



CITY OF  
**WELLAND**

OFFICIAL  
PLAN  
REVIEW

# ECONOMY BACKGROUND REVIEW





Mr. Paul Lowes  
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Dear Mr. Lowes:

**RE: FINAL Economy Background Review**

urbanMetrics inc. in conjunction with our project partners, SGL Planning and Design Inc. and GEI (Savanta Division), hereafter referred to as the consulting team have been retained by the City of Welland (the “City” or “Welland”) to update the existing Official Plan. urbanMetrics’ role on the consulting team has been to review the economic characteristics of Welland and relevant background documents to identify how recent trends and recommendations can be incorporated into the Updated Official Plan.

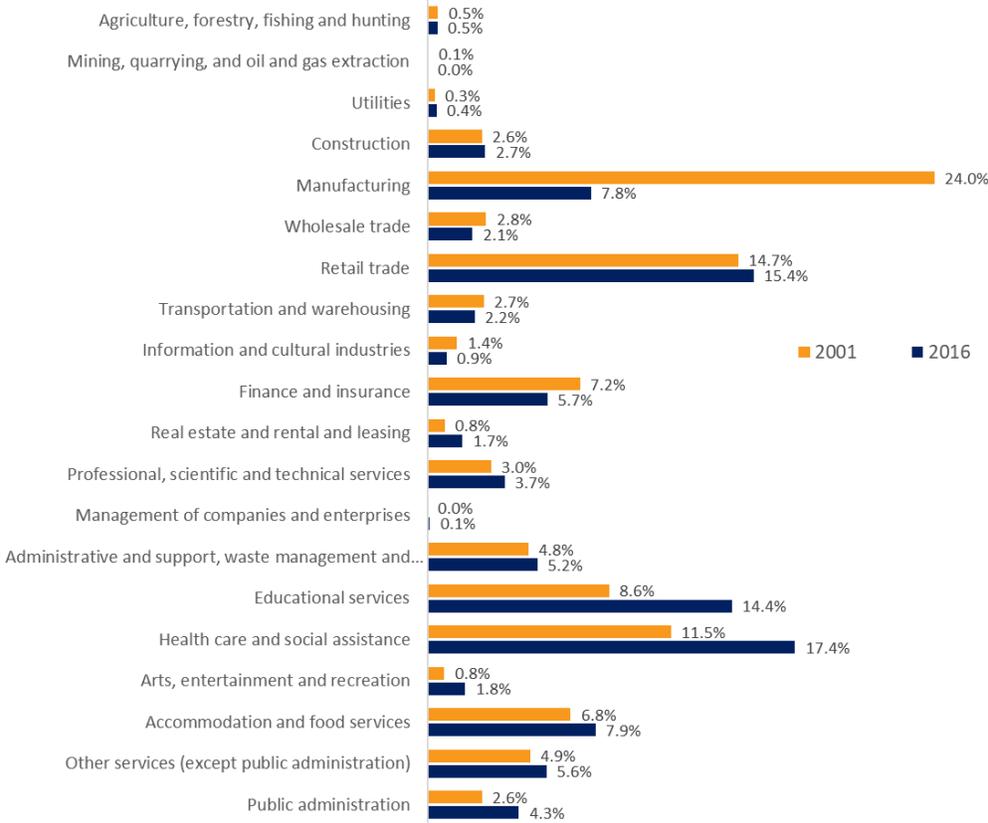
Section 2.4 of the current Official Plan contains many strategic directions to guide the development of Welland as an Economic Gateway. The Economic Gateway is consistent with its identification as a Gateway Economic Centre in Schedule 2 of *A Place to Grow: Growth Plan for the Greater Golden Horseshoe* (the “Growth Plan”). Where the Gateway Economic Centre highlights the unique economic importance to the Region and Ontario.

