City of Winnipeg
Comprehensive Employment Lands Strategy



AltusClayton

Map It Out

MMM GROUP

City of Winnipeg Comprehensive Employment Lands Strategy

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City of Winnipeg

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EXECUTIVE SUMMARY

Altus Clayton, in conjunction with MMM Group and Map It Out Inc., were retained to prepare a comprehensive employment lands strategy for the City of Winnipeg. Winnipeg's employment land strategy focuses on assessing the broad high-level requirements for employment lands within the City of Winnipeg over the next 25 years, while assessing the ability of the existing supply of designated lands to address these requirements while considering at the same time the potential suitability for some of the existing supply toward other uses as market context may dictate.

The purpose of this study is two-fold:

- To assess the adequacy of the existing and proposed long-term employment land supply to meet projected employment land requirements in the City of Winnipeg within a broad economic development and macroeconomic context; and
- To provide the City with a comprehensive employment land strategy in order to ensure that an adequate supply of land is developed and maintained in a cost effective manner to support potential economic development over the next 25 years.

Our findings on this matter include

- From a macroeconomic perspective, effective land use planning will be a critical part of attracting a skilled workforce, particularly as the economy progresses into a period of labour force shortages. The City of Winnipeg's ability to attract and maintain a dynamic workforce will be invariably linked to the employment lands strategy undertaken;
- For this purpose, the supply of employment lands is critical, not just in terms of the total quantity of employment lands needed to meet the potential economic development requirements, but in terms of the range and mix of lands to appeal to different types of firms with different types of company and employee needs;
- In 2002 the City compiled an industrial land inventory, which identified over two decades of supply of serviced industrial land, yet economic development officials report difficulty in some cases matching features of the existing land supply to the requirements of new employers;

- The City of Winnipeg has an employment land supply of some 1,210 acres that encompasses some 760 acres of vacant parcels, and an additional estimated 450 acres of lands considered available for development within existing occupied, but underutilized lands;
- The City of Winnipeg also has a large quantity of gross developable lands that require services before they can serve employment purposes. This 'greenfield' supply includes lands west of the Airport, a strategically important future employment lands location;
- Based on a reasonable economic development scenario for the Winnipeg CMA and patterns of growth and employment lands development within the City of Winnipeg, there is likely to be some 67,000 jobs to be accommodated on new employment lands in the urban region over the next 25 years;
- The City of Winnipeg will likely accommodate up to about 75 percent of these requirements - some 50,300 jobs on its employment lands. This share acknowledges the larger role of adjacent rural municipalities in accommodating industrial development in the urban area as serviced lands are brought to market in the future;
- The City of Winnipeg requires some 3,450 net acres of employment land to accommodate anticipated economic growth. The net requirement illustrates a shortfall of 2,240 net acres that translates into 3,490 gross acres;
- Subsequently, the City's entire current greenfield supply of designated employment lands will be needed to fulfil this demand. To this end, the City will require an additional 400 gross acres of greenfield lands in order to adequately support economic growth over the next 25 years.
- The inventory of employment lands for the City of Winnipeg reveals some 3,090 gross acres of unserviced land within its industrial policy areas (IPA). Saskatchewan North, with 1,640 gross acres in the area west of the Winnipeg James Armstrong Richardson International Airport presents enormous potential to accommodate future employment land growth;
- Providing servicing to these employment lands will allow for more immediate development and delivery of new employment land parcels in a timely fashion. The cost of delivering services (both internal and external infrastructure) to a selection of IPA's is estimated to be in the order of $375 to $450 million with

developments coming on-stream in 5, 10 and 25-year planning horizons.

- Given the shortage of employment lands that the City is set to experience over the next 25 years, a variety of measures are proposed that the City should undertake to protect, streamline and enhance the suitability of the existing employment lands. The overall thrust of the recommendations, which are discussed in further length in the report, include strategies that involve:
    - Servicing greenfield employment land areas through appropriate sequencing and staging;
    - Redesignation or flexible redesignation of identified redundant employment lands;
    - Continued and increased cooperation with Regional Municipalities in the Winnipeg CMA on servicing of employment lands coming on stream
- The private sector will bring to market lands for higher density employment reasonably well without assistance from the City, but the City should be considering a more active role in partnering with land owners and, in some cases, other stakeholders such as other orders of government, to accelerate the servicing and bringing to market of more traditional employment lands, where the economic incentives are lower and the private sector may fail to bring lands to market within a timeline that is in the City's most strategic interests.
- Although the total servicing and land development costs are substantial, connected to the bringing of lands to market over the next 25 years, the City should consider a number of cost sharing, partnership and funding model options in order to facilitate these measures from a financial perspective.

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1 INTRODUCTION

1.1 INTRODUCTION

Altus Clayton, in conjunction with MMM Group and Map It Out Inc., were retained to prepare a comprehensive employment lands strategy for the City of Winnipeg. Preparation of this study comes at a critical and very opportune time for the City, and will assist the City of Winnipeg in its economic development efforts in the years ahead.

As with many major cities in North America, the City of Winnipeg faces a number of challenges in managing its inventory of employment lands. The City recognizes that an inventory of available lands to accommodate a broad range and mix of industries is critical from an economic development perspective. In 2002 the City compiled an industrial land inventory, which identified over two decades of supply of serviced industrial land, yet economic development officials report difficulty in some cases matching features of the existing land supply to the requirements of new employers.

Thus, the City also recognizes that gross availability of land is not the whole picture; having an appropriate range and mix of employment lands, in appropriate locations lining up with the requirements of the potential demand is also critically important. Moreover, there is a wide array of issues which can affect the integrity of the vacant land supply, such as its suitability for a range of industrial zonings to accommodate both traditional and emerging growth sectors. Other issues which can affect the land supply are the pressures to redesignate existing and industrial lands for non-industrial purposes such as retail/commercial or residential.

This present project provides a comprehensive approach to land designations in order to help the City to accommodate growth and maximise economic development potential. Residential and commercial lands, in appropriate locations, are also critical in supporting Winnipeg's economic development goals.

The comprehensive nature of this assignment required a multi-disciplinary approach. The study team consists of land economists (Altus Clayton); planners and engineers (MMM Group) and comprehensive GIS support (Map It Out).

1.2 PURPOSE OF THE REPORT

The purpose of this study is two-fold:

- To assess the adequacy of the existing and proposed long-term employment land supply to meet projected employment land requirements in the City of Winnipeg within a broad economic development and macroeconomic context; and
- To provide the City with a comprehensive employment land strategy in order to ensure that an adequate supply of land is developed and maintained in a cost effective manner to support potential economic development over the next 25 years.

1.3 REPORT STRUCTURE

In addition to the Introduction, the study has the following chapters:

- Chapter 2 presents an overview of the employment lands assessment methodology employed in this study;
- Chapter 3 discusses the economic development framework upon which the assessment is based;
- Chapter 4 analyzes the economic development potential for the City of Winnipeg within a broader macroeconomic context;
- Chapter 5 assesses current conditions in Winnipeg's commercial and industrial sectors;
- Chapter 6 measures the employment lands requirements for the City of Winnipeg and assesses the adequacy of existing land supply and expansion land supply to support potential economic growth;
- Chapter 7 provides strategies to protect, streamline and enhance the suitability of existing and future employment lands to accommodate forecast demand including planning and policy recommendations;
- Chapter 8 provides an overview of the range of financial options that the City can undertake to ensure the timely delivery of new employment lands to market; and
- Detailed orthophoto maps illustrating industrial properties and features, existing and proposed servicing within Winnipeg's ten Industrial Policy Areas are presented in the Appendix.

1.4 CAVEAT

This report relies on information from a variety of secondary sources. While every effort is made to ensure the accuracy of the data, we cannot guarantee the complete accuracy of the information used in this report from these secondary sources.

This report has been prepared solely for the purposes outlined herein and is not to be relied upon or used for any other purposes or by any other party without the prior written authorization of Altus Clayton, Division of Altus Group Limited

2 METHODOLOGY

This chapter presents the overall modelling methodology employed by Altus Clayton for the City of Winnipeg projections.

2.1 A NOTE ON GEOGRAPHIC AREAS REFERRED TO IN THIS REPORT

The focus of the employment projections presented in this report is the geography encompassed by the **City of Winnipeg**. Population in the City of Winnipeg was 633,450[1] persons in 2006.

The City of Winnipeg is a large component of the **Winnipeg Census Metropolitan Area (CMA)**, which had a population of some 694,670 persons in 2006. In addition to the City of Winnipeg, the CMA includes some 11 rural municipalities. Collectively the population of the rural municipalities is some 61,220 persons – or 8.8 percent of the total CMA.

Although the rural municipalities are collectively a small component of the population of Winnipeg, they have been experiencing faster growth and between 2001 and 2006 have accounted for close to one-quarter of the population growth across the CMA.

The data illustrated in Figure 1 represents the CMA as defined in the 2006 Census. This report predominantly relies on data released in the previous census from 2001, due to the timing of this reports preparation and the release schedule of the new census data. In 2001 the RM of MacDonald was not considered a part of the CMA. Thus much of the data used in this report will not reflect the inclusion of the RM of MacDonald.

Data presented in this report are drawn from a number of sources, including the Census of Canada, Statistics Canada, and other sources. Some data are available and presented only at the CMA level (such as data from the Labour Force Survey) and other data are available for both the CMA and the City of Winnipeg. The reader should be cautious to keep in mind the distinction.

[1] Population data are not adjusted for Census net undercount

Figure 1

Geographic Areas Used in This Report

	2006 Census Population		2001-2006 Population Growth	
	Persons	*% Distribution*	*Persons*	*% Distribution*
City of Winnipeg	633,451	91.2	13,907	76.9
Other Municipalities in the CMA	61,217	8.8	4,167	23.1
Winnipeg Census Metropolitan Area	694,668	100.0	18,074 [1]	100.0
Winnipeg	633,451	91.2	13,907	76.9
Brokenhead	467	0.1	95	0.5
East St. Paul	8,733	1.3	1,056	5.8
Headingley	2,726	0.4	819	4.5
Macdonald	5,653	0.8	333	1.8
Ritchot	5,051	0.7	93	0.5
Rosser	1,364	0.2	(48)	(0.3)
Springfield	12,990	1.9	388	2.1
St. Clements	9,706	1.4	591	3.3
St. François Xavier	1,087	0.2	63	0.3
Taché	9,083	1.3	505	2.8
West St. Paul	4,357	0.6	272	1.5

[1] Data adjusted to 2006 boundary
Source: Altus Clayton based on data from Census Canada

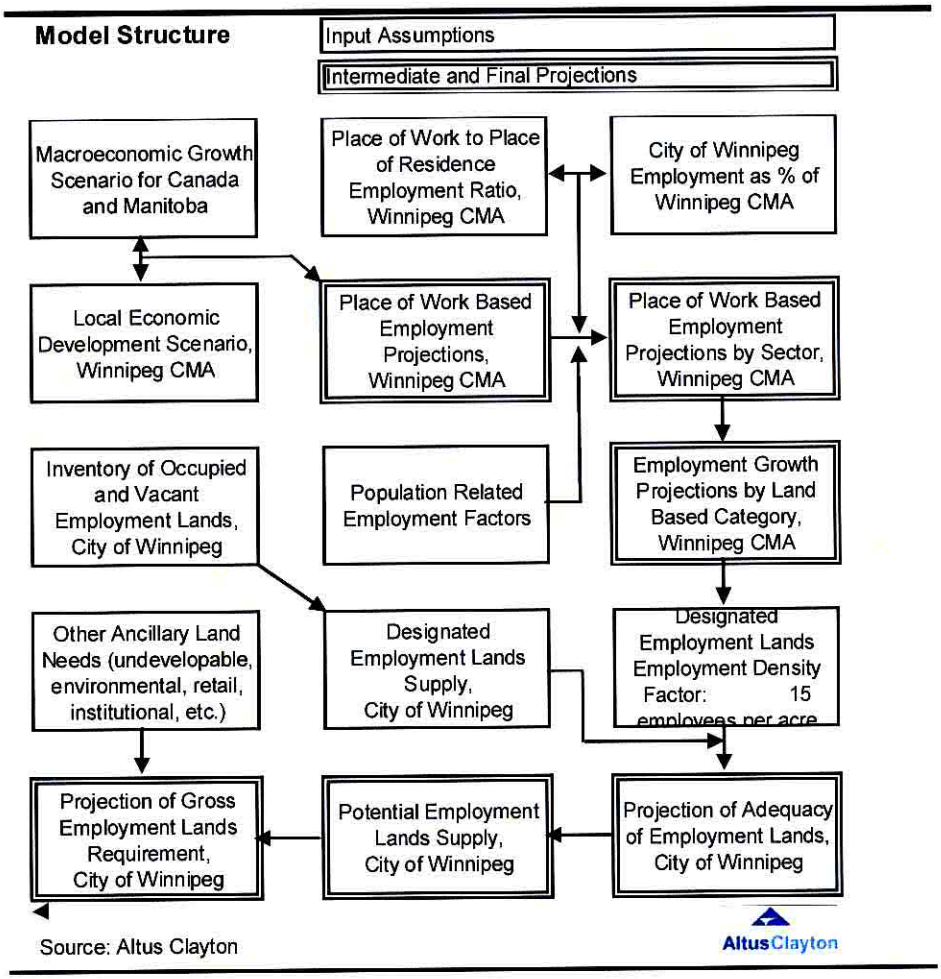
2.2 THE MODEL STRUCTURE

Figure 2 sets out in schematic format the basic approach employed by Altus Clayton in providing a baseline projection of employment land needs for the City of Winnipeg over the short, medium and long term covering a total of 25 years. The key components of the model include:

- Employment projections, on a "place of work" basis (i.e., jobs located within Winnipeg CMA) for Winnipeg based on a macroeconomic context and an assessment of potential economic development;
- Disaggregation of the employment forecasts by sector and ultimately by land use type (employment lands, major office and population related);
- Calculation of employment lands needs based on a density factor;
- Assessment of the suitability of existing designated, serviced and available lands to accommodate growth through a "matrix assessment" approach. Lands found unsuitable could be recommended for other more appropriate land uses; and
- Requirements (broken down by the short, medium and long term) for new greenfield employment lands development, measured in gross acres taking into consideration the needs for employment

lands, and the gross up in land needs including non-developable lands, environmental lands, and ancillary land uses such as retail, institutional and other related uses.

Figure 2



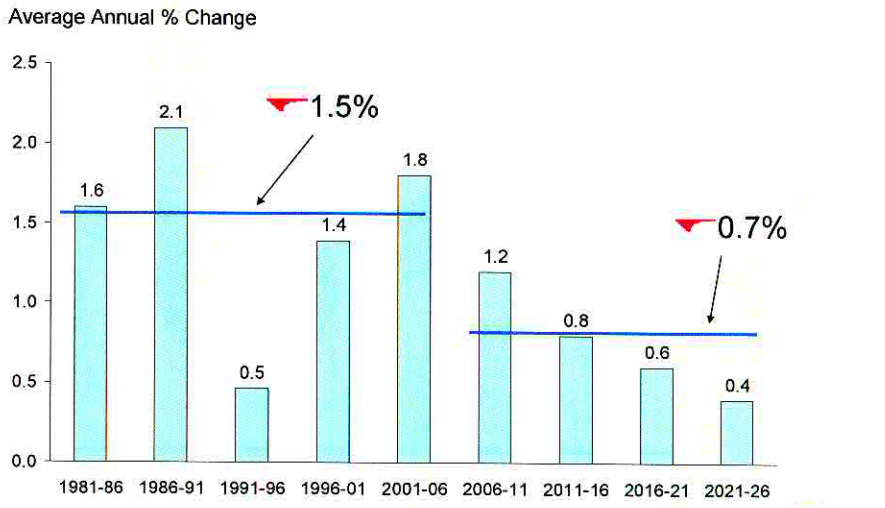
3 ECONOMIC DEVELOPMENT CONTEXT

Why is it important within an economic development context for the City of Winnipeg to develop and implement a sound strategy that will ensure the timely development of an adequate range and mix of employment lands to accommodate potential growth? Because the entire economy depends on it.

The City of Winnipeg has taken an important step in recognizing that the efforts and strategies required to promote and accommodate economic development in the next 25 years will differ substantially from the types of economic development tools used in the past.

Figure 3

Labour Force Growth Rate, Canada, 1981-2026



Source: Altus Clayton based on data from Statistics Canada, Census of Canada

As the Canadian economy emerges into a prolonged period of labour force shortages (growth in the labour force will be about half as strong in the next couple of decades as it has in the past couple, as illustrated in Figure 3), Winnipeg will best be able to compete for economic development by focusing its efforts on attracting and retaining a skilled workforce in the local area.

Effective land use planning is a critical component to attracting and retaining a skilled workforce, which in turn is critical for fostering economic

development. In fact, the ultimate success of Winnipeg's economic development goals will entail a variety of stakeholders, including:

- The City ensuring an adequate range and mix of lands are available for development;
- The development industry ensuring an adequate range and mix of housing and employment properties are brought to market; and
- Senior levels of government ensuring that the regulatory and fiscal environment continues to support effective development.

Figure 4

"Virtuous Cycle" of Economic Development

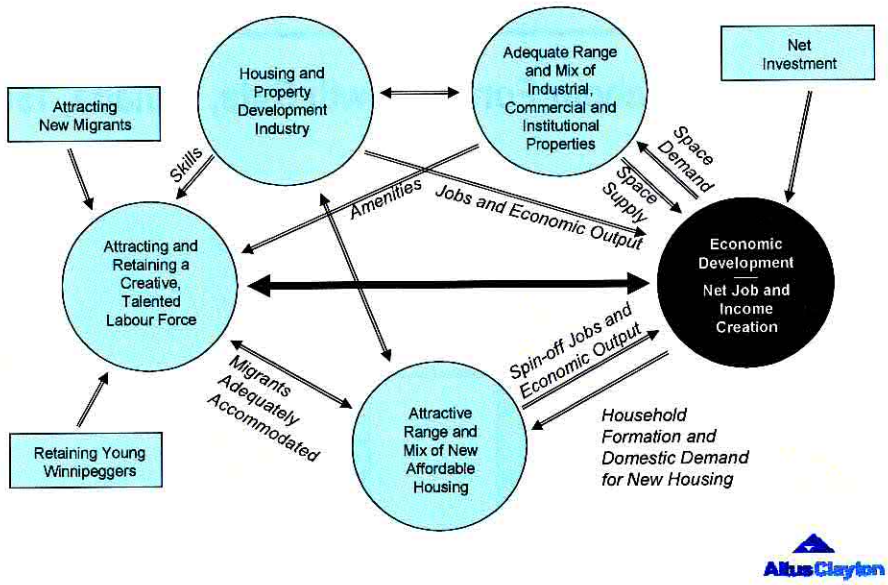


Figure 4 illustrates the interconnectedness of labour force development, land management and the role of local industry. Economic development – defined as the creation of net new jobs and income is the ultimate goal. Traditionally, the key tools available to promote economic development focused on attracting new investment in the form of new companies or expansion of the capacity of existing employers. The goals of economic development efforts were often focused on maximising the use of the available plentiful labour force. The old paradigm saw the primary goal of economic development to reduce unemployment and to replace jobs "lost" in sunset industries or firms that closed their gates or moved out of the City.

However, in the emerging age of the labour force shortage in Canada, the local Winnipeg economy has a much bigger task in hand, which involves

ensuring that the City can attract and retain a creative, talented labour force. A local market's ability to provide an adequate labour supply is an important location decision today for major companies, and it will become the most important decision for all companies in the years ahead.

Meanwhile it becomes incumbent on local governments, like the City of Winnipeg, in conjunction with senior levels of government to ensure that the local market can attract and retain sufficient population, to provide such a pool of labour. While educational institutions and skills development programs are important on the skills side, the most important factor moving forward is developing an attractive standard of living. Providing an attractive range and mix of housing that appeals to various affordability ranges is an important component to this, as is the development of cultural institutions and amenities to help appeal to the important creative class segment.

For these reasons, the supply of employment lands is critical, not just in terms of the total quantity of employment lands needed to meet the potential economic development requirements, but in terms of the range and mix of lands to appeal to different types of firms with different types of company and employee needs, and to ensure that development patterns are holistically conceived to maximise the attractiveness of the community.

Employment lands, therefore, should be located within reasonable distance to attractive housing, in order to facilitate easy commuting; they should also be within close proximity to a range of retail and commercial amenities to keep employees happy. Emerging forms of employment land development in North America which have been very successful in recent years have included "campuses" with a combination of mixed use multi-tenant industrial and office buildings, retail, amenities and attractive integration with outdoor recreation.

This economic development framework provides two important guiding principles for Winnipeg's employment lands strategy:

1) Planning for employment lands requirements is a matter of considering the quantity of lands required to support employment growth, plus considering a range and mix of locations and features that will best match the emerging needs of Winnipeg's current and future employers. Good planning includes providing suitable flexibility of zoning within employment areas to allow a range of mix of employment type activities – from industrial to commercial to institutional to retail and other amenities, while not being so flexable

to end up with a piecemeal development pattern that could destabilize the economic function of employment areas; and

2) Land planning should be flexible enough to adapt to changing conditions as they occur and warrant. Designating lands for industrial use today should never preclude their redesignation in the future to other more suitable uses as might be demonstrated.

With this in mind, Winnipeg's employment land strategy focuses on assessing the broad high-level requirements for employment lands within the City of Winnipeg over the next 25 years, while assessing the ability of the existing supply of designated lands to address these requirements while considering at the same time the potential suitability for some of the existing supply toward other uses as market context may dictate. The employment lands strategy believes that maximising economic development potential within the City of Winnipeg is a primary goal, and that considering land use within a market context and considering the highest and best use will generally always bring about more liveable, affordable communities and provide the right incentives to encourage the development industry to provide the range and mix of housing, employment-related properties, commercial, retail and other amenities which will help to build the local population base, retain and attract families to the City of Winnipeg, develop a skilled, talented and creative labour force base and ultimately maximise economic development potential.

4 ECONOMIC MODEL

This section presents detailed projections of employment growth in the City of Winnipeg through to 2031.

The projections of employment presented in this chapter consider the following components:

- Review of historical trends in the Winnipeg economy, in particular employment by industry, and a comparison to the Winnipeg CMA and Manitoba;
- Review of major changes in industry segments and major employers and the potential for economic development over the next 10-20 years; and
- Re-examination and review of major economic development initiatives currently underway and those proposed, and a comparison to other jurisdictions.

4.1 MACROECONOMIC ENVIRONMENT

4.1.1 Canada

In the past 25 years, employment growth in Canada averaged 1.5 percent per year, while the overall economy has expanded by 2.7 percent.[2] The difference between economic growth and employment growth is due to the contribution of productivity, which in Canada, contributed about 1.2 percent per annum to economic growth.

The role played by productivity in contributing to economic growth, therefore, is an important aspect to the macroeconomic environment. This is particularly true going forward, as the Canadian economy copes with an emerging labour shortage.

During the next 20 to 30 years, an acute labour shortage will develop within the Canadian labour market. As the Canadian population ages, there will be fewer people entering the labour force to replace those retiring from it. Progressively lower birth rates in Canada over the past 40 years, along side the impending retirement of most members of the "baby-boom" generation in the next 30 years is contributing to this trend.

[2] Average annual growth in real (chain-weighted) Gross Domestic Product (GDP).

The impending shortage of labour supply from the domestic population can, in part, be offset through effective immigration policy. In recent years, the federal government's immigration targets have been at about 250,000 immigrants annually. By 2026, in order to make up the reduced domestic labour supply, Canada would need to accept progressively higher numbers of immigrants; perhaps as many as 500,000 annually by some estimates.

Therefore, immigration should, in theory, be able to help offset some of the decline in labour force growth in the near future. There is a question, however, as to Canada's continued ability to attract sufficient immigrants to the country. In the long run, therefore, immigration's ability to contribute to the labour force is limited. Further, while the previous federal government had set a long term goal of raising immigration targets to the equivalent of one percent of the population per year (300,000 immigrants) the current government has expressed reservations about this level, expressing concern that provinces and cities would have a hard time accommodating new arrivals.

From a macroeconomic perspective, labour shortages (or reduced growth in the available labour supply) result in a slowing of economic growth. The degree to which the pace of economic growth will slow, depends on the prospects for further productivity growth in Canada.

There is expected to be progressively higher productivity growth in Canada over the next 30 years. In general, increasing labour productivity (generating more output per worker) will aid in narrowing the gap between population growth and labour force growth. Some reasons for productivity increases are as follows:

- Continued advancements in automation and other labour-saving technology.
- Innovation in goods-producing sectors, including reorganization of production toward higher value-added products.
- Innovation in service producing sectors – particularly in health care.
- The rising Canadian dollar has forced export based companies to invest in productivity in order to compete with foreign companies.
- Other macroeconomic responses to a shortage of labour.

However, while increasing productivity will aid in coping with some of the challenges of labour shortages, there may also be a slower economic growth environment, including lower production of goods and services, and a correspondingly lower rate of exports, relative to the size of the economy.

The bottom line for macroeconomic growth in Canada: slower employment growth, reaching a rate of about 0.6 percent per year by 2026 and beyond.

4.1.2 Manitoba

Manitoba is located in the middle of the country and ranks 5th out of the 10 provinces in both population and economic size. Manitoba's proximity to the important U.S. Midwest regions and other parts of Canada has positioned it as a low cost transportation hub along the Mid-Continent corridor. Manitoba is the only prairie province with direct access to the sea via the Port of Churchill.

Manitoba has a diversified economy, including a healthy mix of manufacturing, natural resources, agriculture and service industries which make it representative of the broader Canadian economy. It is this highly diverse economy that has that has provided Manitoba with stable economic growth and the lowest unemployment rate in Canada.

Manitoba has generally performed below Canada as a whole during the period 1981-2006:

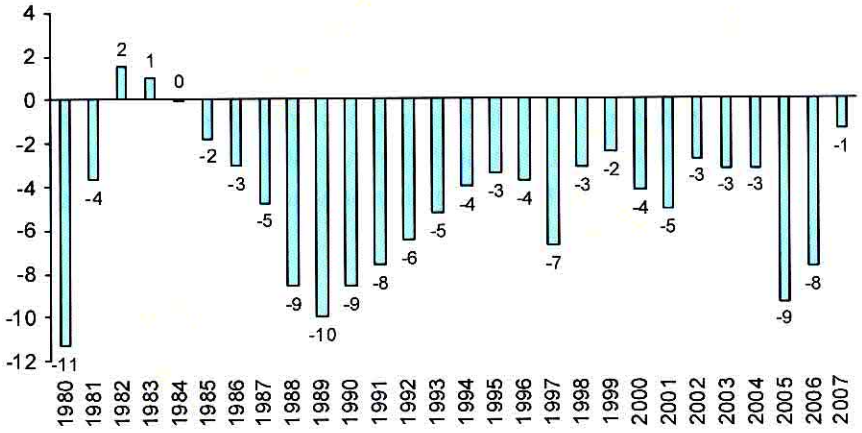
- In terms of overall economic growth, as measured by change in real GDP, Manitoba has expanded on average 2.0 percent – 0.8 percentage points per year slower than the rest of Canada;
- In terms of employment growth, Manitoba's jobs have advanced 0.9 percent per year – 0.6 percentage points slower than Canada as a whole;
- However, in terms of productivity gains, Manitoba advanced at a rate of 1.1 percent per year keeping up with the national average pace of 1.3 percent per year over this period. In the past two years, productivity gains in Manitoba exceeded the national average expanding on average 1.8 percent per year– 0.6 percentage points faster than Canada as a whole.

Steady productivity growth in Manitoba has contributed to the stable macroeconomic growth of the province. As Canada copes with emerging labour shortages, Manitoba's ability to attract and retain residents will continue to be important. Over the past 25 years, Manitoba has been a net loser in the competition for inter-provincial migrants (Figure 5) with an annual average loss of over 4,700 persons.

Figure 5

Net Interprovincial Migration, Manitoba, 1980-2007

Persons (000's)



Source: Altus Clayton based on Statistics Canada data

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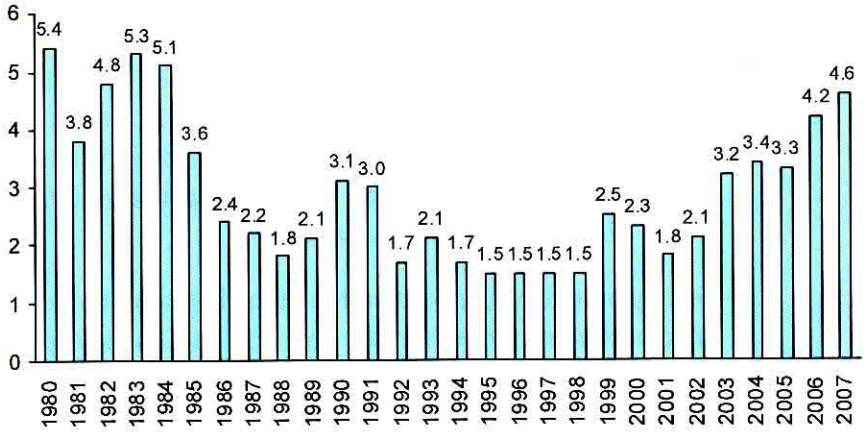
With continued negative net interprovincial migration, immigration is an important component of the province's population growth (Figure 6).

Figure 6

Net International Migration, Manitoba, 1980-2007

% of Canada



Source: Altus Clayton based on Statistics Canada data

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Over the past 25 years, Manitoba has received on average about 3% of Canada's new immigrants per year. Net international migration levels were the highest in the early 1980s where Manitoba had an average of about 4,600 net new immigrants per year. By the 1990s, Manitoba's share of new immigrants to Canada had moderated to 2%. In order to attract an increasing number of international migrants; the Manitoba Provincial Nominee Program[3] was initiated in 1998 as a mechanism to:

"...increase the economic benefits of immigration to Manitoba, based on industrial and economic priorities and labour market conditions."

The Provincial Nominee Program has been successful in recruiting immigrants to live and work in Manitoba with almost two-thirds of total international migrants in 2006 coming under the program.[4] According to Statistics Canada, immigration will continue to be an important part of population growth with three-quarters of Manitoba's population growth in the next quarter century projected to come from immigration.

Manitoba's economy will likely continue to grow at a slightly lower pace than the Canadian economy over the forecast period, with the gap between Manitoba's economic performance and that of Canada as a whole remaining more or less steady over time.

4.1.3 Winnipeg CMA

The Winnipeg region is in the midst of a strong and steady economic growth period. Key indicators show (Figure 7):

- In terms of employment growth, jobs have advanced at about 1 percent per year between 2001 and 2006. In 2006, the Winnipeg CMA contributed some 8,800 jobs with an employment growth rate of 2.4 percent – the highest rate of growth since 2002;
- The Winnipeg CMA continues to experience one of the lowest unemployment rates among major cities in Canada at 4.7 percent in 2007;
- Population gains in recent years have been modest with the Winnipeg CMA accounting for 60 percent of the provincial population;

[3] Under the Provincial Nominee Program, Manitoba is entitled to nominate potential candidates to who will be of benefit to its industrial and economic development and fulfil labour shortages. Manitoba Provincial Nominee Agreement Backgrounder, 2002 Government of Manitoba website.
[4] Manitoba Immigration Facts, Manitoba Labour and Immigration, 2006.

