

158, 164, 181 and 200 Sterling Rd - Official Plan Amendment and Zoning Amendment Applications – Refusal Report

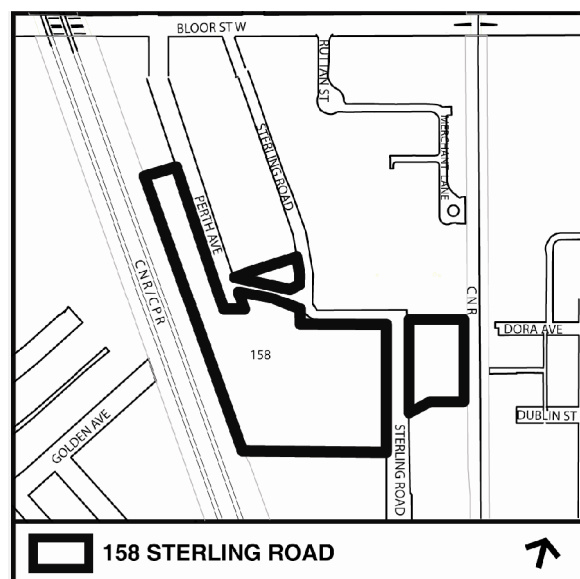
Date:	October 11, 2012
To:	Planning and Growth Management Committee
From:	Chief Planner and Executive Director, City Planning Division
Wards:	Ward 18 – Davenport
Reference Number:	P:\2012\Cluster B\PLN\Pg12076 (File Number: 11 228729 STE 18 OZ)

SUMMARY

These applications at 158, 164, 181 and 200 Sterling Road propose to amend the Official Plan and the Zoning By-law by converting the *Employment Areas* designated, industrially zoned site to allow for residential and commercial uses. The proposal includes 683 residential units (56,353 square metres of residential gross floor area), 61,753 square metres of non-residential gross floor area, a park, and renovation of the historically designated building on the site for commercial and residential use. The site is proposed to be broken into 6 development blocks with a new north/south road through the site, a realigned Perth Avenue and 1,692 parking spaces.

This report reviews and recommends the refusal of the Official Plan Amendment application and the Zoning By-law Amendment application.

The Official Plan Amendment application cannot be supported as it does not conform to the Growth Plan and it is not consistent with the Provincial Policy Statement (PPS). Approval of the application, without first completing a municipal comprehensive review, would be contrary to the PPS and the Growth Plan.



The *Planning Act* requires that the decisions of City Council be consistent with the Provincial Policy Statement and conform with, or not conflict with, provincial plans. As well, the *Places to Grow Act 2005* requires that all municipal planning decisions conform with the Growth Plan.

In addition, the proposal would destabilize an employment area which contains a variety of viable and successful businesses.

RECOMMENDATIONS

The City Planning Division recommends that:

1. City Council refuse the Official Plan Amendment application and the Zoning Amendment application 11-228729 STE 18 OZ for 158, 164, 181 and 200 Sterling Road for the following reasons:
 - a) the proposal conflicts with the Growth Plan for the Greater Golden Horseshoe;
 - b) the proposal is inconsistent with the Provincial Policy Statement;
 - c) the proposal will destabilize a large, viable and active employment area and
 - d) the proposal may have negative impacts on active businesses in close proximity to the site.

Financial Impact

The recommendations in this report have no financial impact.

DECISION HISTORY

Section 26 of the *Planning Act* requires the City to review its Official Plan policies, including the designation of lands as areas of employment and the removal of land from areas of employment, every five years. This statutory review is now underway. The *Municipal Comprehensive Review for employment areas* referred to in the Provincial Growth Plan and *Comprehensive Review for employment areas* in the Provincial Policy Statement is being undertaken concurrently with the Five Year Review of the Official Plan as directed by Planning and Growth Management Committee at its meeting on May 30, 2011. The link to the decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.PG5.2>

On January 5, 2012 Planning and Growth Management Committee approved recommendations directing City Planning staff to split the Five Year and Municipal Comprehensive Reviews into two phases to ensure an effective and manageable review process. Phase A consists of the Growth Plan's Municipal Comprehensive Review and the Planning Act's statutory requirements for an Official Plan review. Phase B consists of revisions to the Official Plan's policies and maps resulting from Council referrals, staff review and stakeholder consultations. The Five Year and Municipal Comprehensive

Reviews of the Official Plan's employment area policies are part of Phase A. The link to the Committee's decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.PG10.8>

The Preliminary Report for this application can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.PG10.6>

A Status Report was also prepared for this application. It can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.PG16.3>

The 10-storey Northern Aluminum Company Building at 158 Sterling Road is historically designated. The designation By-law can be found at:

<http://www.toronto.ca/legdocs/bylaws/2005/law0969.pdf>

City Council, on October 2, 2012, adopted a report from the Chief Planner and Executive Director, City Planning Division on the Official Plan Review and the Employment Use Policies which contained information referenced in this report. It can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.PG17.7>

ISSUE BACKGROUND

Proposal

The proposal has been amended since the initial submission as described in the Preliminary Report. Please see Attachment 1 for the Site Plan, Attachment 2 for the Basic Project Statistics and Attachment 6 for the Application Data Sheet.

The major changes in the proposal include a reduction in the overall non-residential gross floor area (from 73,612 to 61,753), an increase in the number of parking spaces (1,244 to 1,692) an increase in the residential gross floor area (from 55,233 to 56,353) but a reduction in the number of residential units (717 to 683). The proposed size of the park has also increased from 2,162 square metres to 2,390 square metres. The revised proposal for each block is detailed below.

Blocks 1A and 1B are located on the west side of Perth Avenue and now contain 26, three-storey (11.5 metres) townhouses (down from 29 units). Parking for these townhouses is located behind the townhouses with access from a common driveway on Perth Avenue.

A proposed realignment of Perth Avenue where it bends to meet Sterling Road forms the southern boundary for Block 2. The resubmission from the applicant proposes a 4-storey mixed-use building (21 metres) with 49 residential units and below grade parking.

