



Employment Lands Brief

The Issue

Manufacturing in Toronto provides good jobs for local residents. It produces essential goods for local markets, wealth-creating exports and plays an important role in diversifying and strengthening our economy. But while the provincial government continues to counter the Trump effect and promote new manufacturing investment in Ontario, they have weakened land use policies to please the development community at the cost of protecting manufacturers already operating here. The resulting loss of employment land protections has created uncertainty for manufacturers and inhibits new investment.

What are Employment Lands?

Employment lands are areas of a city that are officially set aside for business and economic activities — especially industrial, manufacturing, warehousing, logistics, and large office uses. They are given special protection through zoning that include ‘buffer’ land uses such as service businesses that maintain separation between employment and non-employment uses. Non-employment uses include lands zoned for residential neighbourhoods, condos or retail.

D-6 Guidelines are land use compatibility guidelines that regulate separation distances between industrial and sensitive uses. They regulate things such as noise, odour and dust and are used by planners to assess a development application that may impact an area of employment.

Why are they Important?

Employment lands are where goods are manufactured, where food is processed and stored, where construction materials are produced and where freight is handled and distributed. These activities, specially manufacturing and logistics, support high-paying skilled jobs. It is vital we protect these lands, and the jobs that go with them, because once lost, they will not return.

These lands require protection from encroachment by sensitive uses such as residential. Employment lands are strategic for a community and are intended to be functional in nature. They bring noise, truck traffic and odours or emissions which can impact sensitive uses such as schools and homes. It is also important to protect employment lands which may appear at present ‘unutilized’, but these lands are necessary for new industry and expansion by existing employers.

It is worth noting that the City undertook a lands need assessment study a few years ago that concluded that there is more than enough land available for residential construction for the next 50 years that does not impinge on or potentially conflict with land currently zoned for employment.

What Has Changed?

The Provincial focus on the need to build more housing for a surging population resulted in legislative change to the Planning Act and the Provincial Planning Statement (PPS) in 2024. These changes collectively *weakened the structural protections for employment lands* by reducing what counts as ‘protected’ space. This has exposed companies with operations on those lands to the prospect of residential and mixed uses locating much closer to their premises than had previously been contemplated or permitted.

Here is a summary of the key changes:

New Definition of “employment area” (Bill 97)

- Under the new definition, only specific uses — like manufacturing, warehousing, goods movement and related research & development — are considered employment uses. Commercial, office and institutional uses are explicitly **not** part of this definition unless they were already legally established.
- This has required municipalities such as Toronto to update their official plans to conform to the new rules (e.g. with OPA 804) but they will have less, though still some, discretion to determine if a zoning application falls within the definition of an employment zone.

New Conversion Rules

- Changes to Provincial Policy Statement (PPS) made it easier to remove lands from employment areas than under the old PPS by removing the 5-year cycle for a Municipal Comprehensive Review (MCR). This has allowed developers seeking to re-zone land for residential use to bring forward such applications at *any* time. If the municipality denies those applications, the developer can appeal them to the Ontario Land Tribunal (OLT) which has a tradition of ruling in favour of application proponents. Lands which were once protected get rezoned in such instances, and they often lie empty for years until market forces make it attractive to build.

Removal of “Provincially Significant Employment Zones” (PSEZs)

- Earlier planning frameworks such as the Growth Plan included PSEZs — areas specifically identified and protected from conversion except through a full MCR. The removal of the PSEZ category means that there is no longer any formal provincially-identified highest level of employment land protection in the current provincial framework.

Implications for Manufacturers

Recent changes to provincial legislation and policy have created a level of uncertainty coming from the external environment that diverts attention and resources away from managing their operations.

These challenges can be framed in the following ways:

- Will they continue to have access to land they may need for expansion?
- Will they have to undertake costly studies on sound and odour mitigation because of the prospect of closer location of sensitive uses?
- Will the increased congestion near their site result in shipping delays and will they need to alter their hours of operation to accommodate the increased traffic, and at what cost?
- Will they have the resources to hire lawyers and planning consultants if they choose to fight a nearby conversion application either at City Hall or the OLT?

Obviously, each case is different, so the level and extent of disruption will vary. At the most extreme end of disruption is when a company decides to scale down its operations, either in an attempt to compensate for the additional costs and disruption, or management decides that the time has come to shift production out of the city altogether to a neighbouring municipality or out of the country. In either case, Toronto loses good jobs.

What is TIN Asking For?

Approval of OPA 804

TIN has called for MMAH to approve OPA 804. It is not an ideal solution, because it will still result in the unprecedented loss of 3% of Toronto's employment lands, but it would restore some control to the City in dealing with conversion applications which it currently does not have. It is worth noting that with the exception of Downsview, these employment lands have significant industrial/commercial employment activity.

Open up the Planning Act and PPS for Revision

The Province is understandably reluctant to amend legislation and policy which is less than 3 years old. However, we believe the pendulum has swung too far to accommodating the development community in an attempt to focus on housing as a public priority at the expense – unintended or otherwise – of good manufacturing jobs. We recommend changes to the definition of employment lands and an employment area that would help to restore some of the protections that were in place prior to 2023.

2-Year Moratorium on Conversion Applications

The ease with which conversion applications can now come forward means it is 'open season' on employment lands: because these applications can now come forward at any time, without the former protections in place, we risk a continuous loss of employment land due to the high proportion of cases that are approved by the OLT. A moratorium would provide time and space to review the 'rules' and restore some sense of order to the planning environment.