Figure 7

Key Economic Indicators, Winnipeg CMA and Manitoba, 2001-2007

	Winnipeg CMA		Manitoba	CMA as % of Manitoba
	*2001-2006**	*2007*	*2007*	*2007*
Employment** (000s)	361	370	587	63
Employment (%growth)	1.1	2.2	1.6	
Unemployment rate	5.1	4.7	4.4	
Population (000s) ***	698	708	1,187	60
Population (% growth) ***	0.5	0.7	0.7	
Net Migration (persons) ***	3,264	3,557	4,293	83
Housing Starts (units)	2,263	3,371	5,738	59
Non-res. Building Permits ($ millions)	321	306	514	60

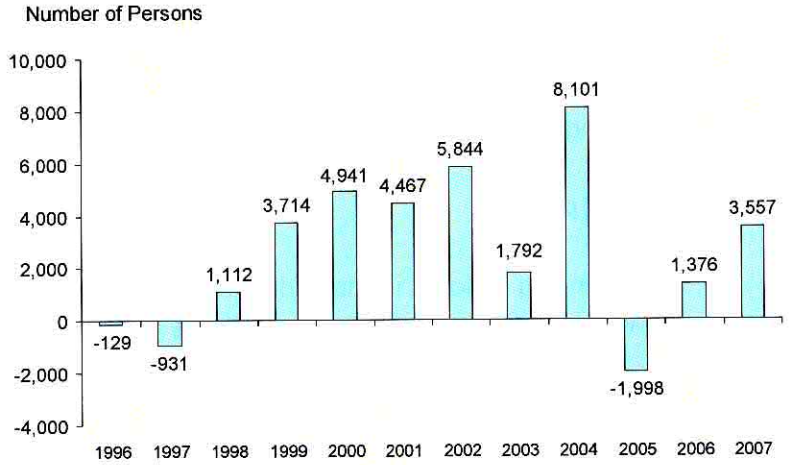
* Annual Average *** July 1 or Year ending July 1

** Place of Work Employment, Data is for 2001-2005 and 2006

Source: Altus Clayton based on data from Statistics Canada and CMHC

Figure 8

Net Migration, Winnipeg CMA, 1996-2007



Note, Years ending July 1

Source: Altus Clayton based on data from Statistics Canada

- In the past several years, migration has boosted population growth and job growth. Net migration to Winnipeg is primarily being boosted by migrants from elsewhere in the province and international migration (See Figure 8);
- Gains in employment growth and improved net migration has provided support for a buoyant housing sector, with housing starts at 3,371 units in 2007 – some 1,100 units above the annual average over the previous five-year period; and

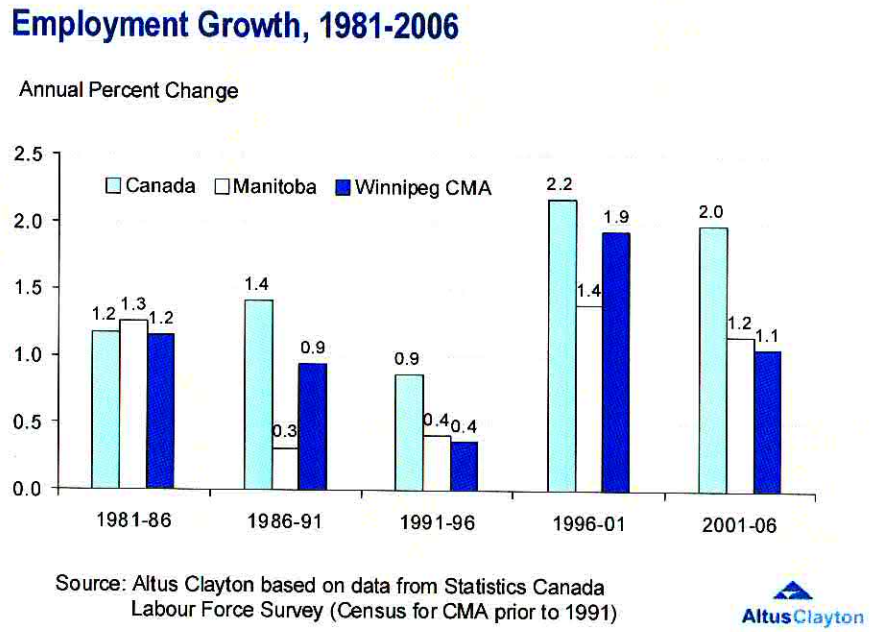
- Non-residential building permits waned modestly in 2007 relative to the previous five-year period, and accounted for some 60 percent of the total value of non-residential building permits across the province.

4.2 WINNIPEG EMPLOYMENT ANALYSIS

4.2.1 Winnipeg CMA Employment Growth

Figure 9 presents historical employment growth rates for Canada, Manitoba and for the Winnipeg CMA.

Figure 9



The pattern of Winnipeg's employment growth vis-à-vis the larger regional context outlines the following:

- Employment growth in Manitoba is consistently lower than the national average except between 1981-1986;
- Employment growth in the Winnipeg CMA has sometimes outperformed and sometimes underperformed with respect to the rest of the province. Over the entire period, growth in Winnipeg CMA averaged some 0.2 percentage points faster than the province as a whole;

- The gap between employment growth in the province and the Winnipeg CMA narrowed in the late 1990s returning to growth levels observed in the early 1980s.

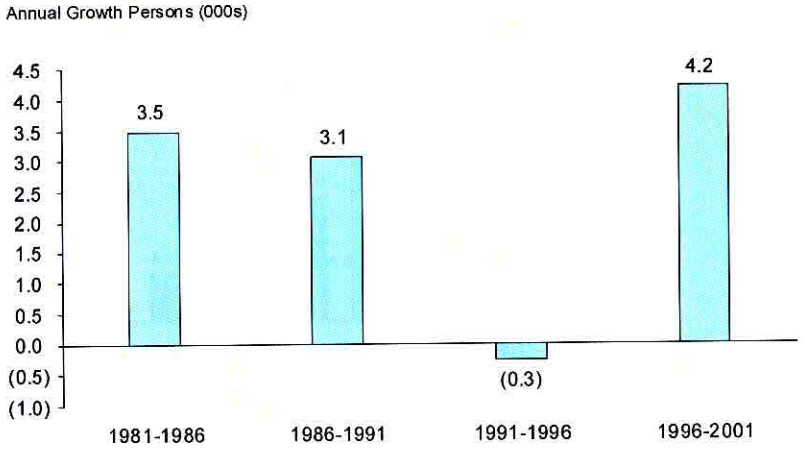
Going forward, it is reasonable to assume employment growth in the Winnipeg CMA will continue to grow steadily and over the long term somewhat slower than the country as a whole, but still somewhat stronger than for the province of Manitoba as a whole.

4.2.1.1 Employment Growth Steady in 1980s

Economic conditions in the 1980s were relatively stable with the Winnipeg CMA generating an estimated 3,300 net new jobs between 1981 and 1991 – representing an annual growth rate of 1.2 percent (Figure 10).

Figure 10

Employment* Growth, Winnipeg CMA, 1981-2001



* Place of work basis
Source: Altus Clayton based on Census of Canada data

AltusClayton

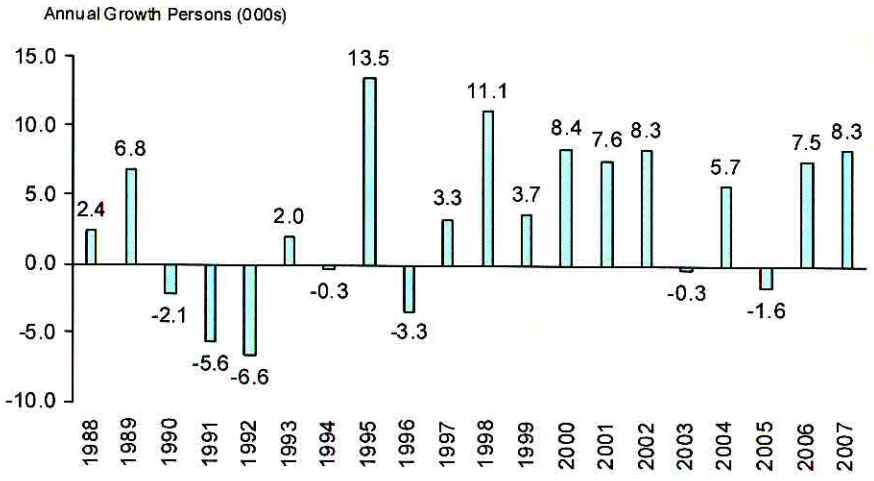
The recession in the early 1990s, which affected most of Canada, was felt in Winnipeg relatively severely with a large number of job losses recorded between 1989 and 1992.

The pattern of employment growth, as illustrated in Figure 11 using Labour Force Survey estimates, reflects the high degree of volatility through the 1990s driving the overall pace of economic growth. The weak economic conditions resulted in a decline of 300 net new jobs per year for persons living in Winnipeg between 1990 and 1996.

This economic downturn was followed by a strong but unsteady growth environment in the late 1990s with strong job growth showing up sporadically in 1995 and 1998 followed by steady employment growth between 2000 -2001. Employment growth since 2001 has also fluctuated widely between the 8,000 range to job losses in both of 2003 and 2005.

Figure 11

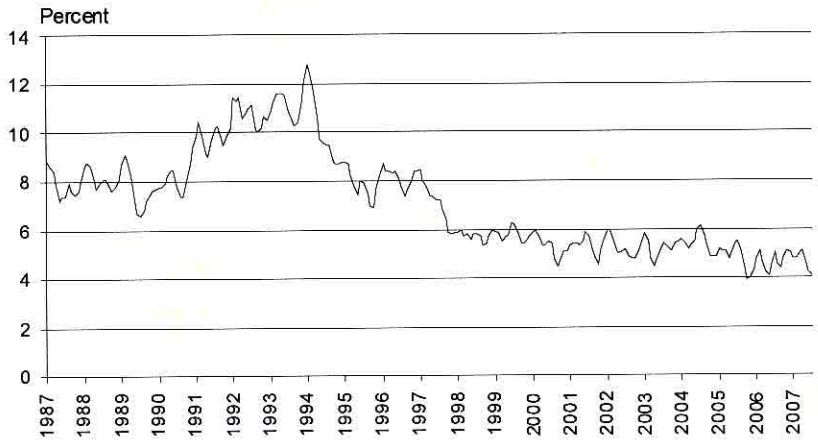
Growth in Total Employment*, Winnipeg CMA, 1988-2007



* Place of Residence Basis
Source: Altus Clayton based on Statistics Canada, Labour Force Survey data

Figure 12

Unemployment Rate, Winnipeg CMA 1987-2007



Note: Based on a seasonally adjusted, three-month moving average.
Source: Altus Clayton based on Statistics Canada, Labour Force Survey data

Despite the wide swings in job growth in the late 1990s, the unemployment rate was quite stable and low, averaging 6.2 percent per year between 1996 and 2001(Figure 12).

The steady and low unemployment rate during a period of employment growth volatility is puzzling. But it is reflective of one of Winnipeg's largest challenges – outmigration and the retention of workers. The sharp declines in employment in 2003 and 2005, for example, is not reflective of a soft demand for workers in Winnipeg (otherwise we would see a corresponding rise in unemployment) but in the outflows of workers to other centres, mainly in Alberta, British Columbia and Ontario.

4.2.2 Winnipeg CMA and City of Winnipeg Employment, 2001

The City of Winnipeg generated an estimated 3,700 net new jobs annually between 1996 and 2001. The size of the employed labour force in the Winnipeg CMA also expanded with an average annual increase of 4,300 jobs over the same period.

4.2.2.1 More Employees Commute in to jobs found in the City of Winnipeg

Using place of work employment data for 2001[5], the City of Winnipeg accounted for almost 96 percent of the total employment in the Winnipeg CMA. An illustration of the commuter patterns revealed in the 2001 Census is presented in Figure 13.

The difference between the place of residence employment figure and the place of work figure implies that more people are commuting in to jobs located in the City of Winnipeg, not only from areas in the rest of the Winnipeg CMA but even from outside of the CMA.

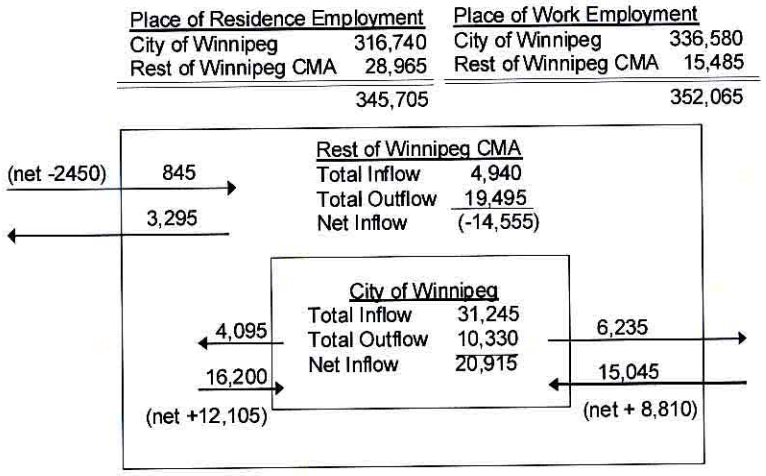
Among the 336,600 jobs in the City of Winnipeg, 313,445 jobs (95 percent of the total) were filled by persons living somewhere in the Winnipeg CMA (297,245 living in the City of Winnipeg, and 16,200 living in the rest of the Winnipeg CMA).

As cities and urban areas grow, the ratio of domestic workers tends to decline, as more inflows are attracted from further a field. This assumption is incorporated into the employment forecast for the Winnipeg CMA presented later in this report.

[5] Place of work (POW) employment is measured every five years by the Census of Canada, and includes jobs whose usual location is within the City of Winnipeg (whether or not those persons live in the City) and residents in the City of Winnipeg who either work from home, or have no fixed workplace (such as truckers, renovation contractors, etc.).

Figure 13

Commuting Patterns*, Winnipeg, 2001



* All data refers to "persons"

Source: Altus Clayton based on data from Statistics Canada

AltusClayton

4.2.2.2 *Employment by Sector Pattern in the City of Winnipeg mirrors the CMA*

Employment by sector in the Winnipeg CMA in 2001 (Figure 14) shows an economy that has a number of important industries, the most important of which are trade (15.4 percent of total employment), manufacturing (13.3 percent) and health care services (12.4 percent).[6]

Employment by sector in the City of Winnipeg closely mirrors that of the Winnipeg CMA in 2001 with the most important industries being trade, manufacturing and health care services. The City of Winnipeg has smaller primary and construction sectors than the Winnipeg CMA reflecting the mainly agriculture based economies in the rural municipalities outside the City of Winnipeg.

[6] Although the other services category made up 22.3 percent of total employment, it includes a number of broad categories including: professional, scientific and technical services, management of companies and enterprises, administrative support, arts, entertainment and recreation, accommodation and food services and other services.

Figure 14

Employment* by Industry, Winnipeg CMA and City of Winnipeg, 2001

Industry	Winnipeg CMA	Share of Total	City of Winnipeg	Share of Total
	Persons (000s)	*%*	*Persons (000s)*	*%*
Primary	3.0	0.9	1.2	0.4
Manufacturing	47.0	13.3	45.8	13.6
Construction	14.6	4.1	12.5	3.7
Transport., storage,utilities	37.0	10.5	26.2	7.8
Trade	54.3	15.4	52.3	15.5
FIRE	21.8	6.2	21.4	6.3
Educational services	24.8	7.0	23.8	7.1
Health care services	43.7	12.4	42.8	12.7
Public administration	26.7	7.6	26.0	7.7
Other services	79.2	22.5	84.8	25.2
Total	352.1	100.0	336.7	100.0

* Place of work basis

Source: Altus Clayton based on Census of Canada data

4.2.3 Winnipeg CMA and City of Winnipeg Employment Growth, 2001-2006

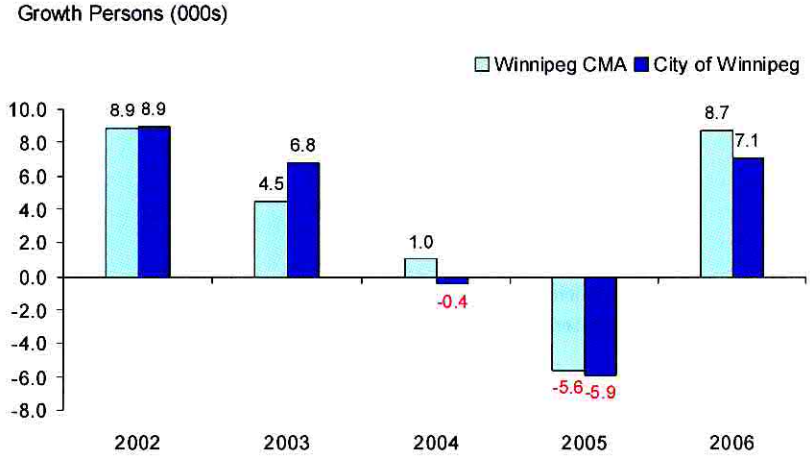
Data provided by the Business Register at Statistics Canada were used to estimate[7] the pattern of job creation in the Winnipeg CMA and City of Winnipeg between 2001 and 2006. This involved adjusting the number of employees in firms using the 2001 place of work employment (by industry) figures as a benchmark such that:

- The City of Winnipeg, with total employment at about 353,000 jobs (96 percent of employment in 2006, generated an estimated 3,300 jobs between 2001-2006;
- The Winnipeg CMA, with total employment at about 369,500 jobs in 2006, generated an estimated 3,500 jobs with the areas outside of the City contributing 190 new jobs over the same period; and
- Overall employment growth was positive with job creation increasing by about 1 percent per year in both areas.

[7] Estimates were based on Census of Canada 2001 Place of work employment data.

Figure 15

Employment* Growth, Winnipeg CMA and City, 2001-2006



* Place of work basis
Source: Altus Clayton based on data from Statistics Canada, Business Register

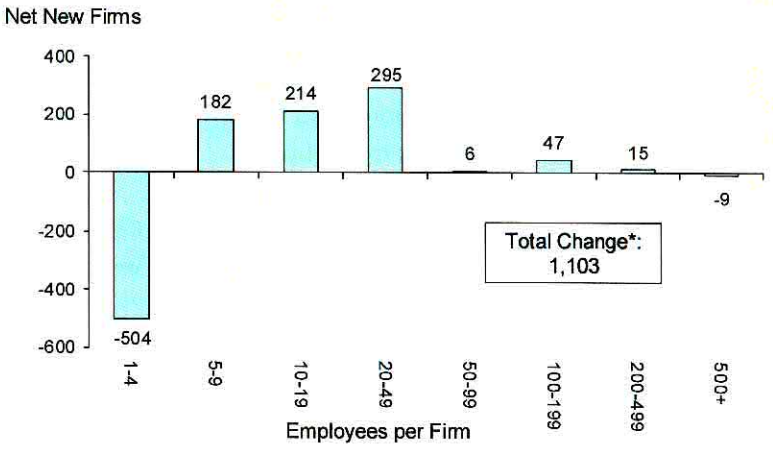
The pattern of employment growth between 2001 and 2006 City of Winnipeg and the Winnipeg CMA (Figure 15) shows the following:

- Employment growth is strongest between 2001 and 2002 in both areas with job creation in the City of Winnipeg increasing by 2.6 percent over this period;
- Employment growth in the City of Winnipeg has generally underperformed the Winnipeg CMA (except in 2003 where it generated about 7,000 net new jobs);and
- Following a period of weakness between 2004 and 2005, the number of jobs in the both the City of Winnipeg and Winnipeg CMA rose by some 7,100 and 8,700 persons respectively in 2006 – the highest rate of growth since 2002.

While employment growth was positive over this time period data on new firms in the Winnipeg CMA show a movement away from employment in small firms and an increase in mid-size and larger firms. (See Figure 16)

Figure 16

Net New Firms by Employee Size Category, All Industries, City of Winnipeg, 2001-2006



* Chart does not show growth in "indeterminate" category (self employed, other firms with no size category), which was +857 firms
Source: Altus Clayton based on data from Statistics Canada Business Registration Division

Figure 17 shows the employment by sector in the Winnipeg CMA and the City of Winnipeg and the average annual change in employment over the 2001-2006 period.

Figure 17

Employment* by Industry, Winnipeg CMA and City of Winnipeg, 2001-2006

	Winnipeg CMA			City of Winnipeg		
	2001	2006	Avg. Change 2001-2006**	2001	2006	Avg. Change 2001-2006**
	Persons (000s)			*Persons (000s)*		
Primary	3.0	3.3	0.05	1.2	1.3	0.02
Manufacturing	47.0	44.0	(0.6)	45.8	43.7	(0.4)
Construction	14.6	15.3	0.2	12.5	14.0	0.3
Transport., storage,utilities	37.0	36.6	(0.1)	26.2	35.9	1.9
Trade	54.3	54.9	0.1	52.3	53.6	0.3
FIRE	21.8	24.3	0.5	21.4	23.9	0.5
Educational services	24.8	32.1	1.5	23.8	28.3	0.9
Health care services	43.7	48.1	0.9	42.8	47.2	0.9
Public administration	26.7	28.6	0.4	26.0	26.6	0.1
Other services	79.2	82.4	0.6	84.8	78.7	(1.2)
Total	352.1	369.5	3.5	336.7	353.2	3.3

* Place of Work basis
** Average Annual Change
Source: Altus Clayton based on data from Statistics Canada Census and Business Register Data

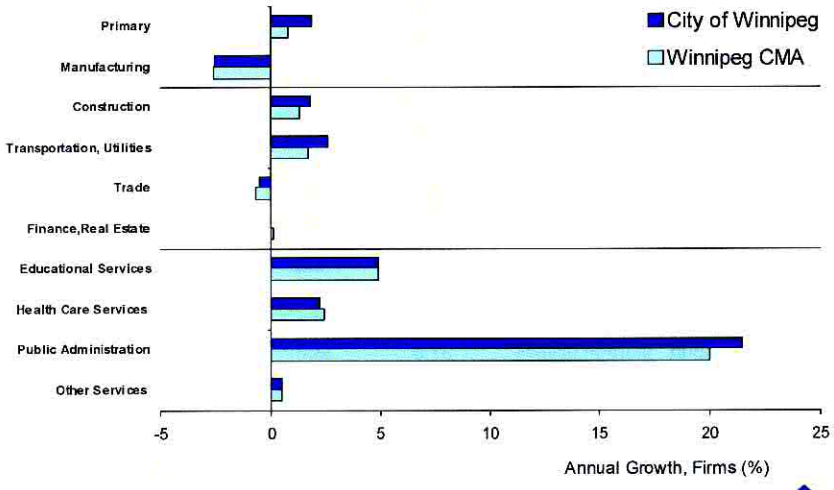
Most sectors for the City of Winnipeg show an increase in employment in with the largest gains in the transportation sector. The importance of the transportation sector to the City than the CMA is due to the presence of the large employers for example in rail (Canadian Pacific rail has about 2,000 employees) and trucking industries (for example TransX and Paul's Hauling Group, employing a combined total of about 2,400 employees).Other services and manufacturing had the largest decreases in employment of 1,200 and 400 persons respectively.

In comparison to the sectoral distribution of employment in the City of Winnipeg, the areas outside of the City (but within the CMA) experienced the largest gains in agriculture and population-related sectors (education and public administration) and the largest decreases in the manufacturing, transportation, construction and trade sectors.

In terms of the number of firms, the City of Winnipeg saw an increase within the primary, construction, utilities and public administration sectors. (Figure 18)

Figure 18

Growth in Number of Firms by Industry, 2001-2006



Source: Altus Clayton based on data from Statistics Canada, Business Register

AltusClayton

4.3 WINNIPEG'S ECONOMIC STRENGTHS

4.3.1 Winnipeg Region Economic Clusters

An industry cluster can be defined as the geographical concentration of industries that gain performance advantages through co-location. Industry clusters can constitute various dimensions such as geographic or spatial clustering of economic activity, vertical or horizontal relations between industry sectors and similar or complementary businesses all with a common goal of generating collective efficiency. Cluster development is attributable to several key factors including[8];

- Technology and knowledge transfers;
- Development of a skilled labour force in related industries;
- Economic benefits of agglomeration; and
- Development of social infrastructure.

In 2001, CAI Corporate Affairs International was engaged to conduct an industrial clustering study on the Winnipeg Region. Findings from the study presented in the Winnipeg Region Cluster Initiative (2002) can be summarized as:

- The agri-food, financial services, information technology, tourism and transportation sectors can be characterized as dense clusters with significant economic weight;
- The aerospace, apparel, financial services, information technology and transportation sectors in the Winnipeg Region can be characterized as geographically dispersed selling/purchasing a high proportion of output/inputs to consumers/suppliers in geographical areas outside the Region;
- The main economic clusters in the Winnipeg region are aerospace, agri-food, financial services and transportation & logistics with the high competition clusters within the aerospace and energy & environment sectors;
- The aerospace cluster is highly competitive, efficient and growing faster than the national average in terms of employment and firm establishment data. Enabling factors for this sector include the presence of training and educational programs to ensure a skilled

[8] *Business Strategy and cross-industry clusters, Economic Development Quarterly 9:225-37, 1995*

labour force, adequate physical infrastructure, availability of affordable land and a supportive regulatory environment; and

- While the energy and environment sector is growing faster than the national average with great potential for innovation, it could benefit from strategies to improve cohesion between sectors that will be required to propel its future development.

More generally, Winnipeg's economic strengths within its key sectors (aerospace manufacturing, agri-food, financial services, transportation and energy & environment) are shown by the following:

- Winnipeg is the leading low-cost aerospace manufacturing location in the Midwestern and Pacific regions of North America[9] with world-class firms such as Standard Aero, the world's largest independent small turbine engine repair and overhaul company and Boeing Canada Technology, the largest aerospace composite manufacturer in Canada[10].
- Winnipeg is home to Canada's major grain marketing companies and numerous agri-food industry support groups which have created a unique and comprehensive level of industry integration. Organizations like JRI – Pioneer Grain, Agricore United, Paterson Global Foods, Cargill, the Canadian Wheat Board, the Canadian Grain Commission, and the consortium, Agri-Tec International, have been pivotal in helping to build Manitoba's reputation as a global leader in grain handling.
- Winnipeg has a long history as a major financial centre due to a competitive overall business cost environment relative to most centres in Canada and the U.S.[11], a highly skilled workforce with very low turnover, excellent university and training institutions and central location. Winnipeg's position as a financial centre is largely due to the presence of Great-West Life Assurance Company, a leading insurance company in Canada, and Investors Group, the largest manager and distributor of mutual funds in Canada[12];
- The transportation sector has benefited from Winnipeg's central location on the main lines of Canadian National Rail (CN) and Canadian Pacific Rail (CP) which provides ready access to the U.S. In addition, Winnipeg International Airport, the only major

[9] Government of Manitoba, Industry Sector Summary.
[10] Western Canada - Where the Spirit of Innovation Finds a World of Opportunity, Western Economic Diversification Canada Publication, November 2006.
[11] Competitive Alternatives: The CEO's Guide to International Business Costs, KPMG, 2004 Edition
[12] Destination Winnipeg, Quarterly Economic Highlights, 1st Quarter, 2005

international airport between Toronto and Calgary in Canada, offers a broad range of air passenger and cargo services; and

- Building on Canada's solid environmental science and technology base, Winnipeg has leading capabilities with respect to technology development in the energy and environment sector. Winnipeg has emerged as a major national and international centre for bio-diagnostics, medical equipment, biopharmaceuticals and infectious diseases research. This position is supported by the presence of leading national and international institutions such as Kraus Global Inc., a global leader in alternative refuelling packages for compressed natural gas[13].

4.3.2 Winnipeg's Economic Development Efforts

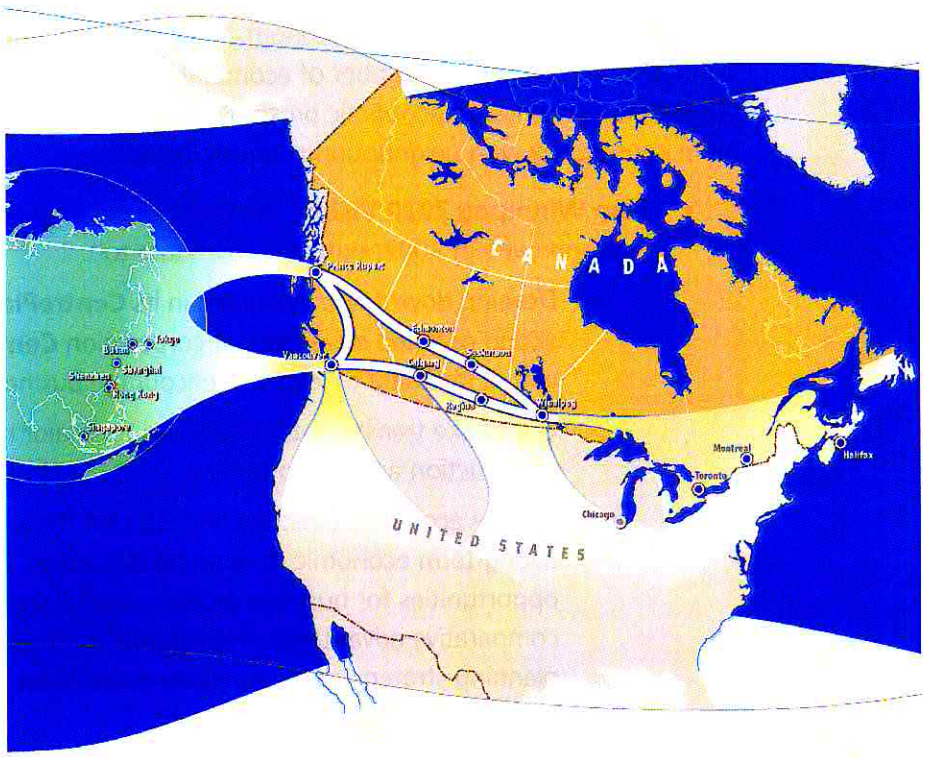
Growth prospects in Winnipeg relative to the rest of Manitoba, the remainder of Western Canada or Canada as a whole are in part being driven by the relative success of various economic development efforts. The City of Winnipeg has instituted a number of economic development strategies in an effort to enhance future economic prosperity and allow the City to compete more aggressively with neighbouring centres including:

- **Plan Winnipeg 2020 Vision**, the City's long-range policy plan that was approved in 2002, outlines a mandate to[14]:
  - Develop downtown Winnipeg in its **CentrePlan** through an action oriented development corporation **CentreVenture**, with a mandate to lead and encourage business investment;
  - Undertake transportation planning for major road construction and improvements;
  - Provide economic direction and support through developing a long-term economic development strategy, facilitating opportunities for business growth, capitalizing on comparative advantages, implementing industrial land planning strategy and supporting established and emerging sectors of economic growth; and
  - Plan for growth and change through orderly development in land use designations, approving land subdivisions where there is a reasonable relationship between supply and

[13] Strength in Diversity, Canada West Foundation, 2005.
[14] Plan Winnipeg 2020 Vision Document

demand projections and promote regional consistency in planning and development.

- Supporting the enhancement and development of the Winnipeg International Airport as a centre of industrial development with initiatives that include:
  - The expansion of the Winnipeg International Airport through the **Winnipeg Airport Vicinity Development Plan** in order to meet the demand for air passenger and cargo movements with a $572 million upgrade for completion in 2010. The development plan's objectives comprises of initiatives to realize the economic opportunities associated with the airport and ensure that the development of lands located adjacent to the airport is compatible and complementary to maximising the Airport's full potential;



Transport Canada

  - The **Asia Pacific Gateway and Corridor Initiative**[15], illustrated above, is a strategy to make Canada's Pacific

[15] Canada's Asia-Pacific Gateway and Corridor Initiative, Government of Canada, 2006.