The historically designated Northern Aluminum Company Building on Block 3 is proposed to be renovated, and 3-storeys added to the top. It is proposed to contain commercial uses on the first three floors and 112 residential units above. The total height of the building is 13-storeys or 61 metres once the addition is constructed on top. Also on

Block 3 are commercial buildings up to eight-storeys (38 metres) in height on the south end of the block, and a mixed-use building with a 17-storey (60 metre) residential tower (280 units) located on the north end of the block.

Block 4 is located on the east side of Sterling Road. A 16-storey (58 metre) residential tower containing 216 residential units is proposed for the northwest corner of the block, with mixed-use buildings of 10-, 8-, and 4-storeys moving southward. A 2-storey, above-grade parking garage takes up most of the east side of the block adjacent to the rail corridor.

Block 5 contains only non-residential uses, in two buildings, 9- and 7-storeys in height (44 and 37 metres respectively) located south of Perth Avenue on the west side of the site. A nine-metre wide pedestrian connection running east-west between the buildings would provide access to the West Toronto Railpath.

A new 2,390 square metre public park is proposed as Block 6, on the west side of Perth Avenue where it bends eastward. The configuration and the exact location of the park are still to be determined.

Additional below grade parking levels are proposed to house the 1,692 proposed parking spaces. Above grade parking on the second level is proposed for Blocks 4 and 5.

Site and Surrounding Area

The irregularly shaped site straddles both sides of Sterling Road, between two rail corridors, south of Bloor Street and north of Dundas Street West. The total area of the site is 31,459 square metres. A portion of the site runs along the west side of Perth Avenue from south of the Church of the Firstborn (72 Perth Avenue) to where Perth bends to travel east/west. Another small portion of the site is on the north side of Perth as it runs east/west towards Sterling Road. The majority of the site is located on the west side of Sterling Road, south of Perth Avenue and west of the Lower Galt Subdivision rail line. The last portion of the site is located on the east side of Sterling Road south of the property known as 211 Sterling Road, west of the CN Newmarket Subdivision rail line. See the Key Map on the first page of this report for a plan showing the subject site.

The entire site is currently vacant of structures with the exception of the historic Northern Aluminum Company Building. The former industrial buildings on the site were removed to allow for the remediation of the site which is ongoing.

North: To the north of the subject site is another property designated as *Employment Areas* known as 213 Sterling Road which houses a variety of uses including a circus school, a sports facility and various design offices. On the north and east side of Perth Avenue is a low scale residential community of approximately 60 houses interspersed with small commercial uses. On the north and east side of Sterling Road is a mix of recently constructed townhouses, warehouse buildings containing commercial and residential units and a 15-storey condominium building fronting on Bloor Street West.

South: South of the subject property, on the west side of Sterling Road is a warehouse building that houses a gymnastics academy, a flag-making business and a paintball facility. The City has recently received a letter from the owners of this building asking for consideration to permit residential uses as part of the Municipal Comprehensive Review. Immediately south of this warehouse building is the Nestle chocolate factory which operates 24-hours a day, 7-days a week. South of the site on the east side of Sterling Road are two additional warehouse buildings which contain a daycare, gallery space, design offices, furniture makers and moving box storage. South of these warehouses is another building that is part of the Nestle factory, and a surface parking lot used by Nestle employees.

East: East of the subject site is a rail corridor known as the CN Newmarket Subdivision, and on the opposite side of the rail corridor are a mix of low-scale residential houses, small scale commercial uses, a public park and a mid-rise residential building.

West: The West Toronto Railpath is directly west of the site, adjacent to the Lower Galt Subdivision rail corridor. This rail corridor is currently being expanded to accommodate the airport link. On the west side of this rail corridor is an area containing residential homes, a retail plaza with Zellers, LCBO and Loblaws supermarket, and smaller scale commercial uses.

Provincial Policy Statement

The Provincial Policy Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development. The PPS establishes the policy foundation for regulating the use and development of land. City Council's planning decisions are required to be consistent with the PPS. The PPS requires the City to promote economic development and competitiveness by:

- a) providing for an appropriate mix and range of employment (including industrial, commercial and institutional uses) to meet long-term needs;
- b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;
- c) planning for, protecting and preserving *employment areas* for current and future uses; and
- d) ensuring the necessary *infrastructure* is provided to support current and projected needs.

The PPS defines *employment areas* as those areas designated in an Official Plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities.

Section 1.3.2 of the PPS states that the City may only give consideration to converting lands within employment areas to non-employment uses when a *comprehensive review* has met the following two-part test:

- (i) the land is not required for employment purposes over the long-term; and
- (ii) that there is a need for the conversion.

Growth Plan for the Greater Golden Horseshoe

The Growth Plan provides a framework for managing growth in the Greater Golden Horseshoe including: directions for where and how to grow; the provision of infrastructure to support growth; and protecting natural systems and cultivating a culture of conservation. City Council's planning decisions are required to conform, or not conflict with, the Growth Plan.

The Growth Plan requires the City to maintain an adequate supply of lands providing locations for a variety of appropriate employment uses in order to accommodate the employment growth forecasts of the Plan. The Plan requires municipalities to promote economic development and competitiveness by:

- a) providing for an appropriate mix of employment uses including industrial, commercial and institutional uses to meet long-term needs;
- b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;
- c) planning for, protecting and preserving *employment areas* for current and future uses; and
- d) ensuring the necessary infrastructure is provided to support current and forecasted employment needs.

The definition of an *employment area* in the Growth Plan is the same as that used in the PPS.

Municipalities may permit conversion of lands within employment areas to non-employment uses only through a *Municipal Comprehensive Review*. The Growth Plan clarifies and strengthens the application of the PPS as it applies to employment lands, in particular by clarifying the definition of *Municipal Comprehensive Review* by defining it as: "an Official Plan review, or an Official Plan Amendment, initiated by a municipality that comprehensively applies the policies and schedules of this Plan" (Growth Plan). Consistent with the PPS, the Growth Plan limits such conversions to only where it has been demonstrated through the Municipal Comprehensive Review that it meets a number of criteria. The PPS and the Growth Plan require municipalities to promote economic

development and competitiveness by planning for, protecting and preserving employment areas for current and future employment uses.

