



Municipality of North Middlesex Official Plan Review

Discussion Paper: Employment
Policies

July 2026

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INTRODUCTION

Employment lands are areas designated to accommodate clusters of business and economic activity including industrial, rural industrial and business parks. Employment lands generally include a broad range of industrial-type land uses such as manufacturing, warehousing, distribution and associated offices, retail and other ancillary uses. Employment lands provide opportunities for a diversified economic base, and can provide direct and indirect benefits not only within the Municipality but also on a regional scale.

This discussion paper has been prepared to provide members of Council and the public with information regarding the current employment-related policy framework to be considered during the Municipality's Official Plan Review. This discussion paper highlights topics of interest related to existing employment lands in the Municipality, a land balance analysis that considers supply and demand, a discussion on regional inter-provincial trends, makes recommendations and outlines next steps for the Official Plan Review.

POLICY CONTEXT

Employment policies that will be used to inform and guide the policies of the North Middlesex Official Plan come from the direction of the Province through the Provincial Planning Statement and from the County through the Middlesex County Official Plan.

Provincial Planning Statement (2024)

The Provincial Planning Statement (PPS), 2024, issued under the Planning Act and in effect since October 20, 2024, lays out the foundation for land use planning in Ontario with respect to matters of provincial interest. The PPS replaced the former Provincial Policy Statement (2020) and consolidated it with A Place to Grow: Growth Plan for the Greater Golden Horseshoe into a single, province-wide land use planning document. The policies that are set out in the PPS pertain to building strong and healthy communities, the wise use and management of resources, and protecting public health and safety. As an implementation vehicle for the policies of the PPS, the North Middlesex Official Plan is required to be consistent with the PPS.



Municipalities are required to plan for, protect, and preserve employment areas and to ensure that the necessary infrastructure is provided to support current and projected needs. This includes the need to assess employment lands in official plans to ensure that this designation is appropriate for the planned function of the employment area. The PPS requires that municipalities plan for industrial and manufacturing uses in a manner that provides separation or mitigation from sensitive land uses as a means to maintain the long-term operational and economic viability of these areas. The PPS also introduced a revised definition of “employment area,” aligned with the amended “area of employment” definition added to the Planning Act through Bill 97 (also effective October 20, 2024). Under this definition, employment areas are focused on manufacturing, research and development in connection with manufacturing, warehousing, goods movement, and associated retail, office and ancillary facilities; stand-alone office, institutional and commercial (retail) uses not associated with a primary employment use are no longer included.

The PPS requires that sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs over a time horizon of at least 20 years but not more than 30 years, a change from the up-to-25-year horizon that applied under the former PPS (2020). For the long-term protection of employment areas, municipalities may plan beyond the planning horizon by identifying but not designating future employment areas.

County of Middlesex Official Plan

The County of Middlesex Official Plan directs land use planning policy on a broad basis and is intended to provide a foundation to guide local municipalities in the development of their Official Plans and Zoning By-laws. The County's current Official Plan was approved with modifications by the Province on June 5, 2026 following the 2025 County Official Plan update.

The County of Middlesex Official Plan identifies economic development as a core component of its growth management framework and, while recognizing agriculture as the County's economic mainstay, seeks to diversify the economic base while protecting the agricultural community. Through the Plan, the County commits to monitoring the supply of employment land, particularly in municipalities with access to provincial highways and major arterial roads, ensuring employment centres are served by modern road, rail and telecommunications infrastructure, and supporting a range of economic development opportunities, including development adjacent to Provincial 400-series highways where justified through a local official plan amendment, agriculture-related and on-farm diversified uses, agri-tourism, home occupations, and the re-purposing of surplus municipal lands. The County directs local municipalities to designate at least a 20-year, but no more than a 30-year, supply of employment lands, informed by provincial guidance, and to maintain a regularly updated inventory of employment lands. The Plan also encourages municipalities to designate Rural Employment Lands to accommodate industrial, manufacturing and creative rural-economy uses that require larger buildings, larger lots or outdoor storage areas that are better located outside urban areas on rural (private) servicing.

The County Official Plan defines an employment area as a cluster of employment uses, such as manufacturing, warehousing and goods movement, research and development in connection with manufacturing, and associated retail, office and ancillary facilities, and requires local municipalities to protect and preserve these areas through detailed Official Plan policies, including directing that development within 300 metres of an employment area avoid, or minimize and mitigate, potential impacts on its long-term economic viability. The conversion of employment lands to non-employment uses is discouraged and, where proposed through an amendment to the local Official Plan, must be evaluated against a series of criteria, including that there is an identified need and the land is not required for employment purposes over the long term, that the overall viability of the employment area would not be adversely affected, that adequate infrastructure is available, and that the site is peripheral or isolated, compatible with surrounding uses, consistent with County and local planning objectives, and not identified as provincially or regionally significant.

The County Official Plan further enables Regionally Significant Employment Areas, being large, fully serviced, contiguous tracts of land intended to attract large-scale industry with regional



benefits, which are municipally led and County-supported, established through a local Official Plan amendment, and assessed against location criteria (highway, rail and transit connectivity and sufficient size), the availability of full municipal services, land-use compatibility including a 300-metre separation from sensitive land uses, and the avoidance or mitigation of impacts on the agricultural system.

North Middlesex Official Plan

North Middlesex's Official Plan recognizes the importance of business attraction and retention as a means to provide employment opportunities and short- and long-term employment stability. The Municipality's employment and economic base includes an extensive agricultural sector, manufacturing sites, institutional uses, and the retail and commercial activity concentrated in its two urban settlement areas of Parkhill and Ailsa Craig.