Gateway the most efficient transportation system on the North American west coast. The initiative highlights the potential for Winnipeg to be a North American transportation hub. The Asia Pacific Gateway plan aims to alleviate congestion around Canada's ports, and in particular British Columbia's Lower Mainland. This strengthens Winnipeg's position as a Mid-Continent Corridor and helps Winnipeg become the hub of choice for moving goods between North America and Asia. In the 2007 Budget, the federal government brought total investment for this initiative to over $1 billion with $800 million going to six projects in British Columbia and $67.5 million confirmed for improvements in Winnipeg, including $33.25 million for: "Upgrading parts of Inkster Boulevard to a four-lane divided roadway with intersection improvements, rail overpasses, and interchange improvements at the Perimeter Highway along this key multimodal international freight transportation link.".[16]

  - The **Manitoba International Gateway Strategy**, unveiled in 2005, is expected to complement the Asia-Pacific Gateway Initiative. Its principle components relating to air transportation include[17]; the **Winnipeg Inland Port Initiative** to connect rail, air and truck nodes and the development of international **Polar Air Cargo** route opportunities over the Arctic to connect the Winnipeg International Airport and Russia's Krasnoyarsk airport. The Polar Air Cargo route initiative will require the governments of Manitoba and Russia to reach agreements and invest in the necessary infrastructure that will be required to accommodate increased traffic. So far, no funding commitment has been made.

- Implementing a strategy to phase out business tax so as to make the City of Winnipeg a more competitive business location and enhance economic growth. The **Economic Opportunities Commission**, formed in December 2006, is charged with identifying operating inefficiencies and alternative sources to offset the revenue loss from the elimination of the business tax. The Commission will provide a

[16] Transport Canada website, accessed, March, 2008.

[17] Asia Pacific Foundation of Canada – Manitoba and the Asia Pacific Gateway: Interests and Perspectives, September, 2006.

report with recommendations for consideration to the City in June, 2007;

- **Winnipeg Partnership Agreement (WPA)** represents a five-year, $75 million commitment by the governments of Canada, Manitoba and the City of Winnipeg to strengthen city neighbourhoods, promote economic development especially among the City's Aboriginal community. Some of the projects undertaken include: a $3.5 million investment in 2006 towards the construction of the Siemens Institute for Advanced Medicine at the Health Sciences Centre and providing a further $0.8 million to community economic development groups in Winnipeg's inner city and downtown in 2007[18];
- Western Economic Diversification Canada is providing over $500,000 towards the creation of the new **Chemistry Centre of Excellence** at the University of Manitoba. Local companies will soon have direct access to industrial research facilities, training for existing employees and technically advanced graduates through the Centre[19];
- **University of Manitoba SmartPark**[20], a 120-acre technology park located on the UofM's Fort Garry Campus, which hosts the new the $31-million **Richardson Centre for Functional Foods and Nutraceuticals**, has continued to attract new and emerging agricultural biotech companies. So far, the park is home to 20 companies and has some 19 acres of land available for lease. The Richardson Centre will house up to 90 researchers and will place Winnipeg at the forefront of the nutraceutical and functional food industry[21];

4.3.3 Winnipeg's Competitive Position

The performance of the Winnipeg economy depends in part on its continued ability to attract and retain businesses and employment, which in turn, depends on the local area's competitive position vis-à-vis major neighbouring competitive centres.

Employment growth in the City of Winnipeg has been consistently more moderate than the rest Manitoba over the past 15 years. By contrast, certain regions in Manitoba have experienced higher employment growth rates

[18] Winnipeg Partnership Agreement website.
[19] Western Diversification Canada, News Release, January 12, 2007
[20] Government of Canada, Innovation in Canada website,.
[21] Manitoba- Holding Steady, Canada West Foundation, December 2006.

such as the Southwest region (City of Brandon) and the Southeast region (City of Steinbach) and have consistently outperformed Winnipeg.

Winnipeg competes directly with other urban agglomerations in the Prairie region: Saskatoon, Edmonton and Calgary. Due to its central location in North America, Winnipeg also competes with Midwestern cities in the United States.

All these regions compete directly with Winnipeg in attracting business investment and it is helpful to look at how Winnipeg stacks up:

- The **City of Brandon**, the second largest city in Manitoba, acts as the central trading area for the entire western Manitoba region. During the past several years, Brandon's service sector, followed by the manufacturing sector, has experienced the greatest growth. While the agriculture sector continues to have a strong impact on manufacturing, products and services are diversified sufficiently to ensure economic stability and allow Brandon to maintain a brisk but manageable growth trend. The **City of Steinbach** is one of the fastest growing cities in Manitoba with a vibrant business community and locally generated economic activity. Home to world-class manufacturers such as Loewen Windows and Biovail Corporation, Steinbach provides many research and development facilities in agricultural and biopharmaceutical manufacturing activity.
- The diversified economy of **Saskatoon** shows particular strength in agricultural biotechnology and information technology & electronics. Saskatoon has some of the most advanced bio-processing facilities in Canada for example The Canadian Light Source Inc., Canada's only synchrotron research facility. **Innovation Place** in Saskatoon, one of North America's most advanced research parks, provides facilities and services on a commercial basis to pharmaceutical, environmental and agricultural industries. According to Government of Saskatchewan estimates, some 3,700 people are employed at Innovation Place by about 120 organizations which generate about $260 million in annual economic activity. Saskatoon is also the most competitive city in Midwest North America for electronic system development and testing[22] with world leading information technology companies like Vecima Networks, International Road Dynamics and SED systems. Saskatoon also has development

[22] Saskatoon Regional Economic Development Authority, Technology in Saskatoon, 2006.

initiatives to promote a positive business climate for example: the City will provide some $2 million, towards revitalizing the Pleasant Hill area. The work includes purchasing the land, demolishing existing buildings, site preparation and infrastructure upgrades to bring the site up to commercial and residential standards.

- Edmonton and Calgary are major centres for the global energy industry with economic growth driven by this sector. These cities have also shown strength in information and technology communications (ICT), advanced manufacturing and biotechnology. The fast-growing ICT sector in **Calgary** has been aided by the efforts of the Western Economic Diversification Canada and the Government of Alberta which in 2006 invested some $1 million towards phase two of the Wireless City initiative, managed by Calgary Technologies Inc. In the biotechnology sector, the **Edmonton Economic Development Corporation** (EEDC), with assistance from Western Economic Diversification Canada and Alberta Innovation and Science, spearheaded the construction of a $14 million, 72,000 sq. ft. Biotechnology Business Development Centre in 2005 at the **Edmonton Research Park** which will house low-cost shared laboratory and office space for biotechnology firms.
- The Upper Midwest and Mountain regions in the United States boast one of the highest concentrations of animal research and veterinary pharmaceutical firms reflecting the regional focus on agricultural production[23]. Given the region's dependence on the agricultural industry, research is focused on agricultural biotechnology, with large firms such as Cargill, Pioneer, General Mills and Syngenta accounting for the majority of activity in this area. **Minneapolis** has a growing high-tech sector with over 1,300 research-based firms located in the Twin Cities working in the areas of agriculture, veterinary and medical research[24]. The growth in this sector has been aided by the facilities at the **University of Minnesota Research Park**.

Growth in theses sectors will boost future employment and economic growth in the City such that Winnipeg should begin to out-perform neighboring towns such as Brandon and Steinbach.

While the agri-food sector in Winnipeg has been identified as a major economic cluster, this sector faces competition from Edmonton, Calgary and

[23] Agriculture and Agri-Food Canada, Biotechnology Sector Profile: USA, 2002.
[24] City of Minneapolis Economy Website

Saskatoon which are the three leading low-cost agri-food processing locations[25] among cities in Midwestern North America. That said Winnipeg is still one of the lowest business cost locations in Midwestern North America providing incentives for businesses to invest in the city[26].

With respect to the Midwestern United States regions, Canada's experience and strength in applying biotechnology to improving agricultural output gives Canadian companies and Winnipeg by extension, a competitive advantage in this sector. The Midwestern United States regions and Manitoba both have expertise in agricultural technology. In order to promote bilateral exchanges in research, development and business activities in 2004, Minnesota and Manitoba signed a Memorandum of Understanding (MOU) for biosciences and life sciences collaboration[27].

In the light of the current state of Winnipeg's economy, as well as in comparison with strengths in rival centres, Winnipeg will need to continue to develop its key strengths discussed in Section 4.3.1 particularly within advanced manufacturing (aerospace, biotechnology and life sciences) and transportation in order to ensure future economic growth.

4.4 WINNIPEG CMA EMPLOYMENT PROSPECTS BY SECTOR

Assessing job creation prospects is an important aspect to the analysis and projections presented in this document. This section provides a benchmark of employment by sector in 2001; the most recently available comprehensive data on the Winnipeg economy from the Census of Canada, future prospects for employment growth within the major sectors in Winnipeg; and overall projections for economic development and employment growth in the region.

4.4.1 Primary (Agriculture and Natural Resources)

The primary sector consists of businesses involved in the initial process of natural resources such as farming, fishing, mining and logging. As primary sector employment tends to be land based, cities in general tend to be under-weighed in this sector, and in this the Winnipeg CMA is no exception.

[25] Western Canada - Where the Spirit of Innovation Finds a World of Opportunity, Western Economic Diversification Canada Publication, November 2006.
[26] Competitive Alternatives: KPMG's Guide to International Business Location, 2008 Edition
[27] Foreign Affairs and International Trade Canada, Canada-Minnesota Success Stories, 2004.

With the primary sector accounting for a little less than 1 percent of the employed workforce in Winnipeg CMA, the City of Winnipeg accounted for 4 percent of total employees compared to 12 percent in municipalities outside the City (but within the CMA) in 2001. Employment in the primary sector increased slightly from 2001 to 2006 (2 percent per year). The majority of workers are employed in agricultural and related services.

As investment in development of new opportunities within the agricultural industry continues to grow, in part due to initiatives by Agriculture and Agri-Food Canada and capture new areas such as bio fuels and bio products manufacturing[28] , the primary sector employment will continue to grow moderately over the forecast period.

4.4.2 Manufacturing

The manufacturing sector is the third largest employment sector (behind trade and health care services) in Winnipeg accounting for some 13 percent of total employment in 2001. The traditional manufacturing industries such as food processing (e.g. meatpacking, flour milling), lumber, pulp and paper, printing, and clothing have been supplemented by more diverse and advanced processing and manufacturing industries such as aerospace manufacturing, agribusiness manufacturing and biotechnology and life sciences sectors. Aerospace manufacturers in Winnipeg are among the leading private sector employers with firms such as **Standard Aero**, **Boeing Canada Technologies** and **Bristol Aerospace Ltd**. accounting for some 2,700 local jobs collectively[29]. In 2006, Standard Aero and Lockheed Martin's Kelly Aviation Centre (KAC) based in Texas came to an agreement that retained Standard Aero as KAC's maintenance provider for a contract with the U.S. Air Force. The reviving of the contract means that 250 local employees will continue to overhaul T56 engines for the U.S. government[30].

Agriculture and agri-food biotechnology is a relatively small but growing field. At the University of Manitoba's (U of M) main campus, the Agriculture and Agri-Food Canada research station, the U of M Faculty of Agriculture, and the Monsanto Crop Development Centre bring together expertise in the development of new varieties of and uses for crops. The Centre for Agroecological Livestock production System was also established at the University, to enhance the research of sustainable cropping and animal production systems.

[28] Agriculture and Agri-Food Canada, January 2007.
[29] Leading Private Sector Employers, City of Winnipeg Community Profile Website.
[30] Winnipeg Labour Market Bulletin, Service Canada, July, 2006.

Biopharmaceutical manufacturing activity in Winnipeg is centred on three major companies; **Cangene Corporation**, **Apotex Fermentation**, and **Vita Health**. Initiatives such as the establishment of the $31 million Richardson Centre for Functional Foods and Nutraceuticals in the University of Manitoba Smart Park will enable researchers from different disciplines to work together with industry partners to develop and produce functional foods and solidify Winnipeg as a leader in nutraceutical research in Canada.

In 2006, it is estimated that manufacturing contributed about 44,000 jobs to the Winnipeg economy representing a 1.3 percent decrease between 2001 and 2006 as the manufacturing sector struggled with slowed output growth due to the appreciation of the Canadian dollar. As manufacturers adjust to the higher currency, the manufacturing sector is expected to rebound, in part due to:

- Boeing Canada Technologies will begin producing wings and fuselage fairings for the new 787 Dreamliner using composite materials;[31] and
- **New Flyer Industries**, a bus manufacturer with some 1,800 employees in Winnipeg, has booked new contracts with numerous U.S. and Canadian cities including a $9 million contract from the U.S. government to develop hydrogen fuel cell buses in 2006.[32]

Long term employment prospects for the manufacturing industry are expected to be good particularly within advanced manufacturing industries as this sector will continue to benefit from a well-educated workforce, low occupancy and operating costs and a generous research and development tax credit program. The manufacturing industry will contribute about 700 net new jobs annually over the medium term.

4.4.3 Finance, Insurance and Real Estate (FIRE)

The FIRE sector accounted for about 6 percent of the Winnipeg CMA's employment in 2001 employing a total of 21,800 persons. The sector encompasses a wide variety of businesses, ranging from banking, trust companies and credit unions to insurance firms, securities and investment dealers. Winnipeg CMA is a major financial centre with prominent insurance and investment firms including:

- Great West Life Assurance Co.: 1,829 employees

[31] Conference Board of Canada – Metropolitan Outlook: Winter 2007.
[32] Winnipeg Labour Market Bulletin, Service Canada, December, 2006.

- Investors Group: over 1,000 employees

In 2006, it is estimated that the FIRE sector contributed about 24,300 jobs to the Winnipeg economy representing an average increase of 500 jobs per year between 2001 and 2006. Future growth prospects remain upbeat for this sector and we expect the financial sector to account for about 7 percent of the growth over the projection period.

4.4.4 Construction

Almost 5 percent of those employed in Winnipeg work in the construction sector where there has been an increase of about 3,000 jobs in the past 10 years. The residential construction sector has recorded its best performance since the late 1980s with an estimated 2,800 starts in 2006. With increasing demand for new homes, fuelled by a recovery in net migration, residential construction is expected to continue to be strong. Recent and on-going residential construction projects include the 11,000 home development in **Waverley West** – a on approximately 3,000 acres in south west part of Winnipeg[33]. A recent shift toward apartment and condominium units under construction also reflects evolving conditions in the residential construction sector. In 2006 and 2007 apartments and condominiums accounted for almost 40 percent of all new residential units started – up from some 18 percent over the previous decade.

Non-residential construction is anticipated to remain high due to large-scale public projects. Over the next six years, the City of Winnipeg plans to spend $2 billion on roads, bridges and other infrastructure projects[34]. Other public projects include[35]:

- **Wuskwatim** generating station (valued at $1.2 billion for completion in 2011);
- **Red River Floodway** expansion ($ 800 million for completion in 2009);
- Expansion of **Winnipeg International Airport** ($ 572 million for completion in 2010); and

[33] Avison Young 2007 Forecast – Regional Report for Winnipeg, January 2007.

[34] For 2007, $424 million has been allocated with major projects scheduled including; $300 million maintenance of Highway 75 to the United States, $91 million to repair the Disraeli Freeway; $35 million to extend Chief Peguis Trail and a $17 million renovation to the Fort Garry Bridges over the Red River at Bishop Grandin Boulevard. Winnipeg Labour Market Bulletin, Service Canada, January, 2007.

[35] Conference Board of Canada Metropolitan Outlook, Winter 2007.

- Indoor soccer facility at the **University of Manitoba** campus (valued at $12.5 million, currently under construction).

Private projects include[36]:

- Construction of the $25 million, 80,000 sq. ft. **Siemens Institute of Advanced Medicine** that is under construction will be completed in 2009;
- **Canad Inns** construction of a $25 million, 19-storey hotel adjacent to the Health Sciences Centre is expected to start in spring of 2007 and finished in 2008; and
- **Lakeview Management Inc.'s** $10 million to expansion of its Four Points Sheraton Hotel at the Winnipeg International Airport adding 72 rooms to the 132-room operation is expected to start in April, 2007 and be completed in late 2008.

With 15,300 persons employed in this sector in 2006 employment prospects are expected to be positive in the construction sector with annual growth of about 1.3 percent over the forecast period.

4.4.5 Transportation and Communications

Transportation, storage, communications and other utilities employed about 8 percent of Winnipeg's workforce in 2001. Air transportation is very important to the Winnipeg economy due to the presence of the Winnipeg International Airport, which is one of Canada's fastest growing cargo airports and employs about 2,000 persons in air cargo operations.[37] There have been a number of developments at the Winnipeg International Airport including[38]:

- A $570 million multi-phase site redevelopment that will include a new 1,600-space parking structure, groundside site services, an additional aircraft parking apron; and
- A new 60,000 square-metre terminal building targeted for completion in 2009.

The Winnipeg Airport Authority (WAA) also has approximately 800 acres of land available for development in four Airport Business Parks (East, South, West and North). Airport Business Park East has a strong existing tenant

[36] Winnipeg Labour Market Bulletin, Service Canada, July, 2006 & February, 2007.
[37] Air Cargo World, July 2005
[38] Government of Manitoba, Manitoba Competitiveness, Training and Trade website, accessed April 5, 2007.

base of air cargo integrators and aerospace industry leaders. Airport Business Park South consists of general aviation businesses and fixed base operators. Tenants include Fast Air Executive Aviation Services, Skyward/Shell Aerocentre and Esso Avitat.

Other recent developments in air travel include:

- **Perimeter Aviation Ltd's**., a Winnipeg-based regional airline, $20 million upgrade of its facilities over the last three years to handle the increase in passenger loads as a result Skyward Aviation going out of business last year. The company added 43,000 square-feet of space at its Winnipeg headquarters to house a new engine overhaul facility and an office building. It has also doubled the size of two of its three hangars, and a new cargo building is being built. Perimeter is the largest regional carrier in the province with 450 employees[39].
- In 2006, **Fast Air** was awarded a one year contract with Manitoba Hydro to transport Hydro employees and contractors to generating station sites in northern Manitoba. The contract is worth $300,000 and includes a renewal option. Fast Air also plans to build a new 18,000 square foot hangar at the Winnipeg International Airport that is expected to be completed in 2007.

Initiatives under the Winnipeg Airport Vicinity Development Plan, the Asia-Pacific Gateway Plan and the pursuing of partnership opportunities for a Polar Air Cargo route all place Winnipeg in a position to capitalize on its strategic location and are critical to the region's future transportation sector development.

In the ground transportation industry, three of Canada's ten largest employers in the trucking industry are headquartered in Winnipeg including **TransX** with 1,844 employees and **Paul's Hauling Group** with 1,602 employees[40]. A key location for the trucking industry has been the Inkster Boulevard area in northwest Winnipeg which continues to draw trucking firms due to the abundant supply of affordable land and its proximity to the Perimeter Highway. The demand for land in this area has led to the development of a 109-acre industrial park, **Brookside Industrial Park**, in the Rural Municipality of Rosser, with plans for the development of two other parks with almost 280 acres on the west side of Brookside[41].

[39] Winnipeg Labour Market Bulletin, Service Canada, December,2006
[40] Transportation in Canada Report, Transport Canada, 2005
[41] Winnipeg Free Press, April 30, 2007.

The transportation, storage, communications and utilities sector accounted for about 36,600 direct jobs in 2006. **Due to major investment in this sector through the airport expansion and the development of new employment lands in municipalities surrounding the City of Winnipeg, the transportation and communications sector is expected to be among the fastest growing sectors** contributing almost 500 net new jobs annually over the forecast period.

4.4.6 Population Related Sectors

Population related sectors refer to industries that exist in response to a resident population and include trade, education, health care and public administrative (government).

Employment forecasts for these industries took into account the various demographic measures including:

- The total population size to account for the demand for trade (both retail and wholesale) and public administration services;
- The proportion of the population below 19 years of age to account for the demand for educational services; and
- The proportion of the population in retirement age (age 65 and older) to weigh the demand for health care services;

Trade

Trade is the second largest employer in the Winnipeg CMA, employing about 15 percent of the CMA's workforce in 2001. This sector comprises of wholesale and retail trade as well as small and medium sized retailers and wholesale distributors. As the largest urban centre in Manitoba, Winnipeg is a regional business and retail centre servicing smaller neighbouring communities. Employment in this sector will likely continue to expand over the forecast period contributing about 800 jobs per year over the medium term.

Education

Almost 7 percent of those employed in the Winnipeg CMA work in the education sector in 2001. The major employers in the education sector include:

- University of Manitoba: 5,860 employees
- River East School Division: 1,500 employees

- Seven Oaks School Division: 1,100 employees.

The University of Manitoba, with an annual enrolment of approximately 30,000 students plays an integral role in education and training in Manitoba. As a research-intensive institution, the University is home various research institutes and most notably, the SmartPark research and technology business park.

In 2006, it is estimated that the education sector contributed about 32,100 jobs to the Winnipeg economy representing an annual average increase of 1,500 jobs between 2001 and 2006.As the fastest growing sector over this period, employment prospects in the Winnipeg CMA are expected to remain robust over the forecast period with the education sector accounting for about 8 percent of total employment.

Health

Health employs about 12 percent of the workforce in the Winnipeg CMA, contributing an estimated 44,000 jobs in 2001. The largest hospitals and health care facilities in Winnipeg are:

- Health Sciences Centre: 5,000 employees
- Salvation Army Grace Hospital: 1,200 employees

Hospitals have continued to see exceptional investment with recent developments including:

- **Health Sciences Centre** - Ann Thomas Building, a state-of-the art critical services facility ($135 million, 286,000 sq. ft.) that opened in early 2007 provided some 160 new jobs; the Manitoba Centre for Proteonics and Systems Biology ($4 million,10,000 sq. ft.) will have about 60 staff; and the Siemens Institute for Advanced Medicine centre ($25 million, 80,000 sq. ft.) will house about 300 staff upon completion in 2008[42]; and
- The creation of a consolidated cardiac care centre at **St. Boniface General Hospital** in addition to the new $20.5 million Bergen Cardiac Care Centre Unit already under construction.[43]

As mentioned in Section 4.3.1, Winnipeg has emerged as a centre for biotechnology research with a number of facilities opened in the last five years which confirm the importance of this sector including[44]:

- An $ 11 million **Centre for Commercialization of Biomedical Technology** opened by the National Research Council Canada in 2005 to provide research facilities and innovation services for technology organizations;
- The Public Health Agency of Canada plans for an $80 million expansion of the **National Microbiology Laboratory** which is Canada's first level 4 bio-safety laboratory[45]; and
- A $30 million expansion of the **Cangene Corporation** facility in 2006;

The health sector contributed some 48,100 jobs in 2006 representing a 2 percent annual growth rate between 2001 and 2006. With the future growth of the developing biotechnology sector, a growing and aging population, and emphasis on future investment in health care degree programs, employment in the health care sector should increase over the forecast period, and will account for about 14 percent of total employment.

Public Administration/Government Service

The public administration sector contributed an estimated 27,000 jobs to the Winnipeg economy in 2001. Municipal, provincial and federal government offices are located in Winnipeg and major employers include:

- Province of Manitoba: 14,500 employees
- City of Winnipeg: 8,300 employees

Future prospects for public administration are modest as employment in this sector will continue to expand in pace with population growth. Employment in the public administration sector will also continue to be influenced by budgetary pressures at all levels of government; however, since Winnipeg is the provincial capital, there are no major changes in place at the provincial (the largest employer) or federal level to undertake location changes of key ministries. Public administration employment is likely to add about 6,400 jobs to the local economy over the forecast period.

[42] Health Sciences Centre 2005-2006 Annual Report.
[43] St. Boniface General Hospital website: New Release, December, 2006.
[44] Avison Young 2007 Forecast – Regional Report for Winnipeg, January 2007.
[45] Winnipeg Labour Market Bulletin, Service Canada, May, 2006.

4.4.7 Other Services Sector

In 2001, over 79,000 persons were employed in various other service industries, such as accommodation, culture, recreation and professional and scientific services making it the largest employment sector in the Winnipeg CMA.

This sector contributed about 82,400 jobs in 2006 with a small increase in employment growth over the 2001- 2006 period. Accommodation and administrative support sectors were the main sources of growth employing about 23,000 and 13,000 persons respectively. Service sector employment will likely continue to see steady employment growth as overall service sector contributions to the economy increase.

4.5 WINNIPEG CMA EMPLOYMENT PROJECTIONS BY SECTOR

This section presents employment projections for the Winnipeg CMA and the province of Manitoba. The fastest growing sectors in Winnipeg through the projection period will be manufacturing, construction and transportation. This mirrors anticipated trends at the Provincial level (see Figure 19).

Employment in the Winnipeg CMA is forecast to grow at annual growth rate of 1.1 percent over the medium term and 0.8 percent in the long term with the economy adding some 3,700 jobs annually over the next 25 years and outperforming the provincial economy.

Figure 19

Employment, Manitoba, Winnipeg CMA 1996-2031

	Actual		Projection		Annual Average Growth			Annual Percent Growth		
	1996	2006	2016	2031	1996-2006	2006-2016	2016-2031	1996-2006	2006-2016	2016 2031
	Number of Persons Employed (000s)				*Number of Persons (000s)*			*Percent*		
Manitoba										
Primary	48.4	35.9	39.3	42.3	(1.3)	0.3	0.2	(2.9)	0.9	0.5
Manufacturing	58.5	66.6	73.9	81.7	0.8	0.7	0.5	1.3	1.0	0.7
Construction	25.0	29.9	36.1	42.4	0.5	0.6	0.4	1.8	1.9	1.1
Transport., storage, utilities	58.9	64.4	71.6	80.0	0.6	0.7	0.6	0.9	1.1	0.7
Trade	77.1	91.3	99.6	109.8	1.4	0.8	0.7	1.7	0.9	0.7
FIRE	27.9	34.2	37.2	41.0	0.6	0.3	0.3	2.1	0.8	0.7
Educational services	36.7	45.5	48.8	52.5	0.9	0.3	0.2	2.2	0.7	0.5
Health care services	61.8	79.6	86.1	95.6	1.8	0.6	0.6	2.6	0.8	0.7
Public Admin.	36.4	35.0	38.2	42.3	(0.1)	0.3	0.3	(0.4)	0.9	0.7
Other services	86.6	104.6	114.1	125.2	1.8	1.0	0.7	1.9	0.9	0.6
Total	**517.3**	**587.0**	**644.8**	**712.9**	**7.0**	**5.8**	**4.5**	**1.3**	**0.9**	**0.7**
Winnipeg										
Primary	3.6	3.3	3.4	3.5	(0.0)	0.0	0.0	(1.0)	0.4	0.2
Manufacturing	43.9	44.0	51.6	57.2	0.0	0.8	0.4	0.0	1.6	0.7
Construction	14.8	15.3	17.6	20.8	0.1	0.2	0.2	0.3	1.4	1.1
Transport., storage, utilities	40.7	36.6	44.6	49.8	(0.4)	0.8	0.3	(1.0)	2.0	0.7
Trade	52.4	54.9	62.0	63.7	0.2	0.7	0.1	0.5	1.2	0.2
FIRE	21.0	24.3	27.3	33.5	0.3	0.3	0.4	1.5	1.2	1.4
Educational services	24.2	32.1	33.8	39.9	0.8	0.2	0.4	2.9	0.5	1.1
Health care services	38.3	48.1	55.1	67.1	1.0	0.7	0.8	2.3	1.4	1.3
Public Admin.	25.3	28.6	31.4	35.1	0.3	0.3	0.2	1.2	0.9	0.8
Other services	64.2	82.4	85.4	94.1	1.8	0.3	0.6	2.5	0.4	0.7
Total	**328.4**	**369.5**	**412.3**	**463.0**	**4.1**	**4.3**	**3.4**	**1.2**	**1.1**	**0.8**

Source: Forecasts:Altus Clayton, Historical: Statistics Canada

Altus Clayton

5 INDUSTRIAL STRUCTURE IN THE CITY OF WINNIPEG

This chapter provides an overview of recent activity in the industrial sector in the City of Winnipeg and reviews conditions among the City's designated employment (industrial) areas including the inventory of available employment lands. The chapter also sets out the criteria employed to assess the suitability of the existing inventory to meet employment needs in the City.

5.1 INDUSTRIAL ACTIVITY

According to Statistics Canada some $32.7 million in industrial building permits have been issued by local municipalities on an annual basis over the past five years (Figure 20). This is down about 30% over the previous five year period. Moreover, industrial building permits (which include newly constructed buildings and additions and major retrofits) have been waning over the past decade as a proportion of all non-residential permits. The proportion of all non-residential building activity accounted for by the industrial sector fell from 16 percent in the 1997-2001 period to just over 10 percent in the most recent period.

Figure 20

Non-Residential Building Permits, Winnipeg CMA, 1997-2006

	Value of Non-residential Building Permits			Annual Growth, Building Permits	
	Industrial	Total	Industrial % of Total	Industrial	Total
	000s of dollars			*percent*	
1997	55,026	226,514	24.3		
1998	43,308	343,761	12.6	(21.3)	51.8
1999	58,791	335,891	17.5	35.8	(2.3)
2000	55,097	327,129	16.8	(6.3)	(2.6)
2001	20,576	214,321	9.6	(62.7)	(34.5)
2002	24,690	220,220	11.2	20.0	2.8
2003	28,751	369,949	7.8	16.4	68.0
2004	31,209	343,323	9.1	8.5	(7.2)
2005	21,916	287,995	7.6	(29.8)	(16.1)
2006	56,973	393,375	14.5	160.0	36.6
Annual Average					
1997-2001	46,560	289,523	16.1	n.a.	n.a.
2002-2006	32,708	322,972	10.1	n.a.	n.a.

Source: Altus Clayton based on data from Statistics Canada

AltusClayton

While there has been some modest new supply of new industrial space in the past five years (some 342,000 sq. ft. of net new space on an annual

basis – see Figure 21), this has not been met by new absorption. In fact according to the brokerage firm Colliers International, while the growth in net new supply of industrial space moderated over the past decade from about 770,000 sq. ft. per year to 342,000 sq. ft. per year – the rate of industrial absorption fell considerably faster. As a result the average vacancy rate among industrial properties generally rose in the past decade.

However, industrial vacancy rates in the 4-5 percent range are still considered normal, and are certainly not indicative of an oversupply situation.

Figure 21

Industrial Market Trends, Winnipeg CMA, 1997-2006

	Inventory	Net New Supply	Absorption	Vacancy Rate
		000s square feet		*percent*
1996	72,659	258	938	5.2
1997	73,659	1,000	2,664	3.0
1998	74,659	1,000	2,065	1.6
1999	76,119	1,460	478	2.8
2000	77,000	881	650	3.5
2001	76,500	(500)	(100)	3.0
2002	76,747	247	(681)	4.2
2003	77,185	438	(584)	5.5
2004	77,375	190	566	5.0
2005	77,859	484	759	4.6
2006	78,209	350	210	4.8

Source: Altus Clayton based on data from Colliers Industrial Report

AltusClayton

These data also suggest that although the industrial market has seen modest activity in recent years, there is not an excess of vacant space available on the market that could substantially be counted on to accommodate future employment growth requirements.

5.2 EXISTING EMPLOYMENT AREAS AND POLICY RECOMMENDATIONS

Based on lands within designated employment areas (industrial policy areas (IPAs)) identified in *Plan Winnipeg*, this study has identified 10 large industrial area ("Clusters") each of which contains one or more industrial neighbourhoods.

In aggregate, these industrial areas account for some 1,210 net acres of designated, developed and serviced[46] (thus generally thought to be available – save for ownership issues) vacant employment lands.