Official Plan

Map 18 of the City's Official Plan shows the majority of the subject lands are designated as *Employment Areas*. There is a small portion at the north end of the site on the west side of Perth Avenue which is designated as *Mixed Use Areas* which permits a range of residential and commercial uses. Another small piece on the north side of Perth Avenue where it bends is designated as *Neighbourhoods* which permits residential uses that fit into the character of the existing surrounding neighbourhood.

Employment Areas are described in Section 4.6 as "hothouses where we grow our enterprises and jobs". It goes on to state that business increasingly requires flexibility in order to compete effectively in the global economy. This need for flexibility extends to a firm's lands and building, and to what is available to support that business activity in the immediate area. A broad and inclusive approach to employment uses in *Employment Areas* is needed for the City's economic future. Uses that support the prime economic function of *Employment Areas*, such as parks, small scale retail stores and services to meet the daily needs of business and employees, workplace daycare and restaurants, must also be readily accessible within *Employment Areas*. Uses that detract from the economic function of these lands will not be permitted to locate in *Employment Areas*.

Policy 1 of Section 4.6 states that *Employment Areas* are places of business and economic activity. Uses that support this function consist of: offices, manufacturing, warehousing, distribution, research and development facilities, utilities, media facilities, parks, hotels, retail outlets ancillary to the preceding uses, and restaurants and small scale stores and services that serve area businesses and workers.

It is important to note that the subject site is part of a large area designated as *Employment Areas* on Map 18 in the City of Toronto Official Plan. This area encompasses all the area between the two rail corridors, north of Dundas Street West, up to and including 213 Sterling Road and the subject site.

Zoning

Under former City of Toronto Zoning By-law 438-86, as amended, the majority of the site is zoned as I3 D3. This allows a variety of industrial uses up to a density of 3 times the area of the lot with a height limit of 23 metres. No residential uses are permitted in areas zoned for Industrial uses.

The small portion of the site designated as *Mixed-Use Areas* in the Official Plan, on the west side of Perth Avenue is zoned Commercial-Residential allowing both residential and commercial uses up to a density of 2 times the area of the lot with a height limit of 12 metres.

The portion of the site designated *Neighbourhoods* in the Official Plan, on the north side of Perth Avenue where it bends towards Sterling Road is zoned R2 Z0.6 which permits

residential uses up to a density of 0.6 times the area of the lot with a height limit of 10 metres.

Draft Plan of Subdivision and Site Plan Control

A Draft Plan of Subdivision application was submitted by the applicant on August 9, 2012. Further processing of this application will be held until the land use issue has been resolved.

Site Plan Control is required for the entire development, but no application been filed for any portion of the proposal.

Reasons for Application

Official Plan Amendment Application - The proposed residential uses are not permitted on lands designated *Employment Areas* in the Official Plan.

Zoning Amendment Application – The proposed residential uses are not permitted in areas zoned "I" (Industrial). In addition, the proposed heights (up to 61 metres) are above the height limit of 23 metres.

Community Consultation

A Community Consultation meeting was held on October 13, 2011. Planning staff, the local Councillor, the applicant and approximately 65 members of the public attended. Planning staff presented the planning policy context followed by a presentation on the specifics of the proposal by the applicant. The following questions and comments were raised following the presentations:

Land Use – There were a number of questions and comments raised about introducing residential uses on this site. The neighbourhood is anxious to see this site redeveloped, and several people were pleased with the plan as presented. Other people expressed concern about the impact of the new residential units on the existing industrial uses in the area and vice versa. City staff were asked if the City could ensure that all the non-residential uses were built and occupied. Staff explained that the City has no way to guarantee that the applicant will build the non-residential portion of the proposal.

Types of jobs anticipated to be created – The applicant is proposing that through the redevelopment of the site 2,500 jobs will be created. At the community meeting the applicant stated that 80% would be commercial/office jobs and 20% would be service jobs. However, these ratios may change as the development moves forward. At this point the applicant has not indicated the exact type of uses and/or firms that are expected to populate the non-residential space on the site.

Traffic – At the time of the public meeting approximately 1,200 parking spaces were proposed. That number has been increased to over 1,600 with the revised submission. Concerns were raised about the traffic impact all these cars may have on the neighbourhood, especially given the limited access to and from the subject site.

Noise – Given that the site is located adjacent to two rail lines, and a 24-hour factory, questions were raised at the meeting about the potential noise impact from these sources on the proposed residential units.

Affordable Housing – Several people expressed support for including affordable housing units in the development. The applicant stated that 10% of the units would be affordable (rental and/or ownership) and that this would be in addition to any Section 37 benefits secured for the site.

Massing/Built Form – A number of questions were asked about the massing of the proposal and how it would fit into the existing built form context.

Unit Mix – The community was supportive of ensuring a mix of unit types and sizes including a large component of family sized units.

Agency Circulation

The application was circulated to all appropriate agencies and City divisions. Responses received have been used to assist in evaluating the application and to formulate appropriate by-law standards.

COMMENTS

Planning Act

The proposed amendment does not have adequate regard to matters of Provincial Interest as required by Section 2 of the *Planning Act*.

In particular, Section 2(k) refers to the adequate provision of employment opportunities; and 2(l) the protection of the financial and economic well-being of the Province and its municipalities. Policies pertaining to these items of Provincial interest are contained within the Provincial Policy Statement and the Growth Plan for the Greater Golden Horseshoe.

Furthermore, Section 26 of the *Planning Act* requires municipalities to review their in force Official Plans every five years. As part of the five year review process, Section 26 (1) (b) of the *Planning Act* requires municipalities to revise the Official Plan if it contains policies dealing with areas of employment, including, without limitation, the designation of areas of employment in the official plan and policies dealing with the removal of land from areas of employment, to ensure that those policies are confirmed or amended. Accordingly, the City Planning Division commenced the statutory Five Year Review of the Official Plan, which includes a Municipal Comprehensive Review as set out in the Growth Plan for the Greater Golden Horseshoe.

