essex Region was prepared by the Windsor-Essex CAO Task Force on Regional Economic Development in 2005, facilitated by the firm KPMG. The initial goal of the strategy is to “*create a regional environment that is collaborative in nature across the whole region; recognizes the importance of facilitating activities in programs that assist with the future viability and growth of existing business and industry...; conducive to new investment....and world renowned for its innovation and research and development initiatives....*”

The overall purpose of the Strategy is to achieve economic advantages that will maintain and attract investment in high-skilled, well-paid jobs, providing a high quality of life in Windsor and Essex County.

As part of the overall work for the Regional Economic Development Strategy, an economic base analysis of Windsor-Essex was prepared in 2004 by Matthew Fisher and Associates. Key findings of the economic base review are:

- Following a decade of steady growth (27%), the economy grew by only 3.6% between 2000 and 2004, compared to the provincial average of 8.6%.
- While manufacturing is a significant sector in Windsor – accounting for about 28% of the employment, it is an underperforming sector and has shown significant decline between 2002 and 2004.
- Other underperforming sectors are wholesale and retail trade; transportation and warehousing (likely reflecting a weaker manufacturing sector); professional, scientific and technical services; business, building and other support services; and information, culture, and recreation.
- High performing sectors are education, health care, and public administration (i.e. population serving sectors, which are expected to grow in the overall economy anyway) and accommodation and food.
- Driving sectors of the economy are construction, public administration, health care, and finance/insurance/real estate. These sectors represent a dramatic departure from reliance on the core sector, manufacturing.

Recommended target sectors identified in the Economic Base Analysis Report for the Windsor-Essex area are manufacturing, financial services, health care, post secondary education, tourism, and agri-business:

- Manufacturing is identified, with high priority to retention and expansion;
- Financial services are identified as an emerging target;
- Health care is identified as a sector with potential for expansion;
- Post secondary education is identified as an expansion target;
- Tourism is identified as a target sector for business retention, expansion and attraction;
- Agribusiness is identified as a retention and expansion target.

It should be noted that some of the assumptions in the Economic Base Analysis were based on available data in 2004 and may not be valid now, particularly as they relate to the automotive sector (e.g. it was noted in the report that ‘investment announcements made by the Big Three Automakers ... will lead to a return in the buoyant growth rates in the region as seen in the last decade.’) As discussed later in this paper, the automotive sector is undergoing significant restructuring and this will impact Windsor’s competitiveness for this sector, and the sector’s relative importance to Windsor’s economy.

## **2.6.2 Conference Board of Canada - Windsor Economic Outlook (2004 and beyond)**

The Conference Board of Canada has projected that growth in the Windsor economy, as measured by growth in real gross domestic product (GDP), will be modest over the next year, as manufacturing and tourism sectors continue to face challenges.

### *Manufacturing Performance and Outlook:*

Manufacturing output in Windsor was projected to grow by 1.8% in 2006, following a 2.5% growth in 2005. However, it should be noted that while manufacturing output is expected to show some growth, the number of manufacturing jobs is expected to decline as manufacturers cut back on staffing to reduce operating costs and increase competitiveness, which has been seriously impacted by a higher Canadian dollar and resulting decreased shipments to the United States. Manufacturing shipments to the United States are expected to decline further as a result of the slowing American economy, which will further decrease the demand for goods produced in Windsor.

The Conference Board of Canada forecasts that by the end of 2006, over 4,000 manufacturing jobs will have been eliminated in Windsor since 2001.

Mixed impacts are noted by the Conference Board of Canada for the automotive sector. Ford’s casting plant is scheduled to close in 2007, resulting in a loss of 1,100 jobs. On a more positive side, it is reported that several new automotive parts manufacturing operations have recently established in Windsor to supply parts to Daimler Chrysler’s redesigned 2008 model year minivan.

The Conference Board of Canada is forecasting that manufacturing output in 2007 will increase by 2.8 per cent, although employment in the sector is expected to decrease.