This Economy Background Review is organized into three sections. The first section summarizes the existing and emerging economic profile of the City of Welland, including areas of economic growth and where that growth is occurring. We have then reviewed background documents that are relevant to this Economy Background Review to identify recommendations and strategies that relate to this Official Plan Review. We conclude with how the Official Plan can be updated to reflect the existing and emerging areas of strength in the local economy as well as how to incorporate recommendations and strategies contained in the relevant background documents.

# 1.0 Welland Economic Profile

The City of Welland has long been a centre for manufacturing in Niagara Region due in part to its proximity to the Canada/U.S. border as well as access to transportation infrastructure including rail, highway and the Welland canal. However, the lingering effects of recessions, free trade agreements and increased automation resulted in the loss of manufacturing jobs in Welland. As shown in Figure 1, in the 15 years between 2001 and 2016, employment in manufacturing went from accounting for 24% of jobs in Welland to just 8% of jobs.<sup>1</sup> This represented a loss of nearly 3,400 jobs over this period.

**Figure 1: City of Welland Economic Profile**



SOURCE: urbanMetrics inc. based on 2001 and 2016 Census of Canada.

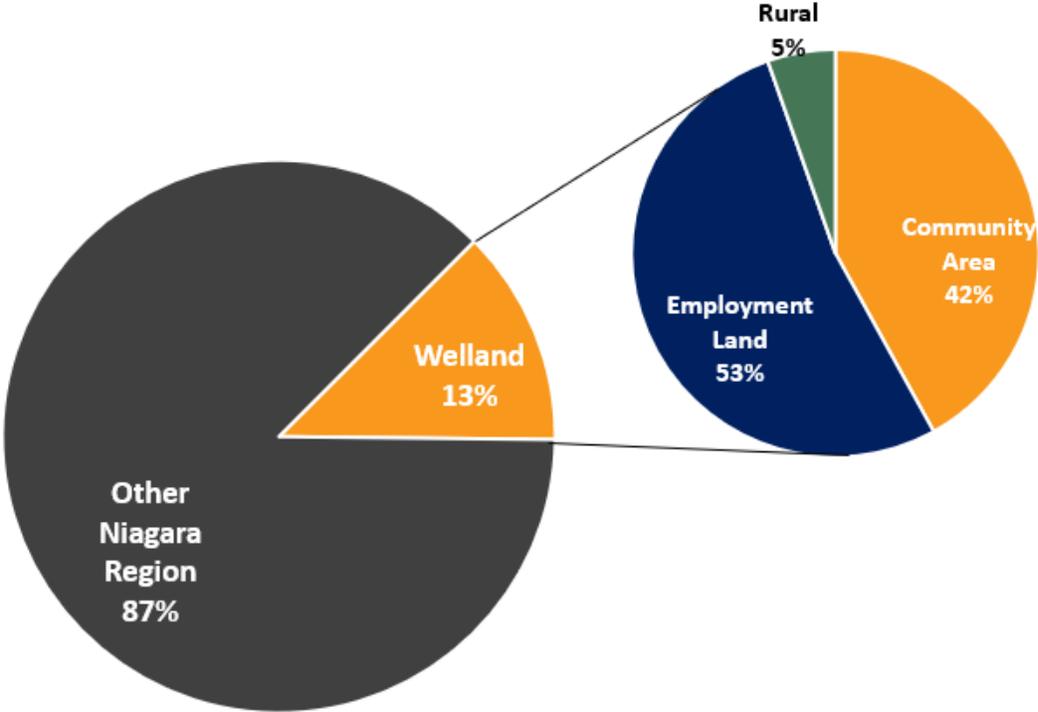
<sup>1</sup> Includes employees with usual workplace address in Welland and work at home employment.

However, the fortunes of Welland have started to turn in recent years, as the economic profile has transitioned back towards growth in the manufacturing sector. The opening of the GE (now INNIO) plant, Northern Gold Foods, Welded Tube, Intravision Greens and Tamarack Lumber all highlight how manufacturing is becoming an increasingly important part of the Welland economy.

