



STAFF REPORT ACTION REQUIRED

Official Plan and Municipal Comprehensive Reviews: Amendments to the Official Plan for Economic Health and Employment Lands Policies and Designations and Recommendations on Conversion Requests

Date:	November 5, 2013
To:	Planning and Growth Management Committee
From:	Chief Planner and Executive Director, City Planning Division
Wards:	All
Reference Number:	P:\2013\Cluster B\PLN\PGMC\PG13084

SUMMARY

After extensive public consultation, this report presents a proposed Official Plan amendment that includes new Official Plan policies, land use designations and mapping pertaining to the City's economic health and employment lands.

This report to be considered at a Special Public Meeting under Section 26 of the Planning Act contains final recommendations regarding the Official Plan /Municipal Comprehensive Reviews of Toronto's Employment Lands.

The key elements of the recommended Official Plan amendment is to maintain and grow a strong and diverse economy by:

- a) Stimulating the growth of new office space and maintaining current concentrations of office space near rapid transit;
- b) Preserving the majority of the City's *Employment Areas* for business and economic activities; and
- c) Accommodating the growth of the retail and institutional sectors to serve the needs of a growing population.

The analysis of the housing capacity has concluded that the City is on track to meet the Growth Plan forecasts for population, and that the City has more than sufficient housing capacity to accommodate the forecasted growth to 2031.

Lands within *Employment Areas* may be converted and designated for non-employment uses only during a Municipal Comprehensive Review. The City has received approximately 125 requests/applications to convert lands designated as *Employment Areas* for non-employment uses. The final recommendations on conversion requests/applications received prior to May 31, 2013 forms part of this report and are appended as Attachment 2. One-third of the sites subject to conversion requests/applications are proposed to permit non-employment uses. These sites comprise only 15 per cent of the total land area subject to conversion requests/applications.

Approval of the recommendations in this report would preserve 97 per cent of Toronto's *Employment Areas* for current and future business and economic activities to grow and provide jobs within the City.

RECOMMENDATIONS

The City Planning Division recommends that Council:

1. Amend the Official Plan substantially in accordance with the proposed Official Plan Amendment appended as Attachment No. 1.
2. Authorize the City Solicitor to make such stylistic and technical changes to the proposed Official Plan Amendment as may be required.
3. Declare by resolution to the Minister of Municipal Affairs and Housing that this Official Plan Amendment:
 - a. conforms with Provincial Plans or does not conflict with them;
 - b. has regard to the matters of Provincial Interest listed in Section 2 of the Planning Act; and
 - c. is consistent with policy statements issued under subsection 3.1 of the Planning Act.
4. Adopt the recommendations pertaining to the conversion requests.

Financial Impact

There are no financial impacts resulting from the adoption of this report.

DECISION HISTORY

At its meeting of October 2, 3, and 4, 2012 Council endorsed key policy directions as the basis of public consultation on the Official Plan Review of employment policies arising from the work of Staff and a consultant's report entitled, 'Sustainable Competitive Advantage and Prosperity – Planning for Employment Uses in the City of Toronto.'

The key policy directions include:

- promoting new office space in the *Downtown, Centres* and areas with higher order transit;
- Integrating land use policy for offices with transit provision and economic development initiatives;
- Preserving the core of *Employment Areas* for industrial uses;
- Designating areas within the *Employment Areas* to provide for retail commercial uses and services;
- Identify 'Business Parks' where there are concentrations of offices in existing *Employment Areas* and provide for their amenitization.
- Consider policies to require the mixing of residential and non-residential uses in Mixed Use Areas and Regeneration Areas including mechanisms for implementing requirements such as the use of conditional zoning or holding by-laws

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

At its' meeting of November 27, 28 and 29, 2012 Council considered a staff report that set out draft Official Plan policies for economic health and the employment lands and draft designations and mapping for *Employment Areas*. The report also provided preliminary assessments of 65 requests/applications to convert employment lands to non-employment uses. Council directed that the draft policies, designations and mapping be the basis of consultations, including open houses in each Community Council district and meetings with key stakeholders to obtain comments and feedback. Council directed that the preliminary assessments of conversion requests/applications be the basis of the requested public consultations, and requested the Chief Planner to conduct further analysis of 10 conversion request/application sites. The Chief Planner was also directed to consider the redesignation of the north side of Dupont Street from Davenport to Ossington Avenue to a *Regeneration Area*. In addition, the Chief Planner was requested to identify *Employment Areas* with the highest vacancy rates and the reasons for the vacancy.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.PG19.5>

At its' meeting of June 11, and 12, 2013 Council considered a report outlining the results of the public consultation that occurred over the winter of 2013 and staff proposals for the further refinement of the draft policies. Council endorsed the development of two rather than 3 *Employment Area* designations, directed staff to further investigate permitting non-residential sensitive uses in *Employment Areas*, and directed staff to refine the policy of net gain of non-residential space in residential developments in the *Downtown, Centres* and within walking distance of rapid transit stations to office buildings. In addition, Council directed staff to consider and integrate into the policies the recommendations of the Province. Finally, Council requested the Chief Planner to consider the Provincial Growth Plan policy directing major office growth to the *Downtown* and four *Centres* and how this policy could be implemented.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.PG24.6>

At its' meeting of June 11 and 12, 2013 Council considered a report containing preliminary assessments for a further 35 requests/applications to convert employment lands to non-employment purposes and requested the Chief Planner to conduct additional analysis of 7 of the conversion request/application sites. In addition, Council also requested the Chief Planner to develop and implement a terms of reference for a land use and redevelopment plan for the lands at 28 Bathurst Street, 2 Tecumseth Street, 677, and 701 Wellington Street. Council directed the Chief Planner to prepare final recommendations on all requests/applications for the conversion of employment lands received prior to May 31, 2013 to the statutory special public meeting at Planning and Growth Management Committee.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.PG24.5>

At its' meeting of July 16, 17, 2013 Council considered a report containing preliminary assessments for a further 11 requests for the conversion of employment lands for residential purposes. Council requested that staff undertake additional analysis of two sites with conversion requests/applications.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.PG25.6>

At its' meeting of October 8, 9, 2013, Council considered a report containing revised proposals for Official Plan policies for the economic health of the City, and the designations and mapping of Toronto's employment lands. Council directed the Chief Planner to submit a Final Recommendations Report with a proposed Official Plan Amendment containing revised economic health and employment policies and revised designations and mapping for lands designated as *Employment Areas* to a statutory Special Public Meeting of the Planning and Growth Management Committee in November, 2013.

<http://app.toronto.ca/tmmis/view/AgendaItemHistory.do?item=2013.PG26>.

BACKGROUND

'Diversity our Strength': Toronto's Economy

At the outset of the Official Plan employment lands review, staff observed that Toronto's economy is strong and continued to grow by 3 per cent, or over 39,000 jobs per annum between 2006 and 2011, despite the economic recession in 2008. The diversity of Toronto's economic base is a key factor of that economic resilience in the face of downturns in individual sectors. The economic health of the City is just as evident a year later,(apart from persistent youth unemployment), as shown by:

- a further net increase of over 14,000 jobs in 2012;
- a robust development application pipeline for both employment and residential development;
- \$3.6 billion dollars of building permits issued in the first 6 months of 2012, higher than all 905 municipalities combined;
- 151 high-rise buildings under construction, more than any other North American city;

- a citywide office vacancy rate of 5 per cent, half of the 905 rate; and continued high rankings in almost every international survey of economic competitiveness, liveability and attractiveness for investment.

Provincial Policy Framework

In 2007, the *Planning Act* was amended to require a mandatory update of the Official Plan at least every 5 years. The mandatory Official Plan update requires municipalities to revise their official plan, if it contains policies dealing with areas of employment, to ensure that the policies are confirmed or amended. The 2005 Provincial Policy Statement (PPS) and the 2006 Provincial Growth Plan, allow municipalities to permit the conversion of lands within 'employment areas' only through a municipal comprehensive review where Growth Plan and PPS criteria are met.

The Official Plan Employment update is being conducted in conjunction with a Municipal Comprehensive Review. One hundred and twenty-five requests or applications to convert employment lands had been received by October 16, 2013. The final recommendations for the requests/applications to convert employment lands received prior to May 31, 2013 are found in Attachment 2.

COMMENTS

Toronto is on Course to Meet Growth Plan Employment and Population Forecasts

Growth Plan Employment Forecast

The Growth Plan employment forecast contained in Amendment 2 to the Growth Plan is lower than the 1.835 million job target the Province placed in the City's Official Plan in 2003. At the commencement of the Official Plan Review the Provincial Growth Plan forecast 1.64 million jobs in Toronto by 2031. Census data in 2006, the year the Official Plan came into force, demonstrated that Toronto had approximately 1.47 million jobs and would need to add approximately 6,800 new jobs each year between 2006 and 2031 to meet the Growth Plan forecast of 1.64 million jobs. In the five year interval between 2006 and 2011 an average of 10,720 jobs were added each year. The annual growth in employment between 2006 and 2011 exceeds the forecasts supporting the Growth Plan to 2031 and 2041. The City is on course to meet the Employment forecast of the Growth Plan.

Growth Plan Population Forecast

The Growth Plan forecasts of 2006 anticipated population growth of 320,000 over the 20 years between 2011 and 2031, an average of 16,000 per year. The Growth Plan as amended in 2013 forecasts a 2041 population of 3,400,000, an average growth of 21,600 per year after 2011. In 2006, the City's estimated population including undercoverage was 2,610,578, plus or minus 14,000, and in the next five years the City's population increased by 142,550 people or an average of 28,510 persons per year. Toronto is well

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on its way to reaching the 2031 population forecast in the Growth Plan, and is also on track to achieve the 2041 population forecast.

Creating a Strong and Diverse Civic Economy

The Official Plan Economic Health policies focus primarily on the preservation of employment lands and accommodating a diverse retail sector. The proposed Official Plan policies take a broader multifaceted approach to maintaining a diverse and healthy economic base by:

- promoting office growth on rapid transit;
- retaining *Employment Areas*;
- providing appropriate locations for the retail and institutional uses as they expand to serve a growing population; and
- promoting the cultural sector as an important element of our economy.

A snapshot of Toronto's employment base in 2011 reveals that almost 48 per cent of jobs were office jobs while the remaining employment is evenly spread between the manufacturing, retail, service, and institutional sectors. While manufacturing and retail employment have marginally declined since the Official Plan came into effect in 2006, increases in the office, institutional and service sectors resulted in overall job growth. Maintaining a diverse economic base is important to maintaining steady incremental growth in the economy, even when an individual sectors experience decline. It is also crucial to maintaining a healthy tax base.

The proposed Official Plan policies promote a balanced growth of jobs and housing across the City so Torontonians can both live and work in the City, and reduce the need for long distance commuting and avoid congestion on the City's roads. Between January 1, 2008 and December 31, 2012 the City received applications for 148,242 residential units with a total of 12,043,166 square metres of residential gfa and non-residential projects with 4,249,835 square metres of gross floor area. Although the floor space for residential projects was almost 3 times greater than that of non-residential development applications, there was substantial growth in both. Maintaining sites for employment uses in *Employment Areas* and near rapid transit in the *Downtown, Centres*, and other *Mixed Use Areas* and *Regeneration Areas* throughout the City is vital to achieving a balance of jobs and housing in Toronto in the coming decades.

Promoting Office Development on Rapid Transit

A recent study by the Canadian Urban Institute and the Centre for Spatial Research noted that another half million office jobs, and an additional 100 million square feet of office space to house these jobs can be expected in the GTA in the next thirty years. To avoid exacerbating the existing road congestion in the GTA, and to make the best use of investments in transit infrastructure it is important to direct much of this office space to locations with rapid transit.

