

5 Vaughan Enterprise Zone

The Vaughan Enterprise Zone covers more than 3,800 acres, or approximately 1,566 hectares of employment land at Vaughan's western boundaries. The size of the enterprise zone makes it one of the largest employment areas in the Greater Toronto Area, and paired with transportation infrastructure in close proximity, potentially one of the most valuable employment areas in the province. The existing profile of the Enterprise Zone includes national head offices, international and national logistics and distribution centres, and some manufacturing. Overall, the area is projected to accommodate 60,000 jobs over the next 20 years.

The strength of the area is the existing transportation network that services it. Presently the employment area has direct access to Highway 407, as well as Highways 7, 27, and 50. In addition, Highway 427, which already connects to the Enterprise Zone, is planned to expand northward through the Enterprise Zone to Major Mackenzie Drive, opening up industrial and commercial opportunities north of Highway 7. All of these routes provide access to the Highway 401 corridor, which connects to the rest of Canada and important North American trade networks. Various other environmental assessment projects are completed, underway, or planned for the road network around the Enterprise Zone, most notably on Highway 50 and Major Mackenzie Drive in the local area, but also the GTA West corridor which would construct a 400-series highway from the Wellington County/Halton Region area to the Enterprise Zone in Vaughan, among other improvements.

The key transportation feature of the Enterprise Zone is the Canadian Pacific (CP) intermodal rail yard, which is the largest CP intermodal facility in Canada. Connected to the CPR MacTier Subdivision portion of the CPR Mainline, the facility is connected directly to Deltaport in Vancouver, which handles the majority of Asia-Pacific freight in Canada. Presently, the facility handles upwards of 400,000 containers annually, with CPR forecasting

growth of 5-7% per annum for the next 20-25 years¹⁸. To accommodate the expanded freight and truck movements at the facility, additional measures are being taken to improve truck access. The proposed plans for the expansion of the facility have incorporated an access to Major Mackenzie Drive (where access is exclusively from Rutherford Road at present) that will allow the pass-through operation of trucks, by entering from Rutherford Road and exiting at Major Mackenzie Drive. The Enterprise Zone also allows quick access to the CN intermodal facility in Brampton, as well as the CN marshalling yard in Vaughan.

The location at the western edge of the City provides the Enterprise Zone with quick access to Pearson International Airport as well. With the expansion of Highway 427 into the Enterprise Zone, even easier access to the Airport will be provided.

With planned employment expansion to 60,000 jobs, transit is an important feature for the Vaughan Enterprise Zone. Existing transit services in the area are provided by GO Transit (bus), York Region Transit, VIVA and Brampton Transit. Though currently serviced, expansions will likely be needed to achieve the transit connectivity required to support projected employment within the Vaughan Enterprise Zone. A number of these expansions are already planned for the area, with a GO Train stop on the proposed Bolton rail line and expansions to the VIVA network along the Highway 7 corridor.

In summary, within the Greater Toronto Area context, the Vaughan Enterprise Zone has excellent existing transportation access, which will be further enhanced with the development of the transportation network around it, most notably the Highway 427 expansion. The Enterprise Zone already contains a major goods movement hub in the CPR intermodal facility, and offers quick access to other facilities like Pearson International Airport and the CN marshalling yard and