The ongoing Niagara Region Municipal Comprehensive Review (MCR) clearly reflects the resurgence of manufacturing in Welland, as employment growth is forecast to accelerate in comparison to past trends. As part of the MCR, the Region has completed a Land Needs Assessment (LNA), dated August 2021. The LNA forecasts that Welland will add 10,750 jobs between 2021 and 2051, which represents 13% of Region-wide employment growth. This is greater than the approximately 10% of Region-wide jobs that are currently located in Welland.

Employment Area lands, which largely accommodate industries such as manufacturing, warehousing and logistics, are anticipated to accommodate for over half (53%) of all employment growth in Welland over the 2021 to 2051 period, as shown in Figure 2. The remaining job growth is forecast to occur on Community Area lands (42% of job growth) and Rural lands (5% of job growth). Therefore, based on the LNA, growth in industries that typically locate on Employment Area lands is anticipated to continue.

**Figure 2: Niagara Region and Welland Employment Growth 2021-2051**



SOURCE: urbanMetrics inc. based on Niagara Region Official Plan, Revised Land Needs Assessment Summary, August 2021.

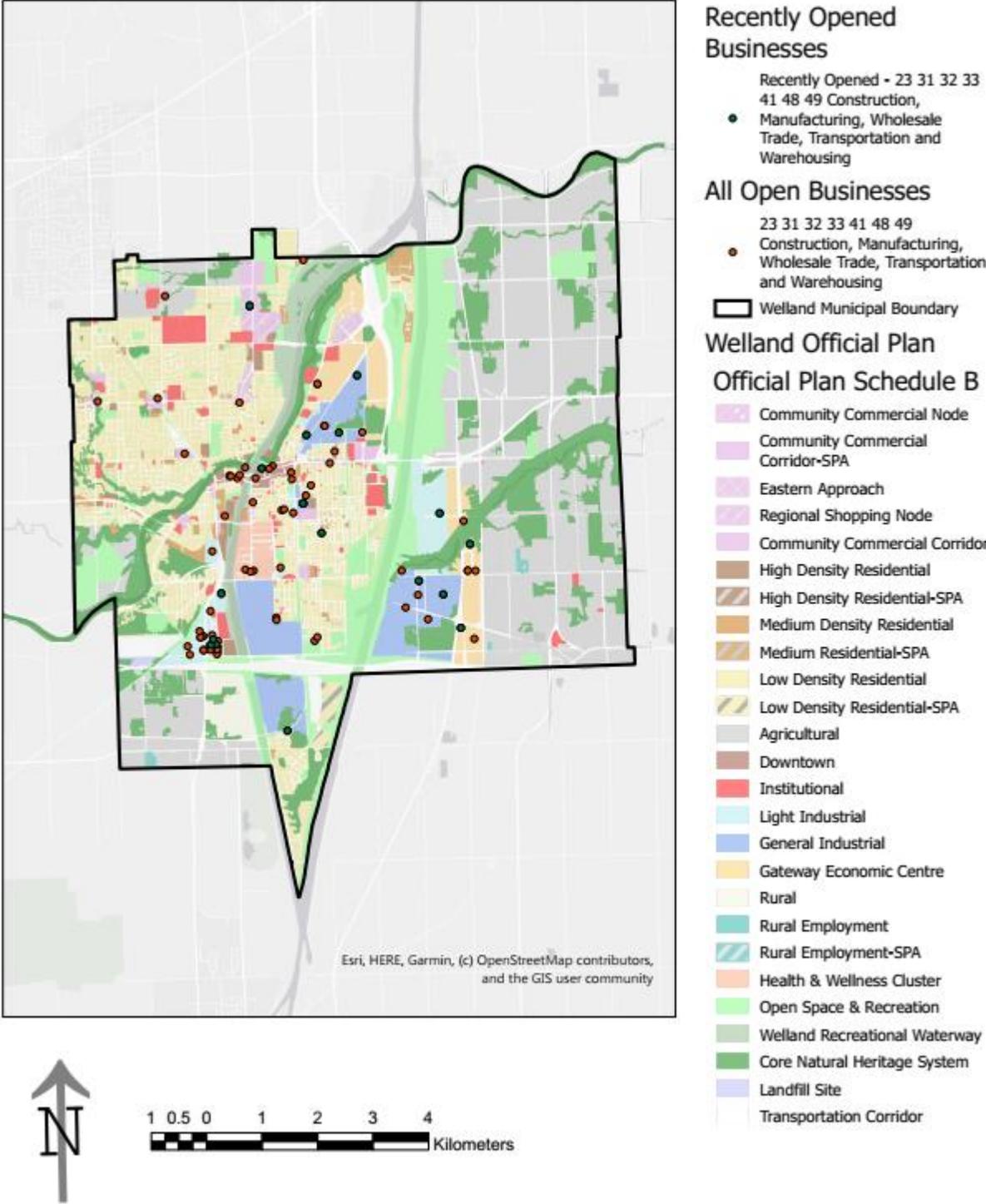
In determining Employment Area land needs, the LNA relies on a density of 25 jobs per hectare, which is below the Region-wide average of 32 jobs per hectare. The relatively low density in Welland is reasonable based on the types of industries that have recently been accommodated in the City. Overall, the LNA calculates the need for a settlement area boundary expansion of 45 hectares to accommodate forecast growth on Employment Area lands. The share of employment growth allocated to the City and forecast Employment Area land needs appear sufficient based on recent growth in Welland.