Figure 22 illustrates the distribution of all the lands designated for employment purposes and lying within the existing boundaries of the industrial policy areas. The figure presents the distribution of lands by function and usability. The columns in the figure are labelled A to H and segregate the employment lands data thus:

- **Column A:** Gross Area This column presents the total gross area of all lands located within the City's industrial policy areas, as defined by *Plan Winnipeg*. The data in column A excludes public roadways.
- **Column B:** Occupied Serviced Developed Parcels This column presents estimates for total net acres of land that is currently occupied by functional economic employment uses. Lands are considered functionally occupied when they contain a structure that accommodates employment uses. The structure may be in whole or in part vacant (but leasable), but the lands are still considered occupied. In cases where land parcels are considered to be *underutilized* only those portions of the parcels that are functionally occupied are included in column B.
- **Column C:** Vacant Serviced Developed Parcels This column presents estimates for the total net acres of land that is currently vacant. The vacant lands included in this estimate included lots which are accessible and are either serviced or are within reasonable proximity of truck services. These estimates also include an estimate of those lands that are part of *underutilized* parcels but are functionally vacant (i.e., not in use supporting a structure or other active operations of the land user). For the purposes of this analysis, lands in this column does not include large vacant redevelopment sites (which are include in column H).
- **Column D:** Underutilized Parcels This column presents the total acreage for all land parcels in the employment lands database that have been identified as underutilized. Generally, a parcel is considered underutilized by the project team based on detailed mapping and site visits, and generally includes large acreages of essentially greenfield lands (generally back lots) with no buildings or significant current uses (such as outdoor storage) related to the occupied user of the land.

[46] *Lots either service, or adjacent to services*

- **Column E:** Unsuitable Vacant Developed Parcels This column presents the total acreage for all land parcels in the employment lands database that are either vacant or already support alternative land uses, and which are deemed by the analysis to be unsuitable to accommodate future employment lands employment growth. Lands deemed generally unsuitable for development include hydro corridors, wetlands, etc., or are deemed to be otherwise not suited for employment lands use. Some of these lands excluded from the inventory may be suitable for conversion to alternative uses, such as retail, residential or institutional uses. Some lands should be considered candidates for a change in designation from Industrial Policy Area to Neighbourhood Policy Area, as set out in more detail in sections 5.2.1 to 5.2.10.
- **Column F:** Usable Vacant Developed Parcels This column presents the total acreage of existing designated parcels that are vacant, but still deemed appropriate to accommodate future employment growth. Column F is the net of columns C and E.
- **Column G:** Underutilized Vacant Lands This column presents the estimates of lands that could be available to accommodate future employment, that are part of existing occupied but underutilized parcels.

  The total of columns F and G represent the total usable supply of employment lands that are already within developed, serviced parcels. **All told, the supply of vacant lands that are ready or nearly ready to accommodate employment is some 1,210 net acres**.
- **Column H:** Unserviced Large Parcels This column sets out estimates for gross acres of land within industrial policy areas that could be developed to accommodate employment uses. These lands are either true greenfield lands (e.g., the lands west of the airport), or very large redevelopment sites (e.g., the sugar beat lands) that would likely see redevelopment as smaller parcels through a plan of subdivision. The acreage values set out in column H are gross acres (i.e., inclusive of future roadways, right of ways and other non-development lands).

Figure 22

City of Winnipeg Employment Lands Inventory

Industrial Cluster	Neighbourhood	Area (acre)							
			Serviced[1] Developed Areas (net acres)						
		Gross Area	Occupied[2]	Vacant	Under-utilized Parcels	Un-suitable Vacant[3]	Usable Vacant	Under-utilized Vacant[4]	Unserviced Large Parcels (Gross Acres)
		A	B	C	D	E	F	G	H
Fort Garry	Buffalo	233.5	202.4	31.1	-	31.1	-	-	
	Chevrier	585.0	384.9	11.0	11.0	0.5	10.5	7.2	182.0
	Parker	122.3	25.5	96.8	-	96.8	-	-	
	West Fort Garry Industrial	247.1	195.2	51.9	-	38.2	13.6	-	
	Subtotal	*1,188.0*	*808.0*	*190.8*	*11.0*	*166.7*	*24.1*	*7.2*	*182.0*
Tuxedo	Tuxedo Industrial	*1,242.6*	*350.5*	*743.0*	*98.2*	712.5	*30.5*	63.8	*85.3*
Airport West	Murray Industrial Park	252.2	114.2	49.6	136.0	36.6	13.0	88.4	
	Saskatchewan North	1,641.0	-	-	-	-	-	-	1,641.0
	Subtotal	*1,893.2*	*114.2*	*49.6*	*136.0*	*36.6*	*13.0*	*88.4*	*1,641.0*
St James	Pacific Industrial	159.7	151.6	5.8	3.7	5.8	-	2.4	
	Sargent Park	58.7	52.8	3.2	4.1	2.2	1.0	2.7	
	St James Industrial	756.7	723.1	32.2	2.2	23.2	9.0	1.4	
	Subtotal	*975.2*	*927.5*	*41.2*	*10.0*	*31.2*	*10.0*	*6.5*	
CPR Mainline	Dufferin Industrial	137.3	133.7	3.6	-	0.6	3.0	-	
	Logan-CPR	168.4	162.6	5.7	-	5.7	-	-	
	Lord Selkirk Park	28.1	27.0	1.1	-	1.1	-	-	
	South Point Douglas	84.9	63.1	21.7	-	21.7	-	-	
	Weston Shops	357.4	357.3	0.1	-	0.1	-	-	
	Subtotal	*776.0*	*743.7*	*32.3*	-	*29.3*	*3.0*	-	
Brookside	North Inkster Industrial	610.2	155.0	54.0	45.0	10.0	44.0	29.3	372.0
	Oak Point Highway	368.9	309.8	59.1	-	15.1	44.0	-	
	Omand's Creek Industrial	559.2	497.9	61.4	-	26.4	35.0	-	
	Subtotal	*1,538.4*	*962.6*	*174.5*	*45.0*	*51.5*	*123.0*	*29.3*	*372.0*
Inkster - West Kildonan	Inkster Industrial Park	610.1	561.5	29.1	30.1	20.3	8.8	19.6	
	Templeton-Sinclair	19.2	11.9	2.6	7.2	0.0	2.6	4.7	
	West Kildonan Industrial	175.2	121.5	44.7	13.9	0.4	44.3	9.0	
	Subtotal	*804.6*	*694.8*	*76.4*	*51.3*	*20.8*	*55.7*	*33.3*	
East Kildonan - Transcona	Chalmers	57.0	54.9	2.1	-	2.1	-	-	
	Griffin	120.4	23.6	55.8	63.2	31.8	24.0	41.1	
	McCleod Industrial	139.4	128.3	11.1	47.9	42.2	-	-	
	Munroe West	53.1	40.8	0.2	18.6	0.2	-	12.1	
	North Transcona Yards	196.3	124.3	33.5	59.2	(0.5)	34.0	38.5	
	Regent	149.0	95.3	27.6	40.1	27.6	-	26.0	
	Subtotal	*715.2*	*467.2*	*130.4*	*228.9*	*103.5*	*58.0*	*117.7*	
St Boniface	Dugald	312.0	167.1	92.0	81.4	27.0	65.0	52.9	
	Mission Gardens	41.3	35.9	5.4	-	2.0	3.4	-	
	Mission Industrial	829.3	698.1	102.5	44.1	75.5	27.0	28.7	
	St. Boniface Industrial Park	1,035.2	276.2	239.0	-	87.0	152.0	-	520.0
	Stock Yards	359.6	176.0	41.9	5.8	7.0	38.5	3.8	137.9
	Symington Yards	1,003.1	893.6	86.7	35.1	28.7	58.0	22.8	
	The Mint	158.0	158.0	-	-	-	-	-	
	Tyne-Tees	265.0	172.1	30.9	-	70.4	22.3	-	62.0
	Subtotal	*4,003.6*	*2,577.1*	*598.5*	*166.4*	*297.6*	*366.2*	*108.2*	*719.9*
Transcona Yards	Transcona Yards	*762.2*	*595.8*	*76.0*		*1.6*	*74.4*	-	*90.4*
	Total	*13,898.9*	*8,241.4*	*2,112.6*	*746.8*	*1,451.2*	*757.9*	*454.3*	*3,090.6*
	Total (rounded)	*13,900.0*	*8,240.0*	*2,110.0*	*750.0*	*1,450.0*	*760.0*	*450.0*	*3,090.0*
	Usable Supply							*1,210.0*	*3,090.0*

Notes:
1. Trunk services in reasonable proximity, internal road network in place.
2. Excludes "vacant" portion of underutilized lands
3. Unsusable plus candidates for other uses
4. 65% of total area of underutilized parcels

Source: Altus Clayton, MMM Group and City of Winnipeg Employment Lands Database

MMM GROUP AltusClayton

The suitability of lands to accommodate future employment lands requirements has in part been based on an assessment relative to an array of development suitability and site selection suitability criteria for industrial locations, including transportation access, services, policy, adjacent uses, amenities, industrial linkages, site configuration, topography, and future expansion capacity. While not all of these criteria are important for all

employment areas in Winnipeg and for all potential industrial uses in Winnipeg – lands that generally score poorly on a number of these criteria are thought to be unlikely to reasonably accommodate emerging demand for industrial areas within a market, planning and/or engineering framework. Further details on these criteria are illustrated in Figure 23.

Figure 23

Selection Criteria for an Industrial Location

Transportation access	Access to regional freeway system is key. Other advantages include public and private transport access and proximity to transport hubs (e.g. airports, intermodal facilities)
Utilities	Availability and capacity of utilities on or near the site should be ascertained early on in the development process.
Public policy	Plannning and zoning regulations give direction on the development capacity of the land.
Adjacent uses	The compatability of adjacent and surrounding uses with the proposed development.
Amenities/services	The proximity of restaurants, shopping facilities, hotels, daycare centres, and fitness centres enhances the competitiveness of an industrial development.
Link with other industries	Some industrial users prefer to cluster with companies operating in the same, allied or complementary sectors to exploit economies of agglomeration.
Site configuration and size	The size, dimension and shape of a land parcel have an impact on the type and scale of a building project.
Land topography and soils	An assessment of the soils and topography ensures that the land is flat and adequately drained, to allow for development.
Future expansion capacity	When feasible, land should be large enough to accommodate future building expansion, increased pakring or storage.

Source: Altus Clayton based on the ULI *Business Park & Industrial Development Handbook*, 2001

Details of this cluster-by-cluster analysis follows.

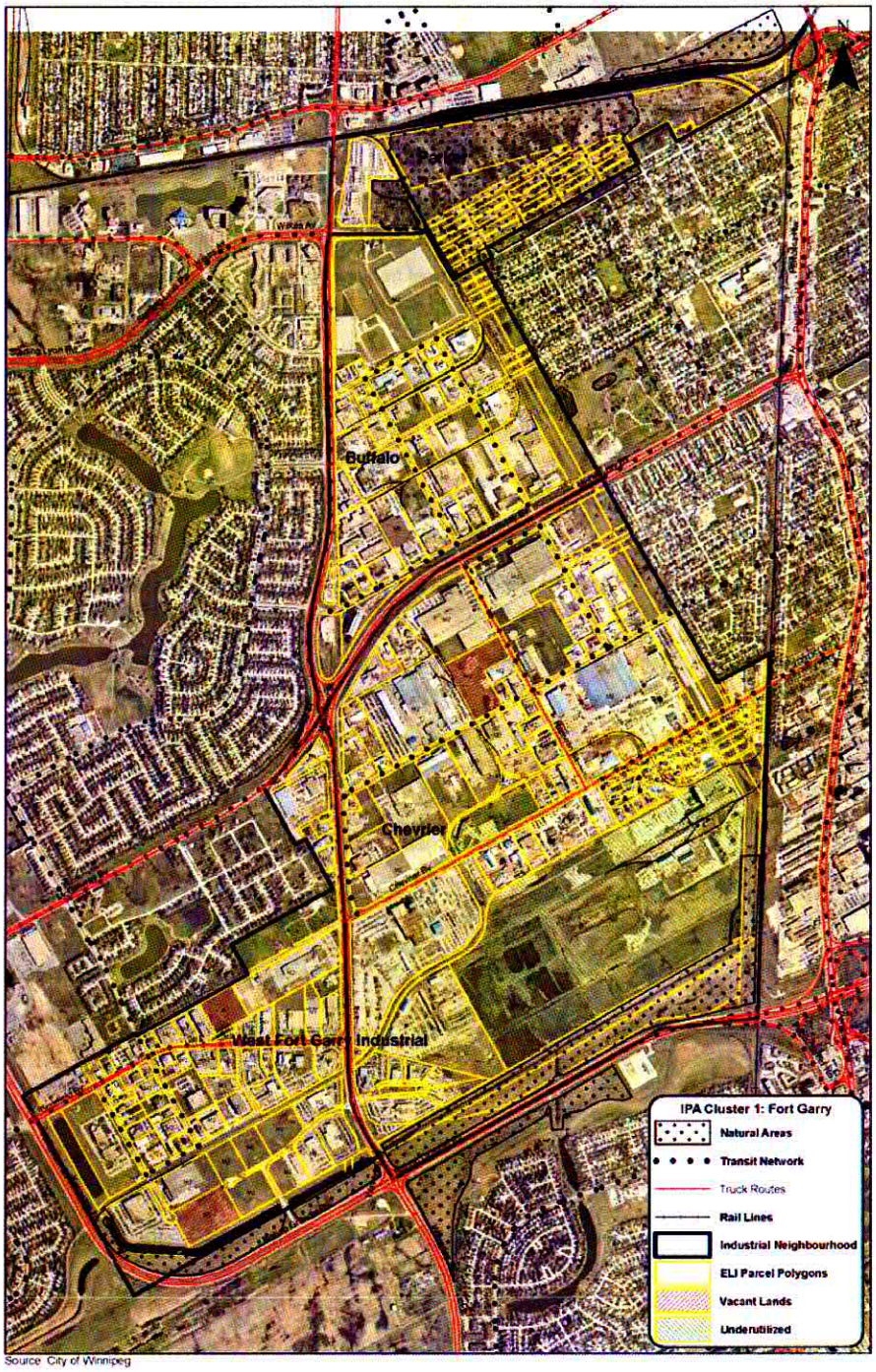
5.2.1 Cluster #1 – Fort Garry

Industrial Policy Area: The IPA includes the following neighbourhoods: Buffalo, Chevrier, Parker and West Fort Garry.

Notable Businesses/Employers:

- West Fort Garry Industrial (Winnipeg Technical College, Convergys, Apotex, Shaw Cable, City of Winnipeg Shops, 7 automobile dealerships in the Southridge Business Park);

Figure 24



Source: City of Winnipeg

- Chevrier (Manitoba Hydro, Sysco Foods, Westco Storage, Russel Metals, Motor Coach Industries, Buhler Versatile, Gendis, Truserv Canada, Harris Transport, 5 automobile dealerships in the Waverley Auto Mall);

- Buffalo (Motor Coach Industries, Pollard Bank Note);
- Parker: (none, mostly vacant lands and hydro ROW),

Cluster Overview: Similar to Murray Industrial Park and Inkster Industrial Park elsewhere in the City, this cluster is comprised of what can be regarded as traditional, planned industrial subdivisions. The most recent is the West Fort Garry Business Park, built by Cairns, which was just recently developed out.

Transportation Access: (distances measured from McGillivray/Fennell intersection).

Regional Streets/Truck Routes: The cluster is traversed by Waverley Street and McGillivray Boulevard, which provide direct access to the Perimeter Highway to the south (approximately. 6 kilometres on Waverley) and southwest (approximately 11 km on McGillivray). Kenaston (Route #90) is convenient to the cluster on the west providing access to the airport. At its current terminus, Kenaston connects to Bishop Grandin, which provides access to the east part of Winnipeg where the CN Intermodal facility is located. As the 3,000 acre Waverley West Community develops, Kenaston will be extended southward to connect to the Perimeter at a new interchange, replacing Waverley Street as the most direct route to the Perimeter. In future, Kenaston may be extended beyond the Perimeter, connecting to PTH #75 south of the community of St. Norbert. Provincial Trunk Highway #75 is the major Manitoba route to the U.S. and the Canadian road link in what is referred to as the Mid-Continent Trade Corridor between Canada and Mexico.

While not currently identified as a transportation component in Plan Winnipeg, and therefore without Council endorsement at this time, Bishop Grandin Boulevard may in future be extended to the west to link up with a southerly extension of the Charleswood Corridor from its current terminus at Grant Avenue. This linkage is one of several segments of the inner-beltway which is intended to provide high speed access around the existing city limits, taking pressure off crowded north-south arterials in southwest Winnipeg like Kenaston, Waverley and Pembina Highway.

Transit: The cluster is served by limited service Feeder Route #94 (peak hour) to Pembina Highway and #78 (weekday) on Waverley, and limited service (peak hour/mid day) downtown routes #80 and #81 on Pembina. The possible future Southwest Bus Rapid Transit (BRT) Corridor is planned for the west side of Pembina sharing the CNR Letelier Subdivision. The purchasers

of the Sugar Beet lands have proposed to construct a park and ride facility on Hydro lands in conjunction with a future BRT station.

Intermodal Facilities: The cluster is substantially removed from CP Intermodal facility (Weston Shops) located between Keewatin Avenue and McPhillips Street in NW Winnipeg (approximately 15 km distant). The new CN Intermodal facility (Symington Yards) is located at the northwest corner of Fermor Avenue (Trans Canada) and Plessis Road 14 km to the east via regional streets (Bishop Grandin/Lagimodiere/Fermor/Plessis).

Airport: The airport lies 14 km to the north via Kenaston Boulevard. This major north south truck route experiences high peak hour and 12 hour traffic volumes. Increased traffic is anticipated in connection with the new Waverley West development and existing big-box shopping centres at Kenaston and McGillivray, identified under Plan Winnipeg as an Area of Regional Commercial and Mixed-Use Concentration.

Rail: The CNR Letelier Subdivision runs along the west side of Pembina and connects to the main line at the Pembina Highway underpass. Sites with spur lines are available in the West Fort Garry, and Chevrier IPA's. The Buffalo IPA is served off the CNR Rivers Subdivision (Main Line). Much of the 70's vintage development was designed for rail access.

Trucking: Trucking services are available within the IPA including CWS Logistics and Harris Transport. Kleysen Transport, major long-haul trucking company, recently relocated to the RM of McDonald, on McGillivray just west of the City limits. The Kleysen relocation was prompted by the sale of their land to First Pro Shopping Centres (now Smart Centres) for development of the Linden Woods Shopping Centre.

Adjacent Uses: Historically, major residential neighbourhoods in SW Winnipeg, namely Whyte Ridge, Linden Woods and Linden Ridge, were developed on lands previously designated Industrial or Industrial Reserve. Today, although the cluster is surrounded by housing, it is fairly intact and not at risk from additional residential encroachment or large-scale commercial conversions. But traffic congestion in the area may dissuade some industries from establishing, remaining or relocating to the Fort Garry cluster.

Amenities: The area is well serviced by attractive amenities. Restaurants, banking and convenience commercial are available along Waverley (Linden Woods Market) and on Pembina Highway. The Kenaston Area of Commercial and Mixed Use Concentration provides major shopping 3 km to

the west on McGillivray. Hotels are located on Pembina Highway. Major community parks are located nearby in the Linden Woods and Linden Ridge residential neighbourhoods. The Ray Fennell Sports Centre (football/ice rink) is located in the Chevrier IPA. A Shapes Fitness Centre is located in the Pembina Crossing Shopping Centre at Bishop Grandin and Pembina. The Cluster is close to the Fort Whyte Alive nature centre.

Land Topography and Soils: No constraints identified.

Servicing: With the exception of the Parker IPA, the Cluster is fully serviced for existing land usage and development. Development of the former Sugar Beet Lands in the Chevrier Industrial Neighbourhood will require new local roads and municipal services as outlined below.

Servicing Upgrade Recommendations

- West Fort Garry: Fully serviced for existing land usage.
- Chevrier – Existing development is fully services. Water, wastewater and land drainage services are required in order to develop the Sugar Beat Lands. For wastewater service, this involves connecting to an existing 1350 mm pipe in Bishop Grandin Boulevard. Water service requires connections to existing 200 mm watermains in Waverley Street and Chevrier Boulevard. Land drainage will involve construction of an 18 acre storm water retention pond discharging to the Lot 16 Drain. Total off-site and development costs (site preparation costs, construction costs for servicing the area and upgrading access requirements, including engineering and contingency fees) are estimated to be in the order of $30 to $35 million .
- Buffalo: Fully serviced for existing land usage.

Future Expansion Capacity: The Fort Garry Cluster has no "greenfield" expansion opportunities (greenfield lands are defined as unserviced agricultural or industrial reserve lands). One significant brownfield (i.e. former industrial) opportunity involves the 138 acre site of the former Manitoba Sugar Beet Plant in the southeast part of the Chevrier IPA north of Bishop Grandin Blvd. The Sugar Beet lands are large enough to support a major redevelopment effort which, given its functional linkages with the remainder of the Cluster, should provide for business-oriented uses. However, given the brownfield nature of this site, a commercial or mixed-use component may be required to help subsidize the servicing upgrades

necessary for redevelopment of these lands. Generally, vacant sites are in short supply across the cluster.

There is some redevelopment potential of older sites within the industrial neighbourhoods of Chevrier and Buffalo. Parker Industrial is mostly vacant but is traversed by a major Hydro corridor. The only current access to the Parker IPA is via substandard asphalt surface roads serving the residential neighbourhood of Beaumont to the south. Beaumont is also served by combined land drainage and wastewater sewers with insufficient capacity to accept intensive development in the Parker IPA without sewer relief or separation.

Plan Winnipeg IPA Policy Recommendation: It is recommended that the Parker Industrial Policy Area be redesignated to a Neighbourhood Policy Area in view of its unsuitability for development as employment lands due to servicing and access constraints.

Planning Policy Implications: The Fort Garry cluster functions well as an employment area and its industrial character should be preserved. The major streets on the fringe of the cluster generally support commercialization, and some non-employment lands uses have moved into the cluster attracted by its centrality to major residential areas in SW Winnipeg. For instance, the Church of the Rock evangelical church now occupies the large former Canadian Wire plant. Two large auto malls have located on Waverley Rd. north of Bishop Grandin Blvd. Major Kenaston/McGillivray shopping centres, anchored by the Wal-Mart and Safeway on the north side of McGillivray and Canadian Tire on the south side of McGillivray, occurred on lands previously designated and zoned for industrial development. These types of land use changes represent the natural evolution of an older industrial area.

The Waverley West development holds some potential for future employment lands within the context of a Neighbourhood Policy Area. The MHRC portion is planned to contain a 150+ acre Town Centre which should generate some office employment in mixed-use projects. In addition, the Ladco portion of Waverley West may provide upwards of 150 acres of employment lands serving as a buffer between the residential component and the Perimeter Highway and Brady Land Fill site beyond.

5.2.2 Cluster #2 – Tuxedo

Industrial Policy Area: The IPA consists of a single neighbourhood, Tuxedo Industrial.

Notable Businesses/Employers:

- Tuxedo: Lafarge Canada, Lehigh Inland Cement, Clarke Transport, Direct Transport, Coast Paper, London Life, AAA Alarm Systems, SCN Lavalin, Intelligent Hospital Systems

Cluster Overview: The largest land owner within the Tuxedo IPA is the Fort Whyte Alive nature centre, which has expanded over the years on land acquired from the cement plants and gradually rehabilitated. The plants no longer produce cement, but the silos are used for storing cement imported by rail from Alberta. On the west side of Kenaston, the relocation of the CN Intermodal Yard from the north part of the neighbourhood has freed up land for future development. In addition to industrial development, there are market opportunities for commercial and mixed-use developments, and possibly even housing on these lands. To the south, Terracon Developments is in the process of developing the Tuxedo Business Park on lands acquired from Inland Cement.

Transportation Access:

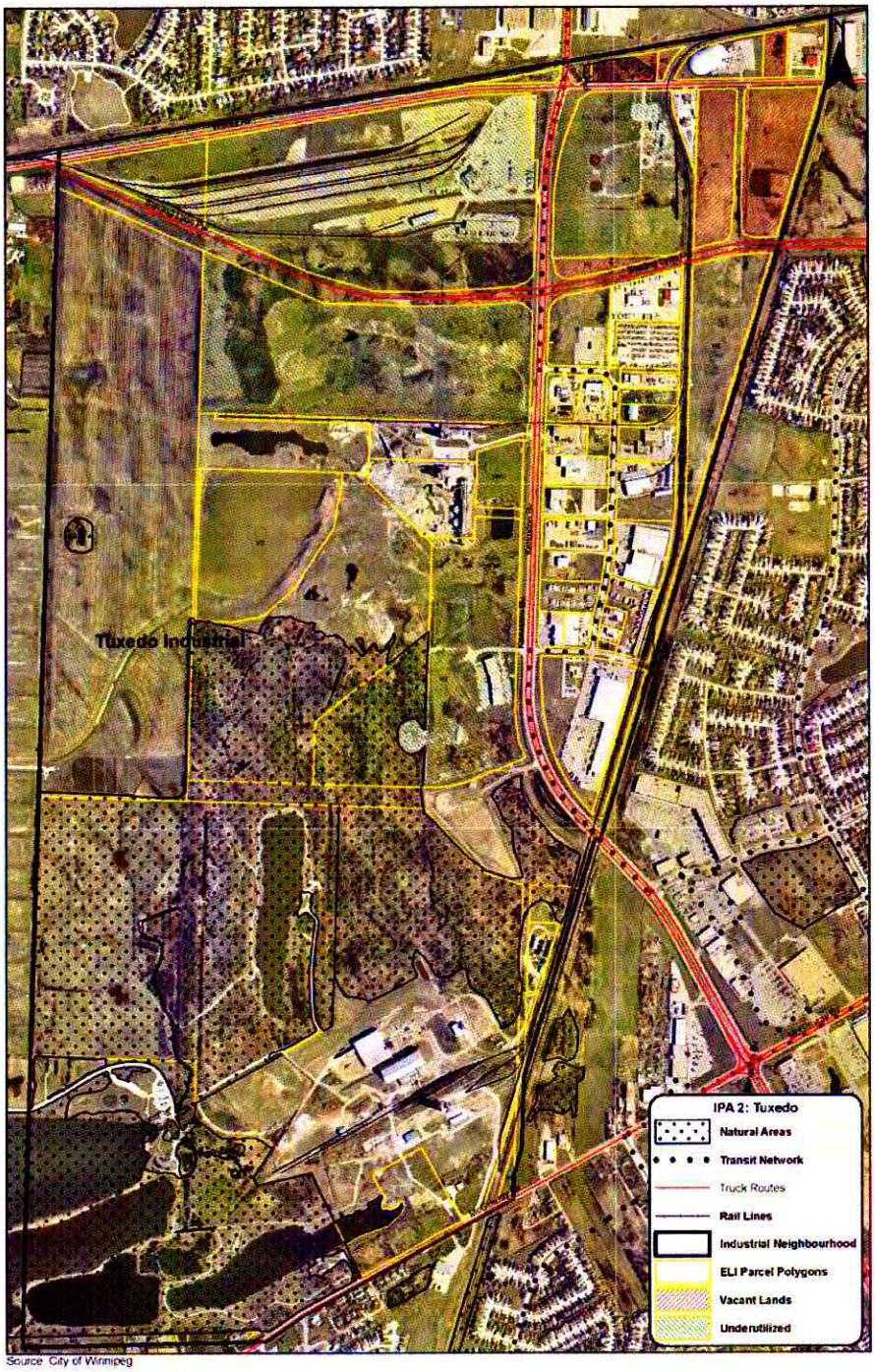
Regional Streets/Truck Routes: Tuxedo Industrial Neighbourhood is traversed by Kenaston Boulevard and Sterling Lyon Parkway which connects to Wilkes Avenue. Kenaston (via Waverley) provides access to the Perimeter Highway to the south (9 km), while Wilkes provides access to the Perimeter to the west (8 km).

Transit: There is a low level of transit service with weekday peak hour service provided by Feeder Route # 78 on Kenaston.

Intermodal Facilities: The CP Intermodal Terminal (Weston Shops) is located approximately 10 km to the north via a Kenaston/Notre Dame/Keewatin route. The CN Intermodal Terminal is approximately 18 km to the east via Kenaston/Bishop Grandin/Lagimodiere/Fermor/Plessis.

Airport: The airport is located approximately 9 km to the north via Kenaston.

Figure 25



Source: City of Winnipeg

Rail: The CPR La Riviere Subdivision and spur lines provide rail access to lands on the east side of Lowson Crescent. Rail service also extends to the Lafarge (CP Rail) and Inland (CN Rail) cement terminals on the west side of Kenaston.

Trucking: Transport services are available within the IPA including Direct Integrated Transport, Vitran Express, EXL Transportation Services, and Custom Transportation.

Adjacent Uses: The Tuxedo Industrial Neighbourhood is situated between Fort Whyte Alive to the west and the Linden Woods residential community to the east. Tuxedo, one of Winnipeg's prestige residential neighbourhoods is located to the north, across the CN main line. Residents here lobbied for years to have the CN intermodal yard relocated, which ultimately occurred. There have been complaints from Linden Woods residents regarding rail activity in the Lowson Crescent area. Also, Linden Woods is generally downwind from the industrial area, which may be problematic for some industries.

Amenities: Employee convenience retail and personal services are lacking within the immediate neighbourhood. A private fitness centre is located in the Tuxedo Business Park, and Terracon is planning to develop some commercial space at the corner of Kenaston and Commerce Drive at the entrance to the Park. The area is close to the Kenaston Area of Regional Commercial and Mixed-use Concentration. There are no hotels in the immediate area, with the closest located on Pembina Highway and at Polo Park. The area is close to Fort Whyte Alive and Assiniboine Forest, and is approximately 5 km from the Assiniboine Park and Zoo.

Land Topography and Soils: No constraints were identified although the reuse of old industrial sites may require soil remediation.

Servicing: Existing development in the Tuxedo Industrial neighbourhood is serviced with sewer and water and a combination of piped or overland land drainage. Infill subdivision and development will require the installation of local streets and services, for which trunk services are available in Kenaston Boulevard.

Servicing Upgrade Recommendations: Water, wastewater and land drainage services are required in order to develop the northern portion of the industrial area. Wastewater service requires a connection to the existing 600 mm pipe at Rothwell Road. Water service connections are required to the existing 900 mm feedermain along Wilkes Avenue and 300 mm watermain along Kenaston Boulevard. As well, a land drainage connection to the existing 2100 mm pipe within the industrial area is necessary. Total off-site and development costs (site preparation costs, construction costs for servicing the area and upgrading access requirements, including engineering

and contingency fees) are estimated to be in the order of $10 to $15 million.

Future Expansion Capacity: Although the Fort Whyte Nature Centre occupies roughly 45% of the area, a substantial amount of land is still available for future development within the Tuxedo Industrial Neighbourhood. Approximately 195 acres is available west of Kenaston, north and south of Sterling Lyon, including lands previously occupied by the CN intermodal terminal. Approximately 80 acres of land is available for development on the east side of Kenaston, north of Sterling Lyon. Terracon's Tuxedo Business Park spans approximately 75 acres of land on the west side of Kenaston and is planned for upwards of 750,000 square feet of GLA in mostly multi-tenant, mixed-use buildings.

Much of the land previously owned by Lafarge and Inland Cement has been disposed of except for what is needed to accommodate the terminal facilities. The Fort Whyte Alive nature centre obtained much of the Lafarge lands while the Terracon Tuxedo Business Park is located on land previously owned by Inland Cement. Aside from the Terracon development, the remaining available land within the IPA will have to be prepared through subdivision and the installation of local roads and municipal services.