Staff have reviewed empirical analyses of transit generation in the Greater Toronto Area, Minneapolis-St. Paul and New York City by different researchers that independently concluded that employment density at the place of work influenced transit ridership more than residential density. Some studies show that a fixed square footage of office employment space will generate twice as much ridership as the same amount of residential floor space.

The policies propose that new office development be promoted in *Mixed Use Areas* and *Regeneration Areas* in the *Downtown and Central Waterfront, Centres*, and all other *Mixed Use Areas, Regeneration Areas* and *Employment Areas* within walking distance, measured as 500 metres, from an approved and funded subway, light rapid transit or GO station. This is important when considering *Employment Areas* that are existing business/office parks on rapid transit such as the *Employment Areas* in the interior of Consumers Road, at Don Mills Road north of Eglinton Avenue East and at Liberty Village Area 3. These key existing office nodes on existing and proposed rapid transit, contain clusters of conversion requests/applications for conversion to residential uses. Given the limited tools the City possesses to ensure the continuation of office uses and its growth should residential uses be permitted, it is essential to retain these areas as important future nodes for office growth.

The policy also proposes that Secondary Plans and Site and Area Specific Policies may establish policies providing for minimum standards for commercial development within 500 metres of an existing, approved and/or funded subway, light rapid transit or GO station.

Currently, the City has an overall office vacancy rate of 5 per cent demonstrating the existence of a market for additional office space. For the first time in decades office construction in the City has outpaced growth in the rest of the region. Since 2009, 4.7 million square feet of office space has been built in the City relative to 3.9 million square feet in the 905. The vast majority of this new office space is Class A space in the Financial District of the Downtown. An additional proposed policy, which also implements the Provincial Growth Plan, directs major office growth, defined as freestanding office buildings with 10,000 square metres or more of gross floor area, or the capacity for 500 jobs or more, to the *Regeneration Areas, Mixed Use Areas* and *Employment Areas* in the *Downtown, Centres* and within 500 metres of an existing, funded or approved subway, light rapid transit, or GO station.

Given the importance of office buildings as transit ridership generators that can make the best return on infrastructure investment, the proposed policies require that the planning of new rapid transit consider the location of established and potential new office concentrations.

Maintaining Existing Office Space on Rapid Transit through Redevelopment

The office market in Toronto is a segmented, non-monolithic, entity. Over the past decade between 750,000 and 800,000 square feet a year on average has been constructed

in Toronto, comprised mostly of Class A space in the Financial District and environs. At the same time an average of 300,000 square feet of office space has been demolished--- most of it affordable Class 'C' space that is home to, and the incubator for, cultural industries, information technology and new media, design and other professional firms. Class 'C' space is in high demand and is estimated to have a vacancy rate of less than 3 per cent, well below the City average of 5 per cent. Much of the demolished Class 'C' space has made way for new residential condominium towers. There is a need to maintain a full spectrum of office space in Toronto for a full spectrum of office uses.

Staff propose the addition of a policy that requires that when residential development takes place on a site with an existing office building in a transit-rich area, the new development provide a net gain of office space in addition to the residential component. This policy would apply to properties within 1000 square metres or more of existing office space in a *Mixed Use Area* or *Regeneration Area* within the *Downtown and Central Waterfront*, a *Centre*, or 500 metres of an existing or approved and funded subway, light rapid transit or GO train station. Where site conditions and context do not permit both the residential development and an increase of office gross floor area on the site, the required office space may be constructed on a second site, prior to or concurrent with the residential development. However, the second site must also be within the *Downtown*, the same *Centre*, or within 500 metres of the same rapid transit station.

Currently there are approximately 800 buildings with over 1000 square metres of existing office space in the City. Almost half of these are larger office buildings with over 5000 square metres of non-residential gross floor area which would be unlikely candidates for demolition. This policy would provide for the intensification of sites on rapid transit for both office and residential uses in areas where the Official Plan already permits residential uses, but not *Employment Areas*.

Creating Conditions for Office Development

Achieving office growth in Toronto is partly contingent upon creating the right conditions for new office development including the creation of incentives available to build office space, and having a supply of development-ready sites to shorten approval timelines.

Proposed Policy 4 in Section 3.5 of the Amendment provides that incentives and the priority processing of development applications will target key economic clusters and new office buildings, office space in mixed use buildings and industries. The City is currently implementing this policy by providing property tax relief in the form of a Tax Increment Equivalent Grant (TIEG) through the City's Imagination, Manufacturing, Innovation and Technology (IMIT) programme. Another municipal initiative to reduce the property tax differential with other GTA municipalities is the relative reduction of commercial taxes including for offices. Other actions by the City such as the Gold Star program provide opportunities to facilitate the development of office and industrial buildings. Consultants retained by the City are examining other potential incentives that

could deliver more office space on transit in Toronto and remove obstacles to its construction.

Amenitizing Existing Office/Business Parks

Office jobs comprise the great majority of employment in five *Employment Areas*. This includes the western portion of Liberty Village, and the four 'Business Parks' along the Don Valley Corridor: Don Mills, Lesmill, Consumers Road and Woodbine/Steeles. Liberty Village was originally a manufacturing node where the buildings have been converted to office and studio uses while the Business Parks along the Don Valley were originally constructed with concentrations of office. Since 2006, employment has increased in the Liberty Village, Lesmill and Consumers Road employment areas, but has decreased in both Don Mills and Woodbine Steeles. As there is still an industrial presence in the Don Mills, Lesmill and Woodbine Steeles business parks, staff are not proposing a separate 'office park' Employment Area designation. The Business Parks and Liberty Village Area 3 are designated as *Core Employment Areas* and *General Employment Areas* with Site and Area specific policies that address specific circumstances.

Site and Area Specific Policy 394 is proposed to apply to the Lesmill, Don Mills and Woodbine/Steeles business parks to amenitize the area by providing for restaurants, recreation and entertainment facilities and small and medium scale retail stores and services in the lower levels of multi-storey office buildings. This policy is intended to make these areas more attractive to office workers and firms by providing places to shop, work out, eat and relax at lunch and before and after work. Another Site and Area Specific Policy 386 is proposed for Consumers Road to provide the same amenities. In addition, this policy provides for a study to develop a framework for residential redevelopment to occur on Sheppard Avenue East and Victoria Park near a potential LRT station. The study will establish a streets and blocks plan, densities that would permit intensification and secondary uses to support the development of offices. The policy will also provide for office intensification on the many underutilized parking lots in the interior of the Consumers Road Business Park. Staff are targeting 2014 for the commencement of this study.

A new site and area specific Policy for Area 3 of Liberty Village provides for the same additional amenities for the lower floors of multi-storey office buildings on key 'spine streets' and promotes streetscape and transportation improvements in the area.

Revitalizing the Consumers Road Office Park

Consumers Road Business Park differs from the other business parks along the Don Valley as there is large-scale residential development along the Sheppard Avenue frontage, no manufacturing, and large areas of surface parking lots for redevelopment and intensification. This *Employment Area* is located by a subway station and two planned and funded LRT stops on Sheppard Avenue East at Consumers Road and Victoria Park Avenue.

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The lands on the south side of Sheppard Avenue East between Yorkland Road and Victoria Park Avenue and on the west side of Victoria Park Avenue from Sheppard Avenue East south to Consumers Road are proposed to be designated *Mixed Use Areas*. Development in this area, including the four conversion request sites, would be required to increase the employment floor space. The remainder of the Consumers Road Business Park is proposed to remain as an *Employment Area* for office uses, with permissions for restaurants, recreation and entertainment uses, and small and medium retail stores on the lower floors of multi-storey office buildings. The two residential conversion requests in the interior of Consumers Road Business Park are not recommended for approval and are proposed to be retained as *Employment Areas*. This is in keeping with the overall proposed policies of promoting offices near rapid transit and retaining existing office parks near rapid transit, while recognizing the establishment of residential uses on the edge.

Maintaining Clusters of Cultural Enterprises

Toronto's cultural sector is a vital element of Toronto's economy and identity. 'From the Ground Up', a report prepared for the City, estimated that there are approximately 83,000 workers in the cultural sector that represent about 6 per cent of the City's total workforce. The cultural sector generates approximately 9 billion dollars of Toronto's Gross Domestic Product and acts as a magnet making the City more attractive to workers and residents spurring both residential and employment growth where cultural activities cluster. 'From the Ground Up' revealed that cultural workers are tightly clustered around the King Spadina and King Parliament Secondary Plan Areas, and Liberty Village Area 3 of the Garrison Common North Secondary Plan Area.

Section 3.5.2 of the Official Plan, 'Creating Cultural Capital', currently promotes the concentration of cultural activities to create art districts and corridors. The proposed amendment adds a new policy providing for maintenance and expansion of the stock of non-residential floor space in King-Spadina, King-Parliament and Liberty Village to encourage the continued growth of cultural industries.

Accommodating Major Institutional Growth

Toronto's institutional sector has been growing rapidly, adding 43,000 jobs between 2001 and 2011. As the City's population grows there will be increased demand for universities colleges and hospitals to serve a growing and ageing population. New policies are proposed to be added to the existing institutional policy in Section 3.5.1 to support:

- Retaining current institutional lands for future expansion;
- Promoting campuses with a high quality of public realm that have good physical and visual links to adjacent areas of the City
- Connecting major institutions to the network of bicycle routes
- Establishing new universities, colleges and hospitals in locations with access to rapid transit and improving transit services, including rapid transit, to those not currently served by rapid transit.

Integrating Rapid Transit Stations into Development

The Official Plan seeks to focus growth in areas where good transit is available. A new Policy 5 is proposed to be added to Section 2.4 of the Plan which would require subway and underground light rapid transit stations to be integrated into multi-storey developments wherever technically feasible. Where these stations are immediately abutting a rail corridor or there are geotechnical stability issues this requirement would not be applied.

The Future of Retailing

Almost a quarter of jobs in the City are in the retail or service sectors. The amount of retail floor space will continue to grow in the coming decades to keep up with the demands of a growing population. The Official Plan provides for retail space in a variety of forms and scales. The nature of retailing in the City has evolved over the decades and will continue to evolve to respond to changing markets, technology and land values. The policies proposed for Section 3.5.3 of the Plan, contained in the proposed Amendment, accommodate change but influence form. The new policies emphasize a high quality public realm, retail at grade in key pedestrian areas, and designing large retail sites that have connections that work well for both drivers and pedestrians.

In addition, a new Policy 6 in Section 3.5.3 has been proposed to address the impact that the loss of retail space may have on local residents when redevelopment of a parcel of land with retail space occurs. This is a reframing of Official Plan Amendment 94 that was enacted by Council in 2010. The effect of that amendment was to list considerations to be used to determine whether any or how much retail space should continue to be provided when a lot in a *Mixed Use Area* with existing retail space is redeveloped. The amendment was appealed to the Ontario Municipal Board. Following the commencement of the Official Plan Review, staff and the appellants requested the adjournment of the matter, on the understanding the policies would be considered as part of the Review.

The revised policies would apply to parcels with retail uses being redeveloped in *Mixed Use Areas*, and also to plazas in *Neighbourhoods* and *Apartment Neighbourhoods*. The policy does not require the replacement of the retail space but will be used to determine how much retail space should be retained in the new development to serve the community or conversely why no retail replacement is required. The policy requires that the City and developer take the following into consideration:

- The availability of other retail to meet the convenience needs of the local community;
- Retaining options for walking to convenience shopping;
- The importance of retaining ground floor retail for the amenity and continuity of pedestrian shopping strips; and
- The feasibility of providing the retail space in addition to the space for other uses needed to make the development viable.