In terms of where new industrial firms are choosing to locate, as shown in Figure 3, there appears to be a slight tendency for recently opened industrial businesses in Welland to locate in industrial areas in the City.<sup>2</sup> It will be important to ensure that there are adequate Employment Area lands within the City to accommodate future growth in the manufacturing sector, as well as growth in other industries that typically locate on Employment Area lands, such as transportation and logistics firms.

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<sup>2</sup> For the purposes of this analysis, recently opened firms include all businesses opened since the year 2010 and industrial businesses include construction, manufacturing, wholesale trade and transportation and warehousing.

Figure 3: Location of Industrial Businesses in Welland



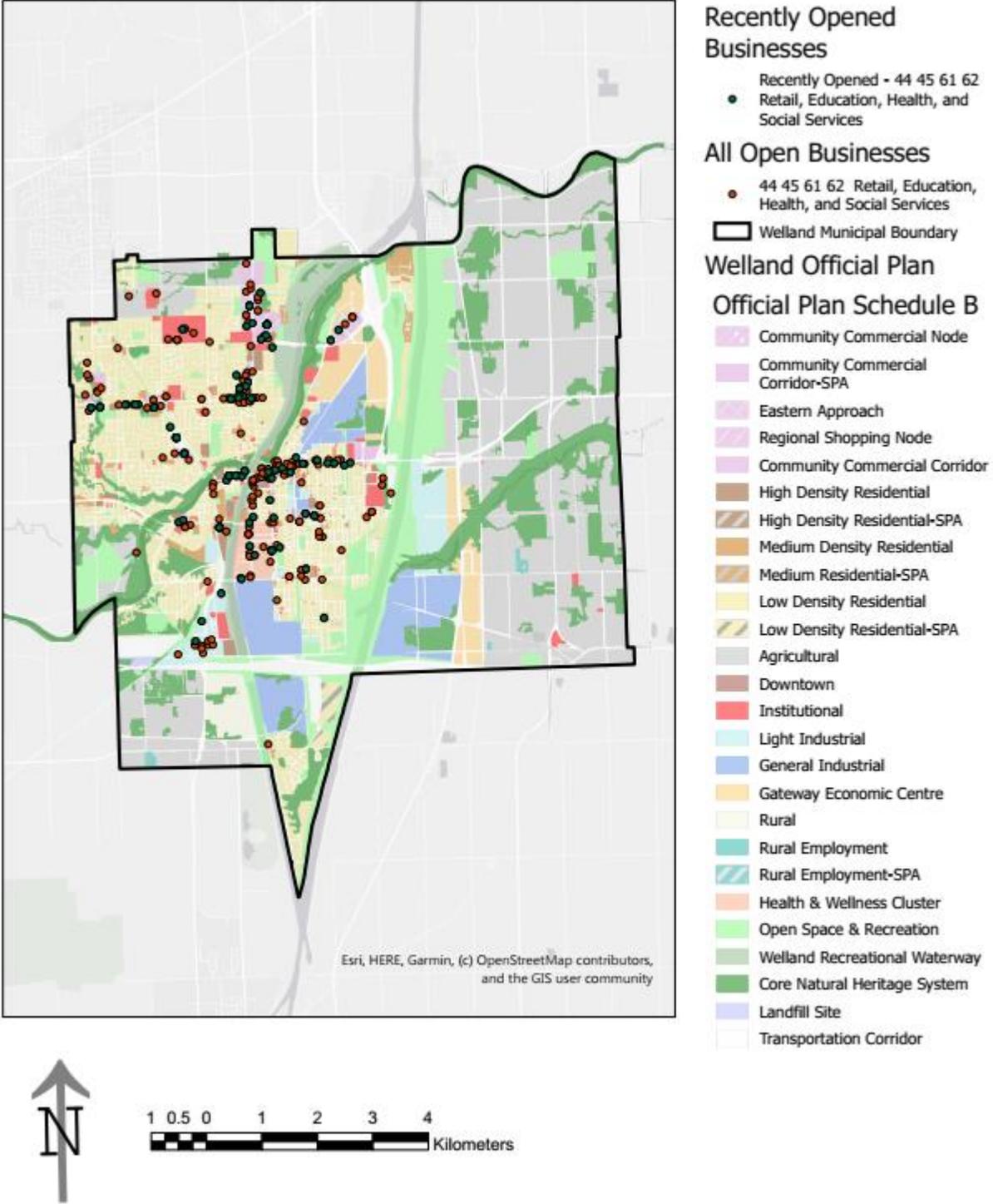
SOURCE: urbanMetrics inc. based on Niagara Region Employment Survey.