Plan Winnipeg Policy Recommendation: It is recommended that the boundaries of the Tuxedo Industrial Policy Area be redrawn to exclude the following areas which have no prospect of industrial use or, in the latter case, may be better suited for other uses including commercial:

- Fort Whyte Alive nature centre property;
- The lands recently acquired by the Fort Whyte Baptist Church from Lafarge Canada;
- The lands lying north of Sterling Lyon Parkway.

Planning Policy Implications: The attraction of the Kenaston corridor to retailers stems from high residential traffic volumes from the Whyte Ridge, Linden Woods and Linden Ridge communities, and the residential growth potential in Waverley West. The shopping centres at the NW corner of Kenaston and McGillivray, i.e., Kenaston Crossing (Sobey's) and Kenaston Common (Rona/Costco), were developed on lands recently removed from the Tuxedo Industrial Policy Area. At the same time, this corridor remains a major trucking route connecting the Airport with points south, and access to

this corridor remains important for some employment uses. Land use policy in this cluster needs to balance the needs of all market segments and major transportation improvements are required to alleviate traffic congestion.

5.2.3 Cluster #3 – Airport West

Industrial Policy Area: The IPA contains the neighbourhoods of Saskatchewan North and Murray Industrial Park.

Notable Businesses/Employers:

- Saskatchewan North: *Sturgeon Tire*
- Murray Industrial Park: *Boeing Canada, The North West Company; MacDon Industries, Winpak Ltd.*

Cluster Overview: The Saskatchewan North area offers a large supply of industrial reserve lands that have the promise to serve a very strategic economic development function. But bringing these lands to market will require a substantial public investment in major roadways and trunk services. Area benefits include proximity to the airport and Perimeter Highway, and good rail access. The neighbourhood has been the subject of an Area Structure Plan under Plan Winnipeg and previous engineering studies examining the extent and cost of required services. Trunk sewer and water services will have to come from NW Winnipeg through the RM of Rosser. The existing industrial park in the cluster, Murray Park, is a planned industrial subdivision and has some capacity for infill development.

Transportation Access:

Regional Streets/Truck Routes: Murray Park is traversed by Murray Park Road, which runs between Sturgeon Road on the west and Moray Street on the east. These are regional streets and truck routes. The most direct route from the Murray Industrial Park to the Perimeter Highway (5 kilometres west) is via Saskatchewan Avenue which bounds the north limit of the Murray Industrial Park and borders the St. James and Assiniboia residential communities. The undeveloped Airport West lands are currently served by the north/south Sturgeon Road which intersects PR#221 Rosser Road (Inkster Boulevard) on the north and Saskatchewan Avenue on the south. From a point on Sturgeon Road equidistant between Rosser Road and Saskatchewan Avenue, the distance to the Perimeter Highway is approximately 5.5 kilometres.

As illustrated on Plan Winnipeg Policy Plate "B", The Secondary Plan for the Airport West lands provides for a new major arterial connecting to the Perimeter Highway to the west and the proposed Silver Avenue Extension to the south. This would provide a direct, high speed route through the area to the air terminal and air cargo facilities on the east side of the airport.

Transit: The area is serviced by Feeder Route #83 to Ness Avenue and Portage Avenue, with weekday, peak hour service to the Murray Industrial Park. Substantial public transit upgrades would be envisioned for the development of the Airport West lands.

Intermodal Facilities: The CP Intermodal terminal is approximately 10 kilometres from the Airport West lands around the north side of the airport, and a similar distance from the Murray Industrial Park around the south side of the airport. The CN Intermodal facility is approximately 39 km distant via the Perimeter Highway North, measured from a point on Sturgeon Road midway between Saskatchewan Avenue and Rosser Road. The alternate City route is approximately 27 kilometres.

Airport: Until planned air cargo facilities are constructed on the west side of the airport, airport-related traffic must travel around the airfield via Ness Avenue to the King Edward/Century one-way pair (Route #90) on the south, or Rosser Road (Inkster Boulevard) to Route #90 on the north. (Note: Route #90 is named Kenaston Boulevard south of the Assiniboine and Century Street/King Edward (one-way pairs), Oak Point Highway and Brookside Boulevard, north of Portage.) The distance to the Airport Terminal is approximately 9.5 km measured from the intersection of Sturgeon Road and Saskatchewan Avenue around the south side of the airport. Located on the west side of the airport property, with airside access, is 17 Wing CFB, and air charter and aircraft maintenance operations.

Rail: Good rail access is provided by the CP Glenboro Subdivision that runs along the north side of Saskatchewan Avenue up the west side of the airport, connecting to the CP mainline (Carberry Subdivision) and the parallel CN Oak Point Subdivision that runs across the top of the Airport West Lands. The CN Oak Point line, in turn, connects to the CN mainline (Rivers Subdivision) that crosses the City on the south side of the Assiniboine River. A spur off the CP Glenboro subdivision services the Murray Industrial Park, principally the farm implement manufacturer MacDon Industries.

Trucking: There are no trucking firms currently located within this cluster.

Figure 26



Adjacent Uses: The Murray Industrial Park is well buffered from adjacent residential areas and is bounded by the airport on the west and north. The Airport West lands are also well buffered from the Assiniboia Community south of the CPR Glenboro subdivision and Saskatchewan Avenue. As the

area develops, increased industrial traffic on Saskatchewan Avenue, until Airport Way is constructed, may be objected to by residents living along the south side of the arterial street.

Amenities: Convenience shopping is available at Ness and Moray. Major shopping is located along Portage Avenue and at Unicity Area of Regional Commercial and Mixed-Use Concentration (Wal-Mart/Canadian Tire/Sobey's), about 4 km from the centre of the Murray Industrial Park. The closest hotel is the Holiday Inn at Moray and Portage. The area is fairly convenient to local parks and athletic fields including Boeing Park in the Murray Industrial Park.

Links with other Industries: Significant potential has been identified for airport related businesses and industries.

Land Topography and Soils: Previous geo-technical analyses have identified shallow overburden across parts of the Airport West lands, which may complicate the installation of services but is unlikely to affect building construction.

Servicing: Murray Industrial Park is fully serviced but some available lands will require the extension of local services. The Airport West lands in the Saskatchewan North IPA require the installation of roads and municipal services including the extension of trunk services.

Servicing Upgrade Recommendations:

- Saskatchewan North (a.k.a. Airport West) - Based on the 2006 *Intermunicipal Shared Services – Expression of Interest Process* report prepared by Stantec Consulting Ltd.:
  - Wastewater service to the north section of the area requires a 350 mm forcemain extension in Klimpke Road, parallel to the CPR Glenboro tracks, to a proposed pumping station east of Sturgeon Road at future Airport Way.
  - Watermain supply for the area requires a 750 mm extension of the Silver Avenue feedermain north on Sturgeon Road to a future Airport Way feed point. A local extension of a 300 mm watermain north on Moray Avenue would supplement this installation.

  Land drainage for the area could be provided along the western edge of the current Saskatchewan North IPA boundary provided a feasible connection to the land drainage system south of the area is

possible. In their entirety, the Saskatchewan North lands will utilize both Sturgeon Creek and Truro Creek for land drainage to the Assiniboine River.

With respect to the Saskatchewan North area west of the airport, total off-site and development costs (site preparation costs, construction costs for servicing the area and upgrading access requirements, including engineering and contingency fees) are estimated to be in the order of $225 to $250 million.

- Murray Industrial Park - Water, wastewater and land drainage services currently exist within the industrial area. Subsequent servicing of infill development or subdivided parcels would the responsibility of the developer. Infill subdivision would require the installation of local streets and services.

Future Expansion Capacity: The 2002 *Industrial Land Supply* Study identified 1,580 acres of vacant, undeveloped land in the Saskatchewan North IPA, commonly referred to as the Airport West lands. The Murray Industrial Park contains about 120 acres of vacant, serviceable industrial land. These gross numbers do not take into account the potential for opening up lands on the west side of the airport proper, on lands owned by the Winnipeg Airport Authority. These lands would be reserved for airport-related development, in accordance with the Airport Master Plan.

Plan Winnipeg IPA Policy Recommendation: There are no recommended changes to the boundaries of this cluster.

Planning Policy Implications: The Airport West lands provide a major opportunity to develop a large industrial district in a part of Winnipeg that is unsuited to residential development (due to airport proximity), is close to the Perimeter Highway for long-haul trucking, and is well served by rail. The Airport West lands were the focus of the recent, intense efforts on the part of business and government to build a major air cargo facility west of the airport in conjunction with a tariff-free business zone. Besides the major expense of opening up the Airport West lands, some of the area's positive attributes could also be perceived as drawbacks, including the lack of residential growth in close proximity (worker pool) and the area's relative isolation from the rest of the City.

Still, the area has the potential for accommodating a significant portion of the City's future employment land requirements and is poised to provide the foundation for airport related development taking advantage of Winnipeg's location on trans-polar and Asian air routes. A large amount of public investment is needed, but the area holds the potential for the rapid development of industrial subdivisions including the creation of large parcels of land that would be required were Winnipeg to attract large scale manufacturing or space-intensive industries.

5.2.4 Cluster #4 – St. James

Industrial Policy Area: The St. James Industrial Cluster consists of the following neighbourhoods: St. James Industrial, Pacific Industrial and Sargent Park Industrial.

Notable Businesses/Employers:

- St. James Industrial: *Standard Aero, Magellan Aerospace, Provincial Department of Transportation and Government Services, Drummond McCall, Imperial Steel, Buhler Furniture, The Pepsi Bottling Group, Conviron; major retail employers include Costco, Rona, The Brick, Leon's and Superstore*
- Pacific Industrial: *Westsun Winnipeg, City of Winnipeg Public Works and Water and Waste Departments, and Westfair Foods*

Cluster Overview: This cluster includes some of Winnipeg's most mature industrial neighbourhoods. The industrial areas developed along the rail framework provided by the CN Oak Point (now abandoned) and CPR La Riviere Subdivisions and spurs. The establishment of Winnipeg's first permanent air field, now the Winnipeg James Richardson International Airport, and Winnipeg's designation in 1936 as the headquarters of Canada's first national airline (Trans-Canada Airline), gave impetus to industrial and airport and aeronautic related industrial development in the St. James Industrial Neighbourhood. The emergence over the past 40 years of the Polo Park neighbourhood as a regional retail and service hub has led to the conversion of industrial lands to commercial use in the St. James Industrial Neighbourhood. As a result, businesses of an industrial nature that remain in the area or wish to locate there may be impacted by traffic congestion and land use compatibility. The evolution of the area into a higher-order employment area within proximity of strong retail and other amenities has led to more buoyant industrial land and realty prices.

Transportation Access:

Regional Streets/Truck Routes: The cluster is well served by major north-south routes like Route #90, St. James and Empress Avenues, McPhillips Street, and the Erin/Wall one-way pair. Major east-west routes include Notre Dame and Logan Avenues on the north and Portage Avenue on the south. The dense and mixed-use nature of the St. James/Polo Park area of the city has unfortunately led to some traffic congestion problems that may have a negative impact on some traditional industrial users in the area.

Transit: The area is well served by north-south and east-west, daily transit routes.

Intermodal Facilities: The CP Intermodal terminal is located 3 km to the north measured from St. James and Sargent, while CN Intermodal is located 17 km to the east via downtown.

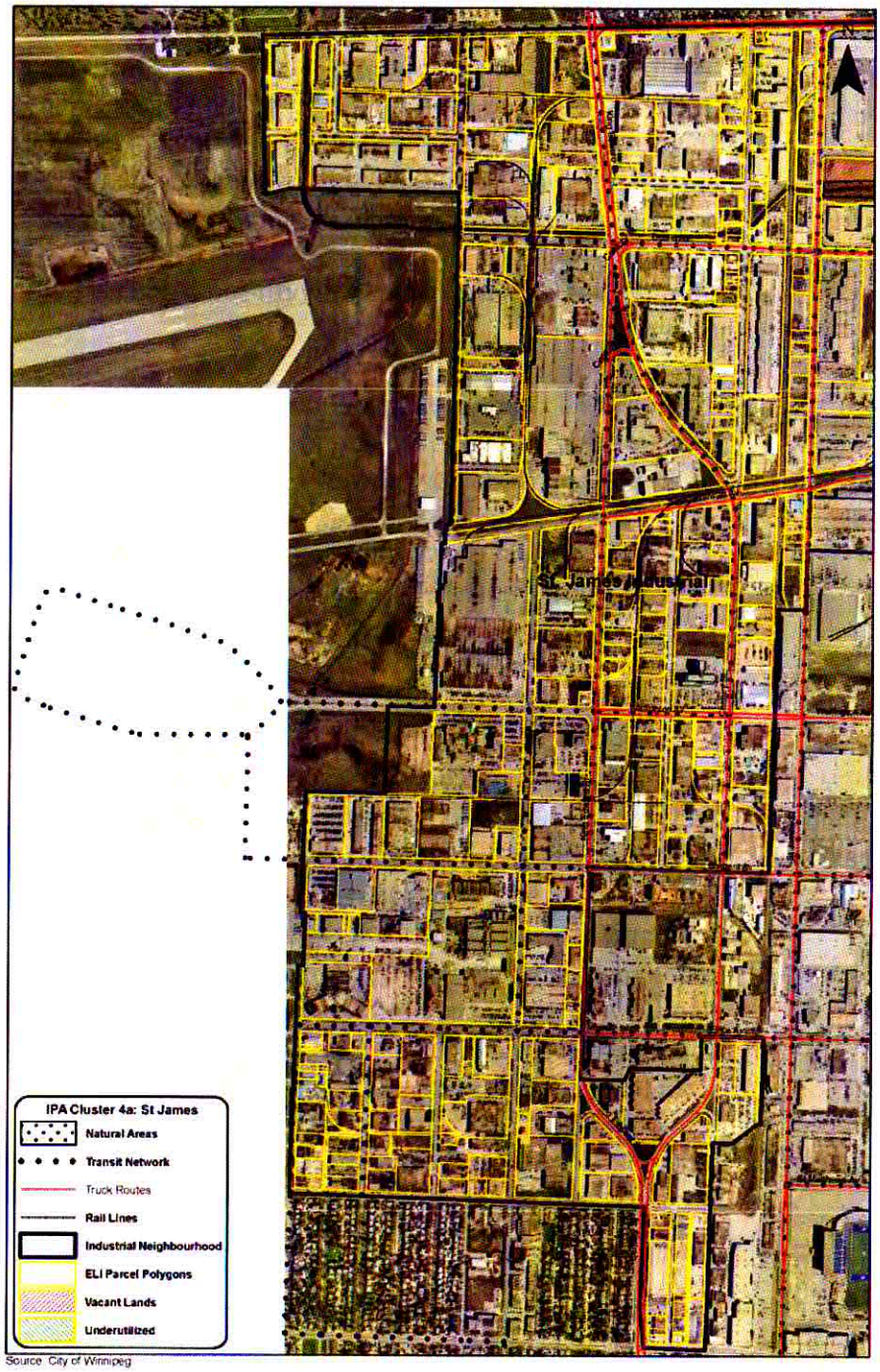
Airport: The airport is very convenient to this cluster, and provides access from a number of perspectives: airside access, freight access and very convenient business passenger access.

Rail: The area was once well served by both CN and CP rail, but the CN Oak Point line and spurs have been removed, as rail-reliant businesses and industries have closed down or relocated. The CP La Riviere subdivision remains, and is used by Burlington Northern. CP spur lines remain to serve portions of the St. James Industrial Cluster, in particular the airport-related and aeronautic industries south of Sargent west of King Edward, the north portion of the area bordering Saskatchewan Avenue, and the Pacific Industrial Neighbourhood. The La Riviere spur runs from Notre Dame to Portage Avenue between the Erin/Wall one-way pairs, serving this substantial outlying industrial strip located in the West End residential neighbourhoods of Sargent Park and Minto.

Trucking: There are no major trucking companies remaining in the area, but it is close to the high concentration of trucking operations in the Brookside Industrial cluster.

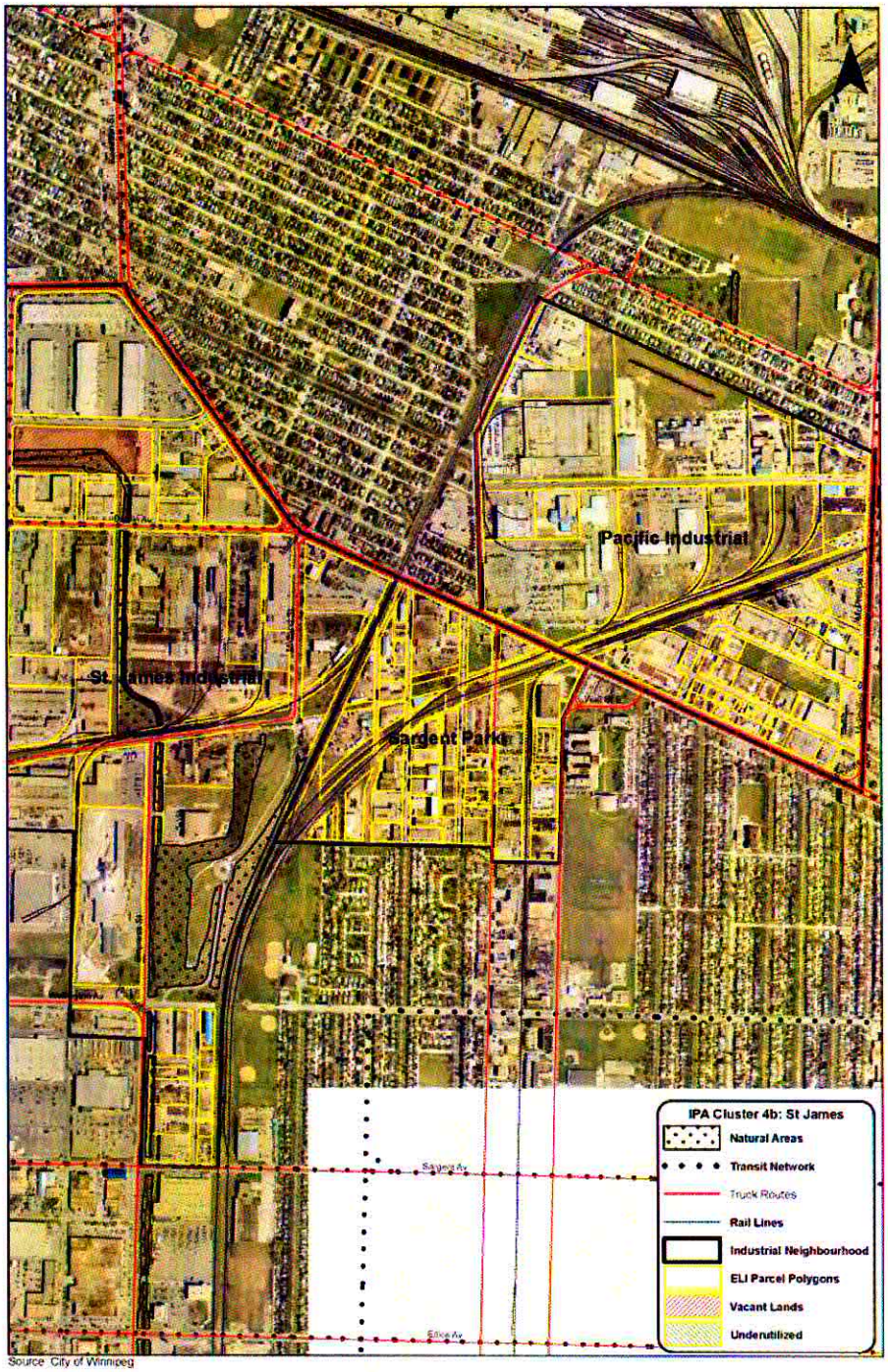
Adjacent Uses: The character of the adjacent residential neighbourhoods is primarily working class on the south (King Edward) and east (Sargent Park, Minto and West Alexander). The residential areas are experiencing the traffic impacts of increased commercial development.

Figure 27



Source: City of Winnipeg

Figure 28



Amenities: The cluster is close to convenience shopping, restaurants and major retail and personal, professional and entertainment services around Polo Park. There is a good selection of hotels in immediate area. The cluster

is close to Sargent Park recreation complex, Westview Park and interconnecting Omand's Creek linear park and pedestrian/bike path.

Links with Other Industries: Linkages are evident within the airport-related businesses and aeronautic industry as well as businesses servicing a wide variety of consumer goods.

Land Topography and Soils: No issues were identified. The reuse of old industrial sites my require soil remediation.

Servicing: The cluster is fully serviced for existing land usage and development. All municipal services are available.

Servicing Upgrade Recommendations: N.A.

Future Expansion Capacity: The cluster is built out although there is potential for employment development on lands owned by the Winnipeg Airport Authority and not included in the inventory.

Plan Winnipeg IPA Policy Recommendation: No IPA boundary changes are recommended.

Planning Policy Implications: The steady conversion of industrial sites to store sites and shopping centres has been an ongoing issue in the Polo Park Industrial Area for some time. Property prices have risen and traffic congestion has resulted. The Plan Winnipeg designation of Polo Park as an Area of Regional Commercial and Mixed-Use Concentration is a reflection of the trends in the area, and should provide the basis for a closer scrutiny of commercial conversions in the remaining, adjacent industrial area.

5.2.5 Cluster #5 – CPR Mainline

Industrial Policy Area: The CPR Mainline IPA consists of the following Industrial neighbourhoods: Weston (CPR) Shops, Dufferin Industrial, Logan CPR and South Point Douglas. In addition, the cluster includes the Lord Selkirk Park IPA that covers the southern portion of the Lord Selkirt Park Neighbourhood Policy Area (NPA).

Notable Businesses/Employers:

- Weston Shops: *CPR Weston Shops and Intermodal Facility, McPhillips Street Station Casino*
- Dufferin Industrial: *CPR Winnipeg Yards*
- Logan CPR: *CPR Winnipeg Yards, Western Glove*
- Lord Selkirk Park: *CPR Winnipeg Yards*
- South Point Douglas: *Gateway Industries*

Cluster Overview: This cluster includes some of the City's oldest industrial areas bordering CP mainline, locomotive shops, marshalling yards and intermodal facility located between the Red River on the east and Keewatin Street on the west.

Transportation Access:

Regional Streets/Truck Routes: Major streets include Logan Avenue on the south side of the CP tracks running from Main Street west to Route #90 (Oak Point Highway) and Dufferin Avenue on the north side of the CP tracks, running from Main Street west to McPhillips Street. From the Logan/McPhillips intersection, the Perimeter Highway is located approximately 9.5 km to the north via McPhillips and 11 km to the northwest via Logan and Route #90.

Transit: The area is well served by major daily transit routes. East-west transit routes include Manitoba and Selkirk avenues on the north side and Logan and Higgins avenues on the south side. Major north-south routes include, from east to west, Henderson Highway and Main, Salter, McPhillips and Keewatin streets.

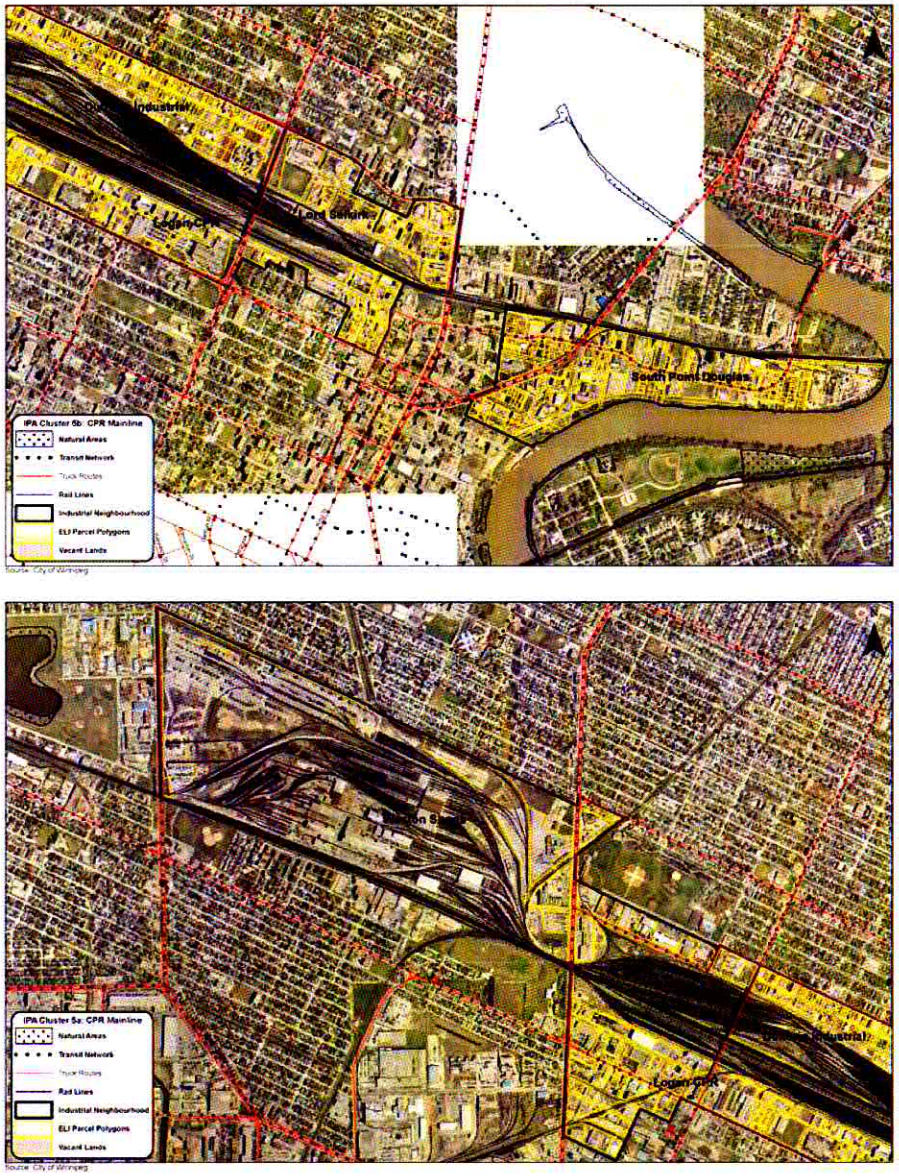
Intermodal Facilities: The CP Intermodal terminal (Weston Shops) is located at the western end of the industrial area, approximately 5 km from the eastern part of the area measured from Logan Avenue and Main Street. The CN Intermodal terminal is located approximately 12 km measured from the Main Street/Higgins intersection at the east end of the cluster.

Airport: The airport is located 9 km from the approximate centre of the cluster measured from the Logan/Main intersection.

Rail: The cluster is served by the CPR mainline and spurs.

Trucking: There are no local trucking firms located within the cluster.

Figure 29



Adjacent Uses: Bordering residential areas are among the most blighted in Winnipeg. Poverty and crime are major deterrents to residential revitalization. Security is a major issue for remaining industries and businesses.

Amenities: The area's central location and proximity to the downtown provides for convenient shopping. The major commercial streets serving the area are Main Street, Selkirk Avenue, and McPhillips Street. Polo Park is about 5 km distant, measured from the Logan/McPhillips intersection. The area is close to downtown hotels. Local parks and athletic fields include the

Old Exhibition Grounds and McPhillips Athletic Grounds. Sargent Park fitness and recreation centre is also close by.

Links with Other Industries: No clustering or synergistic development is evident in this area although automobile repair and metal fabrication shops are prevalent.

Land Topography and Soils: Due to the age of industrial sites, some soil remediation may be required.

Servicing: The cluster is fully serviced; however land drainage and wastewater flows are carried in combined sewers which restrict new development.

Servicing Upgrade Recommendations: The industrial neighbourhoods that comprise this cluster are among the oldest in Winnipeg as are the streets and underground infrastructure that service them. Redevelopment of abandoned or underused sites is a possibility, which may extend to the CP rail yards at some point in the future. Required servicing upgrades would have to be considered on a site by site basis. Due to the presence of combined sewers, sewer separation or relief may be required depending upon the scale of development.

Future Expansion Capacity: The cluster is fully developed with no expansion capacity but with some redevelopment potential including possible surplus rail yard lands.

Plan Winnipeg IPA Policy Recommendation: It is recommended that the IPA spanning the southern portion of the Lord Selkirk Neighbourhood be eliminated in an effort to encourage redevelopment of the area in keeping with the neighbourhood's residential character and downtown proximity. It is recommended that the South Point Douglas IPA be eliminated as the neighbourhood's downtown locale and river orientation promises interesting redevelopment potential.

Planning Policy Implications: The Cluster is characterized by low-order, low-density industrial users and businesses. Planning efforts should be aimed at stabilizing and rehabilitating the adjacent residential neighbourhoods.

5.2.6 Cluster # 6 – Brookside

Industrial Policy Area: The IPA contains the industrial neighbourhoods of North Inkster, Oak Point Highway, and Omand's Creek.

Notable Businesses/Employers:

- North Inkster Industrial: *Manitoulin Transport, Peterbilt, Fort Garry Industries*
- Oak Point Highway: *Paul's Hauling*
- Omand's Creek Industrial: *N Yanke Transfer*

Cluster Overview: The Brookside IPA spans a variety of industrial neighbourhoods that include a newer industrial park (Omand's Creek Industrial), a concentration of trucking operations and truck dealerships and repair shops (Oak Point Highway) and vacant lands available for industrial expansion in the quarter-section bounded by Jefferson, King Edward, Inkster, and Brookside (North Inkster Industrial). The area is close to Perimeter Highway and CP intermodal yard, and is located on Route #90, one of two major north-south truck routes in Winnipeg, the other being Lagimodiere Boulevard. For trucking operations, the area is close to a concentrated customer base in the St. James industrial area and the Inkster Industrial Park.

Transportation Access:

Regional Streets/Truck Routes: The major north-south street is Route #90 (Oak Point Highway) which turns into Brookside Boulevard north of Inkster. The major east-west route is Oak Point Highway which is becomes PR #221 west of Brookside, and Inkster Boulevard east of Brookside. From the Brookside/Inkster intersection, the Perimeter Highway is 5 km via Brookside (north access) 6.5 km via Oak Point Hwy. and Rosser Road (west access).

Transit: There is generally low transit service to the area with weekday peak hour service only.

Intermodal Facilities: The CP Intermodal facility is 5 km from the Brookside/Inkster intersection. The CN Intermodal is 35 km from the same intersection via the Perimeter Highway or 21 km via the cross-city route.

Airport: The airport is approximately 6 km from the Brookside/Inkster intersection.

Figure 30



Trucking: The cluster contains a concentration of major trucking companies and ancillary businesses.

Rail: There is no rail service within the cluster, although the CP intermodal terminal is close by.

Adjacent Uses: The area is adjacent to the Tyndall Park residential neighbourhood, and also lies beneath the airport flight path. The existing residential development is not an impediment to future industrial expansion although industrial expansion within the North Inkster neighbourhood will have to take into account the Inkster Gardens residential neighbourhood on the east side of King Edward Street.

Amenities: Local commercial primarily consists of truck stops, gas bars and convenience shopping. The Garden City (McPhillips/Leila) Area of Regional Commercial and Mixed-Use Concentration is 7 km from the Brookside/Inkster intersection. The area is not well served by hotels, the closest being located on McPhillips Street and in the vicinity of the airport. The closest recreational parks are located in the adjacent residential areas.

Links with other industries: Trucking and allied businesses.

Land Topography and Soils: No known constraints.