### *Tourism Performance and Outlook:*

A \$400 million expansion is in progress for Casino Windsor, which is scheduled to continue to the end of 2007, and will result in Casino Windsor being the largest casino and gaming centre in

Canada. However, conditions in the tourism sector have been challenging in recent years and this is expected to remain the case in 2007. The tourism industry in Windsor, as well as elsewhere in Ontario, has been adversely affected by a number of factors which have resulted in decreased visitation by Americans. These include the strong Canadian dollar, high gasoline prices, Ontario's smoking ban, confusion over the Western Hemisphere Travel Initiative, border delays and competition from new casinos in Michigan. Revenues at the Detroit-Windsor tunnel were 35% lower in 2005 than in 1999. In the first half of 2006, Americans only made 6.6 million same day trips to Canada – the lowest number on record. As a result of the tourism slow-down, Casino Windsor, which attracts 80% of its customers from the United States, announced 300 layoffs in July of 2006. Growth in the commercial sector, which includes many tourism related facilities, is expected to increase only by 0.3% this year; output growth is forecasted to improve to 2.7% next year, although there is a risk that the actual growth will be lower.

#### *Overall Projected Growth*

Overall employment is expected to increase by 1.7% in Windsor in 2006, with much of that growth being in office employment. The projected 2007-2010 annual compound employment growth rate is 1%, while the overall annual compound growth output rate is projected at 2.6%. Projected output growth is higher than employment growth, which suggests that industries will be streamlining employment and using more automation and technological advances to increase productivity. As shown below, the highest growth is expected in non-commercial services.

**Table 2-1: Windsor CMA – Projected Average Annual Compound Growth (2007-2010)**

Sector	Employment	Output
Non-commercial services	2.5%	2.8%
Wholesale & Retail Trade	1.3%	2.5%
Transportation/ Communication	-0.9%	1.5%
Office	0.6%	1.9%
Industrial	0.7%	3.1%
Total	1.0%	2.6%

Source: Conference Board of Canada, 2006

### 2.6.3 City of Windsor Annexed Master Plan Study

Future employment levels and land needs were estimated by Stantec in the City of Windsor Annexed Master Plan Study, which was completed in August 2006. Key findings of that study are discussed below.

#### Employment Projections

- The number of new jobs in Windsor between 2001 and 2026 is projected to range from between 14,795 to 60,493 based on low to high growth projections. The number of new jobs under the medium growth scenario is 31,466.
- The medium growth employment projection is recommended as a reference scenario for determining future land use needs as it is based on the long term average growth rate. The number of jobs projected under the medium growth scenario is comprised of 183 primary jobs, 12,203 employment lands/industrial jobs and 19,079 population related jobs such as those in the services and institutional sectors.

#### Employment Land Supply and Needs

- The supply of vacant land zoned/designated for industrial/business park development, that consists of parcels that are over 1 hectare and generally contiguous, is around 125 hectares. Other land is fragmented/more suitable for infill or expansion.
- The actual supply of uncommitted serviced employment land is much lower - only 20 hectares of serviced, uncommitted land were available in 2003, and only 3 hectares by 2006. It was noted that some additional unserviced designated land is available, however these parcels are of insufficient size for most potential users and servicing would be difficult.

- Using a medium growth scenario, it is estimated by Stantec that 528 hectares of industrial and related lands are needed to accommodate projected growth to 2026: 30 hectares for heavy industrial and 498 hectares for light industrial. Additionally, it is recommended that 350 hectares of land be set aside for large scale manufacturing/multi-modal facilities. It is also noted that there is a need for 216 hectares of land to accommodate population related jobs.

#### New Employment Areas

The preferred concept for the recently annexed lands, as shown in Appendix C, identifies the following areas for new industrial/business park development:

- 303 ha for a potential multimodal area bordering the airport operating area, and bounded by County Rd 42 on the south and Lauzon Parkway on the east;
- 167 ha for business park development within the NEF 30 contour;
- 742 ha for industrial land north of Highway 401 to provide potential parcel developments ranging from 80 to 260 ha.

#### Comments on Adequacy of Employment Projections

While the Stantec report provides a high level assessment of employment and land needs, it should be noted that some of the assumptions in that analysis may need to be examined and employment projections and employment land needs adjusted accordingly:

- It was assumed that the relative proportion of workers by industry sector will remain generally the same as existed at the time of the 2001 census. This is inconsistent with the Conference Board of Canada projections and general market trends;
- A number of assumptions have also been made on intensification, working at home portion, split between population serving, heavy and light industrial, etc. These have been based on past trends, and may not be valid for future employment;
- The study is too positive on growth in the automotive sector;
- Employment land requirements have been estimated using projected employment growth between 2001 and 2026. This needs to be adjusted for the 2006 to 2026 period.