The Importance of Employment Areas

Toronto's *Employment Areas* are healthy, geographically finite and critically important to the economic health of the City. They contain approximately 30 per cent of all jobs in the City and 40 per cent of the export-oriented wealth-creating jobs. The *Employment Areas* contain 90 per cent of manufacturing and warehousing jobs and are the only place where these businesses are both permitted and can be separated from sensitive uses in a stable operating environment. The City still maintains a third of industrial jobs in the GTA-which is the third largest industrial complex in North America. *Employment Areas* contribute 27 per cent of the City's non-residential assessment and support an array of municipal services.

Employment Areas are located throughout Toronto providing an employment base across the City rather than just in the Downtown, spreading out work destinations and commuting directions and lessening overall road congestion. Many workers in *Employment Areas* live in nearby residential neighbourhoods providing the opportunity for shorter commutes by transit, walking or cycling. On a broader geographic scale, preserving our *Employment Areas* supports a citywide balance between jobs and population so that many Torontonians can both live and work in the City and avoid longer commutes in their cars to destinations across the Region.

Employment Areas are a Finite Resource to be Conserved

Toronto has approximately 8300 net hectares of *Employment Areas*. There are no greenfields to annex and, given land values, it is unlikely that residentially designated lands will be converted to employment uses. The preservation of this limited land area is essential to provide for a diverse local economy and future jobs for future generations.

There is approximately 686 ha. of vacant land in *Employment Areas*. Upon closer examination, much of the vacant land is in large parcels that have been purchased for specific uses such as the former Kodak lands at Eglinton Avenue and Black Creek Rd. This land was purchased by Metrolinx for the Eglinton LRT storage and maintenance yard. Other vacant parcels in areas like Tapscott are only now being serviced and occupied by new industry. It is estimated that without accounting for current conversion requests, we will run out of available land in our *Employment Areas* between 2031 and 2041 for the permitted business functions and after full build-out, new business development will require the redevelopment of currently occupied lands. This report recommends that:

- Most of the employment lands that are subject to requests/applications for conversion to residential purposes be retained as *Employment Areas*;
- *Employment Areas* be more fully reserved for business and economic activities and not permit sensitive non-residential uses such as places of worship and entertainment and recreation uses; and
- The Official Plan encourages a more intensive use of land in *Employment Areas* for business and economic activities.

- Where lands are removed from an *Employment Area* designation to permit residential uses, in most instances development is also required to result in a net gain of employment space.

The proposed policies in Section 2.2.4 of the attached Amendment provide that *Employment Areas* be used exclusively for business and economic activities in order to:

- Retain sufficient lands for future needs for industrial functions such as manufacturing and warehousing;
- Provide a stable operating environment for businesses by preventing the intrusion of sensitive uses;
- Maintain the City's diverse economic base and a broad range of job opportunities;
- Provide for office growth in the Business Parks, particularly near rapid transit;
- Support employment growth across the City;
- Maintain and grow the City's tax base; and
- Maintain the affordability and market attractiveness of *Employment Areas* for employment uses.

Changes to Map 2 Urban Structure

The existing Official Plan distinguishes between the larger consolidated *Employment Districts* and other *Employment Areas* not shown on Map 2, Urban Structure. This differentiation is not recommended to be carried forward.

The Provincial Policy Statement and Growth Plan define 'Employment Areas' as 'areas designated in an Official Plan for clusters of businesses and economic activities including, but not limited to, manufacturing, warehousing, offices and associated retail and ancillary facilities'. This definition would describe all lands within *Employment Areas* in the Official Plan, regardless of whether the lands were located in or outside of an *Employment District*. This differentiation has contributed to confusion in applying the Provincial policy framework to Toronto's employment lands.

In 2011 lands in *Employment Areas* outside of *Employment Districts* contained over 32,000 jobs including 10,000 manufacturing jobs. These lands are important to the City's economic base and should be subject to the same policy framework as other employment lands.

A second proposed change to Map 2, Urban Structure is to remove the *Avenues* overlay from lands designated as *Employment Areas*. In the Official Plan lands designated as *Employment Areas* are in some instances included in longer *Avenue* segments on Map 2, with the intent that these lands would be redeveloped and intensified for employment purposes. While some Ontario Municipal Board panels accepted this intent, a complex Ontario Municipal Board decision in 2009 took the view that despite the *Employment Area* designation, the presence of an *Avenue* overlay was sufficient to allow the residential development of the lands. This has resulted in a misinterpretation of Council's original intent and led to assertions that residential uses are permitted in employment areas where there is an *Avenue* overlay. The proposed Amendment

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maintains that *Employment Areas* are to be intensified for employment uses. The *Avenue* overlay on Map 2 is proposed to be removed from all lands that are proposed to be designated as *Employment Areas*.

Employment lands in the vicinity of major transportation infrastructure such as highway interchanges, rail yards and airports are particularly valuable for businesses that rely upon them for the movement of goods. Policy 2.2.6.9 of the Growth Plan recognizes this and encourages municipalities to designate and preserve lands in the vicinity of this major transportation infrastructure for manufacturing, warehousing and associated retail, office and ancillary facilities where appropriate. A proposed policy 2.2.4.6 provides that *Employment Areas* in the vicinity of such existing major transportation infrastructure be designated and preserved for employment uses that rely upon the transportation infrastructure for the movement of goods. Businesses profit from the prominence and visibility of sites along major highways as well as the highway access for goods movement. Residential dwellings do not require prominent visible sites and, according to noise studies prepared as background to this report would require extensive mitigation to deal with the noise and vibration from adjacent highways. Existing employment lands along major highways should be preserved as signature business sites in order to benefit from the visibility and access, rather than converting them to residential uses that need to deal with adverse effects from highway traffic.

Buffering Industry and Sensitive Land Uses

Under the Environmental Protection Act, a resident, place of worship or school may lodge a complaint with the Ministry of the Environment that they are being adversely affected by the operations of an industry or city yard. Upon confirmation by the Ministry of the existence of an adverse noise, odour or other impact it is up to the industry or city yard to alter their operations to mitigate the impact. This may result in the addition of costly environmental facilities or barriers on-site or changes in hours of operations for the business or municipality.

Industries operate under Provincial Environmental Certificates which come up for renewal every five years. Should sensitive uses such as residences, schools or hospitals establish themselves near an industry, the operations of the industry could be affected, even if no specific complaints are received.

Section 3.4.21 of the Official Plan provides that major facilities such as airports, transportation/rail infrastructure, corridors and yards, waste management facilities and industries and sensitive land uses such as residences and educational and health facilities will be appropriately designed, buffered and/or separated from each other to prevent adverse effects from noise, vibration, odour and other contaminants and to promote safety. The policy states that the proponents of the development may be required to prepare studies in accordance with the existing guidelines, and will be responsible for implementing any required mitigative measures.

The policies of the Plan would not permit sensitive uses such as residences, places of worship, educational facilities and hospitals in *Employment Areas*, and setback and buffering are normally required when a sensitive use is permitted in proximity to a rail corridor. There are areas just outside of *Employment Areas* where the Official Plan and Zoning By-law would permit sensitive land uses. A new policy is proposed to be added to Section 2.2.4 to ensure that in areas where new residential and other sensitive land uses are permitted outside of, but adjacent or near to, *Employment Areas*, the sensitive land use will be designed, buffered and/or separated from impactful industries or city yards as necessary to prevent or mitigate adverse effects from noise, vibration, traffic, odour and other contaminants upon the occupants of the new development, and lessen complaints and their potential costs to businesses. The costs of studies and mitigation measures will be borne by the developer of the new residential or other sensitive land uses outside of, but adjacent or near to, the *Employment Area*.

Conversion and Removal Policies for *Employment Areas*

The Official Plan was adopted by Council and approved by the Minister before the Growth Plan established policies regarding the conversion of land within areas of employment to non-employment uses or the removal of land from areas of employment. It does not, therefore, contain policies that set out when the conversion of employment lands to non-employment uses may be considered and what criteria will be used in evaluating such requests. The *Planning Act* requires that an Official Plan Review, consider, confirm or amend policies that deal with the removal of land from areas of employment. Only municipalities that have policies in their Official Plan that deal with the removal of areas of employment can implement the Planning Act provisions that limit appeals to the Ontario Municipal Board when a Council fails to decide upon or refuses such an application between Official Plan updates as required under Section 26 of the Planning Act.

The Growth Plan states that municipalities may permit conversion of lands within employment areas only through a municipally initiated Municipal Comprehensive Review where it can be demonstrated that certain criteria are met. The proposed Plan policies implement the Provincial framework and provide that conversions are only permitted during a city-initiated Municipal Comprehensive Review that comprehensively applies the policies and schedules of the Growth Plan. When an application is submitted to the City to convert lands within an *Employment Area* outside of these city-initiated reviews, Council will only be able to consider the application if it directs that a Municipal Comprehensive Review be initiated.

For the sake of transparency and clarity, a proposed policy sets out the criteria to be used when assessing requests to convert lands within *Employment Areas* during future Municipal Comprehensive Reviews and Official Plan updates. These are the criteria employed by staff in the current review and include:

- Criteria set out in the Provincial Growth Plan and Provincial Policy Statement
- Implementation of the Official Plan policies and objectives for *Employment Areas*; and

- The Ministry of the Environment D Series Guidelines for compatibility between industry and sensitive uses.

In response to requests for clarity during the public consultations as to what constitutes a conversion of employment areas, the proposed Amendment defines what constitutes a conversion of land within an *Employment Area* or the removal of land from an *Employment Area*. These are defined as the redesignation of land from an *Employment Area* designation to any other designation, by way of an Official Plan Amendment or the introduction of a use that is not otherwise permitted in an *Employment Area*.

Existing Employment Areas with the Most Vacant Lands

In November 2012, Council requested the Chief Planner report on the *Employment Areas* with the highest vacancy rates and possible reasons for the vacancy in the context of this Review. Data on vacancy rates within buildings was available only on the basis of former municipalities' geography and not for individual employment districts or areas. Data from, 2011 was available for the amount of vacant lands for different *Employment Areas*. The three *Employment Areas* with the highest vacancy rates had large parcels of vacant land purchased and earmarked for specific purposes.

The Weston Road/Junction area had a vacancy rate of 52.9 per cent, the highest in the City. This is a small employment area and the majority of the vacant lands is comprised of the Kodak site, purchased by Metrolinx for the construction of a maintenance and servicing yard for the Eglinton Crosstown Light Rapid Transit vehicles.

The majority of the Airport Corporate Centre is in Mississauga, however 24.3 ha. of the employment node is located south of Eglinton Avenue in Toronto. Fully 37.9 per cent of the lands were vacant, which is the second highest among the City's employment areas. The reasons for this are that a major dairy manufacturer had recently relocated in 2011 and the western third of the area was vacant having been purchased by a place of worship which has not yet been constructed.

Milliken in Scarborough has the third highest vacancy rate, 24.6 per cent. One large area of vacant lands is in the landlocked area between Midland Avenue and Kennedy Road which is reliant on the construction of the Redlea Avenue extension to become fully accessible for development. Almost 20 per cent of vacant land in the area is comprised of the City-owned site at 2080 McNicoll Avenue which is to be utilized for future City services.

Official Plan Designations for *Employment Areas*

Over the course of the public consultations on the draft policies, there has been an evolution of the *Employment Area* designations. Through the public consultation process the number of *Employment Area* designations decreased from 3 to 2, and the permitted uses in both have been 'tightened' to more closely reflect the definitions of 'employment areas' in the Provincial policy framework by excluding sensitive non-residential uses.

