

5.0 Economic Development

5.1 Background

A strong economy is central to a healthy and sustainable community. Gananoque's economy, like all communities is evolving away from a traditional, industrial based economy towards an economy that includes a mix of commercial, service, manufacturing, and tourism industries. According to Economy Overview Gananoque Q3 2016, prepared by the Ontario Ministry of Agriculture Food and Rural Affairs and Economic Modelling Specialists International, Gananoque housed 3,530 jobs with 582 in manufacturing, 802 in wholesale and retail trade, 443 in arts, entertainment and recreation, and 511 in accommodation and food services, with the remainder in other various trades.

The Town's main economic driver in the summer months is tourism, with the Town's Economic Development Department reporting upwards of 500,000 visitors, mainly in the months of June, July and August. In 2015, the Gananoque Visitor Centre Survey Report estimated that tourism was an \$84 million industry for the Town of Gananoque and Township of Leeds and Thousand Islands. Consequently, the Town is home to number of restaurants, hotels, bed and breakfasts and retail stores which make up a large portion of the Town's workforce.

Within the tourist areas of the Town, mainly in the Lowertown District, are a number of retail and commercial services which supplement the tourism economy while also providing services for locals year-round. These include retail, personal services, and food, accommodation, and entertainment services.

In areas closer to Highway 401 are industrial and light industrial uses. Industrial properties range from 33,000 sq. ft to 60,000 sq. ft, allowing for a variety of industries such as niche manufacturing, supply chain opportunities and technology-based businesses.

Gananoque's strategic location along the Highway 401, which forms the backbone of the Windsor to Quebec City urban economic corridor makes it ideally situated for new growth. Gananoque is also strategically located midway between Ottawa and the Upper New York State Area. As mentioned in Section 2.1 above, the DC Background Study estimates that Gananoque's employment will continue to grow during the forecast period.

Gananoque's Economic Development Strategic Plan (2016-2018) identifies several investment attraction target sectors, including:

- Entrepreneurs
- Tourism Based Businesses
- Knowledge/Creative Economy
- Medical Sector
- Niche Manufacturing/Supply Chain Opportunities

This project provides an opportunity to consider how Gananoque's land use planning approach and policies support realization of investment and growth in these investment attraction target sectors.

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5.2 The Land Use Planning Framework

Since the Official Plan came into effect, the land use planning framework relating to economic and employment matters has continued to evolve, to provide municipalities with additional flexibility when planning for future employment growth and tools to protect employment areas from incompatible development, especially employment areas that are near major good movement corridors such as Highway 401.

5.2.1 The Planning Act

The Planning Act requires that municipalities have regard to the adequate provision of employment opportunities when rendering decisions that affect a land use planning matter.

5.2.2 The Provincial Policy Statement

Policy 1.3.1 of the PPS states that planning authorities shall promote economic development and competitiveness by:

- a) providing for an appropriate mix and range of employment, institutional, and broader mixed uses to meet long-term needs;
- b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;
- c) facilitating the conditions for economic investment by identifying strategic sites for investment, monitoring the availability and suitability of employment sites, including market-ready sites, and seeking to address potential barriers to investment;
- d) encouraging compact, mixed-use development that incorporates compatible employment uses to support liveable and resilient communities, with consideration of housing policy 1.4; and
- e) ensuring the necessary infrastructure is provided to support current and projected needs.

Policy 1.3.2.1. states that planning authorities shall plan for, protect and preserve employment areas for current and future uses and ensure that the necessary infrastructure is provided to support current and projected needs. The PPS defines an employment area as those areas designated in an official plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices and associated retail and ancillary facilities.

Policy 1.3.2.2 states that, at the time of the official plan review or update, planning authorities should assess employment areas identified in local official plans to ensure that this designation is appropriate to the planned function of the employment areas. Employment areas planned for industrial and manufacturing uses shall provide for separation or mitigation from sensitive land uses to maintain the long term operational and economic vitality of the planned uses and function of these areas.