Servicing: In the North Inkster Industrial Neighbourhood, municipal servicing is required for the development of vacant lands. In advance of this, unserviced development is occurring within the adjacent Rural Municipality of Rosser. Discussions with City are occurring about extending City services into the RM to service their Brookside industrial area and future airport-related development within both the RM and the City of Winnipeg.

Servicing Upgrade Recommendations:

- North Inkster Industrial – Water and land drainage services are required for the expansion of employment lands. Water service extensions from the existing 250 mm watermain along King Edward Street and 250 mm watermain on unimproved Stefanic Avenue are required. As well, land drainage extensions from the existing 750 mm pipe on unimproved Division Avenue and the existing 450 mm pipe in Inkster Boulevard are required. Total off-site and development costs (site preparation costs, construction costs for servicing the area and upgrading access requirements, including engineering and contingency fees) are estimated to be in the order of $55 to $60 million.

- Omand's Creek Industrial - Water, wastewater and land drainage services currently exist within the industrial area. The servicing of infill development would the responsibility of the developer.
- Oak Point Highway area is fully serviced for existing development.

Future Expansion Capacity: There is potential to service additional employment lands within the North Inkster Industrial Neighbourhood. An industrial subdivision on the east side of Meridian has been approved and services are being installed. A multi-tenant building has recently been constructed by Sun-X Properties on the southerly, improved portion of Meridian.

Plan Winnipeg IPA Recommendation: No changes to the IPA boundaries are recommended.

Planning Policy Implications: The Brookside Industrial Cluster is notable for its trucking operations and support businesses. Long-haul and local delivery firms benefit from the area's proximity to the airport, the Perimeter Highway, and the customer base within Inkster Industrial Park. The major City of Winnipeg transportation improvement planned for the area is the twinning of Inkster between Brookside and King Edward. In addition, the Province recently announced the upgrading of PR #221 (Inkster Boulevard) between Brookside Boulevard and the Perimeter Highway. The establishment or relocation of trucking operations west of Oak Point Highway on unserviced land in the R.M. of Rosser is occurring due to the availability of lower-cost land and lower property taxes. The City and the R.M. are currently exploring the potential for service sharing to help defray the costs of servicing the airport-west lands and to avoid the proliferation of unserviced industrial development in the RM.

5.2.7 Cluster # 7 – Inkster-West Kildonan

Industrial Policy Area: The IPA includes the industrial neighbourhoods of Inkster Industrial Park and West Kildonan. The IPA also includes a small portion of the Templeton-Sinclair NPA, northeast corner.

Notable Businesses/Employers:

- Inkster Industrial Park: *Sobey's West/IGA Distribution Centre, Rehau Industries, Reimer Express Lines, Winnipeg Free Press, Coca Cola*

- West Kildonan Industrial: *Inland Pipe*
- Templeton-Sinclair: *No significant employers*.

Cluster Overview: The Inkster Industrial Park is one of the City's first traditional industrial parks and is developed to a fairly high standard of building appearance and site landscaping. Some of the plant-type buildings are obsolete by current standards and some infill potential (either employment or non-employment uses) exists.

The West Kildonan and Templeton-Sinclair IPA's are older, residual industrial areas that are being encroached upon by residential development to the south. Also, the planned extension of the Chief Peguis Trail as part of the limited access, "inner loop" around the north side of the City, would further isolate the West Kildonan IPA were it to remain as currently designated. The area should either be re-designated to Neighbourhood Policy Area, with any remaining industries enjoying non-conforming status under their current industrial zoning, or expanded northward towards the City limits.

In view of the above recommendation, this cluster description deals primarily with the Inkster Industrial Park.

Transportation Access:

Regional Streets/Truck Routes: The major street and truck route is Inkster Boulevard. The Park is approx. 8 km from the Perimeter Highway, measured from the intersection of Inkster and the Hutchings internal collector street. The distance is the same using either McPhillips or Brookside to access the Perimeter.

Transit: The area has good transit service with weekday and Saturday service (routes #88 and #15)

Intermodal Facilities: The Park is about 3 km from the CP intermodal yard. The distance to the CN intermodal yard is about 30 km via the Perimeter Highway.

Airport: The Park is approximately 8 km from the airport.

Rail: The park was designed around rail access and is serviced from the CPR Arborg subdivision and related branch lines and spur lines.

Trucking: The area is well served by the trucking operations in the nearby Brookside Industrial Area.

Figure 31


N
West Kildonan Industrial
Templeton Sinclair
IPA Cluster 7b: Inkster - West Kildonan
Natural Areas
Transit Network
Truck Routes
Rail Lines
Industrial Neighbourhood
ELI Parcel Polygons
Vacant Lands
Underutilized
Source: City of Winnipeg
Inkster Industrial Park
IPA Cluster 7a: Inkster - West Kildonan
Natural Areas
Transit Network
Truck Routes
Rail Lines
Industrial Neighbourhood
ELI Parcel Polygons
Vacant Lands
Underutilized
Source: City of Winnipeg

Adjacent Uses: The Inkster Industrial Park is surrounded by existing residential neighbourhoods and they co-exist quite well. As mentioned, residential encroachment of the West Kildonan and Templeton-Sinclair IPA's is an ongoing issue.

Amenities: The Park is close to the McPhillips Street commercial strip for restaurants and convenience shopping, and 3 km from the Garden City Area of Commercial Concentration. Hotel accommodations are available on McPhillips Street. Local parks and recreation facilities are available in the surrounding residential areas and include Shaughnessy Park, Northwood Community Centre, and Frank Whyte Recreation Centre.

Links with Other Industries: None evident

Land Topography and Soils: No constraints

Servicing: The Inkster Industrial Park is fully serviced for existing land usage and development.

Servicing Upgrade Recommendations: No upgrades are proposed.

Future Expansion Capacity: There is no capacity to expand the Inkster Industrial Park.

Plan Winnipeg IPA Policy Recommendation: It is recommended that the IPA covering the northeast corner of the Templeton-Sinclair Neighbourhood Policy Area (NPA) be eliminated due to the encroachment of residential development. It is recommended that the West Kildonan IPA either be eliminated or, alternatively, extended northward to Murray Avenue to enable the expansion of the West Kildonan IPA into currently unserviced lands designated Rural Policy Area under Plan Winnipeg. It is noted, however, that this area is also suitable for long term residential development.

Planning Policy Implications: The Inkster Industrial Park functions well and is ideally located with respect to the airport, the Perimeter Highway, the CP intermodal yard, and the Brookside trucking services. A recent trend that requires a policy response is the commercialization of the Inkster Boulevard frontage on account of the high traffic volumes and good exposure. The viability of the West Kildonan and Templeton-Sinclair industrial neighbourhoods is being threatened by the encroachment of adjacent residential development. It is for this reason that the IPA designation on the Templeton-Sinclair area is recommended for removal. And, as discussed, an issue of planning policy involves the future of the West Kildonan Industrial

neighbourhood. While it's viability as an IPA could be solidified by a northerly expansion of the IPA at least to Murray Avenue, the need for industrial capacity in this part of the City must be considered in the context future residential growth in northwest Winnipeg.

5.2.8 Cluster # 8 – East Kildonan-Transcona

Industrial Policy Area: The IPA includes several small industrial neighbourhoods (McLeod Industrial, CPR North Transcona Yards, Griffin). The IPA also covers industrial portions of residential neighbourhoods (Chalmers, Munroe).

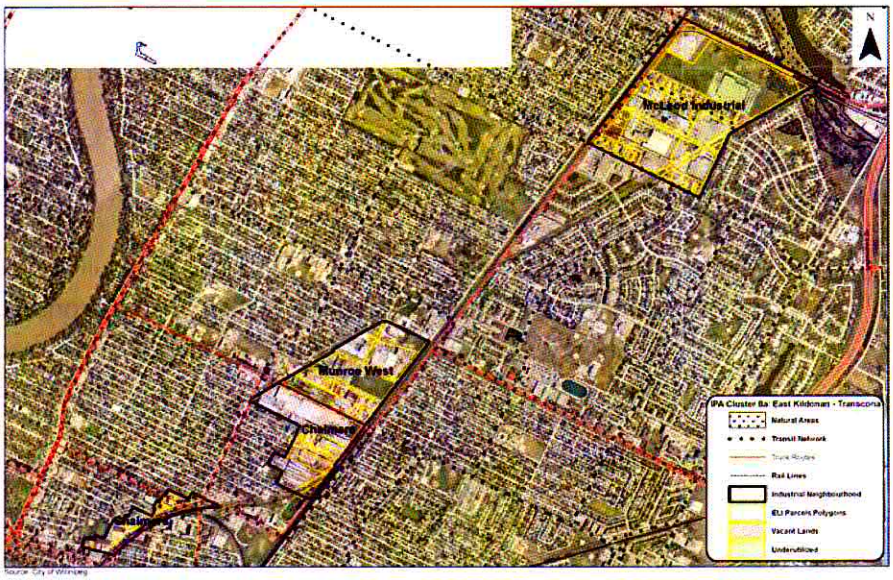
Notable Businesses/Employers:

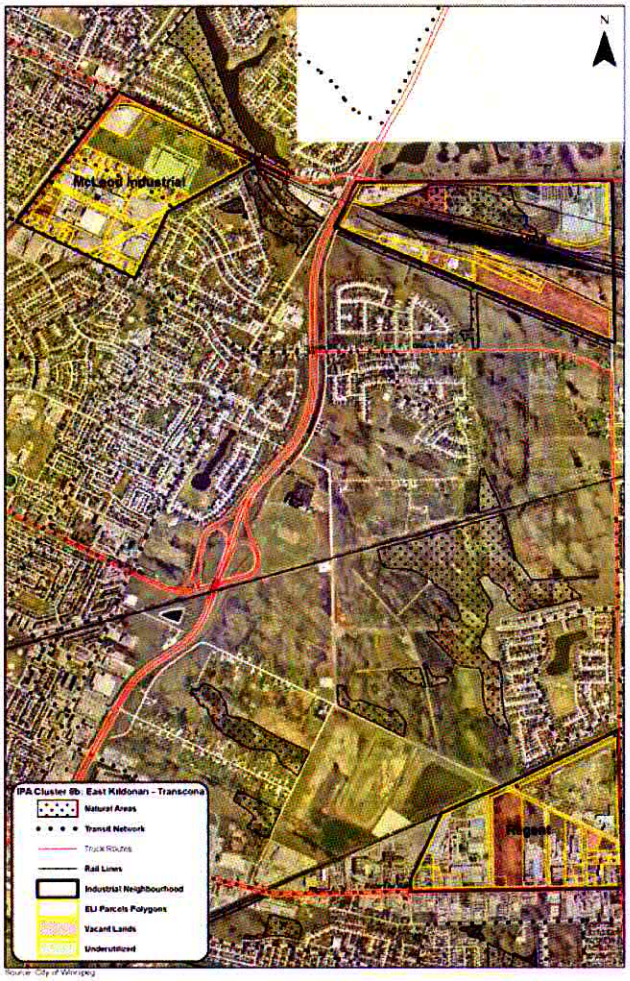
- McLeod Industrial: *Palliser Furniture*
- North Transcona Yards: *CPR rail yards, Westland Steel, Kitchen Craft*
- Griffin: *Griffin Industries*
- Chalmers: *Allmar International, Jeldwin*
- Munroe West: *No significant employers*.

Cluster Overview: The IPA's that comprise this cluster are small, isolated, and contain a variety of lower order businesses. By and large, the IPA's offer no expansion capacity and limited infill capacity. The possible exceptions are the Griffin and CPR North Transcona Yards IPA's. However, only the smaller, west portion of the yards lies within the City of Winnipeg. Both IPA's are remotely located, costly to service, cut off by residential development, and bordering the RM of Springfield, which has designated several hundred acres of unserviced land for industrial development in the area.

Servicing: The Chalmers, Munroe West and McLeod Industrial IPA's are fully serviced for existing land usage and development. Infill development on any surplus lands within the Regent IPA would require the extension of local services, and possible road improvements, on a site by site basis. The majority of the North Transcona IPA is a poorly serviced, active rail yard. Springfield Road, the boundary with the R.M. of Springfield, contains a watermain and wastewater sewer that currently services the Kitchen Craft plant. What capacity exists for infill development along the south side of Springfield would have to be determined. The North Transcona IPA is also lacking in piped land drainage, with the closest connection located near the southwest corner of the IPA on Lagimodiere Boulevard. The Griffin IPA is unserviced.

Figure 32


N
McLeod Industrial
Rosser West
Chalmers
Raleigh
IPA Cluster 8a: East Kildonan - Transcona
Natural Areas
Transit Network
Truck Routes
Rail Lines
Industrial Neighbourhood
ELI Parcels Polygons
Vacant Lands
Underutilized
Source: City of Winnipeg


N
McLeod Industrial
Ridgest
IPA Cluster 8b: East Kildonan - Transcona
Natural Areas
Transit Network
Truck Routes
Rail Lines
Industrial Neighbourhood
ELI Parcels Polygons
Vacant Lands
Underutilized
Source: City of Winnipeg

Servicing Upgrade Recommendations: There are no recommended servicing upgrades for the East Kildonan-Transcona IPA Cluster. The Munroe West and McLeod Industrial IPA's are currently serviced for existing land usage. Development of surplus Palliser Furniture lands in the McLeod Industrial IPA would require the extension of local streets and services. The Chalmers IPA is currently serviced but is being recommended for re-designation from Industrial Policy Area to Neighbourhood Policy Area and removal from the Employment Lands Inventory. Available lands within the Griffin and North Transcona IPA's may never be serviceable in a cost-effective manner.

Plan Winnipeg IPA Policy Recommendations: It is recommended that the Chalmers, Regent, and Griffin IPA's be eliminated and the lands absorbed into the adjoining NPA's. The Chalmers IPA is encroached upon by housing and the existing businesses within the IPA can continue to operate under their current zoning without need for the protection afforded by the Plan Winnipeg designation. The Regent IPA borders Regent Avenue and contains lands suitable for commercial or residential development. The Griffin IPA is bordered on the north by the R.M. of Springfield. Primary access through the area is provided by Day Street, which bisects residential neighbourhoods in the Community of Transcona.

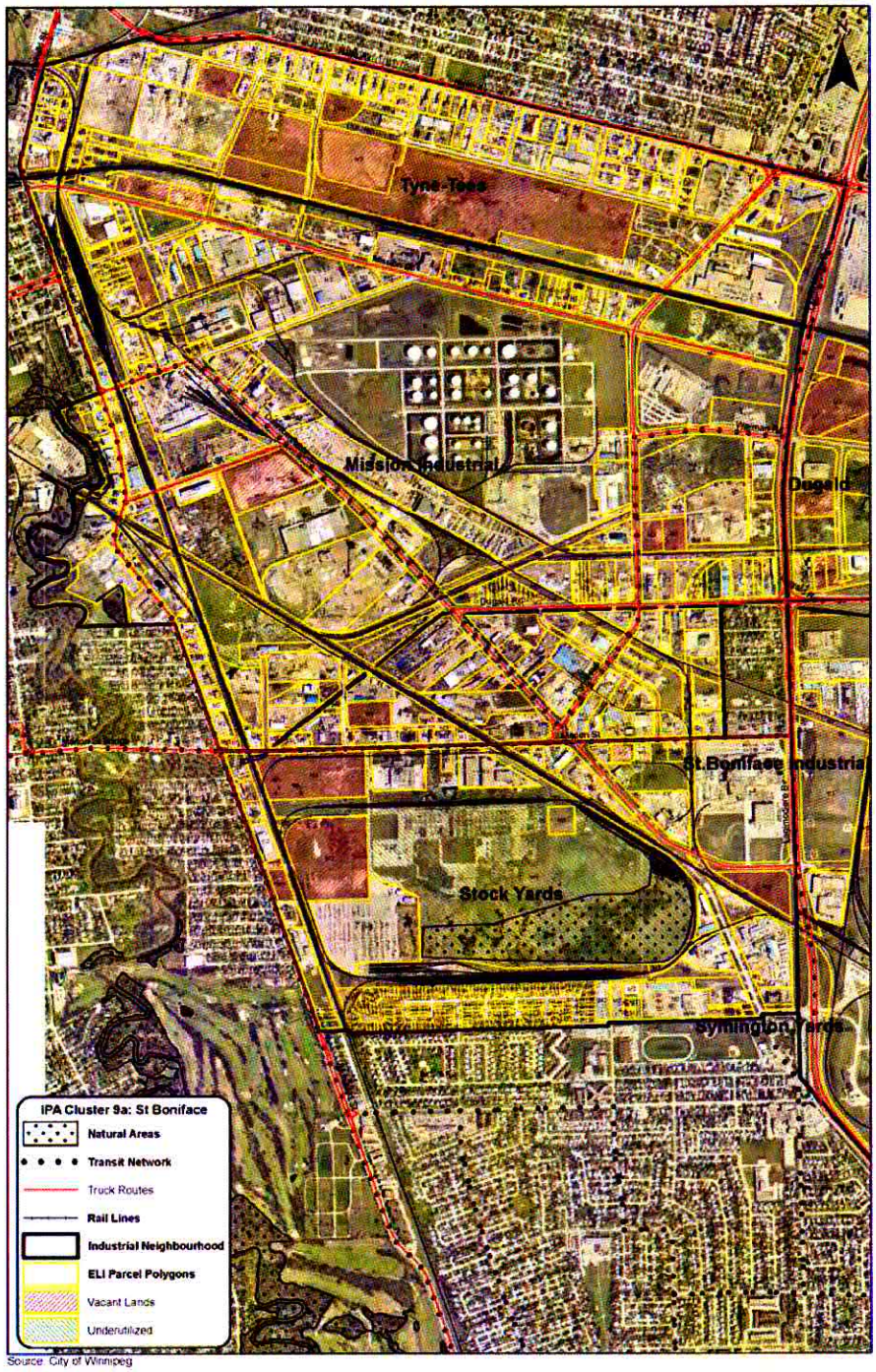
5.2.9 Cluster #9 – St. Boniface

Industrial Policy Area: The IPA contains the industrial neighbourhoods of Tyne-Tees, Mission Industrial, Stock Yards, Dugald, St. Boniface Industrial Park, Symington Yards (CN Intermodal), Mission Gardens, and the Mint.

Notable Businesses/Employers:

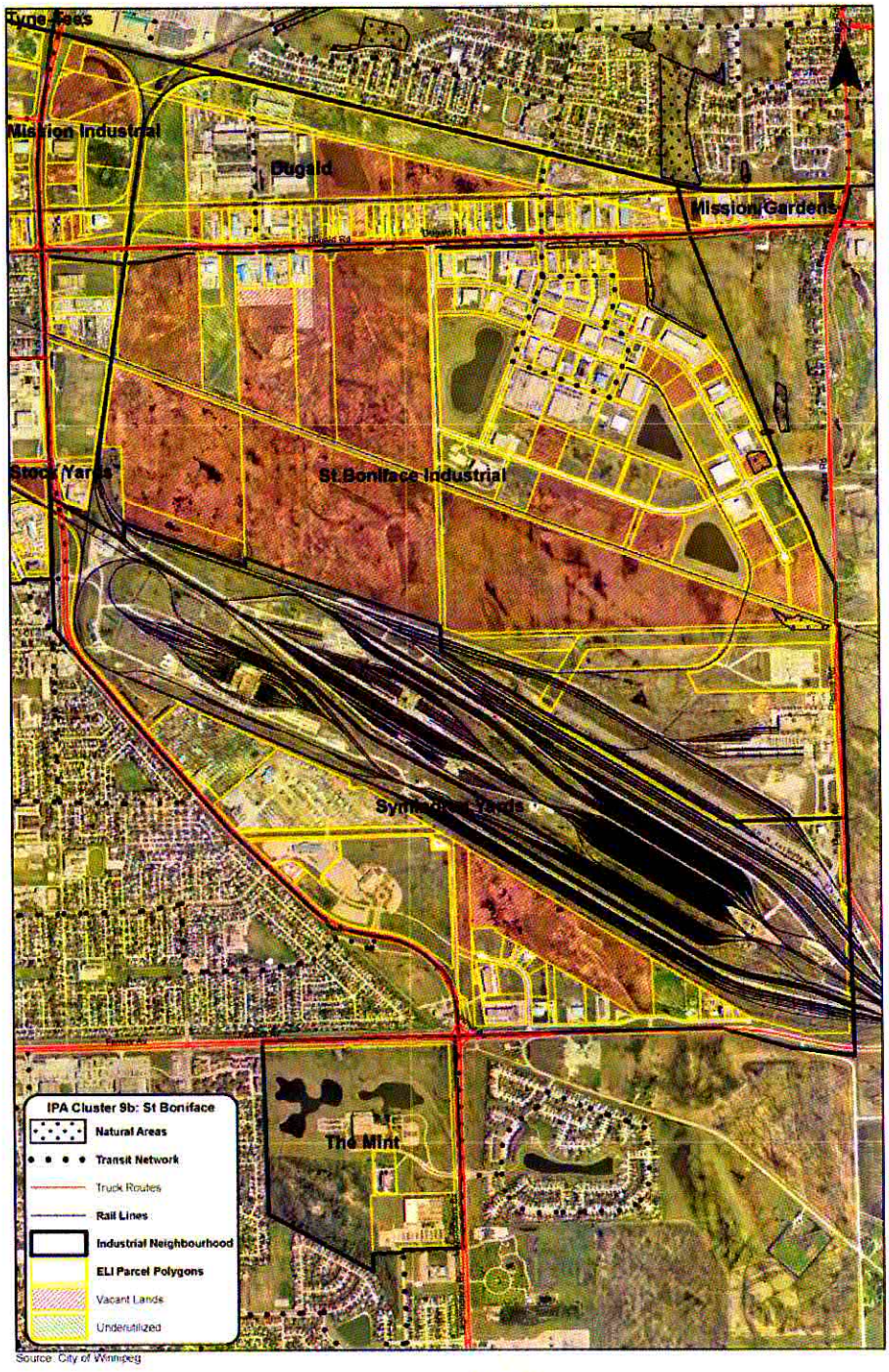
- Tyne-Tees: *Alsip's Industrial Products*
- Mission Industrial: *Shell Refined Products Ltd., Cargill Animal Nutrition, Maple Leaf Pork, Nelson River Construction, Schneider Foods, East-Man Feeds, Westeel Limited*
- Stock Yards: *Allied Systems, Manitoba Pork Marketing Co-op, Maple Leaf Foods, Feed-Rite, Star Building Materials*
- Dugald: *Canada Drugs.com., 3M Health Care, Panasonic, Acklands Grainger, Ridley Inc.*

Figure 33



Source: City of Winnipeg

Figure 34



- St. Boniface Industrial Park: *Premier Printing, Color Ad Packaging, WHRA Food Services*
- Symington Yards: CNR Rail Yards and Intermodal Facility
- Mission Gardens: No significant employers.

- The Mint: *Royal Canadian Mint*

Cluster Overview: This cluster provides for every type of industrial format from lower order businesses and noxious industries to modern multi-tenant buildings and plants in an industrial park setting. The cluster offers major expansion potential on brownfield sites like the Stock Yards and Tyne Tees (former landfill) and greenfield sites in the St. Boniface Industrial Park. Also, the older industrial neighbourhoods like Mission Industrial offer comparatively inexpensive site redevelopment opportunities for users willing to overlook the low standard of development and appearance characteristic of the neighbourhood.

The recent relocation of the CN Intermodal facility to the Symington Yards should also give the area a boost, to the benefit of the adjacent City of Winnipeg St. Boniface Industrial Park. The City has sold or committed the last of its serviced lots within the park, but potential exists for bringing additional lands on stream to the south of the Greater Winnipeg Water District rail line. The Terracon Business Park is a high-quality business park comprised of multi-tenant buildings on the north side of Dugald Road in the Dugald Industrial Neighbourhood. The land on the west side of Mazenod Road south of Dugald Road has also been recently purchased for future business park development of a similar high standard.

Transportation Access:

Regional Streets/Truck Routes: The cluster is well served by major streets and truck routes, most notably east-west streets like Marion Street, Nairn Avenue and Dugald Road, and north-south streets like Archibald Street, Lagimodiere Boulevard and Plessis Road. The distance from the Perimeter Highway to the intersection of Lagimodiere and Dugald, in the approximate centre of the cluster, is about 8 km, with access to the north and south Perimeter via Lagimodiere and to the east Perimeter via Dugald Road (Hwy. 15, the old Trans Canada Hwy).

Transit: The area is not well serviced by transit, with only weekday, peak hour service (Routes #49 and #87)

Intermodal Facilities: CN Intermodal facility at the Symington Yards on the south side of the cluster with access off Plessis Road. The CP intermodal facility is across town a distance of 25 km from the intersection of Lagimodiere and Dugald Road via the Perimeter Highway.

Airport: From the Lagimodiere/Dugald intersection, the airport is about 13 km across town and 34 km via the Perimeter.

Rail: The CNR (Reddit) and CPR (Keewatin) main lines converge at the NW corner of the cluster. The area is interspersed with branch lines (CNR Sprague, CPR Emerson). The St. Boniface Industrial Park has not been designed to incorporate spur lines, but it is likely that these could be provided for a large manufacturer or distributor if needed.

Trucking: Trucking operations are establishing in the area including a new Fed Ex operation in the St. Boniface Industrial Park. CN Rail has its own distribution fleet operating from its intermodal facility.

Adjacent Uses: Residential development is located along the west side of Plessis south of Dugald and the residents are likely to oppose development in the southeast quadrant of the St. Boniface Industrial Park that would generate high traffic levels or have detrimental noise or visual impacts. Similar proximity issues exist between the south end of the Stock Yards and homes in the adjacent Maginot residential neighbourhood.

Amenities: The area is not well serviced internally with employee amenities, but the eastern portion of the cluster is close to the commercial streets of Provencher and Marion/Goulet in St. Boniface. Also, the western portion of the cluster is about 2 km from the regional shopping centres at Regent and Lagimodiere. The closest hotel accommodations are on Regent Avenue in Transcona (3 km), Marion Street in St. Boniface (4 km), and Downtown (6 km). The area is without parks and recreation facilities beyond those provided in the adjacent residential neighbourhoods. However, as a major marketing feature and a model for future industrial development, the Terracon Business Park has been developed in a park-like setting with lakes for storm water retention, extensive landscaping, picnic grounds and areas for passive recreation.

Links with Other Industries: Historically agri-business, food processing, petroleum refining, heavy construction contractors, cement and asphalt plants, and the like.

Land Topography and Soils: No constraints were identified, although some sites in the older parts of the cluster may require soil remediation, as is the case with the Stock Yards, the major brownfield redevelopment opportunity. Abandoned land fill sites are also present in the Tyne-Tees, Mission Industrial and Dugald IPA's.

Servicing: Much of the area is fully serviced, however roads and services will be required to develop out the available vacant lands in the cluster, primarily located in the St. Boniface Industrial Park. Also, service upgrades and major land drainage facilities will be required to bring the Stock Yards on stream.

Servicing Upgrade Recommendations:

- St. Boniface Industrial - Water, wastewater and land drainage services are required in order to develop the industrial area. Wastewater service requires a connection to the existing 1200 mm pipe at Dugald Road. Water service connections to the existing 300 mm watermain along Dugald Road and 300 mm watermain along Camiel Sys Street are required. As well, land drainage connections to the existing Dugald Road ditch system are required. Total off-site and development costs (site preparation costs, construction costs for servicing the area and upgrading access requirements, including engineering and contingency fees) are estimated to be in the order of $30 to $35 million.
- Tyne-Tees – Watermain service within the area is sufficient. Existing wastewater services would require infrastructure upgrading and sewer separation for land drainage. Total off-site and development costs (site preparation costs, construction costs for servicing the area and upgrading access requirements, including engineering and contingency fees) are estimated to be in the order of $15M to $20M. It is noted that the area identified of potential industrial infill is a former landfill site. Development would have to conform to the policies and regulations of the Water and Waste Department, Solid Waste Division, regarding development on closed landfills.
- Dugald - Water, wastewater and land drainage services currently exist within the industrial area. Subsequent servicing would be the responsibility of the developer.
- Mission Industrial – Watermain service within the area is sufficient. Existing wastewater services would require infrastructure upgrading and sewer separation for land drainage.
- Stock Yards – The majority of the neighbourhood is an active rail yard. Watermain service within the area is sufficient. Existing wastewater services would require infrastructure upgrading and sewer separation for land drainage. Total off-site and development costs (site preparation costs, construction costs for servicing the area and upgrading access requirements, including engineering and

contingency fees) are estimated to be in the order of $20 to $25 million.

- Symington Yards – The majority of the area is an active rail yard without municipal services at present.

Future Expansion Capacity: This area has lagged considerably behind the other major industrial areas in Winnipeg in the southwest and northwest. There is a significant amount of land available for comprehensively planned, greenfield development in this cluster. In addition, the Stock Yards are available for brownfield development. Development in the area will have to take into account the Maginot residential neighbourhood to the south.

Plan Winnipeg IPA Policy Recommendation: It is recommended that The Mint be re-designated to Neighbourhood Policy Area. Mission Gardens could also be considered for re-designation to a Neighbourhood Policy Area given its small size and proximity to residential development on the south side of Dugald Road and north of the CN mainline.

Planning Policy Implications: The St. Boniface Industrial Cluster is important as the largest industrial area in the City with the most land zoned for heavy industry. The transition to a service-based economy has had a severe impact on historic industries in the area including meat packing, oil refining and manufacturing. On the positive side, redevelopment opportunities abound and planning policies should encourage the reuse of brownfield sites and the infill development of vacant lands within the St. Boniface Industrial Cluster.

Until recently, the St. Boniface Industrial Area was regarded as less desirable in comparison to other industrial areas in Winnipeg from a locational perspective. This is attributable to several factors, either real or perceived:

- Business executives and owners are attracted to the upscale neighbourhoods in SW Winnipeg, somewhat removed from the St. Boniface IPA Cluster.
- The area is remote from the airport.
- Much of the older industrial development in the area is of a very low quality and does not provide an attractive environment for new plants and businesses.

- Truck traffic has taken its toll on many streets serving the area and approximately 1/3 are in "poor" condition according to City records.

Despite these perceptions within the ICI real estate and land development sectors, the prospects for the newer parts of the industrial cluster are more favourable, in part due to recent investments in campus-like office park developments in the area by one major, local industrial land developer. Also, new residential development is picking up in SE Winnipeg (Southland Park, Sage Creek, Island Lakes). This development is focused around the intersection of Lagimodiere and Bishop Grandin, convenient to the St. Boniface Industrial Cluster.

A major public policy issue involves the City's entry into land development, in this case development of the St. Boniface Industrial Park. Some private developers remain critical of public investment in industrial land development. Until recently, this criticism was borne out by slow lot sales despite extremely competitive pricing. The relocation of the CN Intermodal facility to the Symington Yards has benefited the Park and should serve to stimulate the further development of employment lands in the cluster.

5.2.10 Cluster # 10 – Transcona Yards

Industrial Policy Area: Transcona Yards

Notable Businesses/Employers:

- New Flier Industries, CN Rail, Palliser Furniture.
- Transcona Yards: CNR rail yards and locomotive repair shops, Palliser Furniture, Cargill Grain, New Flyer Industries, Freshwater Fish Marketing Corporation.

Cluster Overview: Most of this industrial area consists of railroad lands occupied by the CN locomotive maintenance shop. Another major business is Palliser Furniture. While the CNR has scaled back operations at the Transcona Shops over the past 25 years, there is no indication that the yards will be abandoned and the land made available for industrial development. However, the 2004 Industrial Land Supply Study did identified 184 acres of "M3" Heavy Industrial land at the east end of the area, which is the focus of the following review.