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Employment Areas are defined in the proposed Official Plan Amendment as 'areas designated in this Plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities.' This definition mirrors the Provincial Acts, and applies to both the *Core Employment Area* and *General Employment Area* designations.

Core Employment Areas are reserved for business and economic activities such as offices, manufacturing, warehousing, transportation facilities, research and development facilities, utilities, media facilities, industrial trade schools and vertical agriculture. *Core Employment Areas* comprise approximately three-quarters of all *Employment Areas*. The term '*Core*' refers primarily to the function of the area, although a majority of lands designated *Core Employment* are located within the interior of *Employment Areas*.

Several changes have been made to the permitted uses in *Core Employment Areas* from the version discussed at the September 19, 2013 Open Houses. Ancillary workplace daycare, a sensitive use, has been deleted as a permitted use. The permission for 'post-secondary trade schools' has been altered to 'industrial trade schools' to better capture the intent of the permission. Branches of community colleges currently located in *Employment Areas* have functions that would qualify as 'industrial trade schools'. This would include among others the Centennial College School for Transportation, and the Automotive and Aircraft Technology training centre on Ashtonbee Road.

General Employment Areas, comprising approximately one-quarter per cent of proposed *Employment Areas* permit restaurants and all forms of retail uses, fitness centres and ice arenas in addition to the uses permitted in *Core Employment Areas*. With the exclusion of sensitive non-residential uses from *General Employment Areas*, there is less difference in terms of functionality with *Core Employment Areas*. The majority of *General Employment Areas* are found on the periphery of *Employment Areas* on major roads where retail, restaurants and fitness centres benefit from greater visibility and access, and can serve both *Employment Area* workers and the broader public without drawing the public into the heart of *Employment Areas*.

One further change has been made to the permitted uses in *General Employment Areas* from the version discussed at the September 19, 2013 Open House. Recreation and entertainment uses had been proposed to be permitted in *General Employment Areas* through the enactment of a zoning by-law amendment where an environmental study on the impact of the proposed facility reviewed the impact of on the functioning of industry in the vicinity and vice versa. The only recreation and entertainment uses now proposed to be permitted in *General Employment Areas* are fitness centres and ice arenas.

While all forms and scale of retail are proposed to be permitted in *General Employment Areas*, major retail developments can have a significant impact on local transportation, the health of nearby retail districts, residential areas and employment lands. For that reason, major retail developments with over 6,000 square metres of retail gross floor area would be permitted on lots that front onto and have access to arterial streets through the

enactment of a zoning by-law amendment where a number of criteria are met to the City's satisfaction. In keeping with the desire to make the best use of finite employment lands, one of these criteria is that major retail development include the provision of multi-storey buildings and that a majority of the parking spaces be provided below-grade or in parking structures rather than providing large expanses of surface parking. This provision would, at minimum require developers of major retail complexes to satisfy Council that there was a good reason why it was not reasonable or practicable to build a multi-storey building or structured parking.

The Issue of Sensitive Non-Residential Uses in *Employment Area*

The draft policies before Committee and Council in November 2012 were far more permissive than most major Ontario municipalities with respect to permission for sensitive non-residential uses in employment areas. Successive versions of the policies eliminated permissions for these non-residential sensitive uses within *Employment Areas*.

Given that the supply of lands in *Employment Areas* is finite and will have to serve future businesses providing jobs for an expanding population, the City's employment lands should be reserved for business activities and not private institutional or recreation uses that can locate in many other areas of the City. Permissions for these sensitive uses in *Employment Areas* may also impact the operations of industries and open the door to residential conversions outside of Official Plan reviews.

The Province expressed concern with permissions for sensitive non-residential uses such as places of worship, colleges and universities and entertainment and recreation facilities earlier proposed to be permitted in *Employment Areas*, citing their potential to compromise the suitability of surrounding land for employment uses that require separation and impact the limited land supply of employment lands. The best practice would be the prohibition of these sensitive uses in *Employment Areas*.

The Province has stated that by permitting sensitive non-residential uses in *Employment Areas*, the City may lose its ability under the *Planning Act* to limit appeals to the OMB of Council's failure to refuse an application to remove lands from *Employment Areas* in the absence of an Official Plan update or municipal comprehensive review. City staff are also of the opinion that permitting sensitive non-residential uses in *Employment Areas* may negatively impact the City's ability to protect lands from conversion outside of a Municipal Comprehensive Review.

a) Places of Worship

During the recession in the early 1990's, some of the municipalities within Metropolitan Toronto amended their Official Plans and Zoning By-laws to permit places of worship, schools and recreational uses in their employment districts. In 2002, Council adopted the Official Plan and prohibited schools in *Employment Areas* and limited places of worship to major roads within *Employment Areas*. The zoning by-laws permitting places of worship were still in force until recently and are only now replaced by the harmonized

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citywide zoning by-law. The outcome has been the proliferation of places of worship throughout the City's *Employment Areas*.

Between 2002 and 2012 the number of places of worship in *Employment Areas* almost doubled from 216 to 414. These places of worship are found throughout the *Employment Areas*, not just on major roads or the periphery. Almost three-quarters of the places of worship are located on lands proposed to be designated as *Core Employment Areas*, where most of the City's industry is located.

The Official Plan permits places of worship everywhere except for parks, utility corridors and parts of *Employment Areas* that are not on major roads. The version of the draft policies that were out for public consultation in the winter of 2012 provided for places of worship in *General Employment Areas* and *Retail Employment Areas*, comprising approximately 20 per cent of all *Employment Areas*. Council recommended in June, 2013 that staff investigate the issue of sensitive non-residential uses in *Employment Areas*. Staff research has found that many larger Ontario municipalities prohibit places of worship in all employment lands and others limit them to office parks with size limitations.

Eliminating the current Official Plan permission for places of worship on major roads in *Employment Areas* would still maintain broad locational options for new places of worship in the City. The Official Plan would permit places of worship in *Neighbourhoods*, *Apartment Neighbourhoods*, *Mixed Use Areas*, *Institutional Areas*, and *Regeneration Areas* which comprise about 80 per cent of Toronto, outside of parks and rail and hydro corridors where little or no development is permitted.

Places of worship are not included as a permitted use in *Employment Areas* in the proposed Amendment attached to this report:

- The City's finite supply of employment lands should be preserved for employment uses;
- Places of worship may affect the operations of existing and future industry in *Employment Areas* through complaints under the *Environmental Protection Act* or impacts upon the environmental certificates industries operate under.
- Their inclusion may affect the City's ability to protect employment lands from residential and other conversions outside of a Municipal Comprehensive Review;
- Their inclusion may affect the City's power to limit appeals to the OMB of Council decisions not to approve the redesignation of lands to non-employment uses;
- The Official Plan permits places of worship in all other Official Plan designations where development is permitted, offering a broad array of alternative opportunities.

Three conversion requests have been submitted to permit new places of worship in *Employment Areas*. For all of the aforementioned reasons the lands covered by two of these conversion requests have been retained as an *Employment Area*. In one instance, at 2781 Markham Road, a site and area specific policy is recommended to permit a place of

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worship as the congregation purchased the lot on a major road where the current Official Plan would permit a place of worship.

b) Entertainment and Recreation Uses

Entertainment and recreation uses have also proliferated in the City's *Employment Areas*. City staff conducted further analysis of the 2012 employment survey data and found that there were 321 entertainment and recreation uses in *Employment Areas*, with almost two-thirds of them located on lands proposed to be designated as *Core Employment Areas*. The current Official Plan permits these uses on major streets within *Employment Areas*, and the initial draft policies before Committee and Council in November 2012 would have permitted these uses in both *General Employment Areas* and *Retail Employment Areas*. The Province included recreation and entertainment uses as sensitive non-residential uses which, as best planning practice, should be prohibited from 'employment areas'.

Some of these uses, such as fitness centres, could arguably be seen as serving area workers for a lunchtime or after-work yoga or fitness class, as well as attracting a broader clientele. Others, such as toddler's playgrounds would attract children from a broader market area alone and bring children into industrial areas. Staff reviewed the Official Plans of other larger municipalities in Ontario and found no conclusive practice patterns except that many municipalities that otherwise did not permit recreation and entertainment facilities did permit fitness centres in their employment areas.

Because these uses varied so greatly in their nature and potential relationship with nearby industry, the proposed policies that were before the September 19, 2013 public open houses recommended that these potentially sensitive uses only be permitted in a *General Employment Area* by way of a zoning by-law amendment. Prior to the enactment of the zoning by-law amendment, a study would be submitted to the satisfaction of the City in consultation with the Province, that evaluated how such a use would be affected by industrial uses within 1,000 metres of the site and how the new entertainment or recreation use would affect industrial operations within 1,000 metres of the site.

Staff heard concerns from industries in the most recent consultations that permissions for sensitive non-residential uses in *Employment Areas*, and their proliferation there in recent years, ran counter to the objective of preserving employment lands for business purposes, and providing stability for business operations. Recreation and entertainment uses have many alternative locations throughout the City in *Mixed Use Areas* and *Regeneration Areas* where they would not affect employment lands and would have visibility and access to a broad market.

Staff have therefore not included entertainment and recreation uses as permitted uses in *General Employment Areas* with the exceptions of fitness centres and ice arenas. There were 102 fitness centres in *Employment Areas* in 2012, or almost a third of all entertainment and recreation uses in that land use designation. They provide a service to workers in the area providing workout facilities and classes before and after work and at

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lunchtime. They are adult-oriented because they generally restrict gym use to members who are over the sixteen years of age and their presence contributes to a healthy labour force and population.

There are eight ice arenas in the City's *Employment Areas*. Ice Arenas require a large lot to locate large ice surfaces, dressing rooms, spectator stands, a storage area for the zamboni, outdoor storage of waste ice/snow, and a sizeable parking lot. Most patrons drive to ice arenas rather than venture on public transit with hockey bags, and patron parking is required.

Requests for Change from *Core Employment Areas* to *General Employment Areas*

In the past year staff have received over two dozen requests from property owners to have their lands designated as a *Retail* or *General Employment Area* rather than a *Core Employment Area*. The basis for most of these requests has been to have a designation that provides for retail permissions. Staff reviewed these requests as to their suitability for retail uses, considering criteria such as:

- Whether the size, shape and access to the site lends itself to retail use;
- Whether the site was located on a major road to provide visibility and access for a retail use; and
- The current use of the site and surrounding uses.

Staff found that a number of the sites had existing retail uses or met the criteria and they are now proposed to be designated as *General Employment Areas*.

The Conversion of Employment Lands for Non-Employment Purposes

Outside of conversion requests received during the Municipal Comprehensive Review/Official Plan Update, there are other circumstances where lands are proposed to be redesignated from an *Employment Area* designation to another designation. These changes generally are described as housekeeping to reflect past changes in land use. Approximately 9 ha. of land are proposed to be redesignated from *Employment Area* to a *Parks and Open Space Area* designation to recognize existing parks and natural areas and existing rail and hydro corridors. In addition, staff found several sites designated as *Employment Areas* where residential uses were already constructed either through exception clauses approved by Council or the Ontario Municipal Board or residential permissions under Site and Area Specific Policy 154. These scattered sites are proposed to be redesignated, for the most part, to *Neighbourhoods*, to reflect the existing residential use.

In addition, there are areas where there are clusters of conversion requests/applications and a broader area is proposed to be designated as a *Regeneration Area* with a secondary plan or site and area specific policy to provide a development framework. Not every property in the area is subject to a conversion request/application, but they are part of the comprehensive redevelopment framework for the area. Each of these new *Regeneration Areas* will be discussed in greater detail later in this report.