Provincial Policy Statement

The proposal is not consistent with the Provincial Policy Statement (PPS).

The City of Toronto Official Plan designates the subject site, and the surrounding properties, as *Employment Areas*, which are considered places of business and economic activity. This supports the Provincial Policy Statement, which defines employment areas as areas designated in an official plan for clusters of business and economic activities.

The proposed Official Plan amendment to permit the inclusion of residential uses on the subject lands would constitute a conversion of employment lands to a non-employment use. To permit an application for conversion of employment lands to a non-employment use, the PPS requires a comprehensive review to be conducted which is based on a review of growth projections, and which includes consideration of alternative directions for growth. Only after such a review is complete can Council convert employment lands, and then only where the two-part test has been satisfied. That is, that the comprehensive review has demonstrated that the land is not required for employment purposes over the long-term and that there is a need for the conversion (for example, to meet the population and housing targets as determined through the comprehensive review).

A comprehensive review has been initiated by the City and staff are bringing forward a series of reports with respect to this review. The first report was presented to the Planning and Growth Management Committee on September 13th and a second will be presented to the same Committee on November 8, 2012. The final recommendations with respect to the Municipal Comprehensive Review and the Official Plan review are expected in 2013.

Section 4.5 of the Provincial Policy Statement provides that the official plan is the most important vehicle for implementation of the PPS. In addition, the PPS requires that official plans shall also provide clear, reasonable and attainable policies to protect provincial interests. Municipalities are required to keep their official plans up-to-date with the Provincial Policy Statement. The approval of an official plan amendment to allow for residential uses on the subject lands would be contrary to provincial policies and interests.

Growth Plan for the Greater Golden Horseshoe

The proposal does not conform with the Growth Plan for the Greater Golden Horseshoe.

The subject lands are an *Employment Area* under the Growth Plan. The Growth Plan provides the same definition of *Employment Areas* as the PPS; they are areas designated in an official plan for clusters of economic activities. The proposed Official Plan amendment would also constitute a conversion of employment lands under the Growth Plan and should not be approved by City Council prior to the completion of the Municipal Comprehensive Review and then may only be permitted to convert if the test set out in the Growth Plan has been satisfied.

The Growth Plan reiterates and clarifies the objectives of preserving and protecting employment lands from conversions to non-employment uses. Policy 5 of Section 2.2.6 clarifies that the City may permit a conversion of employment area lands to non-

employment uses only through a municipal comprehensive review which is described as an official plan review, or an official plan amendment, initiated by a municipality that comprehensively applies the policies and schedules of the Growth Plan. This review would need to demonstrate the following:

- a) there is a need for the conversion;
- b) the City will meet its employment forecasts allocated to the City pursuant to the Growth Plan;
- c) the conversion will not adversely affect the overall viability of the employment area and the achievement of the intensification target, density targets and other policies of the Growth Plan;
- d) there is existing and planned infrastructure to accommodate the proposed conversion;
- e) the lands are not required over the long term for the employment purposes for which they are designated; and
- f) cross-jurisdictional issues have been considered.

Although the municipal comprehensive review has been started, no review has been completed by the City of Toronto to demonstrate that any of these criteria have been addressed.

Five Year Review and the Municipal Comprehensive Review

The City is conducting a municipal comprehensive review as part of its five year review of the Official Plan that was approved in 2006 by the Ontario Municipal Board. As part of this review the City has been evaluating all lands designated for employment across the city to determine whether certain parcels will no longer be required to satisfy the City's long term employment needs.

The Planning and Growth Management Committee will consider a report from the Chief Planner and Executive Director at its meeting on November 8, 2012, which outlines proposed city-wide *Employment Areas* policies. As an attachment to that report, Planning staff are including a preliminary direction for site specific conversion requests from employment to non-employment uses.

With respect to 158 Sterling Road, the proposed policy direction for public consultation and stakeholder input is to retain the subject property for employment uses for the majority of the site, with exception of Blocks 1B and Block 2 which are shown as *Mixed-Use Areas*. It should be noted that until the public and interested stakeholders have been provided with the opportunity to comment on the proposed policy direction for 158 Sterling Road, the other conversion requests, the proposed land use policies and designations for the City's employment areas, the Five Year and Municipal Comprehensive Reviews cannot be deemed complete. As such granting the request to

convert the subject lands to permit the proposed development, which includes residential uses would be premature.

Land Use

This site is located within a large Employment Area located between two rail corridors, north of Dundas Street West to Sterling Road. Given its location between two rail corridors, access to the site is limited, with access only from Bloor Street West via Perth Avenue or from Dundas Street West. The area is populated by a variety of businesses including:

- A chocolate products factory
- A flag factory
- Design Studios (architects, landscape designers, graphic designers)
- Furniture Makers
- Clothing Designers
- A gymnastics school and a circus school
- Photography studios
- Artist work studios

A list of the businesses found in the immediate area can be found as Attachment 3.

City Council adopted a report from the Chief Planner and Executive Director at its October 2, 2012 meeting which detailed the results of a study that was prepared for the City by Malone Given Parsons Ltd. in association with Cushman & Wakefield, Real Estate Search Corporation and the Centre for Spatial Economics. The link to this report can be found in the Decision History section of this report.

The consultant report found that it is essential for the City to maintain the existing land base for industrial employment. To quote from the consultant's report: "Sustaining Toronto's competitive advantage and prosperity will require continued preservation of the industrial land base for its wealth generation capacity." It also recognizes that land price competition from residential development is a significant barrier toward the development of the City's employment base. In addition the Report provides the recommendation that the City "continue to preclude residential and other sensitive uses from locating in Employment Areas."

Although industrial employment (manufacturing, warehousing, construction, wholesaling, utilities and the like) may only grow modestly, industrial uses will continue to consume large amounts of land and require additional land in the future. These uses will largely be restricted to their existing locations and locations in the *Employment Areas*, since they are often incompatible with other uses. It is important to protect the existing land base for these uses. They need to be separated from these 'sensitive' uses (such as residential), and from competition for their sites from uses that may be able to afford to pay more for them.

