

Request for Direction – Official Plan – Employment Areas Policy

Date:	May 3, 2010
To:	Planning and Growth Management Committee
From:	Chief Planner and Executive Director, City Planning Division
Wards:	All
Reference Number:	Pg10026

SUMMARY

This report responds to Planning and Growth Management Committee's request of the Chief Planner and Executive Director to examine the *Employment Areas* policies in the Official Plan with respect to certain land use permissions. The report reviews various undertakings with respect to planning and promoting employment lands; highlights findings from the Toronto Employment Survey 2009; and identifies potential amendments to the Official Plan to strengthen the intent of the *Employment Areas* land use designation.

As part of the next steps, this report seeks Planning and Growth Management Committee's direction to conduct consultation, and to give notice on a proposed amendment to the Official Plan upon completion of the consultation process.

RECOMMENDATIONS

The City Planning Division recommends that:

1. Staff be directed to schedule community consultation with interested representatives from stakeholder groups, such as the Toronto Industry Network and the South Etobicoke Industrial Employers Association, and the public at-large to obtain their comments on *Employment Areas* policies and the proposed Official Plan Amendment in Attachment 1.
2. Notice for the public meeting under the *Planning Act* be given in accordance with the regulations under the *Planning Act*.

3. The appropriate City Officials be authorized and directed to take the necessary actions to give effect thereto.

Financial Impact

The recommendations in this report have no financial impact.

DECISION HISTORY

At its May 6, 2009 meeting, the Planning and Growth Management Committee requested the Chief Planner and Executive Director, City Planning to:

1. review *Employment Area* Policy 4.6.1 of the Official Plan with respect to the provision for "restaurants and small scale stores and services that serve area businesses and workers" in order to assess the impact of these provisions on the prime economic function of Employment Areas, and report back to the Planning and Growth Management Committee;
2. review *Employment Area* Policy 4.6.2 of the Official Plan in order to assess the impact of this policy (which permits at certain locations uses such as places of worship, recreation and community colleges) on the prime economic function of Employment Areas, and report back to the Planning and Growth Management Committee;
3. review *Employment Area* Policy 4.6.3 of the Official Plan in order to assess the impact of this policy (which permits at certain locations subject to conditions, major retail uses) on the prime economic function of Employment Areas, and report back to the Planning and Growth Management Committee; and
4. report separately on the Liberty Village and South of Eastern Employment Districts.

In response to this request City Planning staff have examined how the current *Employment Areas* policies are working to direct development; reviewed development patterns on designated *Employment Areas* lands; analysed data from the Toronto Employment Survey; and held preliminary discussions with business and industry representatives.

Further Direction

On November 4, 2009, the Planning and Growth Management Committee referred to the Chief Planner and Executive Director, a letter from North York Community Council, for his consideration. North York Community Council had earlier considered an August 19, 2009 report from the Chief Planner responding to City Council's direction to interpret the *Employment Areas* policies as they apply to lands at 1100-1150 Caledonia Road. City Planning staff opined that Policy 4.6.3 would apply to any application proposing major retail uses on the lands. The letter from North York Community Council included the following motion:

“That the Planning and Growth Management Committee, in reviewing the Official Plan as it applies to employment areas, give consideration to:

- excluding main streets that bisect employment areas, as areas permitting big box retail; and
- excluding from consideration as the “boundary” of employment areas that abut residential zones or whose access is limited by physical barriers, like railways, and limited access highways.”

ISSUE BACKGROUND

It is useful to place City Planning’s current work in response to Planning and Growth Management’s request in the larger context of the City’s approach for employment lands.

Long-Term Employment Strategy

On June 11, 2007 City Council adopted a Long-Term Employment Strategy that outlined a range of actions intended to achieve long-term employment growth in the *Employment Districts* consistent with the policy objectives of the Official Plan. The Strategy’s report prepared by Hemson Consulting (January 2007) recommended that the City continue its efforts to:

- protect lands in the *Employment Districts* from speculative action premised on conversion to residential uses;
- enhance the attractiveness of these districts to business investment;
- create a positive climate for the emergence of creative partnerships for investment;
- improve the business cost climate for firms operating in these districts, especially with respect to competitive locations just outside Toronto’s boundaries; and
- guide municipal infrastructure investment.

City staff’s report on this strategy can be found at the following link:

www.toronto.ca/legdocs/mmis/2007/ed/bgrd/backgroundfile-3361.pdf.

Agenda for Prosperity

At its January 2008 meeting, City Council endorsed the “Agenda for Prosperity: A Prospectus for a Great City” (www.toronto.ca/prosperity/index.htm). The Agenda identifies four pillars (Proactive Toronto, Global Toronto, Creative Toronto, and One Toronto), eight strategic directions to strengthen these pillars, and 40 recommendations. Eight recommendations are identified as priority, first-start actions. These activities are organized under City-led, partner-led, and jointly-led categories. Proactive policy development is identified as a key City-led action. Protecting and promoting employment lands through the Official Plan supports the Agenda’s policy directions for Toronto’s overall economic competitiveness and growth.

