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Rural Investment Readiness Strategy

Waterloo Economic Development Corporation

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
C.I.P.	Community Improvement Plan
COVID-19	Coronavirus disease
ECA	Environmental Compliance Approval
EDC	Economic Development Corporation
FDI	Foreign direct investment
G.D.P.	Gross domestic product
G.F.A.	Gross floor area
G.T.A.	Greater Toronto Area
L.Q.	Location Quotient
MCEA	Municipal Class Environmental Assessment
MMAH	Ministry of Municipal Affairs and Housing
M.Z.O.	Minister's zoning order
O.P.	Official Plan
P.P.S., 2020	Provincial Policy Statement, 2020
P.P.S., 2024	Provincial Planning Statement, 2024
PTTW	Permit to take water
R.O.P.	Regional Official Plan



List of Acronyms and Abbreviations (Cont'd)

ROPA 6	Regional Official Plan Amendment No. 6
S.A.B.E.	Settlement Area Boundary Expansion
SWOC	Strengths, weaknesses, opportunities, challenges
U.S.	United States



1. Introduction

1.1 Terms of Reference

Waterloo Economic Development Corporation (Waterloo EDC) and the Waterloo Region Townships (Townships of Wilmot, Wellesley, North Dumfries, and Woolwich, hereafter referred to as “the Townships”) have undertaken a Rural Investment Readiness Strategy that will guide growth and the development of Employment Areas over the next 30 years and beyond.

To ensure long-term economic and fiscal sustainability, there is an increasing need for the Townships to maximize opportunities to accommodate growth and strengthen industry attraction and retention. The Townships face several opportunities and challenges with respect to the management and growth of their existing and future employment lands in light of the evolving structural changes in the economy and disruptive factors that continue to influence the nature of the economy.

The purpose of an investment attraction strategy is to develop a strategic plan for attracting business investment based on clearly identified objectives. Considering the opportunities and challenges, the key objectives of the Rural Investment Readiness Strategy is to continue to promote economic development within the Townships by ensuring there is sufficient supply of marketable, serviced, and developable employment land to attract target employment sectors and businesses over the planning horizon. The study provides a long-term vision that supports a broad spectrum of employment uses over the long-term horizon of the Townships’ Official Plans (O.P.s), while ensuring that the Townships continue to develop their Employment Areas in a competitive and sustainable manner. This Strategy also aligns with the new Provincial Planning Statement, 2024 (P.P.S., 2024) and the Townships’ local O.P.s.

Key deliverables include:

- Review of regional and local market trends, including opportunities and disruptors, that are anticipated to influence employment growth across the Townships over the next three decades.
- Review of servicing, planning, and economic delivery in Waterloo Region and comparator municipalities.



- Comprehensive assessment of current local and regional conditions regarding target employment sectors and site requirements for Employment Area lands necessary to support business attraction efforts.
- A summary of the existing servicing opportunities and constraints in support of employment lands development in the Townships.
- Investment development and competitiveness review of the Townships' Employment Areas to accommodate future employment growth within identified target sectors with consideration for uses that require servicing versus 'dry' employment lands.
- Forecast long-term employment land needs within the Townships in accordance with forecast employment growth, and long-term industry-sector development trends.
- Strategic policy recommendations and an implementation plan that address the long-term development and management of employment lands across the Townships.

The study has two major components. The first component, Employment Area Technical Analysis, includes a strengths, weaknesses, opportunities, and constraints (SWOC) target sector analysis, a gaps and opportunities assessment, and an Employment Area land needs analysis for the Townships' Employment Areas. The second component includes an Employment Area Strategy that builds upon the Waterloo EDC's past successes and supports the Townships' key employment sectors and clusters to grow the local employment and economic base over the next 30 years.

While the report is intended to reflect conditions as of mid-2025, the employment analysis as well as Employment Area land needs assessment presented herein relied primarily on data prepared in 2024 and may not capture more recent development trends.

1.2 Context

As a starting point, it is important to recognize that future employment growth within the Townships is strongly correlated with the growth outlook and competitiveness of the economy within the broader region.

For both industries and residents, Waterloo Region has a strong appeal given its high concentration in growing industry clusters, proximity and access to major regional



infrastructure, access to skilled labour and post-secondary institutions. These attributes have produced a steadily growing and diverse employment market in the Region. Given the desirable local and regional attributes of this area, Waterloo Region has experienced considerable population and employment growth over the past several decades.

Over the next several decades, the Region of Waterloo's employment base is anticipated to steadily grow across a broad range of export-based and population-serving employment sectors, building on the growth trends observed over the past decade. To ensure the long-term competitiveness, growth, and diversity of the Region's economy, economic and planning efforts must be geared toward both the broader strengths of the Townships and specific target-sector investment attraction efforts.

Waterloo EDC and the Rural Townships have considerable control and ability to position themselves in a positive manner when considering regional and local competitive ranking. This requires the Waterloo EDC and the Townships to continue marketing itself as a hub for innovation, equipped with the human capital that is required to encourage ongoing innovation, entrepreneurship, business development and local investment retention. A major factor for the future competitiveness of the local economic base relates to the quantity, quality and structure of its Employment Areas, which is discussed herein.

Each of the seven area municipalities within the Region designate employment lands within their local O.P.s. Employment Areas form a vital component of the Townships' land use structure and are an integral part of the local economic development potential of the economic region. The Townships have a diverse range of Employment Areas accommodating a variety of industry sectors. They are also home to many of the Townships' largest private-sector employers.

Through the development of their employment land base, the Townships are better positioned to build more balanced, complete, and competitive communities. Development typically accommodated on employment lands generates relatively strong economic multipliers (i.e., spin-off effects) that benefit municipalities directly and indirectly. In addition, employment lands development typically generates high-quality employment opportunities which can improve local socio-economic conditions (i.e., live/work opportunities). Furthermore, achieving non-residential growth adds to a community's assessment base, which can help support competitive property taxes and



stronger municipal service levels. Employment land development also tends to produce more positive net fiscal benefits for the community than other types of development (e.g., residential and retail) since they do not demand the same level of service. Thus, a healthy balance between residential and non-residential development is considered an important policy objective.

Continued structural changes in the global economy and technological advancements will require municipalities to be increasingly responsive and adaptive to changing industry needs and disruptive economic forces, which have been accelerated by the coronavirus disease (COVID-19) pandemic. There are also several key industry and labour force trends that are expected to influence growth and development patterns in Waterloo Region and the Townships over the coming decades. This includes continued growth related to the logistics sector, driven by changes in consumer behaviour through e-commerce, opportunities and challenges in the manufacturing sector associated with nearshoring, automation and the rise artificial intelligence, and growing opportunities within the Green Technology sector as Ontario transitions to a clean-energy economy.

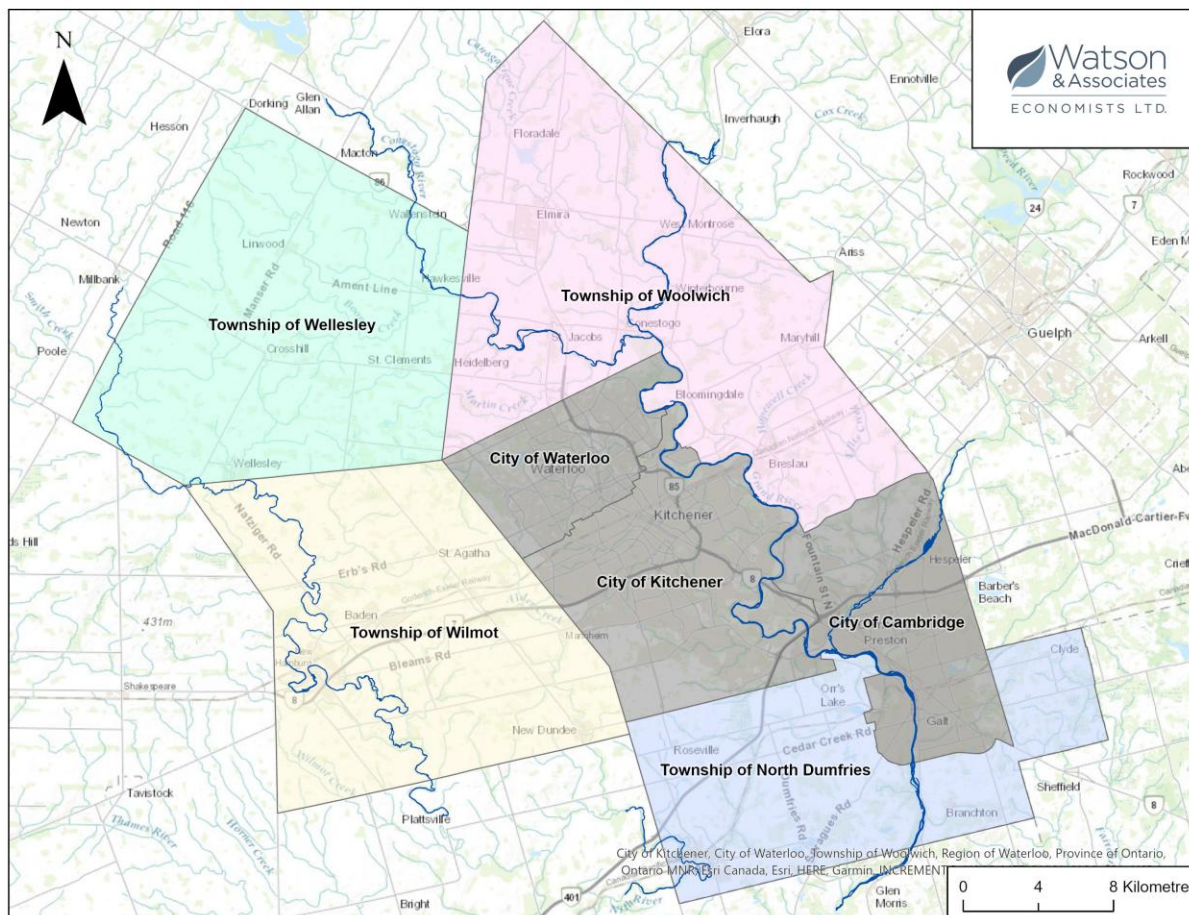
It is recognized that there are dynamic and complex challenges of developing an investment readiness strategy for the Townships in a multi-tier government structure such as Waterloo Region, which is in a period of transition. Ultimately, economic development is intended to improve the economic well-being and quality of life across all municipalities and to promote economic resilience. The Strategy provides an action plan that positions the Townships' for optimal development and growth potential for the long term within the regional and local planning, economic, and servicing framework.

1.3 Overview of the Waterloo Region Townships

The Region of Waterloo comprises three Cities (Cambridge, Kitchener, and Waterloo) and four Townships (North Dumfries, Wellesley, Wilmot, and Woolwich), as presented in Figure 1.



Figure 1
Map of Waterloo Region
Rural Townships



As of 2024, the total population and employment base of the four Townships, combined, was 79,200. Individually, the population and employment base for each Township was 12,700 in North Dumfries, 12,400 in Wellesley, 23,000 in Wilmot, and 31,100 in Woolwich. The total for the four Townships accounts for 11.7% of the Region's total, as shown in Figure 2. Below is a brief summary of each Township within the Region.



Figure 2
Population and Employment by Township, 2024

Municipality	Population	% Share	Employment	% Share
North Dumfries	12,700	1.8%	6,955	2.0%
Wellesley	12,400	1.8%	5,560	1.6%
Wilmot	23,000	3.3%	8,990	2.6%
Woolwich	31,100	4.4%	19,145	5.5%
Township Total	79,200	11.2%	40,650	11.7%
Cities Total	627,700	88.8%	305,750	88.3%
Waterloo Region Total	706,900	100.0%	346,400	100.0%

Source: Population based on Statistics Canada post-Census data. Employment estimates provided by Watson & Associates Economists Ltd.

Township of North Dumfries

The Township of North Dumfries is located in the southern part of the Region of Waterloo. As of 2024, the Township has an estimated population of 12,700 and an employment base of 6,955. North Dumfries has one Urban Settlement Area, Ayr, which is located in the southern part of the Township, bordering Brant County. There are 24 Rural Settlement Areas within North Dumfries: Roseville, Plumtree, Reidsville, Greenfield, H'Ayritage, Wrigley, Taylor, Parkers, Young, Brown, Dickie One, Dickie Two, Highway 24 Residential, Riverview, Ranchlands, Lockie, Innanen, Branchton, Morrison, McLean, Mackie, Clyde, Clarkson, and Hall. There are three main highways that cross the Township: Highway 401, Highway 24, and Highway 8.

Township of Wellesley

The Township of Wellesley is located in the northwestern portion of the Region of Waterloo, east of Perth County and south of Wellington County. In 2024, the Township's population was approximately 12,400, with an employment base of about 5,560. The only and largest Urban Settlement Area in the Township of Wellesley is the Village of Wellesley. There are 10 Rural Settlement Areas in the Township: Bamberg, Crosshill, Dorking, Hawkesville, Heidelberg, Kingwood, Linwood, Paradise Lake, St. Clements, and Wallenstein. The Township also has three rural Employment Areas.



Township of Wilmot

The Township of Wilmot is located directly west of the City of Waterloo and the City of Kitchener. As of 2024, the total population of this area was 23,000 people and 8,990 jobs. There are two large Urban Settlement Areas in the Township: Baden and New Hamburg. There are 12 Rural Settlement Areas in Wilmot: Foxboro Green, Haysville, Lisbon, Luxembourg, Mannheim, New Dundee, Petersburg, Phillipsburg, Shingletown, St. Agatha, Sunfish Lake, and Wilmot Centre. Highway 7/8 is the only major highway that crosses this Township.

Township of Woolwich

The Township of Woolwich is the most northern municipality in the Region of Waterloo. Woolwich is directly south of Wellington County. Out of the four Townships in the Region, Woolwich has the largest population with 31,100 people in 2024 and an employment base of 19,145. Woolwich is unique because it has four municipality serviced Urban Settlement Areas. Breslau and the Stockyards are designated as Urban Settlement Areas, while Emira and St. Jacobs are designated as Township Urban Areas. Similar to the other Townships, Woolwich comprises many smaller Rural Settlement Areas, including Crowsfoot Corner, Bloomingdale, Winterbourne, Heidelberg, West Montrose, Floradale, Maryhill, Mundill, Weber, Conestogo, Shantz Station, and Martin Grove. Highway 7 and Highway 85 are the two main highways that cross the Township.

1.4 What are Employment Areas?

Employment Area lands typically feature a broad range of designated lands, including light, medium, and heavy industrial lands, business parks, and rural industrial lands. These areas accommodate primarily export-based employment, encompassing a wide range of industrial uses (e.g., manufacturing, distribution/logistics, transportation services). Employment Area lands are discussed in more detail in section 2.2.

The P.P.S., 2024 narrows the range of permitted uses within Employment Areas to comprise uses that are primarily industrial in nature, including manufacturing, research and development in connection with manufacturing, warehousing and goods movement, and associated retail and office uses and ancillary facilities. The P.P.S., 2024 prohibits residential uses, commercial uses, public service facilities, and other institutional uses



from Employment Areas. This includes retail and office uses that are not associated with the primary employment use, and other sensitive land uses that are not ancillary to uses permitted in the Employment Area.

The P.P.S., 2024 includes an updated definition of Employment Area based on the amendment of the *Planning Act* on June 8, 2023. The *Planning Act* was amended under subsection 1 (1) to include a new definition of “area of employment.” In accordance with the P.P.S., 2024, permitted uses within Employment Areas include manufacturing, research and development in connection with manufacturing, warehousing and goods movement, and associated retail and office uses and ancillary facilities. The P.P.S., 2024 prohibits residential uses, commercial uses, public service facilities, and other institutional uses from Employment Areas. This includes retail and office uses that are not associated with the primary employment use, and other sensitive land uses that are not ancillary to uses permitted in the Employment Area. For the purposes of this report, these protected industrial areas are referred to as “Employment Areas” to ensure clarity and consistency with the P.P.S., 2024.

The Region of Waterloo Official Plan (R.O.P.), as revised through Regional Official Plan Amendment 6 (ROPA 6) includes updates to Employment Area policies, and revisions to Employment Area boundaries in Wilmot, Woolwich, and North Dumfries. Following Bill 23, the R.O.P. is now considered an area municipal official plan which will remain in effect until amended or revoked. This is discussed in more detail in Chapter 2.

In light of the definition change of Employment Area, and the revisions to Employment Area policies and boundaries in ROPA 6, the Townships will be required to plan for and protect industrial uses based on a more narrowly scoped definition of Employment Area and will be limited to these uses that are primarily industrial in nature or other uses associated or ancillary to the primary use. Also, the Townships will need to collaborate with the Province to identify any additional provincially significant employment zones as required by ROPA 6.

The Townships’ Employment Areas are discussed in detail in Chapter 5.

1.5 Stakeholder Consultation

As part of the study process, the Consultant Team engaged with key stakeholders in the community to gain valuable input for the development of the employment growth drivers



by industry sector, and the current and anticipated market prospects for industrial and employment lands development in Waterloo Region and the Townships.

Stakeholder consultation included:

- **Stakeholder One-on-One Interviews:** Twenty-five interviews with critical stakeholders, to discuss strengths, assets, opportunities, and barriers to growth and priorities for action were undertaken in late August through mid-September 2024. The interviews included discussions with Township chief administrative officers, municipal economic development staff, municipal planning staff, sector/industry associations, and other relevant stakeholders.
- **Focus Group Workshops:** Four in-person workshops were held (one in each Township) in early October 2024. A range of stakeholders attended the sessions. The purpose of the workshop was to gain deeper insights into the opportunities for the rural economy and to provide a space to test emerging ideas and discuss various perspectives on economic development for the Region.
- **Business Interviews:** Supplemental business Interviews were held with major employers in the Townships.

A summary of the stakeholder consultations findings is provided in Appendix A. The document summarizes the input from the consultation phase of the Rural Investment Readiness Strategy. The findings of the stakeholder consultations are reflected in the findings and strategic recommendations presented herein.

2. Planning and Economic Development Context

The following provides a summary of Regional and local O.P.s, key economic development strategies and strategic plans, and supporting background reports on employment and economic growth projections. The review considered key economic, planning, and servicing policies and priority plans, and the potential implications for the Townships' employment land needs assessment, investment readiness assessment, and strategic recommendations.

2.1 Employment Planning Policy Review

Employment land policies, regulations, and other guiding documents play a key role in directing development activity. The following provides a summary of the relevant



provincial and local regulatory and policy framework that relates to Employment Areas and employment lands.

2.1.1 Provincial Policy Framework

Municipal planning for Ontario municipalities is legislated under the *Planning Act*. The *Planning Act* directs municipalities to plan with consideration for matters of provincial interest, as defined in section 2. On April 10, 2024, the Province introduced *Bill 185: Cutting Red Tape to Build More Homes Act, 2024*, which included a revised P.P.S., 2024 and changes to the *Planning Act* that have implications for Waterloo Region. Bill 185 received Royal Assent on June 6, 2024. The updated P.P.S. took effect on October 20, 2024.

Changes in Upper-Tier Municipal Planning Responsibilities

The Province introduced the concepts of “upper-tier municipalities without planning responsibilities” and “upper-tier municipalities with planning responsibilities” to the *Planning Act* as part of Bill 23. The “upper-tier municipalities without planning responsibilities” includes a list of seven upper-tier municipalities comprising all the upper-tier municipalities in the Greater Toronto Area, the County of Simcoe, the Region of Niagara, and the Region of Waterloo. Bill 185 builds upon this and amends the *Planning Act* to implement changes to certain “upper-tier municipalities without planning responsibilities.” Through amendments to Ontario Regulation 525/97, the Region of Waterloo became an “upper-tier municipality without planning responsibilities” on January 1, 2025.^[1]

While the practical components of transition of the Region’s responsibility are currently underway and there is still much uncertainty, we anticipate that there will continue to be a strong need for impacted upper-tier municipalities to address regional growth management coordination efforts. This includes coordinating regional growth forecasts and regional urban land needs assessments, assessing regional infrastructure needs, and reviewing cross-jurisdictional issues, while working with their area municipalities.

New 2024 Provincial Planning Statement

The new P.P.S., 2024 is intended to simplify and integrate existing provincial policies (the former A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019 and

^[1] Bill 185, Schedule 1, section 1.



the Provincial Policy Statement, 2020 (P.P.S., 2020)) while providing municipalities and the Province with greater flexibility to deliver on housing and economic objectives. The following summarizes key highlights of the new P.P.S., 2024.

Planning for Forecast Growth and Land Needs

- Compared to the P.P.S., 2020, the P.P.S., 2024 provides a more flexible horizon for planning for growth by providing a planning horizon with a minimum of 20 years and a maximum of 30 years.
- A key focus of the P.P.S., 2024 is that it recognizes that the approach to delivering Employment Area land needs requirements will vary by municipality and, as such, moves away from a prescriptive guideline-based approach. The P.P.S., 2024 provides a more flexible horizon for planning for urban growth and land needs over a 20- to 30-year planning horizon with the opportunity to designate additional land beyond the 30-year time horizon for Employment Areas.
- According to the new P.P.S., 2024, Minister's Zoning Orders (M.Z.O.s) are to be treated as "in addition to projected needs" over the planning horizon. In planning for M.Z.O. lands, the new P.P.S., 2024 states these lands must be incorporated into the O.P. and related infrastructure plans.^[2]
- The Provincially Significant Employment Zones identified in the Growth Plan are not carried forward in the P.P.S., 2024. The Province has suggested in the P.P.S., 2024 proposal summary that the policies in the P.P.S. are sufficient for protection for Employment Areas.^[3]

Settlement Area Boundary Expansions

- According to the new P.P.S., 2024, a Settlement Area Boundary Expansion (S.A.B.E.) is allowed at any time and without the requirement of a Comprehensive Review, provided that all P.P.S. policies under subsection 2.3.4 are considered. Furthermore, the policies allow for a simplified and flexible approach for municipalities to undertake an S.A.B.E., which would require a demonstrated need for urban expansion.

^[2] Provincial Planning Statement, 2024, policy 2.1.1, p. 6.

^[3] Environmental Registry of Ontario, ERO 019-8462, Review of Proposed Policies for a New Provincial Planning Policy Instrument, Proposal Summary, Section 2.



Definition of Employment Areas

- The new P.P.S., 2024 includes an updated definition of Employment Area based on the amendment of the *Planning Act* on June 8, 2023. The *Planning Act* was amended under subsection 1 (1) to include a new definition of “area of employment.” The amendment to the *Planning Act* received Royal Assent as part of Bill 97 on June 8, 2023. The definition change in the *Planning Act* would require proclamation before it becomes in effect. In light of the definition change of Employment Area, a key concern for municipalities will be their ability to provide an urban structure that will support employment uses outside of Employment Areas, particularly non-retail commercial and institutional uses (e.g., office uses, training and education, entertainment, wholesale trade, and service repair centres). Traditionally, Employment Areas have been regarded as areas protected for key targeted employment sectors, especially those in the export-based sectors.
- The P.P.S., 2024 notes that Employment Areas that do not meet the definition of Employment Area, referred to as “employment outside of Employment Areas” should support a diverse mix of land uses, including residential uses.^[4] These lands generally would include office business parks, commercial and institutional lands, and employment lands that do not meet the definition of Employment Area. It is also suggested that specific industrial, manufacturing, and small-scale warehousing uses that do not require separation from sensitive land uses are to be encouraged to locate in mixed-use areas or Strategic Growth Areas where frequent transit service is available, outside of Employment Areas.^[5]
- Under the P.P.S., 2024, municipalities are provided with greater control over Employment Area conversions (now referred to as Employment Area removals) with the ability to remove lands from Employment Areas at any time. Previously, under the P.P.S., 2020 and the Growth Plan, municipalities were required to review changes to designated Employment Areas during a Municipal Comprehensive Review or Comprehensive Review. Under the new P.P.S., 2024, municipalities are required to demonstrate that there is an identified need for the removal and the land is not required for Employment Area uses over the long term.

^[4] Provincial Planning Statement, 2024, policy 2.8.1.3, p. 13.

^[5] Ibid., policy 2.1.8.2, p. 11.



Direction on Planning for Rural Employment Areas

- The P.P.S., 2024 identifies that development within rural areas needs to be assessed within the rural context in terms of the scale of servicing and character.^[6] No further direction is provided with respect to development within existing or new Rural Employment Areas. Under subsection 2.2.9.5 of the Growth Plan, the Province provided a framework for Rural Employment Area expansions. The framework identified that expansion of Employment Areas outside settlement areas on rural lands that were designated for employment uses may only be permitted if necessary to support the immediate needs of existing business and if compatible with the surrounding uses.^[7] The P.P.S., 2024 does not carry this policy forward.

Bill 162, Get It Done Act, 2024

Simultaneously to legislative and policy changes to the provincial planning framework, the Townships have experienced numerous changes to Regional planning policy. In August 2022, the Region of Waterloo adopted Regional Official Plan Amendment 6 (ROPA 6), which updated Chapters 1 to 3 of the O.P., including updated settlement area boundary mapping for all seven lower-tier municipalities. In April 2023, the Province approved ROPA 6. In December 2023, the Province revoked approval of ROPA 6 under the *Official Plan Adjustments Act*.

In February 2024, the Province introduced Bill 162, *Get It Done Act*, which amended the *Official Plan Adjustments Act*, and approved the O.P.s of multiple municipalities, including ROPA 6. Bill 162 included an amended ROPA 6 schedule, with modifications to Employment Areas for the lower-tier municipalities, including Wilmot, Woolwich, and North Dumfries. Expanded or altered Employment Areas are discussed further in the following sections. All lower-tier municipalities must now prepare O.P.s that incorporate or replace the policies from the R.O.P. for Employment Areas and conform to the P.P.S.

^[6] Provincial Planning Statement, 2024, policy 2.5.2, p. 10.

^[7] A Place to Grow, Growth Plan for the Greater Golden Horseshoe, Office Consolidation, policy 2.2.9.5, p. 28.



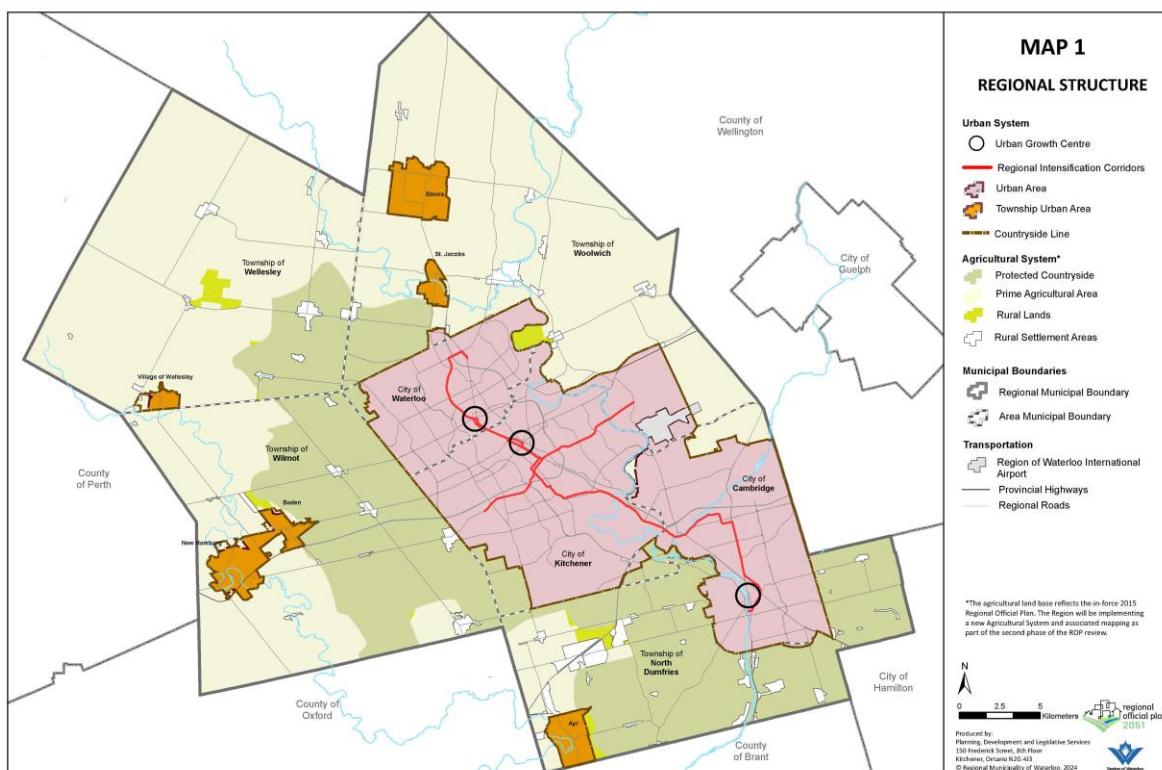
Region of Waterloo Official Plan

The R.O.P. was adopted in 2015 and approved by the Ministry of Municipal Affairs and Housing (MMAH) in 2018. In 2021, the Region conducted a land needs analysis to begin the process of updating the O.P., which resulted in ROPA 6, adopted by Regional Council in August 2022 and approved by the MMAH on April 11, 2023. As of January 1, 2025, under Bill 23, the Region has become an upper-tier municipality without planning responsibilities. As such, the R.O.P. is now considered an area O.P. which will remain in effect until it is revoked or amended by the local tier municipalities. Nonetheless, the R.O.P. outlines the overarching land use framework consistent across all the lower-tier municipalities. This framework includes the Urban System, comprising the Township Urban Areas, the Agricultural System, and a Countryside area that delineates the urban boundary from agricultural and rural areas. Within the Townships, these areas include Township Urban Areas, areas of prime agriculture, protected countryside, and employment. Township Urban Areas are intended to be the focus of future residential and employment growth outside of the Urban Area (within the Cities of Kitchener, Waterloo, and Cambridge), primarily within the built-up areas, followed by designated greenfield areas.

In settlement areas, the Townships may further delineate local centres or Township Urban Growth Centres, based on potential for intensification, provision of public service facilities, or core commercial activity. The lower-tier municipalities are responsible for further identifying land use designations for these systems in their O.P.s. The R.O.P. establishes both an Urban Area Boundary and a Countryside Line. Within the Countryside Line but outside of the Urban Area Boundary, Policy 6.C.10 provides for the expansion of some existing employment uses within the Prime Agricultural Area and the Rural Area. The only permitted employment uses beyond the Countryside Line include on-farm diversified uses and agriculture-related uses.



Figure 3
Waterloo Region's Countryside



The R.O.P. also sets policies for Employment Areas within the Region, as amended by the MMAH through Bill 162. In addition to these designated Employment Areas, the R.O.P. encourages area municipalities to identify additional employment lands and associated policies for their long-term use. Objectives for Employment Areas include collaboration with area municipalities, Canada's Technology Triangle Inc. (evolved into Waterloo EDC with an expanded mandate in 2016), and other stakeholders to foster a diverse, innovative, and globally competitive regional economy.

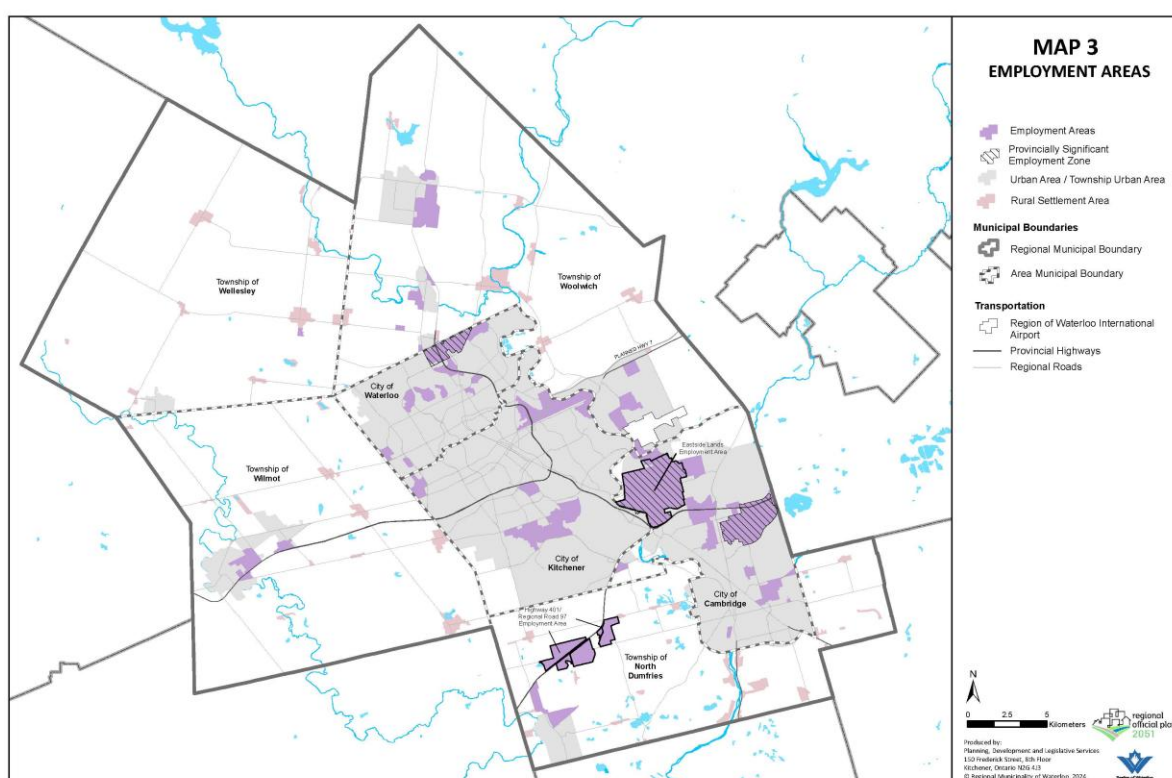
The R.O.P. also includes policies to focus particular types of employment, such as retail and office spaces, in areas with existing or planned active transportation and transit, and to minimize reliance on parking; to focus major corporate operations in Urban Areas; to prohibit residential development and sensitive or incompatible land uses within Employment Areas; to require lower-tier municipalities to measure density targets for Employment Areas; and to direct the designation and preservation of Employment Areas along major goods corridors. In addition, ROPA 6 added policy 2.H.1.22, which requires the Province, the Townships, and Waterloo EDC to collaborate to identify



potential “mega-sites” to support large-scale strategic employment uses such as the land assembly project in Wilmot. It is important to note that with the passage of Bill 162 and replacement of the new P.P.S., 2024, the definition of Employment Areas has now changed.

It is anticipated that the Townships will prepare new O.P.s that incorporate or replace the policy directions in the R.O.P.

Figure 4
Waterloo Region Official Plan Employment Areas



2.1.2 Local Official Plans

2.1.2.1 Township of Wilmot

The Township of Wilmot O.P. was approved in 2019. The Township includes the two Urban Settlement Areas of Baden and New Hamburg, the Rural Settlement Areas of Foxboro Green, Haysville, Lisbon, Luxemburg, Mannheim, New Dundee, Petersburg, Philipsburg, Shingletown, St. Agatha, Sunfish Lake, and Wilmot Centre, and the Township’s rural and agricultural areas.



The objectives in section 1.6 of the Township's O.P., which speak to economic development, identify the Township's intent to recognize agriculture as an important component of the Township's economic base and source of employment, to provide a broad range of commercial and employment activities for the needs of the Township and surrounding areas, and to generate employment opportunities within a strong commercial structure focused on the Urban Growth Centre in Baden, New Hamburg Core Area, and other major retail and industrial areas.

The Urban Settlement Areas of Baden and New Hamburg, under section 2.5 are intended as the focus of all development types, including employment uses, and all development is intended for full municipal servicing. Baden is further identified as an Urban Growth Centre on Map 4.1, which is intended for diverse and compatible mixed land uses, including employment uses, at higher densities than adjacent areas. The Rural Settlement Areas, under section 2.6 of the O.P. are intended for limited development, including commercial and dry industrial uses associated with the residential uses and serving the local community. A Dry Industrial/Commercial designation applies only to lands within the Rural Settlement Areas, and is intended for light industrial, non-retail commercial, and secondary uses that do not require significant water or generate significant quantities of wastewater and are compatible with adjacent uses.

The O.P. does not designate Employment Areas but identifies these areas as including lands designated Light and General Industrial. Most of these are located in the Baden and New Hamburg Urban Areas, with some additional smaller clusters of industrial designations in Petersburg, New Dundee, and St. Agatha. Since the Wilmot O.P. was approved in 2019, ROPA 6 approval and Bill 162 added 14 hectares to Wilmot Township at the east side of New Hamburg and the north side of the CN Railway. As a note, ROPA 6 adoption and designation of this expanded area occurred prior to the P.P.S., 2024 change to the definition of Employment Areas.

There is currently a private application underway to amend the O.P. to change the 14-hectare expansion to New Hamburg's settlement area from an Employment Area to a Township Urban Area. The proposed development includes a mix of residential, commercial, and light industrial uses, which will not meet the P.P.S., 2024 definition of an Employment Area.



Furthermore, the Region of Waterloo is preparing a land assembly project consisting of approximately 300 hectares in land in Wilmot Township, south of Baden. The intent of this project is to make available a large, contiguous, “shovel ready” development site to attract investment from a major employer.

Section 1.6 recognizes the prioritization of agriculture as a key component of the Township’s economic history and activity. The Township also has policies in subsection 2.7.12 to support the development of a strong and diverse local food system by providing a mix of land uses, food destinations in close proximity, zoning in support of temporary farmer’s markets, and by encouraging the use of home and community gardens in the Township.

Wilmot is planning a new O.P. for 2025/2026, which will replace the current O.P. as well as the applicable policies in the R.O.P.

2.1.2.2 *Township of North Dumfries*

The North Dumfries O.P. was approved in 2018. The Township includes the Urban Areas of Ayr, 23 Rural Settlement Areas, seven Rural Employment Areas, and Countryside areas, most of which are agricultural.

Section 1.5 of the North Dumfries O.P. sets the following goals related to economic development:

7. To concentrate the majority of growth in the township within the Ayr Urban Area, with limited growth in designated Rural Settlement Areas and Rural Employment Area where municipal services can be provided in a cost effective and environmentally responsible manner.
9. To promote the expansion of existing businesses and the attraction of new businesses to the township to provide for a balance of residential and employment opportunities, and to support a strong and competitive economy.
13. To promote land use and development patterns that are freight-supportive and transit-supportive, support energy conservation and efficiency, improved air quality, and climate change mitigation and adaptation.
14. To foster the development of compact, vibrant and complete communities and to achieve the reurbanization and density targets set out in this Plan.



Chapter 4 of the O.P. further speaks to economic development, including statements that the Township will promote investment-readiness by:

- Promoting appropriate mixes of employment uses for long-term needs;
- Maintaining a range of suitable sites for employment uses;
- Preserving Employment Areas for current and future uses and ensuring necessary infrastructure is provided;
- Nurturing small business growth, through accessory and home occupation uses;
- Supporting local food production and agri-food and agri-product business sustainability; and
- Encouraging business partnerships, among other opportunities.

Economic activities are predominantly focused within the Ayr Urban Area, the Urban Area Special Policy Area, and Rural Employment Areas. These areas also include the Township's Designated Greenfield Areas, which under section 2.5 of the O.P. are required to meet or exceed 40 jobs per hectare in serviced areas and 25 jobs per hectare in unserviced areas.

The Ayr Urban Area is identified as the focus of future development and includes a range of land use designations, such as commercial and employment uses, as directed under section 2.7 of the O.P. The current O.P. does not designate a specific Employment Area within the Ayr Urban Area; however, the O.P. definition of Employment Area identifies the inclusion of lands designated General Industrial, Dry Industrial/Commercial, and Prime Industrial/Strategic Reserve. The Ayr Urban Area contains areas designated General Industrial. Since the adoption of the Township's O.P., Bill 162 has added 25 net hectares to Wilmot Township, in the following areas:

- Expansion to the existing Highway 401 and Township Road 2 Rural Employment Area (401 at Northumberland St). These lands were also initially adopted for expansion through ROPA 6.
- Expansion to the existing Highway 401 and Regional Road 97 Employment Area. This includes lands originally expanded to the east by ROPA 6, in addition to significantly more lands than were adopted through ROPA 6.
- Expansion (southerly) of existing Highway 401 and Regional Road 46 Employment Area. These lands were not expanded through ROPA 6.



Rural Employment Areas recognize existing industrial, associated commercial, and secondary uses intended to support the long-term employment needs of the Township. According to section 2.9, development is restricted to uses that can utilize private servicing. Most of the rural Employment Areas within the Township take advantage of Regional Roads and the proximity to Highway 401.

The Highway 401/Regional Road 97 Employment Area is further designated as Prime Industrial Strategic Reserve. These lands are limited to the development of large parcels (greater than 8 hectares) and are generally limited to logistics and warehousing uses, which require transportation access.

Expansions to the Ayr Urban Area, Urban Area Special Policy Areas, and Rural Employment Areas or the rationalization of such area boundaries are not permitted, except through a Municipal Comprehensive Review of the North Dumfries O.P. and subject to criteria of the O.P. for each corresponding designation.

2.1.2.3 *The Township of Wellesley*

The Township of Wellesley O.P. was last amended in 2019 and approved by the Region in 2020. The Township includes the Wellesley Urban Area; and the Rural Settlement Areas of Bamberg, Crosshill, Dorking, Hawkesville, Heidelberg, Kingwood, Linwood, Paradise Lake, St. Clements, and Wallenstein; three Rural Employment Areas and Countryside areas.

Section 1.6 of the Township of Wellesley O.P. sets relevant objectives to:

a) Agriculture

To preserve and protect the valuable farm lands in the Township of Wellesley not only for the production of food and other products, but also as an important component of the township's economic base, a source of employment and as a basis for the township's rural community.

e) Services

To provide and maintain, in co-operation with the Regional Municipality of Waterloo, a level of municipal services to the various areas of the Township in accordance with economic, social, and environmental considerations.



g) Community Improvement

To promote the implementation of community improvement by way of the maintenance, rehabilitation, and redevelopment of the physical environment in a coordinated and fiscally prudent manner while having regard to improvements to the economic potential and social environment.

h) Economic Development and Financial Stability

To promote the development of the Township's economic potential by ensuring the continuing expansion of the economic opportunities and diversification of the economic base, in accordance with the policies of this Plan.

j) Commercial and Industrial

To provide for a broad range of commercial and industrial activities and services to meet the diverse needs of the Township's residents and businesses, as well as to generate employment opportunities, within a strong commercial structure focused on Wellesley's Urban Growth Centre, the Core Areas of the Rural Settlement Area and other appropriately located Rural Employment Areas.

Section 2.11 further establishes economic development policies, including the Township's intent to provide for and protect Employment Areas, provide opportunities to diversify the economic base, ensure necessary infrastructure, encourage business partnership, nurture small business growth, foster a strong local food system, and promote local education and employment training.

The Wellesley Urban Area is predominantly residential, with some lands designated Light Industrial/Commercial. Development within the Urban Area is intended to be municipally serviced. ROPA 6 saw the addition of lands to the Township's Designated Greenfield Areas within the Urban Area. These lands are designated Prime Agricultural Areas and have applicable special policies to ensure that the Township can prepare appropriate secondary policies and review servicing capacity prior to development.

At the time of the O.P. approval, the Township had three Rural Employment Areas. These included clusters of dry industrial and associated commercial or ancillary uses located in the Countryside area. In addition, the O.P. contains policies for Service Settlement Area classification for lands designated Rural Settlement Areas. This includes low-density, non-farm residential and limited commercial, industrial, institutional



or service facility uses that serve the agricultural community. Industrial and commercial uses in these areas are permitted only on private services and when deemed not to create obnoxious uses. Since the O.P.'s approval, ROPA 6 and Ministry modifications have designated an Employment Area located within the St. Clements Rural Settlement Area (see Figure 4). ROPA 6 and Bill 162 did not add any new employment lands to the Township. An update to the Wellesley O.P. will be required to designate Employment Areas and update policies for consistency with the P.P.S., 2024.

2.1.2.4 Township of Woolwich

The Township of Woolwich O.P. was adopted in 2021 and approved with modifications in 2022. The Township structure includes two regional Urban Areas (Breslau and the Stockyards), two Township Urban Areas (Elmira and St. Jacobs), 12 Rural Settlement Areas, Rural Employment Areas, and the surrounding Countryside.

The Urban Areas and Township Urban Areas are intended to be the primary focus of development growth on municipal services. Within these settlement areas, the O.P. designates a wide range of land uses relevant to economic development. This includes two designations for Employment Areas. The Employment I designation is intended for highly visible light industrial, commercial, and limited institutional uses along major corridors. Employment II permits a limited range of employment uses with a focus on research and lighter industrial uses.

Bill 162 added 185 net hectares to Woolwich Township in the following areas:

- East of Elmira (between Church Street East and S Field Drive). These lands include some areas with lands designated Environmental Protection and Natural Hazards;
- In St. Jacobs, to the west of the settlement area (east of the rail line), which that provides for the expansion of the Home Hardware central operation;
- In Breslau, north of the urban centre (around Township Road 80 and Fountain Street – extension of the existing South Breslau Industrial Area designation);
- In Breslau, in the south part around the airport (south of Menno Street). These lands are essentially a new Employment Area, which is required to be designated in the Woolwich O.P.;
- All the additional employment lands added by Bill 162 align with the initial recommendations, which were adopted under ROPA 6 for Employment Area expansions in Woolwich. With the exception of the new Employment Area south



of the airport, all the lands added by Bill 162 are in areas that represent logical extensions to existing areas with the Industrial designation in the Woolwich O.P.

The Rural Settlement and Employment Areas are intended to accommodate only limited growth within the Countryside, using private services and ensuring compatibility with the surrounding Countryside. The three Rural Employment Areas include the Nelson Monuments Industrial Area, the Bast Place Industrial/Commercial Area, and the Shantz Station Commercial Area, which is now part of Breslau. Rural Settlement Areas are also intended to serve a rural economic role and provide opportunities for living and working within the Countryside. With MMAH approval of ROPA 6, the Ministry modifications include expansions to all four Urban and Township Urban Settlement Areas.

The O.P. sets a goal of promoting and expanding business in the Township, capitalizing on emerging economic opportunities, and to provide employment stability in the short and long term (subsection 4.4.12). The Township also includes community improvement policies and designates Community Improvement Plan (C.I.P.) areas for St. Jacobs, Elmira, Breslau, and West Montrose.

In addition to the economic policies of Chapter 8, the O.P. establishes principles to support Township tourism, recreation, and cultural assets and programs, as well as to develop the knowledge-based/high-tech sector. Chapter 8 also includes policies to ensure development is complementary to the continued service of the local airport. In addition to the airport, Woolwich is also intended for a future GO Transit train station, and the O.P. includes a land use designation within the Breslau Settlement Area to support compatible future development as well as on-farm diversified uses in the rural areas.

The Township is currently in the process of preparing a new O.P.

2.2 Planning and Economic Studies

The following planning and economic studies have also been reviewed and serve as background and reference to the study presented herein.



2.2.1 Enabling Opportunity: Ontario's Rural Economic Development Strategy

The government has introduced “Enabling Opportunity: Ontario’s Rural Economic Development Strategy” to support rural economic growth, workforce development, and community strengthening. The Strategy is built around three key pillars:

1. Safe and Strong Rural Communities:

- Enhancing local economic development and leadership.
- Rehabilitating municipal and community infrastructure.
- Improving rural connectivity.
- Developing housing and transportation plans to make rural areas attractive for living, working, and recreation.

2. Business Development and Attraction:

- Supporting rural and Indigenous communities in strengthening businesses and fostering innovation.
- Encouraging entrepreneurship, attracting investment, and revitalizing downtowns.
- Diversifying regional economies.

3. Growing the Rural Workforce:

- Developing local talent and raising awareness of rural job opportunities.
- Helping workers gain the necessary skills.
- Attracting and retaining workers to ensure vibrant rural communities.

The Strategy was shaped through collaboration with municipal and Indigenous leaders, rural stakeholders, and feedback gathered from 13 regional roundtables and online submissions.

The government emphasizes the importance of thriving rural communities to Ontario’s overall economic success and expresses optimism about rural Ontario’s future through collective efforts. The Strategy aims to position rural Ontario as a preferred destination for residents, families, and businesses.



2.2.2 Waterloo Region Employment Lands Review

As part of Waterloo Region's O.P. Review process, an Employment Lands Review was undertaken in 2021. The purpose of the Review was to assess employment in the broadest context, including a policy review, an examination of current and future employment trends, a land supply analysis, an employment and land demand forecast to 2051, and an assessment of the Region's capacity to accommodate the forecast, and to provide the background necessary for the future delineation of Employment Areas, establishing density targets and a land needs assessment.

2.2.3 2017 Waterloo EDC Benchmarking Study

A 2017 benchmarking and strengths, weaknesses, opportunities, and threats (SWOT) report prepared for the Waterloo EDC provides insight into the Region's economic performance.

Strengths	Weaknesses
• Innovative Culture • Collaborative Culture • Diverse Economy • Tech-focused • World-class Institutions • Talent • Entrepreneurial Support	• Demographic Scale • Connectivity with Greater Toronto Region • Investment Capital & Resources for Scalability • Real Estate Availability • Inclusive Regional Strategy Implementation • Health Care • Urban Amenities

Opportunities	Threats
• United States' Policy on Immigration and Trade • Rise of Tech • Quantum Computing • Greater Role of Utilities • Woolwich Land Development • Infill and Redevelopment	• United States' Policy on Immigration and Trade • Lack of Local Political Consensus • Multiple Tiers of Government • Failure to Achieve High-Speed Rail • Access to Capital and Resources for Scalability • Ultra-Competitive Labour Market • Real Estate Availability • Provincial Labour Policy



The report suggests that the Waterloo EDC consider how the findings apply to the organization, as well as how it applies to the Region in general. It goes on to recommend that the Waterloo EDC focus on three primary areas of concern: labour market access, including access to high-speed rail; real estate availability and the lack of supply; and access to capital and resources for scalability.

2.2.4 2019 Waterloo EDC Rural Economic Development Strategy

In 2019, the Waterloo EDC developed a strategy intended to support the economic development of the Region's rural Townships of North Dumfries, Wellesley, Wilmot, and Woolwich. The report acknowledges that the four Townships are predominantly rural or suburban in nature, creating different economic development challenges.

The four Townships encompass strengths that are specific to rural communities. The Townships want to help existing industries thrive in the Townships, while maintaining the rural character. The report focuses on the regional opportunities associated with agriculture, construction, manufacturing, wholesale trade, transportation and warehousing, finance and insurance, administrative support, and educational services. In this context, the Townships were viewed as having opportunities to attract businesses that involve agri-food, agri-tech, renewable energy, agri-tourism, and food processing.

The report suggested the land planning approval process and land availability was a source of frustration for existing businesses that are looking to expand and that the lack of business licensing systems within the Townships is a challenge that limits the amount of information the Waterloo EDC and the Townships can share with one another when undergoing matchmaking activities. The shortage of public transit to the Townships was also identified as limiting the value that the Townships have from being close in proximity to urban centres. Insufficient public transportation is also viewed as restricting the hiring practices of businesses that operate in the Townships.

The business environments in each Township were seen as disconnected from one another, as well as the Waterloo EDC. The businesses interviewed suggested they did not have a firm understanding of the functions of the Waterloo EDC, nor did they interact often with the economic development contacts of their own Townships. A lack of clarity and support in how to execute the rezoning process was also raised as an issue. The process is said to be made harder by municipal concerns in preserving the rural character of certain Townships. Furthermore, the residential booms occurring in



the Region were also regarded as having implications for the business environment of the Townships. Businesses in each Township noted that the business environments are separate from the residential community and the two groups often have differing and conflicting goals.

The authors suggested that a collaborative effort to build a culture of consistent, recurring communication between businesses, economic developers, and the greater community is needed. This could be done through planning of events, business community engagement, and open communication between governing bodies, businesses, and the residential communities. This may also require the Waterloo EDC to dedicate more time to Township business engagement, either visiting businesses independently or in tandem with Township economic development staff.

2.2.5 Waterloo EDC 2024-2028 Strategic Plan

The Waterloo EDC's 2024-2028 Strategic Plan is structured around five key goals:

- Build on our diverse economy.
- Transform our future with a major manufacturing investment.
- Develop and promote our community's unique value proposition.
- Strengthen our emerging business clusters.
- Show leadership in social justice and equity.

Organizational objectives rely on receiving funding support from municipal, federal, and provincial sources. Based on this, the Waterloo EDC plans to:

- Close deals of \$2.4 billion and maintain a pipeline of potential investments valued at \$1 billion, with increased foreign direct investment (FDI) target geographies of the U.S. Midwest and Central Europe plus Nordic countries.
- Land a transformative mega-site win.
- Support the Region's ongoing mega-site land assembly efforts.
- Develop an inventory of shovel-ready land of various sizes.
- Increased investment readiness and additional business retention and expansion capacity for the Waterloo Region Townships.
- Increased Toronto-Waterloo Corridor/Southwestern Ontario collaboration on FDI attraction initiatives within key Government of Canada priorities, such as emerging markets, reshoring supply chains and sustainability.
- Remain "best in class" for investment attraction marketing.



The plan also acknowledges several challenges facing growth and development in the Region. These include the lack of serviced industrial land to accommodate mid- to mega-sized investment, the need to maintain a diverse and innovative economy by attracting new investments in both manufacturing and technology, the need for talent attraction and retention efforts and ensuring the Region is a desirable and affordable place to live, and the pressure on government and private enterprises to support an increasingly diverse population.

In delivering on these objectives, Waterloo EDC has developed a Collaboration Blueprint intended to support economic development programming in both the urban and rural communities. The Blueprint lays out the roles and responsibilities of Waterloo EDC relative to the role of its municipal and community stakeholders. In general terms, Waterloo EDC is responsible for investment attraction/promotion, the promotion/marketing of Waterloo Region, outbound/inbound business missions, government relations, and the procuring, sourcing, and updating of data required for business expansion and investment decision making.

2.2.6 Waterloo Region's Corporate Strategic Plan (2023)

In preparing Waterloo Region's 2023-2027 Corporate Strategic Plan, the plan's authors recognized that from an agricultural perspective, Waterloo Region's Countryside is vital. At the time of reporting, the plan suggests there were more than 1,400 farms, and according to the Waterloo EDC, the Region is the third largest food manufacturing area in North America. Despite this, almost 11% of Waterloo Region residents are food insecure, according to the Region of Waterloo's 2022 survey of cost and affordability of healthy eating.

Strategic priorities for the implementation of the plan include Homes for All, Climate Aligned Growth, Equitable Services and Opportunities, and a Resilient and Future Ready Organization.

2.2.7 Waterloo Region Economic Development Strategy (2024)

Waterloo Region's 2024 Economic Development Strategy was updated and is anticipated to be presented and adopted by Regional Council in 2025. The revised strategy is aligned around the following strategic pillars and areas of focus.



Strategic Pillars and Areas of Focus	
TALENT • Talent attraction, retention, and reskilling plan (complete) • Workforce ecosystem integrated with institutional • Private and community stakeholders	
LAND READINESS • Shovel-ready strategy (underway) • Streamlined policy and processes • Proactive and transparent • Aligned with market demand	
SCALING LOCAL INNOVATION • Innovative ecosystem in Waterloo Region • Entrepreneur base • Graduating from start-up to scale-up • Business retention and expansion • Small/medium enterprises/strategic partnership supports	
STRATEGIC SECTOR SUPPORT • Growth strategies for existing and emerging sectors • Transit improvements • Local supply chain growth integrated wrap-around • Economic diversification services • Cluster development	
QUALITY OF LIFE • Cost of living • Housing support/advocacy • Transit improvements • Integrated wrap-around services • Cultivate mainstreet/business improvement areas	

2.2.8 Woolwich Township Community Strategic Plan 2024-2034

The Woolwich Township Community Strategic Plan 2024-2034 aims to foster long-term prosperity through managed growth that supports environmental sustainability and community well-being. Key goals include maintaining financial stability, managing the development to accommodate growth while preserving Woolwich's natural landscapes



and small-town character, sustainable practices, providing meaningful employment opportunities, and funding equitable service distribution.

2.2.9 Township of North Dumfries Corporate Strategic Plan 2024-2026

The Township of North Dumfries Corporate Strategic Plan 2024-2026 focuses on creating and implementing an Economic Development Strategy, exploring business support services, promoting local employment practices, updating policies for business attraction and retention, and assessing the need for additional employment lands. The Township aims to work with partners to promote North Dumfries as a preferred business location and expand employment lands to meet local demands.