Simply put, although many non-residential uses can be housed in mixed-use buildings successfully, there are some non-residential uses that cannot be placed in mixed-use buildings and we need places for these uses to reside.

This site in particular, given its location within a larger *Employment Area*, and the large number of existing and unique businesses within in the area, has many of the characteristics of a site that should be retained for employment uses that cannot be mixed with other uses, such as residential. This determination will be made through the Municipal Comprehensive Review.

Economic Impact

Many of the factors that attracted industry to this area a century ago remain in place today. That being the existing employment base, transportation infrastructure, proximity and access to markets and suppliers, larger parcels of available and affordable land and buildings for existing and new businesses.

The site provides a large parcel of remediated, flat accessible land and is suitable for redevelopment for employment uses. With its transportation infrastructure and access to a large base of potential employees, it is part of a larger *Employment Area* with an existing and vibrant and commercial and industrial presence. The area has excellent potential to see new development in the following areas: food processing industry, new smaller scale manufacturing, office and continued expansion of firms in the creative industries.

Increase in land values

One of the concerns about introducing residential uses into lands designated as *Employment Areas* is the impact on land value. Lands designated for residential purposes generally have a higher value than lands designated for employment uses. The return on investment can occur more quickly and the land can be developed more intensely. Approving this conversion may create a gap between the value of that site and other nearby employment lands. That difference may create a "conversion expectation" that could increase land values on adjacent and nearby properties over time thereby making them untenable for employment uses.

This was also addressed in the 2007 Hemson Consulting Ltd Long Term Employment Land Strategy- City of Toronto Report. The Report states that "when property speculation, rather than long-term investment, becomes the primary motivation of landowners the [employment] area becomes destabilized."

We have recently seen other non-residential uses such as design studios (architects, landscape designers, graphic designers), commercial schools, photography studios, furniture workshops and artist workshop spaces move into the area. Many new businesses have recently moved into the Sterling Road area likely attracted by the lower land values (and therefore the lower rent), the types of spaces available and the close proximity to transit and the central city. If residential use is permitted on the subject site, the surrounding properties may also ask for similar permissions, the land value may increase and these new, price sensitive, businesses in the area may be faced with raising rents. This has the potential to disrupt the ecosystem of this *Employment Area*.

This "conversion expectation" is already happening. Since the subject application was submitted, the City received a letter from the owners of the property at 128 Sterling Road (the property immediately to the south of 158 Sterling Road) asking that their property be considered for redesignation to permit residential uses within the context of the Five Year and the Municipal Comprehensive Reviews.

A firm response to this conversion request may diminish this "conversion expectation" and any resulting impact on land values.

Impact on Existing Non-residential Uses

To the south of the subject site is Nestles Canada Inc., a candy and confectionary manufacturer and a major City of Toronto employer. Nestles employs approximately 550 people running three shifts -24 hours a day, seven days a week. The positive impact of Nestles on the local economy is significant and includes contracts with local suppliers and businesses (\$11 million in 2010). They have also made substantial capital investments at the 72 Sterling Road plant including investments of \$10 million in 2010 and \$9.5 million in 2011. It should be noted that Nestles Canada also has a head office located at Yonge Street and Sheppard Avenue which has just under 600 employees. Nestles Canada has submitted letters and studies in response to the application and has appeared at the Planning and Growth Management Committee to depute on the proposal.

Nearby there are additional manufacturing and commercial uses including Colt Paper (packaging manufacturer) and Flying Colours International - Scythes Inc (a manufacturer of flags and banners). These companies, including Nestles Canada, have Environmental Compliance Approvals (Permits) from the Ministry of the Environment. Environmental Compliance Approvals (Permits) ensure that companies follow all environmental laws. Any facility that releases emissions to the atmosphere, discharges contaminants to ground or surface water, provides potable water supplies, or stores, transports or disposes of waste, must have a Environmental Compliance Approvals (Permit) before it can operate lawfully. The proposed residential development may create the potential for land use conflicts and new non-compliance with Ministry of the Environment (MoE) regulations which may burden existing businesses to renovate their facilities, adapt their business practices or relocate.

As discussed above a number of firms have recently moved into the immediate area attracted by the low rent and types of spaces available. These types of small, incubator businesses are an important component of the City's economic growth.

The impact of the proposed residential uses on all of the existing non-residential uses in the area must be seriously considered or the City risks losing these businesses. Staff are concerned that permitting residential uses at 158 Sterling Road will lead to the relocation of existing businesses from the area.

Zoning By-law Amendment Application

In conjunction with the Official Plan Amendment application the applicant submitted a Zoning By-law Amendment application which proposes changing the zoning on the site to be consistent with the uses proposed in the Official Plan Amendment. Although a portion of the site would remain zoned industrial (Block 5), the rest of the site is proposed to be zoned Commercial Residential (CR).

Staff are recommending refusal of the Official Plan Amendment application for the reasons discussed above, and it therefore follows that staff are recommending refusal of the zoning application as well, due to the impact that introducing residential uses on this site would have on the stability, growth and viability of the overall employment area, as well as the specific businesses currently operating in the neighbourhood.

Heritage

The former Northern Aluminum Company Building at 158 Sterling Road is designated under Part IV of the *Ontario Heritage Act* (By-law 969-2005), adopted by City Council on September 4 and 7, 1984, with a designation by-law enacted by Council on Nov. 24, 2005. The current planning application contemplates the adaptive re-use of the 1920 industrial building for primarily residential purposes, including a variety of exterior changes, concrete restoration and a roof-top addition.

Heritage staff have been reviewing the proposal, including Heritage Impact Statements prepared by ERA Architects Inc. within the context of the overall plans for the site. As these alterations are being proposed to accommodate liveable spaces for residential units, it is premature to determine their necessity in light of the current OPA and ZBA recommended refusal. Should the applicant obtain approval from City Council or the Ontario Municipal Board for the proposed Official Plan and/or Zoning amendments, the applicant will be required to submit an application to alter a designated heritage property and obtain City Council approval pursuant to Section 33 of the *Ontario Heritage Act*.