¹⁸ 427 Transportation Corridor Environmental Assessment Report, 2010

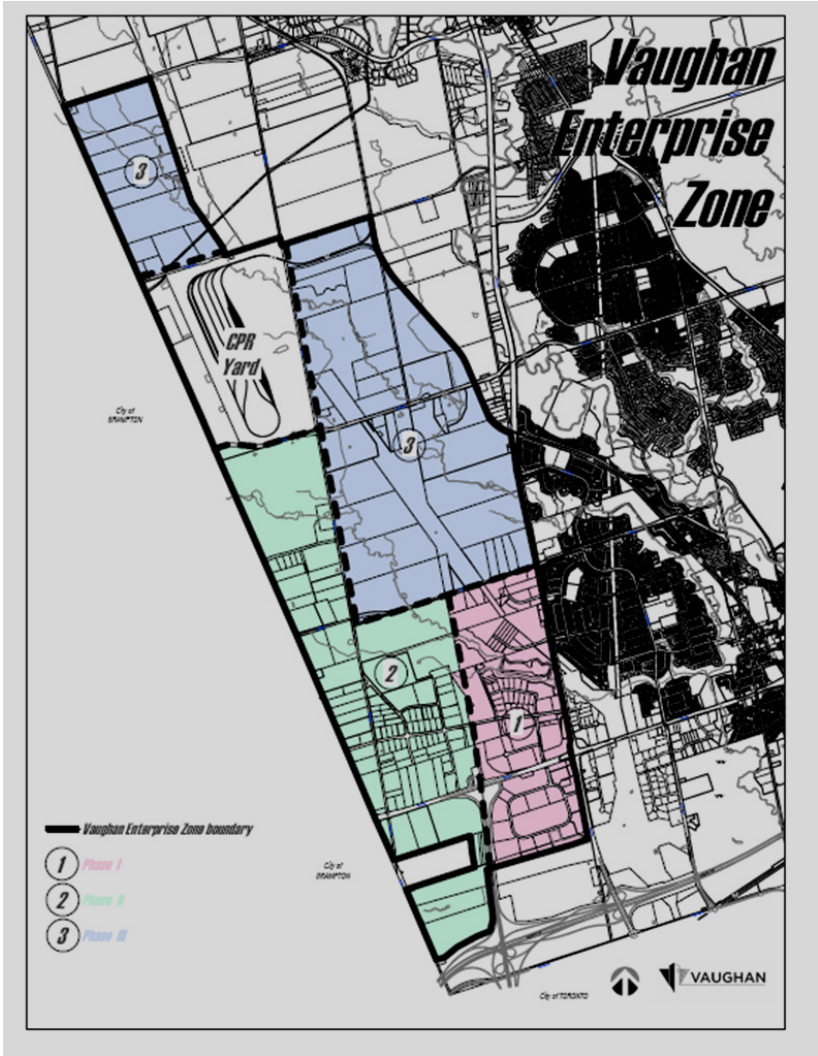
intermodal facility. The position of the Enterprise Zone offers businesses options to move any type of product, low- or high-value, in cost-efficient or time-sensitive ways.

5.1 Development Phasing and Land Use

As one of the largest remaining employment areas in the Greater Toronto Area, development of the Vaughan Enterprise Zone must occur in a deliberate and careful fashion to ensure sustainable development of those lands. This is especially relevant given that demand for lands in the Enterprise Zone will likely continue to rise once the corridor and construction plans are finalized for the Highway 427 expansion, and opportunities in other areas of the GTA diminish. The City has developed a phasing plan to address this need. The figure below outlines the development of the Enterprise Zone over the next 20-25 years.

Phase	Notes
Phase I	<ul style="list-style-type: none"> Substantially developed except for lands adjacent to the Highway 427 corridor Fully serviced Mix of employment uses and some limited commercial
Phase II	<ul style="list-style-type: none"> Area bordering Peel Region Employment uses to complement office employment uses approved in the City of Brampton Partially serviced
Phase III	<ul style="list-style-type: none"> Currently unserviced Secondary plans are being completed Highway 427 route alignment finalization underway Home to large distribution uses and transportation/logistics providers: Sears Canada National Distribution centre, SLH Transport and Consolidated Fastrate

Figure 15: Vaughan Enterprise Zone, Development Phasing



Source: City of Vaughan, 2010

The West Vaughan Employment Area (WVEA) Secondary Plan, which governs the Enterprise Zone, includes two designations for industrial development in the new City of Vaughan Official Plan: General Employment and Prestige Employment. The General Employment designation is intended to accommodate industrial, manufacturing and warehousing uses that are often incompatible with other uses based on noise, emissions, outdoor storage, or other factors, as well as ancillary office uses. The Prestige Employment designation accommodates light industrial, manufacturing, and warehousing uses that do not produce noise and emissions, and do not require outdoor storage, as well as limited office uses (below 7,500 square metres). Only small-scale, employment-supportive retail and office uses are permitted within the area to serve the daily needs of employees and visitors to area businesses.