2.2.10 Township of Wilmot Strategic Action Plan 2025-2027

The Township of Wilmot Strategic Action Plan 2025-2027 emphasizes building a strong financial foundation and fostering responsible growth. Economic goals include implementing an enterprise resource planning system for financial accountability, enhancing the Asset Management Plan, diversifying revenue sources, and encouraging well-planned growth. The plan also supports local businesses through a C.I.P., expands tourism partnerships, and establishes a reserve fund for future affordable housing.

2.2.11 Wellesley Strategic Plan for 2019-2023

The Wellesley Strategic Plan for 2019-2023 focuses on supporting the local business and tourism sector, advocating for growth, and ensuring fiscal responsibility. Economic objectives include organizing a study to define and quantify business and tourism opportunities, benchmarking against other rural townships, seeking best practices, and managing costs to keep tax increases at or below inflation, unless for strategic investments.

2.3 Observations

Changes in the provincial policy landscape, including the removal of planning powers from Waterloo Region, and the flexibility in growth projections and land needs requirements, provide the Townships with broader opportunities to plan for growth over the coming decades. A range of provincial and regional economic development



strategies serve as a strong foundation for the four Townships to advance local economic development and employment-growth-related initiatives at the local level.

3. Regional and Local Growth Trends Influencing Employment Land Development

The following provides a brief review of recent macro-economic trends and regional growth drivers that are anticipated to influence future growth trends within Employment Area lands in the Townships.

3.1 Navigating Increased Uncertainty in a Changing Global Economy

After several years of resilient global economic growth following the 2020 and 2021 lockdowns during the COVID-19 pandemic, the global economy is now facing a mounting number of near-term economic challenges and geo-political conflicts. These global economic challenges largely relate to unresolved conflicts associated with the ongoing war between Ukraine and Russia; the Israel/Gaza conflict; rising global trade tensions, particularly with the United States (U.S.); increasing government, corporate, and consumer debt; and ongoing concerns regarding persistent inflation.

Collectively, these factors have resulted in heightened global economic uncertainty and volatility, which has raised the likelihood of an economic recession in the U.S. and Canada in 2025. In its latest report, the Organization for Economic Co-operation (OECD) is predicting a softening in their global economic forecast for 2025 and 2026. For Canada, gross domestic product (G.D.P.) is forecast to decline from 1.5% in 2024 to 0.7% in 2025 and 2026, a notable reduction from 2.0% in the December 2024 Economic Outlook.^[8]

On February 1, 2025, the U.S. signed an executive order that, on March 4, 2025, imposed a 25% tariff on all non-energy imports and a 10% tariff on energy imports from Canada, with a one-month exemption for the auto industry and goods compliant with the

^[8] OECD Economic Outlook, Interim Report, Steering through Uncertainty, March 2025.



Canada-U.S.-Mexico Agreement (CUSMA) until April 2, 2025.^{[9],[10]} Following this announcement, Canada imposed 25% retaliatory tariffs on \$30 billion worth of U.S. imports.^[11] In response to U.S. tariffs on steel and aluminum imposed on March 12, Canada applied matching 25% tariffs on those metals plus additional products. When the U.S. imposed 25% tariffs on Canadian automobiles in early April, Canada retaliated with equivalent tariffs on certain U.S.-made vehicles, targeting both non-CUSMA-compliant vehicles and non-Canadian/non-Mexican content in CUSMA-compliant vehicles.^[12] On April 15, 2025, Canada announced new support measures for businesses affected by the tariffs, including tariff relief for automakers based on continued production, temporary exemptions for key manufacturing and public health inputs, and a loan facility to help large enterprises maintain operations.^[13] Despite these efforts, BMO Economics warns that the Canadian economy could be vulnerable to a slight recession, estimating real G.D.P. growth of 0.5% and an unemployment rate that may rise to around 8% by 2026 if the tariffs persist for a full year.^[14]

For manufacturing-focused regions such as Ontario, goods-producing sectors—especially the automotive industry—are being impacted by global disruptions while also undergoing a shift toward advanced technologies focused on electric vehicle production. While not a new trend, globalization and technological advancements continue to shift the economic composition of developed economies from goods-production toward a service-based economy. Since the onset of the pandemic, this economic shift has increasingly raised fundamental concerns in certain cases regarding national security, economic trade balances, and prosperity, which has further prompted countries to adopt protectionist measures when setting out their near- and longer-term national economic strategies.

These ongoing structural changes and technological disruptions shaping the global economy, combined with rising geo-political and trade tensions, will require that both

^[9] CBC, Trump grants 1-month exemption for U.S. automakers from new tariffs on imports from Mexico, Canada, March 5, 2025.

^[10] CBC, Trump pausing tariffs on some Canadian goods until April 2, March 6, 2025.

^[11] Department of Finance Canada, List of products from the United States subject to 25 per cent tariffs effective March 4, 2025.

^[12] Department of Finance Canada, Canada announces new support for Canadian businesses affected by U.S. tariffs, April 15, 2025.

^[13] Ibid.

^[14] BMO Economics, Trade War Impacts: Take Two, March 4, 2025.



senior and local governments become increasingly agile and responsive to evolving industry demands and disruptive economic forces, a trend that has been expedited by the COVID-19 pandemic. These revised near-term economic forecasts and ongoing disruptions are anticipated to influence the near-term employment growth outlook for Canada, Ontario, and the Townships over the coming years.

While the longer-term outlook for Canada's economy and housing market remains positive, the immediate concerns highlighted above point to several potential setbacks to the country's sustained economic recovery and continued prosperity over the near term. Continued investments in infrastructure and technology, along with a resilient and growing labour market, will be required to drive national economic growth and competitiveness. Strong leadership and coordination across all levels of government will be needed to navigate these complexities carefully in the coming months and years.

3.2 Trends in the Ontario Economy in the Canadian Context

Similar to the broader Canadian economy, the economic base of Ontario, as measured by G.D.P. output, has shifted from the goods-producing sector (i.e., manufacturing and primary resources) to the services-producing sector over the past several decades. This shift has largely been driven by G.D.P. declines in the manufacturing sector, which were accelerated prior to and following the 2008/2009 global economic downturn. It is noted, however, that these G.D.P. declines in the manufacturing sector have started to show signs of stabilization, both prior to the COVID-19 pandemic and through the more recent economic recovery.

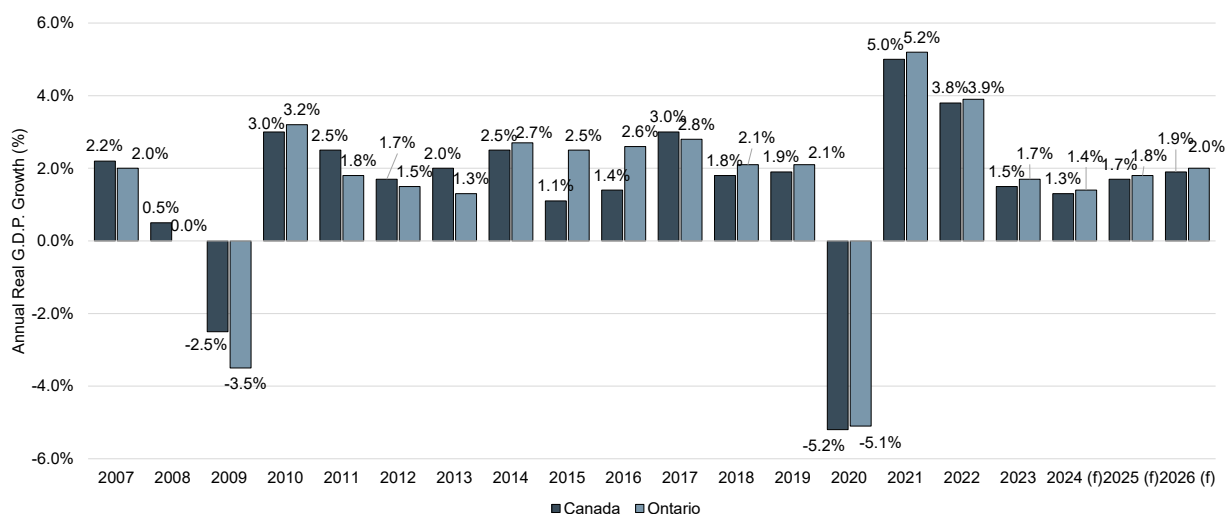
Following a sharp national economic downturn in 2020 in response to COVID-19 policy measures, federal economic support and fiscal stimulus, and vaccine rollouts, Canada experienced a sharp economic recovery in 2021 and 2022. As illustrated in Figure 5, the Ontario economy contracted by 5.1% in 2020 before rebounding by 5.2% in 2021. BMO Capital Markets has forecast that the Ontario economy will continue to soften throughout 2024, growing by 1.3%, while the overall Canadian economy is expected to strengthen to an average annual G.D.P. rate of 2.0% in 2025. Economic growth in Ontario is forecast to increase at a slightly higher rate than the overall Canadian economy.^[15] BMO Capital Markets has forecast that the Ontario economy will experience modest growth throughout 2025, while the Ontario and overall Canadian

^[15] BMO Capital Markets Economics, Provincial Economic Outlook, February 21, 2025.



economy is expected to strengthen to an average annual G.D.P. rate of 2.0% and 1.9%, respectively in 2026. Economic growth in Ontario is forecast to grow at a slightly higher rate than the overall Canadian economy.^[16]

Figure 5
Province of Ontario and Canada
Annual Real Gross Domestic Product (G.D.P.) Growth, Historical (2006 to 2023), and
Forecast (2024 to 2026)



Note: The years 2024, 2025 and 2026 are forecasts by BMO Capital Markets Economics.
Source: Derived from BMO Capital Markets Economics, Provincial Economic Outlook, February 21, 2025, by Watson & Associates Economists Ltd.

It is important to recognize that the longer-term population and employment growth potential for the Townships will be heavily dependent on the overall sustained economic growth potential of the Region and the Province of Ontario as a whole. Looking ahead, there are evolving macro-economic headwinds of which to be aware, that are impacting the economic conditions within Waterloo Region and the surrounding economic region. Despite these unintended consequences of COVID-19 and the near-term economic headwinds discussed above, the long-term economic and housing outlook for Waterloo Region and the Townships remains positive as the Region continues to be attractive to international investment and newcomers alike.

^[16] Ibid.



3.3 Emerging Industry Sector and Labour Force Trends

Continued structural changes in the global economy and technological advancements will require municipalities to be increasingly responsive and adaptive to changing industry needs and disruptive economic forces, which have been accelerated by the COVID-19 pandemic. There are a number of key industry and labour force trends that are expected to influence growth and development patterns in Waterloo Region and the Townships over the coming decades. These trends include:

- Continued disruption of “bricks and mortar” retail driven by changes in consumer behaviour through e-commerce;
- Economic growth related to the logistics sector generated from the demand in e-commerce and requirements for regional fulfillment centres to serve the growing provincial population base;
- Increasing use of technology in commercial services, leading to alternative platforms to purchase and share products;
- A continued economic recovery in the manufacturing sector, in particular advanced manufacturing;
- Longer-term opportunities and challenges in the manufacturing sector associated with nearshoring, automation, and the rise of artificial intelligence;
- Growing opportunities within the Green Technology sector as Waterloo Region and the surrounding market area transition to a clean energy economy;
- Increased opportunities related to work at home, hybrid work at home/at office work models, and distributed work/learning largely driven by technological innovation and improvements to regional telecommunications; and
- The continued rise of the gig economy as individuals utilize technology to supplement their income in more flexible ways in contrast to traditional work patterns.

Recognizing these recent structural changes in the macro-economy, there is a need for the Townships to ensure that the amount, type, and location of established and planned Employment Areas are well aligned with these broader trends and the anticipated local market demand.



3.4 Regional Market Economic Opportunities and Competitiveness

In many respects, the Townships' long-term population and employment growth potential is largely tied to the success of the surrounding market area, as well as the surrounding Greater Toronto and Hamilton Area. With access to a large labour pool and available, developable Employment Area lands with good connectivity to 400-series highways, the surrounding market area continues to be a key industrial market in Ontario. The employment base within Waterloo Region and the surrounding market area can be grouped into two broad categories: export-based sectors, and community-based sectors. The latter primarily refers to local population-serving employment. Export-based sectors comprise geographically clustered industries that produce goods or services that reach markets outside the community, such as manufacturing, research and development, and other knowledge-based industries. Ultimately, the aggregate indicators of the regional economic performance are determined in large measure by the competitiveness of their industry clusters. The surrounding market area is a robust economy and includes a number of traded employment clusters, including Transportation and Logistics, Automotive, Production Technology and Heavy Machinery, Food Processing and Manufacturing, Construction Products and Services, and Information Technology and Instruments.^[17]

It is recognized that the Townships increasingly compete directly for business attraction and investment with other communities within the regional market area and beyond. This is particularly true for “export-based” industrial sectors that are typically accommodated within Employment Areas. A major factor influencing the future competitiveness of the Townships' economic base is the structure and quality of their Employment Areas.

Competing Employment Areas within the surrounding market area are highly concentrated along the Highway 401 and 403 corridors in Waterloo Region, the Cities of Guelph, Hamilton, and Brantford, Wellington County, Brant County, and Oxford County.

In order for the Townships to continue to be competitive and attractive to a broad range of industrial sectors within the context of the surrounding market area, the Townships

^[17] Derived from Statistics Canada, The Canadian Cluster Map Portal, 2023, by Watson & Associates Economists Ltd.



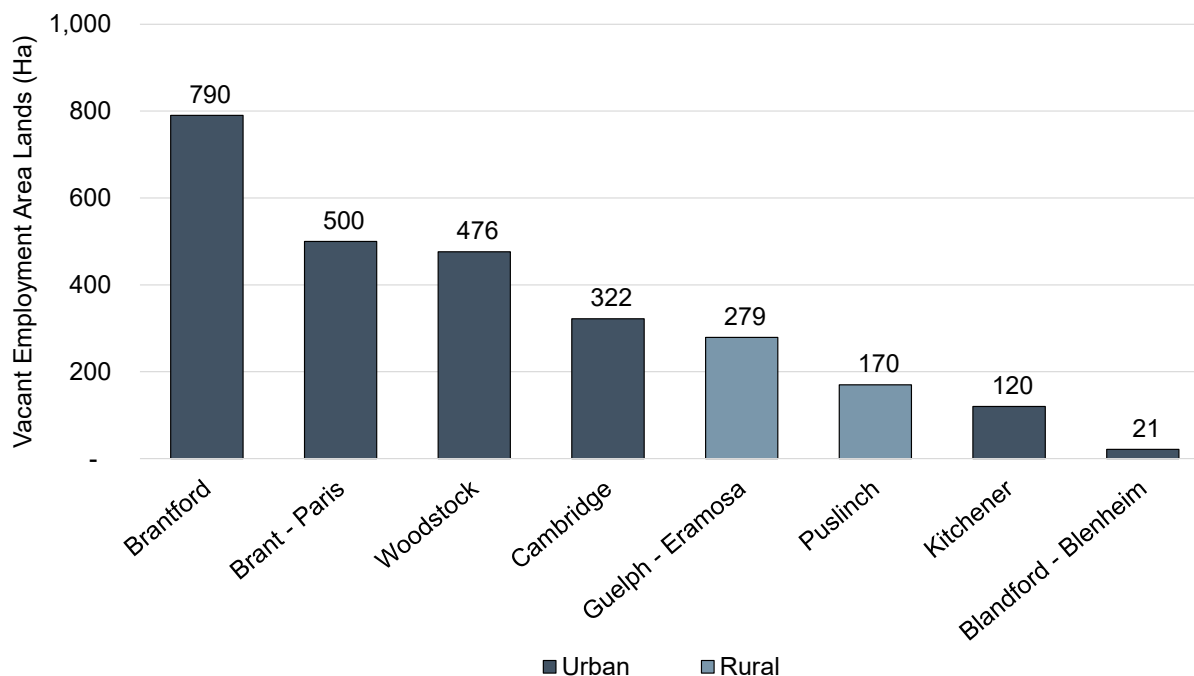
need to ensure that it offers a sufficient supply and market choice of Employment Area lands.

Figure 6 provides a summary of the availability of urban and rural Employment Area lands in key competing municipalities within the surrounding market area. Some of the main observations regarding Employment Areas located outside Waterloo Region include the following:

- **Brantford** – The City of Brantford recently designated 525 hectares (1,297 acres) of Employment Area lands in the northwest and northeast, increasing its overall supply of designated employment lands to 790 hectares (1,952 acres). The City requires the completion of Block Plans for these expansion areas and infrastructure improvements prior to the development of these areas.
- **Brant County** – The Employment Area in Paris has approximately 224 hectares (554 acres) of vacant designated lands in proximity to a major highway (the Brant 403 Business Park and the Southeast Employment Area). In Brant's new O.P., the County has identified an Employment Area land expansion of 276 hectares (682 acres) in the area around the Brant 403 Business Park. With this Employment Area expansion, the County has the potential to accommodate up to 505 hectares (1,248 acres) of serviced vacant Employment Area land in proximity to Highway 403.
- **Woodstock** – The City of Woodstock recently completed a Secondary Plan for the new Northeast Industrial Employment Area, totalling 142 hectares (351 acres) of Employment Area lands. These lands are on the east side of Highway 401. This has increased Woodstock's vacant designated employment land supply to 476 hectares (1,176 acres).
- **Township of Guelph-Eramosa and the Township of Puslinch** – Both municipalities have a large supply of vacant Rural Employment Area lands totalling 279 hectares (689 acres) and 170 hectares (420 acres), respectively.



Figure 6
Employment Land Supply in Competing Municipalities



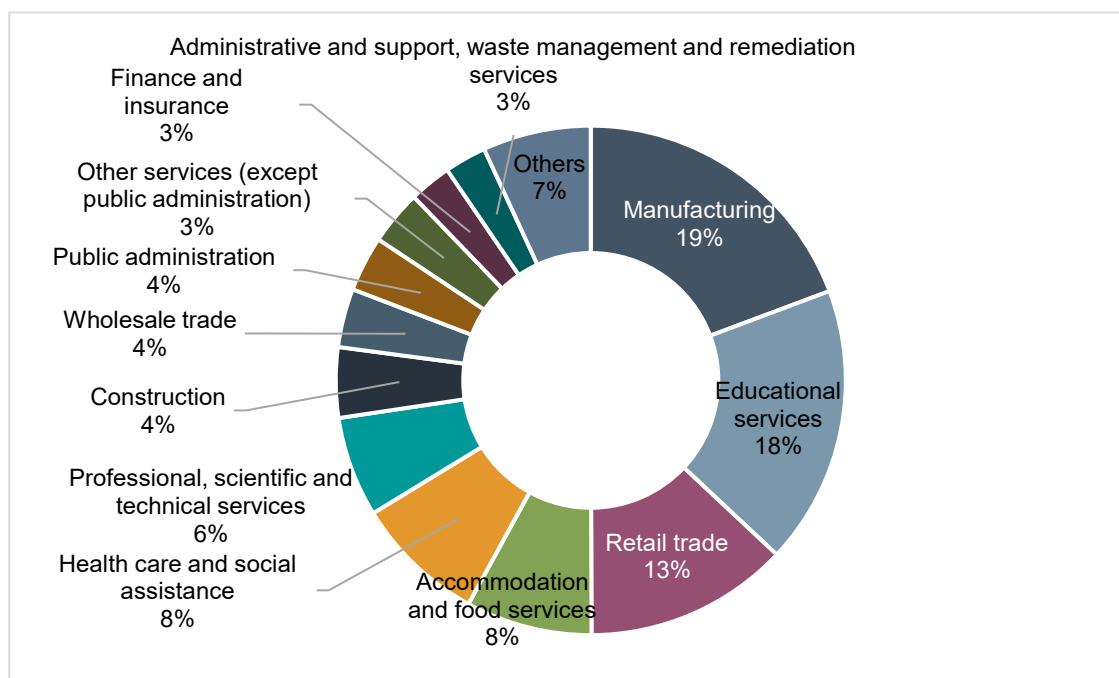
Source: Derived from various reports prepared by municipalities in the area, by Watson & Associates Economists Ltd. Updated land inventory based on available development information.

3.5 Waterloo Region Economic Structure

The Region of Waterloo has a diverse employment base, as illustrated in Figure 7. The largest sector in the Region is manufacturing, which accounts for nearly one-fifth (19%) of total employment. Other key sectors include educational services; retail trade; accommodation and food services; health care and social assistance; professional, scientific and technical services; construction; wholesale trade; public administration; other services (except public administration); finance and insurance; and administrative and support, waste management and remediation services.



Figure 7
Waterloo Region
Employment Base by Sector, 2024



Source: Derived from 2024 Waterloo Region Work Count Survey.

Note: Others include arts, entertainment and recreation; administrative and support, waste management and remediation services; real estate and rental and leasing; agriculture, forestry, fishing and hunting; information and cultural industries; management of companies and enterprises; public administration; and utilities sectors.

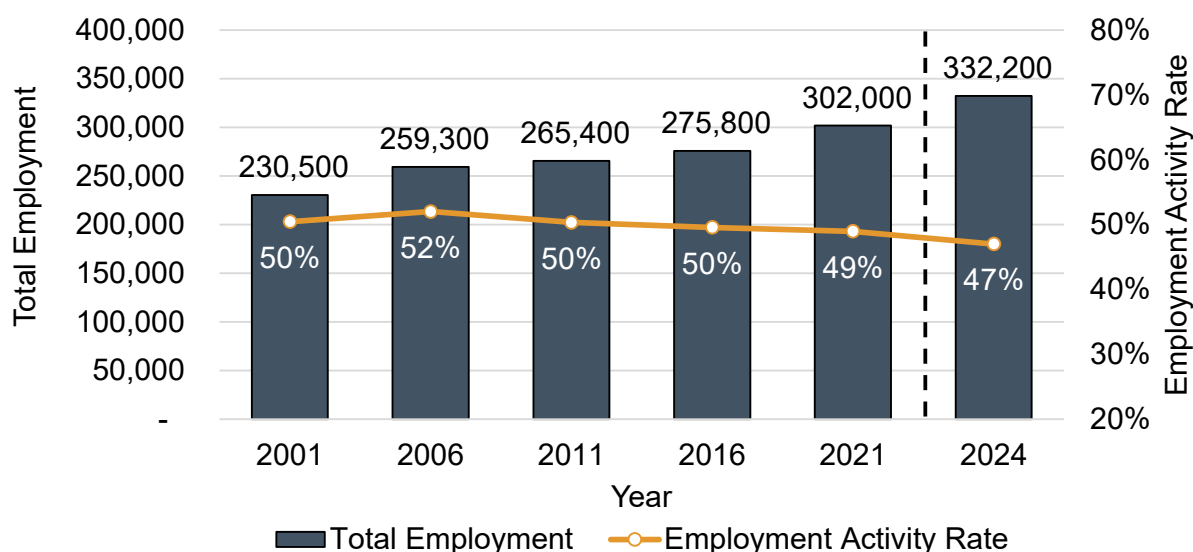
Source: Derived from 2024 Waterloo Region Work Count Survey

The total employment base for Waterloo Region grew by 16% between 2006 and 2021, increasing from approximately 259,300 to 302,000 jobs, as illustrated in Figure 8. The Region's employment base is estimated to total 332,200 in 2024, having increased by an estimated 30,000 jobs over the 2021 to 2024 period. Over the eight-year period, 2016 to 2024, employment growth averaged 2.4% annually. As shown in Figure 8, the Region's employment activity rate declined from 49% in 2021 to 47% in 2024, indicating that population growth has outpaced employment growth during this period.^[18]

^[18] Activity rate is the ratio of jobs to population.



Figure 8
Waterloo Region
Total Employment, 2006 to 2024



Note: Employment figures include work at home and no fixed place of work. Employment figures have been rounded.

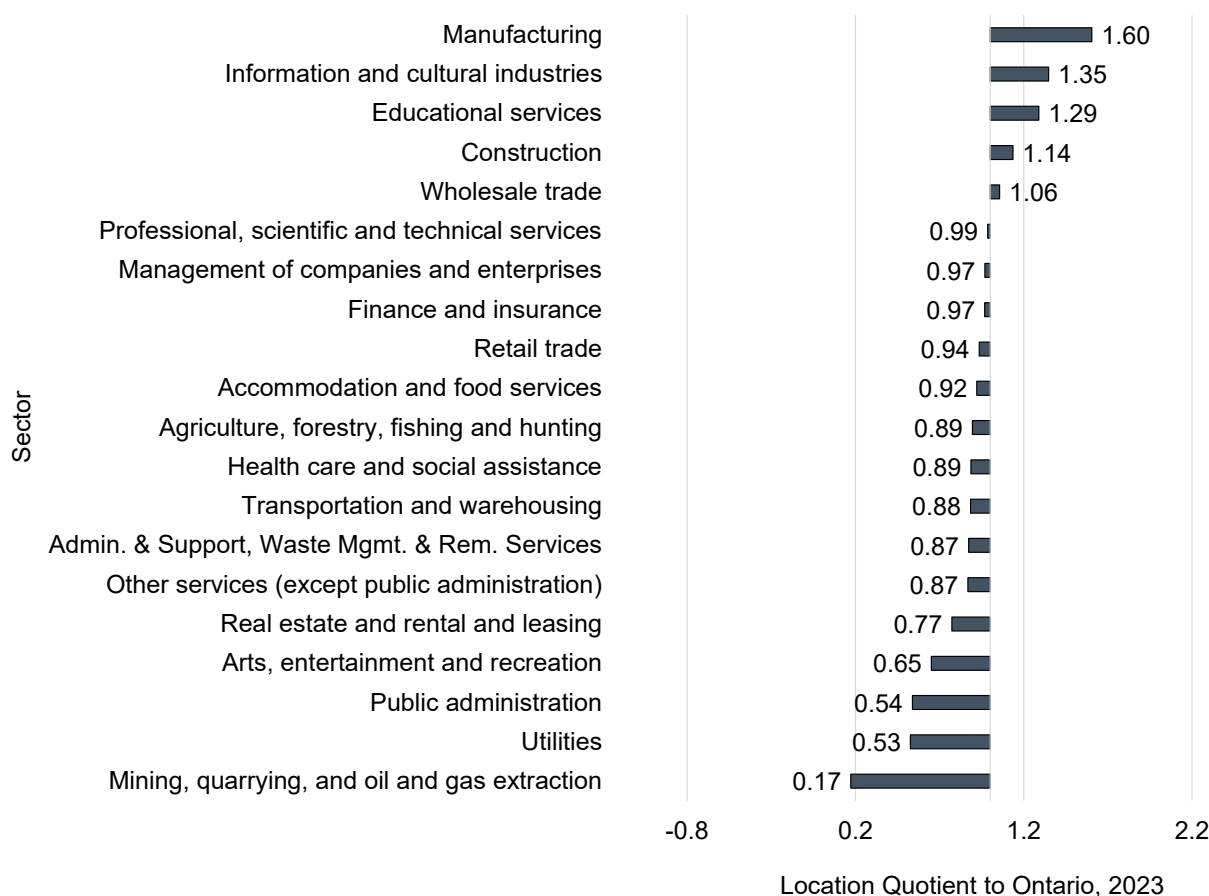
Source: Historical 2006 to 2021 employment figures derived from Statistics Canada Place of Work data. 2024 employment figure estimate by Watson & Associates Economists Ltd. based on Lightcast data/Ontario Ministry of Agriculture, Food and Rural Affairs employment data.

Figure 9 illustrates the strength of employment sectors in Waterloo Region relative to the Province, using Location Quotients (L.Q.s).^[19] As shown, the Region's economy is largely oriented towards manufacturing, information and cultural industries, educational services, construction, and wholesale trade.

^[19] An L.Q. of 1.0 identifies that the concentration of employment by sector is consistent with the broader employment base average. An L.Q. of greater than 1.0 identifies that the concentration of employment in a given employment sector is higher than the broader base average, which suggests a relatively high concentration of a particular employment sector or "cluster."



Figure 9
Waterloo Region
Location Quotient Relative to Ontario, 2023



Source: Derived from 2023 Lightcast data by Watson & Associates Economists Ltd., 2024.

Figure 10 illustrates the employment change by industry sector over the 2014 to 2023 period in Waterloo Region. As shown, over the period, the fastest growing employment sectors were primarily in the services-producing sector, including management of companies and enterprises; professional, scientific and technical services; information and cultural industries; educational services; health care and social assistance; arts, entertainment, and recreation; finance and insurance; and accommodation and food services. Of the industrial sectors, the construction; utilities; administrative and support and waste management and remediation services; wholesale trade; transportation and warehousing; and manufacturing sectors demonstrated strong employment growth during this period. In comparison, mining, quarrying, and oil and gas extraction; public



administration; and retail trade sectors exhibited more moderate growth over the period, while employment in the real estate and rental and leasing; and agriculture, forestry, fishing and hunting sectors contracted over the 2014 to 2023 period.

Figure 10
Waterloo Region
Employment Growth by Sector, 2014 to 2023



Note: Employment metrics include both employees and self-employed.

Source: 2014 to 2023 data from Lightcast data, derived by Watson & Associates Economists Ltd., 2024.

3.5.1 Waterloo Region Industrial Market

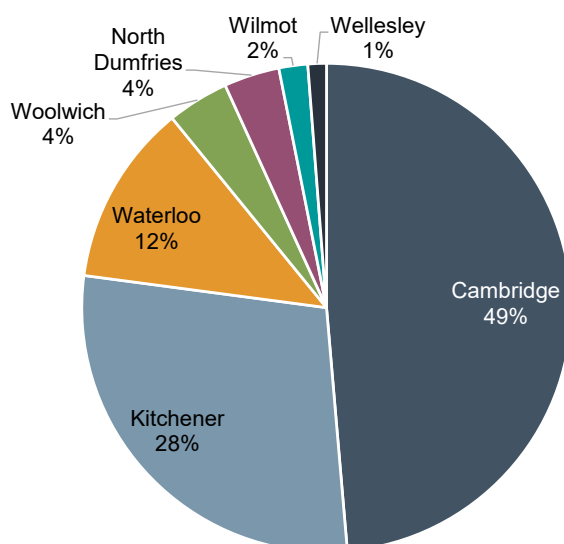
The Region of Waterloo has an estimated 73.6 million sq.ft. of industrial building space.^[20] As shown in Figure 11, the largest share (49%) is located in Cambridge,

^[20] Watson & Associates Economists Ltd. estimate.



followed by 28% in Kitchener, 12% in the City of Waterloo, 4% in Woolwich, 4% in North Dumfries, 2% in Wilmot, and 1% in Wellesley.

Figure 11
Region of Waterloo Industrial Building Gross Floor Area Totals
by Area Municipality, 2024



Source: Watson & Associates Economists Ltd., 2025.

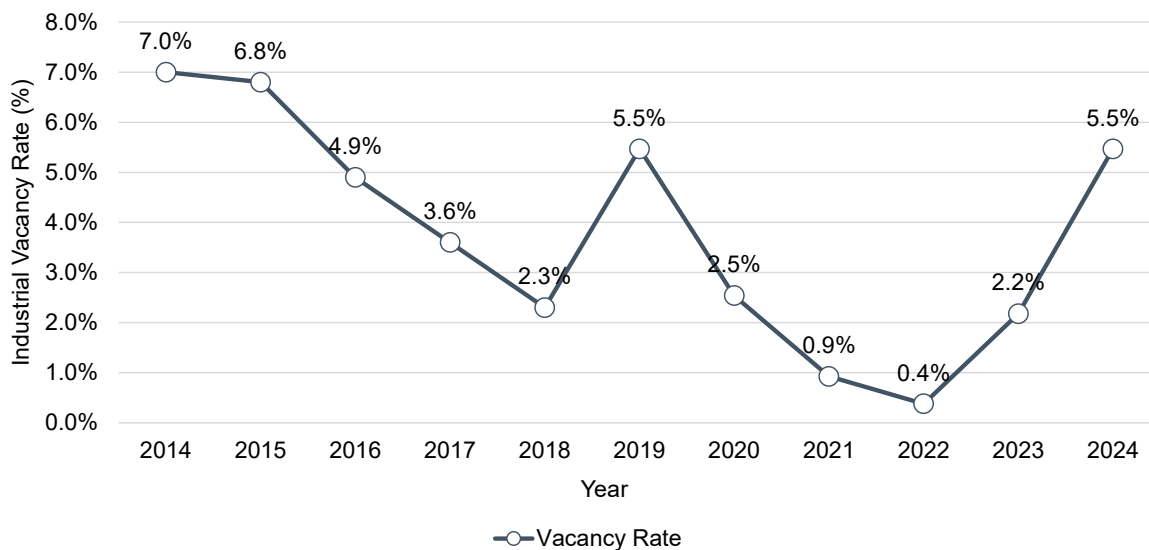
Of the four Townships, most of the industrial development is located in Elmira with large employers such as Tylon TSF, Sanya Machine Works, Elmira Pet Products, Toyota Boshoku, and Southfield Windows & Doors to name a few. Following Woolwich, the second largest industrial area is in the Township of North Dumfries. Industrial development in North Dumfries is primarily located in the Urban Settlement Area of Ayr and along the Highway 401 corridor and the Regional Road 97 corridor.

While there are no market reports for the Townships, the metrics presented below are from the Cities within Waterloo Region; impacts experienced in the Cities would be felt in the Townships as well. Coinciding with the increase in industrial development activity since 2015, vacancy rates for available industrial space gradually declined to relatively low levels of 0.4% during the COVID pandemic, as illustrated in Figure 12. Since that time, industrial vacancy rates increased to 5.5% in 2024. As of Q3 2024, the City of Kitchener had the lowest industrial vacancy rate of 3.7%, followed by the City of



Waterloo (5.9%), and the City of Cambridge (6.4%).^[21] It should be noted that earlier this year, the City of Cambridge introduced approximately 2.2 million sq.ft. of new industrial warehousing space, the majority of which is vacant, which is driving up the City's overall vacancy rate.

Figure 12
Waterloo Region
Annual Industrial Vacancy Rate, 2014 to Q3 2024



Note: Waterloo Region industrial vacancy rates calculated for the City of Kitchener, Waterloo, and Cambridge.

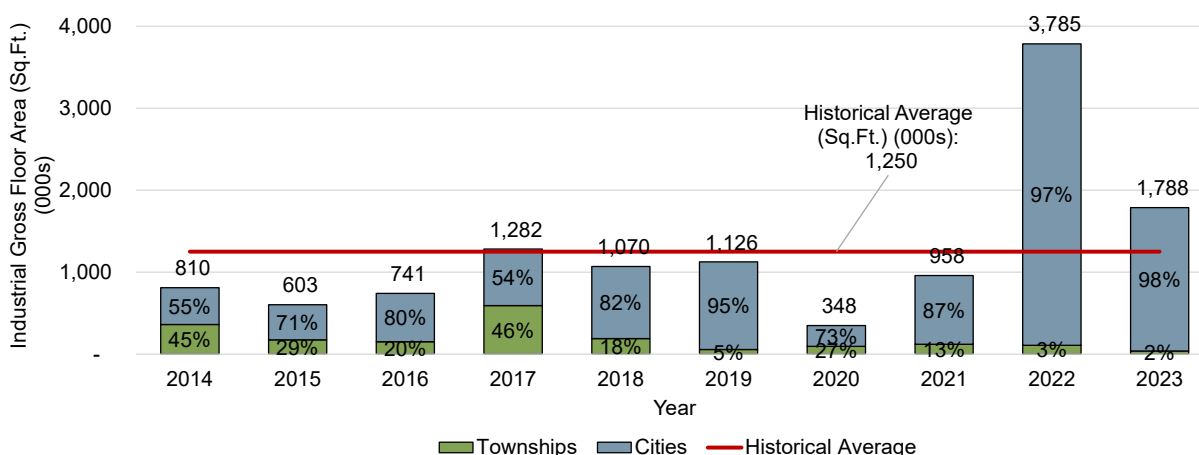
Source: Derived from Colliers Canada Research Waterloo Industrial Market Report by Watson & Associates Economists Ltd.

Figure 13 illustrates annual industrial development activity (new development and expansions) in Waterloo Region over the past decade (2014 to 2023). As shown, industrial development activity averaged approximately 1.25 million sq.ft. (116,100 sq.m) annually over the period. The Township's share of the Regional total ranged between 2% and 46% and accounted for 15% of industrial development over the 2014 to 2023 period.

^[21] Waterloo Region Industrial Market Statistics, Colliers Canada Research, October 18, 2024.



Figure 13
Waterloo Region
Industrial Development Activity, 2014 to 2023



Source: Derived from the Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024.

3.6 Labour Force Characteristics

Having an understanding of the composition and characteristics of a community's labour force is necessary in determining competitiveness. Competitiveness in labour force and employment characteristics is typically assessed based on both demographic and economic indicators, which are meant to provide insight into the existing ability of the labour force to meet demand, and the emerging trends in terms of growth and skills that will influence competitiveness on a longer-term basis.

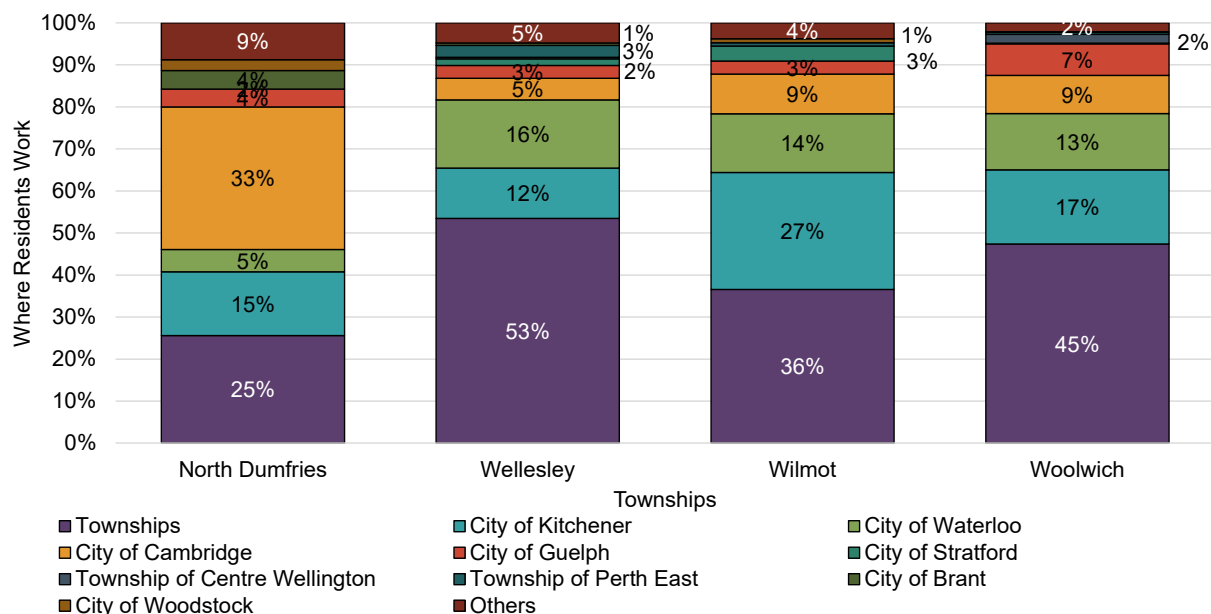
Due to their geographic location within Waterloo Region, the Townships' labour force pool is largely integrated with neighbouring communities.

As shown in Figure 14, approximately 40% of Township residents worked within the Townships in 2021. Beyond the rural Townships of North Dumfries, Wellesley, Wilmot, and Woolwich, 19% were employed in the City of Kitchener, followed by 12% in both the City of Waterloo and the City of Cambridge. These commuting patterns indicate that most residents work within the local Townships and the broader Waterloo Region. Outside of Waterloo Region, only 5% of Township residents commute to the City of Guelph for employment, while the remaining 14% travel to other areas within the



Greater Golden Horseshoe, including Perth County, Wellington County, and parts of the Greater Toronto Area (G.T.A.).

Figure 14
Waterloo Region Townships
2021 Commuting Patterns – Where Residents Work

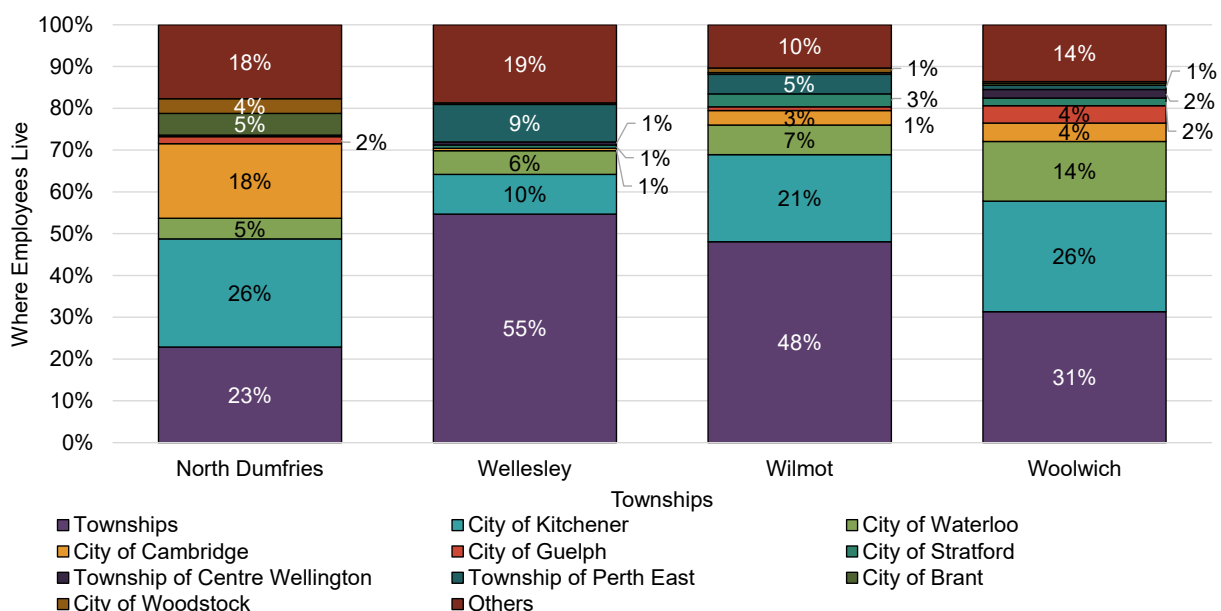


Source: Statistics Canada 2021 Census of Population from Table 98-10-0459-01, summarized by Watson & Associates Economists Ltd.

Figure 15 illustrates the residential distribution of employees commuting to work in the Townships in 2021. Approximately 40% of employees both live and work within the Townships. Among those residing outside the Townships, about 26% commute from the City of Kitchener, followed by 12% from the City of Waterloo, and 7% from the City of Cambridge. Collectively, this indicates that approximately 85% of the workforce resides within the Region of Waterloo. The remaining 15% of employees commute from surrounding areas, including Wellington County, Perth County, and Oxford County, with less than 1% travelling from the Greater Toronto and Hamilton Area.



Figure 15
Waterloo Region Townships
2021 Commuting Patterns – Where Employees Live



Source: Statistics Canada 2021 Census of Population from Table 98-10-0459-01, summarized by Watson & Associates Economists Ltd.

3.7 The Townships' Local Growth Trends

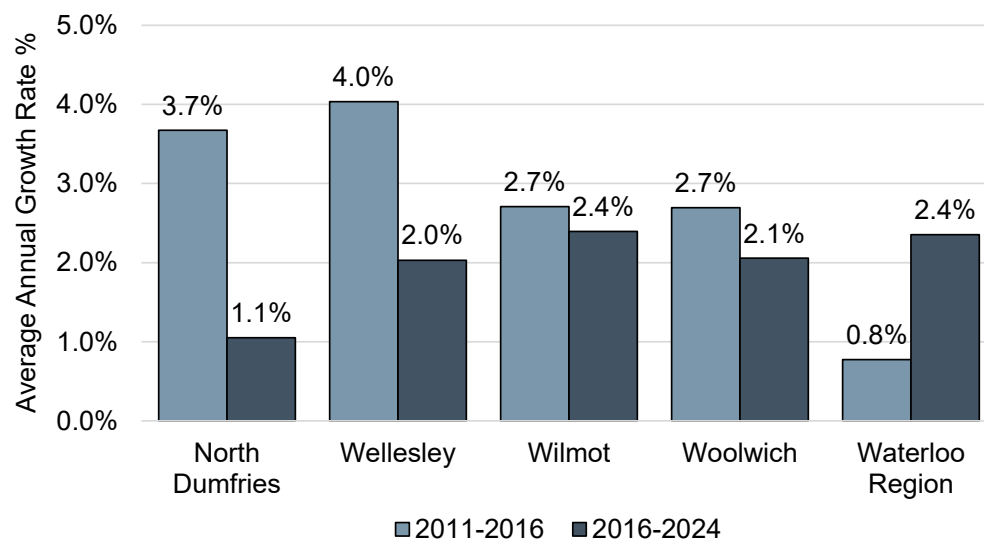
3.7.1 Population and Employment Growth Trends

Figure 16 illustrates the historical employment growth rates in each of the Townships over the 2011 to 2024 period in comparison to Waterloo Region's average. As shown in Figure 16, from 2011 to 2016, the employment growth rates in the Townships were generally higher than Waterloo Region's annual average growth rate of 0.8%. Wellesley and North Dumfries, with growth rates of 4.0% and 3.7%, respectively, significantly exceeded the regional average. From 2016 to 2024, however, as regional growth increased to 2.4%, the employment growth rates in the Townships slowed, aligning more closely with, or falling below, the regional average. While Woolwich and Wilmot remained relatively stable with slight declines, Wellesley and North Dumfries experienced a more pronounced slowdown.



Wellesley recorded the highest employment growth rate between 2011 and 2016 at 4.0%, but its average annual growth rate slowed to 2.0% between 2016 and 2024. North Dumfries saw a significant decline in employment growth, from 3.7% (2011 to 2016) to 1.1% (2016 to 2024), largely attributed to a slowdown in employment land employment growth. Woolwich and Wilmot maintained relatively stable employment growth, with only slight declines in their annual growth rates between the two periods.

Figure 16
Waterloo Region's and the Townships' Average Annual
Employment Growth Rates, 2011 to 2024



Source: 2011 and 2016 data from Statistics Canada Census data, 2024, estimated by Watson & Associates Economists Ltd., 2024.

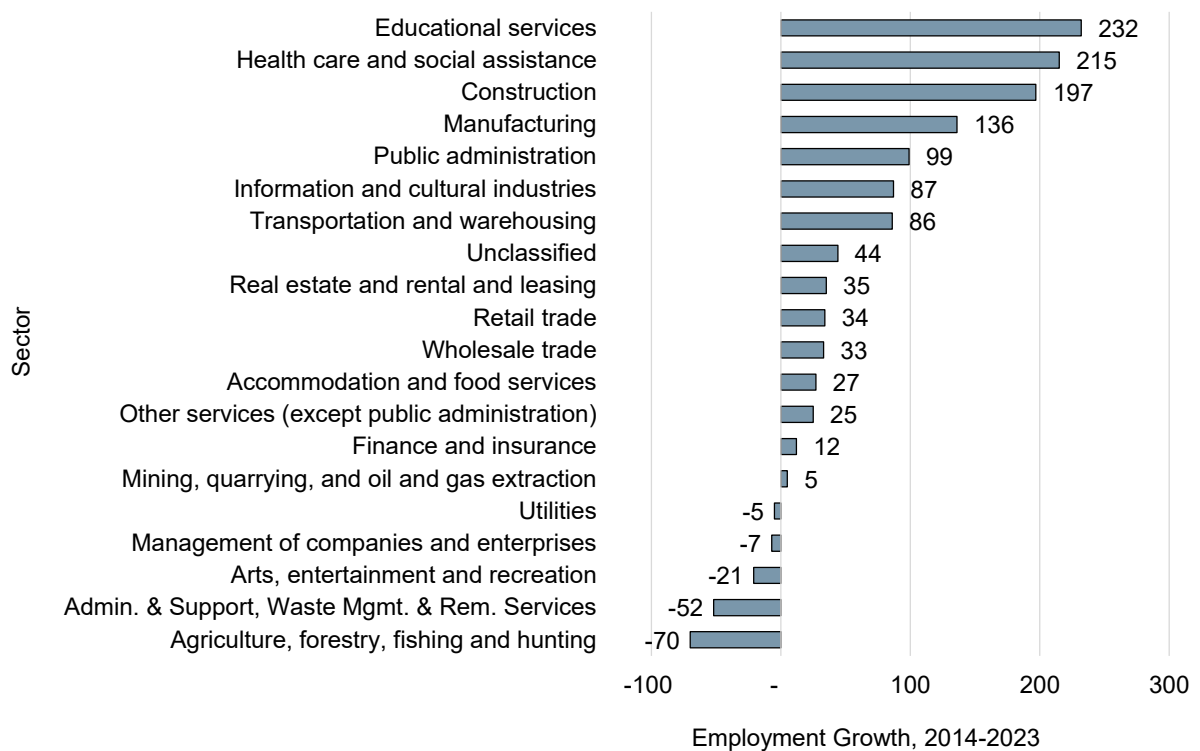
3.7.2 Employment Growth by Sectors

Figure 17 through Figure 20 summarize the employment changes by industry sector in the Region's Townships from 2014 to 2023. The data highlights that the strongest growth occurred in sectors such as construction; educational services; manufacturing; professional, scientific and technical services; health care and social assistance; public administration; information and cultural industries; transportation and warehousing; administrative and support, waste management and remediation services; and retail trade. Sectors like accommodation and food services; real estate and rental leasing; utilities; and management of companies and enterprises showed moderate growth, while sectors such as agriculture, forestry, fishing and hunting; wholesale trade; arts,



entertainment and recreation; and mining, quarrying, and oil and gas extraction experienced a decline in employment during this period in the Waterloo Region Townships.

Figure 17
Township of North Dumfries
Employment Growth by Sector, 2014 to 2023

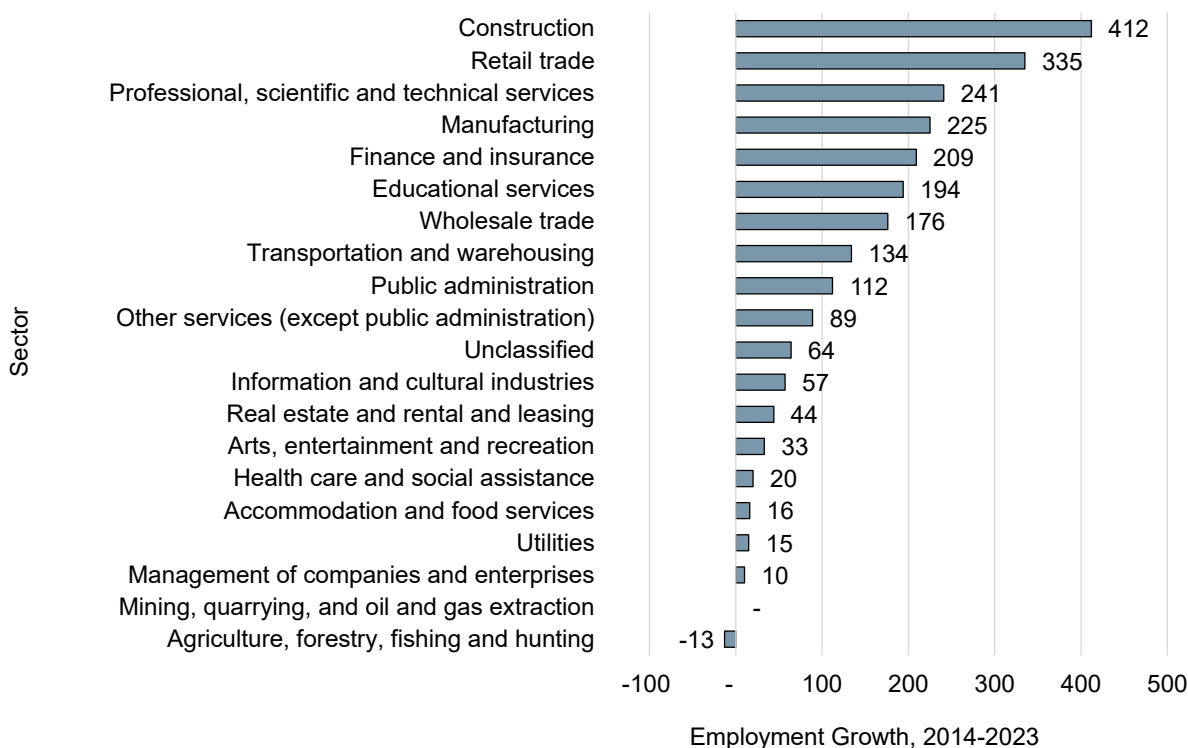


Note: Employment metrics include both employees and self-employed.

Source: Derived from Lightcast data, available through OMAFRA Analyst, based on two-digit NAICS classifications by Watson & Associates Economists Ltd., 2024. Lightcast data provides comprehensive labour market and economic insights, including employment trends, industry performance, and regional workforce information.



Figure 18
Township of Wellesley
Employment Growth by Sector, 2014 to 2023

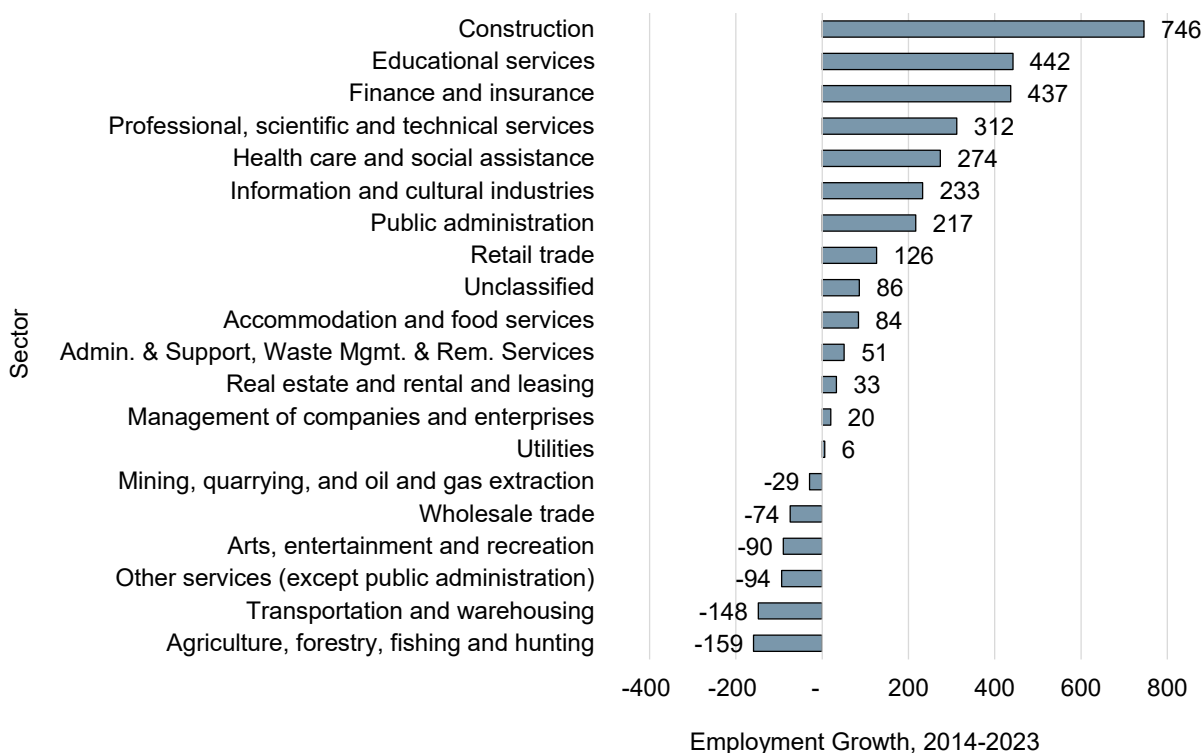


Note: Employment metrics include both employees and self-employed.

Source: Derived from Lightcast data, available through OMAFRA Analyst, based on two-digit NAICS classifications by Watson & Associates Economists Ltd., 2024. Lightcast data provides comprehensive labour market and economic insights, including employment trends, industry performance, and regional workforce information.