Conclusion

Staff recommend that the Official Plan Amendment and Zoning By-law Amendment applications for this site be refused as they are contrary to both the *Planning Act* and the *Places to Grow Act 2005*. In addition, the applications do not conform to the Growth Plan and they are not consistent with the Provincial Policy Statement. Approval of the applications, without first completing a municipal comprehensive review, would be contrary to these documents.

The refusal of these applications will maintain the integrity of the larger employment area within which this site is located, as well as to ensure that the existing industrial uses in the area can continue to function and expand while creating great economic benefit to the entire City.

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SIGNATURE

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Chief Planner and Executive Director,
City Planning Division

ATTACHMENTS

Attachment 1: Site Plan

Attachment 2: Statistics

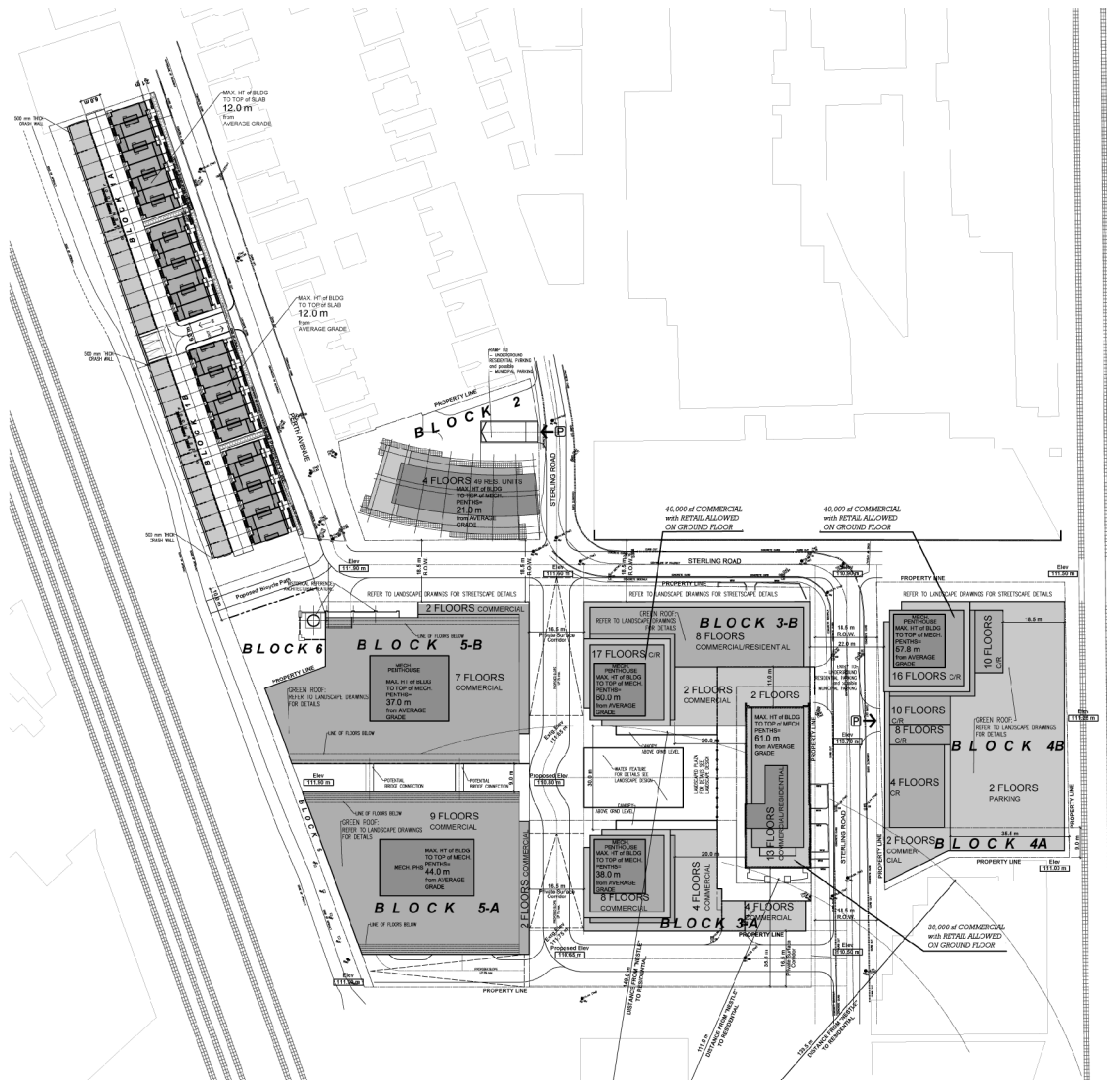
Attachment 3: List of Business at 72, 128, 163 and 213 Sterling Road

Attachment 4: Official Plan

Attachment 5: Zoning

Attachment 6: Application Data Sheet

Attachment 1: Site Plan



Site/Key Plan

158 Sterling Road

Applicant's Submitted Drawing

Not to Scale
09/27/2012

File # 11 228729 02

* **Note** – the size, configuration and exact location of the park (Block 6) is still to be determined

Attachment 2: Statistics (Applicant Proposal)