Transportation Access:

Regional Streets/Truck Routes: The available lands are less than 2 km from the Perimeter via Pandora, Ravenhurst and Dugald truck routes. Ravenhurst has a controlled crossing at the CN mainline.

Intermodal Facilities: The lands are 6 km from the CN Intermodal Yard, and 28 km from the CP Intermodal Yard.

Transit: The lands front onto Pandora Avenue, which has weekday, peak hour transit service (Route #49). However, the parallel street to the north, Regent/Victoria, has full, seven day transit service (Route #47) with stops within walking distance of the area.

Airport: The lands are 38 km from the airport via the Perimeter Highway and Route #90.

Rail: The lands could be serviced off the branch line leading from the CN main line to the Transcona Shops.

Trucking: The closest trucking operations are located in the St. Boniface Industrial Cluster

Adjacent Uses: Canterbury Park, to the north, is a developing residential community. South Transcona, on the south side of Dugald Road, is an older, unserviced residential neighbourhood. Compatibility with future industrial development should not be an issue as long as noxious industries do not locate here under the current "M3" Heavy Industrial zoning, and a high standard of building design and site landscaping is adhered to.

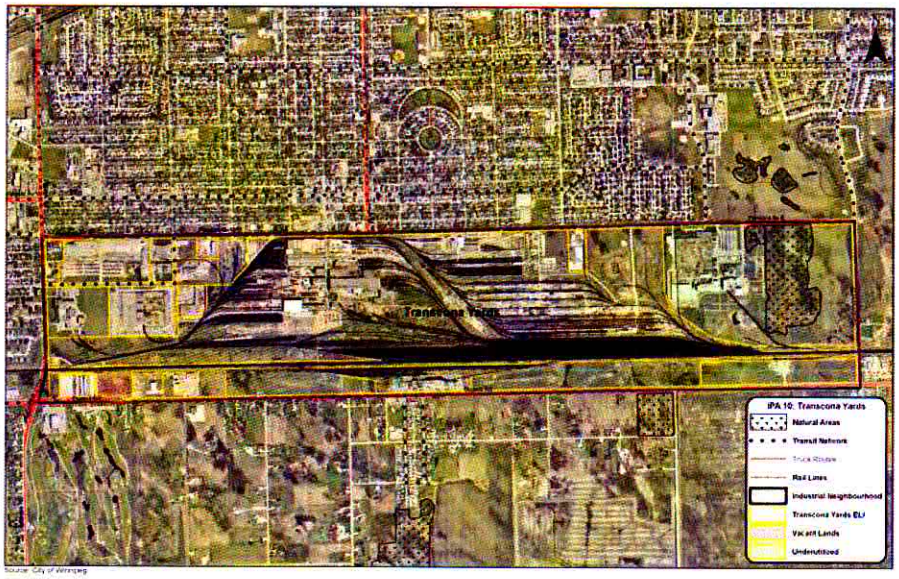
Amenities: The immediate area is notably lacking in employee amenities, although downtown Transcona is only 2 km distant. The closest new hotel is the Transcona Canad Inn at Regent and Plessis, 3 km distant. Several parks and sports fields are available in Transcona within walking distance of the lands.

Links with Other Industries: Nothing apparent.

Land Topography and Soils: There are no known constraints. Soil remediation may be required if or when surplus portions of the CN rail yards are redevelopment.

Servicing: Municipal service extensions along Pandora, Ravenhurst and Dugald Road are required.

Figure 35



Servicing Upgrade Recommendations: Based on the 2005 Transcona Yards Industrial Neighbourhood Area Redevelopment Plan Final Report prepared by ND LEA Inc. (now MMM Group Limited):

- The majority of the neighbourhood is an active rail yard. The remainder is of the area is serviced.
- Development of the area will require upgrades to the existing water service at the cost of the land developer. Watermains exist within Pandora Avenue and under Dugald Road but a detailed engineering analysis is required to determine if the system can meet development demand.
- The existing wastewater service system in north Transcona is near capacity and the bulk of new development within the area would be directed to the Dugald Interceptor. The Dugald Interceptor presently terminates at Murdoch Avenue. To extend the sewer beyond Murdoch Avenue, a lift station and forcemain will likely be required. The regional service would be a cost to the City of Winnipeg, with local service being paid for by the developers.
- Land drainage for the site can empty into the drainage ditches along Dugald Road and land drainage sewers along Pandora Avenue. There is also the possibility of direct drainage into the Winnipeg Floodway, assuming pre-development run-off rates can be maintained.
- Total off-site and development costs (site preparation costs, construction costs for servicing the area and upgrading access

requirements, including engineering and contingency fees) are estimated to be in the order of $10 to $15 million.

Future Expansion Capacity: Currently vacant land plus possible surplus CN lands offer significant expansion capacity.

Plan Winnipeg IPA Policy Recommendation: No changes or boundary adjustments are recommended.

Planning Policy Implications: The City of Winnipeg Planning Property and Development Department has established policies governing future land use and development within the Transcona Yards IPA. The 2005 Secondary Plan for the area identified the potential for light, medium and heavy industry benefiting from good road and rail access.

5.3 LAND SERVICING COSTS AND DEVELOPMENT TIME FRAME

High level, 'order-of-magnitude' trunk servicing costs were prepared for select greenfield and brownfield lands in 8 industrial neighbourhoods.

- The undeveloped 'greenfield' lands are found within the Saskatchewan North, North Inkster Industrial, Transcona Yards, and St. Boniface Industrial neighbourhoods.
- The abandoned, 'brownfield' lands are found within the Chevrier, Tuxedo Industrial, Tyne Tees, Stock Yards neighbourhoods.

Figure 36 shows how these lands are generally categorized.

Figure 36

Selected Industrial Development Lands, City of Winnipeg, 2007

Industrial Neighbourhood	Industrial Policy Area (IPA)	Development Designation	Development Time Frame	Development Driver
Chevrier	Fort Garry	Brownfield	Present - 2011	Private
Tuxedo	Tuxedo	Brownfield	Present - 2011	Private
St. Boniface	St. Boniface	Greenfield	Present - 2011	Public/Private
Stock Yards	St. Boniface	Brownfield	2011-2021	Private
Brookside	North Inkster	Greenfield	2011-2021	Private
Airport West	Saskatchewan North	Greenfield	2011-2021	Public/Private
Tyne Tees	St. Boniface	Brownfield	2021-2031	Private
Transcona Yards	Transcona	Greenfield	2021-2031	Public/Private

Source: Altus Clayton and MMM Group

5.3.1 Cost Estimates for Existing Employment Areas

Figure 37 provides order-of-magnitude cost estimates for required trunk services. The estimates were derived from 2008 Class "D" unit pricing for roads and services, for industrial streets and trunk sewer, water and land drainage pipes. An engineering and contingency factor of 35 percent is applied to account for soft and unforeseen costs. The estimates should be considered representative of the costs of servicing available employment lands in various parts of the City.

Figure 37

Infrastructure Assessment Costs[1], Selected Industrial Development Lands, City of Winnipeg

Industrial Neighbourhood	Site Preparation, Servicing and Access Costs	Cost per Acre
Buffalo	$20 to $30 million	$150,000 +/- $25,000
Tuxedo	$10 to $15 million	$120,000 +/- $25,000
Saskatchewan N.	$225 to $250 million	$150,000 +/- $25,000
Subtotal	$55 to $60 million	$130,000 +/- $25,000
The Mint	$10 to $15 million	$140,000 +/- $25,000
St. Boniface Industrial Park	$15 to $20 million	$100,000 +/- $25,000
Mission Industrial	$30 to $35 million	$60,000 +/- $25,000
Subtotal	$10 to $15 million	$50,000 +/- $25,000
Total	$375-$450 million	$120,000 +/- $25,000

Notes:

1: Cost estimates derived from 2008 Class "D" unit pricing

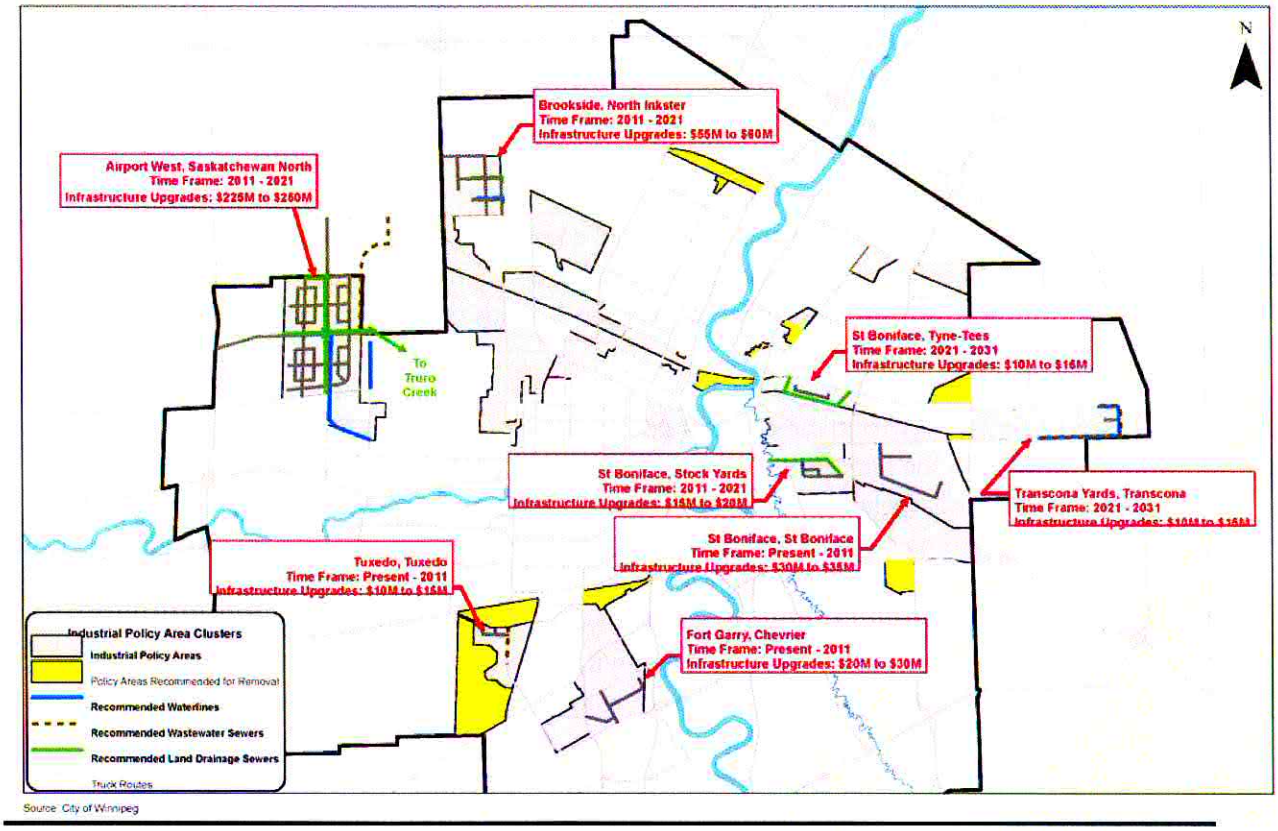
2: Total cost includes 35% factor for engineering and other contigencies

Source: Altus Clayton and MMM Group

The figure also indicates the range of development costs likely to be encountered depending upon the current availability of roads and trunk in a particular area.

The streets and system components are conceptually illustrated in Figure 38. The estimates include the costs for extending trunk services to the selected areas, and the costs for providing the areas with a basic and highly conceptualized road network. The estimates do not include any extraordinary, site- or area-specific costs. The per-acre costs vary from $50,000 to $150,000 (+- $25,000), depending upon the proximity of trunk services to the site/area and the extent of roads required to accommodate land subdivision. These estimates may be higher than typical Class D estimates, as they also include costs associated with off-site required upgrades.

Figure 38



The total cost associated with the development of selected industrial lands is in the range of $375- $450 million.

5.3.2 Development Time Frame

This section gives more details on the potential development timeframe, with reference to Figures 36 and 38.

5.3.2.1 Short-term Developments (Present – 2011)

Major mixed-use industrial/ commercial projects are currently being planned for the Chevrier (Sugar Beet) lands and the Tuxedo (former CN Intermodal) lands, and there is a likelihood that sites in these areas will come to market in within the next year or two. The greenfield potential within the St. Boniface Neighbourhood is also looking more promising for short-term development with the recent sale of the few remaining serviced lots within St. Boniface Industrial Park and the draw provided by the relocation of the CN Intermodal Terminal to Symington Yards.

5.3.2.2 Medium-term Developments (2011-2021)

Lands to be developed over the medium-term include the Stock Yards, Brookside and Airport West. The Stock Yards were recently acquired by a Winnipeg based hotel developer in a bid to establish a major hotel and stadium complex. While, at the time of writing, these plans were uncertain, the Stock Yard's central location nonetheless offer substantial potential for a variety of industrial and commercial employment generators. So too, the Brookside lands are readily developable and well positioned to attract trucking firms and related businesses desirous of fully serviced sites within the City of Winnipeg.

By far, however, the greatest potential for medium-term development lies within the Saskatchewan North neighbourhood west of the Airport. This area is largely controlled by the Winnipeg Airport Lands Corporation, a limited partnership comprised of private land owners and developers and the Winnipeg Airport Authority, which has underwritten front-end planning and engineering while actively lobbying for public investment in the roads and infrastructure needed to open the area up to airport-related industrial development. At current rates of employment growth, the Airport West lands could accommodate Winnipeg's need for employment lands throughout the coming century. For developers and end users of employment lands, a major advantage of the Airport West area is that it lies within the shadow of a 24-hour airport and the development restrictions related to aircraft noise abatement and the need to protect runway approaches and related flight control surfaces. The Airport West lands is one

area of the City where land-use conflicts can be avoided and industrial land developers will not be placed at a competitive disadvantage vis-à-vis residential and commercial developers in their bid to acquire land.

The cost-benefit of extending sewer and water services through the RM of Rosser to service the Airport West lands also provides an ideal basis for the City's entry into inter-municipal service sharing.

5.3.2.3 Long-term Developments (2021-2031)

Finally, the potential for development over the long-term has been identified for the Tyne Tees former landfill area (St. Boniface Cluster) and CN Transcona Yards neighbourhoods. The Tyne Tees neighbourhood contains 84 contiguous acres of vacant and largely overlooked lands - a substantial infill opportunity within an older, centrally located industrial area.

The industrial potential of the CN Transcona Yards was identified in a recent Secondary Plan. The 227 acres identified in the table is comprised of lands lying to the east of the Palliser furniture plant and along the north side of Dugald Road (Highway #15) between Ravenhurst Street on the east and Plessis Road on the west.

6 ADEQUACY OF EMPLOYMENT LANDS IN THE CITY OF WINNIPEG

The first aim of this report is to assess the adequacy of the existing and proposed long-term employment land supply to meet forecast demand in the City of Winnipeg. To do this, the following steps have been followed:

- The employment land requirement for Winnipeg has been calculated, based on forecasts of employment lands employment to the year 2031, developed in Section 4.5, by allocating a share of the Winnipeg CMA's growth to the City of Winnipeg and adding a market contingency factor; and
- The current employment land supply in Winnipeg is compared with the forecast land requirement to assess the adequacy of the employment land supply to meet demand to 2031.

6.1 EMPLOYMENT LAND EMPLOYMENT GROWTH IN THE CITY OF WINNIPEG

The steps involved in forecasting the demand for employment land due to growth in employment land (industrial) employment include:

- Forecasting employment lands employment growth in the Winnipeg CMA during the period 2006-2031;
- Estimating the share of employment lands employment growth to the City of Winnipeg between 2006-2031;
- Selecting an average employment density factor (the number of employees per hectare/acre for employment land); and
- Forecasting the amount of employment land required to accommodate employment land employment growth.

6.1.1 Growth in Employment Land Employment – Winnipeg CMA

The approach used to determine the employment land employment is structured around land use-based employment categories as described below:

- Major office employment is employment contained within free-standing buildings over 20,000 net sq. ft. in size.
- Population-Related employment is employment that exists in response to a resident population that is primarily not located in employment areas or major office jobs.

- Employment Land employment is the range of uses and economic sectors occupying industrial-type buildings, typically concentrated in industrial parks and other designated employment areas.

Figure 39 presents the employment growth forecasts for the Winnipeg CMA, by land based category, for the period 2006-2031.The distribution of current employment by these groups' show:

- A slight decline in major office employment between 2001 and 2006 by 192 jobs proceeded by growth of 1.5 percent (9,705 net new jobs) between 2006 and 2031;
- Growth in population-related employment between 2001 and 2006 by 8,920 jobs. In 2001, there was 1 job for every 5.3 persons in population-related sectors compared to 1 job for every 5.2 persons in 2006. This factor is expected to moderate slightly such that by 2031, there will be about 1 job for every 4.9 persons;

Figure 39

Forecasts of Employment Growth by Land Based Category, Winnipeg CMA, 2006-2031

	Employment Land	Major Office	Population-Related	Total
Employment				
2001	205,078	20,782	126,200	352,060
2006	213,830	20,590	135,120	369,540
2011	227,083	22,785	143,974	393,843
2021	246,618	26,253	157,687	430,558
2031	261,075	30,295	171,670	463,040
Employment Growth				
2001-2006	8,752	(192)	8,920	17,480
2006-2011	13,253	2,195	8,854	24,303
2011-2021	19,535	3,468	13,713	36,716
2021-2031	14,457	4,042	13,982	32,482
2006-2031	47,246	9,705	36,550	93,500
As a % of Total				
2006-2031	50.5	10.4	39.1	100.0

Source: Altus Clayton

- Slow growth in employment land employment of about 8,700 jobs (0.8 percent) between 2001 and 2006.

Forecasts for the Winnipeg CMA over the 2006-2031 period show:

- Total employment growth will be almost 1 percent per annum – 61,018 net new jobs in the 2006-2021 period and 32,482 net new jobs in the 2021-2031 period;
- Employment land employment growth is forecast at 0.8 percent (47,246 net new jobs); and
- Employment land employment is expected to account for about half of all employment over the 2006-2031 periods at 50.5 percent.

6.1.2 Employment Land Employment Growth will be in certain sectors

The bulk of future employment land employment growth is expected to be within the following sectors:

- Transport and Communications
- Biotechnology and Life Sciences
- Advanced manufacturing
- Professional services/small-office/multi-tenant type employment

6.1.3 Employment Land Employment on Specialized Lands

Most employment land employment is accommodated in greenfield business park environments that must be explicitly planned. The City of Winnipeg has several industrial parks specifically designated as employment lands. However, there are other specialized lands where specialized sub-sectors will be accommodated including:

- SmartPark, a 120-acre research and technology park located on the University of Manitoba's Fort Garry Campus, houses 36 research centres, institutes, and facilities and is home to 18 growing companies in high tech sectors and 850 employees[47]. The SmartPark currently has some 40 net developable acres remaining, and these lands could accommodate up to 1,000 additional "employment lands" type jobs through the forecast period; and
- Health Sciences Centre (HSC), located on 32 acres in central Winnipeg, is the largest health care referral, teaching and research Centre serving residents of Manitoba, Northwestern Ontario and Nunavut. Since its inception 25 years ago, over 55,000 sq. ft. of dedicated research space has been developed housing 350

[47] SMARTPARK Development Corporation Annual Report, 2005.

employees[48]. Estimates suggest that an additional 660 net new jobs will be supported on the Health Sciences Centre lands as they develop.

In estimating the employment land employment growth for the City of Winnipeg, future employment on these specialized lands is excluded.

6.1.4 Winnipeg Will Account for Some 75 Percent of the Region's Employment Land Employment Growth

To estimate the proportion of employment land employment growth in the Winnipeg CMA that will take place in the City of Winnipeg, the percentage of employment land employment that may go to lands emerging in the rural municipalities surrounding the City of Winnipeg is considered. Emerging employment lands in rural municipalities include[49]:

- Matheson Industrial Park in the Rural Municipality of Springfield has 120 acres with lots costs of some $65,000 per acre is about 15 to 20 percent developed;
- Brookside Industrial Park in the Rural Municipality of Rosser has 109 acres with lots marketed in the $80,000 per acre range. The Brookside Industrial Park – which still lacks services for the most part, is now reportedly mostly sold out, but that additional lots in adjacent lands are will be brought to market soon. In all the RM of Rosser has about 600 additional gross acres of lands designated for industrial development in proximity of the Brookside Industrial Park. Some or all of these lands may ultimately be connected to City of Winnipeg hard services;
- Fort Whyte Business Park in the Rural Municipality of MacDonald has 35 acres with lots costs of some $100,000 per acre and is awaiting final approval of subdivision plans; and
- Hall Road/Wilkes Avenue Industrial Development in the Rural Municipality of Headingley has about 75 acres with prices ranging between $39,900 to $49,900 per acre has about half of the land sold. Some Headingley lands have recently been serviced and are being marketed at higher price points, and attracting higher-profile industrial land users.

For purposes of this study, it will be assumed that the City of Winnipeg will attract some 75 percent of employment lands employment growth in the

[48] Health Sciences Centre Annual Report, 2005-2006.
[49] The Winnipeg Free Press News, March 12, 2007

Winnipeg CMA between 2006 and 2031. This is lower than the current concentration of employment in the City vs. the remainder of the CMA, but acknowledges the emerging role that the rural municipalities are playing in accommodating industrial development within the urban area and the emerging role of the RMs in bringing serviced land to market in particular.

6.1.5 Growth in Employment Land Employment – City of Winnipeg

New lands (currently developed and vacant, plus additional industrial land) accommodate both net new employment (i.e., the 47,246 jobs identified in Figure 35) plus employment lands jobs "migrating" from existing areas. Experience suggests that as older industrial areas mature the quantum of employment lands jobs within these areas declines – both through reduced land densities within existing uses (connected, in part, to increases in productivity) and through industry closures, which often leads to the land use changes.

Of all the jobs currently supported on Winnipeg's industrial areas, it is reasonable to expect that up to 10 percent of current jobs will ultimately migrate to newer developed lands over the course of the next 25 years through these impacts. This implies that new employment lands in Winnipeg need to accommodate both the 47,246 net new employment lands jobs expected to be generated through economic development, plus an additional 21,383 jobs migrating from older industrial areas.

All told, therefore, new employment lands need to accommodate some 68,629 jobs over the forecast period.

6.2 EMPLOYMENT LAND REQUIREMENTS

6.2.1 Average Employment Density Factor

In order to provide a realistic assumption, this study uses an employment density of 16 employees per net acre to calculate future employment land demand in Winnipeg between 2006 and 2031. Sixteen employees per net acre is not atypical of employment lands densities in large cities in Canada, and is also generally representative of employment land densities in Winnipeg in 2006.

6.2.2 Market Contingency Factor

Altus Clayton uses a market contingency factor equivalent to 10 percent of the demand for land (net) being forecast to accommodate normal vacancy

requirements, and provide for normal fluctuations the pace of economic development relative to the forecast.

6.2.3 Accounting for loss of density among existing lands

It is prudent, in calculating future land requirements through an urban area, to account for some loss of density among existing employment lands. This loss occurs through:

- Land redesignations to alternative uses (including brownfield redevelopments to non-employment uses);
- Lower densities among existing manufacturers that gradually improve productivity over time; and
- The reuse of existing buildings for generally-lower density uses once an original manufacturing or processing tenant vacates a location.

To account for the effects of this factor over the next 25 years in Winnipeg, some 10 percent of the existing employment lands type employment

6.2.4 Calculation of Employment Land Requirements - Winnipeg

Figure 40 presents the forecast of employment land requirements in the City of Winnipeg between 2006 and 2031, based on a net employment density of 16 employees per net acre and including a market contingency factor of 10 percent.

The calculation shows that the City of Winnipeg requires some 3,450 net acres of employment land in the period 2006-2031 to accommodate expected economic development.

Figure 40 **Forecast of Employment Land (EL) Requirements, City of Winnipeg**

	2006-2031
Total employment growth, Winnipeg CMA (Jobs)	93,500
Proportion on Employment Lands (Percent)	51%
Employment Lands Employment Growth, Winnipeg CMA (Jobs)	47,245
Estimated Decline in Existing Employment Land Base (10% of 2006 estimated EL employment of 214,000 persons)	21,383
Net New Employment Lands Growth (Jobs)	68,628
Employment on Specialized Lands	1,660
University of Manitoba SmartPark	*1,000*
Health Sciences Centre	*660*
Future employment to be accomodated on Employment Lands	66,968
City of Winnipeg Share Capture of Growth	75%
Employment on Employment Lands, City of Winnipeg (Jobs)	50,226
Employment Density (Employees per Net Acre)	16.0
Land Requirement (Net Acres)	3,139
Market Contingency Factor of 10%	314
Total Employment Land Requirement (Net Acres, rounded)	**3,450**

Source: Altus Clayton

6.3 SUPPLY OF VACANT EMPLOYMENT LANDS

6.3.1 Existing Supply of Vacant Industrial Lands is 1,210 Acres

Now that the employment land requirement for the City of Winnipeg has been calculated, the next step of the analysis is to ascertain the existing, designated, supply of employment lands in the City of Winnipeg so that the adequacy of the supply to meet the forecast employment land requirements can be analyzed. Figure 41 shows the designated, vacant supply of industrial land in the City of Winnipeg. The total existing supply is 1,210 net acres (rounded).

Figure 41

Vacant, Designated Employment Land, City of Winnipeg

	Acres
Fort Garry	31.3
Tuxedo	94.3
Airport West	101.4
St James	16.5
CPR Mainline	3.0
Brookside	152.3
Inkster - West Kildonan	89.0
East Kildonan - Transcona	175.7
St. Boniface	474.4
Trascona Yards	74.4
Total (rounded)	1,210

Source:Altus Clayton and MMM Group

6.4 DEFICIT/ (SURPLUS) OF EMPLOYMENT LANDS IN THE CITY OF WINNIPEG

Based on the foregoing analysis, the City of Winnipeg has a forecast employment land requirement of 3,450 net acres between 2006 and 2031. As shown in Figure 42, the City's supply is insufficient to accommodate forecast demand with a net deficit of some 2,240 acres in 2031.

Figure 42

Adequacy of the Employment Land Supply, City of Winnipeg, 2006-2031

	Acres
Net Supply, Designated Employment Land	1,210
Net Demand, Employment Land	3,450
Net Surplus/ Deficit	(2,240)

Source:Altus Clayton

6.5 CONCLUSION: ADEQUACY OF THE EMPLOYMENT LAND SUPPLY

The City of Winnipeg will have to ensure that additional greenfield lands be set aside and developed for the purposes of employment in order to meet employment land demand through the next 25 years.

Thus far in the analysis, the focus has been on net acres of demand and supply, but in putting forth new land development requirements, the frame of reference needs to shift to gross acres.

There are a number of uses that are typical in employment areas, and should be encouraged in an attempt to develop the type of flexible, integrated, amenity-rich employment area which is likely to support the types of employment emerging in the next couple of decades as discussed elsewhere in this report.

Based on observations of existing employment areas in Winnipeg, of existing employment areas in other cities in Canada, and newly developed employment area campuses in Canada and the US, the following considerations for new employment land development in Winnipeg are reasonable:

- Roadways account for about 10 percent of the gross area in a new employment area development;
- Institutional-related land uses such as educational institutions, City facilities, fire stations, etc. will likely account for about 5 percent of the gross acres in a new employment areas development;
- Retail related land uses (including food services) be they targeted facilities for the workers in the employment areas, or retail with a broader draw will typically account for about 10 percent of gross land area within an employment area; and
- Other non-developable lands can account for up to 10 percent of a large greenfield development, accounting for such features as hydro and rail corridors, protected wetlands and other environmental features, storm water management ponds, etc.

Taking these factors into consideration, therefore, based on the net greenfield employment lands requirements of 2,240, the gross land required to meet the these needs is some 3,490 acres.

Figure 43 also presents a phasing schedule of greenfield requirements over the short (to 2011), medium (2011-2021) and long term (through to 2031). This phasing schedule is based on the ability of the existing supply of developed employment lands as previously assessed to support future growth. This phasing schedule suggests that there is sufficient supply within existing developed areas to meet employment requirements in the next five years, and that some of the demand in the subsequent decade could also be supported on existing lands, although during this period there will be demand for some 784 net acres (1,220 gross acres) of new development as the supply in existing areas becomes exhausted. The remainder of the greenfield employment land demand is found in the 2021-2031 period.

Figure 43

Forecast of Greenfield Employment Lands Requirements, City of Winnipeg, 2006-2031

	2006-2031	2006-2011	2011-2021	2021-2031
		Acres		
Net Shortage	2,240	0	784	1,456
Other land uses within Employment Areas				
Roadways (10%)	357	0	125	232
Institutional Related (5%)	178	0	62	116
Retail Related (10%)	357	0	125	232
Non Developable Land* (10%)	357	0	125	232
Gross Land Required	3,489	0	1,221	2,268
Rounded	3,490	0	1,220	2,270

* Land used for environmental/topography factors, hydro & rail corridors

Source: Altus Clayton

6.5.1 Adequacy of Winnipeg's Designated Greenfield Supply

The City of Winnipeg already has some 3,090 gross acres of greenfield lands (or large brownfield redevelopment sites) designated for employment uses within its IPAs. As illustrated in Figure 44, all of this greenfield supply will be required to support economic development and employment lands employment growth anticipated within the City by the end of 2031.

Figure 44

Adequacy of the Designated Greenfield Employment Land Supply, City of Winnipeg, 2006-2031

	Acres
Supply, Designated Employment Land	3,090
Demand, Employment Land Requirement	3,490
Surplus/ Deficit	(400)

Source:Altus Clayton

An additional 400 gross acres of greenfield lands are also likely required through this period over and above those lands already within existing industrial policy areas. The demand for these lands may be accommodated through other development lands not yet considered, like the Airport Authority lands, lands within the Waverley West development, lands north of West Kildonan, etc.,

7 REVIEW PLANNING FRAMEWORK

7.1 EMPLOYMENT LAND REDESIGNATIONS

The City of Winnipeg would like to be able to protect existing and future employment lands, while providing suitable flexibility to accommodate redesignations that will help promote economic development.

Policies on redesignation of employment lands for commercial uses should aim to strike a balance between stringent policies that discourage redesignation and lenient policies that lead to unrestrained or piecemeal conversions.

As part of its land use strategy, the City of Winnipeg should outline procedures that elucidate the necessary requirements on behalf of proponent developers/land owners for employment land conversion to other uses. When an application is made to redesignate employment lands for non-employment uses, the proponent should provide the City with a comprehensive report demonstrating:

- The economic impact of the development on existing employment land and adjacent employment land users;
- The need for the proposed land use to be located in an employment land area;
- The impact of removing the lands from the employment land inventory on future economic growth;
- An engineering study setting out the servicing infrastructure requirements and impacts of the proposed development; and
- A traffic study demonstrating that sufficient transportation capacity is available to accommodate the extra traffic generated from the new land use without undue effects on existing employment land users in the area.

7.2 IMPLEMENTATION AND STRATEGIC RECOMMENDATIONS

Measures the City needs to undertake to ensure the timely delivery of new employment lands to market, including planning, engineering, fiscal and policy recommendations.

7.2.1 General Recommendations:

- Service greenfield employment land areas through appropriate sequencing and staging;
- Redesignation or flexible redesignation of identified redundant employment lands should be supported. In instances where a case demonstrates that the conversion of employment lands to other uses that will support economic development, the City should endeavour to accommodate land use redesignation; and
- Continued and increased cooperation with Regional Municipalities in the Winnipeg CMA on servicing of employment lands to accommodate this component of growth.