Figure 19
Township of Wilmot
Employment Growth by Sector, 2014 to 2023

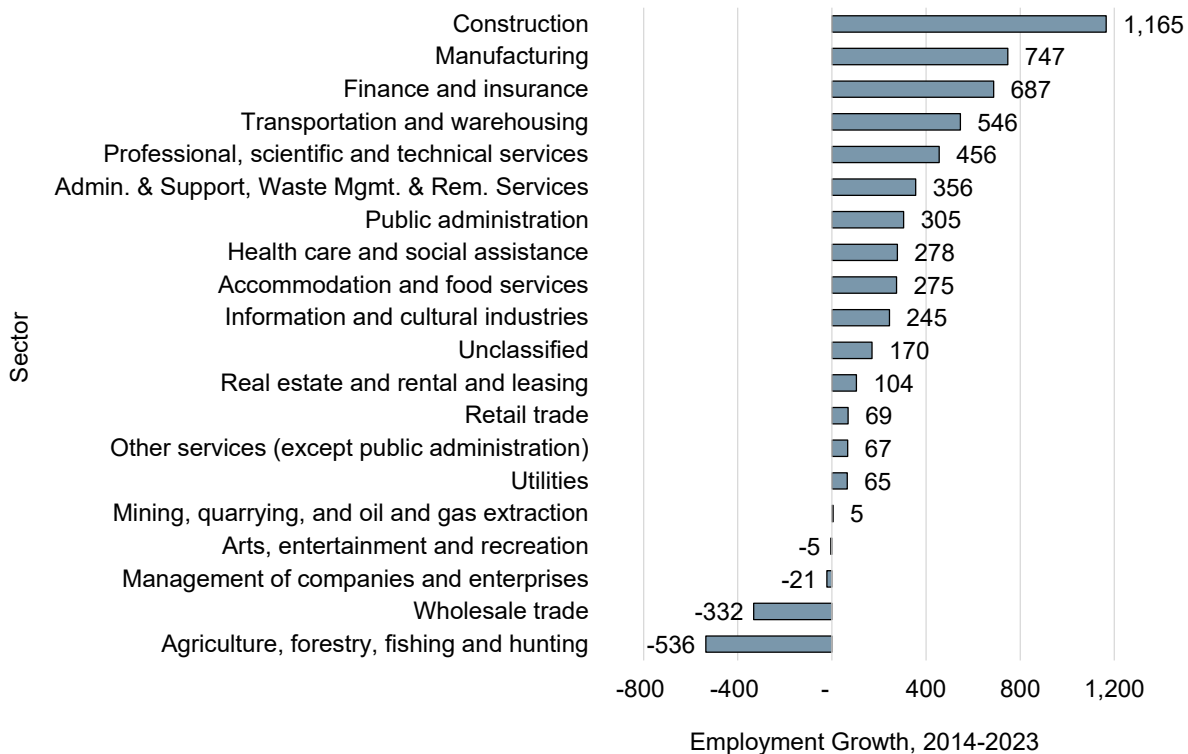


Note: Employment metrics include both employees and self-employed.

Source: Derived from Lightcast data, available through OMAFRA Analyst, based on two-digit NAICS classifications by Watson & Associates Economists Ltd., 2024. Lightcast data provides comprehensive labour market and economic insights, including employment trends, industry performance, and regional workforce information.



Figure 20
Township of Woolwich
Employment Growth by Sector, 2014 to 2023



Note: Employment metrics include both employees and self-employed.

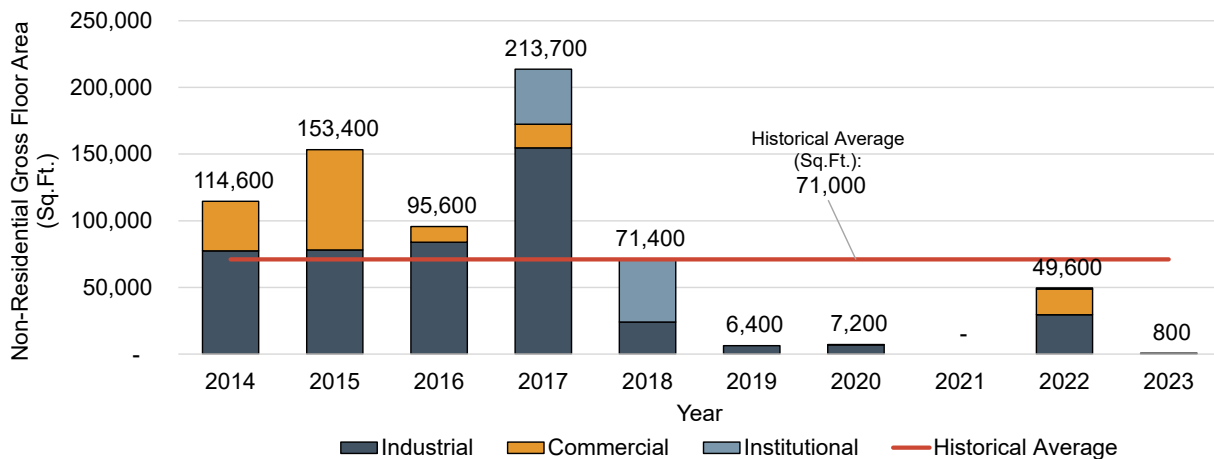
Source: Derived from Lightcast data, available through OMAFRA Analyst, based on two-digit NAICS classifications by Watson & Associates Economists Ltd., 2024. Lightcast data provides comprehensive labour market and economic insights, including employment trends, industry performance, and regional workforce information.

Figure 21 through Figure 24 summarize building construction (new development and expansions) within each of the Townships over the 2014 to 2023 period, expressed in building gross floor area (G.F.A.). Key observations include the following:

- Among the Waterloo Region Townships, Woolwich experienced the highest level of non-residential development over the 2014 to 2023 period, with an historical average of 139,000 sq.ft., followed by Wellesley at 88,000 sq.ft., North Dumfries at 71,000 sq.ft., and Wilmot at 37,000 sq.ft.
- Over the 2014 to 2023 period, Wellesley had the highest share of industrial development within its total development, accounting for 69%, followed by North Dumfries at 65%, and both Wilmot and Woolwich at 46%.

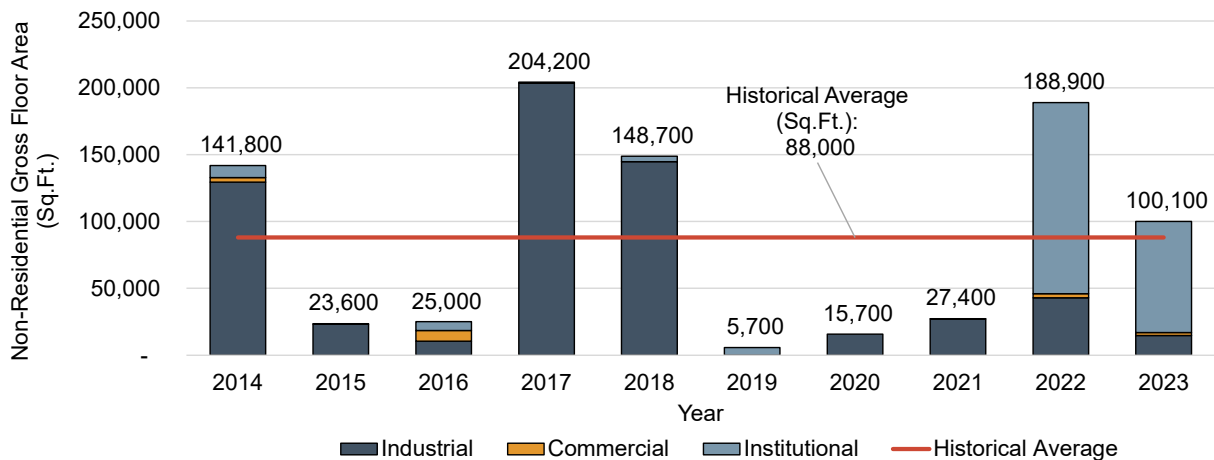


Figure 21
Township of North Dumfries
Non-Residential Development Activity, 2014 to 2023



Source: Derived from the Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024.

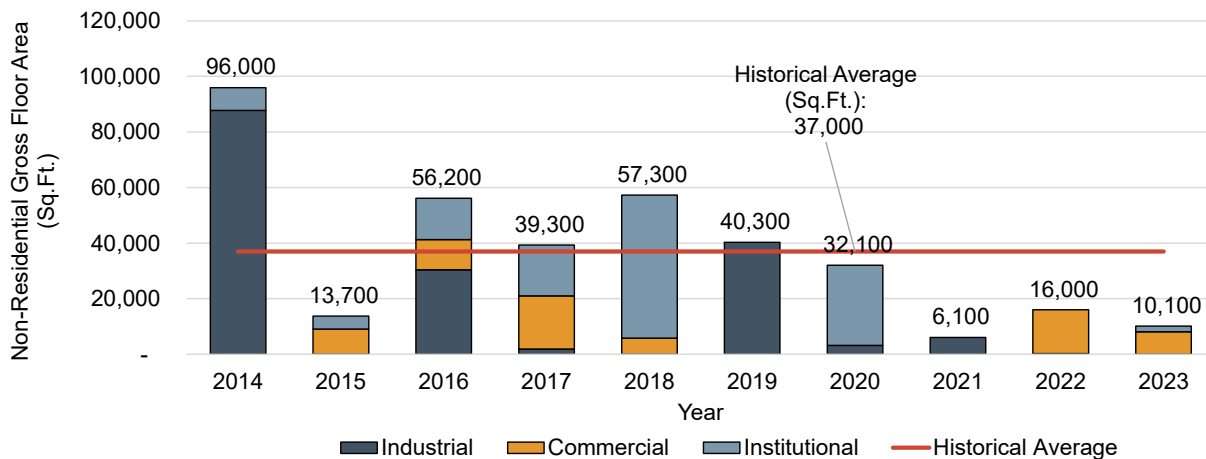
Figure 22
Township of Wellesley
Non-Residential Development Activity, 2014 to 2023



Source: Derived from the Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024.

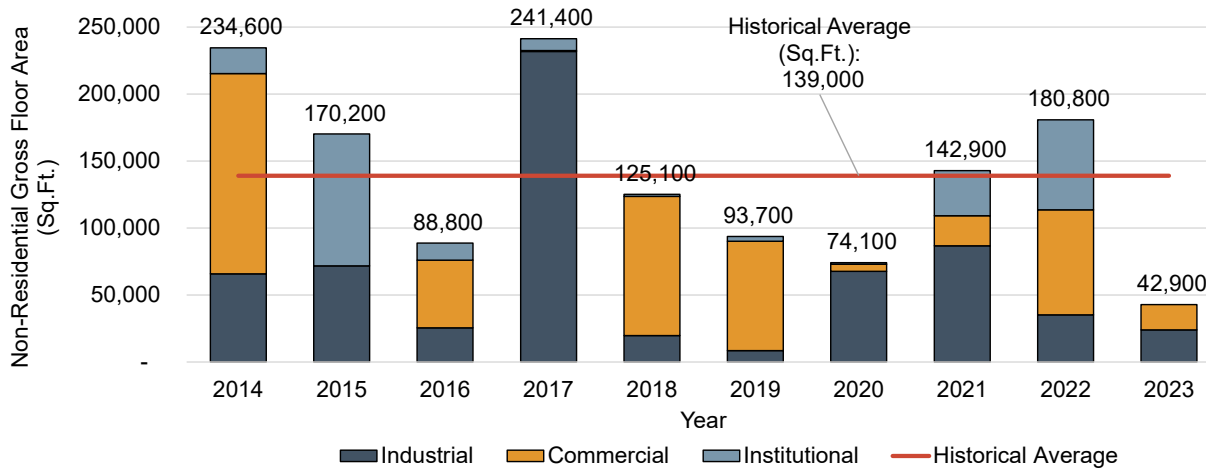


Figure 23
Township of Wilmot
Non-Residential Development Activity, 2014 to 2023



Source: Derived from the Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024.

Figure 24
Township of Woolwich
Non-Residential Development Activity, 2014 to 2023



Source: Derived from the Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024.



3.8 Observations

Over the planning horizon, Waterloo Region is anticipated to experience continued employment growth, building on development trends experienced over the past decade. A broad range of considerations related to demographics, economics, and socio-economics are anticipated to impact future employment growth trends throughout the Townships over the next three decades. These factors will not only affect the rate and magnitude of growth but will also influence the form, density, and location of non-residential development and land needs.

For the Townships, the industrial sector represents a significant source of employment and economic development. In the coming years, the Townships will continue to encounter opportunities and challenges concerning the management and marketability of their Employment Areas, particularly as they respond to wider industry forces and an evolving provincial policy framework.

As a result of continuing structural changes occurring in the macro-economy, it is important to recognize that the above-mentioned trends will generate both positive and disruptive economic impacts related to labour force demand, industrial space requirements, and long-term Employment Area land needs. Ultimately, this will continue to influence local planning and economic development initiatives.

4. Waterloo Townships Employment Areas Profile

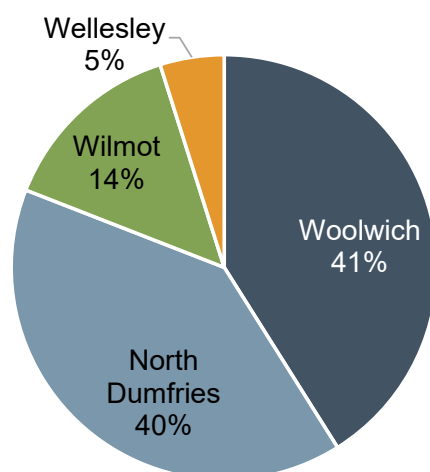
4.1 Overview

The Townships have a large and diverse existing Employment Area lands base, totalling approximately 900 net hectares (2,224 net acres) of developed Employment Area land within the Urban and Rural Settlement Areas.^[22] Of the total 900 hectares of developed Employment Area land in the Townships, 41% is located in Woolwich, 40% in North Dumfries, 14% in Wilmot, and 5% in Wellesley, as shown in Figure 25.

^[22] The Employment Area lands base presented does not reflect the Wilmot Industrial Mega Site.



Figure 25
Share of Developed Employment Lands by Township



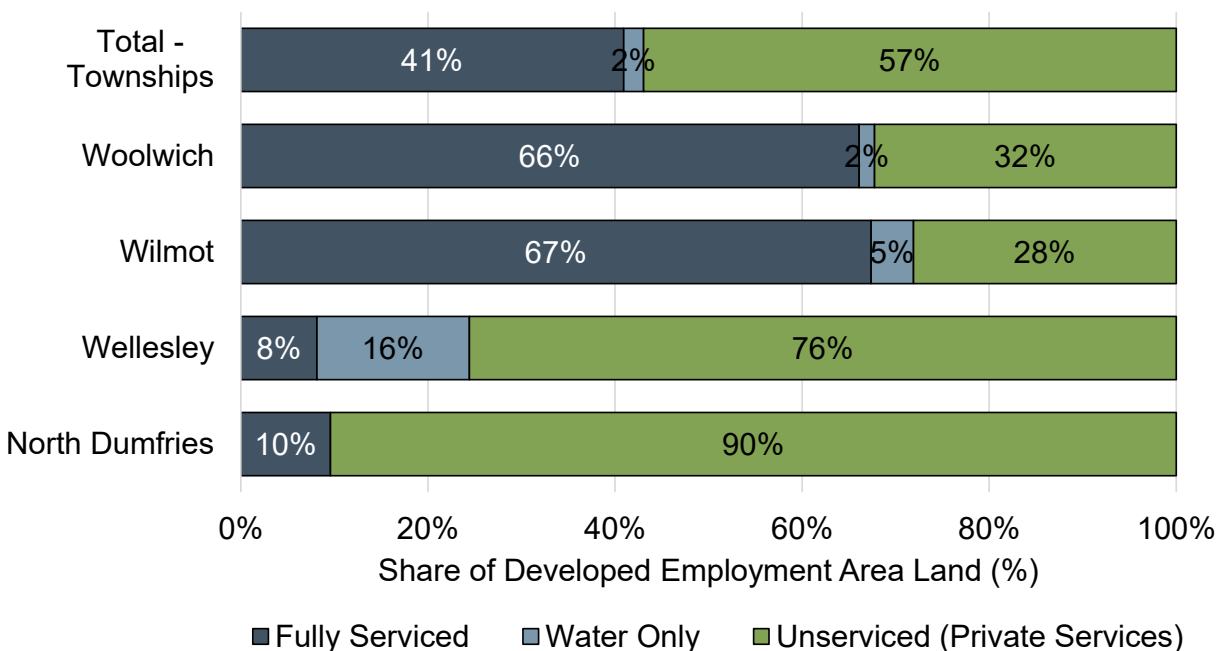
Source: Derived from the Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024.

Figure 26 illustrates the developed Employment Area land across all four Townships by servicing status.^[23] As shown, 57% of the developed employment land is unserviced (privately serviced), 41% is fully serviced, and 2% has water service only. Among the four Townships, Wilmot and Woolwich have the highest shares of fully serviced, developed, Employment Area land, at 67% and 66%, respectively. In contrast, North Dumfries and Wellesley have the highest shares of unserviced privately serviced, developed, Employment Area land, at 90% and 76%, respectively.

^[23] Developed Employment Area lands include designated parcels which are occupied/ utilized by a permitted business or economic activity.



Figure 26
Waterloo Townships
Developed Employment Area Land by Servicing Status



Source: Derived from the Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024.

As illustrated in Figure 27, there are a variety of Employment Areas across the Townships, which comprise a range and mix of employment uses. Employment Areas are located in both settlement areas with either full municipal services (water and wastewater) or partial municipal services (water only), and within rural areas with private servicing (no municipal water and wastewater servicing).



Figure 27
Employment Areas in the Townships with Servicing Status

Municipality	Urban Employment Areas (Fully Serviced)	Partially Serviced Employment Areas	Rural Employment Areas (Private Servicing)
North Dumfries	• Ayr Urban Centre		• Highway 24 Rural Employment Area • Highway 401/Regional Road 97 Rural Employment Area • Highway 401 & Township Road 2 Rural Employment Area • Regional Roads 58 & 3 Rural Employment Area • Township Road 17 Rural Employment Area • Highway 401/Regional Road 46 Rural Employment Area
Wilmot	• Baden • New Hamburg		• New Dundee Rural Settlement Area • Petersburg Rural Settlement Area • St. Agatha Rural Settlement Area
Wellesley	• Wellesley	St. Clements Hawkesville Linwood	• Schneider Rural Employment Area • Wellesley Rural Employment Area • M.K. Martin Rural Employment Area
Woolwich	• Breslau • Stockyards	• St. Jacobs • Elmira	• Bast Place Industrial/Commercial Area • Nelson Monuments Industrial Area

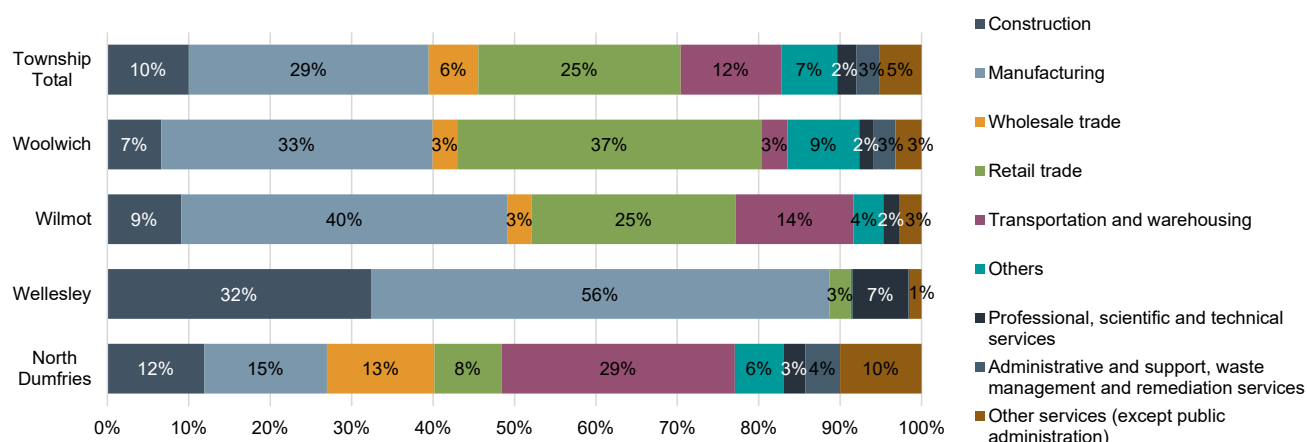


4.2 Employment and Economic Characteristics of Employment Areas

The Townships' existing developed and designated employment lands accommodate approximately 8,600 jobs.^{[24][25]} This includes 1,600 jobs in North Dumfries, 600 jobs in Wellesley, 1,100 jobs in Wilmot, and 5,300 jobs in Woolwich.

As illustrated in Figure 28, 29% of the Township's employment on employment lands is in the manufacturing sector, followed by 25% in retail trade, 12% in transportation and warehousing, 10% in construction, 6% in wholesale trade, and 2% in professional, scientific and technical services. The remaining employment is largely in other service-oriented sectors.

Figure 28
The Townships' Employment on Employment Lands, 2024



Note: Others include Information and cultural industries, finance and insurance; real estate and rental and leasing; educational services; health care and social assistance; arts, entertainment and recreation; and accommodation and food services.

Source: Derived from 2024 Waterloo Region Work Count Survey by Watson & Associates Economists Ltd.

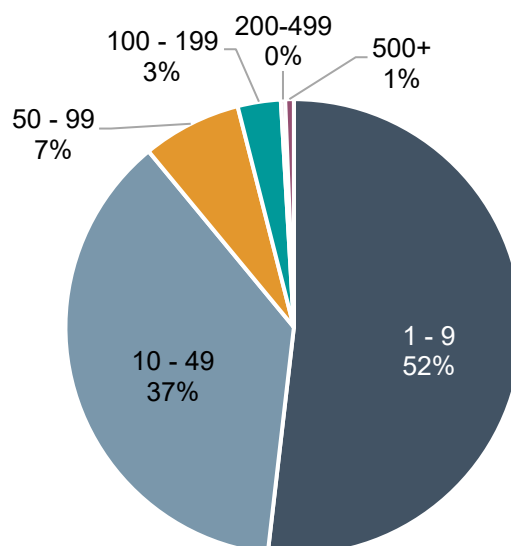
^[24] Derived from 2024 Waterloo Region Work Count Survey by Watson & Associates Economists Ltd.

^[25] 2024 Waterloo Region Work Count Survey data reflects only those jobs and businesses that responded to the survey and may not represent all employment activity in the area.



The employment lands in the Waterloo Region Townships are home to approximately 330 businesses. Approximately one half of businesses located on employment lands have less than 10 employees, as shown in Figure 29. This suggests that the Townships' Employment Areas, while accommodating many larger employers, are also home to a wide range of smaller-scale businesses.

Figure 29
Waterloo Region
Share of Businesses on Employment Lands by Number of Employees, 2024



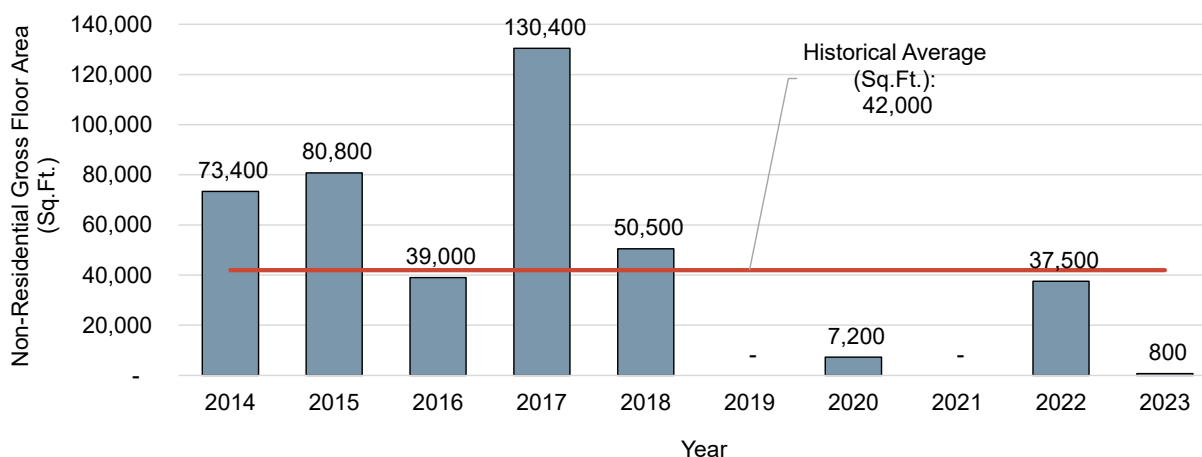
Source: Derived from 2024 Waterloo Region Work Count Survey by Watson & Associates Economists Ltd.

4.3 Non-Residential Development Trends on Employment Lands

Figure 30 through Figure 33 summarize building construction (new development and expansions) within the Townships' designated employment lands over the 2014 to 2023 period, expressed in building G.F.A. As illustrated, the Townships accommodated an average of 14,500 sq.m (156,000 square feet) of development within current designated Employment Area lands annually over the 10-year period. This development largely comprises industrial space, as well as some commercial and institutional building space.

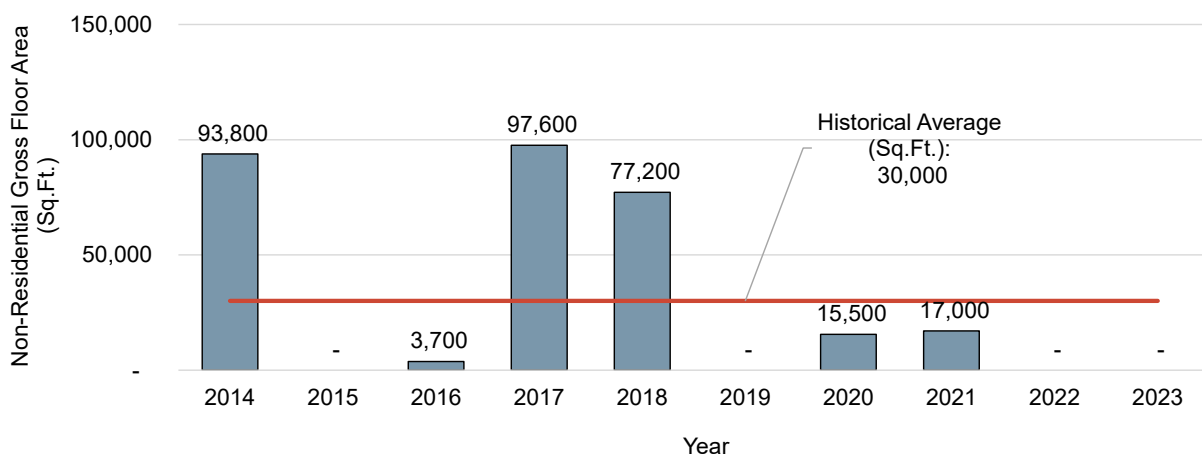


Figure 30
Township of North Dumfries
Annual Development Activity on Employment Area Lands, 2014 to 2023



Source: Derived from Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024.

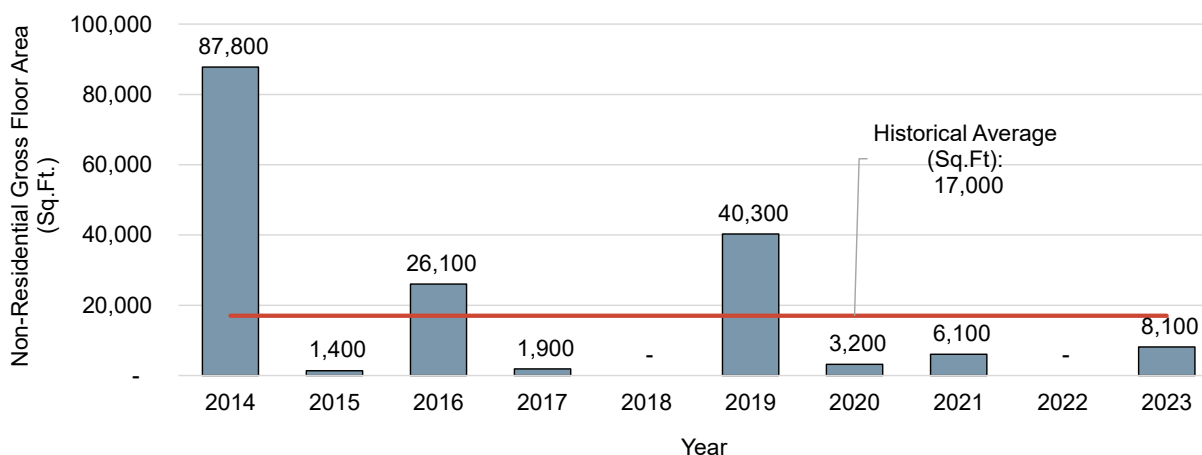
Figure 31
Township of Wellesley
Annual Development Activity on Employment Area Lands, 2014 to 2023



Source: Derived from Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024.

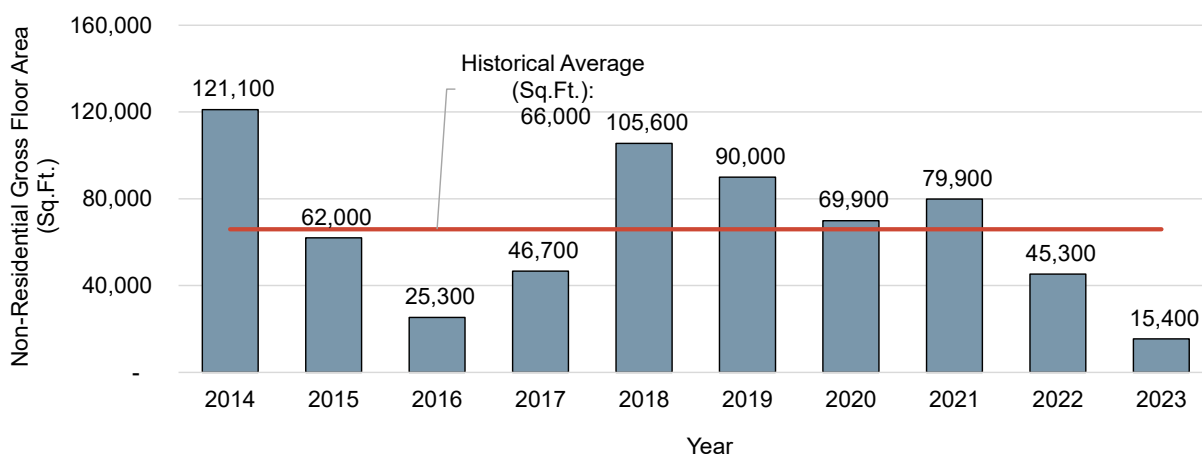


Figure 32
Township of Wilmot
Annual Development Activity on Employment Area Lands, 2014 to 2023



Source: Derived from Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024.

Figure 33
Township of Woolwich
Annual Development Activity on Employment Area Lands, 2014 to 2023



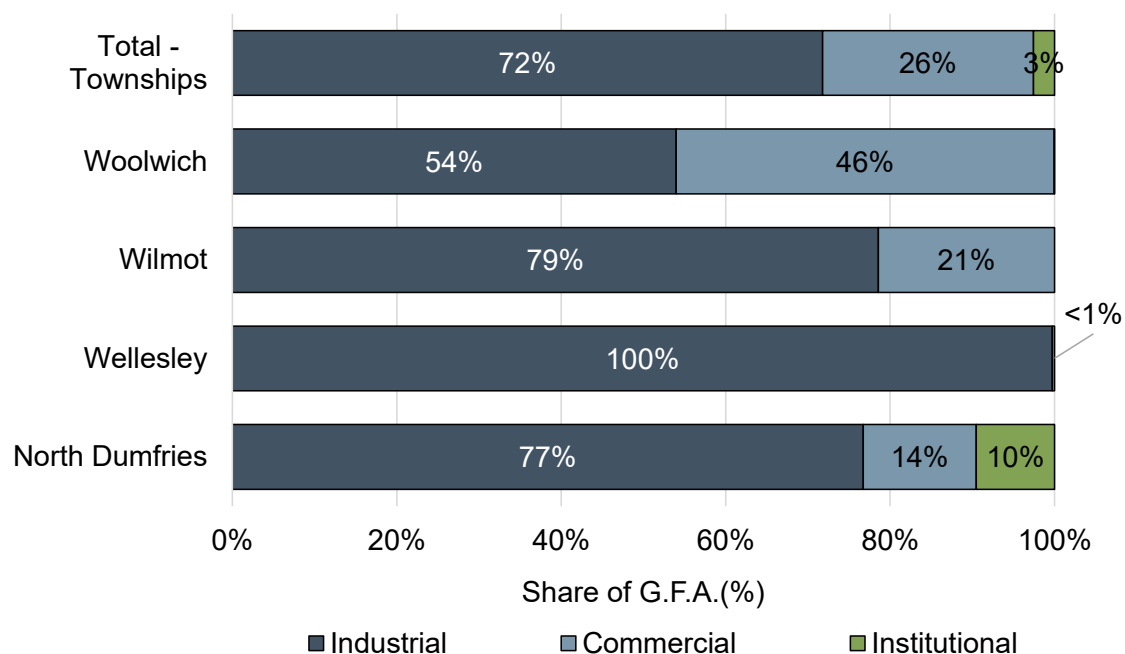
Source: Derived from Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024.



Over the 2014 to 2023 period, new construction accounted for 62% of development activity within Employment Areas, compared to 38% for additions/expansions.^[26]

As illustrated in Figure 34, over the 2014 to 2023 period, 72% of development on Employment Area lands was within the industrial sector in the Waterloo Region Townships. A large share of the industrial development is attributed to the industrial developments within Woolwich (357,000 sq.ft.), North Dumfries (322,000 sq.ft.), followed by Wellesley (304,000 sq.ft.), and Wilmot (137,000 sq.ft.). This is compared to commercial and institutional sectors, which accounted for 26% and 3% of total G.F.A. development within the Waterloo Region Townships, respectively.

Figure 34
Waterloo Region Townships
Development Activity on Employment Area Lands by Major Sector, 2014 to 2023



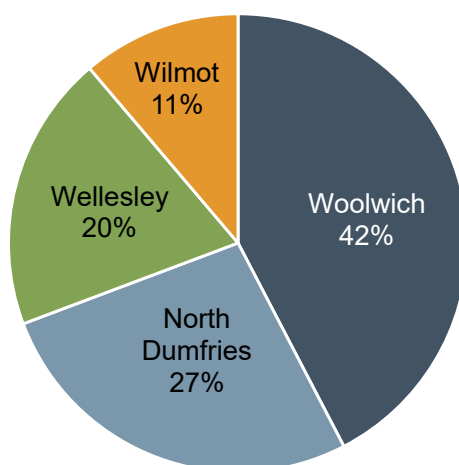
Source: Gross floor area (G.F.A.) data provided by Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024.

^[26] Watson & Associates Economists Ltd. estimate based on historical development activity.



Over the 2014 to 2023 period, 42% of the development within the Waterloo Region Townships' Employment Area lands was accommodated in Woolwich, followed by 27% in North Dumfries, 20% in Wellesley, and 11% in Wilmot, as shown in Figure 35.

Figure 35
Waterloo Region Townships
Non-Residential Building Permit Activity on Employment Area Lands by Township,
2014 to 2023



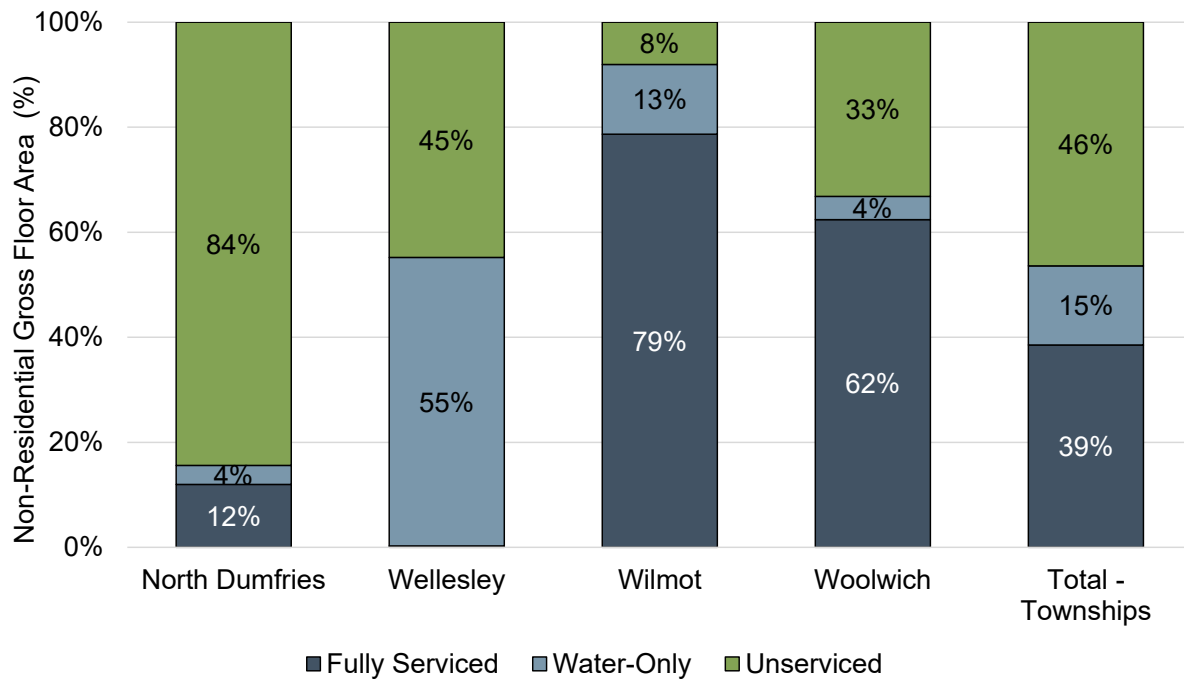
Source: Derived from Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024.

Figure 36 illustrates non-residential development activity on Employment Area lands within the Waterloo Region Townships by servicing type over the 2014 to 2023 period. Key observations include the following:

- Of the total non-residential development activity on Employment Area lands within the Waterloo Region Townships, 46% were on unserviced lands, 39% were on fully serviced lands, and 15% were on water-only serviced lands.
- Most non-residential development activity in Wilmot and Woolwich occurred on fully serviced lands.
- North Dumfries had the highest share of non-residential development on unserviced lands.
- Wellesley had the highest share of development on water-only lands.



Figure 36
Waterloo Region Townships
Non-Residential Building Permit Activity on Employment Area Lands by Servicing Type,
2014 to 2023



Source: Derived from Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024.

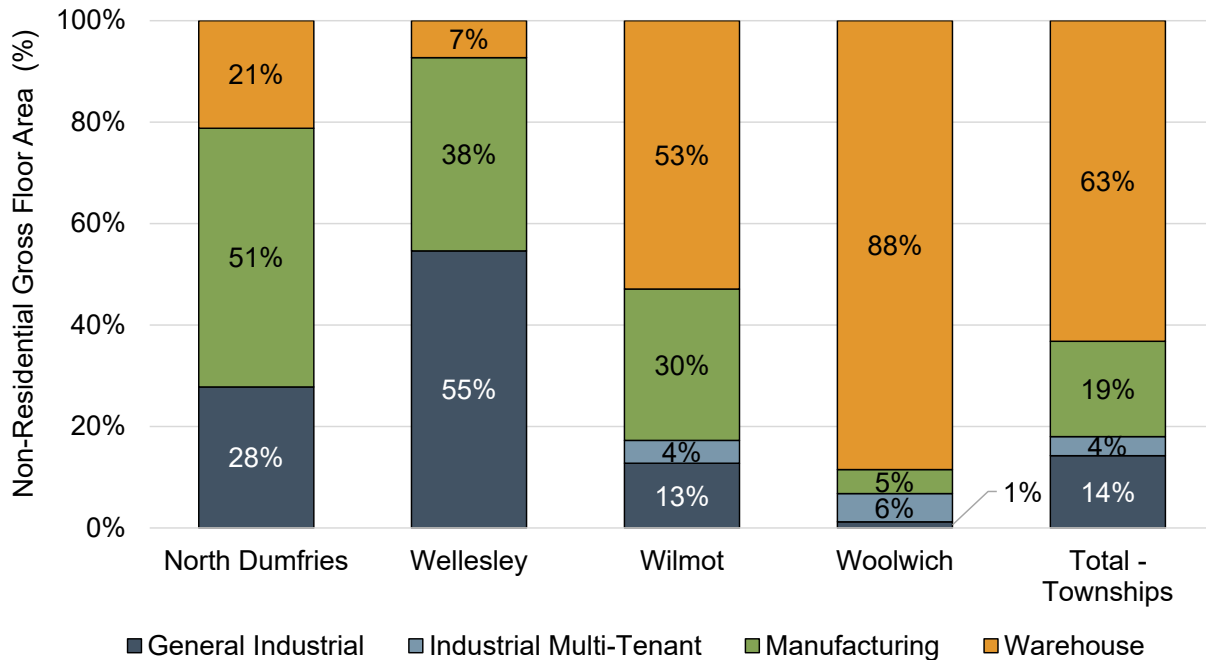
Figure 37 illustrates industrial development activity on Employment Area lands within the Waterloo Region Townships by sector over the 2014 to 2023 period. Key observations include the following:

- Of the total industrial development activity on Employment Area lands within the Waterloo Region Townships, 63% were warehouses, 19% were manufacturing, 4% were industrial multi-tenant, and 14% were general industrial.
- Woolwich and Wilmot had the highest shares of warehouse developments over the 2014 to 2023 period.
- Among the Waterloo Region Townships, North Dumfries had the highest share of manufacturing development, followed by Wellesley.

Wellesley had the highest share of general industrial development on Employment Area lands, followed by North Dumfries.



Figure 37
Waterloo Region Townships
Non-Residential Building Permit Activity on Employment Area Lands by Industrial
Development Type, 2014 to 2023



Source: Derived from Region of Waterloo building permits data (new development and expansions) by Watson & Associates Economists Ltd., 2024. Note – data reflects development activity within designated Employment Areas and excludes on farm businesses.

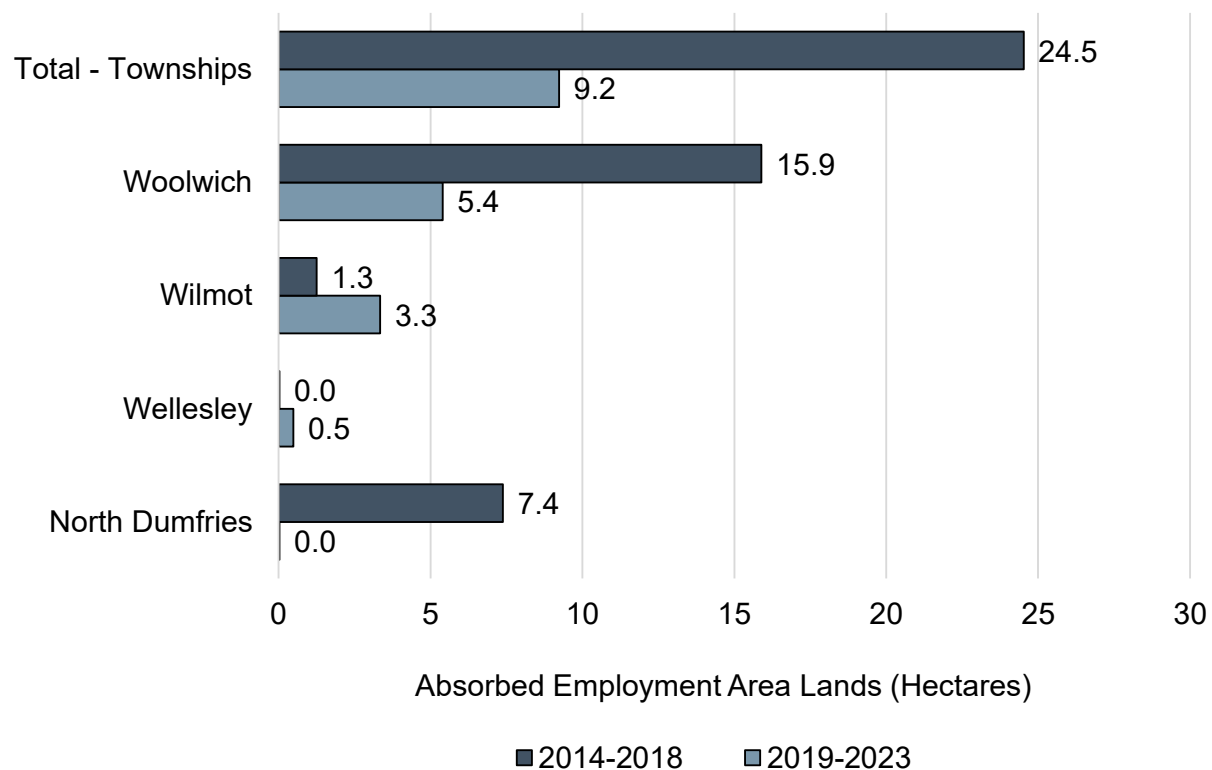
4.4 Employment Area Land Absorption Trends

Figure 38 provides a summary of the absorption of Employment Area lands within the Townships over two five-year periods in five-year increments over the past 10 years (i.e., 2014 to 2018 and 2019 to 2023). Over the 2014 to 2023 period, a total of 33.8 hectares (83.4 acres) of Employment Area lands were absorbed in Woolwich, North Dumfries, Wilmot, and Wellesley.

As shown in Figure 38, of the total Employment Area lands absorbed during this period, Woolwich and North Dumfries experienced greater land absorption from 2014 to 2018 compared to 2019 to 2023. In contrast, Wilmot and Wellesley saw higher land absorption in the more recent period, from 2019 to 2023, than in the earlier period.



Figure 38
Waterloo Region Townships
Employment Area Lands Absorption (net hectares), 2014 to 2018 and 2019-2023

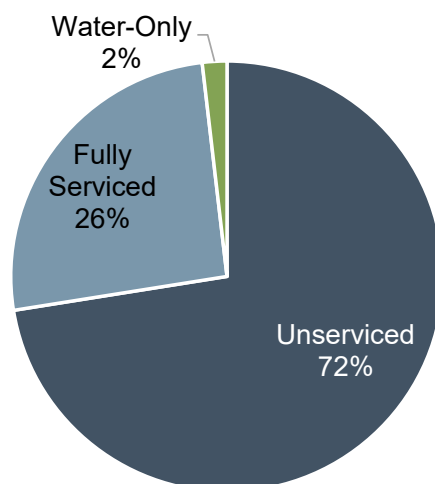


Source: Derived from Region of Waterloo data by Watson & Associates Economists Ltd., 2024.

Figure 39 illustrates absorbed Employment Area lands within the Waterloo Region Townships by servicing type over the 2014 to 2023 period. Of the total land absorbed during this time, 72% were on unserviced lands, 26% were on fully serviced lands, and 2% were on water-only serviced lands.



Figure 39
Waterloo Region Townships
Employment Area Lands Absorbed, by Servicing, 2014 to 2023

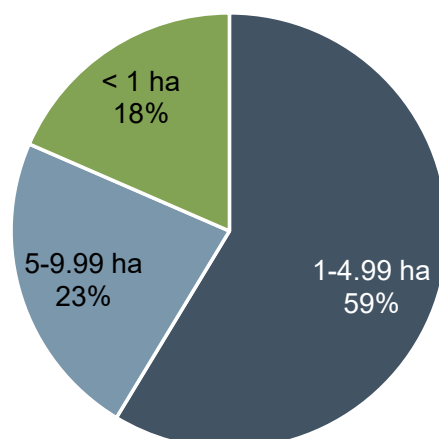


Source: Derived from Region of Waterloo data by Watson & Associates Economists Ltd., 2024.

Employment land absorption comprised a broad range of parcel sizes in the Waterloo Region Townships over the 2014 to 2023 period. Approximately one half (59%) of the land absorbed over the period consisted of parcels between 1 and 5 net hectares (2.5 to 12.4 net acres) in size, as summarized in Figure 40. Meanwhile, parcels from 5 to 10 net hectares (12.4 to 24.7 net acres) in size accounted for 23% of the total. Smaller parcels (less than 1 net hectare) accounted for 18% of absorbed parcels.



Figure 40
Waterloo Region Townships
Employment Area Lands Absorbed, by Parcel Size, 2014 to 2023



Source: Derived from Region of Waterloo data by Watson & Associates Economists Ltd., 2024.

4.5 Employment Lands Supply Opportunities

One of the most critical aspects related to the economic competitiveness of the Waterloo Region Townships is the marketability and availability of their Employment Area land base relative to the surrounding market area. It is critical that the Townships continue to plan for employment uses with consideration given to market demand and trends.

4.5.1 *Vacant Designated Employment Lands Inventory*

The Consultant Team reviewed all parcels designated for employment uses within the Waterloo Region Townships. The vacant Employment Area land inventory was developed using geographic information system-based mapping software with various mapping overlays, including O.P. designation layers and orthophotos. Furthermore, a windshield survey of the Employment Areas was completed to refine the analysis. Employment land inventory mapping is provided in Appendix B.



Figure 41 summarizes the total gross and net vacant designated Employment Area lands in the Waterloo Region Townships (as of the end of 2023) by Employment Area. As shown, the Townships collectively have a total of 354 gross hectares (875 gross acres) of vacant designated Employment Area land. The gross land area reflects reductions for environmental features identified as Environmental Protection Areas in the Region's O.P. and zoning by-laws.

In determining the net Employment Area lands, larger vacant parcels (i.e., 4 hectares or greater) that are not subdivided were subjected to an additional downward adjustment to account for internal infrastructure (e.g., roads, stormwater ponds, easements), with a net to gross adjustment of 80%. Based on these adjustments for internal infrastructure, the designated vacant Employment Area lands in the Townships are estimated at 297 net hectares (734 net acres).

For the assessment of net developable vacant Employment Area lands, potentially constrained lands were identified and excluded from the total available land.^[27] The net developable, vacant, designated Employment Area lands in the Townships are estimated at 204 net hectares (504 net acres), as shown in Figure 41.

^[27] Potentially constrained lands are areas that may not be suitable for development due to barriers such as environmental protections, landowner unwillingness, and parcel fragmentation.



Figure 41
Waterloo Region Townships
Vacant, Designated Employment Area Lands (hectares)

Employment Area	Total Gross Vacant ^[1] A	Adjustment for Roads and Other Internal Infrastructure ^[2] B	Net Vacant Employment Area Lands C = A - B	Net Potentially Constrained Vacant Employment Area Lands	Net Developable Vacant Employment Area Lands
North Dumfries	153.5	29.1	124.4	46.6	77.8
Ayr	41.4	8.2	33.2	29.9	3.3
Hwy. 401 & Regional Road 46 Industrial Area	7.3	1.5	5.8	-	5.8
Hwy. 401 & Regional Road 97 Industrial Area	43.9	7.3	36.6	16.7	19.9
Rural	60.9	12.2	48.7	-	48.7
Wellesley	8.9	1.8	7.1	-	7.1
Crosshill	0.4	0.1	0.3	-	0.3
Schneider Industrial/Commercial	7.3	1.5	5.8	-	5.8
Rural	1.2	0.2	1.0	-	1.0
Wilmot	82.9	14.8	68.1	3.7	64.4
Baden	6.9	0.7	6.2	3.7	2.5
New Dundee	0	-	0	-	0
New Hamburg	62.7	11.6	51.1	-	51.1
Petersburg	0.5	-	0.5	-	0.5
Rural	12.8	2.6	10.3	-	10.3
Woolwich	108.7	11.1	97.6	42.9	54.7
Breslau	33.3	-	33.3	-	33.3
Elmira	35.2	4.4	30.8	16.2	14.6
Industrial/Commercial Area & King and 86 Power Centre - Stockyard	6.5	-	6.5	-	6.5
South Breslau	6.2	1.2	5.0	4.7	0.3
St. Jacobs	23.7	4.7	19.0	18.9	0.1
Rural	3.9	0.8	3.1	3.1	-
Grand Total (hectares)	354.0	56.8	297.2	93.3	203.9

Note: Numbers may not add due to rounding.

^[1] Reflects environmental takeouts.

^[2] A downward adjustment of 20% of the gross area has been applied to account for internal infrastructure on unsubdivided parcels typically greater than 4 hectares.

Source: Watson & Associates Economists Ltd., 2024.

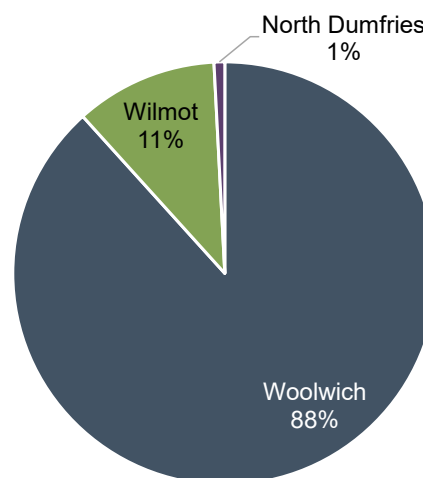


4.5.2 Serviced and Ready-to-Develop Employment Land Supply

As previously stated, market choice of serviced and ready-to-develop Employment Area lands and the potential for future expansion are key factors in the industrial site selection process. Based on a further review of the 209 net hectares (517 net acres) of net developable, vacant, designated Employment Area lands identified in Figure 41, it was determined that the Townships have 45 net hectares (112 net acres) of Employment Area land, which are fully serviced and ready to develop.

Figure 42 summarizes the share of serviced and ready-to-develop Employment Area land by location. As illustrated, 88% of available serviced and ready-to-develop Employment Area land is located in the Township of Woolwich, 11% is in Wilmot, 1% is in North Dumfries, and Wellesley has no serviced and ready-to-develop Employment Area land.

Figure 42
Waterloo Region Townships
Serviced and Ready-to-Develop Employment Area Lands by Location



Source: Watson & Associates Economists Ltd., 2024.

Figure 43 summarizes the share of serviced and ready-to-develop Employment Area land by parcel size within the Waterloo Region Townships. As illustrated, vacant, serviced and ready-to-develop sites of less than 1 net hectare (2.5 net acres) account for 58% of the total parcels available for development. Medium-sized parcels, measuring between 1 and 5 net hectares (2.5 and 10 net acres), represent 32% of the supply, while larger sites, measuring between 10 and 25 net hectares (25 and 62 net



acres), make up 11% of the total. None of the serviced and ready-to-develop sites are greater than 25 hectares (62 acres) in size.

Figure 43
Waterloo Region Townships
Serviced and Ready to Develop Employment Area Lands by Parcel Size

Parcel Size (net hectares)	Parcels (#)	Share of Parcels (%)
< 1 hectares	11	58%
1 to 4.99 hectares	6	32%
5 to 9.99 hectares	0	0%
10 to 25 hectares	2	11%
Total	19	100%

Source: Watson & Associates Economists Ltd., 2024.

4.5.3 Bill 162 Expansion Lands

As previously mentioned, ROPA 6, approved and modified by the MMAH also introduced new Employment Areas in the Region that had not been previously considered by Waterloo Region in its O.P. This includes 288 gross hectares in North Dumfries and 500 hectares in Woolwich. As a part of this report, the impact of these additional lands has been considered when preparing the growth forecasts for the Townships and their respective employment land needs. The Employment Area lands added through Bill 162 intended for employment uses are presented below.

4.5.4 Total Employment Lands Supply

The following figure summarizes the designated vacant employment lands presented above, along with the Bill 162 lands intended for employment uses. Employment land inventory mapping is provided in Appendix B. Combined, the total employment supply is presented. As shown, the Townships have a combined estimated vacant developable employment land supply of 795 net hectares, of which 37% (295 net hectares) is located in North Dumfries, 1% (5 net hectares) in Wellesley, 8% (65 net hectares) in Wilmot, and 54% (430 net hectares) in Woolwich.



Figure 44
Townships Potential Vacant Employment Lands Supply

Municipality	Developable Vacant Designated Employment Land Supply (Net Hectares), Excludes Constrained Lands	Bill 162 Expansion Employment Lands, Net Developable 75%	Total Vacant Employment Supply, Net Developable
North Dumfries	80	215	295
Wellesley	5	-	5
Wilmot	65	-	65
Woolwich	55	375	430
Total	205	590	795

Note: Values rounded to the nearest '5'.
Source: Watson & Associates Economists Ltd.