Figure 1 also highlights the increasing importance that educational services and healthcare and social assistance on the economic profile of Welland. Both industries have increased as a share of employment in Welland and added a combined 1,100 jobs between 2001 and 2016.

Retail trade also continues to be an important sector in the Welland economy. However, the retail trade sector has faced some hardships in recent years. Based on the Niagara Region Employment Survey, many retail trade businesses have closed in recent years. This is consistent with the observation in the *2019-2024 Welland Economic Development Strategy and Action Plan*, which identifies that “business closures have become a way of life in Welland”.

It is evident from Figure 4 that there is a large cluster of retail, education, health and social services businesses located within the Downtown and Health and Wellness Cluster. It will be important for policies in the Downtown and Health and Wellness Cluster are supportive of business retention, expansion and attraction.

Figure 4: Location of Businesses Engaged in Retail, Education, Health and Social Services in Welland



SOURCE: urbanMetrics inc. based on Niagara Region Employment Survey.

## 2.0 Recommendations in City Documents

In this section, we have reviewed the City of Welland *Comprehensive Asset Management Plan*, the *2019-2024 Welland Economic Development Strategy and Action Plan*, the *City of Welland Targeted Manufacturing Investment Attraction Strategy* and the *City of Welland Community Improvement Plan for the Downtown and Health and Wellness Cluster*. The purpose of this review has been to identify policies and implementing recommendations in these studies that can be incorporated into the new Official Plan.

### Asset Management Plan

In 2015, the City of Welland completed their first comprehensive *Asset Management Plan* (the “AMP”), which was subsequently updated in 2016. The purpose of the AMP was to establish a decision-making framework to improve and guide the management of infrastructure operated by the City. These goals relate to:

- The replacement or rehabilitation of assets
- The optimal level of maintenance investment required to optimize the long term costs of assets
- Disposing of assets that are not required to meet service levels
- Addressing policies that impact the strategy for how to review assets

The AMP identifies a number of recommended priority projects that are intended to help the City refine their infrastructure needs and help reach a position where the infrastructure needs equal available revenues. Priority projects included in the AMP include:

- Combined sewer separation and cast iron watermain integrated right-of-way replacement
- Replacement of subsurface infrastructure in areas with high leakage watermains or high infiltration sanitary sewers
- Rehabilitation or replacement of bridges in poor condition.