Prestige Employment in the secondary plan area will be held to a higher built form and urban design standard than other industrial development, and will be focused on the Nashville Road, Highway 50, Highway 27, Major Mackenzie Drive, Rutherford Road, Huntington Road, and Langstaff Road corridors. Parkland uses are also included in the secondary plan area to enhance the attractiveness of the area, and serve the social and recreational needs of area employees and visitors. Most new parkland in the area will be directed to areas adjacent to existing open spaces like the hydro corridor, natural heritage features, and the existing and planned trail network.

The general policy directions for the WVEA include:

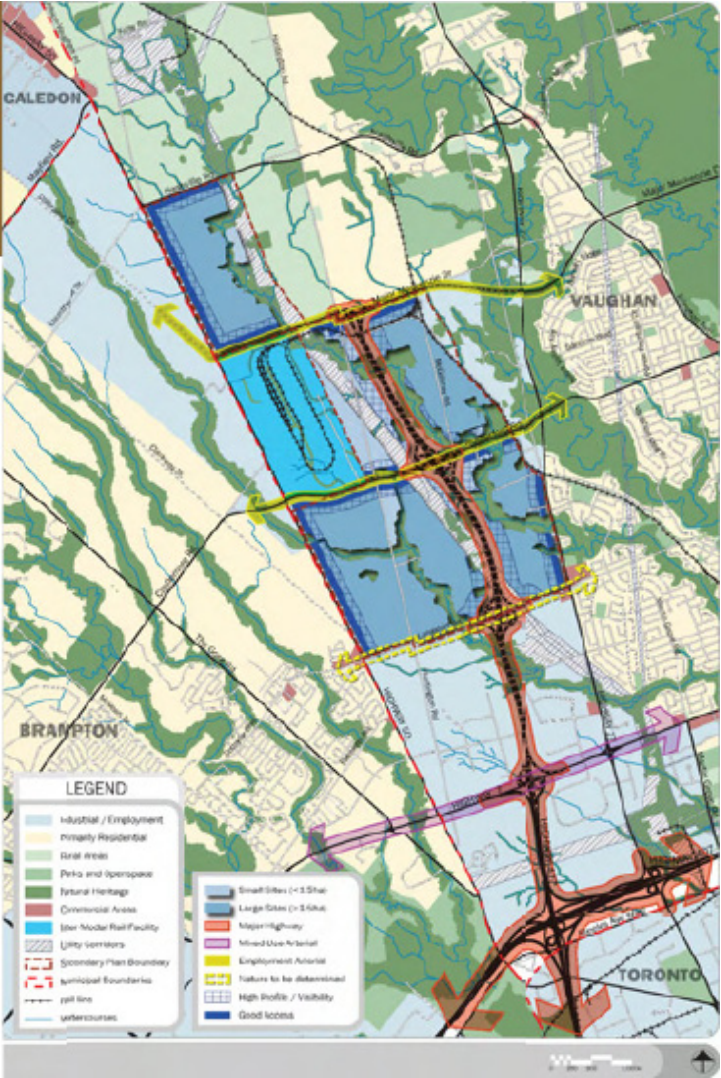
- Retaining of large, consolidated parcels of land that can accommodate large-scale employment uses, especially in close proximity to the CP intermodal facility
- Permitting smaller development parcels for smaller-scale employment uses where natural heritage and topography limit the development of large industrial buildings in the area

south of Rutherford Road and east of the planned Highway 427 extension

- Restricting uses that conflict with employment uses in the WVEA, including residential, major office, and retail
- Permitting some small-scale retail or office uses in Prestige Employment areas
- Encouraging flexible development that is capable of supporting some employment intensification and change over time

A range of general and prestige employment uses can be accommodated in Vaughan's employment areas. What distinguishes the Phase III/WVEA lands is the ability to accommodate both prestige development and a significant portion of land-intensive industrial, manufacturing and warehousing uses that require large parcels, excellent transportation facilities and relatively lower land costs. Since there are currently no block plans, plans of subdivision or servicing plans in place, the City has the flexibility to plan for large industrial uses; this is a factor that is extremely rare across the GTA.