Strengthening the viability of Toronto's employment lands involves both planning policies and economic development initiatives working together. Council has adopted a number of economic initiatives aimed at promoting employment growth. Cumulatively these initiatives are aimed at strengthening business opportunities across Toronto.

The City is addressing the property tax differential with other Greater Toronto Area municipalities in several ways:

- Limiting property tax increases for commercial and industrial property owners to a maximum of one third of any residential budgetary tax increase. This will shift tax increases away from the commercial/industrial property class. Commercial, industrial and multi-residential taxes are set at a ratio target of 2.5-times residential, to be achieved by 2017. The City is on target to meet this timeline. In addition, small business will see an accelerated tax reduction, and will reach the target ratio of 2.5 times residential by 2013.
- Providing property tax relief through a Tax Increment Equivalent Grant known as the Imagination, Manufacturing, Innovation and Technology Grant Program (IMIT). This Program supports new building construction and/or building expansion in targeted sectors and areas across Toronto. An eligible development will benefit from a grant of up to 60% of the increase in the municipal taxes attributable to eligible new commercial and industrial construction over a 10-year period.
- A component of the IMIT program is the Brownfields Remediation Tax Assistance (BRTA). This program is designed to provide additional incentives for the redevelopment of Brownfield properties where contamination has rendered the property vacant, under-utilized, unsafe, unproductive or abandoned.

In addition, the City of Toronto's Development Charge rates are the lowest in the Greater Toronto Area and there are business-related exemptions for:

- industrial uses;
- buildings approved for a grant under the IMIT Program;
- for commercial projects, any non-residential floor area located above or below the ground floor is exempt from municipal development charges;
- buildings that meet the Tier 2 requirements of the Toronto Green Standard will receive a 20% development charge rebate; and
- new industrial buildings are exempt from the parkland dedication requirements.

The City has also developed several incentives related to energy efficiency including the Eco-Roof Incentive Program that provides financial support towards the development of green or cool roofs on existing buildings located in the City's *Employment District*.

In delivering these initiatives, Economic Development staff work with businesses throughout the City to provide assistance with site location, development and general

advocacy for businesses in the City. As well, Economic Development is the lead in Enterprise Toronto, an innovative public and private sector alliance created to provide one-stop sourcing of services and programs tailored to meet the needs of the Toronto's Entrepreneurs and small businesses.

Finally, the City has initiated Toronto's Gold Star program, which helps businesses reduce the time and costs incurred on development projects. Under the Program, an enhanced case management approach is in place for industrial, commercial and institutional developments. Each project is assigned to a City of Toronto District Review Team led by a Community Planning Director and an Economic Development Officer who work proactively with the project manager and other City divisions to identify approval requirements, resolve issues, and facilitate a timely review process.

COMMENTS

Employment Areas

Under the lexicon of the Official Plan, the term *Employment Areas* refers to a specific land use designation while *Employment District* refers to a growth area on Map 2, Urban Structure, discussed below.

The Official Plan's Chapter Two sets out the growth management strategy to guide reurbanization and direct job and population growth to certain 'growth' areas shown on Map 2, Urban Structure - *Downtown and Central Waterfront, Centres, Avenues* and *17 Employment Districts*. The City's *17 Employment Districts* are to be protected over the long term for future employment growth. Policies set out measures that will be taken to protect, promote and enhance these areas to provide a climate of stability and certainty in which businesses can make major investments. Investment in improving transit accessibility to these Districts is also promoted

Chapter Four of the Official Plan provides land use designations, which are key implementation tools for achieving the growth management strategy of the Plan. Four land use designations, covering approximately 25 per cent of the Toronto's geographic area, will accommodate most of the increased jobs and population anticipated by the Plan's growth strategy: *Employment Areas, Institutional Areas, Mixed Use Areas* and *Regeneration Areas*. The Plan aims to retain *Employment Areas* as places of business, and to develop and intensify job growth within these areas.

The majority of designated *Employment Areas* lands (7,636 hectares) are located in the *17 Employment Districts*. Approximately 7.5 per cent (608 hectares) of designated *Employment Areas* lands are located outside of the *Employment District*.

Monitoring Employment

Each year City Planning monitors employment in Toronto by conducting a survey of businesses. Analysis of the survey's data assists in monitoring the City's economic health, and aiding in decision and policy making. Attachment 2 to this report contains

the Profile Toronto, Toronto Employment Survey 2009 bulletin, which outlines key trends in the City's economy.