Policy 1.3.2.3 requires that within employment areas planned for industrial or manufacturing uses, planning authorities shall prohibit residential uses and prohibit or limit other sensitive land uses that are not ancillary to the primary employment uses in order to maintain land use compatibility. In addition, employment areas planned for industrial or manufacturing uses should include an

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appropriate transition to adjacent non-employment uses.

Policy 1.3.2.4 allows municipalities to permit conversion of lands within employment areas to non-employment uses through a comprehensive review, 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.

Policy 1.3.2.6 states that planning authorities shall protect employment areas in proximity to major goods movement corridors for employment uses that require those locations. The PPS defines a major goods movement corridor as transportation facilities and corridors associated with the inter and intra provincial movement of goods. This includes Highway 401.

Policy 1.3.2.7 permits planning authorities to plan beyond 25 years for the long-term protection of employment areas provided lands are not designated beyond the planning horizon identified in policy 1.1.2.

Policy 1.2.6.1 states that major facilities and sensitive land uses shall be planned and developed to avoid, or if avoidance is not possible, minimize and mitigate any potential adverse effects from odour, noise and other contaminants, minimize risk to public health and safety, and to ensure the long-term operational and economic viability of major facilities in accordance with provincial guidelines, standards and procedures.

Policy 1.2.6.2 states that where avoidance is not possible, planning authorities shall protect the long-term viability of existing or planned industrial, manufacturing or other uses that are vulnerable to encroachment by ensuring that the planning and development of the proposed adjacent sensitive land uses are only permitted if the following are demonstrated in accordance with provincial guidelines, standards and procedures: there is an identified need for the proposed use; alternative locations for the proposed use have been evaluated and there are no reasonable alternative locations; adverse effects to the proposed sensitive land use are minimized and mitigated; and potential impacts to industrial, manufacturing or other uses are minimized and mitigated.

5.2.3 The Official Plan

The Official Plan recognizes commercial, service industries, manufacturing activities and tourism as the Town's economic base and establishes policies for both commercial and employment lands. However, there are policies in place that recognize the need to expand the Town's economy and explore new employment opportunities.

Section 3.3 outlines policies for the Town's transition from industrial to light industrial and mixed commercial uses.

Section 3.4 of the OP recognizes the need to preserve industrial and commercial employment lands while accommodating new employment opportunities. The impacts of globalization have resulted in a reduction in industrial land uses within the Town, however the Town is committed to preserving the existing industrial land uses. The Town has designated lands closest to Highway 401, as seen in Schedule D, as a Trade and Industry Policy Area with the following objectives:

1. to provide for commercial and industrial land uses which require larger land areas;

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2. to ensure access to efficient transportation links;
3. to provide commercial and industrial development opportunities which will not result in land use conflicts in accordance with Ministry of the Environment Guideline on Compatibility Between Industrial Facilities and Sensitive Land Uses; and
4. to enhance economic development opportunities within the Town of Gananoque

Section 5.5 of the Official Plan has designated the entire Municipality as a Community Improvement Area. Some of the policy objectives of this designation are to upgrade and maintain existing municipal services, facilitate the remediation, rehabilitation, and redevelopment of brownfield sites, encourage private sector investment and expansion of the economic base, and revitalize the downtown core as a mixed-use shopping destination.

There are also special provisions for the development of Lowertown regarding protecting and promoting tourism. Section 3.1.1.6. states that development in Lowertown should protect and enhance existing recreation, tourism, and cultural uses in a mixed-use setting. Tourism commercial uses are one of the permitted uses within the Lowertown designated areas.

5.3 Conclusion

The Official Plan includes a comprehensive policy framework to guide future commercial and employment growth in the community. The Official Plan should be reviewed to ensure that an adequate amount of employment lands are identified to accommodate future growth, that the designations permit an appropriate range of economic opportunities and that employment areas are adequately protected from sensitive land uses.