## **2.7 Results from Primary Research**

A reconnaissance tour was undertaken of employment areas in Windsor. This was supplemented with a review of available mapping and data on vacant employment areas, as provided by the City of Windsor, available published data from realtors and from the Windsor-Essex Economic Development Commission. A meeting was also held with a representative of the Commission to discuss the availability of employment lands and issues affecting future economic development in Windsor.

A summary of observations on the availability and adequacy of vacant employment lands in Windsor is provided below:

- Some vacant industrial lands are available in the older industrial areas in Windsor, located in the north western portion of the city generally in the vicinity of Sandwich and Russel Streets. The area has good access to the Essex Terminal rail lines and access to the E.C. Row Expressway. However, it lacks exposure to major highways; some of the uses appear to be quite marginal; and the location is generally unattractive from a market perspective except perhaps for some heavy industrial, cost sensitive operations. It is noted that there are land use compatibility issues in this area as well, particularly for heavy industrial lands that abut mixed use and residential areas.
- The Ojibway Industrial Park is bounded by Ojibway Parkway to the east, Detroit River to the West, Broadway to the North, and Sprucewood to the South. The park is mixed use with a range of light industrial facilities. The industrial park has good access to the E.C. Row Expressway. It is reported that vacant land in the park is only 74 ha. However, discussions with the Windsor-Essex Economic Development Commission have indicated that there are no uncommitted lands available in the park – all lands have been purchased/planned for development.
- The Twin Oaks Business Park is located southeast of Downtown Windsor on the south side of the E.C. Row Expressway and east of the Lauzon Parkway overpass. This is a mixed use employment park with a range of light industrial and office facilities. While around 55 hectares of land in parcels in excess of 1 ha in the park are vacant, discussions with the Windsor-Essex Development Commission suggest that the majority of vacant sites in the Park have been sold, and there are only about 5 hectares of vacant parcels that are uncommitted.

Discussions with the Windsor-Essex Economic Development Commission have also revealed that only three parcels of uncommitted marketable vacant employment lands are available in Windsor. These parcels are situated to the north of the airport lands.

Given the lack of available employment lands in existing industrial and business parks in Windsor and the unattractiveness from a market perspective of older industrial areas with vacant lands, it is clear that there will be a need for new employment lands in the city to accommodate future economic activity. There is a need for industrial and business park areas with easy access to Highway 401, a multimodal/'just in time delivery' manufacturing area, and a higher end business/technology park area. It is noted that this demand could likely be accommodated on recently annexed lands and on surplus airport lands, however these lands need to be appropriately designated, zoned and serviced.

## **3.0 Key Issues**

This section consists of a discussion of the relevant economic conditions issues to be addressed through the Official Plan update.

### **3.1 Industry Restructuring and Shifts**

Decisions regarding the amount and allocation of future employment lands by type need to take into account the changing economic conditions in Windsor and allow adequate land for new emerging drivers.

#### Restructuring in the Automotive Sector

The basic business strategy of North American car makers of dominating the mass market with a full range of vehicles is no longer valid, as sales of big trucks and sport utility vehicles have plummeted due in part to gasoline costs uncertainly and unprecedented market share challenges and competition from Asian automakers. As a result, significant restructuring and reinvention is occurring within the Big 3 automakers, who will likely focus on closing plants, reducing workforce, reducing operation costs and reinventing themselves for much of the remainder of the decade. For example, Ford recently announced that it plans to close 16 of its 42 North American manufacturing plants by the end of 2012, including the Casting and Essex Engine plants in Windsor, resulting in elimination of about 2,000 manufacturing jobs in the Windsor area.

At the same time that the 'Big 3' have been restructuring and cutting operations, Asian companies such as Toyota and Honda have expanded operations in North America.

However, cost competitiveness and market proximity are key factors in locational decision-making for new automotive plants. Windsor's competitiveness has been eroded by a relatively high Canadian dollar which has resulted in higher operating costs compared to locations in the southern United States and Mexico.

Given the uncertainty in the automotive sector and overall competitiveness issues in the manufacturing sector overall, careful consideration needs to be given to the amount of land needed for heavy industrial operations in the future in Windsor, as it is likely that the demand will be shifting to lighter industrial uses and services.