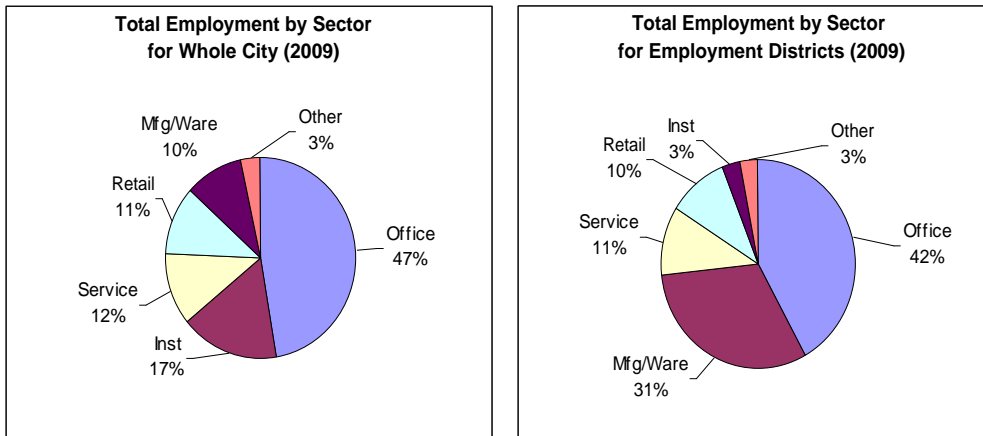
As part of the response to Planning and Growth Management's request, City Planning is also publishing an additional bulletin reviewing the City's 17 *Employment Districts*, as identified in the Official Plan. This bulletin will soon be available at:

www.toronto.ca/demographics/surveys.htm. The Profile Toronto, Toronto Employment Survey 2009 bulletin is also available at this link.

Key findings from both of these bulletins include:

- In 2009, the City of Toronto's overall employment was 1,291,200, while the total number of establishments was 73,600. The City's 17 *Employment Districts* are home to almost 365,000 jobs, approximately 28% of all jobs found in the City. They are the location of over 18,000 establishments, about 25% of all establishments in the City.
- Not surprisingly, given the global economic slowdown, employment in the City and the City's *Employment Districts* declined in 2009. City-wide employment declined by 18,100 jobs (a decline of 1.4%) and *Employment Districts* employment declined by 13,100 jobs (a decline of 3.5%). The higher loss in employment in the *Employment Districts* resulted due to a more pronounced decline in Canadian manufacturing.
- Over the longer term, between 2002 and 2009, employment in the City rose by about 30,000 jobs (2.4%), while employment in the *Employment Districts* as a whole dropped by 23,000 jobs (5.9%). Even though there was a decrease in the Districts as a whole, several *Employment Districts* (including Northwest Etobicoke, Scarborough Highway 401 Corridor and Airport Corporate Centre) recorded job growth.
- The number of firms within the City has remained relatively stable since 2002. However, within the *Employment Districts*, the number of establishments has grown by almost 10% since 2002. This equals more than 1,600 more firms in the Districts in 2009 than were there in 2002. Firm growth was recorded in 14 of the 17 *Employment Districts*.
- In 2009, there were a total of 3,820 new establishments in the City, while approximately 960 (25%) of these were located in the *Employment District*. In 2008, there were 3,960 new firms City wide, and of these, 1,120 (28%) were in the 17 *Employment Districts*.
- In 2009, these new firms included 129 new Manufacturing/Warehouse firms in the *Employment Districts*, employing over 1,300 people. By comparison, the 172 new Retail firms in the Districts accounted for about 1,050 jobs. The vast majority of these Retail firms were small, independent establishments.

Proportion of Employment by Sector in 2009



- Across the City, the Office sector is City's largest economic sector, as measured by both the number of firms as well as total employment.
- Within the 17 *Employment Districts*, the Office sector is also the leading sector with over 6,300 firms and 154,800 jobs in 2009. While the Institutional sector is now the second largest sector in the City, within the *Employment Districts* the Manufacturing/Warehousing sector is the second largest with 110,700 jobs. A key note is that within the Retail sector the proportion of employment made up of part-time jobs increased from 23% in 2002 to nearly 29% in 2009.

For the 7.5 per cent of designated *Employment Areas* lands outside of *Employment Districts*, the numbers generally mirror those for *Employment Districts*:

- Since 2002 the number of establishments on these lands has increased by 6.9%, while employment has declined by 2.9%.
- In 2009 these *Employment Areas* had 2,155 establishment and 31,476 jobs. Of this, there were 126 new establishments providing 352 jobs.
- The Office sector is the leading sector in terms of establishments with over 872 firms (40.5%), with the Service sector in second with 475 firms (22%), Manufacturing in third with 426 firms (19.8%) followed by Retail with 247 firms (11.5%).
- The Manufacturing sector is the largest sector in terms of jobs, with 10,082 jobs (32%) followed by Office with 8,295 jobs (26.4%), Service with 8,172 jobs (26%) and Retail with 3,916 jobs (12.4%).
- Firms are generally small in terms of employment with 61% of all the firms with four or fewer employees (up from 57% in 2002), while only 2.5% had more than

100 employees. The majority of these large establishments are within the Manufacturing sector.