The Municipality's Official Plan provides locational criteria for light industrial uses including that they do not utilize lands designated for agricultural purposes. Further, the Plan attempts to regulate sensitive land uses to ensure adequate separation between industrial and non-industrial uses. These policies are in place to ensure the viability of existing and future planned industrial areas.

TOPICS OF INTEREST

This section explores topics of interest related to employment policies, including the review of current policies and the proposal of new policies to be considered to help inform the Official Plan Review.

Vacant Employment Land Supply

The supply of vacant, designated employment land in the Municipality is limited. It is however noted that based on analysis from staff the majority of these lands do not meet the PPS definition of 'employment area' due to both the uses permitted as well as the ability to achieve adequate separation distances from sensitive land uses to achieve land use compatibility. As noted above, the existing policies of the North Middlesex Official Plan do contain criteria that new development proposals must meet, including the requirement for Site Plan approval, which is consistent with the PPS.

Employment Forecast

As part of the Middlesex County Growth Analysis Update undertaken by Watson & Associates for the County Official Plan Update, an employment forecast was included that generated the number of additional jobs projected until 2056 for all local municipalities. By 2056, North Middlesex's employment base is projected to total approximately 3,410 jobs, which translates to an increase of 860 jobs from 2026 or approximately 29 jobs per year.

A)	Employment Growth	860
B)	Work from Home	160
C)	Employment Growth Accommodated on Existing Employment Lands Through Intensification (1%)	16
D)	Employment Growth Excluding Work from Home & Intensification (D=A-B-C)	684
E)	Density Assumption (number of jobs / net hectares)	10 jobs/ha
F)	Land Required (D/E)	68 ha
G)	Vacant Employment Land Supply (Net)	31 ha
H)	Vacant Employment Land Need (Net) – (F-G)	37 ha

Table 2 summarizes the projected employment land needs. Under the PPS the applicable planning horizon is at least 20 and not more than 30 years, and this analysis is based on the employment projections in the Middlesex County Growth Analysis Update undertaken by Watson & Associates for the County Official Plan Update.

Employment Areas and Looking Forward

Looking forward, employment lands will form a vital component of the Municipality's land use structure and form an integral part of local economic development and growth potential. Among other benefits, employment lands can contribute to balanced growth, quality employment opportunities for residents and, on a broader scale, provide fiscal benefits such as contributions to the assessment base.

Increased reliance on the efficient movement of goods, the emergence of industry clusters on a broader regional scale (ie. automotive manufacturing in Elgin and Oxford Counties), access to labour force, and availability of large, contiguous tracts of land to accommodate planned future expansions are examples of features that drive and contribute to the health and longevity of employment areas. In the context of North Middlesex, these drivers are shaped by the Municipality's location in the north of the County, within commuting distance of both London and Sarnia, in proximity to Lake Huron and the surrounding areas, and served by County road corridors. Regional pressures such as the diminishing supply and rising cost of serviced industrial land in larger centres, together with continued investment in agriculture-related, agri-food and manufacturing activity across Southwestern Ontario, mean that future industry may have locational and servicing requirements that vary from the traditional sites that exist today.

A key consideration in designating additional employment lands in North Middlesex is the availability of municipal servicing. Unlike fully serviced urban centres, much of the Municipality relies on private or partial servicing, and the capacity of existing water, wastewater and stormwater systems to support new or expanded employment areas is not yet fully established. Employment uses, particularly industrial, manufacturing and goods-movement activities, can carry servicing demands that differ substantially from residential development, and the location and configuration of viable employment lands is closely tied to where adequate servicing can be provided or extended in a cost-effective manner. At this stage, these servicing capacities,

constraints and costs remain among the unknowns in identifying appropriate locations for future employment growth.

For this reason, it would be premature to designate specific employment lands through this Official Plan Review in advance of the supporting infrastructure analysis. Decisions on the location, extent and phasing of employment lands should instead be informed by, and follow, more detailed infrastructure and servicing studies. These studies would confirm the availability and capacity of existing systems, identify the upgrades and costs required to service candidate lands, and establish an appropriate phasing and financing strategy. Undertaking this work first will help ensure that any employment land designations are technically justified, financially sustainable, and consistent with the PPS requirement that infrastructure and public service facilities be planned or available to support development.

Conversion of Employment Lands

Currently, the Municipality's Official Plan policies lack direction regarding the conversion of employment lands to another land use. The policies need to be updated to reflect the PPS and Middlesex County's Official Plan. The PPS significantly revised the employment conversion regime: planning authorities may now remove lands from an employment area at any time, rather than only through a comprehensive review as was previously required under the PPS (2020). Such a removal is permitted only where it has been demonstrated that there is an identified need for the removal and the land is not required for employment area uses over the long term; that the proposed uses would not negatively impact the overall viability of the employment area, including by minimizing and mitigating potential impacts on existing or planned employment uses and maintaining access to major goods movement facilities and corridors; and that existing or planned infrastructure and public service facilities are available to accommodate the proposed uses.

RECOMMENDATIONS AND NEXT STEPS

This discussion paper has provided a review and background of the current and potential future policies related to employment lands within the Municipality, and to help inform the draft Official Plan policies. The following recommendations are provided to ensure conformity with the Middlesex County Official Plan and consistency with the PPS:

- It is recommended that policy direction be provided to identify and protect lands for potential future industrial or employment purposes beyond the planning horizon.
- It is recommended that policy direction be included to allow the conversion of employment lands to an alternative land use subject to criteria as noted in the PPS and the Middlesex County Official Plan.
- It is recommended that decisions on the location and extent of employment lands be informed by, and follow, more detailed infrastructure and servicing studies confirming the availability and capacity of municipal services.
- It is recommended that the definitions within the Municipality's Official Plan be revised as necessary and include new definitions that are identified in the PPS and within the Middlesex County Official Plan.