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As of October 16, 2013 staff have received 125 requests/applications to convert *Employment Areas* to non-employment uses. Staff previously reported out to Planning and Growth Management Committee with preliminary assessments on 112 of these requests. Requests/applications on Dupont Street between Davenport Road and Ossington Avenue and requests/applications to establish places of worship were not reported out pending the finalization of the parent policy framework. At its' meeting of July 16, 17 and 18, 2013 Council directed the Chief Planner to prepare final recommendations on all requests/applications for conversions of employment lands received prior to May 31, 2013 including those not reported out to date. This provided a window for receipt of conversion requests two years after the commencement of Municipal Comprehensive Review and the receipt of the initial conversion requests. City Planning staff are still receiving requests/applications for the conversion of *Employment Areas* and may continue to receive them up until the November 21, 2013 statutory special public meeting.

The final recommendations for 116 conversion requests are included in Attachment 2 to this report. Conversion request sites that were received after May 31, 2013 which are not being reported out include: 2 Champagne Drive and 1107 Finch Ave. W., 1235-1255 Lawrence Avenue West/23 Benton Road, 5789-5951 Steeles Avenue East, 950 Dupont Street, 740 Dupont Street, 302-324 Horner Avenue and 6 Hyde Avenue.

Of the 125 conversion requests received to date, staff are recommending that 43 sites, or one-third be wholly or partially converted to designations that permit non-employment uses. Nineteen sites are recommended to be converted in their entirety, and 17 of those sites involve residential redevelopment. Another 12 sites are recommended to be partially converted, with a portion of the site remaining as an *Employment Area* as a buffer to either a rail corridor or employment uses. Another 12 conversion request sites are part of a larger area proposed to be designated as a *Regeneration Area*.

Review of the Requests/Applications to Convert Employment Areas

Staff from City Planning and Economic Development and Culture have been working closely over the past two years to consider and evaluate these requests/applications to convert employment lands for non-employment purposes. For each conversion request/application staff conducted research on the site and the surrounding area, the health and viability of the employment area, employment activities that might be affected by the introduction of a sensitive use or through the operations have an adverse effect on new residents or users of non-residential sensitive uses, and existing community and physical infrastructure, among other matters. Staff met with, or received input from, the Ministry of the Environment, the Ministry of Municipal Affairs and Housing, Railway companies, Metrolinx and from the Toronto Region Conservation Authority on sites that could be affected by these agencies mandates. Where a conversion request was near an industry that could affect new sensitive uses, or have their operations affected by the introduction of sensitive uses, staff endeavoured to visit these businesses and interview them to gain a better understanding of their operations. As per the request of Council, the Ministry of the Environment D-series guidelines were incorporated into this review.

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Staff commissioned Golder Associates to take noise readings for selected conversion request sites on major highways and rail corridors or near possible stationary industrial noise sources. The purpose of the study was to understand noise levels, the details of noise guidelines and measurements and whether, or what level of, mitigation would be required for the development of sensitive land uses.

i) Growth Plan Policies and Conversion Requests

Staff utilized the criteria for conversion that are set out in Section 2.2.6 of the Provincial Growth Plan, some parts of which are repeated in Section 1.3.2 of the Provincial Policy Statement.

Implementation of the Growth Plan policy to protect and preserve employment areas would result in the retention of most of the City's employment areas for business and economic activities. Providing for the maintenance of a diversified economic base, as required by the Growth Plan necessitates the creation and preservation of a stable operating environment in *Employment Areas* for uses such as manufacturing, warehousing, recycling and city yards which have very few alternative locations available to them. Approximately 90 per cent of manufacturing is located in *Employment Areas*.

Section 2.2.6.5 sets out six specific criteria for considering requests/applications to convert 'employment areas' for non-employment uses. The first of the Growth Plan criteria considered was whether there was a 'need' for the conversion. As noted there is no 'need' to convert any employment lands for residential purposes to house Toronto's growing population or to meet the Growth Plan population forecast for Toronto. Given the alternative opportunities for locating places of worship there is also no need to convert additional employment lands for that purpose. There are, however, sites where there is a need to convert an existing industrial site in order to mitigate existing land use incompatibilities. There are several isolated industrial sites with one impactful use such as a concrete batching plant or abattoir that abut or are adjacent to an existing residential neighbourhood. In order to relieve the existing conflict between uses, a conversion of the lands from employment for the site containing the impactful industry is recommended. Examples occur at the Teskey Concrete site on Murray Road or Quality Meats pig abattoir at 2 Tecumseth Street. Where there is a cluster of impactful industrial uses that would remain and conflict with any new residential development, this approach is not taken.

There are also isolated vacant parcels of land where there was formerly an impactful industrial use, surrounded by existing residential neighbourhoods. In these instances the conversion of the lands to a non-employment uses would address the issue of industrial uses creating adverse impacts upon the existing sensitive uses in the area. Examples of this include the conversion requests at 394 Symington Avenue and 362 Wallace Avenue where staff are recommending the conversion of the lands.

Another Growth Plan conversion criterion is demonstration that the lands are not required over the long-term for employment purposes. As noted Toronto's employment lands are

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bounded and finite and there is the need to protect all existing employment lands if one takes a long-term perspective. By 2041 our *Employment Areas* are projected to be totally occupied and additional job growth will be through redevelopment and intensification of the employment land base, just as redevelopment and intensification is the source of growth in housing today. It is therefore important to retain the vast majority of the City's employment lands for business and economic activities and to promote an intensified form of development therein.

Another Growth Plan conversion criterion is whether the municipality will meet the employment forecasts allocated to the municipality pursuant to the Growth Plan. As already noted, the City is on track to meet the Growth Plan employment forecast. Meeting the forecast may be contingent upon the success of the goals of the Official Plan such as promoting and incenting office growth and preserving *Employment Areas* for business and economic activities rather than converting large areas of employment lands for residential development.

A further conversion criterion is to demonstrate that cross-jurisdictional issues have been considered. Because Toronto is bordered and buffered on the east and west by river valleys and the south by the lake, only two conversion request sites front on to a road that is also a municipal boundary. The only such conversion request received prior to May 31, 2013 is for the lands at 2665 Steeles Avenue East. Extensive research was carried out on the land use framework in Markham north of the Steeles Avenue and with respect to the right-of-way and shared transportation issues. Staff are recommending that the site be part of a broader *Regeneration Area* to be studied further to develop a redevelopment framework for both employment and residential development potential.

Rail safety issues are cross-jurisdictional matters and final recommendations for conversion requests have been careful to keep lands within 30 metres of a rail corridor as an *Employment Area* or to provide for setback and buffering from the rail corridor wherever residential uses are to be permitted.

Another conversion criterion is whether there is existing or planned infrastructure to accommodate the proposed conversion. Input was obtained from other city divisions as to the availability of hard infrastructure such as sewers and water. In addition staff conducted research to determine the availability of parks and community services and facilities in the area in order to determine if approval of new residential development on lands designated as an *Employment Area* would have access to existing community infrastructure. This is assessed and reported out for each conversion request/application final recommendation.

The final S.2.2.6.5 Growth Plan conversion criterion reviewed requires the demonstration that the conversion will not adversely affect the overall viability of the 'employment area' and achievement of the intensification targets, density targets, and other policies of the Growth Plan. The density targets applies to the Downtown and four Centres and there are no '*Employment Areas*' in those areas except for the north side of Dupont Street between Davenport and Bathurst Streets which are the subject of a special study being

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reported out in this report. The intensification strategy of the Official Plan is to direct a mix of residential and employment growth to the *Downtown, Centres, Avenues* and employment growth to *Employment Areas*. Previous reports from City Planning demonstrate that the vast majority of intensification and growth in Toronto has been implementing this strategy since the Plan came into force in 2006.

A consideration of the review of conversion requests/conversions has been to assess the impact of the conversion request on the overall viability of the employment area. As noted previously in the report the introduction of a sensitive land use can impact the operations of businesses and economic activities in *Employment Areas* through complaints of adverse impacts under the *Environmental Protection Act* or through changes in the environmental certificates under which industries operate. Changes in operations through the addition of equipment or changes in mode or hours of operation can pose costs and obstacles to business operations. Where a conversion request would introduce a sensitive use adjacent to an impactful employment operation, the final recommendations for the conversion requests have consistently recommended retaining the request site as employment lands. Conversion requests/applications have been received affecting lands in the vicinity of private and public waste transfer yards, private recycling facilities, auto wreckers, concrete batching plants, asphalt recycling yards, City works and transportation yards, organic chemical manufacturing plants, rubber recycling and manufacturing plants and other heavy industrial uses. All are recommended to be retained as *Employment Areas*.

Where there is a broader healthy *Employment Area* with a variety of employment uses, even absent impactful business, lands with conversion requests/applications have been retained as *Employment Areas*, as conversions to residential or other sensitive uses could affect the daily business operations, interfere with truck traffic, and require noise or other mitigation measures. As land prices for residential use permissions are greater than those in employment areas, residential permissions may also increase the price of land and impact the affordability of lands for the establishment of new businesses, as well as increase MPAC tax assessments in the area of the conversion request. Conversions to residential uses could also act as a precedent for subsequent conversion requests in future Municipal Comprehensive Reviews or Official Plan updates which may further destabilize the operating environment for businesses.

The Growth Plan provides an additional criterion for considering requests/applications to convert *Employment Areas*. Municipalities are encouraged to designate and preserve lands in the vicinity of existing major highway interchanges, ports, rail yards and airports as areas for manufacturing warehousing and associated retail, office and ancillary facilities, where appropriate. A new policy is proposed as part of the proposed amendment to implement this Growth Plan policy.

In Toronto and the GTA most goods are moved by truck. Lands in the vicinity of existing highway interchanges are prime business locations because of their highway access. Businesses profit from visibility and prominence of sites along major highways. Residential dwellings do not need highway interchanges for frequent truck traffic, do not

profit from the visibility and prominence when viewed from the highway, and, according to a noise study prepared as background to this report would require extensive mitigation to deal with noise and vibration from the highway traffic. Residential conversion requests/applications close to or abutting the Gardiner Expressway/QEW and Highway 401 generally have been recommended to be retained as *Employment Areas*. One exception applies to a remnant parcel of land on Highway 401 near Kennedy Road which is adjacent to high-rise residential condominium development approved by the Ontario Municipal Board. The residential which is proposed to be permitted on the orphaned parcel is subject to environmental and noise studies and mitigation and maintenance of some employment uses.

Final recommendations applicable to any specific conversion request are accompanied by a comprehensive analysis using the foregoing Provincial criteria, in addition to implementation of the proposed Chapter 2 Policies for Employment Areas.

ii) Implementing the Official Plan Policies for Employment Lands

In addition to meeting the Growth Plan criteria, it is important that the final recommendations on conversion requests also are in keeping with recommended policies for *Employment Areas* in Chapter 2 of the Official Plan. In addition to the policies that mirror those of the Growth Plan, the City policies reflect additional reasons that *Employment Areas* will be preserved exclusively for business and economic activities, and conversions would be limited.

The City policies recognize that it is important that industry sector clusters exist and the opportunity for clustering should be maintained and essential linkages to supply chains, service providers, markets and labour pools are preserved. Where there are industry clusters such as the food sector in South Etobicoke, it needs to be considered whether conversions would impact the viability of that *Employment Area*.