4.5.5 Wilmot Industrial Mega Site

The Wilmot Mega Site is a proposed industrial development located near the intersection of Nafziger Road and Bleams Road, south of New Hamburg in Wilmot Township. The site covers approximately 283 hectares (700 acres), comprising 11 properties, and is intended to attract large-scale industrial investment, create jobs, and support economic growth as the Region's population nears one million. The Region has initiated the acquisition of land from six property owners to prepare the site for shovel-ready development. Supporters view the project as a rare and significant opportunity to strengthen Ontario's manufacturing capacity, with over 70% of the land reportedly secured.

The Wilmot Industrial Mega Site is not reflected in the employment land inventory, growth forecast, or employment land needs assessment presented herein.



4.5.6 Market Choice Requirements

As previously mentioned, market choice of shovel-ready employment lands and the potential for future expansion are key factors in the industrial site selection process. The Townships need to provide a balanced inventory of shovel-ready and zoned developable vacant employment lands that is sufficient to meet market demand in the short to medium term.

The overall availability of shovel-ready vacant employment land in the Townships is limited when compared against historical and forecast absorptions trends. The availability of development-ready lands currently for sale is also limited and considered inadequate to meet near-term market needs.

From a market choice perspective, one of the most important industrial site selection criteria, which is partially controllable by the Townships, relates to ensuring that an ample supply of suitable vacant serviced (and serviceable) employment land is available for purchase and absorption. This involves providing a readily available and serviced employment land supply that is well beyond forecast absorption. As a general rule of thumb, in order to allow for proper market functioning, it is recommended that a minimum five-year supply of serviced employment lands (by various sizes, zonings, and locations) is available at all times throughout the forecast period.

5. Target Sectors and Industry Requirements

A review of the Townships' rural value proposition and competitive advantages has been undertaken. One of the objectives is to understand the industrial fabric and the main economic trends and competitive advantages of the Region's rural communities and provide recommendations that improve the rural communities' investment readiness.

This chapter identifies the key target sectors for the Townships employment lands. The target sector analysis contemplates the Townships' strategic position within this broader regional market, to ensure that they can best position themselves to successfully attract the appropriate industry and employment. The chapter also provides a brief analysis of the site characteristics that are needed for the selected target sectors in terms of location, design, surrounding context, etc.



The completion of this step will assist in setting the stage for the development of an actionable Rural Investment Readiness Strategy based on contemporary information.

5.1 Target Sector Opportunities

This section identifies the key target sectors for the Townships' employment lands. The target sectors have been established considering the current employment land conditions and opportunities within the broader market area, as well as the current labour force characteristics and changing employment land trends in the surrounding region. The target sector analysis contemplates the Townships' strategic position within this broader regional market, to ensure that the Townships can best position themselves to successfully attract the appropriate industry and employment. The chapter also provides a brief analysis of the site characteristics that are needed for the selected target sectors in terms of location, design, surrounding context, etc.

5.1.1 Industry Cluster Evaluation Approach

The target sector analysis uses a set of criteria to evaluate the industries within a region and their suitability for target industry efforts. These factors are widely used across economic development organizations to ensure that business development activities yield the highest value over time through higher wages and payroll, contributions to economic growth, and the likelihood of business recruitment and expansion success. For each of Waterloo EDC's clusters, the following information will be considered to ensure the best fit for the community and its businesses.

Target Industry Criteria

- (Exporting) Traded Industries: Companies should sell products or services to customers outside the immediate region.
- Current Industry Activity and Specialization: There should be an existing industry base that represents levels of employment that indicate a competitive advantage within the region.
- Future Growth Prospects and Industry Trends: Benchmarks should be established to reveal how the growth or decline of the industries in the region compare to national and international trends.
- Workforce: The regional performance of each industry can be verified through labor indicators and the availability of a skilled workforce.



- **Correlation with Local Economic Development Priorities:** Industry targets should align with economic development priorities throughout the region to ensure stakeholder participation and reliable support from the local ecosystem.

The federal government defines clusters as areas of intense business activity made up of companies, academic institutions, and not-for-profit organizations that boost innovation and growth in a particular industry. Cluster activities increase opportunities for these segments to participate and promote innovation, identify research, create jobs and attract capital within a particular industry, and generally enhance regional economic growth.

Traded vs. Local Industries

Traded industry clusters are groups of interlinked businesses that sell goods and services in markets outside their local region. Traded industries tend to offer higher wages and stronger career pathways to their employees and bring larger investment and tax revenues into a community. As such, economic development organizations favour traded industries for targeted business development efforts.

Conversely, local industry clusters are industries primarily serving the local region. Because local industries are not as competitive, they do not typically benefit from competitive advantages inherent to a community. Some industries have operations that serve both the local economy and regional clients; these functions are identified as blended industries, which can be incorporated into the Region's target industry framework on a case-by-case basis.

Industry Cluster Verification Process

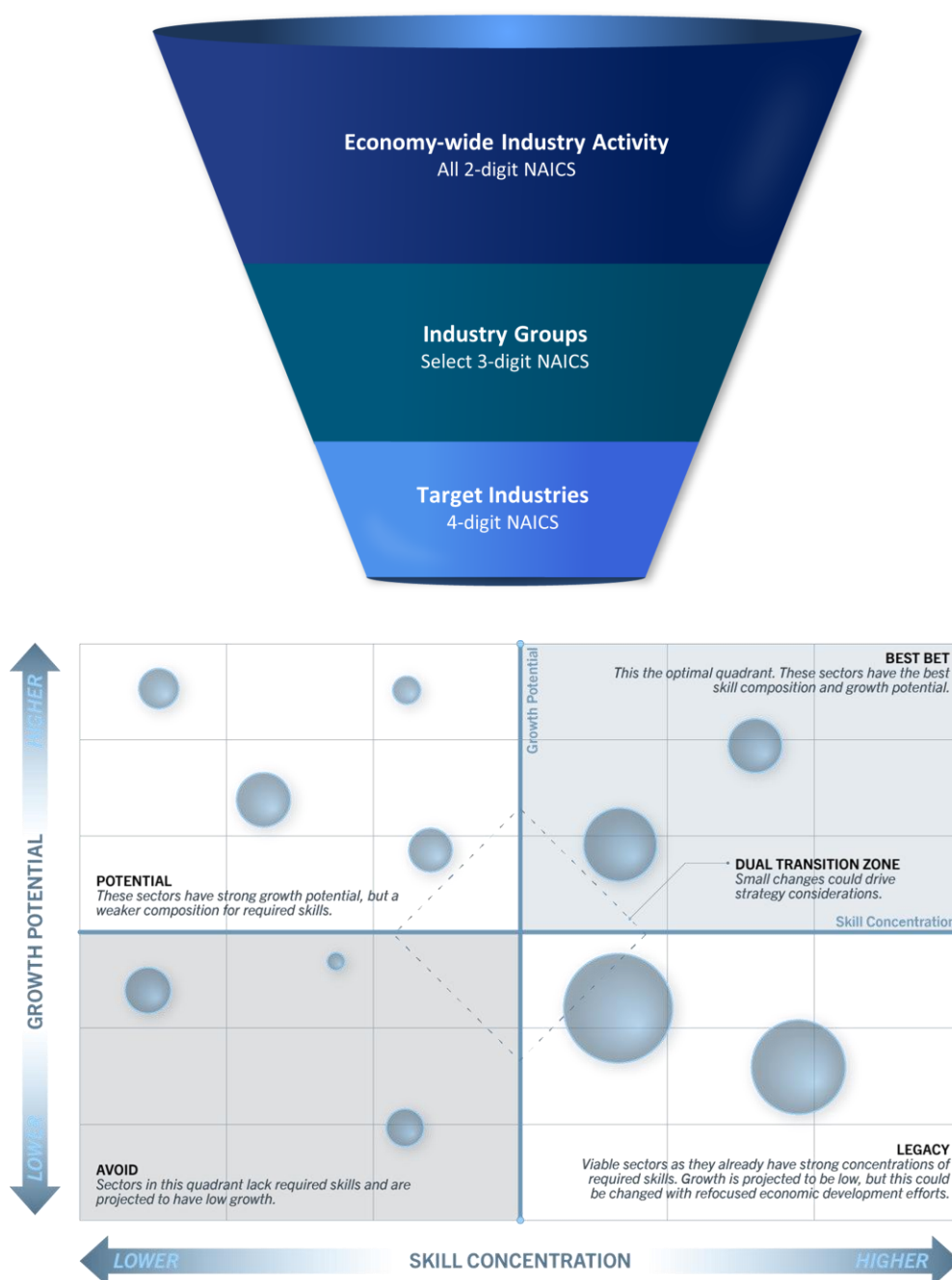
The industry cluster verification process is presented in Figure 45 and discussed below.

1. The cluster verification process begins by assessing all industries at the highest level of analysis, using two-digit NAICS codes to identify traded industries that have a combination of specialization and growth potential in the Region.
2. Once specializations are identified, industry groups are reviewed at the three-digit NAICS level to further refine opportunities and strengths.
3. "Best bet" industries (those with greatest potential and highest skill concentration) are chosen at the four-digit NAICS level to create a baseline list of potential



targets for economic development activities. Industries are then grouped together according to similarities in industrial processes, materials, talent, or other site selection requirements to create target clusters for the community.

Figure 45
Cluster Verification Process Flow Chart



Source: Hickey Global Canada.

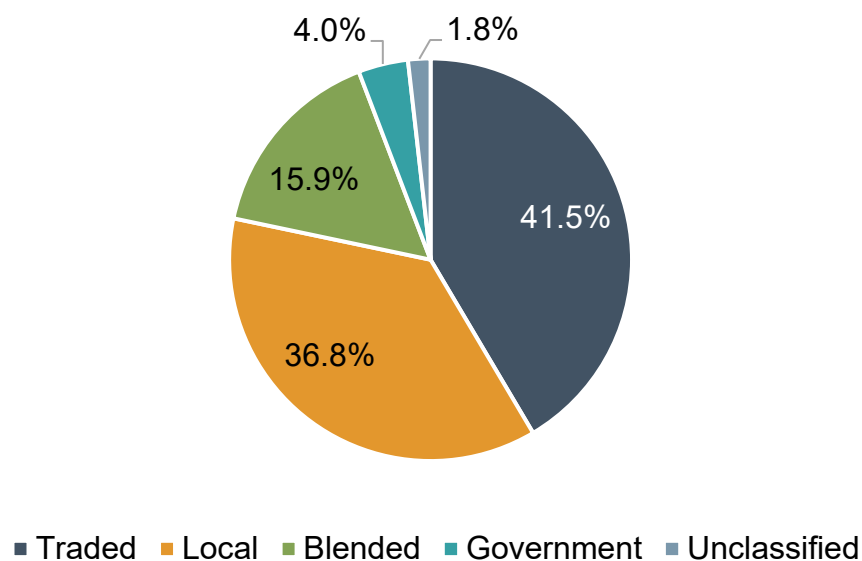


5.1.2 Waterloo Region Industry Cluster Analysis

The regional economy of Waterloo Region is composed of a variety of industries, with major employment centres in manufacturing, educational services, and health care. As illustrated in the chart below, over 41% of the Region's employment is found in traded industries, indicating a strong presence of businesses that bring money into the Region. Manufacturing represents the largest contributor to traded employment in Waterloo Region with 48,000 industry workers in 2023. This gives the Region a manufacturing location quotient of 1.8, which is relatively high. Other major sources of traded employment include professional, scientific, and technical services, finance and insurance, and wholesale trade.

For local industries, the largest industry is health care and social assistance with over 31,000 employees. Even so, the location quotient of 0.8 suggests that there are less industry employees in health care than expected in a region of Waterloo's size. Waterloo Region also has relatively fewer government employees than other areas, representing only 4% of total employment. As shown in Figure 46, each of the major industry categories is projected to grow in employment over the next five years.

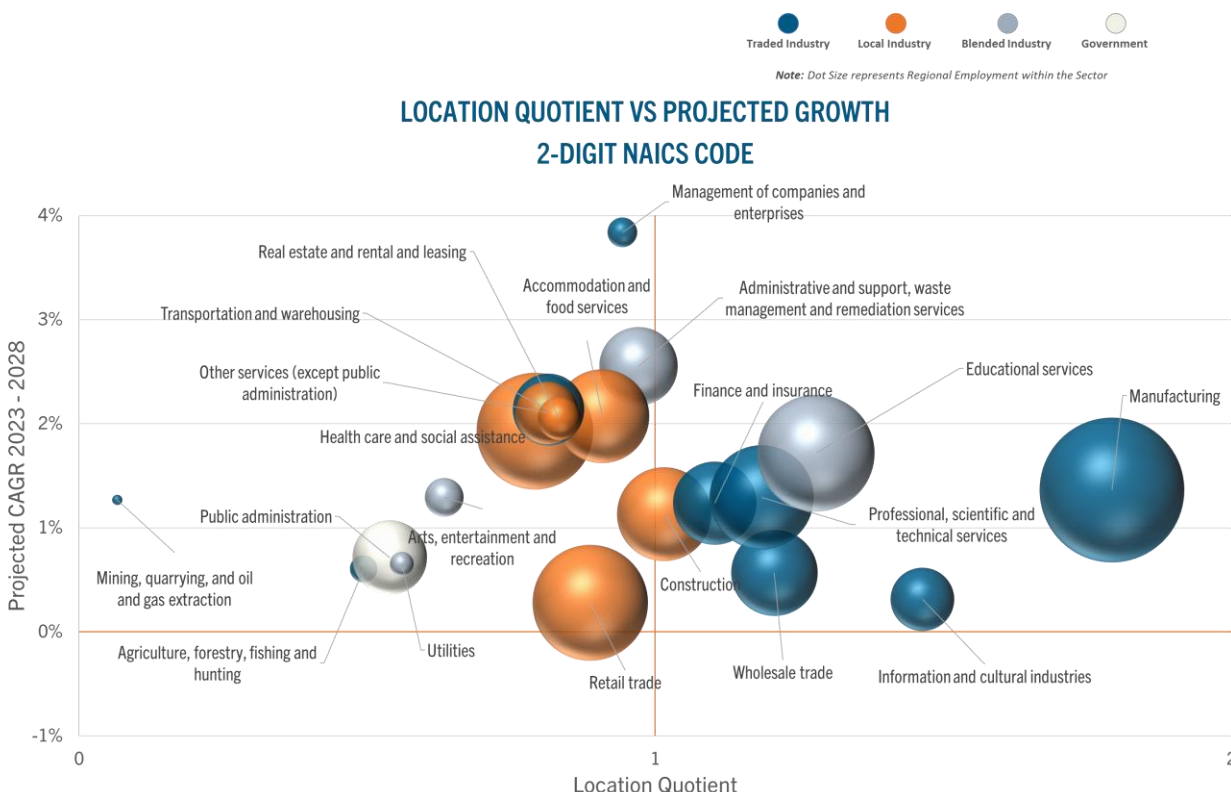
Figure 46
Waterloo Region
Percentage of Employment by Industry Category



Source: Lightcast, 2023 annualized data; prepared by Hickey Global Canada.



Figure 47
Waterloo Region
Employment Sector Project Growth

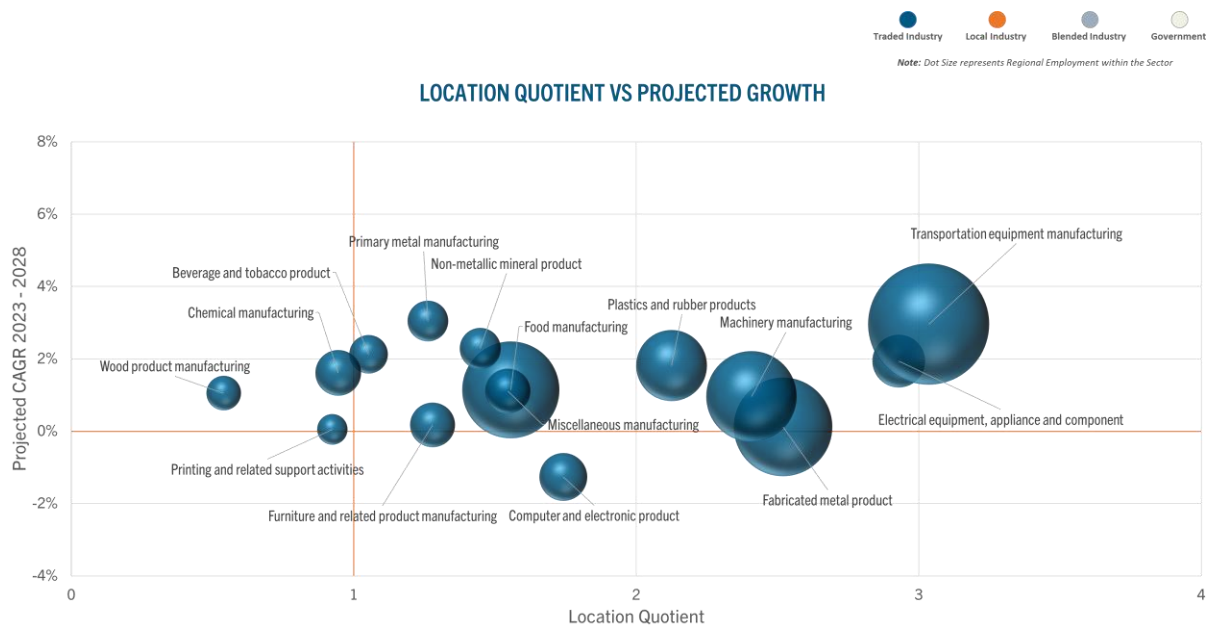


Note: CAGR means compounded annual growth rate.
Source: Lightcast, 2023 annualized data.

The following graphs illustrate the Region's industrial distribution for traded industry groups, including manufacturing, professional services, and information. The quadrant view allows for a quick understanding of the potential opportunities and challenges expected for Waterloo Region's existing industries. Figure 48 starts with manufacturing industries at the three-digit NAICS level, revealing extensive workforce capabilities in transportation equipment manufacturing, fabricated metal product manufacturing, food manufacturing, and more. Transportation equipment manufacturing also has the highest L.Q. with regional employment over three times the size expected in a community of Waterloo's size. With positive growth prospects throughout the manufacturing ecosystem (outside of computer and electronic product manufacturing), Waterloo Region can direct efforts to sustain recent successes and introduce investment opportunities in future-forward manufacturing within the Region's rural Townships.



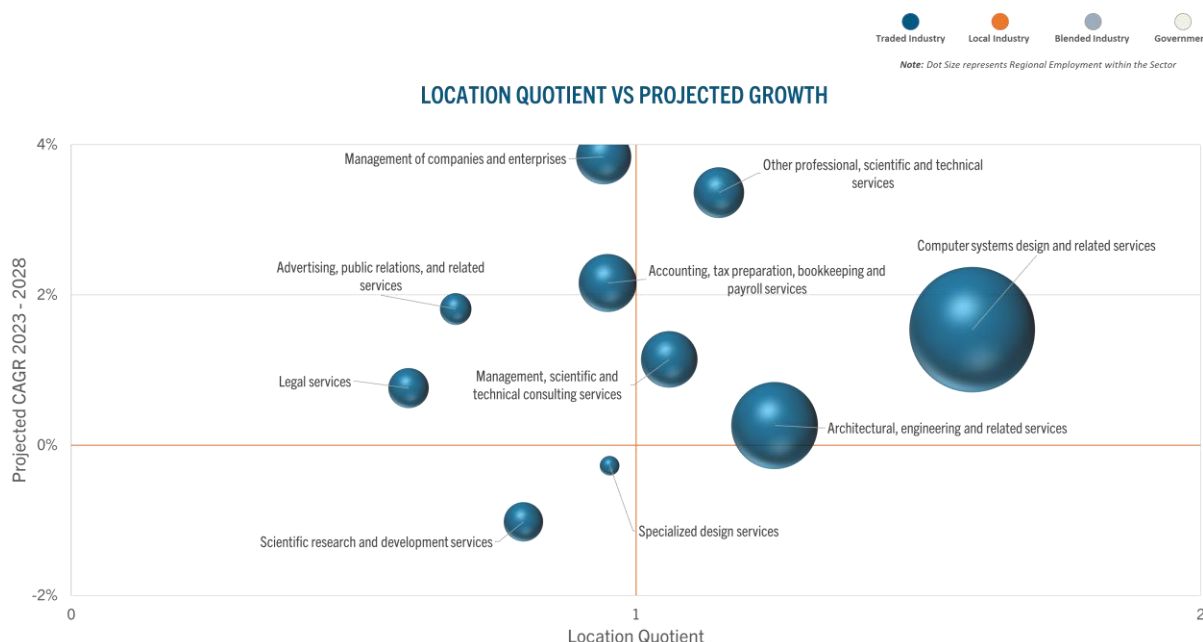
Figure 48
Waterloo Region
Industry Group Review: Manufacturing



Note: CAGR means compounded annual growth rate.
Source: Lightcast, 2023 annualized data.



Figure 49
Waterloo Region
Industry Group Review: Professional Services & Corporate Headquarters



Note: CAGR means compounded annual growth rate.
Source: Lightcast, 2023 annualized data.

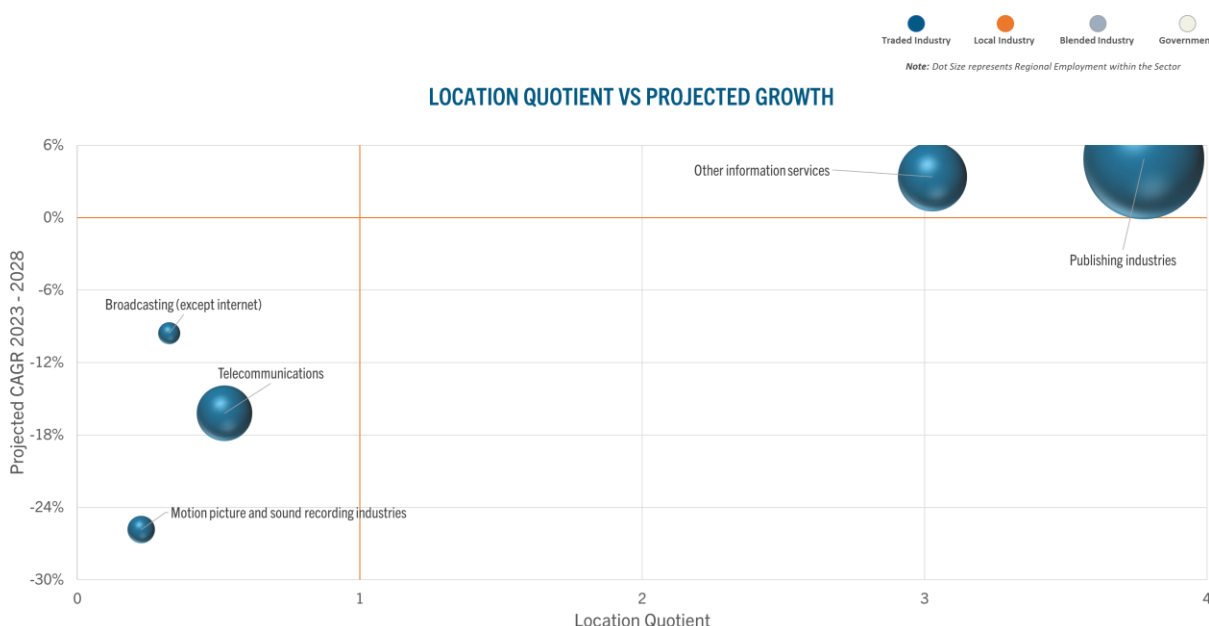
As with manufacturing, Waterloo Region's professional services and corporate headquarters employment outlook is driven by strong growth prospects in a diverse range of products and services. Many of the industries included in this group contribute to the Region's technology sector and play a large role in developing a corporate ecosystem. Computer systems design and related services, which comprises businesses that use technological expertise to serve customers, is a major asset for the Region with over 10,500 employees and an L.Q. of 1.6. Management of companies and enterprises (corporate headquarters) is another rapidly growing industry that could become a regional strength with additional business recruitment efforts. An outlier is found in scientific research and development services, which is expected to face a modest decline despite national growth prospects.

Finally, Figure 50 demonstrates the industrial distribution of Waterloo Region's information industries. From a target industry standpoint, most Regions focus on telecommunications and publishing industries, the latter including software publishing. Publishing is another key component of the regional economy, with high levels of



employment and a workforce specialization that can be leveraged to encourage economic development success throughout the Region's target industries.

Figure 50
Waterloo Region
Industry Group Review: Information



Note: CAGR means compounded annual growth rate.

Source: Lightcast, 2023 annualized data.

Appendix C provides detailed tables showing industry definitions for target sectors at the regional level, using four-digit NAICS codes to capture a range of activity and impacts on employment. The three major targets defined are Manufacturing, Automotive, and Technology, each with additional implications for emerging products and processes that the Region is able to leverage for future growth. By providing a NAICS definition for each industry, the study allows for benchmarking of industry activity against past and future growth as well as competitive markets.

The high L.Q.s observed throughout the target industries indicate significant advantages in the Region compared to the average market in Canada. These advantages include institutional support, the prevalence of strategic partnerships, and a sophisticated labour pool that can keep up with changing demands and trends. For the manufacturing target industry, the tables identify which NAICS codes are readily associated with advanced manufacturing, further indicating the Region's capabilities in manufacturing, which



incorporates the rapid transfer of science and technology to industrial processes. As important contributors to the Region's economy, these advanced manufacturing sectors are also prominent in the automotive and technology clusters, indicating a robust ecosystem that allows for cross-cluster development.

5.1.3 Waterloo Townships' Industry Cluster Opportunities

In addition to data shown at the regional level, the report incorporates Township data to understand the unique opportunities available for rural economic developers. While the overall industry patterns share similarities with the Waterloo Census Metropolitan Area, the Townships face differing levels of specialization and potential gaps in industry growth that require individual strategies to accommodate.

Manufacturing Review

The following charts show manufacturing activity for each Township to identify the industrial DNA present in each.

Figure 51
Township of North Dumfries
Manufacturing Review: North Dumfries



Note: CAGR means compounded annual growth rate.
Source: Lightcast, 2023 annualized data.



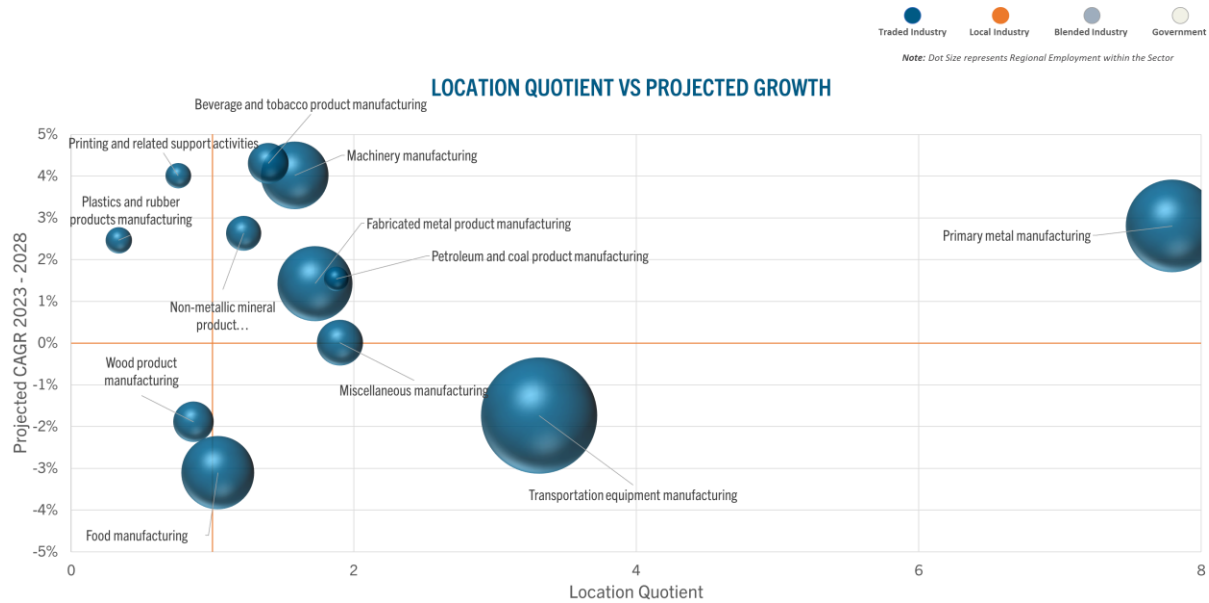
Figure 52
Township of Wellesley
Manufacturing Review: Wellesley



Note: CAGR means compounded annual growth rate.
Source: Lightcast, 2023 annualized data.



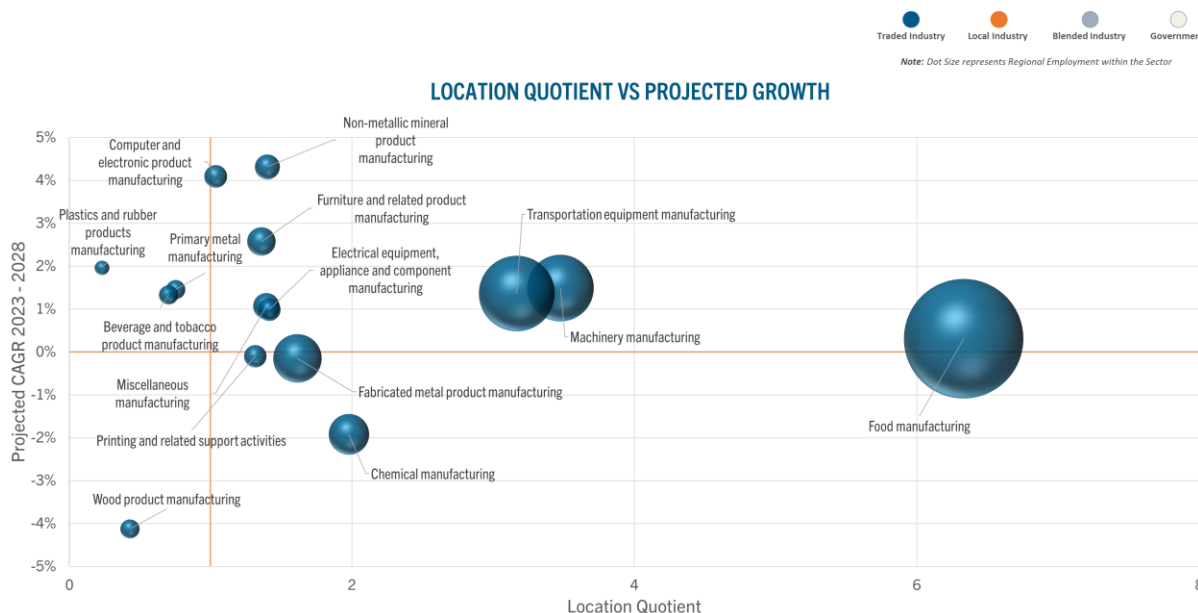
Figure 53
Township of Wilmot
Manufacturing Review: Wilmot



Note: CAGR means compounded annual growth rate.
Source: Lightcast, 2023 annualized data.



Figure 54
Township of Woolwich
Manufacturing Review: Woolwich



Note: CAGR means compounded annual growth rate.

Source: Lightcast, 2023 annualized data.

Of the Townships, Woolwich has the largest base of manufacturing employment with over 4,000 employees as of 2023. The largest sector by employment is food manufacturing, which is a distinct specialization for the area. Woolwich is followed by North Dumfries, whose nearly 1,600 employees are distributed between fabricated metal product, non-metallic mineral product, and machinery manufacturing. Wilmot has distinct specializations in primary metal and transportation equipment manufacturing, and Wellesley follows with large concentrations of employment in furniture and fabricated metal product manufacturing.

Advanced Manufacturing Review

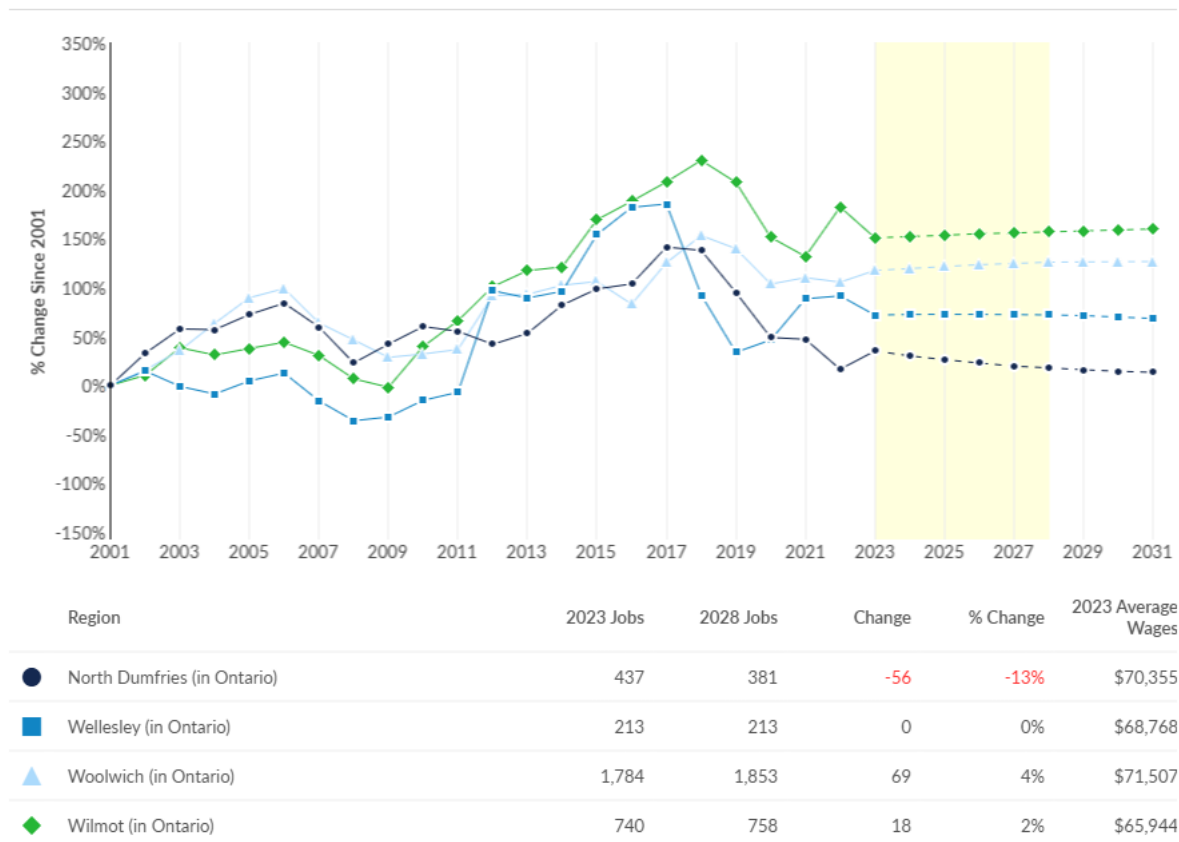
As shown, the Townships share industry opportunities in both traditional and advanced manufacturing sectors. With activity in machinery manufacturing, motor vehicles, and motor vehicle parts, the Townships are poised to contribute to regional target industries and share potential gains. Erratic growth patterns, however, indicate that the Townships are at a pivotal moment to encourage sustainable growth following significant disruptions caused and exacerbated by the onset of the COVID-19



pandemic. The following analysis focuses on advanced manufacturing to demonstrate how these communities can leverage existing assets to encourage economic growth in emerging areas.

Figure 55
Waterloo Region
Advanced Manufacturing Employment Growth: 2001 to 2031

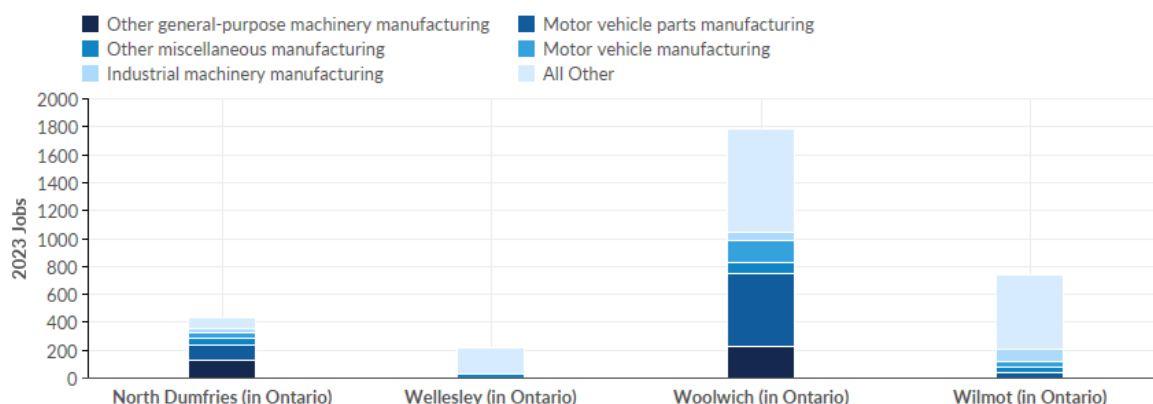
Industry Change Summary



Source: Lightcast, 2023 annualized data.

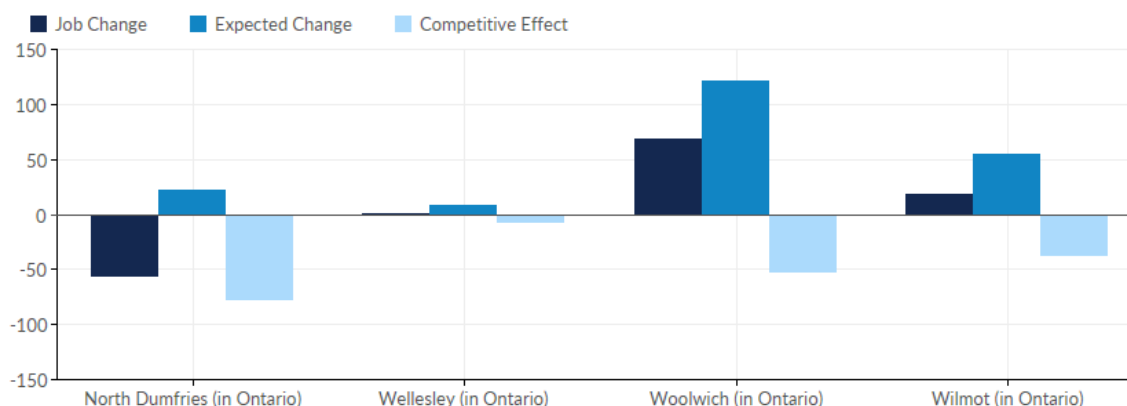


Figure 56
Waterloo Region
Advanced Manufacturing Employment Distribution, 2023



Source: Lightcast, 2023 annualized data.

Figure 57
Waterloo Region
Shift Share Analysis: Advanced Manufacturing



Source: Lightcast, 2023 annualized data.

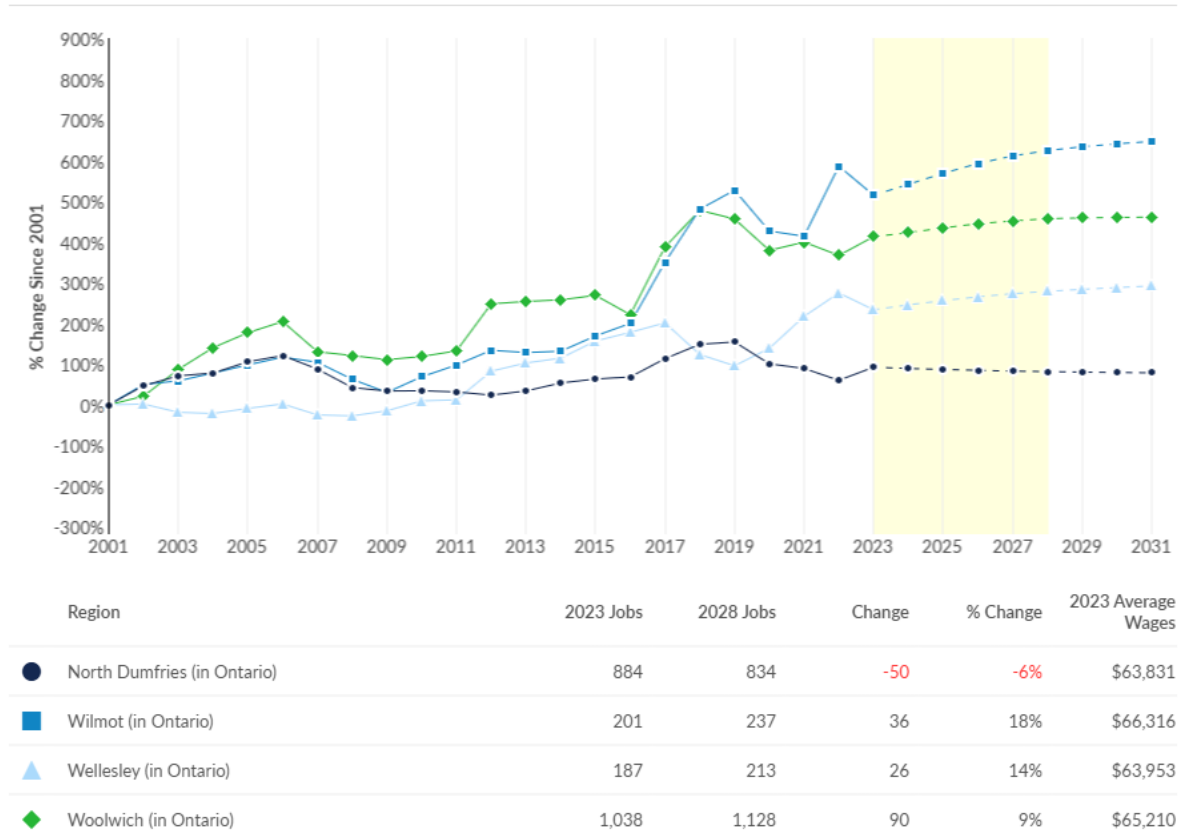
Despite the availability of advanced manufacturing labour in the Townships, the shift share analysis indicates that industry growth has been hampered by competitive deficiencies in the area. The potential for future investment is large and should be actively promoted according to the factors established in this study.



Automotive Cluster Review

Figure 58
Waterloo Region
Automotive Employment Growth: 2001 to 2031

Industry Change Summary



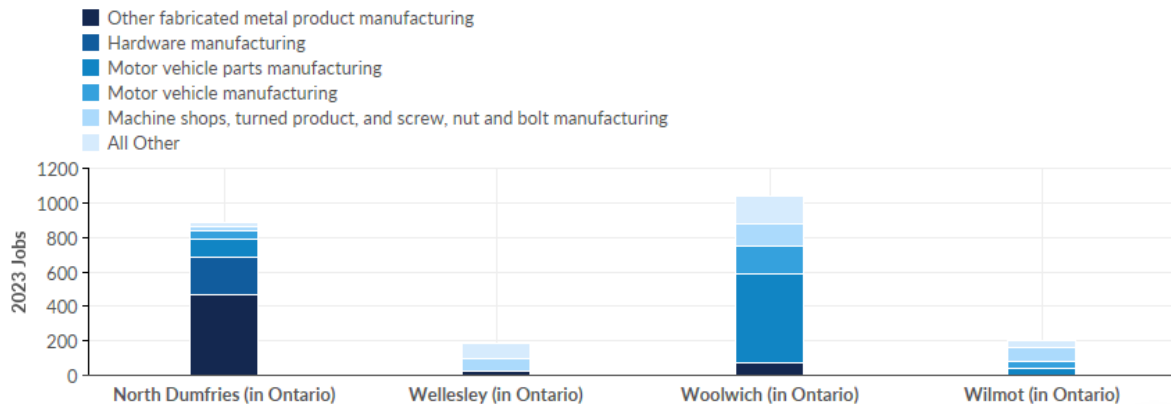
Source: Lightcast, 2023 annualized data.

Automotive employment growth in the Region is largely positive, with considerable activity in the years preceding the onset of the COVID-19 pandemic. While recent growth has been less consistent, employment data still indicates that Woolwich is a strong contender for automotive manufacturing investment, while North Dumfries has facilities operating in various components of the automotive supply chain. This is corroborated by occupation patterns in the Townships, where strengths are observed in welders, machine operators, and motor vehicle assemblers. **Note:** the total automotive cluster includes manufacturing industries that operate outside of the study's "advanced



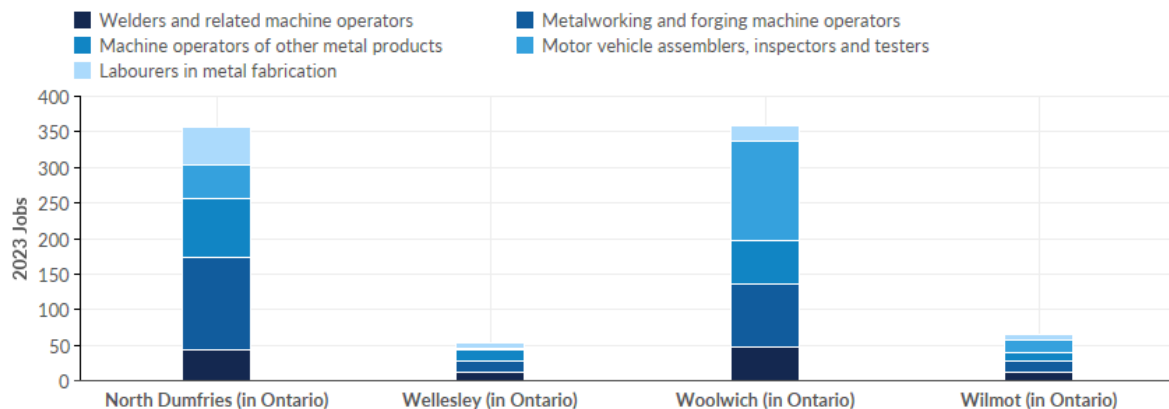
manufacturing” definition, which is why automotive employment is higher than advanced manufacturing employment in North Dumfries. Furthermore, this analysis does not reflect potential U.S. trade tariffs and potential implications on the Canadian auto sector.

Figure 59
Waterloo Region
Automotive Employment Distribution, 2023



Source: Lightcast, 2023 annualized data.

Figure 60
Waterloo Region
Top Automotive Occupations, 2023



Source: Lightcast, 2023 annualized data.

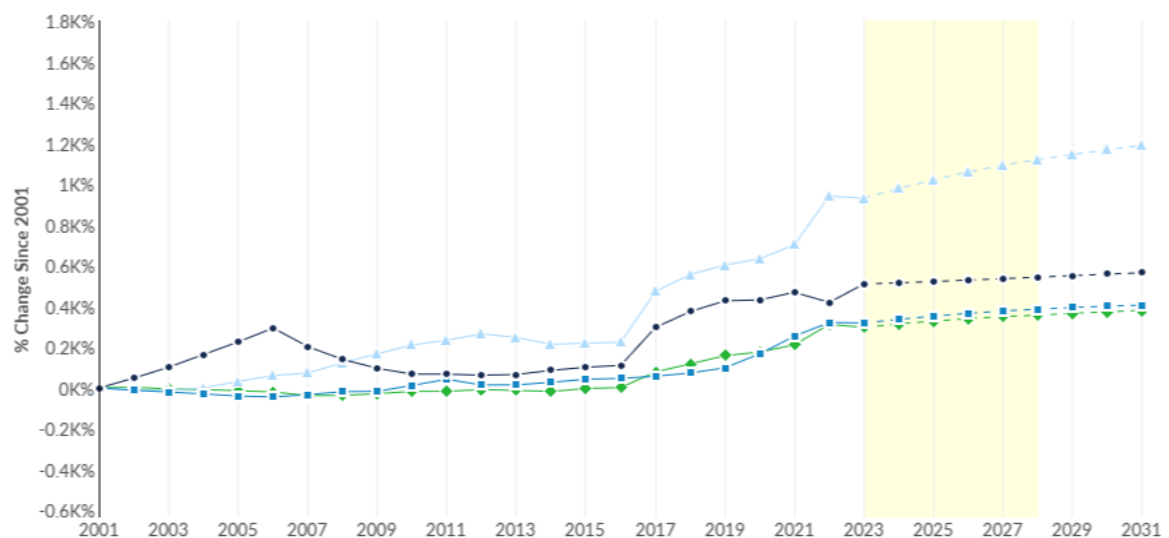


Technology Cluster Review

Finally, the Townships have experienced industry growth in certain facets of the Region's technology sector as well.

Figure 61
Waterloo Region
Technology Employment Growth: 2001 to 2031

Industry Change Summary



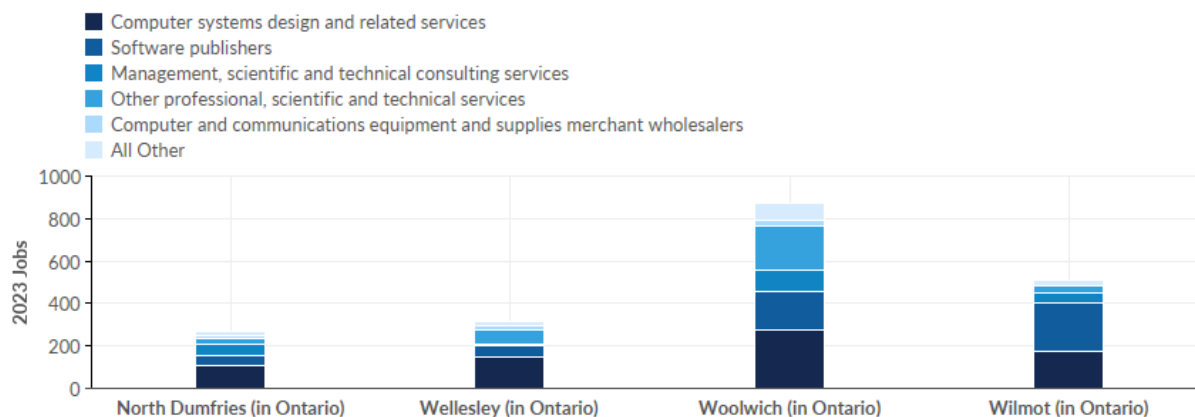
Region	2023 Jobs	2028 Jobs	Change	% Change	2023 Average Wages
North Dumfries (in Ontario)	265	280	15	6%	\$85,471
Wellesley (in Ontario)	313	363	50	16%	\$86,292
Woolwich (in Ontario)	876	1,036	160	18%	\$81,309
Wilmot (in Ontario)	508	584	76	15%	\$87,311

Source: Lightcast, 2023 annualized data.

Each of the Townships are expected to maintain growth patterns into the next five years, with particularly high growth expected in Woolwich. The primary areas of opportunity are computer systems design and related services as well as software publishers. These investments are made possible by skillsets such as computer and information systems managers, information systems specialists, and software engineers and developers.

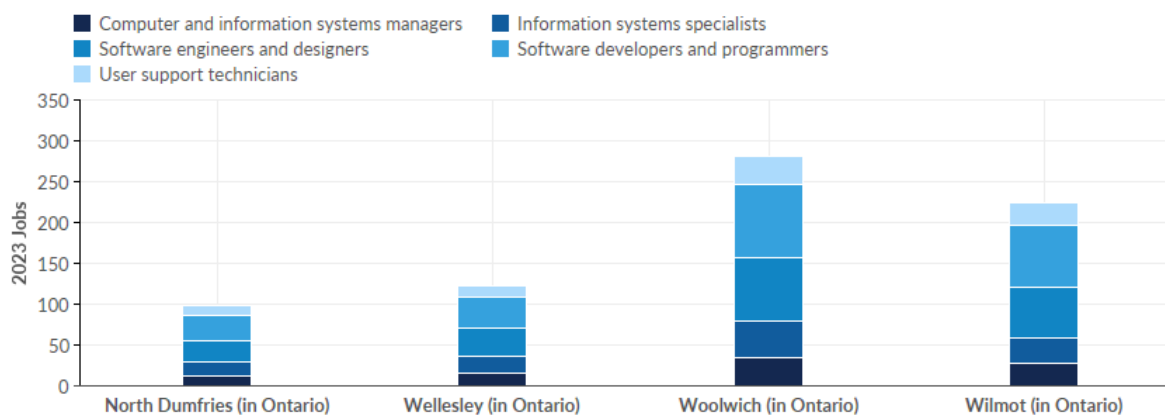


Figure 62
Waterloo Region
Technology Employment Distribution, 2023



Source: Lightcast, 2023 annualized data.

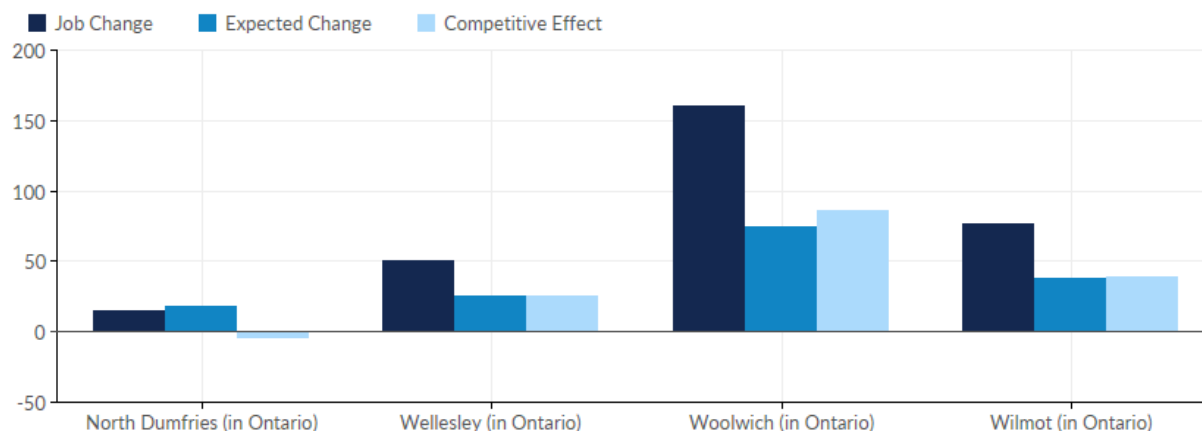
Figure 63
Waterloo Region
Top Technology Occupations, 2023



Source: Lightcast, 2023 annualized data.



Figure 64
Waterloo Region
Shift Share Analysis: Technology



Source: Lightcast, 2023 annualized data.

As shown, the target industry employment trends in the Townships are largely positive, indicating opportunities for job growth and capital investments in the future. While certain Townships—particularly Woolwich—have large levels of industry employment, the regional distribution of economic development success has not always been equitable. To combat this, Waterloo must actively promote target industry opportunities to its rural Townships while understanding each area’s fit for potential projects. Detailed areas of opportunity are highlighted in the following section, which also includes typical project requirements per target sector.

Target Sectors Employment Area Requirements

The key Employment Area target sectors identified in the Townships include the following sectors identified as having a high presence in the Region and the surrounding market area, as identified in section 5.1:

- Agri-business (farms, farm product merchant wholesalers);
- Advanced Manufacturing, including:
 - Metals and metal products (fabricated metal product manufacturing, primary metal manufacturing);
 - Machinery manufacturing;
 - Chemical manufacturing;
 - Food manufacturing;



- Automotive (motor vehicle, motor vehicle parts manufacturing); and
- Warehousing and Storage (warehousing and storage, truck transportation).

The following criteria is considered in identifying Employment Area requirements by target sector:

- Locational requirements;
- Servicing requirements (i.e., water/wastewater servicing);
- Range of parcel sizes needed;
- Transportation access (route from highway, proximity to customer base, etc.);
- Land use requirements (potential for expansion, buffers from surrounding land uses, integration with surrounding operations, etc.); and
- Development characteristics (building coverages, parking requirements, ceiling heights, etc.).

Figure 65 provides a summary of the Employment Area requirements to support the identified target sectors.



Figure 65
Target Employment Sectors Employment Area Requirements

Sector	Potential Sector-based Uses	Development Characteristics	Land and Development Requirements
Manufacturing/ Advanced Manufacturing	• Automotive manufacturing. • Clean Technology. • Production Technology and Heavy Machinery. • Food Processing and Manufacturing. • Plastics Manufacturing. • Metal Products. • Information Technology and Instruments.	• Low to high design quality. • Range of building types, including small, large, single-tenant, and multi-tenant buildings. • Emphasis on integrated operations (logistics and office), landscaping and enclosed storage. • 10,000 to 250,000 sq.ft. of building space. • High utilization of land for building space and on-site employment density.	• Water/wastewater servicing required. • Access to 400 series/controlled access highways. • Electricity supply/capacity. • Possible need for rail access. • Buffering required near sensitive uses and unencumbered access to highway. • 1- to 4-hectare (2- to 10-acre) parcel sizes. • Large parcels of at least 10 hectares (25 acres) and greater required to attract high-profile manufacturing uses (especially for foreign direct investment). • Employment Area offers opportunity to accommodate spin-off uses.