### The Shift Toward Services

The services sector of the economy is expected to grow more significantly than the goods producing sector. The goods producing sector in Canada accounts for about 25% of the labour force, compared to about 75% accounted for by the services sector. The services sector has grown by about 9% between 2001 and 2005, compared to 5.9% growth in the goods producing sector. Given Windsor's traditionally high manufacturing base, the growth in services has not been as high as the national level. In Windsor, there has been a 4.8% increase for services employment relative to a 4.7% increase in goods producing employment between 2001 and 2005. However, given the restructuring and job losses in the automotive sector and the ripple effect through suppliers in the area, the relative importance of the manufacturing sector in Windsor is expected to decrease. More specifically, based on projections by the Conference Board of Canada, manufacturing employment is projected to decline in the Windsor CMA from around 47,500 in 2005 to 45,700 in 2010, i.e. a decline of around 4%. Over the same period, employment in the services sector is expected to increase from around 104,000 to 114,000 - an increase of close to 10%. Services that have shown growth in Windsor over the past five years have included health care and education services (consistent with the national trend) and finance, insurance and real estate services. One such service company that recently announced that it is locating in Windsor is Sutherland Global Services (SGS), which provides advanced technical support for personal computer users. The new Windsor operation opened in December of 2006 and will phase in hiring and training for technical support agents in diagnostics and troubleshooting. It is expected that 1,000 full time positions will be filled by March 2008.

Based on an analysis of the City of Windsor Official Plan amendments, undertaken by City Planning staff, a shift away from manufacturing and toward services and commercial uses has been noted.

The following service sectors have been identified as target sectors in the Windsor-Essex Economic Development Strategy:

- Financial Services is identified as an emerging target;
- Health care is identified as a sector with potential for expansion;
- Post Secondary education is identified as an expansion target; and
- Tourism is identified as a target sector for business expansion, retention and attraction.

It will be important that adequate institutional lands are available to support future health care and educational facilities, and lands are provided for future tourism related development. Financial services will likely locate in the downtown or in new business park areas.

### Employment Land Needs Assessment Should be Refined

As mentioned previously, it is necessary to revisit the employment projections and calculated employment land needs outlined in the Stantec report as these have been based on a number of assumptions, some of which appear to be no longer valid. As such, it is recommended that these assumptions be revisited and the employment projections and calculations of employment land needs be revised as necessary.

## **3.2 Employment Land Shortages and Opportunities**

An assessment of the specific level of employment land needs by type can not be provided until the employment projections have been revised as recommended in Section 3.1. However, based on a preliminary review of available information and discussions with economic development contacts in the area, it is apparent that there is a shortage of high quality, serviced uncommitted vacant employment lands as discussed below.

### Shortage of Employment Lands

Availability of a suitable range of serviced employment lands is a key site selection factor that companies consider in selecting a community for relocation or expansion after other critical location factors have been satisfied such as the depth and quality of the labour market (which is increasingly becoming the most important criteria), operating costs, transportation infrastructure and access to markets/suppliers/other business units.

As stated in the Stantec report, the need for new serviced industrial land in Windsor has been identified by the City of Windsor, the Ministry of Municipal Affairs and Housing and the Windsor-Essex County Development Commission. While the supply of vacant employment lands is around 125 hectares, the supply of uncommitted vacant employment lands is much lower. Based on discussions with the Windsor Essex Development Commission, Windsor is lacking in 'available' employment lands – it is estimated that currently only around 10 hectares of uncommitted land is available for development.

### Opportunities for New Employment Lands

The annexed lands are considered to provide significant opportunities for future employment lands growth given their proximity to the airport, railway lands and Highway 401. The Windsor Annexed Land Master Study preferred concept identifies the following employment areas:

- 303 ha for a potential multimodal area bordering the airport operating area, and bounded by County Rd 42 on the south and Lauzon Parkway on the east – the land is expected to be declared surplus by Transport Canada to airport operations, which could result in that land being available for employment uses;
- 167 ha for business park development within the NEF 30 contour;
- 742 ha for industrial land north of Highway 401 to provide potential parcel developments ranging from 80 to 260 ha.

#### Multi-Modal/Cross-Border Related Development

The proposed multi-modal transportation centre on the Airports land would likely attract new development along County Road 42 including companies associated with cross-border trade such as warehousing, logistics, and customs brokerage firms.