The proposed policies in Section 2.2 also call for *Employment Areas* to be preserved in order to provide opportunities for new office buildings, particularly in office business parks along the Don Valley corridor and/or within walking distance to higher order transit. Conversion requests clustered in Lesmill, Don Mills/Eglinton and Liberty Village *Employment Areas* should be considered in a manner consistent with this policy.

The policies also call for the retention of *Employment Areas* in order to maintain the City's business tax base. Commercial and industrial uses contribute a disproportionate amount of the City's taxes relative to residential uses. Even the current program to lessen the gap between commercial/industrial and residential tax rates would result in commercial/industrial rates being 2.5 times the residential tax rate. *Employment Areas* need to maintain a stable business environment in order to support the City's infrastructure and services that residents benefit from.

The policies in Chapter 2 require consideration of whether new residents or institutional users on potential conversion sites would be adversely affected by industrial emissions

and contaminants, and whether there are appropriately designated lands available outside of *Employment Areas* for those sensitive uses. Staff have concluded that there is no shortage of sites for residential development in the city and there is no need to place residential and other sensitive uses in proximity to impactful industrial uses. Planning justifications submitted for some of the conversion requests/applications for residential uses in the vicinity of impactful heavy industry state that there is no conflict since emissions, apart from noise, have to be mitigated at the industrial source. These justifications fail to mention that the mitigation at the industrial source may involve costly new equipment or alterations in operation. Such costly alterations may make industrial subdivisions outside of the city attractive alternative locations for industrial operations that require a stable business environment.

Key Clusters of Conversion Requests

i) The Gardiner/Queen Elizabeth Way Corridor

Staff received 16 conversion requests/applications within the Gardiner Expressway/QEW corridor extending from the Humber River on the east to the City of Mississauga boundary on the west between Evans Avenue on the south and The Queensway on the north. This is a part of a healthy employment area and provides prime visible sites for businesses with highway access for goods movement.

In 2011, there were over 10,430 employees in 498 firms in the Gardiner/QEW corridor. Within the Gardiner/QEW corridor, both the number of firms and the number of employees has increased slightly between 2001 and 2011. This corridor forms part of the larger South Etobicoke *Employment Area* that had approximately 40,000 employees in 2011 and accounted for almost 12 per cent of the City's total industrial floor space inventory. Several of the conversion request/application sites are located close to the Ontario Food Terminal which is the largest wholesale produce distribution centre in Canada and the third largest in North America. The Ontario Food Terminal operates around the clock, generates a million vehicle visits a year and is vital to the agricultural sector.

The 16 conversion requests have a total area of approximately 31 hectares, (77 acres), of employment lands, and are located at almost every access or overpass to the Gardiner Expressway/QEW. Both the Growth Plan and the proposed policies call for the preservation of employment lands near major highway interchanges for employment purposes. These lands benefit from major highway access for goods movement and prominence and visibility from the highway. Adjacency or proximity to the highway may be an advantage for business, but the noise and vibration from highway traffic could pose problems for new residents.

The approval of these conversion requests would undermine the long-term viability of an important and healthy employment corridor, eliminate prime employment sites and run counter to both the Growth Plan and the existing and proposed Official Plan policies.

The conversion request/application sites in this highway corridor are all proposed to be retained as *Employment Areas*.

ii) Don Mills Business Park *Employment Area*

Staff received conversion requests/applications on six contiguous sites north of Eglinton Avenue East between Leslie Street and the Don Valley Expressway. The total area of these six conversion requests is 30.13 ha. (74 acres). In 2011 they had 3,589 employees including 900 who sometimes work off-site. The cluster of conversion request sites are part of the larger Don Mills Business Park *Employment Area* that has an area of 132.6 ha, or 325.6 acres, and had 11,385 employees in 298 firms in 2011. The requests to convert are to redesignate to the *Mixed Use Area* designation to develop residential uses.

This *Employment Area* is largely an office area and three of the conversion request sites are existing occupied office buildings. One site, the Celestica lands currently house manufacturing operations and the conversion request at 1121 Leslie Street abuts the Wrigley factory. The Eglinton Crosstown Light Rapid Transit currently under construction will have a station and bus depot at the northeast corner of Don Mills Road, which is one of the conversion request sites. Five of the 6 conversion request sites are within 500 metres walking distance of a rapid transit station. The Don Mills Light Rapid Transit line is part of the Province's 'Big Move' Plan but is currently not funded or likely to be built in the short-term.

The proposed policies promote office development on rapid transit. Residential development at the expense of demolition of existing office buildings is contrary to the proposed policy direction. Offices create more transit ridership than residential uses. It would undermine a major public infrastructure investment to convert sites with existing and potential office uses to permit residential towers. The conversion of almost one-quarter of the entire *Employment Area* to a designation permitting residential redevelopment would undermine the viability of the *Employment Area* and act as a precedent for future conversion requests.

The six conversion requests are recommended to be retained as *Employment Areas* with a site and area specific policy to animate the office area by providing for restaurants, recreation and entertainment facilities and small and medium scale stores and services on the lower floors of multi-storey buildings.

In October 2012, Council endorsed as part of the basis of public consultation the provision for residential development on district edges near existing or approved and funded rapid transit stations provided it is in a mixed use development that includes offices and provides for intensification of employment uses. Over the course of the review the need to promote and retain office development on rapid transit has come to the forefront, and the lack of tools to ensure office space is secured in mixed commercial residential development has become evident. Existing office parks near rapid transit stations, such as this node, are not recommended for conversion to residential uses.

iii) Liberty Village Area 3

Liberty Village Area 3, as identified in the Garrison Common North Secondary Plan is the last remaining significant *Employment Area* in the west end of Toronto south of Queen Street. The former employment lands to the north and east have been converted to areas of high-rise residential condominiums in the past decade. The area is bounded generally by King Street, the Lakeshore Rail Corridor, Dufferin Street and Hannah Avenue and comprises approximately 33 ha., (80 acres). One conversion request seeks residential uses on a specific property. Another conversion request seeks permission for buildings with a mix of 70 per cent employment and 30 per cent residential uses.

Liberty Village Area 3 is a healthy *Employment Area*, growing from 5,704 employees in 2001 to 6,591 employees in 2012. It is primarily an office area where office employment has increased from a low of 4,149 in 2006 to 5,384 in 2012, an increase of close to 30 per cent. Employment concentrations are found in media and information technology. Firms such as Cossette Communications and Zoomer Media have occupied vacant buildings over the last year. Background studies submitted by the requestors in 2013 indicate a building vacancy rate of less than 2 per cent, less than half the citywide rate.

Staff, the Liberty Village BIA and the proponents recognize potential of the area and share a vision for intensification of Liberty Village Area 3 as a major office node. Most of the area is within walking distance of a GO train station that is one stop away from Union Station, and there is potential for future nearby rapid transit access in the form of a station in the Pearson/Union train link and a future Downtown West TTC Relief line. The background report prepared by Miller, Dickenson, Blais consultants for the proponents indicate that this area could support more than 15 million square feet of mid-rise office space with access to rapid transit. This area is an important potential component of accommodating office growth in the region over the coming decades.

An existing permission in the Garrison Common North Secondary Plan permitting live-work units is recommended to be deleted as the provision has resulted in residential condominium towers in the east half of Liberty Village that are no different than residential condo towers elsewhere in the City. The proposed Amendment promotes the vision of a vibrant office employment area where:

- banks, hotels, parks, daycares, small scale retail and restaurant, and recreational uses are proposed to support the primary office use and provide amenities for office workers; and
- the City will continue to work with the landowners, businesses and the BIA to secure transportation, infrastructure and streetscape improvements that are important to the success and growth of the area as an office node.

Both the 'Friends of Liberty Village' and City staff recognize the benefits of having residential and employment opportunities close to each other. The submission of the Liberty Village BIA estimates that within 3 km of this area there are 4,882 new residential units under construction with nearly 12,000 residential units in total expected by 2012. To the east and southeast, the east half of Liberty Village, the former Massey

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lands and the Garrison Common Area have been totally redeveloped with residential condominium towers. To the north, the area from King to Queen Streets has been similarly transformed into a high-rise residential precinct.

Retaining Liberty Village as an office employment area would allow residents of these areas and the King Street corridor to the east to quickly walk, cycle or take the streetcar (westbound) to work.

Areas Examined for Redesignation to 'Regeneration Areas'

In the report to Planning and Growth Management Committee and Council in November 2012 staff identified several areas designated as *Employment Areas* containing conversion requests that shared several defining traits:

- Within walking distance of a subway or GO station and suitable for transit-based intensification
- Relatively small pockets of employment isolated from larger employment areas
- Poor public realm conditions
- Vacant land parcels and little employment
- Proximity to existing residential neighbourhoods with community facilities
- Existing permission for residential development

Four areas were proposed to be further studied to consider a redesignation to *Regeneration Area* and a Site and Area Specific Policy or Secondary Plan to set out the full development framework for each area. These areas were assessed further. Two are recommended to be designated as a *Regeneration Area*. However, several additional areas with conversion requests within them that meet many of the original criteria have now been recommended to be designated as *Regeneration Areas*. Where lands are recommended to be redesignated to *Regeneration Areas* it is usually recommended that residential developments also result in a net gain of employment floor space. In this way, residential development occurs in an intensification of uses on underutilized lands that also maintains and grows the existing employment base. The employment space is to be required as securely as possible through a variety of *Planning Act* instruments.

i) Wilson/Allen Area

The Wilson station parking lot at 50 Wilson Heights Road and the lands to the south bounded by Wilson Avenue, Highway 401, Champlain Boulevard and the Allen Expressway comprising 14.8 hectares contain 5 conversion requests; is within walking distance to the Wilson subway station; has existing residential development on the south side of Wilson Avenue and contained 426 employees and no manufacturing in 2011. The lands are an isolated pocket with little employment or potential for employment. Their redesignation would not undermine the broader employment area. The Study of these lands has commenced and Staff propose to redesignate the lands to *Regeneration Area*. In addition Site and Area Specific Policy 387, part of the attached amendment, provides that:

- The Secondary Plan or Site and Area Specific Policy address streets, pedestrian connections, blocks, densities and building heights;
- Residential development also increase the non-residential floor space;
- The TTC parking lot at the Wilson subway station have employment uses on at least 50 per cent of the land in keeping with the proposed policy to integrate subway stations into multi-storey developments and the proposed policy to promote office growth at rapid transit stations.
- A land use buffer separate residential uses from Highway 401 and the Allen expressway and residential units mitigate noise and vibration from the highways.

ii) Wilson/Dufferin Area

An area bounded by Wilson Avenue, Highway 401, Billy Bishop Road, and Dufferin Street is comprised of 4 ha. of largely vacant land with one conversion request and 357 employees, almost all in a single office building. The lands are within walking distance of the Wilson Subway station. The lands are isolated and their redesignation would not undermine a broader employment area. This area is recommended to be designated as a *Regeneration Area* and Site and Area Specific Policy 388, part of the attached Amendment provides that:

- Land use buffers separate any residential uses from the retail complex to the east and the Dufferin/Highway 401 interchange to the south;
- Any residential uses be designed to mitigate noise and vibration from the Dufferin Street/Highway 401 interchange to the south;
- A street and block plan includes a public street to connect Billy Bishop Way to Wilson Avenue; and
- Development including residential units also increase non-residential floor space.

iii) Scarborough Go Station Triangle

An area in the vicinity of the Scarborough GO station bounded by Kennedy Road, Danforth Road, St. Clair Avenue East and the CNR rail line was also looked at as a potential *Regeneration Area*. In 2011 the 15.6 ha area was home to 570 employees. However the easterly 8 ha. that contained most of the employees had previously been redesignated for residential purposes through an OMB settlement of an appeal that predated amalgamation. There was one conversion request on a large vacant manufacturing property at 375 Kennedy Road in the remaining 7.6 ha. The property at 375 Kennedy Road has been refurbished and occupied by a major cosmetics manufacturer and the conversion request has been formally withdrawn. The remaining 7.6 ha. is now proposed to be designated as a *General Employment Area* which would also permit residential uses on the Kennedy Road and Danforth Road frontages.

iv) Mimico GO Triangle and Judson Street

a) Judson Street

In May 2012 the Etobicoke York Community Council directed the City Planning Division to undertake a land use review of both employment lands at 29-71 on the south side of Judson Street west of Royal York Road and lands east of Royal York Road in the vicinity of the Mimico GO station. The impetus for the study of Judson Street was the impacts of the concrete batching plant on the south side of Judson Road upon residents of the north side of Judson Street. City Planning Division recently undertook a review of the issue which resulted in Zoning By-law 339-2012 which prohibited a number of heavy industrial uses on the south side of Judson Street including asphalt plants, coal refineries and concrete batching plants that would have otherwise been permitted.