Sector	Potential Sector-based Uses	Development Characteristics	Land and Development Requirements
Agri-business	• Bioproducts/fibre manufacturing. • Biofuels/chemical manufacturing. • Agricultural support services. • Abattoir uses. • Cannabis production.	• Low design quality. • Open-air production storage buildings, and small to large special purpose-built buildings. • Outdoor storage (e.g., feedstocks, bulk agricultural materials). • Low utilization of land for building space and on-site employment density. • Area required for waste by-products.	• Private servicing (water/wastewater); however, water servicing may be required for some uses for fire safety. • Electricity supply/capacity. • Rail access. • Rural settings preferences and access to a regional highway. • Access to upstream and downstream industries (surrounding agricultural production). • Buffering required near sensitive uses and unencumbered access to highway. • Permissions to allow for unsightly storage. • Large parcels of at least 5 hectares (12 acres). • Lower land acquisition costs.



Sector	Potential Sector-based Uses	Development Characteristics	Land and Development Requirements
Transportation and Warehousing	• Warehouses and storage. • Wholesale distribution. • Freight brokers/arrangement. • Logistics facilities/trans-loading. • Integrated office uses.	• Low to moderate design quality. • Outdoor storage of equipment. • Loading/unloading areas. • Land extensive, large building footprints. • 10,000 to 1,000,000 sq.ft. • Ceiling height: 30 ft.+ • Mezzanine level office space. • Mobile labour force. • Low on-site employment density.	• Full municipal servicing (water/wastewater) required for large building operations; private servicing can accommodate low intensity uses (e.g., trucking terminals). • Direct access to 400-series highways required. • 2- to 30-hectare (5- to 75-acre) parcel sizes. • Flat topography. • Large parcels with rectangular configuration. • Permissions for outdoor storage of trailers, trucks, equipment or products. • Compatible surrounding land uses/buffers from surrounding non-industrial uses. • Surrounding expansion potential.



5.2 General Characteristics of Employment Areas

Employment Areas require good access to regional transportation networks (i.e. highways, rail, transit, airports), on-site infrastructure including roadways and utilities, and available, zoned, shovel-ready lands. Employment Areas are typically located on flat to slightly rolling topography in areas with minimal environmental issues. Roadways within Employment Areas tend to be laid out in a grid system to optimize circulation and parcel configuration. Parcels are typically square or rectangular in shape to optimize site design. Many of these attributes help to optimize the end-users' speed to market, while minimizing development costs and project risk.

At both the regional and local levels, location requirements of industry can vary considerably depending on the nature of the employment sector/use. Employment sectors typically situated within Employment Areas have varying site-specific requirements. To be successful in attracting a broad range of employment sectors, it is recommended that available vacant lands and any future Employment Areas provide the corresponding industry requirements. The specific attributes that are required for an Employment Area to be successful are largely based on the intended function and designations.

General Employment Areas/Industrial Parks

General Employment Areas (also known as Industrial Parks) have a more general industrial orientation and accommodate industrial uses such as advanced manufacturing, logistics, distribution, and transportation sectors. These areas are serviced and typically offer the following physical requirements:

- **Access** – Proximity to controlled-access highways (i.e., Highway 401) is critical for the success of general industrial parks that have a significant degree of manufacturing, warehousing, distribution, and logistics uses. These parks do not necessarily have to be adjacent to a controlled access highway but must be in proximity and easily accessible via major arterials that pass through limited residential or mixed-use commercial area(s). Access to rail and public transit are also important attributes;
- **Critical Mass** – Size is vital to ensure a wide selection/flexibility of land options, and parks must include a sufficient supply of large parcels. As a minimum, 80



hectares (200 acres) is generally a suitable size for a park, to reach the critical mass needed to provide reasonable presence, choice, and economies of scale;

- **Location** – The location must provide efficient and effective vehicular access and circulation, particularly for heavy truck traffic, with a minimum of two access points to enter/exit the industrial park;
- **Land Use Compatibility** – Buffering is important for general industrial parks to minimize noise and air pollution to neighbouring residential and other sensitive land uses;
- **Market Choice** – Parcel size and configuration need to be conducive to a wide range of employment land uses, especially for land-extensive uses such as wholesale trade and transportation; and
- **Competitive Development/Operating Costs** – Land prices must be competitive, given the land-extensive nature associated with many uses in general industrial parks.

5.3 Observations

The Townships face several opportunities and challenges concerning the management and growth of their existing and future Employment Areas in light of the evolving structural changes in the economy and disruptive factors that continue to influence the nature of the economy. One of these challenges relates to macro-economic trends over which the Townships have limited control. This includes the relative strength of the global economy, international trade policy, and the competitiveness of the Canadian economic base relative to other established and emerging global markets.

In contrast to the above, the Townships have some control and ability to position themselves positively when considering their regional competitive ranking. A major factor for future competitiveness relates to the structure, quality, and “readiness” of their employment lands.

Recognizing the recent structural changes in the regional economy, there is a need for the Townships to ensure that the amount, type, and location of their established and planned Employment Areas are well aligned with anticipated market demand. It is also important that the Townships’ Employment Areas are planned and designed to accommodate a broad range of established and emerging industrial sectors as identified herein.



6. Investment Readiness and Competitiveness Assessment

Having a comprehensive understanding of the Townships' competitive position compared to other communities in the surrounding market area is a fundamental aspect of economic development. Municipal competitiveness can be assessed through a range of regional, community, and site-level factors specific to the municipality and those over which Waterloo EDC and the Townships have some influence or control.

The structure, role, and responsibilities of rural economic development in Waterloo Region, the Waterloo EDC, area municipalities, and partner agencies is discussed below. This includes a review of tools and programs for monitoring activities, businesses retention and expansion, promoting and securing new investment, and interaction with potential businesses with the site selection process.

The Townships' relative, competitive position with respect to employment lands development is explored below. The Consultant Team has reviewed designated Employment Areas within the Townships and provide an analysis of current trends and conditions. A SWOC analysis has also been completed for the Townships' Employment Areas within the context of recent regional and local economic trends and development activity. These strengths and weaknesses will then be compared against the specific physical requirements of target sectors and industry-sector requirements to assess which existing and/or planned Employment Areas are best positioned to accommodate forecast employment demand over the long term.

6.1 Overview of Economic Development Structure in Waterloo Region and the Townships

Investment attraction activity in Waterloo Region is delivered primarily by the Waterloo EDC. The Waterloo EDC maintains a team of 18 professionals who support investment attraction for those looking to invest or expand operations in the Region. The organization serves the interests of the Region of Waterloo, the Cities of Cambridge, Kitchener, and Waterloo, and the Townships of North Dumfries, Wellesley, Woolwich, and Wilmot in the promotion of economic development opportunities.



Support to the Cities and Townships includes:

- Foreign Direct Investment (FDI) support (e.g., attracting new companies in priority sectors to Waterloo Region, navigating government funding, support for site selection, organizing ecosystem tours, and supporting immigration needs).
- Business Retention and Expansion (BR+E) support (e.g., business expansion in Waterloo Region and supporting the Cities/Townships with the retention of existing businesses, executing local business outreach programming in partnership with the Cities/Townships, supporting site selection needs, immigration needs and working with local businesses to navigate government funding).
- Real Estate support (e.g., developing and maintaining strong relationships with the real estate and developer community, build and maintain relationships with government departments responsible for site selection, leading Requests for Information (RFIs) for the region and preparing regional data for submissions, and maintain a database of key sites in the Region for industrial use).

The Waterloo EDC is financially supported by the Region's urban and rural communities. Approximately 80% of all financial investment for the Waterloo EDC is provided by the Region's urban municipalities, while 12% is provided by the Region's rural municipalities (Waterloo EDC 2024 Strategic Plan). The balance of funding is derived from provincial and federal sources.

The Waterloo EDC's 2024-2028 Strategic Plan identifies the following objectives, which are dependent on continued funding support from partners:

- Close deals of \$2.4 billion and maintain a pipeline of potential investments valued at \$1 billion, with increased FDI target geographies of the U.S. Midwest, Central Europe, and Nordic countries.
- Land a transformative mega site win.
- Develop an inventory of shovel-ready land of various sizes.
- Increase investment readiness and additional business retention and expansion capacity for Waterloo Region's Townships.
- Increase Toronto-Waterloo Corridor/Southwestern Ontario collaboration on FDI attraction initiatives within key Government of Canada priorities, such as emerging markets, reshoring supply chains and sustainability.
- Remain "best in class" for investment attraction marketing.



At the local level, only the Township of Woolwich has an Economic Development and Tourism Officer. The individual supports tourism initiatives, business retention and expansion initiatives, and marketing efforts in support of the local business improvement area and tourism. Currently, a C.I.P. is in place in Elmira and there is interest in a C.I.P. for Breslau focused on the opportunities associated with the airport. Wellesley updated its C.I.P. in the spring of 2025 to include a variety of grant programs for businesses.

Of the Townships, only Woolwich has an economic development strategy. All four municipalities describe their economic development efforts as collaboratory to the needs of the Waterloo EDC as and when there are investment enquiries. While the Townships have some economic development content on their websites, they do not have business directories and only Woolwich maintains an industrial land inventory.

Waterloo Region maintains an internal business directory and also manages a vacant industrial lands inventory. Waterloo EDC's website does highlight key serviced employment land sites and industrial buildings and is also actively working to prepare a regional business directory. The Townships are invited to attend monthly meetings with Waterloo EDC staff and participate with the urban communities in quarterly economic development meetings hosted by the Waterloo EDC. They also participate in various shared initiatives where appropriate (e.g., Explore Waterloo).

Waterloo Region Small Business Centre

The Waterloo Region Small Business Centre (one of 54 in the Province) fosters entrepreneurial growth and development by supporting small businesses in developing both new and existing businesses. The Centre is a collaboration between the municipalities of Kitchener, Cambridge, and Waterloo, funded in part by the provincial Ministry of Economic Development, Job Creation and Trade. With staff in Cambridge, Kitchener, and Waterloo, the Centre provides a variety of services to individuals preparing to start or grow their businesses in Waterloo Region. Support and services for businesses include assistance with business registrations, seminars and workshops, events and networking opportunities, library and reference materials, and incentives for youth entrepreneurship.

Wellington Waterloo Community Futures Development Corporation

The Wellington-Waterloo Community Futures is a not-for-profit organization supported by the Federal Economic Development Agency for Southern Ontario. The Community



Futures Development Corporation (CFDC) provides local business training, mentoring and advisory services, and financing and repayable loans to rural businesses in the County of Wellington and the Region of Waterloo.

The organization also provides community economic development assistance or funding to municipalities in the form of research project planning and activities, strategic planning, and research to secure funding and proposal writing. The CFDC provides funding in support of the implementation of C.I.P.s.

Explore Waterloo Region

A regional tourism organization, Explore Waterloo Region, provides tourism marketing, sport hosting, and events promotion for Waterloo Region. Their website provides content on the four rural communities.

Ontario Ministry of Agriculture, Food and Agribusiness

The Ontario Ministry of Agriculture, Food and Agribusiness (OMAFRA) offers a business retention and expansion program to rural municipalities that helps support the growth of local businesses, collects business and market data to support economic development planning, and helps communities write and implement an action plan to foster business development, investment, and job creation. OMAFRA also has funding programs available to help with the development of C.I.P.s. Woolwich has considerable experience working with OMAFRA on business retention and expansion initiatives.

6.2 Stakeholder Consultation Feedback

The following summarizes the input from the consultation phase of the study, as discussed in section 1.5. The feedback received has complemented the technical analysis and helped inform the recommendations and strategic directions presented herein.

- **Stakeholder Engagement:** Emphasizes the importance of involving various stakeholders in community economic development to foster communication, trust, and goal alignment.
- **Feedback Reception:** Highlights the value of stakeholder feedback in identifying organizational blind spots and guiding decision-making.



The major themes that were highlighted through these consultations include the following:

1. Economic Development Opportunities:

- **Advanced Manufacturing:** Significant potential for growth, especially in automation and supply chain sectors.
- **Food & Agriculture:** Opportunities in food processing and agri-tourism.
- **Technology:** Ability to leverage the growth in artificial intelligence, tech startups, and innovation hubs.
- **Automotive:** Focus on electric vehicle battery plants and automotive supply chains.
- **Aerospace:** Development opportunities around Waterloo Airport.
- **Life Sciences:** Emerging sector around health innovation.

2. Challenges to Economic Growth:

- **Lack of Serviced Sites:** Limited availability of shovel-ready employment lands.
- **Planning and Permitting Issues:** Slow development processes and regulatory hurdles.
- **Infrastructure Challenges:** Insufficient water, wastewater, and transportation infrastructure to support development in rural areas.
- **Talent Issues:** Skills gaps, emerging labour shortages, and challenges in retaining talent in the Region.
- **Housing Costs:** High housing costs affecting workforce attraction.
- **Environmental Concerns:** Balancing future development with environmental sustainability and the protection of agricultural resources.

3. Workforce Contributions:

- The local workforce is a major asset, with a strong talent pipeline from universities and colleges, but there are gaps in skilled trades and training needs.



4. Missing Initiatives/Services:

- **Resource Distribution:** Need for better local economic development resources.
- **Tourism Support:** Development of a tourism master plan focusing on the Townships.
- **Programming:** Improved communication and regional planning programs for rural communities (e.g., standardized approach to business retention and expansion, consistency of zoning, and common approach to approvals).
- **Transportation:** Addressing transportation barriers to economic development, including public transit and links to transit hubs.

5. Rural Investment Readiness:

- **Infrastructure Improvements:** Enhancing water, wastewater, and transportation infrastructure.
- **Development Process:** Streamlining approvals and zoning processes.
- **Collaboration:** Increased collaboration between municipalities and regional authorities.
- **Support for Existing Businesses:** Focus on business retention and expansion, work in collaboration.

6. Measures of Success:

- **Employment:** Job creation and low unemployment rate.
- **Permits:** Number of building and industrial permits.
- **Business Growth:** New businesses and business expansions.
- **Population Growth:** Increase in working-age population.

6.3 Self-Assessment Review

As part of the study review, a self-assessment checklist for the Townships was prepared to help evaluate their investment readiness. The self-assessment assists the Townships in identifying investment readiness gaps and ways to add value to the existing processes and programs.



The checklist is divided into seven themes: Economic Development, Community Data, Industrial and Commercial Land Inventory, Land Use Planning, Investment Marketing, Dealing with Site Selectors, and Monitoring Investment Enquiries.

Economic Development

Most of the Townships lack a formal economic development strategy, economic development officer, and office/staff to establish a one-window development process. All four Townships, however, have designated contacts for economic development enquiries and provide information on economic development assistance through their community websites. Economic development efforts are further supported by community leadership in the four Townships, with some offering funding for economic development training initiatives.

In terms of private-sector relationships, most of the Townships liaise with local chambers of commerce or business groups on economic development matters. They also maintain a network of local business leaders who can be confidentially referred to site selectors for testimonials about the community. Regarding connections with other levels of government, all the Townships are aware of federal and provincial economic development policies, programs, and services. Not all the Townships, however, have professional relationships with provincial or federal economic development staff, nor do they maintain a list of key public sector contacts for advisory and technical assistance.

Moreover, the Township municipalities work together to pool resources and share information on economic development efforts.

Community Data

Most of the Townships do not maintain a regularly updated and reviewed community database. Some of the Townships' websites provide data indicators, including:

- Demographic profiles;
- Labour force profiles;
- Education attainment levels;
- A list of major private and public sector employers;
- Local business groups;
- Existing businesses with employee counts;



- A list of education institutions and training facilities; and
- An overview of telecommunications services and infrastructure.

While the four Townships' websites provide some data on key indicators crucial for investment attraction, the information is generally not comprehensive or up-to-date. These key indicators include a summary of the local industrial, commercial, and residential real estate markets, including the cost of building permits per square foot; a summary of local industrial realty taxes; a summary of recent private/public-sector investments; and an overview of quality of life and cost of living data.

Industrial and Commercial Land Inventory

Not all the Townships maintain an inventory of available industrial and commercial properties. Among those that do, the Townships with inventories utilize a web-based geographic information system. The inventories include site information for each property, including location, size (indicating minimum and maximum sites available), zoning type and category, and contact information for the community's planning and building officials.

These inventories, however, lack specific building information, including total square footage/metres, dimensions, number of storeys, details on floor, wall, and roof types, as well as general condition and age.

Land Use Planning

Most of the Townships have up-to-date O.P.s and zoning by-laws that align with their current and future goals and objectives. Additionally, the policies and designations in the communities' O.P.s are general enough to accommodate most development proposals without requiring plan amendments. It is also important to note that only some of the Townships include a strategy for economic development in their O.P.

In terms of information availability, most of the Townships provide O.P. and zoning information on their community websites in an easy-to-read format. In some of the Townships, however, the definitions and provisions in their zoning by-laws are difficult to understand, and they lack a flow chart outlining the steps in the land use planning and development approvals process. Furthermore, some of the Townships do not provide information on approval times for planning or development applications.



Lastly, all the Townships are aware of environmental regulations that may impact investors.

Investment Marketing

While all four Townships have established or are part of an Investment Marketing Team and some of the Townships regularly post community data on their websites, none have developed a comprehensive investment or marketing plan that sets goals and identifies target industries. Furthermore, only some communities promote local economic development opportunities, participate in trade shows, or issue a business newsletter.

Dealing with Site Selectors

Each of the four Townships has a designated staff member or team as the primary contact for site selectors. This person or team is familiar with the site selection process and can respond quickly and appropriately to development enquiries. Additionally, most of these primary contacts are knowledgeable about the site selection requirements for the community's specific target industries.

Monitoring Investment Enquiries

Regarding the monitoring of investment enquiries, not all the Townships are aware of investment going elsewhere due to the community's failure to meet investor needs or keep track of missed opportunities.

Overall, while the Townships have made significant progress in preparing for investment readiness, there are still areas that require further attention and optimization, such as community data, economic development resources, and investment marketing. With continued efforts and the allocation of additional resources, the Townships will be well-positioned to attract investment and capitalize on emerging opportunities.

6.4 Strengths, Weaknesses, Opportunities, and Challenges

The SWOC analysis below has been prepared for the Region and the Townships based on the technical analysis, background review, and consultation undertaken for this study.



Figure 66
Strengths, Weaknesses, Opportunities, and Challenges

Strengths	Weaknesses
• Strong target industry employment with extensive manufacturing capabilities and technological adoption by industry. • Collaborative ecosystem between industry partners, innovation hubs, universities, and research institutions foster innovation and create pathways to retain skilled workforce. • Robust supply chain for advanced manufacturing with a wide range of products and capabilities in the Region, particularly in the automotive industry. • Strategic location with strong economic and transportation linkages and proximity to major Canadian and U.S. markets. • A unique post-secondary institutional environment that supports local manufacturers and has a depth of programming to support growth and innovation. • Internationally renowned technology hub centred around the University of Waterloo that supports innovation and startups. • Strong educational and research institutions, including Perimeter Institute, Waterloo Institute for	• Limited shovel-ready land for larger industrial development (>40 hectares). • Land prices impact the Townships' ability to develop employment lands. • Lack of interest by existing landowners to advance development of privately held lands. • Majority of land in the Townships is constrained by an agricultural designation – conversion to employment land may not be popular. • Lowest industrial vacancy in the country with limited options for development. • Lack of sanitary servicing infrastructure. • Increasing cost of housing, limited focus on building entry-level housing – does not match job growth salaries in the Region. • Lack of a focus on economic development in the Townships and a lack of economic data to inform decision making. • Future rural development reliant on timely completion of updated Official Plans and zoning by-laws.



Strengths	Weaknesses
Nanotechnology, and the Waterloo Centre for Automotive Research. • Post-secondary institutions train in almost every element of the economy – technology, automotive adjacent, software engineering, and robotics engineering. • Good quality indicators of place, including tourism and cultural assets. • Highly skilled and young workforce. • High labour force participation rate across the Region. • Good pipeline of skilled trades but having to attract from overseas. • Provincial and local planning policies provide greater flexibility to provide diversified employment uses in the rural area.	• Lack of transportation infrastructure to support growth of rural Employment Areas and lack of options for employees to access jobs. • Lack of access to lake-sourced water means regional development relies on aquifers. • Poor broadband/fibre optic infrastructure in the Townships limits investment.



Opportunities	Challenges
• The Region is well positioned to grow the advanced manufacturing sector, building off legacy industries, and the depth of the supply chain. • Automation and innovation in the manufacturing sector, building off the relationships with post-secondary institutions. • Increase emphasis on value-added agriculture, including food processing, food innovation, and food additives. • Automotive sector with an emphasis on second- and third-tier suppliers. • Autotech and the platforms that support these platforms. • Business to business supply chain growth, business mentoring, scaling local businesses. • Aviation and aerospace investment and training focused on the Breslau Airport. • Growth in the tourism sector as it enhances quality of life experiences for residents while attracting visitors to the area. • Opportunity to upskill legacy manufacturing workers into tech-forward roles and skilled trades.	• Lack of infrastructure capacity to develop new Employment Areas due to water and servicing constraints. • Potential skills shortage emerging – despite the talent pipeline, there is considerable competition for workers. • Businesses experiencing a shortage of skilled trades and post-secondary institutions are challenged to recruit into programming. • Lack of incentive programming to attract investment as compared to other rural areas. • Quality of place important for investment attraction and employee retention yet obvious signs of deterioration in health care, day care, and transit offerings. • Competing visions of development and desire to protect rural character may limit development options. • Community opposition to industrial development due to environmental concerns. • Growing pressure on both government and private enterprises to support a more diverse population. • Potential tariffs/U.S. trade policy changes.



Opportunities	Challenges
• Prime agricultural land provides opportunities for agriculture diversification, including agri-tech and agri-tourism. • Potential for airport infrastructure development and expansion on available land. • Private/public partnership to advance shovel-ready employment land. • Communal systems in rural areas are an option under the Provincial Planning Statement, 2024, enabling potential for development-ready employment lands outside municipally serviced areas.	• Decline in employment in legacy manufacturing industries can disrupt the Region's industrial distribution.



7. Growth Outlook and Gaps and Opportunities Assessment

The following presents a municipal-wide forecast of employment growth over the next 30 years through 2054 for the four Townships. The forecasts are provided by major sector and assess anticipated employment growth on employment lands for the Townships over the period. Based on the review of recent and forecast growth, forecast employment land needs over the 2024 to 2054 forecast period are presented.

Consideration is given to the adequacy of the Townships' existing employment lands inventory relative to forecast employment demand by geographic area. Understanding existing and future land demand characteristics by Employment Area sector and the impacts on employment land employment density and site requirements are key components in addressing the demand for Employment Area lands. Advice has also been provided with respect to employment land servicing needs to accommodate growth.

7.1 Employment Growth Outlook to 2054

Future demand for employment lands within the Townships is ultimately driven by forecast employment growth. A broad range of factors are anticipated to drive future employment growth in the Townships over the long term. These factors will not only impact the rate and magnitude of growth, but they will also influence the form and density of non-residential development and the corresponding demand for employment lands.

7.1.1 *Regional and Local Growth Drivers*

There are several factors that indicate economic growth within the Townships over the long term will be relatively strong, building on the economic expansion experienced over the past decade. In turn, anticipated employment growth and new non-residential development will generate continued demand for Employment Area land. These factors are discussed below.

Regional Growth Context

The long-term economic outlook for the regional economy generally remains positive. Long-term population and employment potential in the Townships is closely tied to the



economic outlook for Waterloo Region and, more broadly, for the Province. Generally, economic development activity, as measured by employment and population growth, has steadily increased across the regional economy over the past few years. This is expected to continue over the coming decades.

In accordance with the latest Ministry of Finance growth projections, Waterloo Region's population is expected to increase from 675,200 in 2023 to 1,020,300 in 2051.^[29] This represents an increase of 51% over the 2023 to 2051 period.

Population growth is anticipated to drive the demand for population-related commercial and institutional employment in Waterloo Region. New residential and population-related development will also drive demand within the construction sector and influence investment across certain industrial sectors that are more closely driven by regional population growth (e.g., fulfillment centres, urban warehouses).

Most industrial and office commercial employment (export-based employment), however, is not closely linked to population growth. Employment within these sectors tends to be more influenced by broader market conditions (i.e., economic competitiveness, transportation access, access to labour, and distance to employment markets) and local site characteristics such as servicing capacity, highway access and exposure, site size/configuration, physical conditions, and site location.

Diversification of Economy

Continued economic diversification provides opportunities for a broader range of non-residential development potential and employment prospects for Waterloo Region. Recent development trends and employment and business growth over the past decade, as illustrated earlier, show a shift to more advanced manufacturing in the industrial sector and “knowledge-based” sectors in both the commercial and institutional sectors.

Municipal Competitiveness

The Townships offer a competitive cost of development environment, which makes them attractive for new industrial development. The Townships also have access to major highways, are in close proximity to the U.S. market, and have access to a growing working-age population and skilled labour force. In addition, the Townships

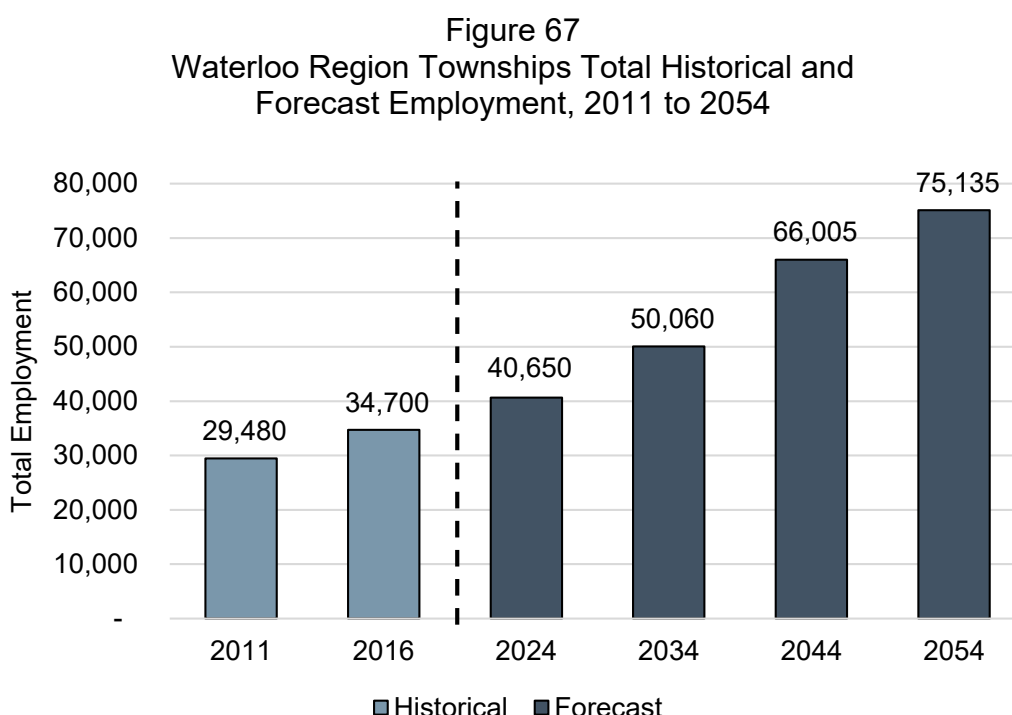
^[29] Source: Ministry of Finance Population Projections, Summer 2024.



offer a relatively high quality of life, which is an increasingly important attribute for both employers and employees.

7.2 Employment Outlook for the Townships to 2054

The employment base in the Waterloo Region Townships is forecast to reach 75,135 jobs by 2054, as illustrated in Figure 67. This represents an increase of approximately 34,500 jobs between 2024 and 2054, signifying an annual growth rate of 2% during this period, based on the current (2024) employment estimates for the Townships.



Source: Watson & Associates Economists Ltd., 2025.

7.2.1 Employment Forecast by Employment Category

Figure 68 summarizes the Townships' employment growth forecast by employment category share for the 2024 to 2054 period. As shown, population-related employment growth is forecast to account for most of the employment growth (51%) from 2024 to 2054, followed by Employment Area lands employment (46%) and rural employment growth (3%).



The following provides a summary of employment growth by land use category.

Population-Related Employment

Population-related employment generally serves the local population base by providing convenient locations to local residents. Typically, as the population grows, the demand for this employment also increases to serve the needs of the Region. Population-related employment also captures work from home employment.

Forecast population growth in the Townships is anticipated to drive demand for future population-related employment growth. This includes employment growth in retail, personal services, accommodation and food services, health and social services, and educational service sectors. Population-related employment growth over the 2024 to 2054 period is expected to total 17,700 jobs, representing 51% of overall employment growth.

Employment Lands Employment

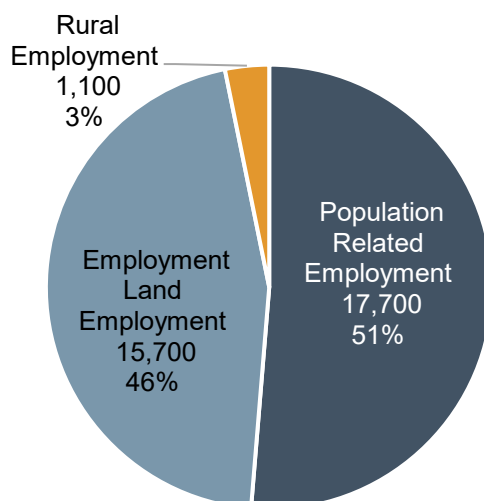
Over the forecast period (2024 to 2054), employment lands employment is expected to account for 46% of total employment growth (15,700 jobs) and reflects growth largely in industrial-based sectors. The growth in employment lands employment is expected to be mainly driven by continued growth across a number of top-traded industry clusters, as previously discussed.

Rural Employment

Rural-based employment, employment primarily consisting of primary sectors, is anticipated to represent 3% (1,100 jobs) of the Townships' employment growth over the 2024 to 2054 period. This will result in the rural-based share of Township-wide employment growth remaining relatively stable over the forecast period. It is anticipated that rural employment will continue to grow in rural-based sectors including agriculture, as well as uses related to recreation and tourism. Value-added on-farm diversified uses are anticipated to be a key growing component of the rural work at home and off-site employment base. Technological innovation and improved broadband regional telecommunications will provide more opportunities for rural residents to work from home.



Figure 68
Waterloo Region Townships
Employment Forecast by Employment Category, 2024 to 2054



Note: Figures include work at home and no fixed place of work employment.
Numbers may not add precisely due to rounding.
Source: Watson & Associates Economists Ltd., 2025.

A detailed employment forecast by employment category is provided below, followed by a discussion.



Figure 69
Waterloo Region Townships
Employment Forecast by Employment Category

Year	Population ^[1]	Employment				
		Major Office	Employment Land Employment	Population-Related Employment	Rural Based	Total
Township of North Dumfries						
2024	12,700	75	4,160	1,130	1,590	6,955
2054	27,100	75	8,690	2,950	1,815	13,535
2024-2054	14,400	-	4,530	1,820	225	6,580
Township of Wellesley						
2024	12,400	-	1,355	1,360	2,845	5,560
2054	14,100	-	1,950	1,770	3,170	6,890
2024-2054	1,700	-	595	410	325	1,330
Township of Wilmot						
2024	23,000	-	2,925	3,545	2,520	8,990
2054	35,300	-	5,855	6,665	2,785	15,305
2024-2054	12,300	-	2,930	3,120	265	6,315
Township of Woolwich						
2024	31,100	-	5,125	9,170	4,850	19,145
2054	65,700	-	12,805	21,475	5,125	39,405
2024-2054	34,600	-	7,680	12,305	275	20,260
Townships Total						
2024	79,200	75	13,565	15,205	11,805	40,650
2054	142,200	75	29,300	32,860	12,895	75,135
2024-2054	63,000	-	15,735	17,655	1,090	34,485

^[1] Population forecast adapted from 2025 Region of Waterloo Growth Projections. Includes Census undercount
Source: Watson & Associates Economists Ltd.

The Township of North Dumfries' employment base is forecast to reach 13,540 jobs by 2054, as illustrated in Figure 69. This represents an increase of approximately 6,580 jobs between 2024 and 2054, signifying an annual growth rate of 2.2% during this period, based on the current (2024) employment estimate for the Township. Over the 2024 to 2054 period, North Dumfries is expected to experience employment growth of 6,580 jobs, with 69% (4,530 jobs) in employment land employment, 28% (1,820 jobs) population-related employment and 3% (225 jobs) rural-based employment.

The Township of Wellesley's employment base is forecast to reach 6,890 jobs by 2054, as illustrated in Figure 69. This represents an increase of approximately 1,330 jobs between 2024 and 2054, signifying an annual growth rate of 0.7% during this period, based on the current (2024) employment estimate for the Township. Over the 2024 to 2054 period, Wellesley is expected to experience employment growth of 1,330 jobs,



with 45% (595 jobs) in employment land employment, 31% (410 jobs) in population-related employment, and 24% (325 jobs) in rural-based employment.

The Township of Wilmot's employment base is forecast to reach 15,305 jobs by 2054, as illustrated in Figure 69. This represents an increase of approximately 6,315 jobs between 2024 and 2054, signifying an annual growth rate of 1.79% during this period, based on the current (2024) employment estimate for the Township. Over the 2024 to 2054 period, Wilmot is expected to experience employment growth of 6,315 jobs, with 46% (2,930 jobs) in employment land employment, 49% (3,120 jobs) in population-related employment, and 4% (265 jobs) in rural-based employment.

The Township of Woolwich's employment base is forecast to reach 39,405 jobs by 2054, as illustrated in Figure 69. This represents an increase of approximately 20,260 jobs between 2024 and 2054, signifying an annual growth rate of 2.4% during this period, based on the current (2024) employment estimate for the Township. Over the 2024 to 2054 period, the Township is expected to experience employment growth of 20,260 jobs, with 38% (7,680 jobs) in employment land employment, 61% (12,305 jobs) in population-related employment, and 1% (275 jobs) in rural-based employment.

7.3 Employment Land Needs to 2054

Employment Areas in the Townships provide opportunities to accommodate a wide variety of industrial employment sectors and businesses within a range of building types and forms.

Building on the long-term employment forecast presented in section 7.2, anticipated Employment Area land needs requirements have been identified based on the following considerations:

- Planning for existing and future Employment Areas within the context of evolving provincial and regional market trends;
- The share of employment growth on Employment Area lands over the planning horizon, in accordance with the P.P.S., 2024;
- Forecast density (i.e., employees per net hectare/acre) of employment on Employment Area lands; and
- The amount of long-term vacant Employment Area lands within the Townships' Employment Areas.



The Employment Area land needs assessment is detailed below.

7.3.1 *Employment Area Land Demand Forecast*

As discussed in section 7.2, employment land employment in the Townships is anticipated to increase by 15,735 jobs over the 2024 to 2054 period, representing roughly 46% of overall employment growth over that period. This includes 4,530 jobs in North Dumfries, 595 jobs in Wellesley, 2,930 jobs in Wilmot, and 7,680 jobs in Woolwich, all related to employment land employment.

Over the planning horizon, approximately 10% of the employment growth (approximately 1,575 jobs) on Employment Area lands is anticipated to be accommodated through intensification. This intensification includes the expansion of existing business facilities and the redevelopment of Employment Area lands.

Over the planning horizon, the average employment density on Employment Area lands is forecast to be similar to the historical average over the past decade. As summarized in Figure 70, it is anticipated that the density of Employment Area land development will average 10 jobs per net hectare (4 jobs per net acre) in Wellesley, and 15 jobs per net hectare (6.1 jobs per net acre) in North Dumfries, and 20 jobs per net hectare (8.1 jobs per net acre) in Wilmot and Woolwich.

Reflecting the employment to be accommodated and the assumptions on intensification and employment density discussed above, over the forecast horizon, demand for Employment Area land is approximately 272 hectares in North Dumfries, 54 hectares in Wellesley, 132 hectares in Wilmot, and 346 hectares in Woolwich.

Land demand requirements have been modified to include a market contingency factor. A market contingency factor of 10% has been applied. The market contingency factor ensures the Townships have the flexibility to accommodate potentially higher levels of forecast employment land demand in its Employment Areas over the course of the planning horizon. This approach has been adopted to help ensure the Townships retain an adequate level of market choice of employment site options for prospective businesses and investors. With the 10% market contingency factor, forecast employment land through 2054 is anticipated to total 300 hectares in North Dumfries, 60 hectares in Wellesley, 145 hectares in Wilmot, and 380 hectares in Woolwich.



Figure 70
Waterloo Region Townships
Employment Area Land Demand to 2054

Municipality	Forecast Employment Growth on Employment Lands	Employment Adjusted for Intensification (10%)	Density (jobs/ hectare)	Land Demand Area (hectares)	Demand with Market Contingency (hectares) ^[1]
North Dumfries	4,530	4,080	15	272	300
Wellesley	595	540	10	54	60
Wilmot	2,930	2,640	20	132	145
Woolwich	7,680	6,910	20	346	380
Total Employment Areas	15,735	14,170		804	885

^[1] Market contingency of 10% has been applied to the Employment Area land demand. The market contingency provides for 101 hectares of additional land beyond the market forecast. Source: Watson & Associates Economists Ltd., 2025.

7.3.2 Employment Land Needs

Based on the anticipated long-term employment growth, it is forecast that the Townships will have an insufficient supply of Employment Area lands to accommodate growth through 2054. As highlighted in Figure 71, the Townships have an aggregate need for 210 net hectares (519 net acres) or 280 gross hectares (692 gross acres) of additional Employment Area lands to accommodate the forecast growth to 2054. This includes a need for additional employment land of 65 gross hectares in North Dumfries, 75 gross hectares in Wellesley, 120 gross hectares in Wilmot, and 20 gross hectares in Woolwich. As such, the Townships will need to consider options for expansion of their Employment Area lands to address this anticipated deficit. This includes the infrastructure requirements and the approach to lands development.



Figure 71
Waterloo Region Townships
Employment Area Land Needs, 2024 to 2054

Employment Area Land Needs	North Dumfries	Wellesley	Wilmot	Woolwich	Total
Employment Area Land Supply (adjusted for 15% long-term vacancy), hectares	250	5	55	365	675
Employment Area Land Demand, includes Market Contingency, hectares	300	60	145	380	885
Employment Land Needs, Surplus/ (Shortfall), net hectares	(50)	(55)	(90)	(15)	(210)
Employment Land Needs, Gross Developable, hectares	65	75	120	20	280

Source: Watson & Associates Economists Ltd., 2025.

7.4 Servicing Assessment

7.4.1 Servicing Policy Context

7.4.1.1 Provincial Planning Statement

Under the P.P.S., 2024, municipalities are required to plan for water and wastewater services, which can accommodate forecast growth to a horizon of 20 years or further. Municipalities are also required to provide servicing in a manner that promotes the efficient use and optimization of existing servicing; ensures these services are sustainable and financially feasible; protects the natural environment, human health, and safety; and aligns with comprehensive municipal planning. Under the P.P.S., there exists a servicing hierarchy, wherein:

- Municipal water and sewage services are preferred in settlement areas; and where not feasible on existing or planned services;



- Private communal water and sewage services are preferred for multi-lot development; and where not feasible on existing or planned services; and
- Individual on-site water and sewage services may be used, subject to suitable site conditions for long-term provision without negative impacts.

In all cases, servicing is subject to the protection of the environment and minimizing risks to public health and safety. Partial servicing is permitted in limited circumstances, including infill and minor rounding out of existing development within settlement areas and where individual, on-site water or sewage systems for existing development have failed. In the 2024 update to the P.P.S., opportunities for partial servicing were expanded to include Rural Settlement Areas where new development will be serviced by individual, private, on-site water in combination with municipal sewage services.

7.4.1.2 Region of Waterloo

The Region, through its O.P., establishes an infrastructure goal to undertake infrastructure planning, development, and asset management, which optimizes the use of existing infrastructure, accommodates forecast growth, and promotes sustainability and a healthy population (Chapter 5). This includes multiple objectives, including to (1) plan and manage municipal water supply systems using a comprehensive integrated approach that reduces water demand, achieves efficient water use, and protects, improves, or restores water quality and quantity; and (2) plan and manage municipal wastewater systems to reduce future treatment capacity requirements, optimize the use of existing wastewater treatment plants, and protect, improve, or restore water quality and quantity in receiving waters.

Within the R.O.P., servicing policies specify that new development will be considered where it involves extensions of the municipal wastewater and drinking water supply system, and where municipal servicing is not available, where it is proposed to have individual private wastewater and well systems (subsections 5.D and 5.C). Private communal servicing is not permitted by the R.O.P.

Within the Countryside, specifically, development and lot creation may be permitted within Rural Employment Areas where new lots can be serviced by private wells and individual wastewater treatment systems (Chapter 6, subsections F.2, G.6, E.13, E.11, E.10, E.7, C.7, and C.3). Where individual private services are proposed, a Source Water Protection Study is required to demonstrate that the proposed system will not have negative impacts to the Region's groundwater sources (subsections 5.D and 5.C).



Under subsection 70.13 (2) of the *Planning Act*, with the removal of planning authority for the Region as an upper-tier municipality, the R.O.P. will be deemed to constitute an O.P. for the lower-tier municipalities. This will remain in effect until the lower-tier municipalities revoke or amend their O.P.s. With the removal of the upper-tier planning authority, there exists an opportunity for the four rural municipalities to broadly consider servicing opportunities within their O.P. policies and to work with the Region on a servicing allocation strategy in accordance with the P.P.S., 2024.

7.4.2 Existing Infrastructure and Servicing Limitations

The Townships of Wilmot, Wellesley, Woolwich, and North Dumfries in the Region of Waterloo have a complex and multifaceted infrastructure system. The water supply and servicing system encompasses various components, including groundwater wells, water treatment facilities, pumping and storage facilities, and distribution networks. Ownership of the infrastructure is shared among the Region and individual Townships, with some systems also receiving support from the Integrated Urban System.

The Integrated Urban System is the Region of Waterloo's primary water supply network, combining groundwater and Grand River sources to serve the communities of Cambridge (including Lloyd Brown's subdivision in the Township of North Dumfries), Kitchener, Waterloo (including the village of St. Agatha in Wilmot Township), Elmira, St. Jacobs, Conestogo, and West Montrose. These water supply systems are treated as a single system servicing these communities.

The following tables summarize the key aspects of the water supply and wastewater treatment and conveyance infrastructure across these rural Townships, outlining any key limitations.



Township of Wilmot

-	Key Aspects/Limitations
Water	• Drinking Water Systems: Foxboro, Mannheim, New Dundee, Shingletown, and New Hamburg/Baden. • Some areas supplied by the Integrated Urban System (St. Agatha, Mannheim). • Mannheim/Shingletown wells supply Integrated Urban System and New Hamburg/Baden drinking water system.
Wastewater	• Wastewater Treatment Plants: New Hamburg and Foxboro Green • Sewage Pump Stations: Baden and Morningside
Key Limitations	• Distribution systems in Wilmot are owned by the Township, potentially constraining regional growth due to limited coordination, funding challenges, and capacity restrictions. • The Foxboro Water Distribution System is owned and operated by the Ontario Clean Water Agency on behalf of a private owner. • The Foxboro and New Dundee Drinking Water Systems were designed to service specific subdivisions in respective settlement areas and, therefore, there is likely no additional capacity to service beyond those units. • The New Hamburg/Baden Drinking Water System is supplied by two groundwater wells; however, only one well is operating at a time. •



Township of North Dumfries

-	Key Aspects/Limitations
Water	• Drinking Water Systems: Ayr, Branchton, and Roseville. • Some areas supplied by the Integrated Urban System (Lloyd Brown).
Wastewater	• Wastewater Treatment Plants: Ayr. • Sewage Pump Stations: Rose Street, Ayr, and Nith River Way.
Key Limitations	• The Branchton and Roseville Water Supply Systems were designed to service specific subdivisions in respective settlement areas and, therefore, there is likely no additional capacity to service beyond those units.

Township of Wellesley

-	Key Aspects/Limitations
Water	• Drinking Water Systems: Linwood, St. Clements, Wellesley, and Heidelberg.
Wastewater	• Wastewater Treatment Plants: Wellesley.
Key Limitations	• The Linwood and Heidelberg Water Supply Systems were designed to service specific subdivisions in respective settlement areas and, therefore, there is likely no additional capacity to service beyond those units. • The Heidelberg Distribution System in the Township of Wellesley receives water from the St. Clements water treatment plant. • Wastewater servicing has been, and continues to be, one of the most significant limitations to growth – in Wellesley Village and other Rural Settlement Areas.



Township of Woolwich

-	Key Aspects/Limitations
Water	• Drinking Water Systems: Woolwich North Distribution System (connected to the Integrated Urban System for supply, consists of the settlements of St. Jacobs, Elmira, Conestogo, and West Montrose), Maryhill Distribution System (well supply), Breslau Distribution System (connected to the Integrated Urban System for supply), Heidelberg Distribution System (well supply).
Wastewater	• Wastewater Treatment Plants: St. Jacobs, Elmira, Conestogo, and Heidelberg.
Key Limitations	• Limited additional servicing capacity in small well supply/ wastewater collection systems dedicated to individual subdivisions. Distribution systems in Woolwich are owned by the Township, potentially constraining regional growth due to limited coordination, funding challenges, and capacity restrictions. • Not all settlements serviced by a water distribution system have fire flow capabilities • Not every property in Maryhill has the ability to connect to the water distribution system. • Only a portion of the Heidelberg and Conestogo settlements are serviced by their respective wastewater collection systems.

7.4.3 Servicing/Infrastructure Needs to Key Sectors

The key sectors driving growth in Waterloo Region include advanced manufacturing, automotive, food/agriculture, clean technology, robotics and automation, aerospace, and aviation and warehousing/logistics. Actual water and wastewater servicing requirements (i.e., required water supply and wastewater disposal infrastructure capacity in m³/day) may vary widely between and within sectors depending on factors such as scale, production processes, and operational intensity. Some high-level estimates, however, are presented in the table below, based on sources such as:



- Provincial design guidelines;
- Typical reference texts for water and wastewater infrastructure;
- Data from Statistics Canada “Water use parameters in manufacturing industries, by industry;” and
- Published journal articles.

These estimates assume that no internal water recycling processes are in place.



Figure 72
Typical Servicing Requirements by Industry Sector

Industry	Water/Wastewater Servicing Category	Water Demand Estimates	Wastewater Production Estimates	Comments
Aerospace	Heavy Use Industrial/Factory	53+ m ³ /hectare/day	50+ m ³ /hectare/day	Significant water and wastewater needs are likely.
Automotive	Heavy Use Industrial/Factory	53+ m ³ /hectare/day; 5 to 6 m ³ /vehicle	50+ m ³ /hectare/day; 5 to 6 m ³ /vehicle	Significant water and wastewater needs are likely.
Aviation and Logistics	Airport, Warehousing	5 L/passenger; 150 L/warehouse loading bay; 8 to 15 m ³ /hectare/day	5 L/passenger; 150 L/warehouse loading bay; 7.5 to 14 m ³ /hectare/day	Range of estimates; consider contacting comparable sites.
Beverage Production	Heavy Use Industrial/Factory	53+ m ³ /hectare/day	50+ m ³ /hectare/day	Significant water and wastewater needs are likely.
Canning	Heavy Use Industrial/Factory	53+ m ³ /hectare/day	50+ m ³ /hectare/day	Significant water and wastewater needs are likely.
Food Processing	Heavy Use Industrial/Factory	53+ m ³ /hectare/day	50+ m ³ /hectare/day	Significant water and wastewater needs are likely.
Information Technology	Office Use	75 L/worker/day; 8 to 15 m ³ /hectare/day	75 L/worker/day; 7.5 to 14 m ³ /hectare/day	Comparatively low water and wastewater demands are likely.
Misc. Manufacturing - Light Use/Dry	Light Use Industrial/Factory	8 to 15 m ³ /hectare/day	7.5 to 14 m ³ /hectare/day	Comparatively low water and wastewater demands are likely.
Misc. Manufacturing - Medium Use	Medium Use Industrial/Factory	15 to 29 m ³ /hectare/day	14 to 28 m ³ /hectare/day	More substantial demands compared to light-use manufacturing.
Misc. Manufacturing - Heavy Use	Heavy Use Industrial/Factory	53+ m ³ /hectare/day	50+ m ³ /hectare/day	Significant water and wastewater needs are likely.
Professional Services and Corporate Headquarters	Office Use	75 L/worker/day 8 to 15 m ³ /hectare/day	75 L/worker/day 7.5 to 14 m ³ /hectare/day	Comparatively low water and wastewater demands are likely.
Robotics and Automation	Light to Medium Use Industrial/Factory	8 to 29 m ³ /hectare/day	7.5 to 28 m ³ /hectare/day	Range of estimates; consider contacting comparable sites.
Textiles	Medium Use Industrial/Factory	15 to 29 m ³ /hectare/day	14 to 28 m ³ /hectare/day	Moderate to high water and wastewater demands are likely. Extreme fluctuations in water usage noted in the literature for cleaning and dyeing processes.

Source: J.L. Richards & Associates Limited.



Key takeaways indicate that heavy-use industries such as aerospace, automotive, and beverage production will require substantial water and wastewater infrastructure due to their high consumption and outputs. Medium- and light-use industries, including IT and robotics, have more manageable water and wastewater needs. Proper planning and tailored infrastructure will be essential to meet the diverse demands of these industries for employment lands development within the Region.

7.4.4 Review of Servicing Approaches

For rural areas, lack of municipal servicing often represents a key constraint to attracting investment. Figure 73 summarizes potential servicing approaches, starting with typical municipal servicing in order to characterize their advantages and disadvantages and to provide examples of other jurisdictions (if any) where such approaches have been implemented.



Figure 73
Municipal Servicing Approaches

Approach	General Description	Prevalence / Industry Acceptance	Ability to Meet Employment Needs	Known Examples / Case Studies	Typical Regulatory Requirements ^[1]	Additional Benefits, Limitations, and Constraints
Conventional Municipal Servicing	• Municipally owned and operated centralized water and wastewater infrastructure, extending service from the existing system to employment lands. • Supports large-scale employment growth. • Urban areas, business parks, and industrial zones near existing municipal infrastructure.	• Widely used – standard for employment lands where municipal infrastructure is available. • Generally preferred for reliability and regulatory simplicity.	• Current infrastructure does not have sufficient capacity for all employment growth indicated above.	• All Ontario municipalities with municipal servicing.	• Municipal Class Environmental Assessment (MCEA) is required for the planning and approval of new or expanded municipal water/wastewater systems. • Water: typically requires a permit to take water (PTTW), drinking water works permit, municipal drinking water licence. • Wastewater: Environmental Compliance Approval (ECA) required for wastewater collection and treatment infrastructure; Assimilative Capacity Study may be required for receiving water bodies to assess impact. • A hydrogeological study may be required if groundwater is being used. • Systems must comply with Source Protection Plans; related studies and potential Source Protection Plan amendment required for new drinking water sources.	• Reliable and well-established system providing both water and wastewater management to larger communities. • Long-term stability and consistent operation as infrastructure is already in place. • It is easier to manage regulatory compliance because the system is standardized and subject to clear rules. • Significant upfront capital cost and time required to construct infrastructure – MCEA studies can be lengthy. • Ongoing operational and maintenance costs can be high.
Individual Private Servicing	• On-site private wells and septic systems for water and wastewater management. • Supports small-scale, low-density employment uses. • Rural and remote employment lands where municipal servicing is not available.	• Regulatory limitations can be a challenge for industrial or high-water-use operations.	• Ability to meet large-scale employment growth is limited by hydraulic capacity constraints. • Considerable developable land area can be taken up by septic fields, which cannot be covered with structures, parking/roadways, etc.	• All unserved areas with employment/industrial uses. • Township of Puslinch utilizes Municipal Development Standards as a reference guide for various development requests, outlining processes, submission requirements, and design and construction standards. • City of Hamilton has established formal policies for private servicing in employment and industrial areas. The City's Zoning By-Law No. 05-200 regulates land use, including provisions for private servicing for industrial/commercial uses. • Privately-developed industrial park examples on private or mixed services were found in Middlesex County, Bradford West Gwillimbury, and Uxbridge.	• Water: may require PTTW if water-taking exceeds 50,000 L/day; well construction permit is required for constructing private wells. • Wastewater: • Sewage (septic) systems under 10,000 L/day are regulated by the Ontario Building Code. New systems or changes to existing systems require a septic permit (building permit) from the local municipality. • An ECA is required if the septic system discharges more than 10,000 L/day, if the system discharges to surface water, or involves disposal off-site. • Assimilative Capacity Study may be required if wastewater discharges to receiving water body or for septic systems near water body. • Hydrogeological studies may be required to demonstrate groundwater availability for water taking, wastewater treatment requirements, and impact on existing wells and surrounding properties. • Studies related to surface water bodies typically required if used for water supply, wastewater disposal, and stormwater disposal.	• No capital or operations and maintenance costs are borne by the municipality. • Typically, the timeline for studies and approvals is shorter than municipal systems. • Risks of pollution/contamination if systems are not maintained properly; property owners are responsible for ongoing maintenance. • Limited capacity for growth or connection to a larger network if needed in future. • Local geotechnical, hydrogeological, and hydrological conditions significantly affect the viability of individual private servicing.



Approach	General Description	Prevalence / Industry Acceptance	Ability to Meet Employment Needs	Known Examples / Case Studies	Typical Regulatory Requirements ^[1]	Additional Benefits, Limitations, and Constraints
Communal – Private Servicing	• A privately owned and operated water/ wastewater system serving multiple businesses within an Employment Area. • Industrial parks, commercial developments, and Employment Areas where municipal service is unavailable, but businesses can share infrastructure.	• Acceptance varies between municipalities.	• Can likely support moderate employment growth.	• More commonly related to residential subdivision development in “greenfield” unserviced areas. • West Capital Airpark (Carp Airport) in the City of Ottawa is privately owned and serviced. Servicing includes modular wastewater treatment plants providing a high level of treatment prior to surface water discharge.	• Water: may require PTTW if water-taking exceeds 50,000 L/day; drinking water works permit if providing potable water to multiple properties; well construction permit is required for constructing private wells. • Wastewater: • An ECA is required for any wastewater system servicing multiple properties. • An Assimilative Capacity Study may be required if wastewater discharges to receiving water body or for septic systems near water body. • Hydrogeological studies may be required to demonstrate groundwater availability for water taking, wastewater treatment requirements, and impact on existing wells and surrounding properties.	• Typically, lower cost per user compared to individual private systems since the infrastructure is shared. • Regulatory requirements are similar to municipal systems for wastewater, which can add complexity, although requirement for certain studies (MCEA, Source Protection Plan) typically eliminated impacting schedule. • This can be perceived by the public as high risk for municipalities, as failure may ultimately shift responsibility to the public sector. • Municipality may ask for a Municipal Responsibility Agreement between the owner and municipality, including associated financial assurance, to enable the municipality to assume and operate the system(s) if private corporation fails. Note that this agreement does not appear to be strictly required for non-residential applications.
Communal – Municipal Servicing	• A municipality or municipally owned entity owns and operates a decentralized system providing water and wastewater servicing to an Employment Area separate from the main municipal system. • Compared to conventional Municipal Servicing, more likely to be developer-led and paid for, but municipality ultimately still owns and operates the system.	• Acceptance varies between municipalities.	• Can likely support employment growth.	• More commonly related to residential subdivision development in “greenfield” unserviced areas. • Infrastructure can be constructed or approved and assumed by individual municipalities, municipally owned entities (e.g., airports) or by a Municipal Services Corporation. • Lake Simcoe Regional Airport was developed on private communal services. • Frontenac Municipal Services Corporation was incorporated November 7, 2023, to manage the implementation and operation of communal water and wastewater services in Frontenac. Funding is divided equally among the five founding municipalities. Enables municipalities to pool resources and share costs for infrastructure and operations, and provides a dedicated entity focused solely on water and wastewater servicing in the area, which can improve operational efficiency and access to knowledge/expertise.	• Some differences in how non-residential communal systems are handled among various known examples; requirements appear to be similar to communal private servicing, but in some cases additional requirements for municipal servicing (e.g., MCEA, Source Protection Plans) are thought to apply.	• Similar benefits to private communal servicing. • Reliable, professionally managed system that can handle larger populations with greater capacity. • Developer-led projects reduce municipal financial risk but require municipal capacity to review and approve developer-led submissions to ensure systems meet municipal expectations. • “Municipality-as-developer” projects increase municipal financial risk/potential reward. • Guidance through a clearer policy framework for decentralized systems is required at the provincial level to help small municipalities fully benefit from communal systems.