7.2.2 Strategies for the City of Winnipeg to Enhance Economic Development Through Effective Management of Employment Lands

In terms of employment land supply, the ultimate effectiveness of the City's efforts at industrial land development in the St. Boniface Industrial Park have been questioned. Some of these questions focused on the location of the park, which, prior to the relocation of the CN Intermodal Facility, was considered remote in terms of historic market demand. There is also a general feeling among local land developers that public sector involvement in land development represents unfair competition, mostly due to a perceived lack of financial accountability.

Currently, the value of industrial properties, while growing, cannot compete with the investment return from residential or commercial developments. Therefore, the City should not rule out servicing employment lands within market segments not adequately served by local developers. Presently, local developers have responded well to the trend towards a service-based economy. Meeting the demand for smaller, leased premises, combining an office component with warehouse, repair or assembly space in a flexible building format, has become a recognizable and profitable industrial market niche. What is not apparent, at this time, is the willingness of local developers to pre-service more traditional industrial subdivisions providing a wide range of lot sizes for larger businesses or those wanting to own their premises. This market segment increasingly has to consider other options, including purchasing or leasing older buildings within existing industrial areas, expanding in place, or relocating outside the City.

A strategy for ensuring an adequate supply of industrial and employment lands might have several components:

- The City should begin by deriving policies and exploring financial incentive programs (e.g. tax increment financing) aimed at encouraging the development of underutilized land parcels, the redevelopment of obsolete sites, or the displacement of lower order uses on sites within existing and fully serviced industrial areas.
- The City can continue to rely on developers to front-end the costs of serving land for projects tailored to what is currently the most profitable sector of the industrial market. As previously discussed, this typically involves leased premises in multi-tenant industrial/commercial buildings. Also, developers are more likely to accommodate the demand for industrial lots in large scale mixed-use projects where the sale of valuable commercial frontage can effectively subsidize the servicing of industrial back lots. To encourage such projects, the City may have to revisit its industrial land policies in recognition of the importance of commercial lands for employment generation and the realities of land servicing costs vis-à-vis comparatively lower industrial land values.
- The City should encourage the integration of light industrial and business park developments within new residential areas. In Waverley West, for instance, such opportunities may, with proper planning, exist within the proposed Town Centre and along the north side of the Perimeter Highway across from the Brady Road Land Fill.
- The City should consider helping to front-end the costs of extending regional streets and trunk services into the Airport West Lands. With their airport proximity, excellent transportation access, and intermodal opportunities, these lands offer an enormous potential for accommodating all types and formats of industrial development, with trucking and logistics leading the way as evidenced by recent developments within the RM of Rosser. With the support of the Winnipeg Airport Authority, local property owners have consistently expressed their eagerness to bring their lands on stream for airport-related industrial development. Opportunities are evident for obtaining infrastructure funding from the federal and provincial governments, as evidenced by the recent announcement of a $66M Inkster Boulevard/PR #221 upgrading under the multi-lateral Asia-Pacific Gateway and Corridor Initiative (APGCI) aimed at enhancing the country's east-west goods movements. The Winnipeg Airport West Expressway, regarded as pivotal to opening up the Airport West lands, remains as a possible candidate for future funding under the APGCI. The City should also give serious consideration to

entering into P3 (Public-Private-Partnership) agreements involving the construction of needed roads and infrastructure improvements within Airport West.

- In addition to Airport West, the City should consider the strategic investment in roads and infrastructure improvements throughout the City that will directly benefit present and planned employment areas. A positive move in this direction is the recent RFP issued by the Public Works Department for the widening of Kenaston Boulevard between Taylor and the St. James Bridge that, if implemented, will afford some traffic relief for this major north-south truck route.
- Provide long-term certainty in land use through policy actions that are clear and concise on the issue of redesignation of employment lands. This will protect the employment lands from speculative action while still providing the flexibility to respond to market requirements for commercial development. Greater certainty will enhance the attractiveness of employment lands to investors;
- Servicing must be in place in the early stages of development in order to attract investment. Unserviced employment lands will not appeal to employment land users. The City should take an active role in providing services, particularly for the lands marketed to traditional industrial type uses, where market conditions may fail to provide an adequate inventory of serviced and available lots;
- Develop transportation infrastructure early in the development cycle;
- Ensure a wide range of parcel sizes are available to suit the needs of a variety of employment land users;
- Provide financial incentives and tools to encourage private sector development, such as partnering with private developers and providing interest free loans, tax increment equivalent grants, fee exemptions, refunds, waivers and tax reductions;
- Provide additional economic development support to developers through programs that are directed at incubators and labour force development; streamlining the land approvals process; facilitating public and private partnerships;
- Keep Winnipeg attractive by encouraging a high standard of industrial building design, site landscaping and signage, potentially through the use of a design review process;
- Treat downtown as a special employment entity and continue promoting it for housing and major office development;

- Concentrate infrastructure investment in those areas wherein Winnipeg is a recognized leader:
    - Transportation, trucking, logistics, intermodal and trans-shipment
    - Biomedical and pharmaceutics
    - Aerospace
- Create a business environment through both effective taxation policies and flexibility in land use and zoning that encourages investment in new businesses and the expansion of existing businesses (significant employment growth is generated through the expansion of existing businesses);
- Support the development of technology and research clusters like Smart Park and Bio-Med City;
- Support private and public sector initiatives intent on promoting Winnipeg's cross-roads location on the axis of north-south and east-west trade corridors (Asia-Pacific, Port of Churchill, Polar Air Route, Mid-Continent Trade Corridor);
- Continue to anticipate and accommodate demand for employment lands and specific industry- or sector-related locational, transportation and infrastructure requirements;
- Improved coordination between public and private sector in the planning and servicing of employment lands. The market adequately responds to the demand for employment lands involving commercial, office and mixed-use developments. The private sector has less of an incentive in developing general industrial subdivisions and maintaining an inventory of vacant serviced lots. The City, with its government partners at the Province, should consider what employment sectors require assistance through special public infrastructure investment. For instance servicing the Airport-West lands would help the aerospace and transportation/logistics industries, while providing lots for general industrial development which are in short supply in Winnipeg. Strategic investment would also help kick-start Bio-Med City between the Health Sciences Centre and the virology lab;
- Acknowledge the importance of commercial lands in terms of employment generation and balance the needs of commercial developments with the needs of industrial as they arise. Don't force industrial development to compete for land with commercial users. Level the playing field by providing industrial development

opportunities where there will be less competition from retail and service commercial beyond what is required to service the industrial areas;

- Observe and acknowledge importance of market forces in the location and allocation of land for industrial and commercial use, i.e., highest and best use;
- Recognize industry shift in Winnipeg from manufacturing to service industries that require offices, warehouses, smaller assembly spaces, repair shops. Service-related businesses have different locational, building, and infrastructure needs. Preference for flexible, leased space;
- Consider reducing policy protection under Plan Winnipeg for isolated industrial areas with limited capacity for employment expansion;
- Coordinate with bordering Rural Municipalities to avoid inter-municipal land use conflicts;
- Acknowledge that employment growth in the Winnipeg Region is beneficial to all Capital Region Partners;
- Build upon capacity in RM's like Rosser and McDonald for accommodating space-intensive industries and businesses like trucking, agri-business, food processing, where it may not be cost-effective to provide a full level of urban services;
- Encourage redevelopment of, and relocation of lower order businesses to, older industrial areas with good infrastructure and transportation linkages;
- Look for opportunities to incorporate employment lands within new residential areas like Waverley West (Town Centre). A flexible multi-tenant office building format is compatible with residential development. This approach would encourage the development of low intensity, clean, mixed-use, flexible space, close to where managers want to live, close to customer base. There may be disadvantages for the new order businesses locating in traditional industrial subdivisions;
- Strengthen transit links to industrial areas with potential for higher employment densities; and
- Encourage clean-up and re-use of contaminated lands.

8 FINANCING OVERVIEW

This section will assess the measures and recommendations that City should consider in order to ensure the timely delivery of new employment lands from a financial perspective.

Experiences in other jurisdictions have shown that in order to attract investment on employment lands, infrastructure and servicing, such as water, wastewater and roads must be in place in the early stages of development. Infrastructure and servicing, which are typically the most expensive land investments, are a critical component in ensuring employment lands development is feasible. The following options will be explored with regards to financing infrastructure and servicing costs. It should be noted that these options are cognisant of the fact that the bulk of new employment lands in the City are privately owned:

- Self-financing by private landowners/developers;
- Direct financing of servicing by the City following the purchase of privately owned employment land;
- Joint financed by the City and landowners/developers through developer agreements;
- In cases where new employment land is adjacent to Rural Municipalities, consider joint servicing financed by both the City and the Rural Municipality through inter-municipal agreements

8.1.1 Land-owner/Developer Financing

This option involves parcels of land that have been approved for individual, autonomous water supply systems that are owned, operated and managed by the owner of the property upon which the system is located. Without a public system, each landowner must install and rely on an individual system. Landowners in this situation have, in the past, approached the City for extension of services, which ultimately results in ad-hoc servicing on a site-by-site basis between the landowners and the City of Winnipeg.

This option is not optimal for several reasons including;

- The type of industry that is sustainable on these parcels is restricted and provides less employment density than on regionally serviced parcels since services will be designed specifically for the current land owner;

- Opportunities for cost efficiencies due to economies of scale would be lost under infrastructure financing by developers;
- While private landowners may participate, experience suggests that they develop land based upon their interests and objectives and not necessarily in line with the objectives of the City;
- In addition, services could be extended in a non-sequential, ad-hoc manner not congruent with City planning;
- Moreover, this approach means that the City does not have an active role to play in the maintenance and servicing of industrial lands which is prudent if these lands are to be brought on-stream in a timely manner.

The City may consider providing financial incentives to encourage private sector development of employment lands focused on particular niche developments that help foster economic develoment. Incentives could be through:

- Provision of financial incentives and tools such as allowing developer-build agreements, providing interest free loans, tax increment equivalent grants, fee exemptions, refunds, waivers and tax reductions;
- Provision of programs directed at incubators and labour force development;
- Streamlining (speeding up) the land approvals process; and
- Facilitating public and private partnerships.

Overall, however, from a long-term, mitigation point-of-view, it is better to minimize the amount of privately-owned infrastructure in favour of municipally-owned infrastructure.

8.1.2 Direct Financing by the City of Winnipeg

Under this option, the City would either procure privately owned lands, or preferably, establish a partnership with existing land owners whereby the City would pay for installation of infrastructure and servicing. The City would be responsible for:

- Financing the purchase of the employment lands (if necessary);
- Financing the provision of services; and
- Monitoring the employment lands inventory and development.

8.1.2.1 Overview of Traditional Financing Sources

To finance capital expenditures, municipalities typically draw from both internal and external revenue sources. Internal revenue sources can include current operating revenues; reserves; special charges such as development charges, charges levied on developers; and other locally generated revenues. External sources consist of federal and provincial grants and borrowing. Internal revenue sources are reviewed below:[50]

- **Operating Revenues** – Current operating revenues are usually used to pay for assets with a short life expectancy (e.g. police cars, fire engines) or recurrent expenditures (e.g. maintenance of roads, street lighting, and parks). Assets with a long life expectancy (e.g. watermains and sewers) are usually financed using long-term loans or reserves.
- **Reserves and Reserve Funds** – Instead of borrowing to finance capital expenditures and repaying the debt in the future, municipalities can set aside a portion of the current revenues and surpluses in an interest-bearing account and use the funding for capital projects.
- **User Fees** – Revenue received from an earmarked user fee or tax is another source of financing. In this option, users who benefit from the capital infrastructure are charged, with a certain portion of the tax set aside for specific capital projects. User fees are able to establish a strong link between the cost of the service and the revenue for funding the service.
- **Special Charges** – Special charges are usually imposed on properties in order to pay for specific infrastructure projects. They can include special assessment charges (special levies added to existing property taxes to pay for additional or improved services), and development charges -special dollar value per lot that is imposed on a developer to finance offsite capital costs of new a development.

External revenue sources are also available to the City of Winnipeg for large capital projects:

- **Provincial Grants** – Provincial grants have become less important as a source for municipal funding as provinces continue to transfer additional expenditure responsibilities to municipalities.

[50] List adapted from: Municipal Revenue and Expenditure Issues in Canada, *Canadian Tax Paper No. 107. Harry M. Kitchen, 2003*

- **Borrowing** – Borrowing plays an important role in financing capital projects and is justified if it can be reasonably expected that the benefits from the project will fall on future users, such that the financing term will match the asset's lifespan. Municipalities can borrow directly from private lenders, other governments and from provincial or federal departments and agencies that provide funds for specific projects. Financing the servicing and development of employment lands through borrowing (debt) is highly recommended on this criteria. The provision of an adequate and available supply of employment lands is critical for economic development for future generations. Debt financing effectively transfers the obligations to tax payers over the life of the infrastructure.

8.1.2.2 Alternative Financing Systems

Other alternative financing systems are either available or could be developed between the City and its government partners, such as:

- **Tax incremental financing (TIF)** is a concept whereby a municipality uses increases in property value that arise due to an investment in infrastructure to finance the development. The basic approach of TIF is that a municipality issues bonds to finance infrastructure development. The TIF-backed bonds are then sold to provide for upfront financing for the purchase and servicing of land. To stimulate development land assembly and land write-downs[51] are undertaken. The main advantage of TIF is that infrastructure servicing is financed by increases in tax revenue and not subsidies.
- **Revenue Bonds** are secured by revenue streams that are adequate, predictable and spread over the life of a project. They are desirable on allocative efficiency grounds for financing infrastructure projects that produce reliable annual revenue streams and whose users it is possible to identify such as water and sewer. Revenue bonds are fair, efficient and accountable since the beneficiaries of the services are responsible for payment.
- **Public–Private Partnerships** are a form of contracting out municipal works to private entities. Both partners contribute funds or services in exchange for certain rights and/or income. These strategies alleviate financing concerns by sharing the responsibility with private sector. They offer new sources of capital and free

[51] *Land write down is a technique whereby the municipality sells land to private developers at a price less than the cost of preparing the land*

government revenues. In addition, they let the municipality draw on private sector expertise to minimize costs.

8.1.2.3 City of Winnipeg Municipal Charges

The City of Winnipeg also relies on an established stream of revenues from developed lands that can help to offset up-front expenditures. These include:

- **Water and Sewer Charges**: Figure 45 illustrates the water and sewer rates for the City of Winnipeg for all users (residential, commercial and industrial). The water rate is based on the amount of water used, as measured by a water meter. This covers the cost of delivering water from Shoal Lake as well as operating and maintaining the aqueduct, pumping stations and the distribution system. A quarterly basic charge is also applied, based on the size of the water meter. The sewer rate is based on the amount of water used.

Figure 45

City of Winnipeg Municipal Service Rates, 2003-2008

	Water Rate			Sewer Rate
	0-9,600	9,601-96,000	more than 96,000	
	per 100 cubic feet per quarter			
2003	$2.75	$2.27	$1.79	$2.73
2004	$2.75	$2.27	$1.79	$3.11
2005	$2.75	$2.27	$1.79	$3.39
2006	$2.75	$2.27	$1.79	$3.87
2007	$3.15	$2.67	$2.19	$4.46
2008	$3.45	$2.97	$2.49	$5.12

Source: Altus Clayton based on data from City of Winnipeg

According to the Waste and Water Department[52], the annual water consumption for various users is as follows:

- Residential – 8,400 cubic feet
- Commercial – 56,000 cubic feet; and
- Industrial - 9 million cubic feet.

The total measured water use, grouped by user, reveals that residential users account for 54 percent of usage; commercial users

[52] *City of Winnipeg Waste and Water Department Annual Customer Seminar, December 7,2005*

follow at 18 percent and industrial users account for 10 percent of water use in the City[53].

- **Property Taxes:** Industrial property taxes are levied at 65 percent of the assessed property value.
- **Mill Rates:** The City of Winnipeg levies three different mill rates on industrial users: Municipal, Provincial Education Support and School Division mill rates, as shown in Figure 46.

Figure 46

Mill Rates, City of Winnipeg, 2007

Type	*percent*
1. Municipal Mill Rate	2.5448
2. Provincial Education Levy	1.6022
3. School Division	
Winnipeg	2.7822
St. James - Assiniboia	2.1968
Pembina Trails	2.3572
Seven Oaks	2.6582
Seine River	2.4318
Interlake	2.1604
Loius Riel	2.3380
River East Transcona	2.4829

Source: Altus Clayton based on data from City of Winnipeg

8.1.2.4 City of Winnipeg Water and Sewer Capacity

- **Water** -The average overall water consumption in Winnipeg is variable from year to year and is typically 400-500 litres per capita per day. The City can pump up to 455 litres of water from Shoal Lake per day. The rated capacity of the water system is 386,000 cubic metres with a peak demand of 351,000 cubic metres. The current water system can support a population increase of 1000 percent[54].
- **Sewer** – The wastewater collection system is made up of combined, separate and interceptor sewers, land drainage systems, lift stations and diversion structures. There are 130 kilometres of interceptor sewers that carry sewage to the 3 wastewater treatment plants. At the current population growth rate, it is estimated that the remaining capacity of the existing sewage system is 40 years[55].

[53] *City of Winnipeg Water and Waste Department – Water Conservation Program*
[54] *City of Winnipeg Community Profile -Utilities, Government of Manitoba website*
[55] *City of Winnipeg Community Profile -Utilities, Government of Manitoba website*

8.1.2.5 City of Winnipeg Capital Budget, 2007-2011

According to the City of Winnipeg's 2006 Capital Budget[56] report, some $1.4 billion will be invested in capital projects over the next 5 years, of which 469 million will go towards sewage and solid waste disposal projects and $184 million toward the water system. Other important notes from the Capital Budget include:

- Water, sewer and solid waste disposal services accounted for 45 percent of the nearly $308 million in total capital expenditures in 2006;
- The main sources of capital funding in 2006 were debt (30 percent), water & sewer charges, frontage levies and reserves (19 percent) and equity in capital assets (18 percent);
- Water and waste projects between 2007 and 2011 will be financed by a variety of sources including:
  - Cash to capital (equity in capital assets);
  - Frontage levies and Reserves;
  - Developer capacity charges;
  - Retained earnings from utility services;
  - Federal Gas Tax revenues
  - Contributions from other levels of Government
  - Contributions from other funders

8.1.2.6 Summary of Direct financing approach

Advantages

- The City will play an active role in the development and maintenance of employment lands;
- Clear and direct accountability will exist;
- Service charge rates should ideally be set so that the infrastructure is self-supporting;

Disadvantages

- The financial investment is substantial as it involves the cost of acquiring the land, providing services and continual management.

[56] *City of Winnipeg 2006 Capital Budget and 2007-2011 Five Year Forecast, Adopted by Council February 21,2006*

8.1.3 Joint Financing by City of Winnipeg and Developers

In order to spur the development of new employment lands, the City of Winnipeg can partner and share the burden of provision of services with developers.

8.1.3.1 Developer-build Agreements

These are tools used by local governments to transfer the responsibility for financing growth-related works to developers. Developer-build agreements include development works agreements, latecomer charges, development cost charges credits and rebates and comprehensive development agreements

- **Development Works Agreements** - These are agreements between a local government and a developer setting out who will provide, construct, alter or expand infrastructure related to development. The works provided through the agreement are normally beyond the services that would be secured through development works agreements, development cost charges and other finance tools.
- **Oversizing Agreements** – municipalities may require landowners to provide infrastructure services with enough capacity to service adjacent properties. Such works may be termed as "excess" or "extended" services. The municipality usually enters into an agreement with the developer that identifies the costs that will be recovered by the developer through a latecomer charge.

8.1.3.2 Alternative Financing Arrangements

- **Front-ending agreements –** Through a front-ending agreement, sanctioned by the City, the developers can recoup certain costs from other benefitting developers in the area and/or the municipality. Front-ending agreements are an effective tool when a municipality does not have sufficient funds to proceed with the provision of services for which there is a perceived need. In the City of Winnipeg context where it is hoped that employment lands will be developed early, front-ending agreements may be useful in advancing development.

8.1.3.3 Development Agreements in Other Jurisdictions

- **City of Edmonton** owns EPCOR Water Services which provides it with water, wastewater and distribution services. Under the EPCOR

Water Main Cost Sharing Program, EPCOR will fund a portion of the costs of watermains between 300mm and 450mm. The amount paid by EPCOR to developers will be based on a set of annually established rates. The benefits of the Program are[57]:

- It encourages growth through lowering the cost of land development;
- It facilitates efficient planning and design of development areas through requiring developers to submit an "as-built" information package for each land servicing agreement;
- It assists in more efficient water network planning, operation and maintenance

- **Town of Caledon** Official Plan allows for cost sharing agreements whereby the portion of the costs of infrastructure servicing which may be chargeable to private development, will be shared by all benefitting development, appropriately pro-rated among the landowners affected. The program is implemented through development charges, front-ending agreements and other cost-sharing agreements. The Town notes that cost-sharing allows for equitable and ordered development by sharing the burden among all benefiting owners.

8.1.3.4 Development Agreements - City of Winnipeg

The City of Winnipeg is able to enter into Development Agreements with developers for the cost-sharing of infrastructure servicing. To this end, the City has a set of guidelines under the *Development Agreement Parameters*[58] which conveys the general policy of the City toward new and infill development. The policies include:

- Developer reimbursement occurs if the land of a third party directly benefits from services installed by a developer. The City may enter into an agreement to recover the costs of a future benefit for the developer;
- When the developer installs services that front and directly benefit private lands, the City can pay the developer the lesser of either the developer's costs or the applicable local improvement cost[59];

[57] *EPCOR Memorandum to Private Developers dated February 21, 2007*

[58] A Guide to Understanding the Development Agreement Parameters, *City of Winnipeg, January 1, 2006*

[59] *Local improvement means a project intended to be paid for wholly or partly by local improvement taxes*

- When the City requires a developer to install oversized services (water, wastewater, drains etc), the City will collect all or a portion of additional costs from future developers and/or private owners who use the services and reimburse the developer part of the costs; and
- When the City's capital funding is not immediately able to finance the cost of over sizing services, the City can approve interim financing by the developer to bridge between the construction of the works and the subsequent repayment by the City.

8.1.3.5 Summary

Cost-sharing between developers and the City can be summarised as:

- Encouraging growth through lowering the cost of land development;
- The City is able to influence the development of employment lands and can ensure an orderly sequence of development and planning without regard for land ownership.

8.1.4 Joint Financing by City of Winnipeg and Rural Municipalities

Joint service agreements, or intermunicipal agreements, would involve two or more municipal units agreeing to jointly perform a municipal service or construct a facility that would be used jointly. Projects that usually require a joint service agreement include shared water supply systems or wastewater treatment facilities. Under this option, the City of Winnipeg would cooperate with Rural Municipalities to provide servicing to employment lands that is jointly financed by both parties.

Issues that will require consideration include;

- What portion of the capital costs of installing the infrastructure should the City of Winnipeg pay and how will this be determined?
- What is the economic cost to the City in providing the services and how are these costs going to be recouped?
- How will the City deal with on-going capacity demand for water and wastewater services?
- What happens if the lands are not marketed/absorbed fast enough to recover the capital costs of servicing?

8.1.4.1 Intermunicipal Servicing Agreements Experiences from other jurisdictions

In order to assist with the evaluation of joint financing by the City of Winnipeg and Rural Municipalities in the Winnipeg CMA, sharing experiences in other municipalities are reviewed:

- **City of Toronto and Region of York:** Under the Water Supply Agreement[60], the City of Toronto provides water to the York Region. The supply of water to York Region and the associated cost-sharing of expanded infrastructure provides benefits to both the City and the Region through:
  - Recovery of operating costs;
  - Reduction in capital costs due to economies of scale; and
  - An increase in security of supply through the construction of larger capacity infrastructure.

  The rate to be paid by York Region for water is determined annually and is calculated by including a number of components as follows:
  - *Operating Costs* – that part of the operating costs of the Toronto System, net of capital funding, debt charges, reserve contributions and additional hydro costs for pumping to York;
  - *Operating Surcharge* – an operating premium which takes into account that water consumed in York Region is pumped to a higher elevation than water consumed in Toronto and, therefore, demands greater power input and higher costs;
  - *Return-On-Investment (ROI)* – a return, based on the depreciated value of existing capital assets not subject to cost sharing; and
  - *Replacement Allowance* – a reserve contribution which acknowledges a life expectancy of assets.

  The formula used to determine York Region's water rates has ensured full operating cost recovery, a fair return on investment and continued rate and reserve fund stability.

  In addition, if for whatever reason, York Region's water intake exceeds the maximum day volume limits, as documented in the Agreement, the City can charge a premium rate. The Agreement,

[60] *City of Toronto Water Supply Agreement with Regional Municipality of York, Staff Report June 13, 2007*

which is set to expire in May of 2025, authorizes an increase in maximum day amount supplied to York Region from 440 million litres per day to 501 million litres per day by 2011 and projected 530 million litres per day by 2031.

The Agreement also has provisions for calculating the capital cost share, on a proportionate use basis, for future expansion to the drinking water system to service both the needs of Toronto and the Region of York.

- **Region of Peel and Region of York:** In 2001, the Region of York decided to enter into a contract with neighbouring Peel Region to meet York Region's long term water supply need to 2031[61]. Under the agreement, York Region proposed to jointly finance infrastructure improvements to the Peel Region system in order to deliver additional water from Lake Ontario into York from Peel's Lakeview Water Treatment Plant. The venture was recommended due to the following reasons:
  - It required minimal capital investment since most of the required infrastructure (treatment plant, pumping stations and pipes) was already in place;
  - Cost-efficiencies would result due to economies of scale;
  - High-quality services would be achieved through the agreement; and
  - Environmental impact would be minimal, compared to an alternatively proposed agreement with Durham Region.
- **Town of Collingwood and Town of New Tecumseth**: The Town of Collingwood provides safe drinking water to the Town of New Tecumseth via the Raymond A. Barker Ultra filtration Plant. In 1999, the Town of New Tecumseth formed a Public-Private Partnership with SNC Lavin Inc. and Con-Drain Company Ltd. to design and construct a 57 km transmission pipeline from Collingwood to Alliston. The servicing agreement sets a target of 6,000 cubic metres of water per day. Highlights on the financing structure for this project $27.3 million project included[62]:

[61] "York Region to pursue water supply agreement with Peel Region", *York Region Publications, June 28 2001.*

[62] *Water Environment Association of Ontario (WEAO) Newsletter, February 1999*

- Debt financing would be provided by SNC and Con-Drain ($2.9 million) and the Government of Ontario ($11.1 million);
- The Government of Ontario would provide an additional $5 million in the form of a provincial grant;
- The Town of New Tecumseth would supply $7 million in equity financing to be recovered from development charges;
- The Town of Collingwood would provide an additional $1.3 million in equity financing.

- **City of Windsor, Windsor Utilities Commission and Town of New Tecumseth:** Under the Water Agreement[63], that took effect on November 1, 2004, the Town of Tecumseth will rely on the Windsor Utilities Commission to supply its water needs for 50 years. In addition, sewage from the Town of Tecumseth will be treated at two sewage treatment plants owned and operated by the City of Windsor: Little River Pollution Control Plant (LRPCP) and the Lou Romano Water Reclamation Plant (LRWRP). Wastewater from the former Village of St. Clair Beach is to be processed at the LRPCP.
- **City of Edmonton**: EPCOR Water Services, owned by the City of Edmonton, supplies drinking water to the City and surrounding municipalities. In addition, the City operated a regional model for wastewater management and will provide wastewater services to consumers outside of its boundaries if the following conditions are met[64]:
  - Service capacity is available in the transmission and treatment system;
  - The jurisdiction making the request supports the servicing proposal;
  - The proponent will pay for all necessary capital investments and fees for the system expansion;
  - The proponent is responsible for operating costs of collection and transmission of wastewater to the City system; and
  - The proponent will pay for transmission and treatment services as per the City bylaws and rate schedules.

[63] *Windsor Annexed Lands Master Planning Study prepared by Stantec Consulting Ltd. September, 2006*
[64] Regional Water Works – Sharing Urban Water Services, *Susan McFarlane, Western Cities Project Report #28, November 2003*

The City has an agreement to share a sewer line with the County of Strathcona under which the County operates the line and the City treats the sewage, provides inspection and generates billing information.

- **City of Regina:** The City of Regina and the City of Moose Jaw jointly own the Buffalo Pound Water Treatment Plant which provides water to both Cities, some rural communities and industrial users. All water and sewer services provided to areas outside the City of Regina are subject to a surcharge and sewer services are subject to a connection fee that reflects the capacity taken up by the service.

It is important to keep the following issues in mind when setting up an inter-municipal servicing agreement:

- Capacity constraints for the proposed service and limitations on the service's availability should be clearly stated. For example, in contracts dealing with water supply and sewage treatment services, limitations such as maximum daily flows, and the peak needs should be specified as well as other special qualifications or restrictions;

Service contracts should clearly spell out the amount, times and manner of payments, as well as the manner in which charges will be developed. Governments enjoy wide latitude in developing fees or charges. Charges may, for example, be levied as flat rates (daily, weekly or otherwise), actual "out-of pocket" expenses, population or assessed valuation based or a combination of these factors.

8.1.4.2 Intermunicipal Cooperation and the City of Winnipeg

The City of Winnipeg has long been involved in discussions regarding the many intra-jurisdictional land use planning and development issues commonly shared by municipal neighbours in a growing metropolitan region. Several regional planning initiatives have been undertaken over the years, including the Capital Region Review Panel in 1999. The Panel had a mandate to "review the effectiveness of the legislative, procedural and policy framework relating to planning and the delivery of services in the Capital Region." The panel identified water supply and drainage as two candidates for service sharing in the Region and cited the lack of uniform full cost accounting as a major impediment to the future integration of service delivery. Issues for examination included:

- Economic co-operation: the importance of the municipalities building on one another's strengths and working collaboratively in marketing the Capital Region to the world;
- Integrated land use planning and development: the importance of co-coordinating planning and development with neighbouring municipalities while considering the regional impacts of local planning and development decisions;
- Service delivery: the need for a regional model for sustainable and cost-effective service delivery;
- Partnerships: recognition of shared interests and the need for partnerships between and among municipalities in tackling common issues; and
- Mediation mechanism: recognition of the need for dispute resolution mechanisms.

The Panel Review demonstrates the importance of intermunicipal cooperation and in promoting service sharing options that help support regional economic development and other policy objectives.

9 Appendix – Industrial Policy Area Cluster Maps

i. Overview of Industrial Policy Areas and other industrial lands in Winnipeg CMA
ii. Overview of Industrial Policy Areas with policy and servicing recommendations
iii. Fort Garry: Orthophoto with properties and features
iv. Fort Garry: Existing and proposed servicing
v. Tuxedo: Orthophoto with properties and features
vi. Tuxedo: Existing and proposed servicing
vii. Airport West: Orthophoto with properties and features
viii. Airport West: Existing and proposed servicing
ix. St. James: Orthophoto with properties and features
x. St. James: Existing and proposed servicing
xi. CPR Mainline: Orthophoto with properties and features
xii. CPR Mainline: Existing and proposed servicing
xiii. Brookside: Orthophoto with properties and features
xiv. Brookside: Existing and proposed servicing
xv. Inkster – West Kildonan: Orthophoto with properties and features
xvi. Inkster – West Kildonan: Existing and proposed servicing
xvii. East Kildonan – Transcona: Orthophoto with properties and features
xviii. East Kildonan – Transcona: Existing and proposed servicing
xix. St. Boniface: Orthophoto with properties and features
xx. St. Boniface: Existing and proposed servicing
xxi. Transcona Yards: Orthophoto with properties and features
xxii. Transcona Yards: Existing and proposed servicing