In general, the City's designated *Employment Areas* inside and outside of *Employment Districts* continue to be attractive for a variety of employment uses and business formation, as is evident by the number of new establishments. *Employment Areas* are home to one-third of the jobs in the City providing a broad range of job opportunities for Toronto residents and the regional labour force.

Consultation

City Planning and Economic Development staff met with the Toronto Board of Trade and the Toronto Industry Network (TIN) to discuss opportunities and challenges for employment lands from their perspective. Comments included the property tax differential with 905 municipalities; the encroachment of sensitive land uses impacting existing operations; the importance of infrastructure investment, including transit; minimizing regulatory overlap; and ensuring timely municipal review processes. TIN also raised concerns with proposed new zoning regulations for employment lands, which they have also identified via the consultation process for the new zoning by-law.

These preliminary discussions confirmed that land use is one component of a comprehensive approach for promoting employment lands and employment growth. This is also consistent with the City's Long-Term Employment Strategy, which identifies economic development and land use planning initiatives.

As part of the next steps, this report recommends a consultation process with stakeholder groups and the public, prior to holding a statutory public meeting under the *Planning Act*. These consultations will be done cooperatively with the staff of Economic Development.

Official Plan Review

It is important to distinguish between City Planning's response to Planning and Growth Management Committee's request and a review of the Official Plan.

Under the *Planning Act*, the City is required to review its Official Plan every five years. The Official Plan was approved by the Ontario Municipal Board in 2006. Accordingly, 2011 marks the 5th year for the Official Plan. A 5-year review will entail a further examination of Official Plan policies for employment lands including addressing the requirement for a Municipal Comprehensive Review under the Province's Growth Plan for the Greater Golden Horseshoe.

In May 2009, City Council adopted Official Plan Amendment 72 to bring the Official Plan into conformity with the Growth Plan. OPA 72 identifies that a Municipal Comprehensive Review will be done as part of the 5-year review, and that it is required to be conducted by the City prior to consideration of conversions of *Employment Areas* to any non-employment uses, including conversions to major retail uses. As well, OPA 72 deletes Policy 4 in Section 4.6, *Employment Areas*, regarding the potential consideration

to permit large-scale and stand-alone retail stores on major streets on Map 3, that do not form the boundary of *Employment Areas* by way of an Official Plan Amendment.

City Council's adoption of OPA 72 was appealed by a number of parties to the Ontario Municipal Board and is currently at a pre-hearing conference stage.

The potential amendments to the Official Plan discussed in this report are meant to clarify and strengthen the existing policy intent with respect to *Employment Areas*. To this end, these potential amendments can be described as policy refinements, and do not constitute what otherwise will be done as part of a 5-year Official Plan review process including a Municipal Comprehensive Review.

Potential Amendments

Within the context of the aforementioned, City Planning staff have identified potential amendments to the Official Plan to help clarify and strengthen the policy intent of planning for *Employment Areas*. This section provides an overview of the policy, unshaded explanatory text and sidebars in the proposed Official Plan Amendment in Attachment 1.

Primary and Secondary Uses

Policy 1 in Section 4.6, *Employment Areas*, identifies uses, such as manufacturing, office, research and development facilities, that contribute to *Employment Areas* as places of business and economic activity. The policy also identifies uses, such as parks, hotels, restaurants, particular small-scale retail stores and services, that support the function of *Employment Areas*.

To clearly distinguish between these two use categories, the proposed Official Plan Amendment separates the existing Policy 1 into two policies: proposed Policy 1 identifies the primary uses in *Employment Areas* while proposed Policy 2 identifies secondary uses that support the primary uses. An amendment to the unshaded text under Section 4.6, *Employment Areas*, is also proposed to add text to describe the distinction between primary and secondary uses.

The proposed Official Plan Amendment also seeks to clarify the nature of restaurant, retail and service uses in *Employment Areas*. Under the Official Plan, the City has dealt with a number of applications and pre-application inquiries for multi-unit developments in *Employment Areas*. These 'plaza-type' proposals typically provide a range of retail, restaurant and service uses greater than what can reasonably be interpreted under the existing Policy 1 as "restaurants and small scale stores and services that serve area businesses and workers". While these uses may serve area business, they also largely serve the general public and ultimately perform the same function as those retail, restaurant and service uses that are directed by the Plan to *Mixed Uses Areas* and *Regeneration Areas*. The Ontario Municipal has also commented regarding the nature of the retail provided for in Policy 1 and provided a more liberal interpretation of the types of retail that can be provided in *Employment Areas* than the original intent.