Approach	General Description	Prevalence / Industry Acceptance	Ability to Meet Employment Needs	Known Examples / Case Studies	Typical Regulatory Requirements ^[1]	Additional Benefits, Limitations, and Constraints
Communal Public-Private Partnership (P3) Servicing	• A private entity designs, builds, and operates water and wastewater infrastructure, with municipal ownership and regulatory oversight.	• P3 is typically used in large-scale infrastructure projects, particularly in areas with high capital costs. Not prevalent for this application.	• Can likely support employment growth.	• No known examples specific to Employment Area development. • City of Greater Sudbury entered a P3 agreement with N-Viro Systems Canada LP to expand and upgrade their wastewater treatment plant and build a new biosolids facility. The project was delivered as a Design-Build-Finance-Operate-Maintain on a 22-year agreement that included a two-year design and construction phase followed by 20 years of operation.	• Likely same as Communal – Municipal Servicing.	• Leverage private funding, reducing municipal capital-costs. • Access to private-sector expertise and innovation. • Complex contractual agreements and regulatory oversight required. • The municipality has reduced direct control over operations. • Best suited for large-scale, high-cost infrastructure projects. • Long-term financial commitments and risk-sharing challenges.
Innovative Water Efficient Servicing – Individual Private	• Employment lands using on-site water efficiency measures such as greywater reuse and rainwater harvesting to reduce demand on external water supply and wastewater discharge. • Industrial sites with high water consumption, standalone facilities in rural areas, and businesses aiming for sustainability goals.	• Gaining traction in eco-conscious or sustainable developments, especially in regions with water scarcity. • Increasingly accepted as part of green building standards but still less common than traditional systems.	• Potential to enable development that would otherwise be constrained by local water supply and/or wastewater disposal capacity.	• Bench Brewing Company recycles 100% of its brewing wastewater, using a custom water purification system to process the wastewater. This results in up to 30,000 L/day being reused for other purposes, including providing irrigation at the brewery's hops field or neighbouring farms. • A Husky Oil truck stop near London, Ontario required re-development to accommodate a new building containing a restaurant, washroom, etc. A sewage treatment plant was designed that re-uses approximately 35% of the treated effluent immediately inside the facility for toilet and urinal flushing.	• Water: typically requires PTTW; A well construction permit is required for constructing private wells. • Wastewater: Sewage (septic) systems under 10,000 L/day are regulated by the Ontario Building Code; however, in some cases municipal building departments are not comfortable regulating and require an ECA from the Ministry of the Environment, Conservation and Parks. • A hydrogeological study may be required if groundwater is being used for water source or wastewater assimilation. Assimilative Capacity Study may be required for receiving water bodies to assess impact.	• Reduces water consumption by recycling greywater or treated wastewater for non-potable uses. • Environmental sustainability benefits and related marketing/public goodwill potential. • Potentially high initial installation costs for systems. • Requires regular maintenance and monitoring, and user must be educated on correct operation. • Water treatment and filtration systems may be complex and costly to maintain. • Regulatory hurdles for the safe use of recycled water, depending on local regulator familiarity with such systems.



Approach	General Description	Prevalence / Industry Acceptance	Ability to Meet Employment Needs	Known Examples / Case Studies	Typical Regulatory Requirements ^[1]	Additional Benefits, Limitations, and Constraints
Innovated Water Efficient Servicing – Communal, Public or P3	• A shared system, such as a third-pipe (purple pipe) network, supplies reclaimed water for non-potable uses in Employment Areas. • Business parks, eco-industrial zones, and municipalities promoting sustainable water use in industrial and commercial developments.	• Not yet prevalent; no known cases in Ontario or Canada.	• Potential to enable development that would otherwise be constrained by local water supply and/or wastewater disposal capacity.	• No known cases in Ontario or Canada.	• Typical requirements for water taking and wastewater disposal; additional regulatory requirements related to communal or public water recycling unknown.	• Reduced taking of raw water and disposal of wastewater to environment. • Increases resilience to water shortages. • Requires significant upfront investment in infrastructure. • Continuous monitoring and maintenance is required to ensure the system operates safely and efficiently. • Some users may be reluctant to use non-potable water due to concerns about water quality and hygiene. • The approval process can be complex, especially to meet health and safety regulations. • Non-potable water must undergo adequate treatment to meet regulatory standards for safe use, which can add to costs and operational efficiency.

^[1] Typical requirements specific to water and wastewater systems. Not intended to be comprehensive. Excludes, among other items, any permits or studies related to natural heritage systems, species at risk, cultural heritage or archaeology, geomorphology, planning-related approvals, etc.



7.4.5 Servicing/Infrastructure Needs to Accommodate Growth

Assessing available water and wastewater capacity is essential for understanding the ability of the Townships to support employment growth. This includes evaluating the remaining capacity in each system, identifying those targeted for expansion, and estimating future servicing requirements based on projected employment and sector-specific demand. This assessment is summarized in Figure 74.



Figure 74
Servicing Capacity vs. Potential Servicing Requirements through 2054

Township	Theoretical Total Water Capacity (m ³ /day) ^{[1] [2]}	Water Capacity in Target Systems (m ³ /day)	Theoretical Total Wastewater Capacity (m ³ /day) ^[1]	Wastewater Capacity in Target Systems (m ³ /day)	Estimated Range of Servicing Requirements (m ³ /day) ^{[15] [16]: 2024 – 2034}	Estimated Range of Servicing Requirements (m ³ /day) ^{[15] [16]: 2024 – 2044}	Estimated Range of Servicing Requirements (m ³ /day) ^{[15] [16]: 2024 – 2054}
North Dumfries	1,975 ^[3]	1,739 ^[4]	747 ^[5]	747 ^[5]	1,140 – 7,600	2,168 – 14,450	3,068 – 20,450
Wellesley	4,021 ^[6]	1,924 ^[7]	210 ^[8]	210 ^[8]	150 – 1,000	368 – 2,450	548 – 3,650
Wilmot	7,918 ^[9]	7,045 ^[10]	55,229 ^[11]	3,006 ^[12]	248 – 1,650	848 – 5,650	1,305 – 3,700
Woolwich	48,952 ^[13]	48,952 ^[13]	40,967 ^[14]	40,967 ^[14]	683 – 4,550	1,568 – 10,450	2,543 – 16,950

^[1] Data from Region 2024 Water and Wastewater Monitoring Report.

^[2] It is assumed that reported water capacities have already accounted for the committed capacity of unconnected approved lots that have servicing agreements.

^[3] Includes capacity in the Ayr, Branchton Meadows, and Roseville Drinking Water Systems.

^[4] Target system: Ayr Drinking Water System.

^[5] Ayr Wastewater Treatment Plant.

^[6] Includes capacity in the Linwood, St. Clements, Wellesley, and Heidelberg Drinking Water Systems.

^[7] Target system: Wellesley Drinking Water System.

^[8] Wellesley Wastewater Treatment Plant.

^[9] Includes capacity in the Foxboro, New Dundee, and Baden/New Hamburg Drinking Water Systems. Note that Wilmot is part of Integrated Urban System; opportunities for increased connectivity to be further explored.

^[10] Target system: Baden/New Hamburg Drinking Water System. Note that Wilmot is part of Integrated Urban System; opportunities for increased connectivity to be further explored.

^[11] Includes capacity at the Baden/New Hamburg Wastewater Treatment Plant and the Kitchener and Waterloo Wastewater Treatment Plants.

^[12] Target System: Baden/New Hamburg Wastewater Treatment Plant. Future increased connections to Kitchener/Waterloo Wastewater Treatment Plants to be further explored.

^[13] Remaining capacity for Integrated Urban System; all other Drinking Water Systems in Woolwich are not considered.

^[14] Includes capacity at the Elmira Wastewater Treatment Plant and the Kitchener Wastewater Plant; excludes the Waterloo Wastewater Treatment Plant.

^[15] Lower Range: Servicing Requirements = Employment Land Demand (Net hectares – See Figure 70) x 7.5 m³/hectare/day (lower range for estimated water demand/wastewater production; see Figure 70).

^[16] Upper Range: Servicing Requirements = Employment Land Demand (Net hectares – See Figure 67) x 50 m³/hectare/day (upper limits for estimated water demand/wastewater production; see Figure 67).



7.5 Servicing Gaps and Opportunities Assessment

Based on the analysis presented above, the following provides an assessment of the gaps and opportunities assessment for new employment growth areas in each of the Townships.



-	Region-wide/Rural Townships	Woolwich	Wilmot	Wellesley	North Dumfries
Gaps/Challenges to Employment Area Development	• Watson (2025) estimated employment lands shortfall: 280 gross hectares. • All rural municipalities have a shortfall of employment lands needed compared to available and designated. • Many of the rural water supply systems are Township owned, which may constrain regional growth due to coordination and funding challenges. • Many of the rural water supply systems were purpose-built to service existing settlement areas and have limited remaining capacity, as evaluated case by case. • Regional employment growth is increasing annually (especially since the 2016 to 2024 period), while growth in the Townships is slowing somewhat from the 2011 to 2016 period. • Prospective sectors with higher water and wastewater needs (such as automotive, aerospace, agri-food processing and production, medium to heavy manufacturing, and textiles) are likely to face the largest challenges due to servicing constraints. • Conversion of agricultural lands to employment is generally controversial among rural Townships and any employment designation will need to be balanced with conservation of agricultural heritage. • Rural municipalities have aggregate resources, and such uses face fewer constraints within prime agricultural areas; however, heavy requirements for aggregate operators limit uptake of new operations. • Uncertainty as a result of <i>Planning Act</i> and upper-tier authority and transition processes. ◦ Role of right-of-way on development review to comment agency, rather than decision-making authority. ◦ Negotiating servicing allocation (regional jurisdiction) and development decision making (lower-tier jurisdiction).	• Watson (2025) estimated employment lands shortfall: 20 gross hectares. • Limited capacity of Victoria Street Pumping Station for Breslau development • Elmira by-pass • St. Jacobs WWTP capacity constraints	• Watson (2025) estimated employment lands shortfall: 120 gross hectares. • Limited information on Mannheim Village or Shingletown Water Systems. • Only one well operating at a time in New Hamburg/Baden water supply System. • Foxboro and New Dundee Water Supply Systems and Foxboro WWTP were purpose-built for the existing settlement area and have capacity remaining only on a case-by-case basis. • Morningside and Baden Sewage Pump Stations are expected to be operating above capacity by 2051. • Upgrades required for Morningside Sewage Pump Station to provide sufficient capacity since New Hamburg WWTP upgrades. • Uncertainty around ongoing Region of Waterloo Land Acquisition.	• Watson (2025) estimated employment lands shortfall: 75 gross hectares. • Linwood and Heidelberg were purpose-built for the existing settlement area and have capacity remaining only on a case-by-case basis. • Despite no employment allocation through ROPA 6, there is local demand for available designated lands in Wellesley Village, St. Clements, Linwood, or Hawkesville settlement areas. • St. Clements settlement area is largely built up to the Countryside line and constrained by recharge area, with little room for potential expansion. • Bill 162 did not add employment lands to Wellesley, nor did ROPA 6. •	• Watson (2025) estimated employment lands shortfall: 65 gross hectares. • Nith River Way Sewage Pump Station purpose-built for specific developments; capacity remaining only on a case-by-case basis; • Facing substantial growth in residential development, simultaneously reducing overall capacity for municipal services.
Opportunities for Employment Area Development	• Current local O.P. and R.O.P. policies allow for Employment Area expansion for existing uses/businesses. • Right-of-way could transition to a stronger economic development supporting role for the	• Highway 7 access and proximity an asset. • Proximity of Urban Settlement Areas to (infrastructure of)	• New Hamburg/Baden water supply system has additional capacity, particularly if both wells are operating simultaneously.	• St. Clements and Wellesley water supply system has additional capacity.	• Highway (24, 8, 401) access and proximity a major asset for connectivity to Toronto,



-	Region-wide/Rural Townships	Woolwich	Wilmot	Wellesley	North Dumfries
	rural Townships, as planning responsibility is removed. • P.P.S., 2024 update introduces flexibility for employment uses outside of Employment Areas to locate in closer proximity to residential uses – could be ideal for areas without servicing expansion potential. • Removal of upper-tier authority opens door for lower-tier Townships to update their O.P. to introduce more flexibility for innovative, communal, private servicing and partial servicing options. Where expansion of existing servicing is unfeasible, these may provide additional options for rural Townships to accelerate employment development. • Communal, private servicing and innovative water-efficient servicing models are increasingly being considered and adopted across Ontario. This presents an opportunity for the Townships facing greatest municipal servicing constraints to consider appropriate alternatives and become a leader for Ontario municipalities facing similar challenges. • Where employment uses are intended for private individual servicing, larger lots are needed, which decreases overall employment land density. Where there are opportunities for communal servicing, however, density could be increased and greater employment could be provided within a smaller land area. So, for those municipalities who might consider private communal or partial servicing options for particular sectors, there is an opportunity to increase employment opportunities without substantial land needs. • Prospective sectors with comparatively lower water and wastewater needs (such as information technology, light to medium manufacturing, professional services, logistics, aviation, robotics and automation) are likely to have comparatively more opportunities for location where servicing constraints exist. • Total additional 425 net hectares added to the Region's rural Townships through Bill 162. • All lower-tier municipalities will be undertaking O.P. reviews for conformity to the R.O.P. following ROPA 6, and consistency with P.P.S.,	Regional Urban Area (Waterloo, Kitchener, Cambridge). • Water partially supplied by the Integrated Urban System, with opportunity to provide storage facilities locally to increase capacity in Breslau and North Woolwich. • Opportunity to divert flows from St. Jacobs WWTP to Waterloo WWTP. • Ongoing upgrades to Elmira and St. Jacobs WWTP process underway (environmental assessment in 2024). • Bill 162 added 365 net hectares to the Township, expanding existing Employment Areas in Elmira, Breslau, and St. Jacobs, and creating a new Employment Area south of the airport in Breslau. • Employment data show opportunities for automotive manufacturing investment. • Airport development south of Breslau presents a significant opportunity for economic growth. • GO Transit planned for Breslau will improve regional connectivity and enhance the Township's attractiveness for investment. • Lands within the Stockyards Secondary Plan area (added through the 2015 ROP) provide for employment opportunities, including lands at 713–725 King Street North and at the northwest corner of Weber Street and Benjamin Road.	• Foxboro and New Dundee both operating well below system capacity and may have servicing for small-scale developments; • Recent upgrades to New Hamburg WWTP and ongoing upgrades to Baden Sewage Pump Station. • Ongoing Infiltration Reduction and Capacity Management Strategy may help to identify efficiencies. • The Township's new Official Plan will consider opportunities related to the Bill 162 lands, including potential need for additional employment lands adjacent to New Hamburg and Baden. • Township staff have identified potential for growth between New Hamburg and Baden, subject to further study through the new O.P. process). • There is currently limited demand for development outside of serviced areas. • The ongoing Region of Waterloo Land Acquisition initiative aims to secure employment lands between New Hamburg and Baden, reflecting the increasing strategic importance of this area. • Opportunities for further connections to and/or integration with Integrated Urban System (water) and Kitchener/Waterloo Wastewater Treatment Plants (wastewater).	• 2024 project to run connection from St. Clements to Heidelberg. • Wellesley Water and Wastewater Master Plan is ongoing. • Wellesley WWTP has additional capacity; expansion is recommended, according to the 2018 Wastewater Master Plan report. • Truck Bypass expected for Gerber Road at Hutchison Road (in Wellesley Village) for potentially improved transportation. • Township's preference, as a result of local industry demand, is for expansion in the areas of: ○ Wellesley Village Urban Area (fully serviced) to the southwest. These lands were initially expanded through Ministry Modifications to ROPA 6 approval but later reversed and removed by Bill 162. ○ Linwood settlement area (serviced by water, no sewage), expansion to southeast. ○ Hawkesville (no municipal water or sewage service) expansion to the north. • Larger employers in the Township are not just located in or near the Wellesley Urban Area. The Township has a desire to maintain and expand employment uses in some of its rural settlement areas (e.g., Linwood, Hawkesville)	Niagara, and Southwestern Ontario. • North Dumfries has fewer constraints on prime agricultural land than the other Townships. • Ayr water supply system has additional capacity; Branchton and Roseville water supply systems may have additional capacity for small-scale development. • Ayr (once fully built out to Phase 2) and Rose Street Sewage Pump Stations both have additional capacity expected to 2051. • Recent repairs to Ayr WWTP and potential lagoon upgrade expected to increase treatment capacity. • Bill 162 added 215 net hectares to Employment Areas. • Bill 162 added lands that represent logical extensions to areas with the existing Dry Industrial designation in the North Dumfries O.P.; • Township preference for development is built out of existing Employment Areas, followed by expansion in rural, rather than agricultural areas. • Western side of Township, with highway access, is ideal for large employers requiring



-	Region-wide/Rural Townships	Woolwich	Wilmot	Wellesley	North Dumfries
	2024, as well as to consolidate O.P.s following the removal of planning authority from the Region. Primary areas of target-sector opportunities are agri-business, advanced manufacturing, and warehousing and storage, in addition to integrated research and development and professional services.			and rural Employment Areas (e.g., MK Martin, Schneiders, Wellesley). - Mennonite community is a large component of the local economy and is predominantly dry-industrial – low-servicing demand. - Despite the large aggregate resource pit around St. Clements and Hawkesville settlement areas, there is low demand for aggregate operations. - Update to the local Community Improvement Plan completed in 2025.	larger lands; however, rural Employment Areas throughout the Township offer competitive opportunities for smaller industries/businesses. Employment data show opportunities for automotive supply chain investment.

Note: O.P. means Official Plan. P.P.S. means Provincial Planning Statement. R.O.P. means Regional Official Plan. ROPA means Regional Official Plan Amendment. WWTP means wastewater treatment plant.



7.6 Location Options for New Employment Area Growth Areas

As identified above, the Townships' near-term opportunities for industrial development are limited, given the lack of serviced employment lands. In addition, all four Townships have an insufficient supply of designated employment land to accommodate growth through 2054. It is critical that additional investment-ready employment lands become available for sale and development over the short to medium term to ensure that the Townships have sufficient market choice of employment lands to meet forecast demand.

As discussed previously, location requirements of industry can vary considerably depending on the nature of the employment sector and use. The location of industries can also vary based on the level of servicing required. Certain industries like construction may not need to be located within serviced areas, compared to manufacturing, advanced manufacturing, or food manufacturing, which depend on water and wastewater services for their operations.

It is important that the Townships continue to provide opportunities for operations to be located on dry employment lands. This can be achieved by providing dry employment lands or ensuring privately owned lands that could accommodate dry industrial uses are appropriately zoned. If the Townships cannot provide an adequate amount of dry employment land, there is the risk that industries with low employment yields, such as truck parking or lay-down yards, will either locate within rural areas or absorb urban employment land. Preserving serviced employment lands for industries that generate greater employment yields should be a key objective.

An appropriate schedule for the preparation of the development-ready employment land supply over the forecast period is vital to accommodate anticipated employment land demand.

It is critical that new development-ready employment lands become available in the medium term (within the next five to 10 years) to ensure that the Townships have sufficient market choice of investment-ready employment lands to meet forecast demand. Key priorities should include completing local Employment Land Reviews and



updating local O.P.s, building on the analysis presented herein, and planning, phasing, and servicing of recently added Bill 162 lands, including the following:

- **Township of North Dumfries** – Prepare Secondary Plans and Master Plans and address servicing needs for 288 gross hectares of Bill 162 lands located in Ayr and the Highway 401 corridor area.
- **Township of Woolwich** – Prepare Secondary Plans and Master Plans and address servicing needs for approximately 500 gross hectares of Bill 162 lands added in Breslau, Elmira, and St. Jacobs. The Township has recently prepared a secondary plan for the Stockyards Area and a secondary plan update is currently underway for Breslau which will provide for the designation and servicing of employment lands around the Waterloo Airport.

Furthermore, the Townships of Wellesley and Wilmot will need to consider new employment growth areas to increase supply and market choice of development-ready employment lands to accommodate future employment growth. It is recommended that the Township of Wellesley explore options to expand the settlement area boundary across the Township to accommodate new Employment Areas with a minimum land area of approximately 75 gross hectares. It is also recommended that the Township of Wilmot explore options to expand Employment Areas in Baden and New Hamburg, subject to the designation of the Bill 162 lands and the outcome of the Wilmot Industrial Mega Site which may have implications on employment land needs in the Township.

Over the longer term, the Townships will need to also ensure that additional growth areas are designated and serviced to address the employment land deficits identified through 2054. Further study will need to be completed to identify appropriate locations to address the additional employment land. Technical studies related to environmental assessments, land use planning, servicing, and agricultural impacts will be required to identify additional employment lands and new growth areas. Optimal servicing strategies and the phasing and timing of these new growth areas should be assessed further, building on the anticipated industry needs and servicing assessment presented herein.

It is recommended that the Waterloo EDC and the Townships monitor development activity and land absorption trends over the forecast period to help identify the anticipated development timing of these areas.



7.7 Public vs. Private-Sector Development Options Review

The purpose of this section is to evaluate the future role and approach for the Townships regarding future employment land assembly and development from both a public- and private-ownership perspective. This section of the study considers the potential advantages and fiscal/economic benefits and risks of employment lands development under a full spectrum of ownership scenarios. These range from full municipal involvement to public/private partnerships to full private-sector development (i.e., return on investment, degree of development control regarding type and timing, market choice, marketing, project risks, and financial commitments).

7.7.1 Municipal Trends in Employment Land Development

In recent decades, most industrial/business parks in Ontario within municipalities outside the G.T.A. and the City of Ottawa area have been municipally developed, whereas in the G.T.A. and in Ottawa they have been privately developed in most cases. Examples of communities that have had active municipal land development include Barrie, Belleville, Brantford, Cambridge, Kitchener, Kingston, London, and Peterborough.

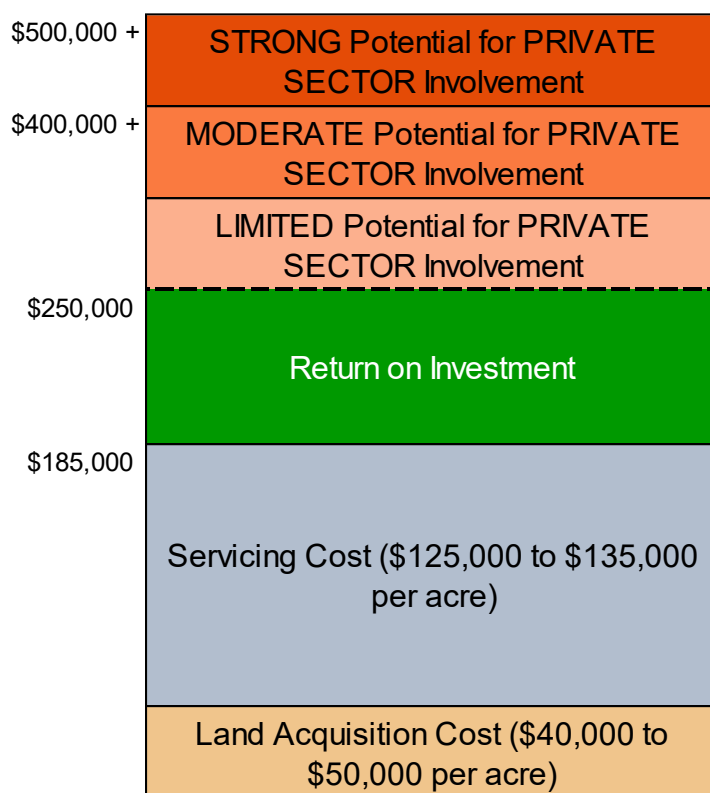
Relatively low land prices and slower rates of development activity in these communities, compared to the G.T.A., create difficulties in attracting and sustaining private-sector development of employment lands. The relatively low market price of serviced land creates conditions that limit private-sector interest and involvement in land development (i.e., the costs of servicing lands are too high relative to market prices of serviced land). The absence of the private sector necessitates municipal development of industrial/business parks. Under these circumstances, many municipalities take a proactive approach and develop municipal industrial/business parks, investing municipal dollars to buy, subdivide, and fully service the land. Recouping municipally funded servicing costs (in full or in part) occurs through land sales to end users who then develop the parcels.

Figure 75 illustrates the cost components of servicing land, the potential return on investment, and the corresponding market price of land required to sustain the private-sector development market. As noted in the previous subsection, servicing land is a costly undertaking, typically averaging between \$125,000 and \$135,000 per acre. Factoring in the cost of land acquisition (typically between \$40,000 and \$50,000 per



acre), the total cost of serviced land can easily exceed \$185,000 per acre. To allow for a minimum return on investment, the market value of serviced land typically has to be more than \$250,000 to \$300,000. The potential for private-sector development above this point increases with the market value of serviced land.

Figure 75
Private-Sector Employment Land Development Profitability Threshold



Source: Watson & Associates Economists Ltd., 2024.

Most communities in the Townships have serviced employment land market values between \$300,000 and \$500,000 per acre. At this price point, there is some potential for the private sector and the market to support large-scale employment land development across the Townships. There are likely still challenges, however, for the private-sector development of employment land in the Townships compared to larger urban centres. The relatively high threshold point for the private sector is driven by the differing cost/benefit methods and expectations regarding return on investment. The private sector typically includes only the revenue from the sale of the serviced land in its return-on-investment analysis. In contrast, municipalities factor in not only the revenue generated from the sale of the serviced land, but also the potential employment, tax



assessment, and development charge revenue generated from the proposed development. This fundamental difference in approach can have a significant impact in terms of expected return on investment (revenue from the sale of serviced land less costs).

While the estimated return on investment may not be feasible in some cases for private-sector interests, there may be opportunities for private-public partnerships under certain conditions. Private-public partnerships have been used successfully in other municipalities, including the City of Guelph and the development of the Hanlon Creek Business Park.

Municipal development of employment lands tends to provide stronger control over the type and appearance of development that can be more consistent and supportive of a municipal strategy and other planning and urban design policy directions. This includes the ability to be more selective in the sale of land to end users, promoting the development of sectors or uses that are considered “desirable.” For the Townships, this may include the development of emerging target sectors and “incubator” industries.

Further, under municipal development, the control of project phasing/timing can be based on municipal-wide needs as opposed to being market-driven and dependent on private-sector interests. In addition, municipally sold lands can require that the purchaser build within a defined period, whereas in the private-sector market, no such requirements are in place. Municipal land development, however, requires extensive financial resources and exposes a municipality to financial and market risk. High up-front land acquisition and development costs are demanding for municipalities.

The Townships should explore various business models and development approaches for bringing new Employment Area lands to market.

7.8 Financial Incentives for Development

Financial incentive tools and/or programs could be used to facilitate and encourage industrial development within the Townships or within specific areas. For example, an Employment Land C.I.P. that offers tax incentives (tax increment equivalent grant) may provide an opportunity to support targeted employment growth, as well as direct growth to specific Employment Areas. A C.I.P. is a tool under section 28 of the *Planning Act*. The City of Sudbury for example, has implemented an employment land C.I.P. that



seeks to spur employment land development that supports employment growth in targeted sectors, including life sciences and clean technology. Development is assessed on an evaluation basis, with points awarded based on number of jobs, the type of targeted sectors, as well as addressing environmental sustainability.^[30] The Town of Halton Hills has also implemented a C.I.P. that focuses on Employment Areas and intensification areas. The Halton Hills C.I.P. includes eight priority targeted areas, including its less active Employment Areas, such as the Georgetown Industrial Area and the Acton Industrial Park. The objective of the C.I.P. for these areas includes providing opportunities for a diversified economic base which supports the wide-range of economic activities, and the expansion and redevelopment of existing Employment Area lands.^[31]

It is noted that the potential benefits of financial incentives, in terms of actually encouraging development that would otherwise not have occurred, must be carefully weighed against the potential impacts on municipal revenues as well as in terms of the impact on the municipal tax levy on user rates.

8. Implementation Plan for Investment Strategies for Strategic Areas

An effective investment readiness strategy must identify the opportunities and challenges facing a community today and set the strategic directions to support and enable future economic and employment growth. The strategy must also articulate key messages that position a community as “ready for investment,” as discussed below.

8.1 Defining a Rural Value Proposition

Based on the outcome of the SWOC assessment and best practice review, the value proposition for Waterloo Region’s rural communities has been prepared. The value proposition aligns supply with demand, in effect, delivering a message about what

^[30] City of Sudbury Employment Lands Community Improvement Plan, City of Sudbury website.

^[31] Town of Halton Hills Community Improvement Plan, Invest Halton Hills webpage, 2022.



makes the Region special in the eyes of future businesses, investors, visitors, and residents.

Waterloo Region offers a dynamic and thriving environment for investment and business growth, built on a solid foundation of advanced manufacturing, technological innovation, and a highly skilled workforce. At the core of this success is the Region's collaborative ecosystem, where industry partners, innovation hubs, universities, and research institutions work together to foster innovation, support startups, and retain top talent.

With a strong supply chain, particularly in the advanced manufacturing and automotive sectors, businesses benefit from an integrated, efficient, and competitive network. Its strategic location, close to major Canadian and U.S. markets, ensures robust economic and transportation linkages. World-class institutions such as the University of Waterloo and the Perimeter Institute provide specialized programs in technology, software engineering, robotics, and more, driving the growth of both local manufacturers and cutting-edge industries.

The Region is also supported by a highly skilled, youthful workforce and a strong pipeline of skilled trades, positioning it as an ideal location for both established businesses and emerging startups to grow and succeed. Additionally, a high quality of life, cultural assets, and a dynamic environment make Waterloo Region a great place to live, work, and invest.

8.2 Economic Vision

The primary objective of the Waterloo Rural Investment Readiness Strategy study is to provide a long-term vision for the Region's rural communities that ensures the Townships continue to develop as competitive and sustainable communities that are well balanced between future population and employment growth. Fundamental to this objective is an adequate supply of Employment Area lands within well-defined, designated Employment Areas located throughout the Townships to accommodate demand over the next two decades and beyond.

In 2015, Waterloo's R.O.P. established the following vision for the Region: to be an "inclusive, thriving, and sustainable region of connected urban and rural communities with global reach, fostering opportunities for current and future generations." In support



of this vision, the Region committed to supporting traditional manufacturing and emerging knowledge-based sectors, maintaining a suitable employment land base in strategic locations, and leveraging partnerships to attract and retain talent. The vision incorporates both urban and rural communities to take a comprehensive approach to fostering regional growth, creating the necessity for a new vision exclusively for the Rural Investment Readiness Strategy.

Based on extensive community engagement, a review of operational plans, and desktop research, the project team defines the following economic vision:

“Waterloo and its rural communities will take an active role in managing and developing designated Employment Area lands to engage investors in target sectors and enable the inclusion of rural communities in sustainable growth.”

8.3 Strategic Planning Directions

By their nature, strategic objectives should reflect the larger aspirations of the Region’s Townships, while the associated action plan should provide a robust level of detail to ensure effective implementation and performance measurement of the strategy’s core objectives.

Over the planning horizon, the Townships are anticipated to experience strong growth. A broad range of considerations related to demographics, economics, and socio-economics are anticipated to impact future employment growth trends throughout the Townships over the next three decades. The following provides strategic directions for these various subjects of interest.

8.3.1 *Planning for Employment Uses Under a New Provincial Policy Framework*

As previously noted, the P.P.S., 2024 includes an updated definition of Employment Area based on the amendment of the *Planning Act* on June 8, 2023. Under this new definition, municipalities are required to plan for and protect industrial uses based on a more narrowly scoped definition of Employment Area and are limited to these uses that are primarily industrial in nature or other uses associated or ancillary to the primary use. Lands that do not meet the Employment Area definition would not be subject to provincial Employment Area protection policies and would allow for opportunities for residential and other non-employment uses. In light of the definition change of



Employment Area, a key concern for the Townships will be their ability to provide an urban structure that will support employment uses outside of Employment Areas, particularly non-retail commercial and institutional uses (e.g., office uses, training and education, entertainment, wholesale trade, and service repair centres). Traditionally, Employment Areas have been regarded as areas protected for key targeted employment sectors, especially those in the export-based sectors.

It is important to recognize that the definition change may result in already-developed Employment Area lands not meeting the definition. Based on the emphasis found in the P.P.S., 2024 for supporting mixed uses, going forward, municipalities will need to assess whether existing Employment Areas meet the new provincial definition and identify areas that should transition into mixed-use areas. While municipalities are required to plan Employment Areas according to the new definition, existing uses that were legally established prior to the *Helping Homebuyers, Protecting Tenants Act*, 2023 coming into force are allowed the continuation of use, regardless of whether the use meets the definition change.^[32]

Recommended Strategic Direction

Through their respective O.P. reviews, it is recommended that:

- The Townships review and revise the definition of Employment Area in their respective O.P.s to align with the definition provided in the P.P.S., 2024. This alignment will ensure consistency and clarity in the interpretation and application of Employment Area policies.
- The Townships assess their existing Employment Area lands under the new provincial definition and identify areas that should transition into mixed-use areas.
- O.P. policies related to the protection of employment lands (i.e., restrictions on the conversion of employment lands to non-employment uses) are maintained and ensure they align with the P.P.S., 2024.

8.3.2 Planning for Employment Uses in an Evolving Economy

Land use planning policies must anticipate the evolving nature of the local and regional economies and reflect the diverse needs of established and emerging industries. Land

^[32] *Planning Act*, Schedule 6, section 1 (2).



use policies must also offer a degree of flexibility and nimbleness that allows for relatively rapid responses to disruptive factors, which can be a critical advantage compared to competitive markets.

With recent structural changes in the regional economy, there has been a shift in how Employment Areas are planned and developed. “Place making” is increasingly recognized as an important planning component in creating diverse and vibrant communities which, in turn, can help attract local population and job growth provided that other necessary infrastructure requirements are met.^[33]

Target sectors, as highlighted in Chapter 5, including advanced manufacturing and agribusiness, are anticipated to influence the demand for Employment Area lands in the Townships across a wide range of uses. This may include integrated operations combining manufacturing, research and development, warehousing and logistics, on-site manufacturing, associated retail and office, and ancillary facilities in a “campus-style” setting. Anticipating and responding to the evolving needs of industry will be necessary for the Townships to better position themselves for sustained growth, particularly in the emerging sectors.

The physical characteristics that make Employment Areas successful are also changing as a result of the evolving knowledge-based economy. As such, land use planning policies must anticipate the evolving nature of the local and regional economy and reflect the diverse needs of established and emerging industries. As previously mentioned, it is important to recognize that structural changes in the broader economy continue to alter the nature of economic activities in Employment Areas and impact the built form (i.e., siting requirements), integration of uses, and character of these lands.

^[33] Place making is a process of creating unique, quality locations, places or spaces that possess a strong sense of place. With respect to places of work, the concept of place making often encompasses the attraction of knowledge-based workers and businesses with an emphasis on collaboration, connection, and innovation.



Recommended Strategic Direction

It is recommended that:

- The local O.P. policies anticipate the evolving nature of the local and regional economy and reflect the diverse needs of industry and businesses of all sizes over the long term.
- The local O.P.s prioritize the development of comprehensive transportation and mobility solutions, including public transit access, cycling infrastructure, and pedestrian pathways, to ensure that industrial areas are easily accessible for all workers.

8.3.3 Market Choice in Employment Lands

As previously noted, one of the most important site selection criteria that can be influenced by the Townships is an ample supply of suitable, vacant, serviced (and serviceable) employment land that is available for purchase and absorption. This inventory must provide a balanced market choice of sites, by site size and zoning across all the Employment Areas.

Effectively accommodating employment land development over the longer term requires the implementation of programs and mechanisms to accurately receive, catalogue, and assess industrial development information, as well as to assess the available supply of employment lands within the Townships. The data collected and presented in this study offers the Townships and Waterloo EDC with a base from which to work, but there will be a need to continue to update and monitor the information on a regular basis.

Recommended Strategic Direction

It is recommended that:

- In order to allow for proper market functioning, the Townships work to ensure a minimum five-year supply of serviced employment lands (by various sizes, zoning, and location) is available at all times throughout the forecast period. The minimum five-year supply should be based on anticipated local employment land absorption.
- The Townships ensure permitted uses within the applicable local land use designations and zoning by-laws reflect the nature and intended use within Employment Areas.



- The planning of future growth areas encourages the development of a broad range of parcel sizes, to broaden market choice for industry sectors.
- Waterloo EDC, in collaboration with the Townships, explore the development of a system for tracking and monitoring employment land supply and demand data, to assist with longer-term planning and land needs forecasting, building on baseline data provided in this study.

8.3.4 Strategically Plan New Employment Areas

To advance the investment readiness and attraction, and to ensure economic and fiscal sustainability, it is critical that the Townships plan for the needs of employment growth and explore, in a focused manner, the potential for new Employment Areas.

As demonstrated in Chapter 7, all four Townships have an insufficient supply of development-ready Employment Area lands as well as designated employment lands to accommodate forecast land demand in Employment Areas to the year 2054. It is important to recognize that the forecast anticipates a significant amount of employment growth with a spectrum of employment uses and sectors over the long-term horizon. As a result, the Townships each need to plan for additional employment lands, beyond those currently designated and recently added through Bill 162. The Townships will need to ensure that new Employment Areas are phased in and strategically planned based on the Employment Area land needs identified and are designed to accommodate the key growth sectors.

As previously noted, designating, servicing, developing, and constructing additional employment lands is a complex and potentially slow process. Accordingly, it is recommended that the Townships begin exploring the next possible location options for Employment Areas in the near term.

It is critical that the Townships' Employment Area lands are planned in a manner that aims to promote economic competitiveness, attract employment growth, and maximize employment density and land utilization, where appropriate. Phasing policies that require the servicing of greenfield Employment Area lands to be completed prior to, or in parallel with the servicing and development of Community Area S.A.B.E. lands should also be explored.



Recommended Strategic Direction

It is recommended that:

- The Townships explore options for expansion of their Employment Areas to address the shortage of development-ready employment lands and long-term employment land deficits as identified in Chapter 7. Consideration should be given to designating and developing lands for employment uses near major highways, existing Employment Areas, and compatible land uses.
- Based on preliminary directions provided herein and background work completed for this study, the Townships each undertake more comprehensive land use and growth management studies and servicing studies over the short to medium term to assess likely candidate sites for new employment growth areas to accommodate future employment uses.
- The Townships regularly monitor Employment Area land absorption and employment density levels.
- The Townships strive to maintain a five-year supply of serviced and ready-to-develop Employment Area lands.
- The Townships explore phasing policies that require the servicing of greenfield Employment Area lands prior to, or in parallel with, the servicing and development of Community Area S.A.B.E. lands.

8.3.5 Employment Area Land Development Approaches

The Townships' future role and approach regarding future employment land assembly and development from both a public and private ownership perspective can vary. It is recognized that there are potential financial and economic benefits, as well as risks, associated with the development of employment lands under a full spectrum of ownership scenarios, ranging from full Township involvement to public/private partnerships to full private sector development. Key factors include return on investment, degree of development control regarding type and timing, market choice, marketing, project risks, and financial commitments.

To facilitate new Employment Area land development, there may be opportunities and a role for the Townships to be involved in Employment Area land assembly and servicing. This could involve subdivision design, infrastructure development, and land sales. There may also be opportunities to partner with external parties on select projects through public-private partnerships.



Recommended Strategic Direction

It is recommended that:

- The Townships begin planning for new Employment Areas to address the land needs identified herein. The Townships should develop a comprehensive framework to provide the necessary infrastructure, ensuring these areas are well-equipped to support industrial development and attract private investment.
- The Townships begin discussions with Waterloo Region regarding comprehensive Cross Border Servicing Agreements, where appropriate, for the provision of regional municipal services to new Employment Areas.
- The Townships prepare feasibility and business cases to assess development and servicing approaches and corresponding financing strategies to bring new Employment Area lands to market and to prepare implementation plans, if warranted.
- The Townships establish policies promoting public-private partnerships for infrastructure development and industrial park projects, leveraging private investment with public support to enhance infrastructure quality and attract more businesses.
- The Townships adopt policies to invest in upgrading infrastructure in designated Employment Areas, including roads, utilities, and digital connectivity, to make industrial sites more attractive to private developers and businesses.

8.4 Economic Development Strategic Directions

Economic development agencies are uniquely positioned to influence positive outcomes by implementing initiatives, convening community members, and acting as an advocate for both businesses and residents. As such, economic development strategic plans are critical roadmaps for guiding community prosperity. When performed within a community's capacity and uniqueness, they provide a focused direction for allocating resources, attracting investment, and fostering stakeholder collaboration. When developed with thoughtful consensus from community representatives, strategies can bind together a community's thinking and establish a framework for economic vitality that lasts for decades.

To encourage economic development throughout the Townships, the Townships, in partnership with Waterloo EDC, can implement strategies aimed at reducing gaps in



information and leveraging regional assets for local success. The following strategic directions are oriented towards traditional economic development activities such as business retention, expansion, and attraction, marketing, and ecosystem development.

8.4.1 Explore Initiatives and Tools to Promoting Growth in Employment Areas

Recognizing the diversity of Employment Areas in the Townships, as well as the market opportunities in the broader region, the Townships, in collaboration with Waterloo EDC, should explore initiatives and tools to target key employment sectors, as well as incentives for targeted development in Employment Areas.

Recommended Strategic Direction

It is recommended that:

- Waterloo EDC and the Townships adopt a cluster-based approach to economic development, targeting sectors with high growth potential, such as food processing, aerospace, electric vehicle manufacturing, and health innovation. By concentrating resources—such as targeted incentives, site selection support, and industry-specific workforce training—around these clusters, rural areas can attract anchor investments and create supportive ecosystems for suppliers and startups.
- Waterloo EDC, the Townships, and their economic development partners, establish standardized programming for business retention and expansion, across the Townships, as the rural communities would benefit from a more cohesive and consistent economic development framework. This will reduce friction and foster a pro-investment environment.
- The Townships maintain a comprehensive and regularly updated community database, along with an inventory of available employment land properties. By ensuring that relevant statistics and information are readily available, the Townships will be positioned to attract increased interest from potential investors.
- To unlock the economic potential of rural areas, the Region prioritize investments in critical infrastructure, including water, wastewater, and transportation systems. A targeted strategy to identify, service, and market “shovel-ready” employment lands can effectively address one of the most significant barriers to growth. Collaboration with municipalities to streamline planning and permitting processes



will enhance investor confidence and reduce the time it takes to bring new developments to market, especially in key growth sectors.

- The Townships include policies that implement fast-track approval processes for industrial projects to reduce bureaucratic delays and to facilitate quicker project initiation and completion by private developers. Additionally, the Townships should consider the implementation of a Community Planning Permitting System to further streamline and expedite the approval process for industrial developments.

8.4.2 Explore Promotional Tools and Initiatives that are Focused on Employment Areas

There are a range of promotional tools and incentives which can be used by Waterloo EDC and the Townships to inform prospective industries about the opportunities in their communities, specifically its Employment Areas.

Recommended Strategic Direction

It is recommended that:

- To further support investment attraction efforts, Waterloo EDC and the Townships develop marketing plans to effectively promote community assets and economic development opportunities and their respective industry clusters. For the plan to be successful, the Townships should proactively collaborate with regional and provincial partners to ensure a coordinated and streamlined marketing approach.
- The Townships actively include Township economic development or leadership in business development activities, from lead-generating missions to direct meetings with prospects.

8.4.3 Promote the Rural Economy

It is recognized that the diverse rural areas are an important asset for the Townships. It is important for Waterloo EDC, in partnership with the Townships and other strategic partners, to continue to support agriculture activities and businesses, including on-farm operations, tourism in the rural area, and develop strategic rural business clusters.

Additionally, developing a regional tourism master plan and improving transportation connectivity should be considered priorities. These initiatives will capitalize on agri-



tourism and local attractions, boosting rural entrepreneurship and economic diversification.

8.4.4 Undertake a Detailed Employment Lands Competitiveness Analysis

A significant factor influencing business decisions on where to locate industrial and office development is the cost competitiveness (both capital investment and operating costs) of the development in relation to the market demand and corresponding market rent. At the regional level, cost competitiveness for businesses is largely associated with macro-economic factors such as wage rates, corporate income taxes, and the dollar exchange rate. At the municipal level, cost competitiveness varies based on a number of factors, including land prices, construction costs, development charges, and property tax rates.

Recommended Strategic Direction

It is recommended that:

- The cost competitiveness of industrial development investment potential within the Townships and comparator municipalities within the surrounding market area be examined through a series of financial analyses. This would be presented through the assessment of the cost of development and operating of various prototypical industrial developments.
- Potential revenue streams from market rents vary widely depending on location. It is critical that the revenue streams be assessed with corresponding capital and operating costs through a cost benefit analysis, using a cost-based approach, to evaluate the economic attractiveness of the development.
- As part of this work, potential financial incentives could be considered. The Townships should explore financial incentives for targeted development in Employment Areas, including the potential for an Employment Land C.I.P. that offers tax incentives (e.g., tax increment equivalent grant). This type of program may provide an opportunity to support targeted employment growth, as well as directing growth to specific Employment Areas.



8.4.5 Development and Support of Resilient Rural Workforce

Waterloo EDC and the Townships should continue to support the development of a resilient rural workforce, which requires closing skills gaps and addressing challenges related to talent retention and attraction.

Recommended Strategic Direction

It is recommended that:

- Waterloo EDC and the Townships, working with their strategic partners, align training programs at local colleges and universities with the high demand in areas like skilled trades, technology, and health innovation, along with initiatives that support youth engagement and reskilling for emerging industries such as artificial intelligence and electric vehicle manufacturing.
- The Townships, through housing policies and programming, work to expand local housing supply and market choice and implement affordable housing solutions to help attract and retain workers.
- Waterloo EDC and the Townships, working with their strategic partners, continue to improve public transit and active transport connectivity to Employment Areas, providing workers with expanded options to access local employment opportunities.

8.5 Priority Areas of Focus and Action Oriented Implementation Plan

Building on the Strategic Directions presented in section 8.4 above, the following presents a Priority Areas of Focus and an Action Oriented Implementation Plan for Waterloo EDC and the Townships.



Figure 76
Waterloo Rural Investment Readiness Strategy
Recommended Priority Areas of Focus and Action Oriented Implementation Plan

1. Plan for Employment Uses Under a New Planning Framework

Recommended Action Item	Approach/ Responsibility	Priority (High, Medium, Lower)	Timeline (Short, Medium, Long Term)	Outcome
Prepare local Employment Lands Review which builds on the findings of this study and provides more details on employment land needs and site requirements over the short, medium, and longer term and identifies location options for new Employment Areas.	Through next local Official Plan Reviews led by Township Planning and Development Departments.	High	Short term	Employment Lands Reviews serve as a background report to inform Official Plan Review and Update.
Update local Official Plans to: - Ensure Employment Areas align with the definition provided in the Provincial Planning Statement, 2024 and Bill 162 lands. The following should be considered in Official Plan policy development: - Planning for diversification in Employment Areas;	Through next local Official Plan Reviews led by Township Planning and Development Departments.	High	Short term	Local Official Plans in conformity with the Provincial Planning Statement, 2024 and in alignment with market trends with respect to Employment Area lands. In addition, Official Plan Updates identify expanded settlement area boundaries and corresponding



Recommended Action Item	Approach/ Responsibility	Priority (High, Medium, Lower)	Timeline (Short, Medium, Long Term)	Outcome
• Protection of Employment Areas; • Efficient utilization of Employment Area land; • Promoting climate resilient and sustainable Employment Areas; • Improving connectivity and access (i.e., active transportation and public transit) to and from the Employment Areas; • Planning Employment Areas for the evolving economy, including embracing the knowledge-based economy; • Promoting economic development opportunities and competitiveness for Employment Areas within both the Urban and Rural Systems.				designated employment lands to accommodate new employment growth areas, where applicable.



2. Prepare **Feasibility and Servicing Studies** and **Implementation and Marketing Strategy** for New Employment Areas

Recommended Action Item	Approach/ Responsibility	Priority (High, Medium, Lower)	Timeline (Short, Medium, Long Term)	Outcome
Prepare feasibility studies and business case assessments that identify potential servicing and financing strategies and development approaches to bring new Employment Areas to market.	Initiated by Townships with support from Waterloo EDC.	High	Short term	Provide plan for how new Employment Area lands could be developed, serviced and financed, including potential for municipal involvement in employment lands development or possible private-public partnerships.
Prepare Implementation Strategy which provide detailed land use plans and direction on land acquisition, budget requirements, legal considerations and administration and management. (Implementation Strategy scope will vary depending on the level of municipal involvement in employment lands development).	Initiated by Townships.	Medium	Medium term	Provide Townships a tangible plan to bring new employment lands to market.



Recommended Action Item	Approach/ Responsibility	Priority (High, Medium, Lower)	Timeline (Short, Medium, Long Term)	Outcome
Prepare Marketing Strategy to support the Townships' efforts to attract investment in target sectors to new Employment Areas that are aligned with broader economic development objectives.	Initiated by Townships in partnership with Waterloo EDC.	Medium	Medium term	Marketing Strategy focused on new Employment Areas designated to capitalize on market absorption potential.

3. Develop a Rural Focus to Economic Development Services and Programming

Recommended Action Item	Approach/ Responsibility	Priority (High, Medium, Lower)	Timeline (Short, Medium, Long Term)	Outcome
Complete a rural agriculture strategy that identifies and prioritizes opportunities (e.g., research and development, local food, value-added agriculture, supply chain) and challenges (e.g., land use policy, climate change, costs of entry) relevant to the Townships' agricultural community.	Initiated by Waterloo EDC with participation of Townships.	High	Short term	Enhances the growth of the rural economy and leverages the provincial guidelines for on-farm diversified uses.
Support the use of Community Improvement Plan policies to advance agribusiness opportunities in	Initiated by the Townships with support from Waterloo, Explore Waterloo, and done in	Medium	Medium term	Enhances the growth of the rural economy and leverages the provincial



Recommended Action Item	Approach/ Responsibility	Priority (High, Medium, Lower)	Timeline (Short, Medium, Long Term)	Outcome
the Townships' agricultural areas, and advocate for Official Plan policies that support the same. Consider uses such as wineries and breweries and the potential ability to provide related services to other agriculture operations as well as tourism-based operations like event space and restaurants.	conjunction with updates to local Official Plans.			guidelines for on-farm diversified uses.

4. Build Awareness of Waterloo's Rural Tourism Sector

Recommended Action Item	Approach/ Responsibility	Priority (High, Medium, Lower)	Timeline (Short, Medium, Long Term)	Outcome
Explore the need for a Main Street revitalization program for the rural commercial cores to make the destinations inviting and unique from alternatives.	Initiated by Waterloo EDC with participation of the Townships and area BIAs.	Medium	Medium term	Ensures the long-term sustainability of the Townships' downtowns and supports the attraction of future investment.
Consider the introduction of planning policies that allow the consideration of new tourism development	Done in conjunction with Official Plan updates.	Medium	Medium term	Encourages further diversification within the rural tourism sector.



Recommended Action Item	Approach/ Responsibility	Priority (High, Medium, Lower)	Timeline (Short, Medium, Long Term)	Outcome
opportunities in the rural area.				

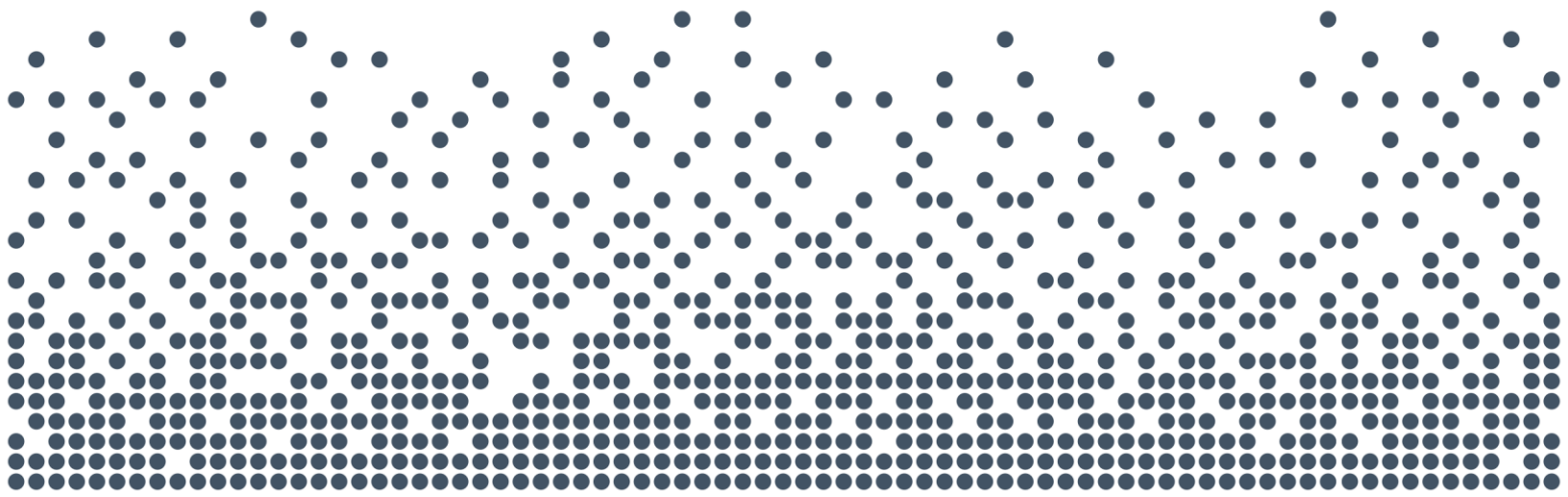
5. Enhance the Growth Potential of Existing Small and Medium-sized Rural Businesses and Entrepreneurs

Recommended Action Item	Approach/ Responsibility	Priority (High, Medium, Lower)	Timeline (Short, Medium, Long Term)	Outcome
Develop a rural business toolkit, including information on grants, support programs, economic data, marketing materials, permitting process, and business licensing.	Waterloo EDC to prepare the toolkit and the Townships to share information through municipal websites.	High	Short term	Rural businesses have improved knowledge of the type of services that are available to them and how to access those services.
Develop and implement a rural business retention and expansion program focused on key sectors of the rural economy.	Waterloo Townships to develop a program with input and participation by rural municipalities.	High	Medium term	Supports the long-term viability of existing businesses and identifies investment opportunities.



6. Review of Economic Development Ecosystem Resourcing

Recommended Action Item	Approach/ Responsibility	Priority (High, Medium, Lower)	Timeline (Short, Medium, Long Term)	Outcome
Prepare an Organizational Review for Waterloo EDC and Townships involving detailed evaluation of the structure, staffing, and resources to be allocated to economic development to ensure they align with economic development goals, programs, and initiatives.	Waterloo EDC in collaboration with the Townships.	Lower	Medium term	Identify areas for improvement and efficiency, optimize resource allocation, and identify resource needs at both the Waterloo EDC and the Township level.