Figure 16: Vaughan Enterprise Zone, Land Use Plan



Source: West Vaughan Employment Secondary Plan Study, 2010

5.2 Goods Movement Hubs/Initiatives across Canada and the United States

By looking at the practices in a number of goods movement initiatives and hubs across Canada and the U.S., the City can gain some perspective on the positioning of the Vaughan Enterprise Zone as a hub for goods movement, and the potential structures that the City may wish to become more engaged in to permit that type of development.

Asia-Pacific Gateway and Corridor Initiative (APGCI)

The Asia-Pacific Gateway and Corridor initiative is a package of investment and policy measures focused on establishing the best transportation network and global supply chain in North America and Asia. Specifically the APGC is a network of transportation and infrastructure, including the B.C. lower mainland and Prince Rupert Ports, the principal road and rail connections stretching into western Canada and into the United States, key border crossings, and major Canadian airports.

The rationale for the gateway and corridor strategy is based on geographic proximity, business connections and increased international trade flows. Primarily though, Canadian ports are geographically the closest North American Ports to Asian-Pacific ports. A total of \$591 million in investments are being made to improve strategic marine, road, rail and air transportation to support improved capacity along the corridor. Projects within the APGCI include:

- Port of Prince Rupert Container Security Program enhancements
- New interchanges and road infrastructure
- Highway (Trans Canada and Yellowhead) improvements (twinning, widening) across several provinces
- Road/rail grade separations

Canamex Trade Corridor

Implemented after the advent of the North American Free Trade Agreement, the Canamex Trade Corridor is a High Priority Corridor under the US National Highway Systems Designation Act. The corridor has four goals:

- Improve access for the north-south flow of goods, people and information
- Increase transport productivity and reduce transport costs
- Promote a seamless and efficient intermodal transport system, and
- Reduce administration and enforcement costs through harmonized regulations.

The Province of Alberta continues to invest heavily in developing and improving the highway infrastructure along the Canamex Trade Corridor including the twinning the highway from the B.C. to the Montana border. Current projects include interchange improvements on the Anthony Henday Drive in Edmonton and Deerfoot Trail in Calgary.

North America Super Corridor Coalition (NASCO)

The NASCO coalition members include cities, states, provinces and private sector representatives along the corridor through central and eastern Canada, central United States and Mexico. The governments of Quebec, Ontario, Manitoba and Saskatchewan are all members. The coalition members are dedicated to maximizing the efficiency and security of existing trade and transportation infrastructure to create jobs and improve the environment. It is believed the corridor supports \$1 trillion in trade and commerce between the three countries.

The NASCO corridor markets itself as ‘the single most attractive location to retain, expand and attract new business for the

international trade, manufacturing and transportation industries. The coalition encourages the member governments to improve transportation infrastructure.

Port Alberta

Port Alberta is an initiative centred on creating a role for the Edmonton Region as an international, multimodal transportation hub, connected to the world’s markets. The initial plans for Port Alberta are centred on the Edmonton International Airport, but after establishing roots at the airport will spread opportunities around the Edmonton Region and eventually throughout the province. The initiative is a key element of the Asia-Pacific Gateway Corridor, serving as a key inland port for the movement of goods along the corridor. Port Alberta is also a member of the NASCO coalition and connected to the Canamex trade corridor.

The vision for the Port is to act as an entry-point for western Canada – planes, trains and trucks will enter into Port Alberta with loads from Alberta and around the continent, and leave with the loads redistributed and redirected, full of value-added products, or with products destined for export abroad. The strengths of Port Alberta are transportation assets, and the strong Albertan economy. Primarily the asset for Port Alberta is Edmonton International Airport, but development will also rely on:

- Edmonton’s excellent location at the cross-roads of major highway networks including the Yellowhead Highway, the Queen Elizabeth II (and the CANAMEX trade corridor), and Highway 63
- Expansions to Edmonton’s existing CP and CN rail infrastructure to permit more timely service
- Close proximity to the Port of Vancouver and the Port of Prince Rupert

Rapid growth in containerized trade has created supply chain bottlenecks at port areas, so inland ports have an opportunity to offer processing and distribution with less congestion. The vision for Port Alberta is to become a Logistics Service Centre and Energy Super Hub through a three-stage process:

- creation of a “virtual” cargo consolidation logistics service centre to maximize the use of existing facilities
- creation of a container depot to address current transport deficiencies, and
- creation of a logistics park based on European and US examples

Based on that opportunity, three key actions form the basis for the creation of Port Alberta:

- effective marketing of Port Alberta and co-ordination of the numerous private and public stakeholders and partners to deliver the key messages
- addressing infrastructure issues on rail network, highway corridors, and throughout the Alberta Capital Region
- addressing policy shortcomings that prevent the realization of the maximum economic development potential of Port Alberta such as highway, rail, marine and air policies regarding freight limitations

Calgary, Alberta

Calgary is making great strides at becoming a significant transportation and logistics hub in Western Canada. The transportation overview bills the city as Western Canada’s inter-modal distribution centre with significant connections to Western Canada and other locations in North America by road, rail and air. Calgary’s location at the junction of the trans-Canada and Queen Elizabeth II Highways, proximity to the population centres in Western Canada and the Calgary International Airport are all important assets

to Calgary’s success. Calgary participates in both the Canamex trade corridor and the Asia Pacific Gateway and Corridor Initiative. The city is home to the Van Horne Institute, a transportation public policy research group, and the SAIT/University of Calgary combined certificate in supply chain management and logistics and BSc. in transportation and logistics. While Calgary has been experiencing significant population growth, the road infrastructure is continually expanded and upgraded to handle the growing population of residents and businesses.

Prince George Airport

The Prince George Airport is aggressively looking to capitalize on the Asia-Pacific Gateway and Corridor initiative and become a major destination for inbound flights from Asia. The Airport Authority has recently developed more than 300 hectares of Airport property for commercial and industrial use as the Prince George Global Logistics Park. The overall vision for the park includes both aviation and non-aviation businesses, but primarily businesses associated with:

- Distribution
- Assembly, packaging, and value-added manufacturing
- Inspection, sorting, testing, relabeling, and repacking
- Long term storage
- Light manufacturing

In addition to the development of the business park, the Prince George Airport has undergone a number of improvements over the past several years in order to increase capacity at the airport. The intention is to draw a number of the cargo flights along the Great Circle Routes that originate in Japan, China and the eastern United States. Presently these flights refuel in either Anchorage or Fairbanks Alaska, but it is anticipated that with the runway and navigational improvements that have been made to the airport, an additional 1,500 cargo flights could be landing at the airport per year. The initiative supports the existing businesses in the area, but also

provides potential for economic development opportunities around the storage of goods and finishing or light manufacturing of semi-processed goods that are destined for Canadian and U.S. market by rail or truck.

To make the case for Prince George as an alternative to other inland airports on the major cargo route, the Airport markets closer proximity to major Asian ports and close proximity to the Port of Prince Rupert, close proximity to major intermodal infrastructure (CN Worldwide Distribution and Intermodal Centre), rail access to the U.S. and Canada, and truck access to major Canadian and U.S. markets.

CentrePort Initiative

The CentrePort is Manitoba's 20,000-acre inland freight port centred on Winnipeg's James Armstrong Richardson Airport. The initiative participates in the Asia Pacific Gateway and Corridor Initiative as well as the NASCO Coalition. The initiative involves using the airport and surrounding greenfield lands as a hub to import goods from Asia and Europe and then distribute those goods throughout North America by air, road, and rail. The initiative is a result of the strong relationship between all levels of government and the private sector. In order to implement the plans for CentrePort, the Government of Manitoba introduced legislation to authorize the creation of a corporation (CentrePort Canada Inc.) to oversee the port and fast track investment and economic development decisions for the lands around the port.

In addition to land opportunities around the Airport, CentrePort offers access to the national network of highways, a 24-hour international airport, access to the Port of Churchill and the St. Lawrence Seaway via Thunder Bay, and access to intermodal and marshalling yards for CN and CP within Winnipeg. Building on the Asia-Pacific Gateway and Corridor Initiative advantages, CentrePort has been designated as Canada's first Foreign Trade Zone (FTZ), offering manufacturing,

distribution, warehousing or other operations within the inland port's 20,000-acre site access to Duty deferrals and Goods and Services Tax (GST) exemptions. A key development of CentrePort will be the development of CentrePort Canada Way, a four-lane divided highway what links CentrePort with the Perimeter Highway. The University of Manitoba's Transport Institute, in conjunction with Red River College, offers a certificate in supply chain management.