The Judson Street lands occupied by the concrete batching plant immediately abut a rail shunting yard to the south and are close to a large GO Transit and Via Rail maintenance yard to the west which would create serious noise and vibration issues for any redevelopment of the lands for sensitive residential uses. Staff are not recommending redesignation to a *Regeneration Area*. A new Site and Area Specific Policy 434 is recommended which will require any employment uses on 29-75 Judson Street to be compatible with nearby residential uses and would specifically prohibit crude petroleum or coal refineries; ammunition, firearms or fireworks factories; concrete batching plants; the primary processing of limestone or gypsum, and asphalt plants. The site and area specific policy would require that should such uses be requested an Official Plan Amendment would be required

b) *Employment Area* Triangle north of Mimico GO Station

This area was selected in November 2012 by Committee and Council as one of the areas to be investigated for a redesignation to *Regeneration Area* with a Secondary Plan or Site and Area Specific Policy to be established to guide redevelopment. The area was selected as it met many of the criteria for such a study, notwithstanding that there were no conversion requests/applications within it. The area is adjacent to the Mimico GO Station, has vacant lands particularly adjacent to the rail corridor, has poor public realm conditions, is isolated from the larger employment area west of Royal York Road, residential redevelopment has already occurred in the form of townhouses and a residential tower is approved in the vicinity of the GO station.

Despite the small 8.5 hectare area, in 2011 there were 228 employees in 35 different businesses, which is a slight decline in employment from 2006 but an increase from 1996 and 2001 levels. There has been an evolution in the type of establishments from primarily light manufacturing and food production to a broader range of uses that includes food processing firms such as Portuguese Cheese and Queens Pasta but also a recording studio, film industry uses, a graphic design firm and home improvement uses.

Because the area is only a block deep in many parts there would be constraints to redevelopment for non-employment uses posed by the need to set back from the rail corridor to the south, the difficulty of phasing in sensitive uses while accommodating existing industries and the need to provide a scale of development that transitioned to the low-rise homes on Portland Street to the north. Given the small area and constraints it would be difficult to both redevelop for residential uses and retain current employment levels on the lands. Staff recommend that the lands remain designated as an *Employment Area* but that a new Site and Area Specific Policy 433 be established to provide that employment uses are to be compatible with adjacent residential uses and to permit small scale restaurant and retail uses to help amenitize the area. Staff also recommend that the Chief Planner and the General Manager of Economic Development, Culture and Tourism undertake a revitalization study for this *Employment Area*.

v) North Side of Dupont Street from Davenport Road to Dovercourt Road

At the November 2012 meeting of the Planning and Growth Management Committee and Council the City Planning Division was directed to study the north side of Dupont Street from Davenport Road to Dovercourt Road to consider whether the lands should be redesignated to a *Regeneration Area* and what measures, such as urban design guidelines could be undertaken to improve the streetscaping and public realm.

The north side of Dupont in this area originally developed as an industrial corridor along the midtown rail corridor abutting on the north, while the south side developed primarily as low-rise residential uses. Today, there is one manufacturer left in the corridor, Wings Foods, who have informed staff of their decision to relocate this operation to Etobicoke and have submitted a conversion request in mid-October. As well there is a major Building Supply firm at the northeast corner of Shaw and Dupont Streets. In 2012 there were still 1718 employees in this stretch of the north side of Dupont Street, 995 of them full-time. However, 97 per cent of employees are employed in retail and service firms, offices and institutions.

While there are few industries remaining on this portion of the north side of Dupont Street, a major constraint to residential development is the midtown rail corridor. There are up to 96 freight trains per day, each with up to 170 rail cars, many of which carry hazardous goods. It is important for both rail safety and noise and vibration reasons to not permit sensitive uses on properties that are adjacent to the rail corridor and cannot set back from the rail corridor and provide rail safety measures.

Due to the presence of many one-storey retail and service buildings and large areas of surface parking an opportunity exists to intensify land use on the north side of Dupont Street while still maintaining or growing current levels of employment. Redevelopment of lands would provide one means of improving the unattractive public realm of this area with narrow sidewalks and few pedestrian amenities on either side of the Street. There is also a need to transition to the low-rise residential neighbourhood on the south side of Dupont Street. Given the relatively narrow 20 metre right-of-way, any new development whether for employment or non-employment uses should be mid-rise in scale.

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In studying the area, staff have considered the current and former permissions for residential uses on the north side of this portion of Dupont Street provided that the residences were well set back from the midtown rail corridor. Site and Area Specific Policy 212 of the Official Plan, carried over from the former Seaton Village Secondary Plan permits residential uses in a mixed use building from Bathurst to Christie Streets to a maximum of 3 times the lot area provided they are not within 30 metres of the rail corridor. The former Annex Secondary Plan had also permitted residential uses from Davenport to Bathurst Streets on the north side of Dupont Street provided the setbacks to the rail corridor were provided.

Staff have received 6 conversion requests/applications for residential use permissions in this portion of Dupont Street: 15 Palmerston Avenue, 420 Dupont Street, 672 Dupont Street, 740 Dupont Street, 840 Dupont Street and 950 Dupont Street. The conversion requests for 420, 740 and 950 Dupont Street were submitted in October, 2013 and are not included in the final recommendations for conversion requests/applications attached to this report.

Staff analyzed the depth of lands from the Dupont Street right-of-way to the rail corridor. The lands between 346 Dupont Street and Ossington Avenue have a depth that may be able to accommodate both a 30 metre setback from the rail corridor and the development of a mid-rise building. Staff are therefore recommending that the portion of these lands from Dupont Street to a point 30 metres south of the rail corridor be redesignated to a *Regeneration Area* which could serve as a transition between the low rise residential neighbourhood to the south and the employment area and rail corridor to the north. A new Site and Area Specific Policy 212 applicable to the north side to Dupont Street between Kendall Avenue and Ossington Avenue would set out the framework for an area study that would establish a framework for redevelopment that includes: mid-rise scale buildings, a net gain of employment space accompanying any residential development, setbacks to accommodate public realm improvements, a greening strategy, a community services and facilities strategy, and the establishment of urban design guidelines. Residential land uses would not be permitted within the proposed *Regeneration Area* until the area study was completed.

The lands within 30 metres of the rail corridor would be designated as a *General Employment Area* and provide employment for retail, service, office, studios and other employment uses compatible with adjacent residential uses. Where a lot was split-designated the portion designated as *General Employment Area* could also provide rail safety measures, parking and roads for the portion of the site designated as a *Regeneration Area*. Where a lot was split-designated the net gain in employment floor space could be accommodated within either or both designation areas.

- vi) Area Bounded by St. Clair Avenue West, Keele Street and Rail Corridors to South and East

At the September 12, 2013 meeting of Planning and Growth Management Committee staff was requested to give consideration to the request of the owners of 6 Lloyd Avenue

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for a *Regeneration Area* permitting a broader range of uses for the area south of St. Clair Avenue West, east of Keele Street, west and north of the rail corridor.

This area is somewhat unique due to its historical development with a mix of industrial uses, including heavy industrial uses, various auto repair shops, new studio uses and over 70 low-rise residential dwelling houses, concentrated on Mulock Avenue, all in close proximity to each other. The homes and house-form businesses on Mulock Avenue are subject to Site and Area Specific Policy 154 which permits live-work and low-rise residential and well as residentially compatible employment uses that reflect the existing character of the street.

There has been general stability in both the number of firms and employment in the area. Between 2006, when the Official Plan came into force, and 2012 the number of firms remained constant at 43. In 2012 there was a decrease in employment from 742 to 600 which reflected the partial closure of Canada Bread. However that building has now been occupied by a brewery and smaller studio uses. The number of manufacturing firms in the area has increased from 8 to 9 between 2006 and 2012, although manufacturing employment dropped from 491 to 404 reflecting the relocation of Canada Bread and a general trend towards mechanization and lower employment in manufacturing processes. The leasing of the former Canada Bread building at 300 Cawthra Avenue and an application for a 50,000 square foot industrial condominium building at 150 Old Weston Road indicate that the area can attract new employment uses.

Industrial and commercial employers in the area include: National Rubber Technologies, Topper Linens, Junction Brewing, Consultec, the Kangaroo Group, Ferrier Wire, Andy's Sausages, Sweets from the Earth and International Cheese and a variety of auto collision and repair shops. There are two larger vacant parcels in the area. On the south side of Cawthra Avenue east of Keele Street is a former industrial parcel where permission for an organic food wholesale and retail establishment was recently approved. The other vacant parcel is at 6 Lloyd Avenue, former site of the Benjamin Moore paint plant which was the subject of a 2008 OMB decision which refused permission for multi-storey residential development.

The request to consider a *Regeneration Area* designation was made by representatives of the owners of 6 Lloyd Avenue, who have submitted a conversion request for their parcel, notwithstanding the 2008 Ontario Municipal Board decision. Various site plans have been submitted for the site, the most recent of which has an employment building on the southerly portion of the site and a 16.5 m. high residential building on the northerly portion of the site. In 2007 the City refused an application by the same owner for a 21 storey building with frontage on Mulock Avenue, an 18 storey building facing St. Clair Avenue and a low-rise employment use building on Lloyd Avenue. The Ontario Municipal Board decision in 2008 sided with the City, National Rubber Technologies and Canada Bread and refused the residential proposal.

The OMB concluded that not only National Rubber Technologies and Canada Bread, but also a half dozen or more of the smaller industries in the area would be adversely

impacted by the multi-storey residential development. The OMB also concluded that the odours emitted in the plumes from National Rubber Technologies would impact residents of multi-storey residential developments.

The two vacant parcels with immediate redevelopment potential are at 6 Lloyd Avenue and on the south side of Cawthra Avenue right across the street from National Rubber Technologies. Both of these properties abut major rail corridors and would require setbacks and buffering for any sensitive use. According to plume emission modelling consistent with that at the OMB, any residential building over 16 metres or 5 storeys, would be subject to an unacceptable level of odours from the recycling of rubber at National Rubber Technologies that would require mitigation. Staff have consistently not recommended conversion requests where residential uses would be impacted by and impact the operations of heavy industries throughout the City. Staff recommend the lands be retained as an *Employment Area*.

vii) Lands East of Redlea Avenue, South of Steeles Avenue East

These lands, which comprise 9.7 ha. located on the south side of Steeles between the GO train rail line to the east and Redlea Avenue to the west, extend as far south as the north property line of lots that front onto Passmore Avenue. The lands are comprised of the Splendid China retail complex at Steeles and its surface parking lot, a large parking lot for GO transit commuters and vacant lands to the east of the planned southerly extension of Redlea Avenue. In 2011 there were 333 employees in the area almost all employed in the Splendid China retail complex.