To clarify the policy intent that restaurant, retail and service uses are secondary uses in *Employment Areas*, the term “small-scale” is applied to restaurants, retail and service uses in proposed Policy 2 acknowledging the supportive role that these types of uses play in *Employment Areas*. As well, a new sidebar describing the role of small-scale restaurant, retail and service uses is proposed, as discussed in the following section.

New Sidebar

A “Restaurant, Retail and Services in *Employment Areas*” sidebar is proposed for Section 4.6, *Employment Areas*, to assist in understanding the intent of the policies. The sidebar emphasizes that the Official Plan provides for only limited, specified opportunities for restaurant, retail and services uses in *Employment Areas*, recognizing that the Plan directs most of these uses to *Mixed Use Areas* and *Regeneration Areas*. The sidebar describes the main economic function of small-scale restaurant, retail and service uses as providing goods and services to other businesses in *Employment Areas*. The sidebar also acknowledges the locational needs and limitations on large scale, stand-alone retail stores and power centres; and confirms that retail uses that are neither small scale nor large scale are only permitted as part of a power centre.

Other Uses

Policy 2 in Section 4.6, *Employment Areas*, lists a number of uses – places of worship, recreation and entertainment facilities, business and trade schools and branches of community colleges or universities – that may locate only on major streets as shown on Map 3.

Over the years, places of worship and recreation and entertainment facilities have located in *Employment Areas* for a variety of reasons including zoning permission, space availability and cost. Between 2002 and 2009, the number of places of worship in *Employment Districts* increased substantially from 196 to 317. Similarly, recreational and entertainment establishments have increased from 121 to 164. Although Policy 2 restricts these uses to major roads, the existing zoning by-laws permit these additional uses to locate in the majority of employment areas. The proposed new zoning by-law will address the existing discrepancy between the policy direction and its implementation. The proposed employment-industrial zoning category, which consists of five different zones, prohibits places of worship while limited recreation and entertainment facilities are permitted in certain zones. Notwithstanding, a significant increase in places of worship and recreation and entertainment facilities within *Employment Areas* has raised concern with respect to the long-term stability and viability of these important areas of business activity and economic growth.

The Official Plan provides for places of worship and recreation and entertainment facilities in *Mixed Use Areas* and *Regeneration Areas*. Places of worship are also permitted in *Institutional Areas*, *Neighbourhoods* and *Apartment Neighbourhoods* across Toronto.

In recognition that a number of land use designations provide for these uses and the Plan's policies seek to strengthen *Employment Areas* for employment uses, the proposed amendment states that places of worship and recreation and entertainment facilities may only be located on a major street as shown on Map 3 that also forms the boundary of the *Employment Areas* through the enactment of a zoning by-law. These uses are currently permitted on any major street on Map 3 in *Employment Areas*. Limiting these uses to major roads at the boundary recognizes that these uses are not directly supportive of the primary employment function of these areas, and that their presence in the interior of *Employment Areas* can adversely affect, or be affected by, area businesses and economic activity. Where a proposal is for lands designated *Employment Areas* on a major street on Map 3 that also forms the boundary of the *Employment Areas*, a zoning by-law amendment application would be required, which would enable an evaluation of the proposal's appropriateness in the local context.

All existing places of worship and recreation and entertainment facilities legally established within *Employment Areas* before the approval date of the proposed Official Plan Amendment would be permitted.

With respect to business and trade schools and branches of community colleges or universities, the permissions remain the same in the proposed amendment given their supportive role of the primary uses. The term "post-secondary" is proposed to be inserted to clarify that policy intent regarding branches of community colleges and universities.

Large Scale Retail

Policy 3 in Section 4.6, *Employment Areas*, only permits large scale, stand-alone retail stores and power centres fronting onto major streets as shown on Map 3, that also form the boundary of the *Employment Areas* through the enactment of a zoning by-law and subject to addressing policy tests.

Since the Official Plan came into force in 2006, the City has dealt with a number of applications and pre-application inquiries for major retail developments that have tested the policy intent of Policy 3. As well, the Ontario Municipal Board has heard evidence and made decisions that have also tested the policy intent of Policy 3.

Major retail proposals have been considered on lots that front onto a major street, but where vehicular access to the major street is not possible because the sites are situated either below a bridge or on top of a steep embankment. These situations can raise traffic impact issues in terms of the interiors of *Employment Areas*. Other proposals have been considered on excessively large sites that exceed the land requirements for major retail proposals, extending beyond the boundary of the *Employment Areas* into the interior of the *Employment Areas*.

The nature of some major retail proposals has also evolved, combining a large number of small and medium retail units and testing the two land use terms of Policy 3, 'large scale

stand-alone retail stores’ and ‘power centres’. In addition, the Ministry of Energy and Infrastructure, in its 2008 letter regarding the conformity of the Official Plan to the Province’s Growth Plan, advised that the City may wish to define large scale retail.