Appendices



Appendix A

Stakeholder Consultation

HICKEY GLOBAL

ECONOMIC DEVELOPMENT CONSULTING
CANADA



Rural Investment Readiness Strategy Stakeholder Engagement DRAFT Report

2024

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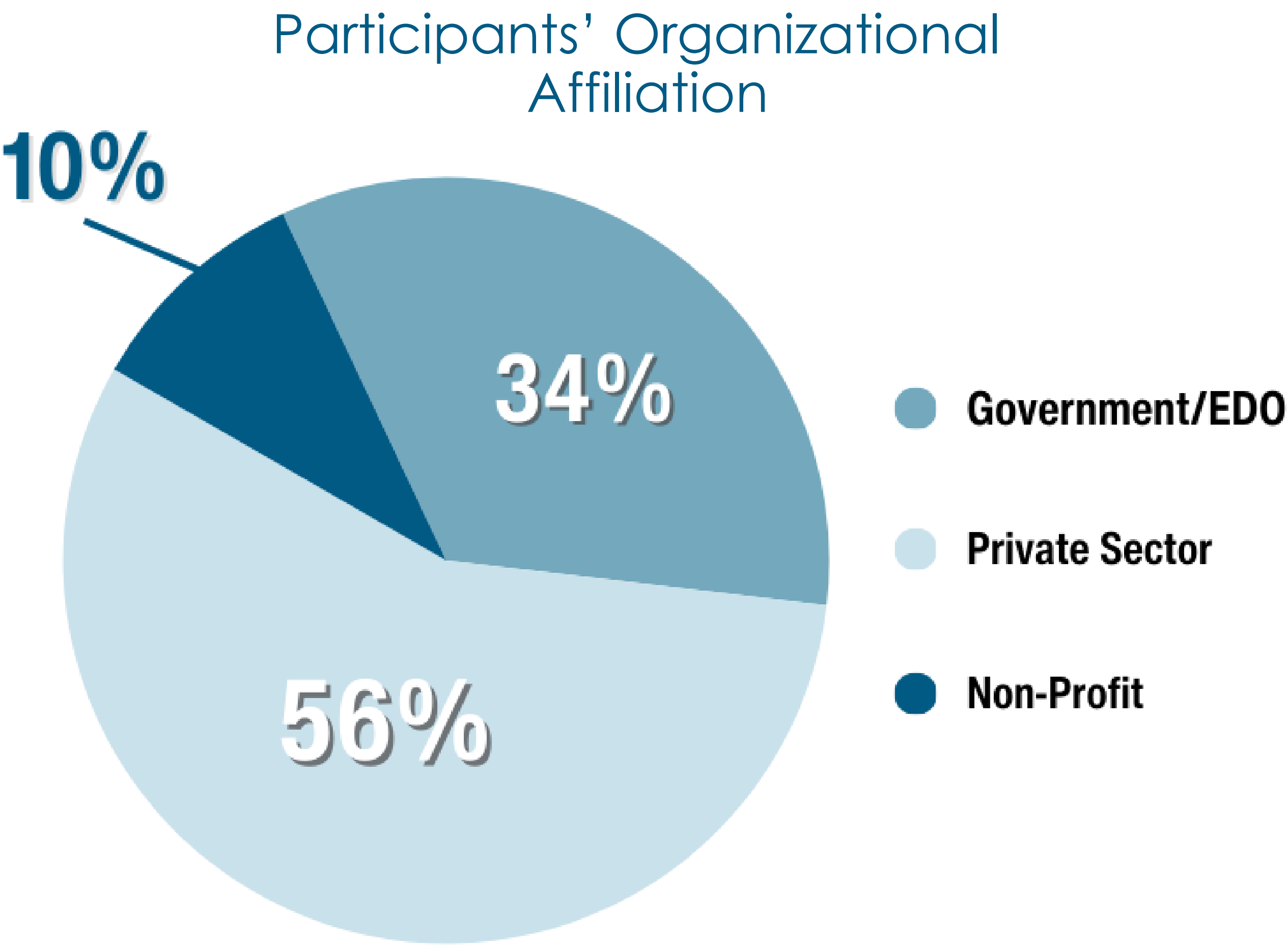
1. Report Overview
2. Stakeholder Responses
3. Special Focus Questions
4. Township Discussions



Stakeholder Assessment

Stakeholder engagement plays a pivotal role in the realm of community economic development. From esteemed universities and research institutions to well-established companies, involving stakeholders cultivates open communication, builds trust, and aligns goals. This synergy fosters a vibrant ecosystem where knowledge and resources flow seamlessly, propelling innovation and expediting growth.

Working with Waterloo EDC and the Townships stakeholders were identified that would bring unique strengths to the discussion of rural investment readiness. Tapping into this collective expertise ensures that any strategies developed are well-informed, relevant, and capable of addressing real-world needs.



Stakeholder Engagement

Reception of Feedback

- Feedback should be regarded not as inherently positive or negative, but rather as valuable information.
- It's crucial to bear in mind that stakeholder responses are rooted in individual perceptions and may not always align with objective facts.
- Stakeholder feedback plays a crucial role in uncovering potential blind spots within the organization and allows for necessary adjustments.
- The concept of listening to understand is pivotal. The ability to actively listen to stakeholders, comprehend their perspectives, address their concerns, and discern what matters most to them is critical for the success of this type of engagement.
- Embracing feedback opens doors to improvement and provides a clear path forward.
- Stakeholder feedback is crucial because it provides insights into the stakeholder's wants and needs. It serves as a compass for decision-making, mitigates risks, and ensures alignment with expectations.

Stakeholder Engagement - Interviews

Questions Asked

1. Describe your department/organization's role in supporting economic development in Waterloo Region.
2. What attributes contribute to the Waterloo Region's value proposition for investment attraction across the region's key sectors. What sets it apart from other urban/rural regions?
3. Where do you see the greatest potential for economic growth and business investment attraction? What are the opportunities?
4. What challenges and obstacles to economic growth does the region face? Urban and Rural.
5. How does the local workforce contribute to the region's competitiveness? What skills gaps or workforce development needs have to be addressed to improve investment readiness?
6. What initiatives or services are missing in the community (region) regarding economic development efforts?
7. How can the 4 rural municipalities improve their investment readiness for economic development and investment attraction?
8. What are your key measures for economic development success?

Bonus Questions:

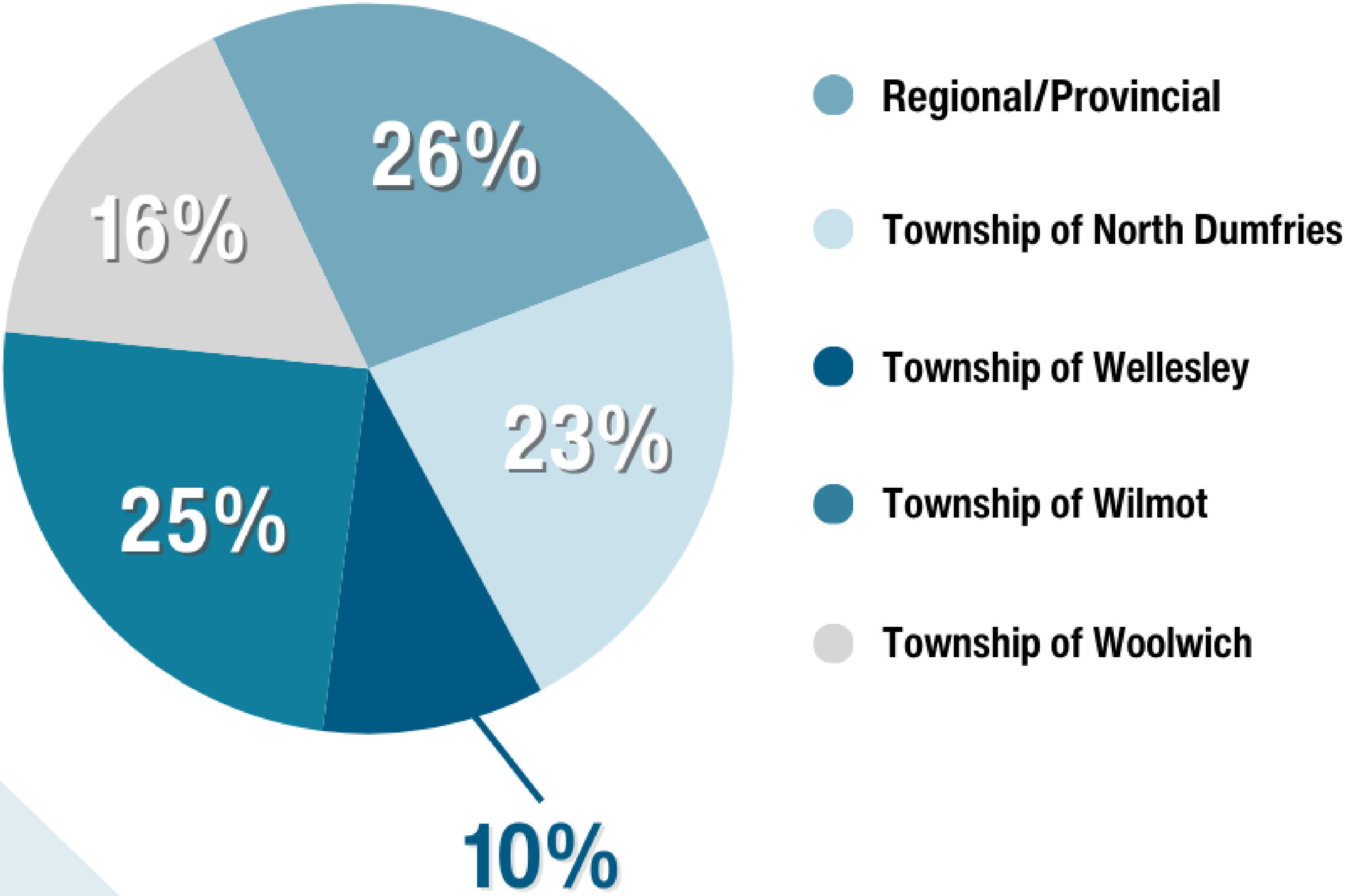
- How can the Region improve their investment readiness for the Township's economic development and investment attraction?
- What factors inhibit the relative competitive position of your community regarding employment lands?
- What did we not ask that we should have?

Stakeholder Interviews Engagement Responses



Review: Stakeholder Feedback

Describe your department/organization's role in supporting economic development in Waterloo Region.



Review: Stakeholder Feedback

Part 1 of 4

What attributes contribute to the Waterloo Region's value proposition for investment attraction across the region's key sectors. What sets it apart from other urban/rural regions?

COLLABORATIVE ECOSYSTEM

- Interesting ecosystem for collaboration here - can be a pro and a con
- Community values include hard working talent, collaboration, strong commitment to success
- Urban and rural communities are well connected on many fronts, known to each other
- Individually not as strong, collectively, the communities have incredible opportunity across all key regional sectors
- Long history of collaboration, but recognize that politics could upset it, always precarious
- A lot of give back in the community - Blackberry built a lot of community infrastructure
- A healthy coopetition between businesses, supportive of each other
- Emphasis on existing resources/connectivity/advantages
- Small town values
- Strong family roots in the community, creating commitment and legacy opportunities

STRONG TALENT POOL

- In general, great talent pipeline
- Young workforce, high rates of participation relative to areas around important Guelph
- Hard to get rural data, but there is a high participation rate across the region (KWC CMA - 71%)
- Highly skilled labour force, innovative economy
- Access to skilled trades important for attraction and retention
- Recent local FDI work with some major global players, e.g. an ecosystem evaluation – suggests it's the talent pipeline by far that distinguishes the region, along with training and development
- Hear a lot about the quality of talent, we work hard to facilitate these relationships
- We have invested in our cities - LRT for example, transit hub for all day GO Train that recognizes talent comes from outside community
- We draw talent from great distances now - transit makes it accessible
- Fastest growing CMA, demographics are young
- Businesses are looking for talent/logistics, utilities, speed in approvals process
- Labour force talent a top competitive advantage for Ontario generally and for Waterloo Region
- Local employment opportunities and skilled labour force. Talent coming from universities and colleges
- Need to note that the alignment of the skill sets required in some sectors sets them against each other - e.g. automotive vs. aerospace - need the same type of talent
- Looking for the same people for these sectors, high demand, low availability, increasing cost to employer
- People and workforce - desire to work locally, proximity to large urban/rural populations, skilled labour from local colleges/universities.
- Strong population growth

What attributes contribute to the Waterloo Region's value proposition for investment attraction across the region's key sectors. What sets it apart from other urban/rural regions?

STRATEGIC LOCATION

- Centrally located, great public amenities
- Good supply chain for advanced man
- Well located to support automotive with Toyota in proximity
- ATS chose Cambridge, don't understate the spin off effect for supply chain and startups
- Access to 401, strategic location, close to the airport
- Proximity to other regional centres is a help, but land availability/ assembly comes up as an issue as we don't have the sites
- Geographic location, access to US border. Highway 401/401 - major asset to North Dumfries
- Proximity to highways, number and types of academic institutes
- Access to aggregates and the manufacturing supply chain
- Proximity to the US
- Transportation connections and proximity to GTA/USA.
- Strategic location near Toronto, the U.S., and Great Lakes
- Highway 401, rail line, gas line, proximity to borders, and automotive manufacturers
- Strategic location with strong transportation infrastructure (highways, power) and proximity to major markets

AVAILABILITY OF LAND

- Land is the best advantage.
- Opportunity to accelerate industrial development activity.
- The big four settlement areas of Wellesley Village (urban), Linwood (Rural), Hawesville (Rural), and St. Clements (Rural). Each has its dry industrial areas, and each has interest from existing employers to expand.
- Wellesley has two rural dry industrial areas to the west (limited Lee's pet foods), which are outside of the urban boundary and essentially designated rural employment areas, so any expansion would make sense here.
- St. Clements is surrounded by Countryside line and recharge area so fairly limited for expansion. It is the only a Regional employment area, but it's built out and there's not a high amount of interest in growth
- Two industrial subdivisions in New Hamburg well underway, many years in the works. Not a huge demand for development outside of serviced areas
- Pushed the Region to consider the area between Baden and New Hamburg north of the railway tracks for inclusion. This secures a long-term vision of residential north of the tracks and industry south of the tracks. Through the ROPA process, they said it would be a future activity but was denied at the time. Priorities for Wilmot include those lands. There hasn't been land demand outside of those areas
- Want to ensure that there are competitive lands available, rather than keeping all the employment lands in one spot held by the same landowners
- Highway 401/Employment Area for North Dumfries and small rural employment pockets are the focus, per the ROP. In Wilmot, the existing stock had additional lands added going west towards Stratford through ROPA 6 because of Hwy accessibility
- Wilmot doesn't have the environmental constraints of other townships
- Western side (south of Kitchener, West of Cambridge, along Cedar Creek Rd) has the highest growth of North Dumfries. Some applications for industrial subdivisions there. Also, a lot of rural employment areas throughout the Township. These are the spots that are easier for smaller industrial areas to compete
- Agricultural land, reusable aggregate land, infrastructure for aggregate operations
- Airport infrastructure and expansion potential on available land
- Prime agricultural land with a tradition of excellence in farming
- The Breslau secondary plan will identify increased employment lands

What attributes contribute to the Waterloo Region's value proposition for investment attraction across the region's key sectors. What sets it apart from other urban/rural regions?

STRONG EDUCATION SYSTEM

- Great university and college programs that support this
- Strong school boards, a high percentage go on to post-secondary
- Conestoga College does outreach to rural areas and businesses that have been effective
- Synergies between industry and the post-secondary talent pipeline
- Conestoga a leader in training trades – the largest trade school is under construction in Cambridge
- Have a unique post-secondary institutional environment that supports the local business community and the prevalence of advanced manufacturing in the region, employment concentration in various subsectors, specialty manufacturing
- Universities have a depth of programming that supports business growth
- Linkages between post-secondaries and the government is effective
- At the core the region is competitive because of the university, but there is also a culture in the community that is future-forward, innovative
- Connections to other post-secondary institutions like the University of Guelph

DIVERSE CLUSTER

- Good cross-section of rural related investment attraction – food/agriculture, logistics, supply chain opportunities
- Number of strong industry clusters and range of industries
- Food/ag sectors and synergies with U of Guelph. Major sectors have their own ecosystems
- Regionally have a strength in a lot of sectors – but the opportunities are localized
- Strong anchor companies in agriculture, automotive, advanced man, technology
- Advanced man, automotive, aviation & aerospace
- Mix of industries and a lot of reputational success
- Existing auto sector ecosystem
- Food and agriculture – some of the best land in Canada
- Ag business is very important to Woolwich. The airport is located in Woolwich. Woolwich borders all three cities.
- Strength in the ag economy and tourism sector
- Life sciences has grown in presence
- Critical mass of manufacturing anchors in key sectors (e.g. automotive and food manufacturing)
- Strength in food and agriculture, diversity in key sectors (urban and rural presence), and entrepreneurial culture
- Region of Waterloo is currently in the process of developing a CIP to attract aerospace and aviation companies to the area

What attributes contribute to the Waterloo Region's value proposition for investment attraction across the region's key sectors. What sets it apart from other urban/rural regions?

TECH HUB

- Major tech hub, proximity to the US market
- Hard to quantify legacy impacts of the tech sector
- Research and technology base across different industries
- Innovation culture in agriculture and industry, alignment with local values
- Major area for tech startups
- Support structure for startups in place as well - innovation centres
- World leading innovation cluster focused on University of Waterloo - Communitech
- A lot of serial entrepreneurs that keep starting new companies over and over, a few angel investor networks
- We invent the tech for manufacturing

MISCELLANEOUS

- Can accommodate significant population and industrial investment
- Chance to build the rural agricultural investment - but don't have the capacity in the aquifer to support a lot of development
- Not enough investment in value-added production to secure high-value jobs
- We are not unique...but we have just transformed over time
- Water/power utilities are the biggest challenges for many site locations more broadly in Ontario - many sites are not development-ready.
- Ability to move a development process forward
- Clean and stable energy source
- Each rural community has access to urban services.
- Organizational governance at WEDC makes it unique in the Province

GREAT COST STRUCTURE

- From a value perspective Cambridge has a significant cluster around automation, and robotics - one of the largest in Canada, 30% of regional businesses in this space are here
- Housing still affordable
- Taken as an amalgam, good international value proposition
- Cost of housing is lower in rural areas
- Cost competitive in Woolwich - lower taxes than cities.
- Rural tax rates are more competitive than the city's.

QUALITY OF PLACE

- Quality of life - very attractive for executives.
- Great outdoors and rural settings with recreational amenities and opportunities with a strong tourism sector. St. Jacobs is the most significant tourism asset in the Region. Cities on the edge of rural.
- Tourism and cultural assets contribute to quality of life.
- Healthcare, and services (schools, doctors, recreation, shopping, restaurants

Where do you see the greatest potential for economic growth and business investment attraction? What are the opportunities?

IN ADVANCED MANUFACTURING

- Prefab home construction and tiny homes, auto parts sector
- Advanced manufacturing is the largest opportunity - companies can move up the value chain here and the multipliers are much better along with their supply chain
- Two big FDI wins in Cambridge, both new advanced manufacturing operations
- Well positioned for advanced manufacturing building off legacy industries
- A key subsector for growth in advanced manufacturing is automation
- Tremendous opportunities in onshoring for manufacturing due to supply chain issues during Covid, geo-political issues, focus on greening/reducing carbon footprint and tariffs/more protectionist era
- Manufacturing is already significant in the township, primarily through on-farm shops
- Growth potential exists in businesses supporting manufacturing
- Support for advanced manufacturing technologies and leverage relationships with universities to retain graduates

DEVELOPMENT

- Need for smaller buildings/lease opportunities for office and industrial - e.g. 3,000 feet for manufacturing to scale up, considering industrial condos
- Businesses here want to lease, not own - but need to have options in the market
- Land not seen as costly for international firms
- Can we offer more affordable employment land development opportunities than cities – especially for smaller sites (2-3 acres)?
- Cities better positioned for office development - but post-pandemic still evolving
- Demand/supply office growth should stay focused in an urban setting
- If we could land a new large industrial anchor, that would be a major catalyst for more growth and development
- Improve access to 401 and explore private servicing under PPS changes
- Limited available serviced land restricts further development opportunities
- Higher densities in urban areas for both industrial and residential development
- Emphasis on proactive zoning and shovel-ready land for development
- Utilize older buildings effectively and plan for an aging population
- Opportunities for growth in a range of industrial business sizes

Review: Stakeholder Feedback

Part 2 of 4

Where do you see the greatest potential for economic growth and business investment attraction? What are the opportunities?

IN FOOD & AGRICULTURE

- Food and agriculture best suited to the rural areas but value-added activities like food processing will require water
- Agrifood sector - expansion of existing operations is happening
- Key sectors for growth including food processing and agriculture production (e.g. local success stories Conestoga Meats, Martins Apple Farm, Elmira Pet Products)
- Food processing, food innovation, food ingredients
- Opportunities in agri-tourism, vineyards, and activities for retiring boomers
- High-value livestock, food production, agri-business, and agri-tourism

IN TECHNOLOGY

- Support for artificial intelligence, higher margin products
- Interactive AI, research and development, How do we build clusters in these emerging sectors? Bill 23 opens opportunities for local planning for growth
- Creative industries - gaming sector, creative content sector
- Tech sector is as major driver of growth potential across several sectors
- Lots of executives in Waterloo Tech sectors choosing to live in the Townships - offers opportunities for small tech startups in Townships for WAH/remote working.
- There is real opportunity to have tech hubs in Townships - Potential for tech business/industrial parks. Also, opportunities in Townships for test bed sites for innovation hub.
- Better partnerships with Communitech
- High-value, permanent jobs in technology
- General entrepreneurship - something other than technology development

Where do you see the greatest potential for economic growth and business investment attraction? What are the opportunities?

IN AUTOMOTIVE

- Automotive sector – attracting big investments are challenge, would prefer diversity of operations, tier 1 or tier 2 operators
- In Elmira there is an automotive presence - why not build on existing pattern of development
- Attracting 2nd and 3rd tier supply chain rather than a large operational footprint
- Helping local businesses scale in automation cluster
- Have landowners active around the airport trying to attract more businesses in the automation cluster, being intentional about the types of businesses they attract so it supports growth of existing sectors
- See the impact of supporting Toyota supply chain
- EV battery plant would support these efforts as well, automotive yes, but automotive adjacent
- automotive/autotech and the research that supports these platforms
- EV batteries ecosystem
- Opportunities with battery technology -spinoffs with local auto sector (e.g. Toyota)

MISCELLANEOUS

- Economic development is a trendy business! Used to be call centres, now its EV battery manufacturing
- Financial Services is a lead sector
- Compare us to Ohio and Michigan - good at landing investment and speed and ease
- Business-to-business supply chain growth, business mentoring
- Sustainability is huge - focus on carbon neutral events - major focus for Millennials and Gen Z
- Mennonite community
- We are five years into a 35 year super cycle of economic growth
- Recognize that the nature of some sectors may benefit from a rural setting - noise, access to 401
- Focus on sector diversification
- Adaptation to market changes
- Recycling/waste management
- Provide incentives where needed and increase awareness of the region on a global level
- Leveraging skilled labour from colleges/universities

IN AEROSPACE

- Aviation and aerospace focused around Breslau and Waterloo Airport in Woolwich (Site 2D in Shovel Ready Strategy) launching a brand that will begin to target this investment
- Aviation
- Aerospace
- Bespoke training in aerospace
- Aerospace
- Airport lands offer opportunities in aerospace cluster potential.

IN LIFE SCIENCES

- Medical device/pharmaceuticals
- Life sciences
- Health innovation is an emerging sector - building up around the hospital sector

Where do you see the greatest potential for economic growth and business investment attraction? What are the opportunities?

IN VARIOUS LOCATIONS

- Strongest opportunities for industrial development in Wellesleyville (Township's Urban Centre), where there is large concentration of labour
- Industrial development potential in Lynnwood and Saint Clements, as well
- Existing development lands in Wilmot (Site 3A) are more valuable for development with the introduction of the region's mega site
- Wilmot land expansion
- Currently preparing CIP for Airport Area - future value proposition to leverage the airport - potential for aviation.
- Kitchener is close to capacity for industrial land - soon the only location option is in the rural area
- New land assembly in Wilmot offers such an opportunity
- The greatest opportunity lies in Elmira and Breslau. Elmira has land, but it needs to be developed into shovel-ready employment. Breslau is undergoing a secondary plan to increase the same
- There is a logistics trucking hub at Cedar Creek and Highway 401 - North Dumfries - could be built on
- Promote local supply chains and attract global customers

TOURISM

- Farms are a major asset to leverage for a tourism experience - farm to fork as well as Mennonite culture
- Explore Waterloo is working on new visual identifies - advancing the concept of "The Ultimate Road Trip". 96% of tourists visiting Waterloo Region are from GTA and arrive by car. Opportunity to expand GO Train service for better connectivity to GTA
- Woolwich is one of the most popular tourism destinations in Waterloo Region
- Tourism and hospitality

CONNECTIONS

- New action plan will focus on providing better wrap-around services - connecting innovators, and entrepreneurs with larger companies
- Need to build a rural response to the regional pillars in the region's 2025 economic development strategy - talent, land readiness, scaling local innovation, sector support, quality of life
- Forming a roundtable of businesses/investors to support the effort
- 2023 existential year for EDC - renewed funding partnerships locally and Provincially that support the implementation strategic plan

BRE EFFORTS

- Need to keep the companies we have viable
- Support for organic growth of existing companies
- Build on existing industries like automotive, manufacturing, aggregate recycling

COMMUNITY DEVELOPMENT

- New hospital to be built
- Also building products for residential housing sector.
- New housing
- Unique accommodation, parks, trails, and cycling infrastructure.
- Housing development, central hospital, and high-speed train projects
- Enhance community facilities, schools, and infrastructure
- Entertainment, sports

What challenges and obstacles to economic growth does the region face? Urban and Rural.

LACK OF SERVED SITES

- Lack of dry industrial designated land, specifically in Wellesley village and three settlement areas (the big four).
- Lack of available commercial land suitable for key sectors identified by Waterloo EDC.
- Region is not interested in allowing innovative communal systems in the Region. Such systems would allow for industrial subdivision development. Private servicing is ok for "one off" small-scale industrial sites, but no economies of scale
- Wellesley has limited shovel-ready employment land
- Region of Waterloo is doing a shovel-ready strategy – 1500 hectares necessary for industrial growth
- There is a site owned by Infrastructure Ontario – 400 acres – a massive amount of land, maybe an indigenous land claim?
- Hard to do any major land assembly at present
- Losing to places like Kentucky, Louisiana, and Indiana on land assembly issue
- In North Dumfries, there is no local industrial developer – no one to assemble, subdivide and service lands. Most lands are currently held by private owners who are not interested in developing lands or businesses that hold land for future expansion purposes.
- Shouldn't be putting all the eggs in one basket with this megasite
- The smaller lot sizes mean attracting a different scale of business
- Limited by industrial space – what has been available has gone to warehousing, which is not the best choice – started with COVID and need to reshore supply chains
- Industrial property owners want specific tenants, so they aren't leasing which is a challenge for some businesses
- 8 years, still talking about a mega site, but likely in 2025
- Lack of shovel-ready sites – large scale >100 acres
- Is it right to take agricultural land for industrial use? That needs to be evaluated
- Cultural challenges – local opposition for larger industrial projects – is there a local buy-in?
- Diminishing industrial land supply. Relied heavily in the past on private development employment lands. No new land development planned – who is going to fill the gap on employment land supply? Perhaps collaborate with the private sector on public-private partnerships?
- Finding land to grow that doesn't have constraints of agricultural lands. Conversion to employment lands is not popular locally, agricultural heritage is an important value to the community
- Being in the rural Townships, there's limited urban area to rural area so constrained by lack of land for employment uses. The vast majority of the land is constrained by prime ag for most of the Townships (exc. Woolwich). Land added via ROPA 6 is still much more constraining than in the tri-cities. Existing rural employment uses which don't fall within the designated areas have ROP policies for some expansion permissions, but this is still very limited in scope for economic development
- Poor long-term planning and ineffective management of the land procurement process
- The lack of employment (shovel-ready) lands. We are struggling with how to best facilitate the onboarding of these lands

What challenges and obstacles to economic growth does the region face? Urban and Rural.

PLANNING & PERMITTING ISSUES

- Need flexible zoning - not there yet
- Lowest industrial vacancy rate in the country
- Plans need to come together faster approvals need to happen faster - need to reduce elements of uncertainty/risk.
- Planning legislation takes too long to get approval
- Regulatory hurdles involving multiple government bodies (MTO, MOE).
- Development approval delays
- High development and permit fees, lack of cohesive local planning
- Non-competitive development charges (Waterloo vs. Oxford)
- Slow development processes due to red tape and staff turnover
- Lack of cohesive planning, transparency, and accountability in the development process.

INFRASTRUCTURE CHALLENGES

- Have to build the infrastructure as you develop new lands - water, servicing
- Don't have a lake to support high water use, need to understand the limits - not likely to have big water users as the load on the river can't take much more, some communities on the Grand River are close to build out
- Lack of infrastructure capacity. Sewage plant is small. Water/Wastewater MP in the works but years away, wastewater capacity shortage pending unless there's any major upgrade. Water services only in big four, sewage only in Wellesley Village.
- Lack of regional wastewater/sewer capacity is preventing urban development in Township.
- Wellesley does not have access to 400 series highways and has no rail access so limited development options
- Increased hydro needs to support investment has been an issue here
- Should be flagging water - has been raised as an issue in shovel-ready strategy
- Once mega site is up and operational we're at capacity - 2035 is when we run out of water if we have to rely on wells - based on current population and employment growth projections
- Region prohibits micro/macro commercial communal water systems.
- Water is an issue - food manufacturing won't work for us
- Will EV battery work if water is restricted?
- Infrastructure! need to connect to lake system in the long term
- Utilities, access to water are major challenges.
- Region's sewer requirements and waste treatment requirements - possible to treat on site which is very costly.
- Servicing is biggest challenge and sanitary is reaching capacity. Will need assistance from the Region there.
- Servicing is a constraint. Would need to see broadening of servicing strategy, if there are constraints of the Nith river to support servicing, then would need to look at servicing infrastructure discussions.
- Limited access to infrastructure (natural gas, water, sewer).
- Infrastructure gaps (townships vs. cities)
- Poor broadband/fiber optic infrastructure
- Infrastructure issues (water, wastewater).

What challenges and obstacles to economic growth does the region face? Urban and Rural.

TALENT ISSUES

- Employers saying they can't get skills they need, yet people are available, need a more holistic approach
- Lack of employment allocation is a problem. The Region gave a rural employment allocation so presumably the Region thinks job growth in Rural area is going to be e.g. 700, and we can assume most in Rural settlement areas. They could loosely justify expansion this way, but no standard rationale
- Among immigrant youth, it's hard to get them into the trades - a culture shift needs to happen with the parents
- Despite the talent pipeline, businesses still have difficulty filling positions
- Region needs to move forward with a Great Lakes strategy, number one fear long-term if we are to sustain population and employment growth
- Potential skills shortage - gaps starting to develop
- Some labour force challenges but not major in Waterloo Region because of size of regional labour force pool.
- Major gaps in skills in labour force.
- Demographics and aging population.
- How do you keep up with training enough young people to enter job market with such significant increases in demand and retirement happening?
- Shortage of skilled labour/skilled trades in particular.
- Labour shortages due to low population

MISCELLANEOUS

- Region through its growth forecasting and land budgets has short changed the Townships. Focus is always on the urban municipalities
- Waterloo Region Ecdev needs better data reporting. How do you make good decisions with limited or out of date economic data?
- Region has had its share of risks, a two-tier government structure can impede investment
- Still quite a hangover from COVID, recent rail strike - some lack of confidence exists locally in the advanced manufacturing sector
- Can't look at rural economic development in isolation of the cities
- Need to be mindful of things that cause strain on services/infrastructure
- Not preparing for the future.
- Too auto dependent.
- Maintain the planning position that rural settlements aren't the ideal for economic development. Prefer to focus in the urban areas, rather than spread things Township-wide.
- Urban/rural divide exists.
- Lack of incentives for attracting businesses
- Some social problems have presented problems
- Innovation is needed to offset higher costs of production in Canada.
- Small to medium sized manufacturing firms especially in Townships haven't invested in innovation/productivity.

What challenges and obstacles to economic growth does the region face? Urban and Rural.

TRANSPORTATION CONCERNS

- Transportation infrastructure will be the issue - young people do not have cars, no public transit
- Logistics not a huge job generator, low paying, lack of transportation infrastructure
- Transportation constraints. Truck route around Wellesley is ideal opportunity, will be necessary soon. All other settlements services by regional roads
- Transportation infrastructure still lacking - public transit
- Perception that Woolwich lacks transportation connections.
- Waterloo Airport focus is to take residents out of Waterloo not bring in tourists.
- Transportation connectivity issues - particularly lack of public transit especially in rural areas.

HOUSING COST & NEEDS

- Economic development has to address housing development and associated costs to attract a workforce - can't pay \$19./hr. and expect them to live local
- When housing goes into a community, its usually higher-value, but that doesn't match up to job growth and associated salaries
- Victim of our own economic success - cost/availability of housing. How do we attract more moderate wage labour to Region to reside when housing is expensive?
- Housing availability/affordability is a major barrier to economic development in the Region
- Housing supply issues are a concern in Waterloo Region
- Lots of residential development in short time and anticipating higher growth than the Region anticipated too
- Expensive housing, and a lack of rental units

HIGH COSTS

- Disconnect between space for lease and what businesses want to own - lease costs are too high
- Not an affordable place to live
- High land costs
- High costs of land and building, contributing to affordability challenges
- High land costs and development fees.

QUALITY OF PLACE ISSUES

- Quality of place is growing in importance - yet deterioration in health care, day care and transit.
- "With high population growth anticipated, where do the jobs go, what physical space will it occupy, need comprehensive planning - housing, transit, amenities"
- Shortage of hotels in Region - only 3,000 rooms spread across the Region. Townships have lack of accommodations. No convention centre in Waterloo region - feasibility study needed.

ENVIRONMENTAL CONCERNS

- Community opposition to growth and development due to environmental concerns. Creates uncertainty/risk for projects.
- Environmental and archaeological assessments, and GRCA regulations.
- Conflicting priorities - between environment/climate change and economic development. How do we get to say "yes" to development?
- Strong environmental focus - limits to this - how do we grow?
- Loss of prime farmland and uncertainty created by the loss of regional planning authority.
- Local opposition to industrial development

How does the local workforce contribute to the region's competitiveness? What skills gaps or workforce development needs have to be addressed to improve investment readiness?

WORKFORCE IS BIGGEST ASSET

- Companies that have no labour issues, have good compensation, benefits
- Very young and very engaged workforce
- Local labour force highly skilled - both blue and white collar. Well positioned for both industrial jobs and innovation jobs.
- Strong pipeline of skilled trades - tool and dye, engineers, mechanical engineers but having to import from other parts of the world, can't attract local
- Workforce is the biggest asset - Post secondaries train in almost every element of what local businesses need - technology, automotive adjacent, software engineering, robotics engineering
- Specialized trades are excellent, new trades school, but needs to be more promotion of local opportunities
- Deep regional labor force pool
- Advanced manufacturing is well connected to universities, a lot of graduates get hired locally
- Townships have a great talent/labour force pool
Rural areas also offer quality of life
- Great labour force but a shortage in the tourism sector
- Young skilled workforce a major advantage
- Wide range of workers contribute to competitive position. Conestoga has been very good at getting talent into the local workforce
- Rare to hear that we don't have capable people
- Labour force is a major asset. Leverage large regional labour shed. Lots of talent coming from Region's post-secondary institutions

Review: Stakeholder Feedback

Part 2 of 2

How does the local workforce contribute to the region's competitiveness? What skills gaps or workforce development needs have to be addressed to improve investment readiness?

MISCELLANEOUS

- Housing is expensive and a major challenge for workers in the tourism sector.
- We don't have enough people
- Bigger companies can afford to pay staff
- We are growing so fast – may be losing businesses if we can't address the demand for workers
- Technology sector – they can find the skills but need people with marketing, and sales capabilities
- We work with specific businesses, planning to do something more comprehensive
- A labour market assessment is taking too long to complete
- If we're attracting 1,000,000 people, where are they coming from, what skills are they bringing, what demand will they fill
- Have a newcomer's handbook for employers

TALENT RETENTION

- Significant income gap for starting salary for technology grads - hard to complete or retain
- Lot of young people that like working in start ups - still need to encourage them to stay in the community
- Waterloo grads are in demand on the global stage, the recruitment starts early, highly competitive in retaining the talent

TRAINING NEEDS

- Companies say they're not getting the talent they want but they don't want to train, and they want them cheap
- Gaps in expectations, and understanding of the training that is available - predominantly in manufacturing, used to see in technology pre COVID but not any more
- Need a short term turn around program for trades training, a program geared to business needs
- Would like to see the college focus on industrial trades

SKILLED TRADE NEEDS

- Needs to push more skills trades, build the pipeline - industrial trades e.g., engineering technologists, drafting technologists as opposed to engineers
- Skill trades campus being built on Conestoga will help but classes aren't full
- Credential transition for newcomers to Canada
- Need more skilled trades, but struggle to get people into the training

LABOUR DISCONNECT

- Unskilled jobs remain unfilled - struggle to fill, pay may be an issue. labour force disconnect, growing shortage
- Disconnect between the workforce demands and the talent available
- College approach is to look at the demographics and the gaps created with the aging process - programming works to fill the gaps

IMMIGRATION CHALLENGES

- Sit on immigration partnership - hear that we can't get employees, but we have immigrants with the talent but can't get hired
- Do not have resources for ESL etc. a real backlog as a result
- New Canadians are filling unskilled positions
- Need to do more to get immigrants into the workforce
- Don't hear much about immigration opportunities, this needs to be addressed
- Workforce typically requires travel and, therefore, a driver's license (manufacturing, healthcare, etc.). This is an issue for large employers who hire newcomers who do not have a Canadian driver's license.

What initiatives or services are missing in the community (region) regarding economic development efforts?

RESOURCE DISTRIBUTION

- If local ecdev resources where funneled to Region, perhaps it could be more effective to have a regional agency serve the needs of everyone.
- Redistribute some regional resources to localities to advance local ecdev initiatives. Shift should occur with respect to Ecdev responsibilities from Waterloo Region EcDev to locals. Waterloo EDC is good "as is". Plays an important role in FDI, and promotion/marketing of Waterloo Region
- Capacity to implement economic development programs given the portfolios we have, need more effective regional BR+E programming - needs to be more robust, shared information
- Need to improve local capacity for economic development programming
- Need to be able to identify resources available, provide long-term advisory services
- No local Ecdev officer and limited resources available at Township for local ecdev initiatives.

TOURISM SUPPORT

- At Waterloo Region EcDev - no one has a tourism lens.
- Need help from Region EcDev on promoting the development of an events centre - considered important for the ecosystem. Need to look at Tourism as part of the EcDev ecosystem as it highlights quality of place
- Development of tourism master plan is a priority and ensure it aligns with broader ecdev strategies.

PROGRAMMING

- Take the Cambridge (SBEC) and move programming out into the rural areas. The program is the same, could it not be partnered on? Some natural partners for this - Cambridge and Wilmot
- Communication gap is probably the biggest issue - knowledge of local programming - businesses don't know about the trade school, other supports
- A regionally planned program - feed the information to WEDC
- Waterloo EDC has been highly successful of bringing in investment to the Region.

TRANSPORTATION

- Transportation is a barrier to ecdev efforts
- A light rail infrastructure - can't increase density without it
- If you can't afford a car, don't want one - how do you get around
- Transportation infrastructure to key development areas
- 97/401 Industrial Areas does not have transit service - car dependent. Need to look at more innovative transit solutions for Townships (not rely only on fixed route for transit in Region).
- Rural transportation solutions.

What initiatives or services are missing in the community (region) regarding economic development efforts?

MISCELLANEOUS

- Don't think we are missing a lot
- EcDev partners need to do a better job at communicating why growth and investment are important to the region for live and work opportunities
- Many of the government programs require job creation, which is at odds with advanced automation
- Waterloo Region EcDev are doing a good job. Local EcDev serve interests locally
- No small business centre, no business licensing to know what's here
- Need more discipline around the investment attraction opportunities
- More community messaging of balancing ecdev and sustainability. Growth is coming but there is environmental stewardship
- Strategy is more reactive than proactive at the municipal level

HOUSING OPTIONS

- Choice of housing - affordable, yes but need a range. Executive level housing in demand as well
- Putting resources into affordable housing research

ENHANCED DATA

- Create a rural business directory once the employer survey is complete, will provide more localized information
- Not enough data reporting and trend details from region; especially at rural level
- Region should have a dashboard on priorities - what have other municipalities done through jurisdictional scan - for example Now or Never report and initiative in Nova Scotia

COLLABORATION

- Our area is well known for collaboration, but this has been decreasing
- Coordination of the different levels of stakeholders - getting Indigenous stakeholders, and conservation personnel at the table
- Need to align with the region's strategic pillars, more collaboration and cooperation between rural-urban partners, rural municipalities need local economic development strategies
- collaboration/partnerships. EDC is well aligned with the Townships and their economic plans. Important to have an integrated approach to urban/rural economic development

DEVELOPMENT STRATEGIES

- Get a process in place to illustrate the progress of an application/permit - rural in particular, but urban too
- Tremendous opportunity to ensure good development, something amazing and compelling. How do we ensure that the rural communities will do that and not just build for jobs the Province tells us we will have
- A strategy to increase employment lands

FOCUS ON EXISTING BUSINESSES

- Needs to be a greater local commitment to a professional anchor company call program - take top 30-50 companies and remain in regular contact
- Get out in front of the key companies (80% business growth in 20% companies) - need to be out identifying the top businesses in each community
- Look at the low-hanging fruit - business mentoring, supply chain issues, what partners do you need
- Look at Wellington County efforts to support existing business development - webinars, meet and greets, they've done a good job of connecting with their rural business community

How can the 4 rural municipalities improve their investment readiness for economic development and investment attraction?

INFRASTRUCTURE

- Explore/advance potential for new more innovative progressive water systems to allow for developments in the Townships
- Need a servicing strategy and explore opportunities for W/WW using public/private model. The key to success is to have a road map!
- Private servicing should be part of the equation in evaluating readiness
- Without anchor companies to help offset the servicing costs, it is really expensive to expect small business to pay for servicing
- Priority should be on upgrades for water/wastewater and "up our game" on water supply
- Rural areas have land but need to have clear servicing strategy and know where growth is going
- Improve infrastructure (roads, traffic control) and services, and explore 401 access
- Improve municipal services for industrial, residential, and community development.
- Service existing employment lands in Breslau

IMPROVE DEVELOPMENT PROCESS

- Ensure transparency in long-term planning with community engagement
- Ensure accountability by committing to timelines and clarifying contact points
- Support community services like policing and development approvals
- Streamline the development process with better alignment between the region and township
- Provide quicker development answers to prevent long delays on projects
- Implement a transparent approvals process, involving key agencies (MTO, GRCA) early to avoid later delays.
- Embrace flexibility for low-cost pilot projects and remove barriers to development with a solutions-based approach.
- Simplify rezoning and approvals and repurpose existing building inventory.
- Pre-package zoning and streamline the approval process.
- We are developer-friendly, and take pride in the speed of processing development applications and this makes us different
- Foster a culture of good governance and planning with a permanent urban boundary.
- Establish uniform development rules across municipalities, with a regional planning authority for consistency
- Speed up development timelines and preserve prime farmland
- Ensure the development of complete communities in Breslau and Elmira (sufficient residential, commercial, recreational, etc.) so people can live, work, and play in their community

How can the 4 rural municipalities improve their investment readiness for economic development and investment attraction?

MISCELLANEOUS

- Connectivity to sectors - allow for relevant use
- Improve communication (timely, precise, transparent).
- Continue investing in community attributes like tourism, culture, and sports
- Immigration readiness - are they welcoming?
- Availability of childcare, social infrastructure for families has to be considered
- Housing development - basement apartment, Accessory suites, medium density. Need a common interpretation of what qualifies as accessory housing - same across all townships - reflected in zoning
- Increase higher-density housing for seniors
- Promote better knowledge of rural communities
- Foster innovation through a creative municipal mindset, including consulting and temporary permitting
- Balance residential and employment growth
- Focus on regional economic development, regardless of Provincial changes
- Shared assessment growth across municipalities

SERVICED SITES

- A lot of rural-based companies say they can't find the land - very often they do not want to lease
- Inventory of lands that are easily serviced
- Need more of a supply of industrial land for sale
- Figure out what lands you want to use for what - where will it be
- Expand shovel ready employment land supply. That is the top priority. Lots of demand/interest in industrial development
- Shovel-ready means servicing - should be pushing for the acceleration of servicing - not 15 years, but 5 years - this might mean shared service agreements.
- Can they accommodate more M4? maybe rural communities don't want this
- Provide opportunities for larger scale industrial development but also for smaller scale businesses such as contractor yards, welding/machine shops, and transportation. Many of these uses are currently in the Cities, see how we can move them out to Townships to more cost-effective locations
- Work with property owners. Townships need updated forecasts and land budgets which reflect market realities and identify target sectors through land use strategy.
- Wilmot township is a great example – the Province is paying to assemble the lands, are they ready for the implications
- Provide for more shovel-ready development-ready sites.
- Focus on investment of East Side Lands. Using OP, how do we bring on new employment lands in Elmira and Breslau?
- Develop a comprehensive strategy for employment lands, including identifying gravel pits for future development.
- Reclaim gravel pits for housing/industrial use and focus on increasing the tax base to fund infrastructure and population growth.
- More industry could be supported if land were available, and permissions were clear.
- Complete the existing industrial park and enhance community services (medical, education, traffic).

How can the 4 rural municipalities improve their investment readiness for economic development and investment attraction?

INCREASE COLLABORATION

- Continue to collaborate on issues like tourism, and industrial development - tap your urban neighbours
- Important that we all have "one voice" when it comes to EcDev
- Focus on partnerships/collaboration with higher levels of government, private sector for infrastructure funding and new development ready areas
- Regional and municipal staff need to be on the same page with respect to economic development
- Support WEDC, interact with capital sources, and attract private investment
- Increase collaboration between the municipality and region to better address local needs

SUPPORT EXISTING BUSINESSES

- Understanding what existing companies need - what needs to be put in place to accommodate local growth
- Existing manufacturing businesses need to invest to becoming more automated in their operations. Townships need to focus more on business retention

TRANSPORTATION IMPROVEMENTS

- Need transit to the rural areas around key hubs, work is changing, people will work remotely
- More innovative transit services needed to serve employment areas
- Establish where the Region's bypass will go in Elmira

INCREASED RESOURCES

- Region will have money if the townships can contribute a share
- Need more capacity for ECDEV at the rural level, been operating as small rural communities but now experiencing significant growth
- Economic development can't be done off the side of the desk - need staff
- Build capacity for the process and relationships that will follow - staffing. The townships that have the manpower to do ecdev, don't have the land to do it
- Ensure sufficient human capital at all government levels to drive development

ROBUST STRATEGY

- Think regionally about investment attraction - not individually, can't be holistic
- Bill 23 - townships can do their own planning
- A clear delineation between FDI/investment attraction and BRE and other local needs
- Identify target sectors. Make the necessary investments to attract those sectors. Be investment ready
- Need to adapt policies to support industries
- Human resources at the local level are critical - need to create a business plan/strategy
- Can't be everything to all people, figure out the focus sure, but need to understand what lane can they pick
- Target industries with the highest return on investment
- Municipality should drive development, improve marketing, build relationships, and be more proactive in planning
- Set community goals and targets at the regional level and enhance global outreach to learn from other regions

Review: Stakeholder Feedback

Part 1 of 2

What are your key measures for economic development success?

EMPLOYMENT

- Need to see low employment rate
- Job creation locally
- Growth in employment rates by sector/subsector
- Job creation/retention in key sectors/subsectors
- Talent and labour force data - participation rate, unemployment rates
- Labour force by industry sector indicators
- Broadening of employment base
- Jobs created
- A low unemployment rate
- New jobs
- Jobs
- Employment growth
- Employment levels by sector

NO MEASURE

- Don't have KPIs
- No reporting that we can do, as a result of capacity.
- Not sure the regional planning department does measure success for economic development

PERMITS

- Number of permits for housing and additional rental units
- Industrial permitting in key sectors
- Building permit data
- Building permit data
- Building permits
- We gauge economic growth on building permits and development applications and type of development

BUSINESS GROWTH

- Keep the businesses we have, help them expand
- New businesses that open, expand
- Regional business count
- Deal flow
- New investments - expansion and organic growth
- Revenue growth
- Landing major investments in Ontario.
- Revenues and visitation from tourism
- Number of companies that remain in the community and growth locally.
- Number of new businesses started-up or attracted
- Number of business expansions

DEVELOPMENT ACTIVITY

- Room for companies to grow
- Would like to see stronger retail/commercial sector health which would come with more industrial development/businesses in the community
- If we have opportunity to accommodate growth, assist investors/employers to come to the Township, then we will work to accommodate that through planning applications

POPULATION GROWTH

- Population growth in key working age 25-44

What are your key measures for economic development success?

MISCELLANEOUS

- Uptake in productivity improvements and advanced automation
- Quality of life
- Resiliency is a measure of success
- Business satisfaction! Need the data to demonstrate this
- Balanced assessment ratio residential vs. non-residential so as not to burden the taxpayer
- Measure progress against road map - growth in assessment base, household income
- WEDC does a great job but doesn't replace the need for local knowledge
- Reduce environmental footprint
- Access to networks
- Diverse economic base
- More diversified local employment base
- Export growth
- Increase in export-based activity,
- Some form of index that measures the happiness of long-term residents, not just recent residents
- Did we implement our strategy - did we move it forward, that's how we're measured
- Innovation in advanced manufacturing
- Assistance to become more productive
- Municipalities that have a good balance of employment to residential, with the lands available to market, become more resilient

How can the Region improve their investment readiness for the Township's economic development and investment attraction?

MISCELLANEOUS

- Support long-term local employers
- I don't see us ever doing outreach to attract bigger business the way EDC does, but it is helpful to broaden our scope to see our local BR needs
- Servicing capacity
- Land designation
- Region's focus has historically been on Breslau and the airport. The land acquisition has changed that focus, but that's a new thing
- Benefit from the Region taking a broader focus and to include the rural Townships for future business attraction. This implies designating and servicing lands - that extends beyond historical focus areas
- Would defer to Region's economic development department
- Working with the Township through the OP review (so long as there is authority for it)
- Often when the Region works on region-level economic strategies, although they involve the townships, it feels as though those discussions are really central to the tri-cities. There could be more separation of thought/discussion specific to rural townships to ensure that those opportunities aren't lost in the bigger, bolder priorities of the large cities
- Don't forget the small business
- For Wellesley, natural heritage and agricultural tourism could be marketed better by the Region

What factors inhibit the relative competitive position of your community regarding employment lands?

MISCELLANEOUS

- Need for streamlined approvals
- Zoning issues
- Planning challenges
- Environmental concerns
- Communication with Indigenous communities
- Township’s reactive approach, lack of serviced land (water, power, sewage), high land costs
- Limited ready-to-go sites
- Limited skilled labour
- Transportation
- Public transit

What did we not ask that we should have?

MISCELLANEOUS

- Region should focus its efforts on providing transit and hard services (water/wastewater) and social services
- Townships need to be more in the driver's seat concerning growth and development - optimize growth potential.
- Could reference shovel-ready strategy
- The implications the townships have talked about - how to expedite development quickly, what zoning changes are required, have a team to support the townships to do this
- Townships have some common challenges - such as servicing, but they are all very different concerning opportunities for growth and strategies. We groundbreaking consider them individually
- Need to evaluate the loss of agricultural land. With all these areas that could produce industrial sites, should they?
- Issues are nuts and bolts (infrastructure), nothing groundbreaking here. Exploration here is more OFDUs and small-scale stuff
- Review of the Provincial planning policies and how they can restrict or facilitate economic growth would also be important
- Protection of prime ag vs. the availability of employment land. ROPA 6 allows for employment opportunities and increased access to connectivity
- For the Townships, the less urbanized context allows opportunity for uses that are less compatible with other urban uses. Further discussion on the challenges should be addressed by the Economic Development

Special Focus Questions



Bill 23 has come into effect. What do you feel are the most substantial implications of this for the Township, relevant to economic development?

Note: At the time of interviewing, a date had not yet been proclaimed enacting the removal of upper-tier planning authority for the Region of Waterloo under the Planning Act

MISCELLANEOUS

- Flexibility and ability to designate lands on our own. This is a blessing and a curse
- Capacity will be further limited, lots more on the plate of Township, unless we're able to hire
- Ability to do land use and economic planning at our own pace
- Infrastructure piece will still be a constraint. The Region will still be in charge of the infrastructure and will have the authority to limit development by proxy of servicing capacity, despite the Township transition to being planning approval authority. The new PPS policies for servicing may help the Township to adapt to these constraints
- The biggest issue is related to servicing infrastructure, if that's not within municipal control, but we still require regional infrastructure. it seems those implications haven't been evaluated by the Province yet.
- Having staff ready, and documents ready, to promote the Township. We rely on the Region for economic development supports. We're working on hiring more staff to keep up with growth/demand
- It'll be a challenge to take on that role and work of the Region (e.g. even GIS, data maintenance, etc.)
- Expecting that there will be a learning curve with that transition, difficult to plan for yet
- Some of the transition work is underway, and we've identified that coordination is really critical
- The Region will continue to be responsible for waste/water. We'll need early communication about any planning for servicing and infrastructure needs. While approval authority function for development planning applications and for the implementation of the ROP, it won't change our role for planning for the Region in terms of commenting on applications or policy.
- The Region doesn't anticipate large impacts, so long as all can communicate and be clear about capacity.

For North Dumfries only:

Apart from designated Employment Areas, how is broader economic development considered in the Township's planning?

MISCELLANEOUS

- From a planning perspective, OP update expected in the next year. Some gaps for policy in this area that can be resolved through that process. As development has been so busy, there isn't much staff capacity to look at broader policy focus.

For North Dumfries only:

The major focus of employment opportunity is centred around the Hwy 401 and Regional Rd 97 Employment Area. When it comes to economic development broadly, is it the Township's intent that future employment growth would be directed to these areas, or does the Township have other areas in mind?

MISCELLANEOUS

- Directed to that particular area to focus growth, outlined as employment areas. Until those areas have been built out we would not consider employment in other areas

***"For Wilmot only:
The Township has planned to initiate a secondary plan for employment areas. What opportunities is the Township planning for? "***

MISCELLANEOUS

- Secondary Plan anticipated for land the Province brought in and extending it to the intended lands on the south of the tracks (even though not currently designated). We are holding out on this currently until we hear further about the Region’s planning authority.

***"For Wilmot only:
How does the Region's land assembly project fit into the Township's plans for growth?"***

MISCELLANEOUS

- We are proceeding independently from the Region. No definites known in terms of the effect, timing, ownership, end user, and decision even being made. We do anticipate that it will have significant impact, it will change the framework pretty drastically. At this point, we can only plan independent from it, assuming it isn't happening because we cannot anticipate the outcomes.

"For Wellesley only:

When it comes to employment across the rural Townships, Wellesley has less heavy industry, and a greater focus on agriculture and small business. What opportunities does the Township see to support these through the upcoming Official Plan review, or other plans, such as a CIP? "

MISCELLANEOUS

- Not a lot of agri-tourism locally, e.g. not many farm stands, markets, or breweries. Not sure if that's something different related to the Mennonite community or could just be oversaturation/proximity to existing well-known markets.
- Apple butter and cheese festival. Fall Fair. So there is some community tourism, but less than elsewhere.
- Smaller scale stuff, e.g. supporting OFDUs and ADUs.
- Linwood is major community that Kissing Bridge trail goes through. E.g. compare with Perth East and Millbank, that's a destination on the trail that people go out to, but we haven't seen that in Wellesley.
- Current CIP applies to Wellesley village and St. Clements only. Council looking at expanding it to include other rural employment areas. Wellesley hoping to do more in the way of rebates, to increase potential without increasing funds needed.

"For Wellesley only:

As the Township prepares to take on an Official Plan Conformity review, what opportunities is the Township planning for? "

MISCELLANEOUS

- OP update will need to focus on Employment/Industrial expansions for the big four settlement areas. Need to make sure there is land available to prevent the bigger employers looking for land to go to other municipalities, even though they really do want to stay local. Update to CIP expected.
- In terms of specific OP policy, not yet sure. Private servicing policies in the new PPS is intriguing and will need to be updated.

Township Focus Group Preliminary Discussions



Review: Township Discussion Feedback

Township of North Dumfries

1 - In your opinion, what are the primary economic development/investment attraction opportunities for the Township?

- To date, been low key about economic development to attract or retain business opportunities
- Large employment base focuses on 97/401 business park – 30% of the assessment base
- Almost exclusively private services
- Driven by location – Hwy 401 goes through the community
- Have a mixed bag of businesses
- Aggregate is significant – (value added). Proximity to urban areas is the reason, but export is as well given the 401
- Logistics – trucking companies with terminals, as well as the sales aspect of the industry, brokerage firms are here too. Warehousing is also present
- Manufacturing – fabrication, machining and assembly etc. supporting other manufacturing sectors. Starting to see automotive supply chain activity
- Technologies for private services becoming more attainable and cost effective
- Some of the manufacturing need outside storage that they can't find in the urban areas
- Some limitations with food based manufacturing, or businesses that use water for their process
- Looking at former aggregate sites for future employment uses
- Agri value added – research and development, storage and drying activities

2 - What challenges do you face in advancing these opportunities?