In November 2012, the preliminary assessment for the conversion request at 2665 Steeles Avenue East, the Splendid China site, recommended the lands be retained in a *Retail Employment Area* designation. At its June 11, 2013 Council requested staff to conduct an additional analysis of the property at 4665 Steeles Avenue East. In the course of that further analysis staff concluded that many of the components were present that, in combination, made a *Regeneration Area* designation and a study to guide future development desirable, including:

- Adjacency to the Milliken GO Train Station which is subject to a current environmental assessment to increase GO service to Stouffville.
- Large areas occupied by surface parking lots and underutilized or vacant land awaiting access through the extension of Redlea Avenue
- Limited employment.
- Existing Official Plan permissions for institutional uses including seniors residential uses
- Permissions for Mixed Use development in Markham north of Steeles Avenue, although approvals to date are only commercial.
- Public realm conditions in need of improvement.

Staff are recommending that the lands be designated as a *Regeneration Area* and that an area study be undertaken to address the matters identified in Section 4.7.2 for Regeneration Area studies as well as the following matters:

- A land use buffer to the GO train corridor and to nearby industry to the south and east.
- A street and block Plan that includes the Redlea Avenue extension to gain access to developable lands.
- A requirement that any development of residential units also increase the gross floor area of employment uses.

viii) 10-62 Murray Road

This is a proposed *Regeneration Area* that includes only one property, but there are a sufficient number of constraints that a Site and Area Specific Policy and further study is required to set out a streets and blocks plan and buffer areas before residential units are developed. The south portion of the lot is occupied by a busy concrete batching plant and the northerly part had been leased to Sunrise Propane and was the site of the 2008 propane gas explosion. Low scale residential development compatible with the neighbourhood on the east side of Murray Road may be constructed only upon the closure of the concrete batching use. A buffer of employment uses that are compatible with residential uses are to be provided on the northerly portion of the site to act as a buffer to the existing City yard to the north, and any residential buildings need be set back from the rail corridor to the west of the lands. The depth of the lot would provide for both a setback with rail safety measures and residential redevelopment.

The Difficulty in Ensuring the Employment Portion of Mixed Use Development Remains a Requirement

At its meeting of October 2, 3 and 4, 2012 Council directed the Chief Planner to: 'Consider policies addressing requirements for mixing uses in *Mixed Use Areas* and *Regeneration Areas*, including mechanisms for implementing such requirements, such as the use of conditional zoning or holding by-laws.'

In the past, where *Employment Areas* have been redesignated for a mix of residential and office uses to accommodate a mixed development, the office component, often intended as the buffer to the remaining employment area has not been built. If the lands had been redesignated to *Mixed Use Area*, a subsequent rezoning application can be submitted for wholly residential development. If the office buffer remained designated as an *Employment Area*, they could only be converted during a Municipal Comprehensive Review. In this Municipal Comprehensive Review, at least three of the conversion requests/applications propose to convert such approved office sites for residential purposes.

Staff of the City Planning Division and Legal Services have researched and investigated what tools might exist to ensure that when the City approves a development with a mix of office and residential uses, that is what can be built. The only tool that could ensure the City's requirement for a true mix of uses is met would be conditional zoning under Section 113 of the City of Toronto Act which would not be appealable to the Ontario Municipal Board. This provision is not currently operative because the Province must

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provide a list of possible conditions and limitations on their use through a regulation, and the Province has not yet issued such a regulation. City staff have met with Provincial counterparts to discuss the potential creation of such regulations, but it is clear that they will not be forthcoming in the near future.

Any other known planning tool the City has available is subject to the deliberations of the Ontario Municipal Board. The Provincial regulations for Development permits don't afford the City any unique powers that would assist in securing employment uses in mixed use developments that is not already provided for in other sections of the *Planning Act*. The City would have the ability to impose both pre- and post- conditions on the issuance of a permit, but the City's decision on those conditions is also appealable to the OMB. The lifting of holding by-law "H" may be appealed.

In the past the City has had specific ratios of employment and residential uses in the Official Plan for areas where a mix of uses was sought, such as in the West Queen West area, but these policies have often been overturned at the OMB in approving predominantly residential development. Once a specific mix of uses is provided for that includes residential uses, regardless of the Official Plan designation, the lands have been 'converted' and the policies of the Growth Plan restricting conversions to Municipal Comprehensive Reviews are not applicable. Property-owners could apply for wholly residential development at any time, have right of appeal to the OMB, and have an appeal submitted 120 days after their application.

Staff have attempted to be inventive but have found no available tool with proven legality whereby the City can ensure the office employment component of a mixed use development is retained. If a tool with unproven legality is found it should be subject of a pilot on a single site where the owner consents rather than have the City experiment with an area-wide or citywide experimental journey.

New Site and Area Specific Policies in Chapters 6 and 7 of Official Plan

Approximately 50 site and area specific policies are proposed to be amended or added to Chapters 6 and 7 as part of the Official Plan Amendment that is attached to this report. The new Site and Area Specific policies are required for a number of different purposes.

Site and Area Specific Policy 154 of the current Official Plan applies to over a dozen small pockets of land with few remnant employment uses on local streets near rail corridors that are often in the midst of low-rise residential neighbourhoods. The policy permits a mix of employment and residential uses on condition that if the property is designated as an *Employment Area*, the building will provide a satisfactory living environment compatible with the employment uses and the adjacent area. Some of the sites have been built out with residential dwellings over the past decade and are now proposed to be designated as *Neighbourhoods*. Site and Area Specific Policy 154 is proposed to be replaced by three different site and area specific policies in Chapter 7 of the Official Plan to reflect differing circumstances. All three of these policies would permit residential uses with different conditions and the construction of residential uses

upon them would not constitute a conversion under the Provincial Growth Plan or Official Plan policies.

Site and Area Specific Policy 247 is proposed to apply only to the Dundas-Carlaw *Employment Area* which is larger in size, developed with higher scale buildings, has already experienced extensive redevelopment and consists of a more genuine mix of residential and employment uses within individual buildings. The new policy permits residential and live-work units in a building that includes *Core Employment uses*, as well as permitting retail, service and restaurant uses that are small scale and located on Carlaw Avenue and/or Dundas Street East. The permissions are conditional upon: the employment and residential units being compatible; the height, density and massing of the development reinforcing the existing and planned physical character of the area; replacement of existing employment floor space, and any residential units being set back a minimum of 30 metres from the nearest rail corridor. There is currently a neighbourhood study under way to focus on community and public realm improvements in this area.

A second area formerly subject to Policy 154, but now dealt with in a separate policy is the area on the west side of Caledonia Road between St. Clair Avenue West and Lambert Avenue. The west side of Caledonia Road in this area contains an impactful concrete batching plant and several other employment uses backing on to a rail corridor, facing low-rise residential dwellings on the east side of Caledonia Road. A local study and community charette was initiated by the Councillor. As a result, Site and Area Specific Policy 313 has been proposed to permit residential uses that set back from the rail corridor once the existing concrete batching plant is relocated on condition that the new development reinforces the character of the adjacent area and the employment floor space is replaced, preferably as a buffer along the rail corridor.

Site and Area Specific Policy 154 is proposed to be amended and retained in order to permit residential or employment uses located on local streets within the context of a residential neighbourhood where they are not impacted by an existing industry. There are lands on Paton Road, Wade Avenue, Jenet Avenue, Morrow Avenue, Sorauren Avenue, Dundas Street West, Golden Avenue, Dora Avenue, Dublin Street and St. Helen's Avenue included in the current version of Policy 154 that are proposed to be excluded from the new policy because of their location near a large impactful industrial operation.

The remainder of the Site and Area Specific Policies are required for a variety of reasons. There are sites with conversion requests/applications where part of the site is being redesignated to permit residential uses but a portion next to a rail corridor or industry is remaining as an *Employment Area* or restricted to employment uses. A Site and Area Specific Policy is required to ensure that only employment uses compatible with the adjacent residential are permitted. In some instances the entire conversion request site is being redesignated for residential use but a Site and Area Specific Policy is required to ensure there is an adequate setback from an adjacent rail corridor.

As already noted in the report there are a number of areas with conversion requests that are being redesignated to *Regeneration Areas*. For each, a Site and Area Specific Policy is proposed in order to set out the matters necessary to set out the development framework for the area. There are also several large sites in former Toronto such as the First Gulf site on Don Roadway that are to undergo comprehensive redevelopment for employment purposes and a Site and Area Specific Policy is proposed for each to set out the context for redevelopment and provide for additional non-residential uses on the lands.

In some areas industrial and residential development occurred, and persists, in close proximity to each other and sometimes interspersed. As a result there are existing impacts on the residents from the industry. Site and Area Specific Policies have been created to at least limit new employment uses in these areas such as Judson Road and McCormack Street to those that are compatible with residential dwellings on the other side of the Street. In several instances, the Toronto and Region Conservation Authority (TRCA) has indicated that the lands are in a floodplain Special Policy Area or near valleylands administered by the TRCA. In these instances a site and area specific policy provides that any new development be located and developed to the satisfaction of the TRCA.

Adequacy of the Remaining Supply of land in *Employment Areas*

According to the background study, 'Sustainable Competitive Advantage and Prosperity—Planning for Employment Uses in the City of Toronto', the City will run out of available vacant land for new employment in our *Employment Areas* between 2031 and 2041, if not earlier. This estimate based on projected demand and existing vacant lands, and predates the conversion requests we are presently considering. Because they are finite and bounded, it is inevitable that at some point in the coming decades, we will rely upon redevelopment of existing occupied lands for employment growth, just as we presently rely on redevelopment for new housing today. Preserving the City's *Employment Areas* is essential to conserving land for future development and eventual redevelopment for business and economic activities in the coming decades.

The total lands that are subject to the 127 conversion requests as of October 16, 2013 comprise 358 ha. (884 acres). The 42 conversion requests that are recommended to be wholly or partly converted to non-employment uses, one-third of total requests, would remove 55.6 ha. (137 acres) of land from the *Employment Areas* designation, or approximately 15 per cent of lands included in conversion requests/applications. Additional properties that were not subject to conversion requests/applications are also proposed to be designated as *Regeneration Areas* on the north side of Dupont Street between Kendal and Ossington Avenues, in the Wilson/Allen Area, in the Dufferin/Wilson Area, and south of Steeles Avenue east of Redlea Avenue. Additional employment lands are being redesignated to Plan designations that permit residential uses on sites where the Ontario Municipal Board or Council approved such uses prior to the Official Plan Review, and in some instances prior to the existence of the Provincial Growth Plan. Approximately 9 ha. of lands formerly designated as *Employment Areas*

are proposed to be redesignated to *Parks and Open Space* or *Utility Corridors* to reflect existing parks and natural areas and utility corridors.

However, even with the removal of these lands from *Employment Areas*, over 97 per cent of the land currently designated as *Employment Areas* are proposed to remain in that designation. The proposed Official Plan Amendment therefore implements the Growth Plan policy that municipalities plan for, protect and preserve *Employment Areas* for current and future employment uses. It is important to remember that this is Toronto's first Official Plan Review/Municipal Comprehensive Review. The Planning Act requires these reviews at least every five years and we will be going through the process of considering conversion requests many times in the decades to come.

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SIGNATURE

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ATTACHMENTS

Attachment 1: Proposed Official Plan Amendment
Attachment 2: Final Recommendations for Requests/Applications for Conversion of
Employment Areas

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