In considering the issue of retail uses in *Employment Areas*, the Ontario Municipal Board has interpreted Policy 3 and the term ‘large scale stand-alone retail uses’ to include development at a scale of approximately 3,700 square metres. This is significantly smaller than the intent of the Plan to allow for major retail uses to locate on large sites fronting on major streets at the boundaries of *Employment Areas*.

For these reasons, the proposed Official Plan Amendment identifies refinements to the existing Policy 3 to clarify the policy intent, as follows.

Policy 3(a) addresses transportation capacity and the ability of the local street network to accommodate the additional traffic generated by a proposal. Part of any transportation capacity analysis should also address infiltration into the *Employment Areas*. The proposed amendment provides additional wording with respect to minimizing traffic infiltration in *Employment Areas*. This is consistent with the existing unshaded text under Section 4.6, *Employment Areas*, and development criteria (c) under Policy 6 regarding avoiding excessive car and truck traffic in *Employment Areas*.

Policy 3(b) states that a proposal will ensure that the functioning of economic activities within the *Employment Areas* and the economic health of nearby shopping districts are not adversely affected. To clearly distinguish between these two distinct matters, the proposed amendment separates the existing Policy 3(b) into proposed Policy 3(b) and Policy 3(c).

The Official Plan acknowledges that large scale, stand-alone retail stores and power centres are extensive land users. In situations where a proposal is on a particularly large, deep lot, the rear portion of the lot should be maintained for the primary uses of *Employment Areas* in order to minimize retail encroachment into the interior of *Employment Areas*. The proposed amendment introduces a new Policy 3(d) to address this matter. This approach also relates to the concept of “lot creep” discussed later in this report.

The proposed amendment also introduces definitions into the policy section under the heading, “Major Retail Definitions for *Employment Areas*”. A large scale, stand-alone retail store is defined as a single unit that is 6,000 square metres or larger in area on a lot. A power centre is defined as one or more retail units that are each 6,000 square metres or larger in area and may also include retail units on the same lot that are smaller than 6,000 square metres. The size thresholds in the proposed definitions are appropriate in the Toronto context, ensuring that retail development which does not require large sites locate in the *Mixed Use Areas* and *Regeneration Areas*.

The proposed amendment also links these two defined terms to “major retail uses” in the Province’s Growth Plan. This means that conversion of employment designated lands to

any non-employment uses, including conversion to major retail, will not be considered prior to the City conducting a Municipal Comprehensive Review, as discussed earlier in this report.

To encourage better built form and site design for large scale, stand-alone retail stores and power centres, the proposed amendment introduces three sub-policies to Policy 3:

- provide on-site driveways on large sites that meet the design objective of public streets, such as pedestrian infrastructure and tree plantings;
- encourage parking located below grade and/or in a parking structure with limited visibility from the street; and
- encourage a minimum two-storey built form.

These sub-policies recognize that advances in the design and configuration of large scale, stand-alone retail stores and power centres should make more efficient use of land and improve the interface with the public realm. All three proposed policies complement existing built form policies in the Official Plan.

Finally, some minor wording refinements are proposed to the unshaded text in Section 3.5.3, The Future of Retailing, consistent with the land use designation policies for large scale, stand-alone retail stores and power centres.

Property Consolidation

Since adoption of the Official Plan situations have arisen whereby proponents seek to apply the policy permissions for lots on major streets or on major streets at the boundary of *Employment Areas* to larger parcels of land by consolidating interior lots with a lot on the major street. The result is what is known as “lot creep”, and it impacts *Employment Areas*.

It is not the intention of the Official Plan to encourage this type of property consolidation. The objective is to retain *Employment Areas* as places of business and to intensify job growth within these areas. To avoid “lot creep” and reaffirm the policy intent, the proposed amendment includes text stating that the given policy only applies to those lands that, as of the date of this Official Plan Amendment, form a lot fronting on a major street on Map 3, or on a major street on Map 3 at the boundary. The additional wording applies to: proposed Policy 3 permitting business and trade schools and branches of post-secondary community colleges and universities; Policy 4 permitting places of worship and recreation and entertain facilities; and Policy 5 permitting large scale, stand-alone retail stores and power centres.

Two Employment Districts

In addition to the directions related to specific land use policies in Section 4.6, *Employment Areas*, Planning and Growth Management Committee’s request included the following direction:

4. That the Chief Planner and Executive Director, City Planning Division be requested to report out separately for the Liberty Village and South of Eastern *Employment Districts*.

The South of Eastern and Liberty *Employment Districts* are located on the east and west side, respectively, of the *Downtown* and *Central Waterfront* on Map 2, Urban Structure. These are the only *Employment Districts* located in the former City of Toronto.