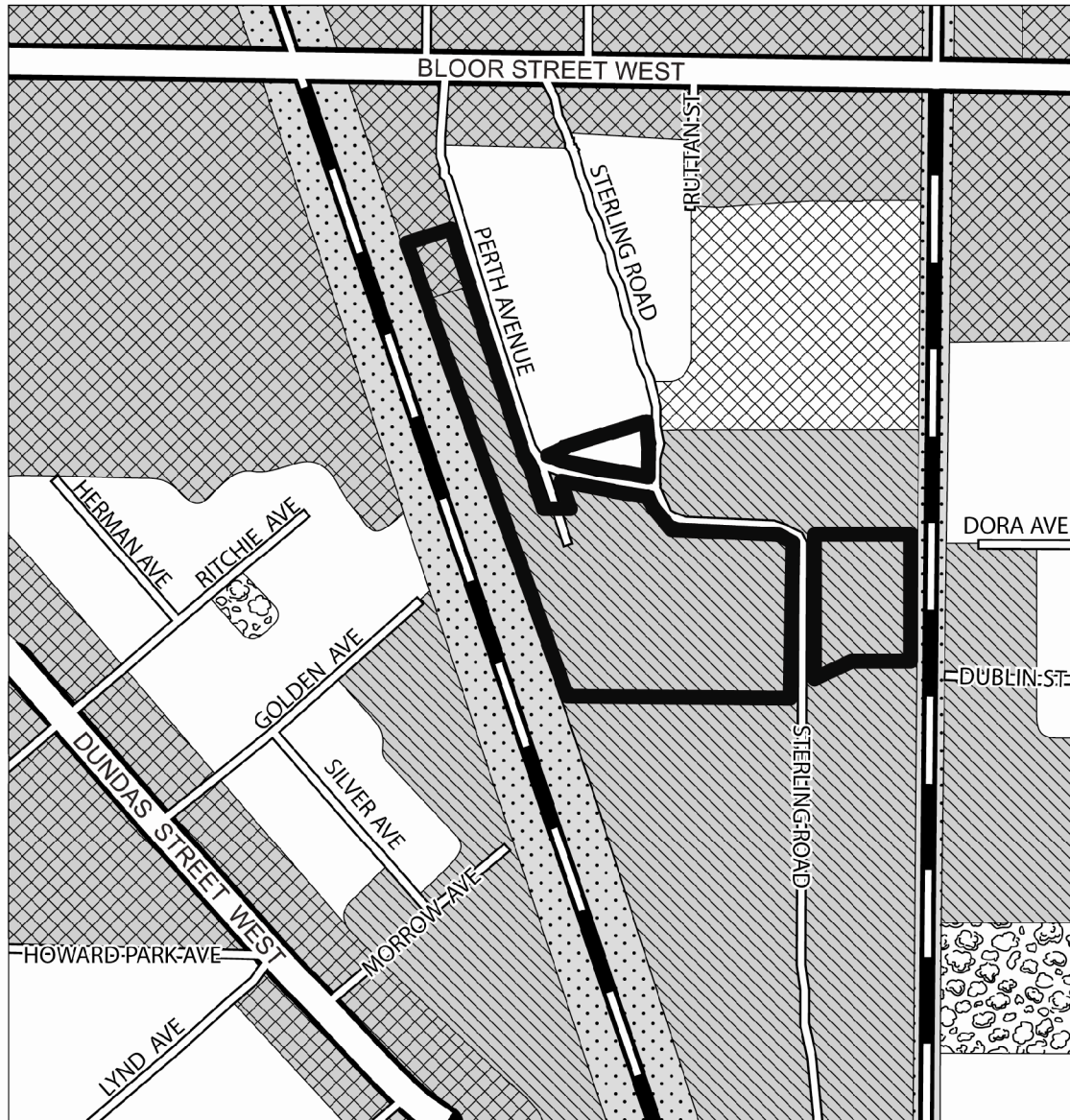
Block	Commercial GFA (metres)	Residential GFA (metres)
1	0	4,398
2	553	3,429
3	16,954	31,186
4	3,364	17,340
5	40,882	0
6	n/a	n/a
Total	61,753	56,353
Total # of units	683	
Total # of parking spaces	1,692	

Attachment 3: List of Business at 72, 128, 163 and 213 Sterling Road

Address	Business Name	Business Type
213 Sterling Rd.	Just for Fun Sport Club	Recreational Sporting Activities
	Julien Armand	Furniture Showroom
	Philip Beasely Architect	Architect
	Cirque-ability	Circus School
	Tina Morgan Designs	Upholstery
	Dupont Woodworking Group	Cabinet Makers
	Box Design and Build	Landscape Design
	Diane McGrath Studios	Art classes/lessons
	Studio Blu	Photography
	R. Goshgarian	Photography
	Lumir Hladik	Artist
	2E Sound and Design	Custom Recording Studio Furniture
	Spyder Digital Research Inc.	Hardware design
	Kalmansur	Woodwork/Artist
163 Sterling Rd.	Ola Daycare	Daycare
	Barnyard Records	Music Producers
	Affordable Signs	Sign production
	Muttonhead	Clothing design
	Arc & Co. Design collective	Graphic Design and Marketing
	Georggia Camez Photography	Photography
	blackLab Architects inc.	Architects
	On Media	Marketing Firm
	Zorn Pink	Music Production
	Julian Villasenor	Furniture Maker
	Dock Wand	Boat Gear
	KBChi Health & Fitness Consulting	Health & fitness consulting
	Modrobes Inc.	Clothing Design
	Siren Rock Studios	Sound Studio

Address	Business Name	Business Type
72 Sterling Road	Nestles Canada	Chocolate Factory
128 Sterling Road	Scythes Canada	Flag Factory
	T-dot Tumbers	Gymnastics School
	CQB Tactical Paintball	Paintball