#### Need for Higher-End Business/Technology/Research Park

While there are some existing business parks in Windsor, these are mixed use areas which include light industrial, office and ancillary commercial uses. At present, there are no high quality business, technology or R&D parks in the city. Consideration should be given to land use and design policies to create high quality business park environments for knowledge based and technology businesses. It will be important to ensure that these policies are not overly permissive, and serve to protect the intent of R&D business parks.

### **3.3 Policies for Re-Use of Vacant Old Employment Areas**

In light of recent or planned plant closures (Pilette Road Plant, Ford Casting Plant), the reuse of vacant industrial/commercial land need to be considered. Some long-standing industrial plants are located in established neighbourhoods. Future redevelopment of these properties to other industrial uses would be inappropriate from a land use compatibility perspective.

It is also noted that additionally, the PPS only allows for the conversion of land in employment areas to non-employment areas where it has been demonstrated that the land is not required for employment purposes over the long term and there is a need for conversion. While there is a need for additional employment lands in Windsor, lands which are likely to become vacant in older industrial areas may not be suitable for new industrial development given land use compatibility issues (abutting mixed use/residential development) and are unattractive from a market perspective. The location of old industrial properties and the surrounding mixed land uses, as well as several other locational factors such as limited access and visibility, may make these older industrial properties unsuitable for new industrial uses once the existing operations

close. Consideration therefore needs to be given to policies for re-use/conversion of older vacant industrial areas.

### **3.4 Service and Retail Commercial Lands**

A review of service and retail commercial lands is beyond the scope of this discussion paper. It is noted, however, that there will be a need to undertake a regional commercial systems study to identify the hierarchy of appropriate retail land uses and commercial floor space requirements to serve growth. This work has not been allocated under the current budget for the Official Plan Review, but should be allocated under the 2007 budget.

### **3.5 Urban Amenities and Quality of Life Considerations**

Future economic growth in Windsor is dependent on a number of factors including how well the city is able to foster a knowledge intensive and innovation economy and competitive labour force, and compete in the economic development marketplace as a preferred location for business investment.

Quality of life is a factor influencing the residential location decisions of individuals, particularly for well educated 'knowledge workers' who are easily mobile. It is also a factor considered by companies in relocation decisions, particularly knowledge intensive industries. The City can increase its attractiveness for knowledge workers through enhancement of urban amenities/cultural opportunities, the downtown, quality of university and college programs to supply employees, and the quality of employment areas and housing. Consideration should be given in the Official Plan review to policies for enhancing work and residential environments to make them more attractive to new talent and businesses, and policies to enhance the downtown and recreational/cultural areas for visitors and residents.

### **3.6 Other Issues**

#### Border Issues and Need to Build on Windsor's Strategic Location Relative to the U.S.

Increased time 'needed or perceived' for crossing the Windsor-Detroit border as a result of American security policies, as well as confusion over the Western Hemisphere Travel Initiative has created a less than favourable investment climate for new investment in Windsor and adversely affected tourism and manufacturing 'just in time' shipments - two of Windsor's traditionally important sectors. For example, in the first half of 2006, Americans only made 6.6 million same day trips to Canada - the lowest number on record. However, trans-border traffic

has also been adversely impacted by a number of other factors as previously noted. While these are significant issues, remediation is beyond the scope of land use planning. However, there may be opportunities to enhance Windsor's role as a strategic border community through planning concepts such as a Gateway Economic Zone similar to that envisioned for the Niagara Region border communities in the *Places to Grow: Growth Plan for the Greater Golden Horseshoe*, 2006. That zone was developed to acknowledge the importance of, and to support, cross-border trade with the United States, support economic diversity and promote increased opportunities for cross-border trade, movement of goods, and tourism. Uses that tend to cluster in such gateway areas include a range of tourism related uses as well as warehousing, logistics, and customs brokerage firms. Consideration will be given to this concept in the next phase of this project.

#### Need for Windsor-Detroit Regional Coordination and Cooperation

Windsor is part of the larger Detroit-Windsor economy and planning for future economic development needs to be undertaken within the regional context, exploring potential synergies and clustering opportunities for Windsor resulting from its position relative to the Detroit market, as well as ways to enhance its strategic border location advantage. While these issues are being explored by the County as part of its economic development strategy initiatives, there may also be some land use planning initiatives to support cross border trade that are being undertaken in Detroit and other border communities. Consideration will be given to these in the next phase of this project.