The Liberty *Employment District* continues to experience employment growth. Based on the Toronto Employment Survey 2009, the Liberty *Employment District* has 7,709 jobs, up 30% since 2002, and 500 establishments, an increase of 9.9% since 2002. The Office sector is the dominant sector capturing 77.4% of all the establishments (387 firms) and 70% of the employment (5,373 jobs). The Manufacturing sector is the second largest employment sector, although it dropped from 23.6% in 2002 to 13.8% in 2009 representing a loss of 331 jobs. From 2002 to 2009 employment in the Office sector increased by 1,445 jobs (36.8%) while Service increased by 618 jobs (381%), and the Institutional sector, although small, decreased by 182 jobs (76.2%).

The South of Eastern *Employment District* has not experienced any establishment growth since 2002 staying steady with 125 firms, while employment, currently at 5,083 jobs, has decreased 31.7% from 2002 to 2009. The Office sector is the largest establishment sector with 48.8% (61 firms) of the total establishments, while the Manufacturing sector contains the largest proportion of employment with 47.4% (2,411 jobs) of the total employment.

In 2009 there was only one new establishment in South of Eastern, while there were 47 new establishments in Liberty (employing 266) of which 32 (68%) of the new establishments were in the Office sector. Approximately 50% of the firms in South of Eastern employ four or fewer employees, while 12.6% employ more than 50 people. Liberty follows the same trend in that 50% of its establishments are small scale, while only 6% are above 50 employees. The City-wide numbers are 55.7% and 5.8%, respectively.

Both Districts face pressure for conversions to non-employment uses. A consultant was recently retained by the Toronto Portlands Company (TPLC) to work in conjunction with staff from the Economic Development & Culture Division, the Waterfront Corporation and City Planning to develop an employment opportunities strategy for The South of Eastern *Employment District*, and the East Portlands. This exercise will also lead to the recommendation of a template for conducting employment strategies for other *Employment Districts* across the City.

Specifically, the research and analysis underway for South of Eastern and the East Portlands could inform the development of a comparable strategy for the Liberty *Employment District*. The central issue under examination is “how can a legacy industrial area preserve its remaining strengths, while beginning a transition to an economically sustainable long-term future”. This exercise will result in an understanding of what is, and what is not, viable; which economic sectors can build on each other and

which will be in conflict; an assessment of development costs and risks; and what the current mix of employment in the area is, and what it might become in the future.

This is not an exercise intended to rewrite policy, but rather one that will assess the role of policies and their ability to facilitate economic growth. The replicable template will likely include an approach to:

- economic analysis;
- assessing strategic lands and development potential, and
- a set of principles for achieving goals enumerated in the Official Plan, the Economic Development Strategy and other city objectives.

The results of the South of Eastern / East Portlands employment opportunities strategy is anticipated to be completed by Fall 2010 and will be reported to the Economic Development Committee.

Next Steps

This report requests direction for City Planning staff to consult with a range of stakeholders on the proposed amendments prior to bringing forward a Final Report to Planning and Growth Management Committee and holding a public meeting under the *Planning Act*.

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ATTACHMENTS

Attachment 1: Proposed Official Plan Amendment
Attachment 2: Profile Toronto, Toronto Employment Survey 2009

Attachment 1: Proposed Official Plan Amendment

The following text constitutes Amendment No. XX to the City of Toronto Official Plan

OFFICIAL PLAN AMENDMENT

The Official Plan is amended as follows:

1. Chapter 3, Section 3.5.3, The Future of Retailing, is amended by adding the words “specified”, “to” and “located outside of the *Central Waterfront* and *Downtown* ” to the third sentence of the fourth paragraph, and adding the words “*Employment Areas*” to the fifth sentence of the same paragraph, so that each sentence reads as follows:

“Large scale, stand-alone retail stores and “power centres” that attract significant traffic are limited to specified major streets in *Employment Areas* and to *Mixed Use Areas* located outside of the *Central Waterfront* and *Downtown*.”

“As well, new retail development of a significant scale must take into account the potential impact on *Employment Areas*, existing shopping areas and patterns of retail activity.”

2. Chapter 4, Section 4.6, Employment Areas, is amended by deleting the fourth and fifth sentences of the second paragraph in the unshaded text, and replacing them as follows:

“Primary uses, such as manufacturing, distribution, offices, research and development, support the main function of *Employment Areas* as places of business and economic activity. Secondary uses, such as small scale restaurant, retail and service uses and workplace daycare that support the needs of the primary uses, should also be accessible within *Employment Areas*.”

3. Chapter 4, Section 4.6, Employment Areas, is amended by deleting Policy 1 and Policy 2, and replacing them as follows:

- “1. *Employment Areas* are places of business and economic activity. Primary uses that support this function consist of: offices, manufacturing, warehousing, distribution, research and development facilities, utilities, media facilities, and retail outlets ancillary to the preceding uses.

2. Within *Employment Areas*, secondary uses that support the primary uses consist of hotels, parks, and small-scale restaurant, retail and service uses.