- Region driven by vision of serviced employment land – you can do it on private services
- Could bring higher order uses to the township if we had serviced
- One of the frustrations is the language in the ROP for communal or private servicing options – really limits opportunities. Limits ability to unlock private sector money
- Under bill 23, the region will no longer have planning responsibilities
- We in North Dumfries will assume responsibility of regional OP and local OP
- There will be a robust discussion about these servicing options – will form a servicing strategy
- Game on in terms of how much employment land we want

3 - What support has the region provided to date?

- Fractured group from day one - Disconnect between strategy and economic development opportunities
- Some uses appropriate in urban areas, airport lands and service employment areas
- Some activities better suited to rural areas and some activities in urban areas could be moved to rural areas
- Waterloo EDC – 14 staff, funded by the area municipalities, heavily urban in scope
- In a 2-year contract funded by FEDEV – see what happens once this project is complete
- No real economic development presence to this point – heavily focused on public serviced employment area opportunities

4 - How can the best practice research support these efforts?

- Need to know what kinds of businesses, how to target and attract
- How are we going to resource this vision – BR+E, marketing and promotion
- Envision a chapter on each municipality laying out the differences, opportunities for each municipality
- Agreed with Niagara and Ottawa as best practice examples
- What can we do to support the agricultural sector – inputs and outputs
 - On farm diversification
 - What communities have done this
 - Can CIPs be used in this regard – Wellington County

Review: Township Discussion Feedback

Township of Wilmot

1 - In your opinion, what are the primary economic development/investment attraction opportunities for the Township?

- Not active in economic development — New Hamburg has a Board of Trade and they do much of what you'd call economic development — marketing and promotion
- Don't know what the community wants — hope this comes out of the interviews/focus groups, certainly an expectation that we will protect the rural character of the township
- Region is currently undertaking the creation of a mega-site in the township — approximately 770 acres at Highway 7/8 and believes they will target logistics and automotive
- https://www.therecord.com/news/waterloo-region/region-says-it-owns-about-one-third-of-770-acre-wilmot-land-assembly/article_1bf6f5c1-f188-5308-a7d0-e27572bd63e4.html

2 - What challenges do you face in advancing these opportunities?

- The impact of COVID is not well understood, how much of the community is working from home, how much land is needed as a result
- Not a lot of land has been designated for employment use at this point as the ROP limits what can be done on private, communal services
- Heavy reliance on the use of private services which limits investment activity
- Servicing the mega-site, addressing access to the site including improved public transit

3 - What support has the region provided to date?

- Nothing concrete in the blueprint for collaboration for the rural municipalities
- Municipalities are very reactionary, if they (the region) need something we try to support

4 - How can the best practice research support these efforts?

- Look at what similar-sized communities are doing, how are they approaching shared service agreements, private servicing

Review: Township Discussion Feedback

Township of Woolwich

1 - In your opinion, what are the primary economic development/investment attraction opportunities for the Township?

- Have a CIP in place with Elmira, done by locals but looking at using the tool to attract employment uses
- Breslau CIP, Region wants to use for aerospace investment

2 - What challenges do you face in advancing these opportunities?

- Worked to improve/update the Zoning Bylaw, make it easier for business investment/expansion
- Rural transit is awful at present
- We share resources across all municipalities, currently swamped in Woolwich trying to address tourism, BR+E, and marketing
- ROPA 6 has added 3,000 acres in Woolwich (Elmira, Breslau, St. Jacobs), further planning needs to be done

3 - What support has the region provided to date?

- Waterloo EDC hosts quarterly meetings where they share initiatives underway
- Woolwich leans heavily on WEDC for any land enquiries
- Limited support for the implementation of the BR+E efforts
 - The township is working to improve signage for tourism, supporting BIAs with marketing and promotion

4 - How can the best practice research support these efforts?

- Use of CIPS, joint service agreements, private service opportunities

Review: Township Discussion Feedback

Township of Wellesley

1 - In your opinion, what are the primary economic development/investment attraction opportunities for the Township?

- We are the smallest of the four municipalities
- Don't have any significant industrial operations – some SMEs that are exporting, have sales into the US or domestic market
- Don't have an industrial inventory of land at present
- On-farm diversification is doing well – need to explore these opportunities further eg. additional research or CIPs

2 - What challenges do you face in advancing these opportunities?

- Doing economic development off the side of the desk, reactionary to the needs of Waterloo EDC
- Don't have the attractions for tourism – some trails, some festivals in the fall
- We do want to have some employment lands – likely have to be dry industrial
- Dry and serviced employment land inquiries
- Most of this is to support businesses that are already here like Home Hardware, Jones Feed mill, custom woodworking
- We don't have servicing capacity at present, or the zoning or official plan policy that would support it
- We are losing the small business community, not sure whether that's the ability to expand or other reasons, don't know

3 - What support has the region provided to date?

- We react to the needs of Waterloo EDC – don't have much interaction
- We don't have business licensing or a chamber of commerce so don't have a good handle on the businesses that are here

4 - How can the best practice research support these efforts?

- Interested in what similar-sized communities are doing re: industrial development
- We have funding to update our CIP, so the time is good to look at support for value-added agriculture

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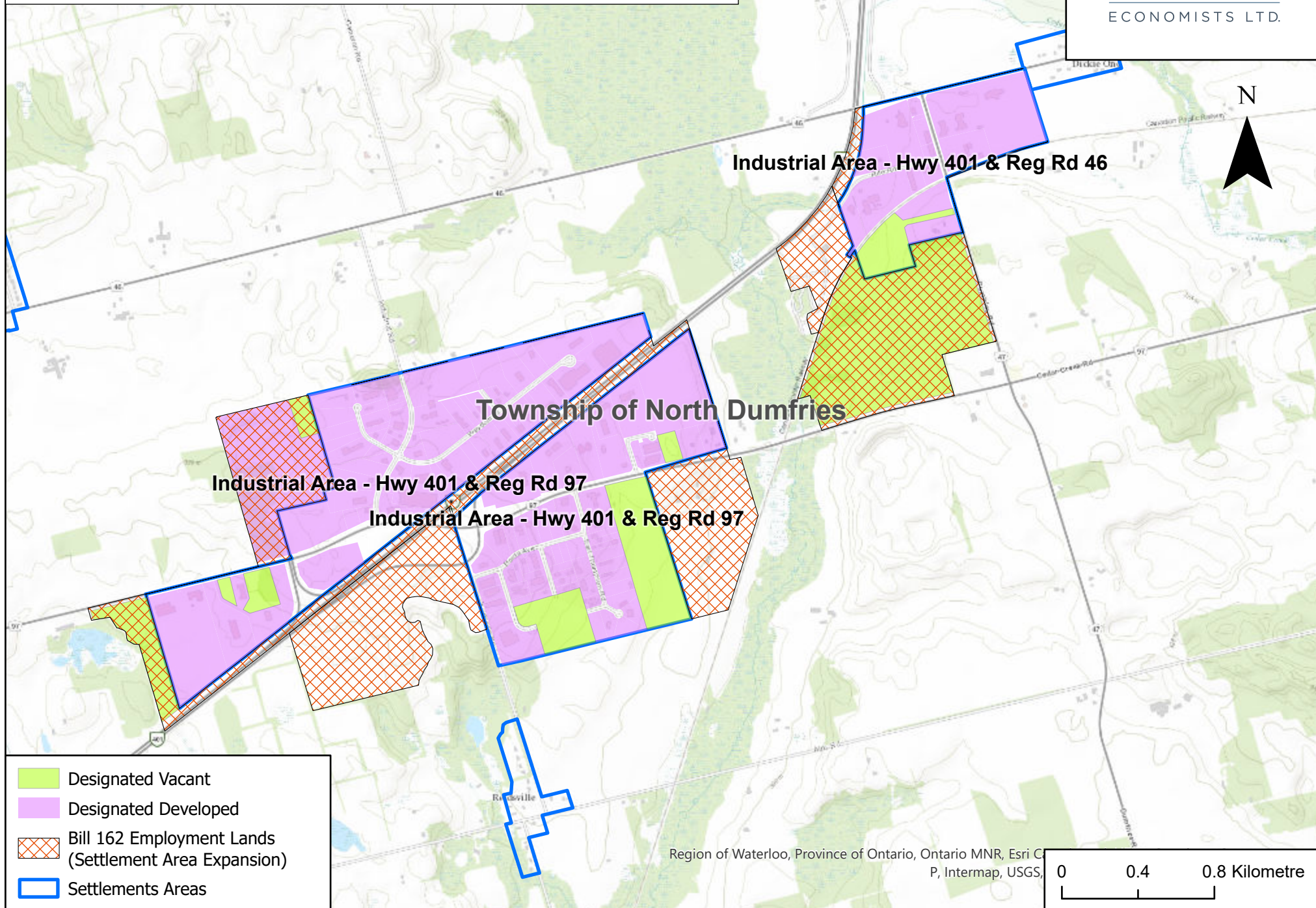
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SUPPLY CHAIN & LOGISTICS | WORKFORCE SOLUTIONS



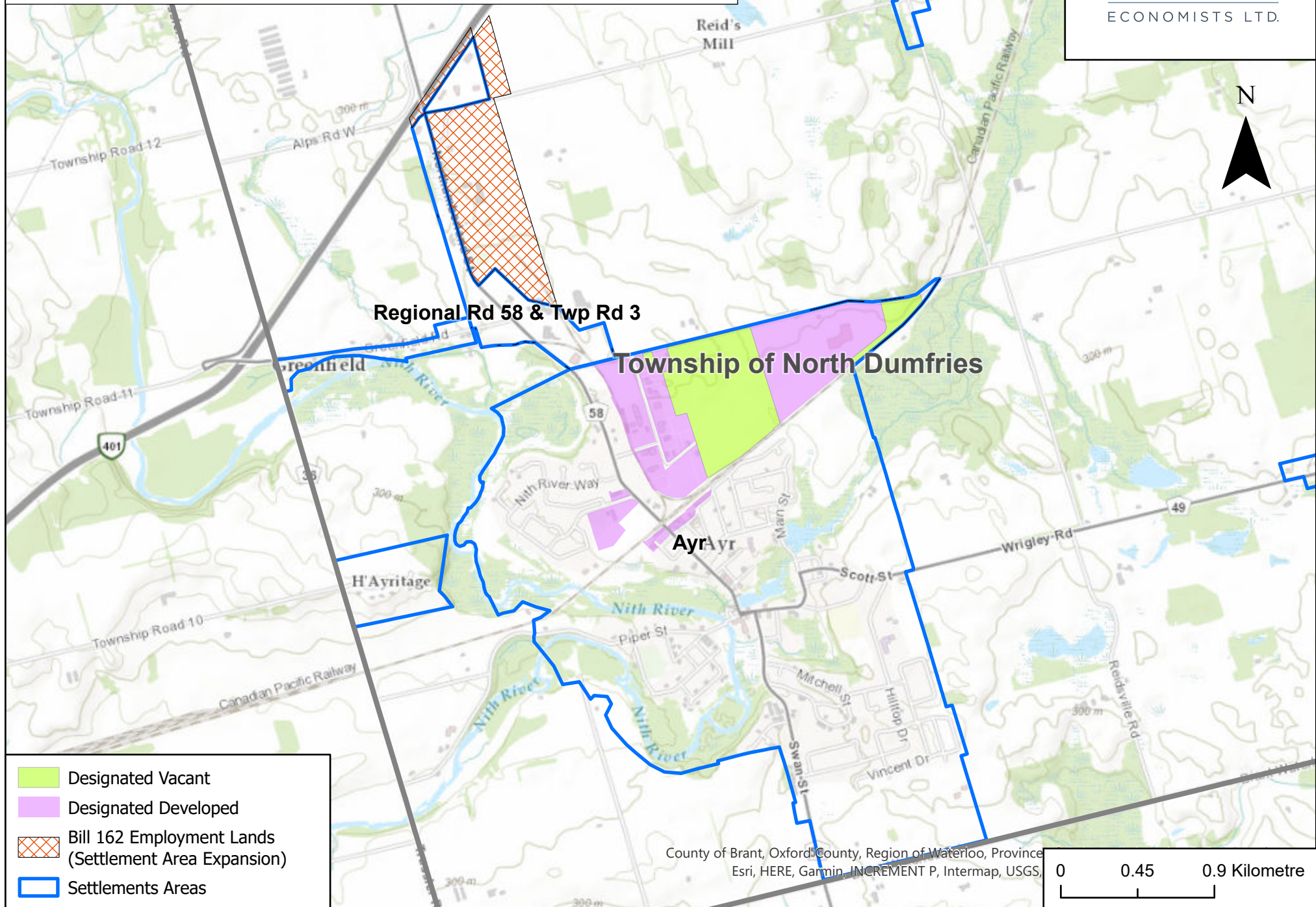
Appendix B

Employment Land Inventory

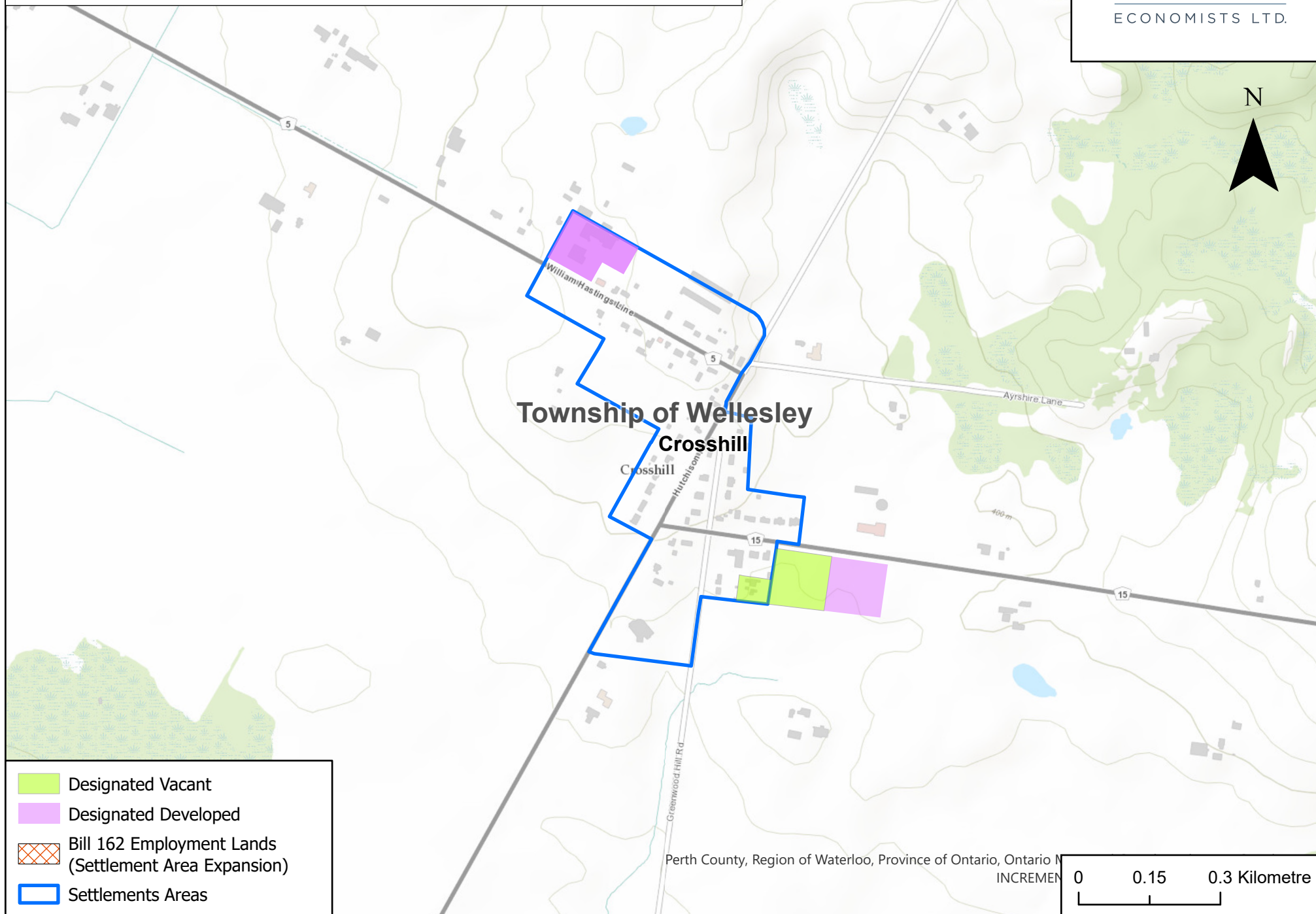
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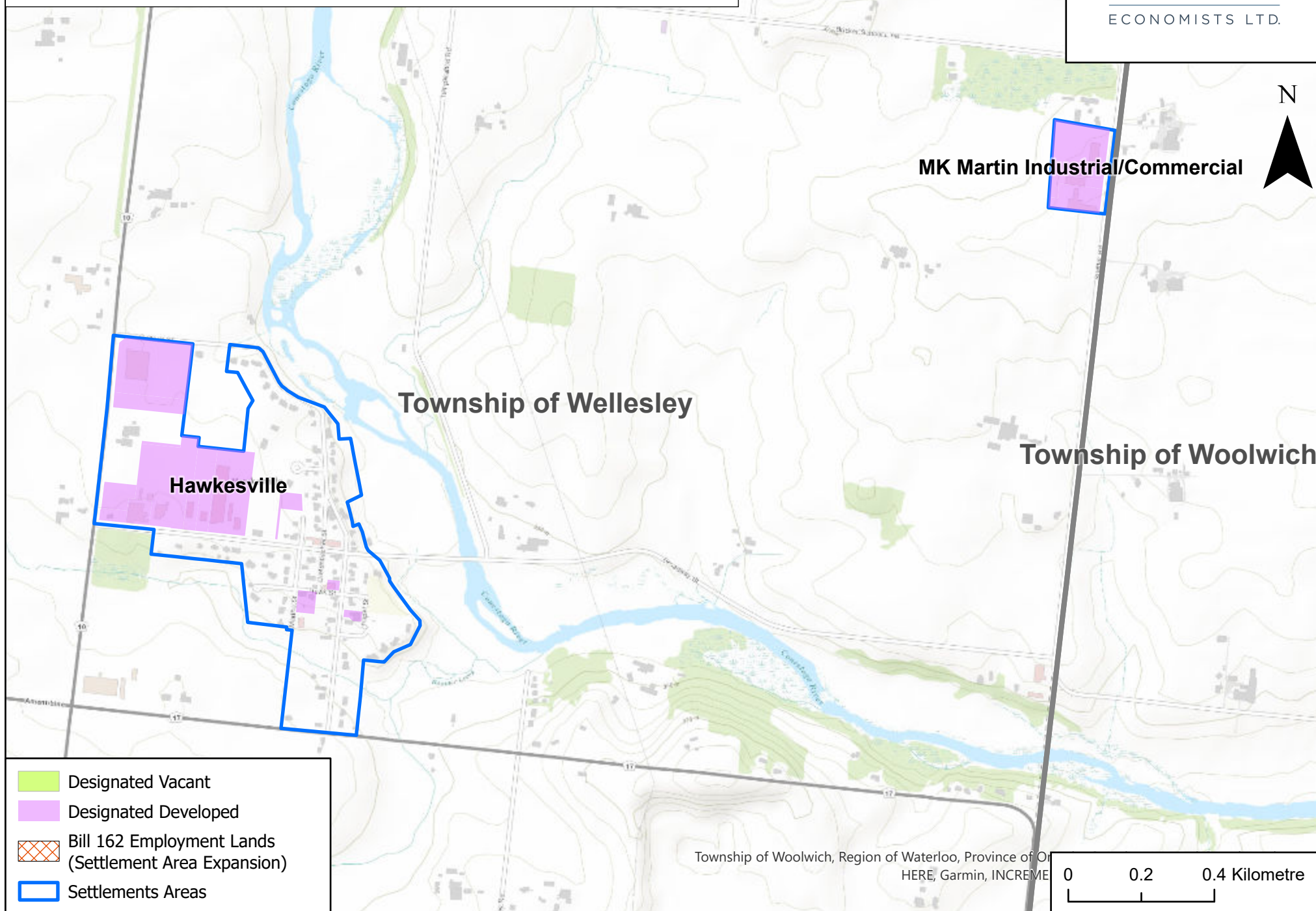
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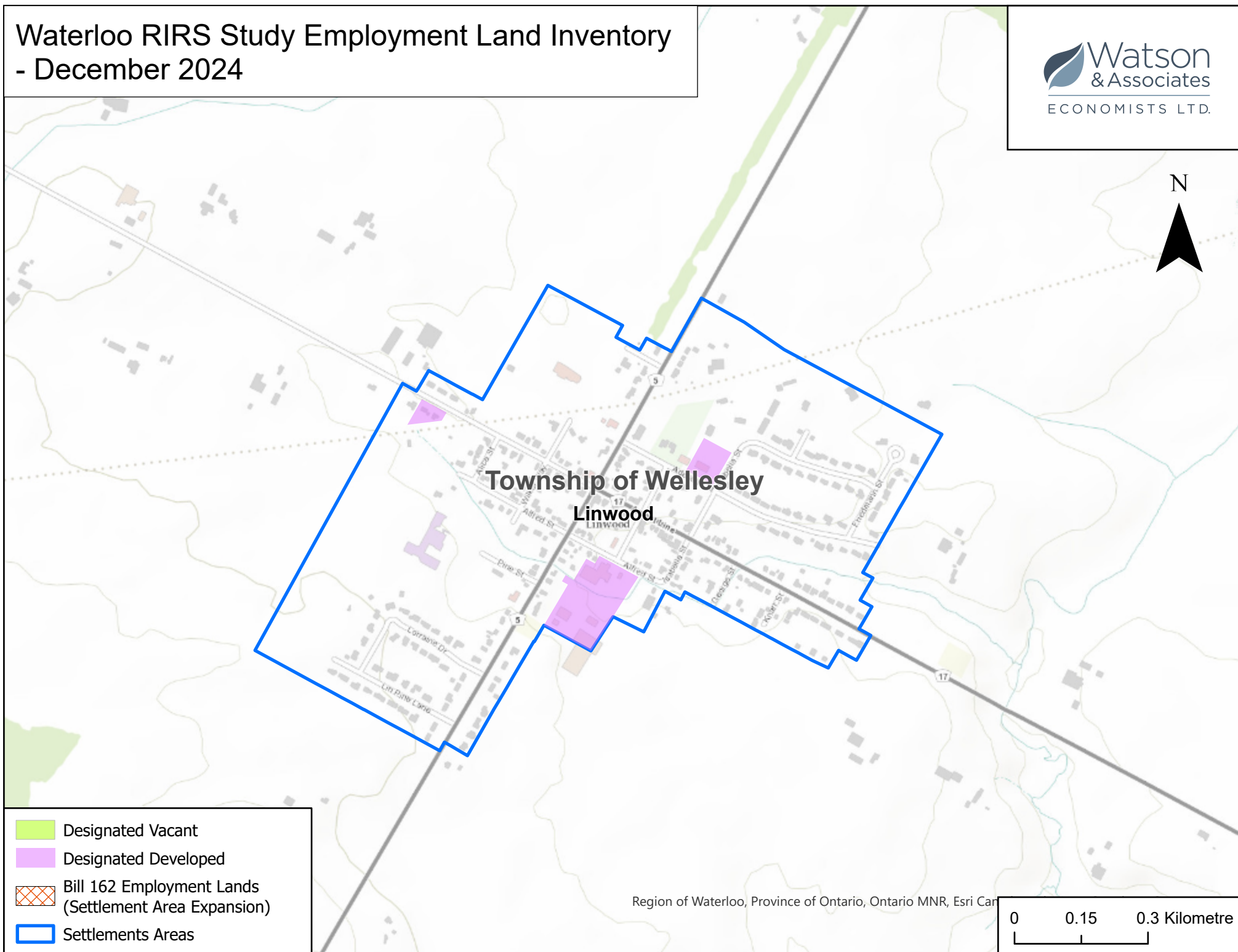
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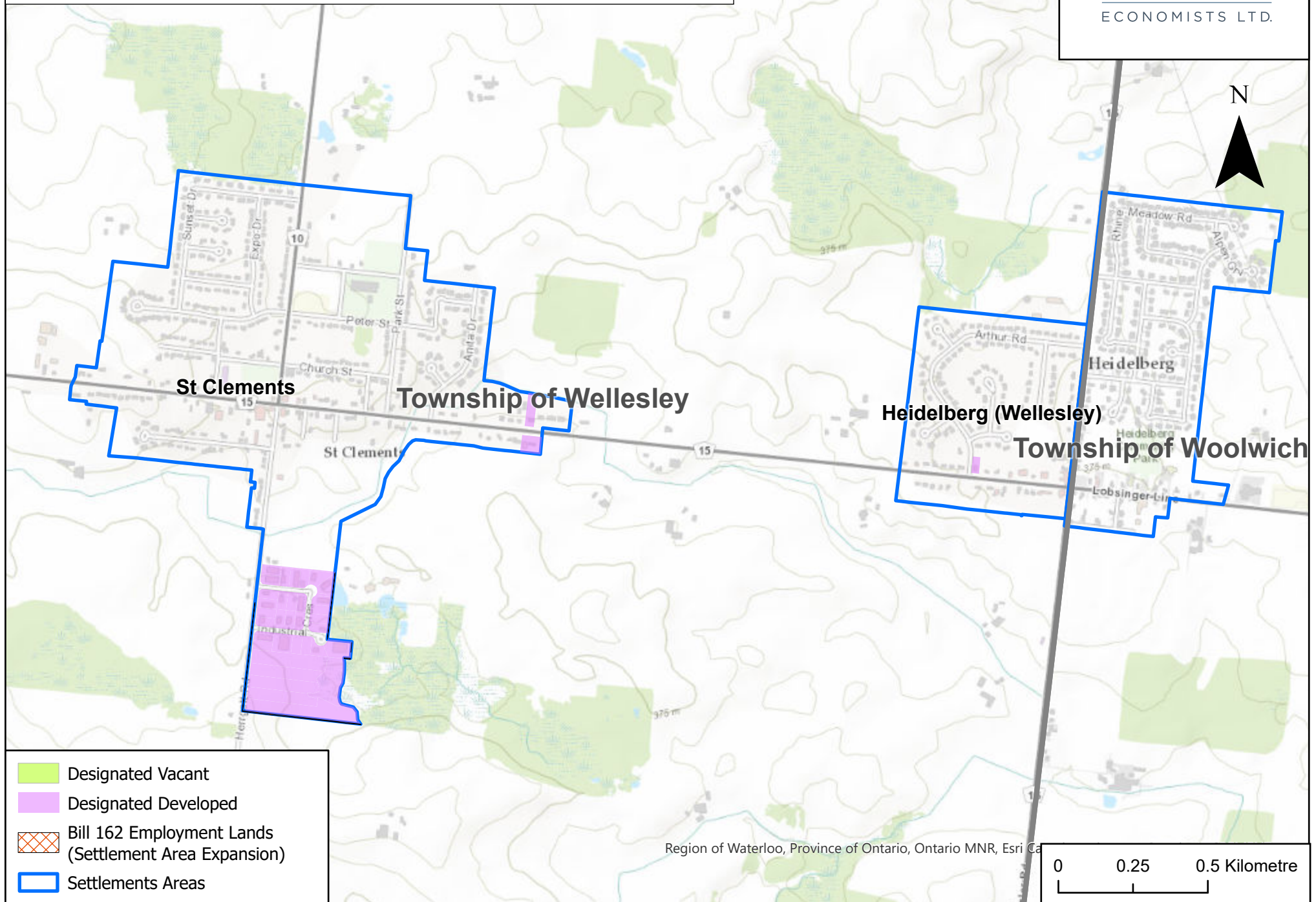
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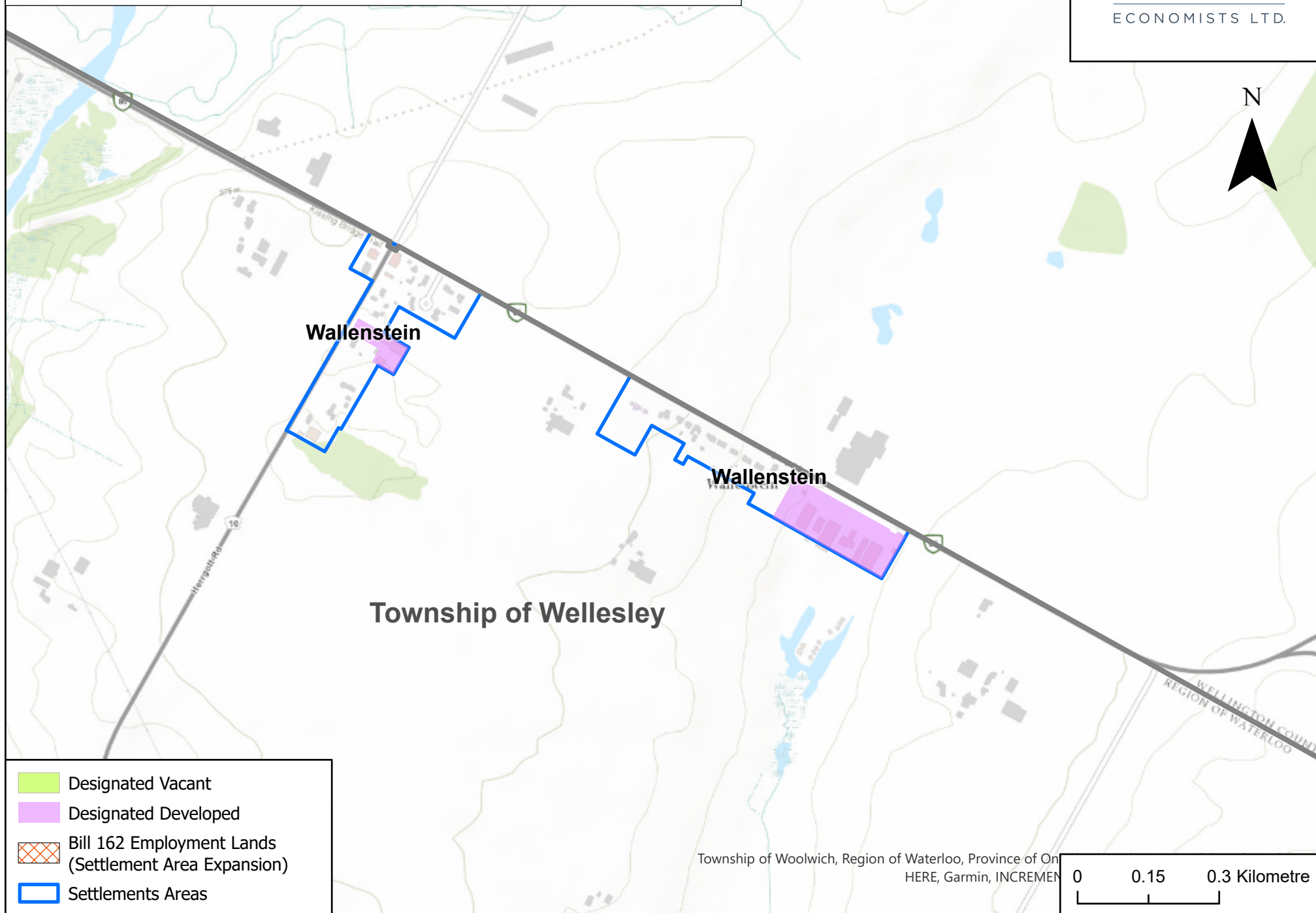
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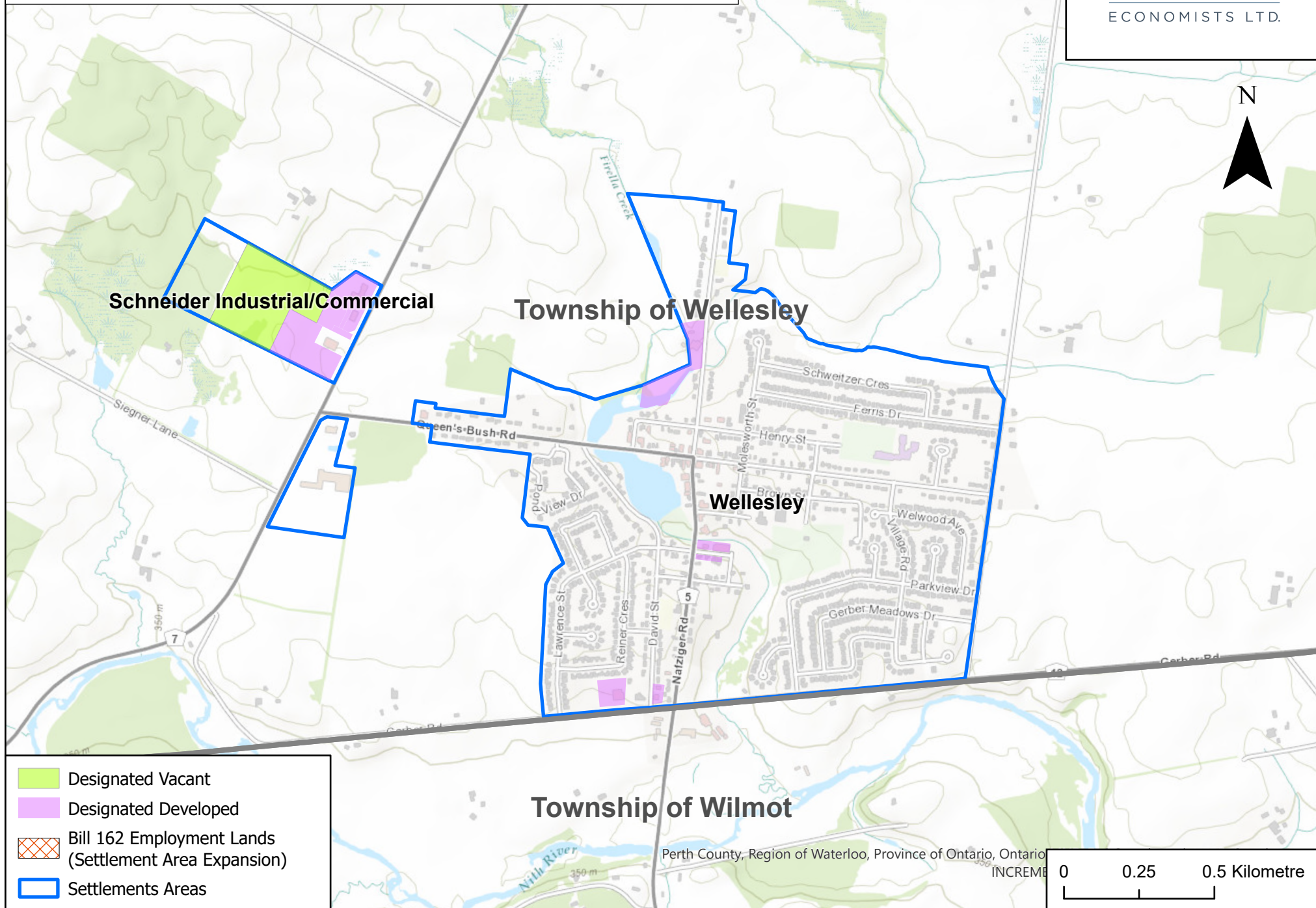
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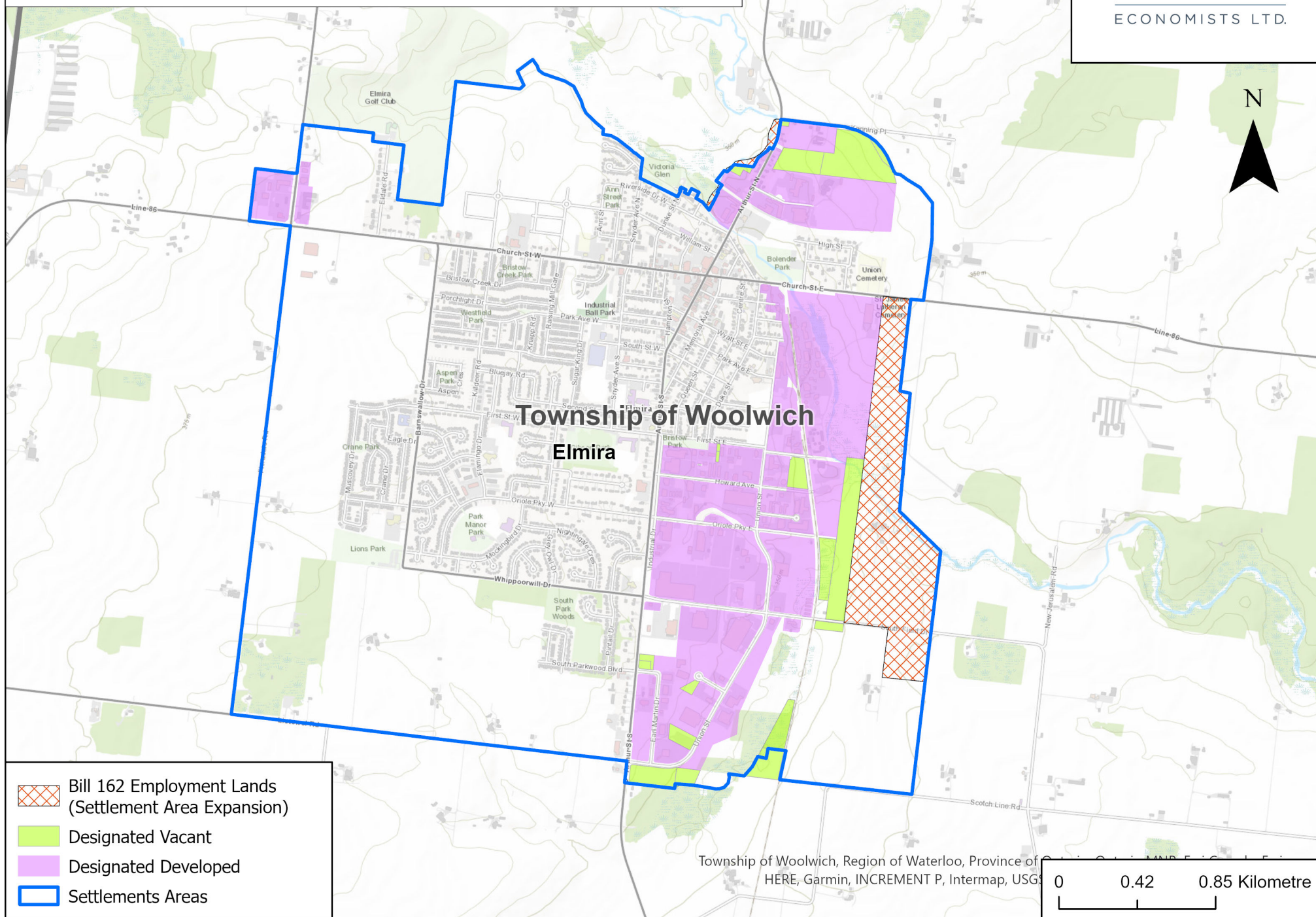
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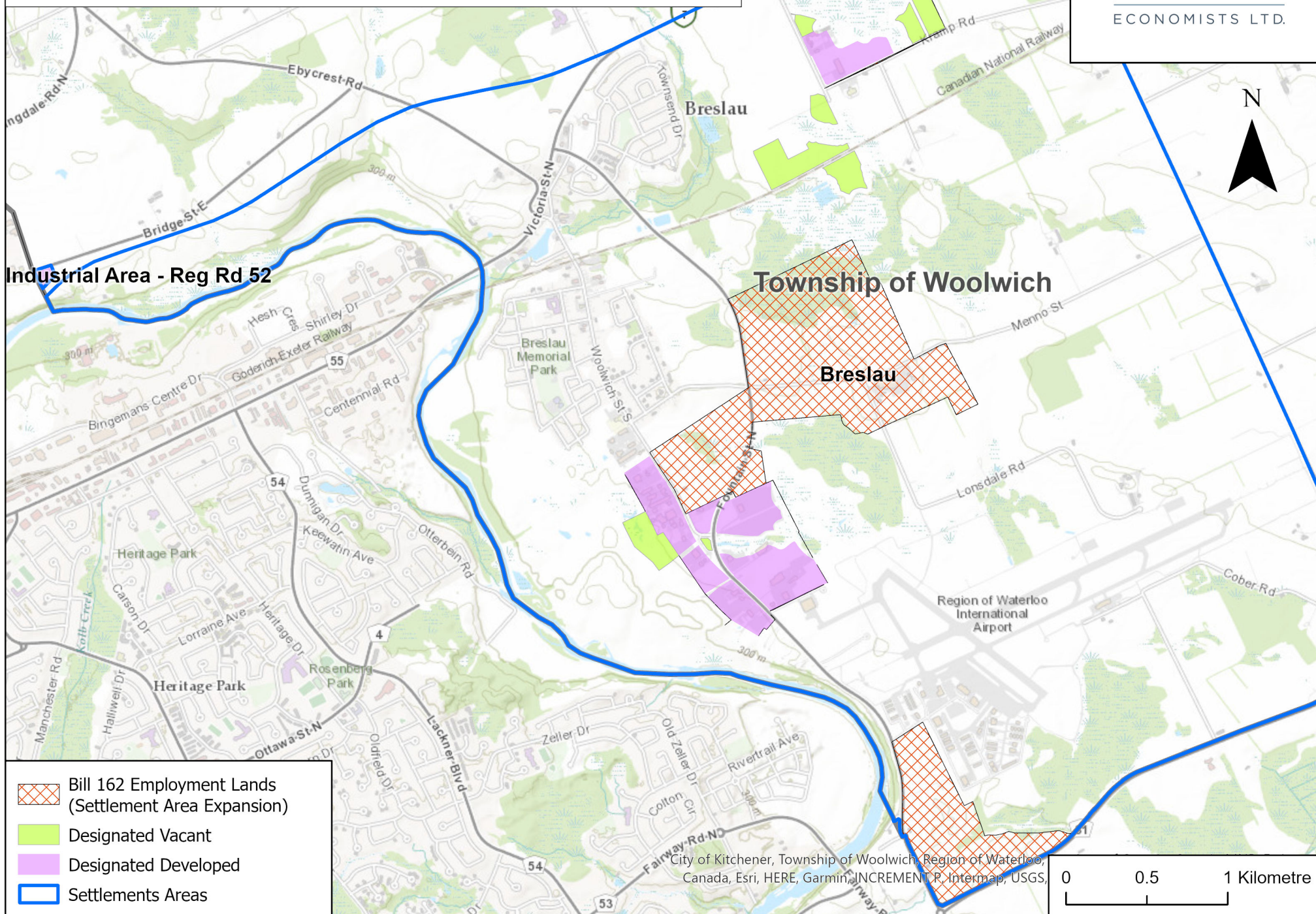
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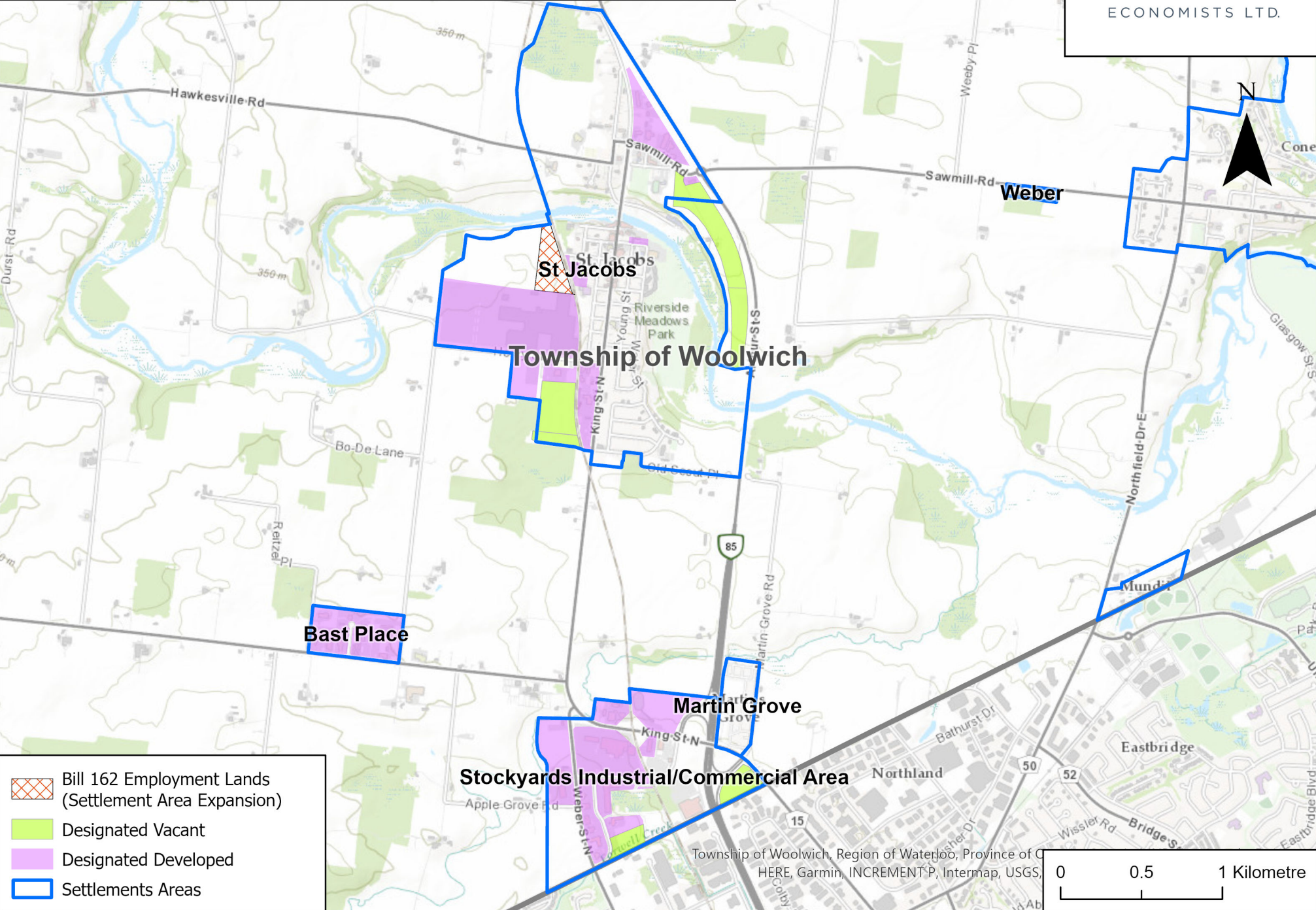
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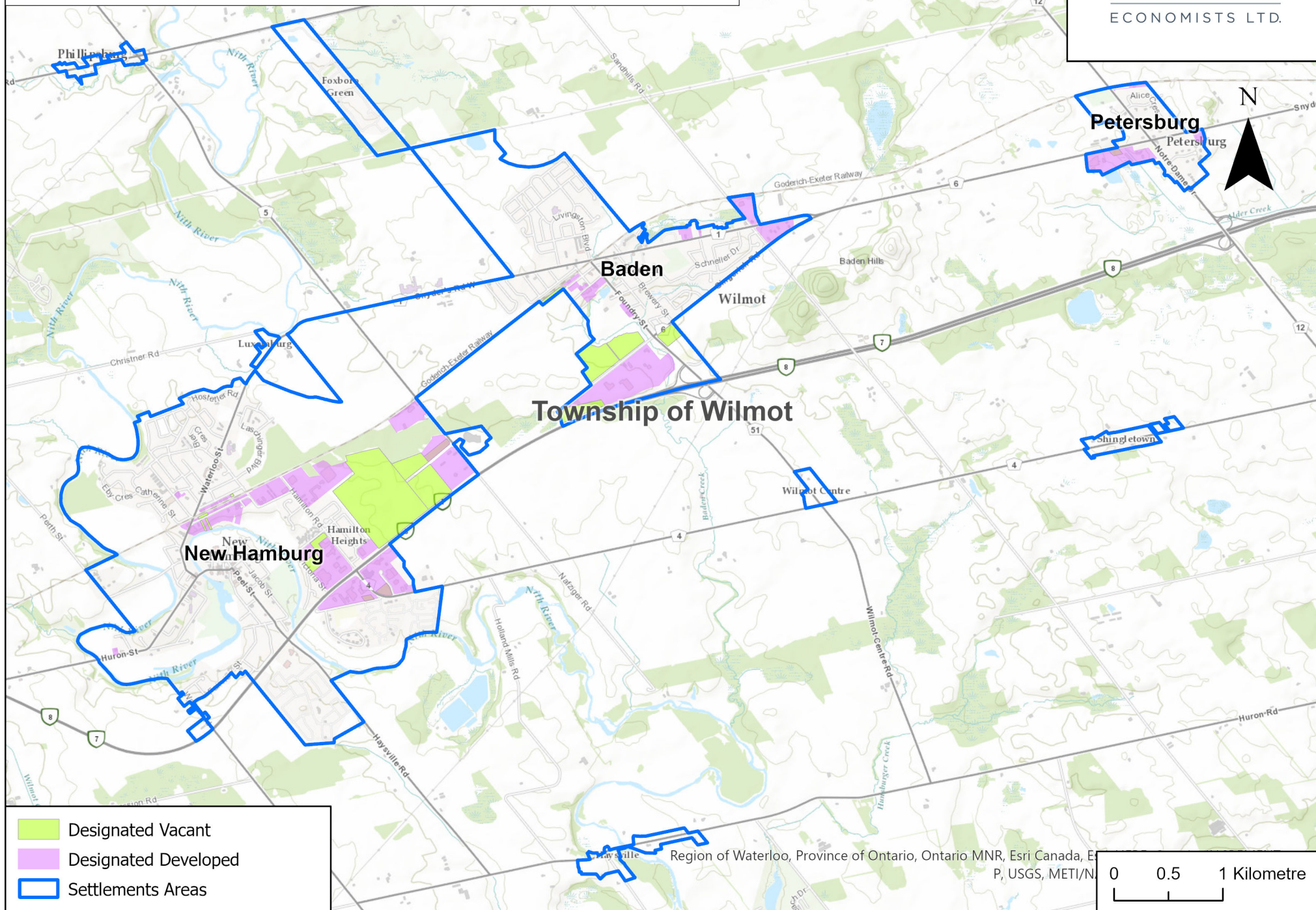
Waterloo RIRS Study Employment Land Inventory - December 2024



Waterloo RIRS Study Employment Land Inventory
- December 2024



Waterloo RIRS Study Employment Land Inventory - December 2024





Appendix C

Industry Cluster Analysis

Supplemental Tables



Appendix C: Industry Cluster Analysis Supplemental Tables

Figure C-1
Waterloo Region
Industry Definitions for Target Sectors

NAICS Code	Industry Group	Regional Employment (2023)	Location Quotient (2023)	Historical Employment Growth (2018 to 2023)	Advanced Manufacturing
3169	Other leather and allied product manufacturing	215	19.15	-43%	No
3325	Hardware manufacturing	874	10.25	62%	No
3361	Motor vehicle manufacturing	6,137	9.32	10%	Yes
3352	Household appliance manufacturing	351	7.79	49%	Yes
3322	Cutlery and hand tool manufacturing	233	5.09	-8%	No
3332	Industrial machinery manufacturing	1,692	4.93	127%	Yes
3353	Electrical equipment manufacturing	1,209	4.39	-5%	Yes
3312	Steel product manufacturing from purchased steel	551	4.08	162%	No
3159	Clothing accessories and other clothing manufacturing	175	4.03	2%	No
3329	Other fabricated metal product manufacturing	1,686	3.81	29%	No
3328	Coating, engraving, cold and heat treating and allied activities	674	3.60	-34%	No
3321	Forging and stamping	285	3.49	-43%	No
3333	Commercial and service industry machinery manufacturing	925	3.36	-5%	Yes
3327	Machine shops, turned product, and screw, nut and bolt manufacturing	1,806	3.16	23%	No
3111	Animal food manufacturing	576	3.10	-23%	No
3363	Motor vehicle parts manufacturing	3,445	2.71	12%	Yes
3372	Office furniture (including fixtures) manufacturing	872	2.59	-4%	No



NAICS Code	Industry Group	Regional Employment (2023)	Location Quotient (2023)	Historical Employment Growth (2018 to 2023)	Advanced Manufacturing
3324	Boiler, tank and shipping container manufacturing	502	2.55	-17%	No
3331	Agricultural, construction and mining machinery manufacturing	1,386	2.44	42%	Yes
3118	Bakeries and tortilla manufacturing	2,071	2.31	37%	No
3116	Meat product manufacturing	2,544	2.30	2%	No
3345	Navigational, measuring, medical and control instruments manufacturing	853	2.22	-6%	Yes
3279	Other non-metallic mineral product manufacturing	372	2.20	55%	Yes
3261	Plastic product manufacturing	3,174	2.20	-5%	No
3335	Metalworking machinery manufacturing	663	2.11	1%	No
3344	Semiconductor and other electronic component manufacturing	556	2.03	70%	Yes
3271	Clay product and refractory manufacturing	53	1.96	58%	Yes
3119	Other food manufacturing	1,292	1.86	15%	No
3315	Foundries	270	1.86	-17%	Yes
3259	Other chemical product manufacturing	361	1.83	-1%	Yes
3262	Rubber product manufacturing	474	1.75	-7%	No
3399	Other miscellaneous manufacturing	1,009	1.69	15%	Yes
3339	Other general-purpose machinery manufacturing	929	1.67	8%	Yes
3273	Cement and concrete product manufacturing	769	1.64	-15%	No
3359	Other electrical equipment and component manufacturing	368	1.43	67%	Yes
3132	Fabric mills	88	1.42	-44%	No
3341	Computer and peripheral equipment manufacturing	81	1.31	-61%	Yes
3391	Medical equipment and supplies manufacturing	454	1.30	44%	Yes



NAICS Code	Industry Group	Regional Employment (2023)	Location Quotient (2023)	Historical Employment Growth (2018 to 2023)	Advanced Manufacturing
3311	Iron and steel mills and ferro-alloy manufacturing	343	1.29	32%	Yes
3369	Other transportation equipment manufacturing	248	1.26	-49%	Yes
3255	Paint, coating and adhesive manufacturing	141	1.19	57%	No
3336	Engine, turbine and power transmission equipment manufacturing	89	1.16	-20%	Yes



Figure C-2
Waterloo Region
Target Industry Definition: Automotive

Tier 1 and 2 Automotive

NAICS Code	Industry Group	Regional Employment (2023)	Location Quotient (2023)	Historical Employment Growth (2018 to 2023)
3361	Motor vehicle manufacturing	6,137	9.32	10%
3321	Forging and stamping	285	3.49	-43%
3363	Motor vehicle parts manufacturing	3,445	2.71	12%
3369	Other transportation equipment manufacturing	248	1.26	-49%
3362	Motor vehicle body and trailer manufacturing	291	1.00	-44%

Automotive Supply Chain

NAICS Code	Industry Group	Regional Employment (2023)	Location Quotient (2023)	Historical Employment Growth (2018 to 2023)
3325	Hardware manufacturing	874	10.25	62%
3353	Electrical equipment manufacturing	1,209	4.39	-5%
3312	Steel product manufacturing from purchased steel	551	4.08	162%
3329	Other fabricated metal product manufacturing	1,686	3.81	29%
3327	Machine shops, turned product, and screw, nut and bolt manufacturing	1,806	3.16	23%
3345	Navigational, measuring, medical and control instruments manufacturing	853	2.22	-6%
3261	Plastic product manufacturing	3,174	2.20	-5%
3262	Rubber product manufacturing	474	1.75	-7%
3359	Other electrical equipment and component manufacturing	368	1.43	67%
3311	Iron and steel mills and ferro-alloy manufacturing	343	1.29	32%



Figure C-3
Waterloo Region
Target Industry Definition: Technology

NAICS Code	Industry Group	Regional Employment (2023)	Location Quotient (2023)	Historical Employment Growth (2018 to 2023)
5112	Software publishers	5,020	4.92	-4%
3345	Navigational, measuring, medical and control instruments manufacturing	853	2.22	-6%
3344	Semiconductor and other electronic component manufacturing	556	2.03	70%
5415	Computer systems design and related services	10,591	1.60	42%
5182	Data processing, hosting, and related services	717	1.32	31%
3341	Computer and peripheral equipment manufacturing	81	1.31	-61%
5419	Other professional, scientific and technical services	1,703	1.15	33%
5416	Management, scientific and technical consulting services	2,144	1.06	30%
4173	Computer and communications equipment and supplies merchant wholesalers	895	0.91	58%
3342	Communications equipment manufacturing	158	0.82	-31%
5173	Wired and wireless telecommunications carriers (except satellite)	781	0.45	-37%