Issue	Specific Concern	Key Points
<p><b>Industry restructuring, particularly in the automotive sector, and economic shifts need to be taken into account in employment projections and land needs assessment by type.</b></p>	<p>The employment and land needs projections prepared as part of the Annexed Area Master Plan Study have been based on assumptions that the industry distribution in the future will be consistent with the 2001 distribution, growth in the automotive sector, and a number of other assumptions which may no longer be valid.</p>	<p><i>Assumptions used in the Stantec report for employment projections need to be revisited and the employment projections and calculations of employment land needs by type revised accordingly.</i></p>
<p><b>Shortage of High Quality, Vacant, Uncommitted, Serviced Employment Lands in Windsor</b></p>	<p>There is a shortage of high quality, uncommitted, vacant serviced employment lands in Windsor. Based on discussions with the Windsor Essex Development Commission, Windsor is lacking in 'available' employment lands – it is estimated that currently only around 10 hectares of uncommitted land is available for development.</p>	<p><i>Additional employment land is needed and could be provided through designation of a portion of the recently annexed lands for industrial and business park development. However, an assessment of the specific amount of employment land needs by type can not be determined until the employment projections have been adjusted as noted above.</i></p>
<p><b>Need for Higher-End Business, Technology/Research Park</b></p>	<p>At present, there are no high quality business parks or technology parks in the city. To increase Windsor's competitiveness in attracting knowledge-intensive industries, consideration should be given to land use and design policies to create a high quality business park. It will be important to ensure that these policies serve to protect the intent of the higher end business park areas.</p>	<p><i>A high quality business park is needed to increase Windsor's competitiveness in attracting knowledge intensive industries. OP to include policies for a high quality business park, consistent with Windsor's Employment Land Strategy.</i></p>
<p><b>Service and Retail Commercial Lands</b></p>	<p>A review of service and retail commercial lands is beyond the scope of this discussion paper. It is noted, however, that there will be a need to undertake a regional commercial systems study to identify the hierarchy of appropriate retail land uses and commercial floor space requirements to serve growth. This work has not been allocated under the current budget for the Official Plan Review, but should be allocated under the 2007 budget.</p>	<p><i>A regional commercial systems study is needed – funds should be allocated under the 2007 budget.</i></p>

Issue	Specific Concern	Key Points
<p><b>Urban Amenities and Quality of Life Considerations</b></p>	<p>Quality of life is a factor influencing the residential location decisions of individuals, particularly for well educated 'knowledge workers' who are easily mobile. It is also a factor considered by companies in relocation decisions, particularly knowledge intensive industries. The City can increase the attractiveness of the area for knowledge workers through enhancement of urban amenities/cultural opportunities, the downtown, and the quality of employment areas and housing.</p>	<p><i>Consideration should be given in the Official Plan review to policies for enhancing work and residential environments to make them more attractive to new talent and businesses, and policies to enhance the downtown and recreational/cultural areas for visitors and residents.</i></p> <p><i>Consideration should be given to the 'Culture' recommendations outlined in the Built Form Discussion Paper.</i></p>
<p><b>Border Issues/Need for Policy to Enhance Windsor's role in cross-border trade</b></p>	<p>There may be opportunities to enhance Windsor's role as a strategic border community through planning concepts such as a Gateway Economic Zone similar to that envisioned for Niagara Region border communities in the <i>Places to Grow: Growth Plan for the Greater Golden Horseshoe</i>, 2006. That zone was developed to acknowledge the importance of, and to support, cross-border trade with the United States and to support economic diversity and promote increased opportunities for cross-border trade, movement of goods, and tourism.</p>	<p>Consideration will be given to this concept in the next phase of this project.</p>

## **4.0 Next Steps**

This report completes the Economic Conditions issues review for the “Looking Back” phase of the Windsor Official Plan Update project. Other reports addressing a range of other issues have also been produced.

The next step in the process will be to consolidate all the issues into a single *Issues Synthesis Discussion Report*. This will complete the Looking Back phase of the work.

The City will then proceed with the Moving Forward phase of work. This will involve a review of the issues, aligning the City’s approach to addressing the issues with the Community Strategic Plan, stakeholder consultation, and documenting specific changes to the City’s Official Plan.

Through the last stage, the Advancing Vision phase of work, the revised Official Plan will be prepared for Council adoption and approval by the Ministry of Municipal Affairs and Housing, with additional public consultation contemplated. This section will consist of an overview of suggested policy options for addressing identified issues through the Official Plan update.