3. Within *Employment Areas*, business and trade schools and branches of post-secondary community colleges and universities may locate only on major streets as shown on Map 3. All existing, business and trade schools

and branches of post-secondary community colleges and universities legally established within *Employment Areas* before the approval date of this OPA are permitted.

This Section 4.6.3 only applies to those lands that, as of (*insert date of OPA adoption*), form a lot that fronts onto a major street as shown on Map 3.

4. Within *Employment Areas*, places of worship and recreation and entertainment facilities, may locate only on major streets as shown on Map 3, that also form the boundary of the *Employment Areas* through the enactment of a zoning by-law. All existing places of worship, recreation and entertainment facilities legally established within *Employment Areas* before the approval date of this OPA are permitted.

This Section 4.6.4 only applies to those lands that, as of (*insert date of OPA adoption*), form a lot that fronts onto a major street as shown on Map 3, that also forms the boundary of the *Employment Areas*.”

4. Chapter 4, Section 4.6, Employment Areas, Policy 3 is renumbered as “Policy 5” and amended by adding the words “on lots” and re-locating the words “ensure that” to sub-Policy (a) and adding the words “, and minimal traffic infiltration within *Employment Areas*” to sub-Policy (a), so that the policy reads as follows:

“5. Large scale, stand-alone retail stores and power centres are not permitted in *Employment Areas* in the *Central Waterfront* and are only permitted in other *Employment Areas* on lots fronting onto major streets as shown on Map 3, that also form the boundary of the *Employment Areas* through the enactment of a zoning by-law. Where permitted, new large scale, stand-alone retail stores and power centres will:

- a) ensure that sufficient transportation capacity is available to accommodate the extra traffic generated by the development, resulting in an acceptable level of traffic on adjacent and nearby streets, and minimal traffic infiltration within *Employment Areas*;

5. Chapter 4, Section 4.6, Employment Areas, Policy 3 is renumbered as “Policy 5” and amended by separating sub-Policy 5(b) into sub-Policies 5(b) and 5(c), adding new sub-Policies 5(d), 5(e), 5(f) and 5(g), and adding a concluding paragraph, as follows:

- “b) ensure that the functioning of other economic activities within the *Employment Areas* is not adversely affected;
- c) ensure the economic health of nearby shopping districts is not adversely affected;

- d) maintain for the primary uses of *Employment Areas* the rear portion of large, deep lots;
- e) provide driveways on large sites organized and designed to meet the design objectives for new streets;
- f) be encouraged to have the majority of vehicle parking located below grade and/or in a parking structure with limited visibility from the street; and
- g) be encouraged to be in buildings with a minimum of two storeys.

This Section 4.6.5 only applies to those lands that, as of (*insert date of OPA adoption*), form a lot that fronts onto a major street as shown on Map 3, that also forms the boundary of the *Employment Areas*.”

- 6. Chapter 4, Section 4.6, Employment Areas, Policy 5 is renumbered as “Policy 6”.
- 7. Chapter 4, Section 4.6, Employment Areas, is amended by adding the following definitions as shaded text below “Policy 6”:

“Major Retail Definitions for *Employment Areas*

Within *Employment Areas*, a **large scale, stand-alone retail store** is a single retail unit that is 6,000 square metres in area or greater and is the only retail unit on the lot.

Within *Employment Areas*, a **power centre** is a single lot with one or more retail units that are each 6,000 square metres in area or greater, and may also include retail units on the same lot that are smaller than 6,000 square metres in area.

Within *Employment Areas*, large scale, stand-alone retail stores and power centres are the “major retail uses” referred to in the Province’s Growth Plan for the Greater Golden Horseshoe.”

- 8. Chapter 4, Section 4.6, Employment Areas, is amended by adding the following sidebar:

“Restaurants, Retail and Services in *Employment Areas*

The Plan’s policies are to be interpreted to provide for only limited, specified opportunities for restaurants, retail and service uses in *Employment Areas*. The Plan directs most of these uses to *Mixed Use Areas* and *Regeneration Areas*.

Within *Employment Areas*, small-scale restaurant, retail and service uses provide goods and services to other businesses. This is their main economic function as these small-scale uses rely largely on economic activity of business-to-business interactions for their viability. Small-scale restaurant, retail and service uses that rely on the general public are directed to other land uses designations in accordance with the Plan’s policies.

Within *Employment Areas*, large scale, stand-alone retail stores and power centres have special locational needs for large sites. These retail uses are permitted in *Employment Areas* subject to locational limitations. Medium scale retail uses are only permitted in *Employment Areas* as part of a power centre.”

9. Chapter 4, Section 4.6, Employment Areas, Policy 6 and Policy 7 are renumbered as “Policy 7” and “Policy 8”, respectively.

Attachment 2: Profile Toronto, Toronto Employment Survey 2009

NOTE: Provided separately as a PDF file and posted under the Agenda Item for the Planning and Growth Management Committee's May 19, 2010 meeting