The final section of this Economic Background Review will identify how the strategies and recommendations contained within the AMP can be incorporated into policies in the City of Welland Official Plan.

### Economic Development Strategy and Action Plan and Manufacturing Investment Attraction Strategy

The City of Welland retained CQNS to complete the *2019-2024 Welland Economic Development Strategy and Action Plan* and *Manufacturing Investment Attraction Strategy*.

The strategic recommendations within the *Economic Development Strategy and Action Plan* are grouped into eight key areas, including:

- **Business Retention** –Developing a structured business retention and expansion program, establishing a calling program with key businesses and promoting business success stories.
- **Innovation and Start-ups** –Consulting with stakeholders to assess innovation and entrepreneurial assets in Welland.
- **Attracting New Investment** – Providing information on Welland’s assets, including workforce, priorities, differentiating factors, available sites and buildings, as well as sector value propositions.
- **Workforce Development** – Support and organize a Niagara Region Taskforce on Workforce Development and collaborate with local educational institutions.
- **Marketing** – Create a system to track relationships and create marketing material that summarizes key advantages of Welland.
- **Sectors of Focus** – Implement recommendations in the Manufacturing Investment Attraction Strategy and focus on key sectors, such as advanced manufacturing including food processing, business services and tourism.
- **Employment Lands** – Build capacity for ongoing and timely delivery of employment lands, as well as develop marketing material that highlights and supports the continued sale of real estate in Welland.
- **Resources** – Engage with community and business leaders to champion important projects and build relationships with important stakeholders within the City, Region and Province.

One of the key findings of the *Economic Development Strategy and Action Plan* emphasizes that investment readiness can’t be understated. Therefore, it is important that Welland have an adequate supply of shovel ready lands with required lot sizes that are available to accommodate new businesses. In this context, shovel ready refers to sites that are zoned with proper land use designation, utilities (including water and sewer) and transportation improvements.

The *Economic Development Strategy and Action Plan* also emphasizes a focus on sectors where Welland can be most competitive. These sectors include advanced manufacturing including food processing, business services and tourism. Consistent with investment readiness, to attract firms engaged in advanced manufacturing it will be important that Welland maintain a supply of shovel ready lands with required lot sizes.

In conjunction with the *Economic Development Strategy and Action Plan*, CQNS also completed the *Manufacturing Investment Attraction Strategy* for the City of Welland. The purpose of this strategy was to identify the investment readiness of Welland in attracting the targeted manufacturing sectors,

including advanced manufacturing, food processing and manufacturing related to the greenhouse and horticulture industry.

In assessing investment readiness, the *Manufacturing Investment Attraction Strategy* assess site selection factors such as workforce availability, transportation infrastructure, available buildings/sites, tax structure, incentives and the cost of utilities. The report also notes that Welland has shovel ready lands with required lot sizes, attractive incentives, a large multi-regional labour pool, location and transportation linkages to continue to growth the manufacturing sector.

The *Manufacturing Investment Attraction Strategy* provides recommendations for the three sectors of focus, including:

- **Advanced Manufacturing and Food Processing Action Plans** – Develop marketing material that highlight value propositions, success stories and incentives. Build relationships with local educational institutions and build food processing into the business retention and expansion program.
- **Business Services Action Plans** – Identify key businesses and develop marketing materials including value propositions. Build relationships with local educational institutions to build talent in business services sector and build business services into the business retention and expansion program
- **Tourism Actions Plans** – Assess the broader context of tourism in Welland.

## Downtown and Health and Wellness Cluster Community Improvement Plan

The *Downtown and Health and Wellness Cluster Community Improvement Plan* (the “CIP”) was prepared by Dillon Consulting, RCI Consulting, Neil Stuart Consulting and Bogdan Newman Caranci. The purpose of the CIP was, in part, to develop a toolbox of incentive programs that can be offered by the City in cooperation with Niagara Region to directly stimulate private sector investment in the revitalization and redevelopment of the area.