Further, the CentrePort initiative has been designated a one-window test case approach to international goods movement facilitation. The one-window approach consists of two important components: a task force to provide simplified interaction with the CentrePort Corporation, and a program to raise awareness of the FTZ-like programs available.

Port Des Moines, Des Moines, Iowa

Des Moines, Iowa's Inland Port is a member of North America's Inland Ports Network, an organisation profiling the inland ports and best practices in North America's Super Corridor Coalition (NASCO). NASCO is a coalition of businesses and governments spanning from Mexico through the American Heartland and Central and Eastern Canada. The port is at the intersection of Interstate 80 and 35, has access to air cargo services through the Des Moines International Airport and is served by several of America's largest rail providers. The port is also a Free Trade Zone providing special customs procedures that can eliminate import and export fees for firms engaged in international trade.

The Iowa Inland Port profiles several businesses that are results of, and contributors to the port's success. Included are: Iowa Cold Storage offering 200,000 ft of storage capacity with a variety of temperature ranges as well as packing and inventory management services. This facility is particularly important given the agricultural output of Iowa and the surrounding states. In the Iowa Interstate Railroad connects Des Moines to Omaha, Nebraska and Chicago,

Illinois bringing significant cargo traffic to Des Moines for shipment further abroad. Finally, PDM Distribution Services is an integrated packaging, warehousing and logistical services and distribution firm serving the Des Moines area. Supplementing the Cold Storage services available in the area, the firm provides value added agricultural services including food grade manufacturing and fulfillment.

Aurora, Illinois

Aurora was selected by Expansion Solutions Magazine as one of the top 5 cities for Logistics in 2008 citing the city's location and proximity to major Highways, airports and rail lines as reasons for their success as a transport hub. The interstate highway system puts two thirds of the U. S. consumer market within a single day's drive of Aurora. The city is located 40 minutes from the Chicago O'Hare International Airport and 45 minutes from Chicago Midway Airport. The City itself owns and operates the Aurora Municipal Airport with 3 runways handling 180 flights each day. The city is also located at the intersection of the BNSF mainline from Chicago and EJ&E's 'outer belt line' giving it excellent rail access to all points in the United States. Several long haul and short haul freight carriers as well as a specialized carrier for transport and industrial machinery have terminals in the city.

While the city has strengths in logistics and advanced manufacturing the Magazine notes the city has a diversified economy including agricultural enterprises and cultural activities. The city has 17 first class and second tier business parks and has built has built a 43 mile fibre optic network providing businesses and residents with high speed, wireless internet access. Companies and facilities of note in Aurora include the international customer service centre of Weyerhaeuser and a high-tech robotic equipment training facility operated by Toyota Motor Corporation.

5.3 Opportunities and Assets

When considering the Vaughan Enterprise Zone as a location for investment, several opportunities should be noted:

- The Vaughan Enterprise Zone remains one of the largest employment areas in the GTA, with the flexibility to provide large, contiguous parcels – this will become increasingly important in the future as land supply decline around the rest of the GTA
- As a largely undeveloped area, and looking at the urban design features of existing tenants like Sobeys, Adidas, and Totalline, the opportunity exists to continue development of the Enterprise Zone as the City's Prestige Business Park along the major routes, establishing strong urban design guidelines to maintain that identity
- Though the Intermodal facility is the only major trade infrastructure within the Enterprise Zone, the close proximity to CN's marshalling yard and Pearson International Airport provide businesses in the enterprise centre access to truly multi-modal transportation options – the expansion of Highway 427 further into the Enterprise Zone will increase opportunities to access the Airport
- Along with the major road corridors, the extension of the Highway 427 Corridor into the Enterprise Zone offers opportunities to develop prestige industrial uses with highway visibility, as other municipalities in the GTA are doing. The longer-term construction of the GTA West corridor route will offer a similar opportunity