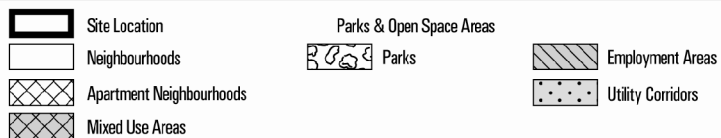
Attachment 4: Official Plan



Toronto City Planning
Official Plan

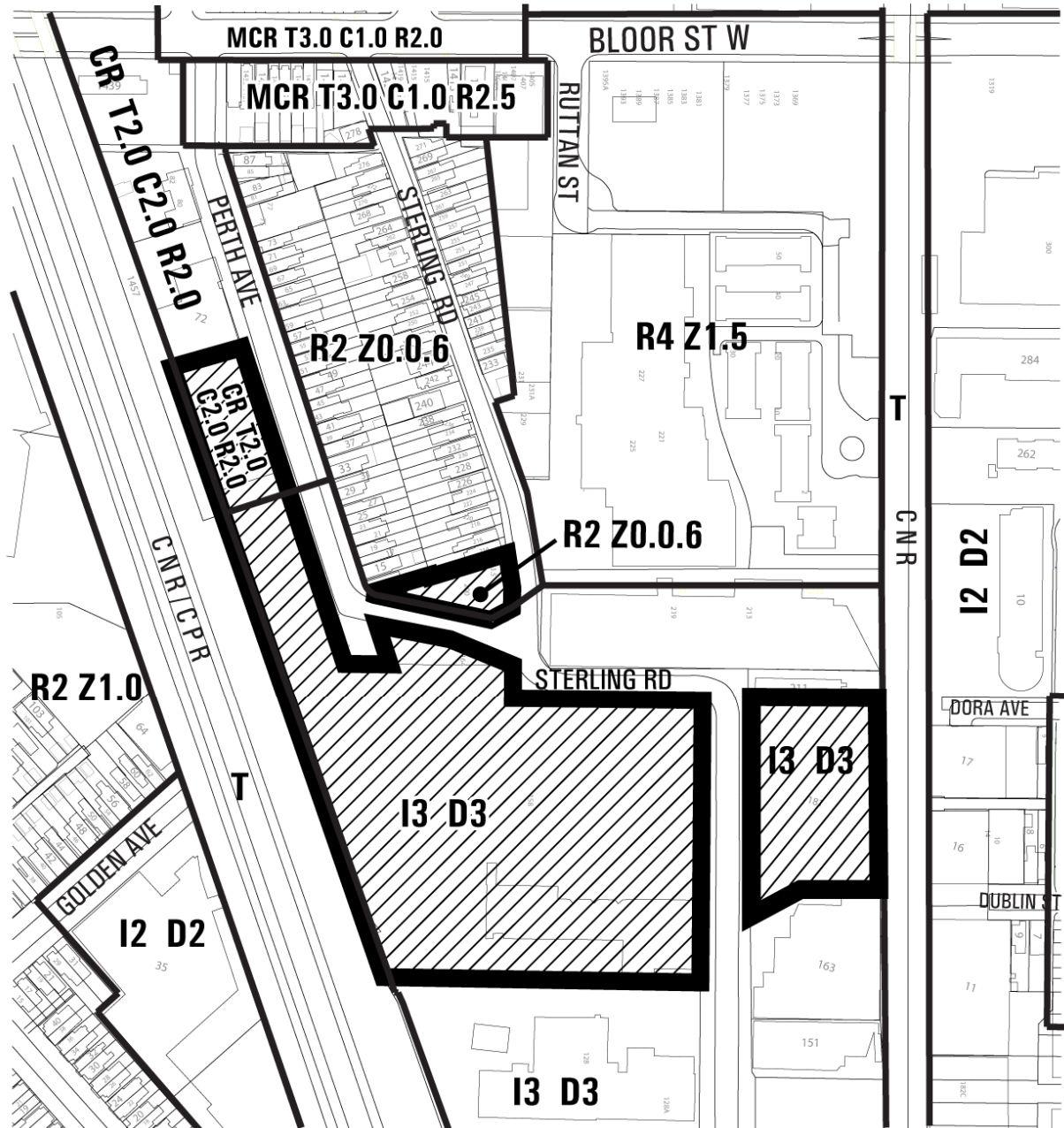
158 Sterling Road

File # 11_228729



↑
Not to Scale
10/31/2011

Attachment 5: Zoning



Zoning City of Toronto By-law 438-86

158 Sterling Road

File # 11_228729_02

R2 Residential District
R4 Residential District
MCR Mixed Use District

CR Mixed Use District
I3 Industrial District
T Industrial District



Not to Scale
Zoning By-law 438-86 as amended
Extracted 10/31/2011

Attachment 6: Application Data Sheet

Application Type	Official Plan Amendment & Rezoning	Application Number:	11 228729 STE 18 OZ
Details	OPA & Rezoning, Standard	Application Date:	June 28, 2011
Municipal Address:	158, 164, 181, 200 STERLING RD		
Location Description:	PLAN M44 LOTS 45 TO 53 PLAN 1261 BLK F PLAN 1260 PT BLK E PT LOTS 22, 24, 25 & 44 **GRID S1804		
Project Description:	OPA and Rezoning application for mixed use lot. OPA (site specific) application for entire site to create new mixed use development with mix of employment and residential uses. Multiple blocks associated with site. Rezoning application for - Block 1B (extend MCR Zoning from Block 1A) and Block 3 (existing Heritage tower automotive building) Refer to draft amendments included in application.		

Applicant:	Agent:	Architect:	Owner:
Urban Strategies		Page + Steele	Castlepoint Studio Partners Limited

Planning Controls

Official Plan Designation:	Employment Areas, Mixed Use and Neighbourhoods	Site Specific Provision:	N
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Zoning:	I3 D3, CR T2.0 C2.0 R2.0 and R2 Z0.6	Historical Status:	Designated Building on site
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Height Limit (m):	23, 12 and 10	Site Plan Control Area:	Y
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Project Information

Site Area (sq. m):	31,459	Height:	Storeys:	Up to 17
Frontage (m):	0		Metres:	Up to 61
Depth (m):	0			
Total Ground Floor Area (sq. m):	17,410			Total
Total Residential GFA (sq. m):	56,353		Parking Spaces:	1,692
Total Non-Residential GFA (sq. m):	61,753		Loading Docks	3
Total GFA (sq. m):	118,106			
Lot Coverage Ratio (%):				
Floor Space Index:	3.9			

Dwelling Units

Floor Area Breakdown (upon project completion)

Tenure Type:	Condo, Freehold, Live/Work		Above Grade	Below Grade
Rooms:	0	Residential GFA (sq. m):	56,353	0
Bachelor:	0	Retail GFA (sq. m):	61,753	0
1 Bedroom:	0	Office GFA (sq. m):	0	0
2 Bedroom:	0	Industrial GFA (sq. m):	0	0
3 + Bedroom:	0	Institutional/Other GFA (sq. m):	0	0
Total Units:	717			