Section 5 of the CIP presents a SWOT Analysis for each of the focus areas, which include the Downtown East Area, Downtown West Area, King Street Area and Health and Wellness Cluster. One weakness that is identified across all focus areas was the lack of destination type-uses and businesses selling retail goods to bring people to the downtown. There is also an identified concern with the growing number of vacant retail units in the downtown, which could threaten the ability of the area to draw new businesses.

The CIP establishes a vision for the area that includes:

- Being an active, vibrant and beautiful commercial area showcasing attractive buildings and business facades;

- Providing new commercial uses such as a grocery store and specialty retail stores that attract both residents and visitors to the area;
- Having a greater variety of dining and shopping experiences;
- Being attractively streetscaped to include more gateway features, street lighting, landscaping, planting, public amenities and all designated around a common theme;
- Having improved public infrastructure;
- Proudly displaying preserved and restored heritage/historical buildings that celebrate the City's history;
- Converting upper floors of commercial buildings to apartments and residential infill housing on vacant lots;
- Improved pedestrian and cycling connections;
- Showcasing the City's Recreational Waterway with more amenities;
- Having college satellite campuses and/or major educational institution located in the Downtown;
- Creating a business incubator in the area;
- Having a thriving artist/theatre/musical community;
- Having the continued presence of the Welland Hospital; and,
- Having enhanced sporting facilities, sporting events and community events.

The CIP also provides specific land use planning recommendations that will be important to incorporate as part of the Official Plan update. These recommendations include:

- Lands along King Street, which are designated Community Commercial Corridor in the OP should be identified as a Strategic Growth Area to recognize the permitted mix of residential and commercial uses;
- The general complement of commercial activities should be maintained in the Mixed Use Commercial designation, however, the City may wish to consider the exclusion of certain types of auto-related activities along this stretch of King Street
- The larger area designation as a Health and Wellness Cluster should be maintained at this time. Opportunities to rationalize some of the more stable residential areas should be re-visited during the next 5-year review of the City's Official Plan.

## 3.0 Update to the Official Plan

Section 2.4 Economic Gateway – of the Welland Official Plan includes strategic directions that promote economic prosperity in the City. Many of the ten strategic directions are already consistent with recommendations contained with the *Asset Management Plan*, the *2019-2024 Welland*

*Economic Development Strategy and Action Plan and the Downtown and Health and Wellness Cluster Community Improvement Plan.*

There may be opportunities to expand the list of strategic directions or add policies to the Official Plan to help implement recommendations contained with the documents reviewed as part of this Economy Background Review, these include:

- **Prioritizing infrastructure projects that will unlock strategic sites** – The AMP includes a list of priority projects. These projects could be further prioritized to ensure that strategic sites in the Downtown, as well as Employment Lands are shovel ready and available to accommodate growth.
- **Directing new industrial businesses to shovel ready lands** – Where possible, new businesses should be directed to Employment Lands that are already serviced to avoid unnecessary infrastructure spending to service new lands.
- **Appropriate Land Use Permissions for Employment Lands** – The permitted uses within lands designated Light Industrial, General Industrial and Gateway Economic Centre should be consistent with the target sectors in Welland, including advanced manufacturing, food processing, business services and tourism.
- **Land Use Policies in Section 8.0 of the CIP** – The update to the Official Plan should incorporate the land use planning recommendations included in the CIP.
- **Attracting satellite campus and incubator** – Welland should work with educational institutions in Niagara Region as well as other levels of government to attract a satellite campus to the City. The addition of a satellite campus engaged in the focus sectors of advanced manufacturing, business services or tourism is consistent with recommendations in *2019-2024 Welland Economic Development Strategy and Action Plan* and the *Downtown and Health and Wellness Cluster Community Improvement Plan*.

Yours truly,

urbanMetrics inc.



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