Any development of the Vaughan Enterprise Zone as a goods movement hub must differentiate it from the other goods movement initiatives in the country. For example, CentrePort has defined itself

as the Country's only Foreign Trade Zone. There is an inherent differentiation that comes from the intermodal facility being a major gateway for goods in the Greater Toronto Area, as well as the focus of the area primarily on the movement of goods by rail-truck interface, where other hubs are centred on air connections. There are several opportunities that could be explored:

- Based on the City's established base of transportation and logistics firms, develop multi-storey logistics facilities in the area as a showcase for other goods movement hubs in Canada, or become a Goods Movement Centre of Excellence, specialized in rail transportation
- Explore international opportunities through the Vaughan Chinese Business Association (VCBA) for direct connections between Asia and the GTA-Vaughan, i.e. manufactured goods, niche food products, or building materials; develop and build the identity of Vaughan as an international trade gateway
- The proximity to the Pearson Eco-business Zone southwest of the Enterprise Zone might be a good example for eco-development principles into the Enterprise Zone, with a view to "greening" industry and goods movement businesses that locate in the Enterprise Zone

The CPR Intermodal facility in Vaughan provides a direct connection to the Port of Metro Vancouver, the busiest marine port in Canada and the centre of Canadian-Asian Trade. The location of the facility within the Vaughan Enterprise Zone could facilitate opportunities around:

- The backhaul of goods for export to international destinations like Asia

- The backhaul of goods for domestic destinations through Domestic repositioning (DRP) of containers
- Opportunities for the processing (assembly and packaging) of goods imported to the Greater Toronto Area

Domestic repositioning has grown as a result of the increased containerization of freight, globalization, punitive tariffs for empty container storage, lack of space in terminals, and the unbalanced flow of goods from west to east. Permitted under Canadian Law, domestic repositioning allows for the use of a foreign-owned container as if it were brought into Canada for domestic use, without paying import tax on the actual container. There are a large number of empty containers that flow westward from Ontario but that number would be much higher (actually double) if DRP was not permitted¹⁹.

As an example, an international container can be loaded in Toronto with goods bound for Edmonton, where it is offloaded and the empty container then continues to the port of exit and onto a ship. In 2005, some 100,000 domestic loaded marine containers moved from Central/Eastern Canada (mainly Toronto) to Alberta (mainly Calgary or Edmonton) and were released empty towards their point of exit through Vancouver²⁰. Generally speaking an average marine container train leaving the Central/East for Western Canada will consist of approximately 30% empty containers, 40% loads for international export, and 30% DRP loads, with approximately 80% of DRP loads destined for Alberta or BC²¹. Therefore, there could be some opportunities for local Vaughan businesses to connect with markets in western Canada, and use DRP as a means to deliver goods.

¹⁹ Marinova Consulting Ltd. & partners, The Use of Containers in Canada, 2006.

²⁰ *ibid*

²¹ *ibid*

Canada's favourable tax environment provides a further opportunity to capitalize on the international connections of the Vaughan Enterprise Zone. Foreign Trade Zones (FTZs) typically offer advanced goods movement infrastructure, streamlined customs processing, and tax/duty deferrals and exemptions in order to support export-oriented industries. Unlike U.S. FTZ policies and programs which are focused on specific zones or designated areas, Canada's "FTZ-like" programs and policies can be applied to companies located anywhere in Canada. These programs place Canada on par with those of other FTZs across the globe, but the ability to apply them anywhere in the country represents a major benefit.

The three "FTZ-like" programs of note are the Duty Deferral Program (DDP), the Export Distribution Centre Program (EDCP), and the Exporters of Procession Services (EOPS) program.

The Duty Deferral Program (DDP), which offers a postponement or refund of duties paid on goods that are imported into Canada for companies that store goods before releasing them for sale in Canada, import/export goods without substantially altering them, or use imported goods in the production of other goods for export. DDP participants can make use of one or more components: a customs bonded warehouse, a duties relief program, and a drawback of duties.

The Export Distribution Centre Program (EDCP) benefits companies that import and/or acquire goods in Canada, process them to add limited value, and export the semi-processed goods. The program is of particular benefit to businesses involved in activities like distributing, disassembling, reassembling, displaying, inspecting, labelling, packing, storing, testing, cleaning, diluting, maintaining and servicing, preserving, sorting, grading, trimming, filing, slitting or cutting; the types of businesses that would be well-suited to an area with a direct international link and transportation connections.

The Exporters of Processing Services (EOPS) program relieves participants of GST/HST charges on imported goods belonging to non-residents provided those goods are imported for processing, distribution, or storage, and are subsequently exported.

Though the programs are available Canada-wide, there are still opportunities to differentiate. For example, the CentrePort initiative noted above provides an example for the streamlining of the processes, by putting all information necessary to access both the port and the government programs in one place. As a major goods movement hub, and to encourage the location of value-added activities in the transportation, distribution, warehousing, and logistics sector, Vaughan could work to create a similar entity for the Vaughan Enterprise Zone, either in partnership with the Provincial and Federal governments, or under a more informal approach administered by the City. With a direct connection to international goods movement infrastructure, the City, and more specifically the Vaughan Enterprise Zone, is well positioned to support companies engaged in international trade.

Due to its flexibility, opportunities in the Vaughan Enterprise Zone should be marketed to both companies looking to relocate to Vaughan and existing Vaughan companies that could benefit from re-location to the Vaughan Enterprise Zone.

Looking back to the target sectors and areas of convergence, the Enterprise Zone is appropriate for a number of targeted businesses and local areas of strength. The Official Plan opens the area to general and prestige industrial uses, as well as small commercial or office development. The existing uses in the area are generally compatible with this vision, so the Enterprise Zone remains a blank canvas, of sorts, and an opportunity to develop an innovative industrial park compatible with the general intent of the Official Plan to promote sustainability and a high quality public realm.

Overall, the Enterprise Zone remains an excellent option for companies within the advanced goods production and movement sector, especially those that integrate manufacturing with distribution and administrative functions. It provides a major goods movement asset, excellent transportation connections, and a base of companies engaged in various segments of the convergent cluster. In addition, the new Official Plan is supportive of green technologies and large, integrated facilities, which are characteristics of many of the firms that would be within the convergent sector. In summary, the Enterprise Zone remains an excellent choice for traditional manufacturing; transportation, logistics, warehousing, and distribution; and building component companies, as well as companies within the advanced goods production and movement convergent sector (composites, green technologies, and robotics/advanced controls).

5.4 Challenges

Notwithstanding the opportunities and assets in the Vaughan Enterprise Zone, there are several challenges that have been created largely from external forces, but also current shortcomings with the business park itself.

- Growing congestion across the GTA, especially along major highway corridors, presents a major problem for the Enterprise Zone regardless of goods movement by truck or rail; intermodal connections rely on truck movements
- Manufacturing in Canada is changing and the products produced are shifting away from traditional low-value materials to higher-value, labour intensive materials. This is in some cases diminishing the importance of rail connections for some industries; however, intermodal transportation remains important for the movement of goods at the GTA level

- Despite servicing available in the southern portion of the Enterprise Zone, servicing is still not available in areas in the North, which is especially pressing given the location of the intermodal facility

5.5 Considerations for Vaughan

The Enterprise Zone, as a leader in transportation, warehousing and logistics in Canada, is Vaughan’s portal to the world. It is the ways and means by which local innovators can access points around the globe and gain access to cutting edge inputs for their products.

Canadian Pacific’s intermodal yard, Canada’s largest, is the direct link to the growing markets in Asia. Stronger links with Delta Port in Vancouver and ports in Asia, will increase import and export opportunities for locally based companies.

“FTZ-like” programs can be delivered across Canada, so communities should focus on developing innovative infrastructure and programs that streamline goods movement and support the tax-based advantages that these programs provide for companies in international trade.

Based on advantageous tax policies in Canada, companies have an opportunity to explore a high-value area of transportation and distribution focusing on value-added services in the sector, such as processing, packaging, assembly, and logistics; these opportunities should be the basis for the development of the Enterprise Zone as a transportation and logistics hub.