



February 25, 2019

Project No. 13146

Mayor and Members of Council
c/o City Clerk's Department
City of Toronto
13th Floor, West Tower, City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Attention: Ms Ulli Watkiss

Dear Mayor and Members of Council,

**Re: *Amendment 1 to the 2017 Growth Plan for the Greater Golden Horseshoe ("Amendment 1");
Council Agenda Item PH2.4
Report from the Chief Planner and Executive Director, City Planning
February 12, 2019
Report from the Chief Planner and Executive Director, City Planning
February 25, 2019***

Kindly ensure that this letter is provided to the Mayor and Members of Council prior to the February 26, 2019 Council Meeting.

We are the planning consultants for STC Investments Nominee Inc., a partnership of Crestpoint Real Estate Investments, PSP Investments and North American Development Group ("the owners"), who own approximately 17.6 ha at the south east quadrant of Highway 404 and Steeles Avenue, which is known as the Steeles Technology Campus ("the Campus"), as shown on Attachment 1.

The purpose of this letter is to provide comments with respect to the two reports prepared by the Chief Planner on the Proposed Amendments to the Growth Plan for the Greater Golden Horseshoe - City Comments - Preliminary Report and Supplementary Report, and to the 16 recommendations of the Planning and Housing Committee which are to be considered by Council on February 27th, 2019.

First, the owners object to the inclusion of the subject lands within a PSEZ, and have written to advised the Province of the basis for their position. Secondly, the owners object to the City including additional lands within the PSEZs without a thorough evaluation of the attributes of these lands and an understanding of the very different roles that they can play. Thirdly, the owners do not support the identification of all business parks as PSEZs: in their opinion this will not encourage the development of vibrant, successful office parks. Finally, while the owners do not have a conversion application before the City, they do not support the request to permit the City to use conditional zoning to secure employment space prior to or concurrent with any non-employment use, including residential.

In our opinion, the existing development context and the existing development approvals are fundamental to understanding the basis for the owners' request. Importantly, the owners have been working with City Planning and Economic Development staff to introduce other uses to address the deficiencies associated with this under performing and isolated site in an effort to retain existing tenants and attract new ones. City Economic Development staff recognize the subject sites challenges, which require flexible and site specific solutions.

The Existing Development Context

Although the Campus was built to a very high standard 20-25 years ago as an office development in accordance with a Master Plan, today it is having great difficulty in attracting and keeping office tenants. Other locations, particularly in Mixed Use Centres (e.g. Markham Town Centre), are seen by prospective tenants as having better transit and a better mix of uses, including commercial, institutional and residential uses. As a result, the Campus, is seriously under-performing.

Today, despite its size, only the following uses are located on the Campus.

- Tangerine Head Office - 36,557 sq. m GFA (3389 Steeles Avenue East)
- HSBC and Symantec -18,111 sq. m GFA (3381 Steeles Avenue East)
- A vacant building - formerly Enercare comprising 5,085 sq. m GFA (4000 Victoria Park Avenue); and
- 2,060 parking spaces are provided in support of these uses

As well:

- Site plan approval has been granted for a data centre of approximately 10,000 sq. m (a permitted use) however, there are no tenants for the proposed building at this time.
- Site plan approval is pending for a variety of restaurant and retail uses (permitted under the existing zoning) - these intended to make the Campus more attractive for employers and employees.

Existing Official Plan and Zoning By-law approvals

While the Campus is designated Employment in the City of Toronto Official Plan, it is subject to Site and Area Specific Policy 394 (SASP 394) which was supported by Council in 2017 in recognition of the special circumstances which applied to the subject lands. SASP 394 was approved by the (then) Ontario Municipal Board in early 2018, as part of a site specific settlement of OPA 231 (the City of Toronto's *Municipal Comprehensive Review* for employment lands).

SASP 394 recognizes that the Campus will not develop as a provincially significant employment area, but rather one which has a combination of office, hotel, restaurant and retail uses, and it put in place policies to ensure that this happens in a planned, phased and comprehensive manner. It provides that the lands identified as Area A (which applies only to the Campus) are to develop in accordance with the following site-specific policies.

- i. A Master Site Plan will create safe and comfortable public and private realms and include matters such as:
 - a. a network of private and public streets;*
 - b. flexibly-sized development blocks;*
 - c. appropriately-sized private and/or public open spaces;*
 - d. pedestrian and cycling facilities; and*
 - e. convenient interconnections amongst the foregoing.**
- ii. Heavy manufacturing uses are not permitted.*
- iii. Hotels are permitted.*
- iv. Following approval of a Master Site Plan, development will be phased as follows:
 - 1. The first phase of development will include:
 - i. a maximum of 2,200 square metres of gross floor area comprised of recreational facilities, restaurants, retail stores and service uses that are permitted to be developed in stand-alone buildings notwithstanding¹;*
 - ii. a bank with a maximum gross floor area of 600 square metres;*
 - iii. a hotel with a minimum gross floor area of 7,000 square metres; and*
 - iv. a minimum of 1,000 square metres of gross floor area for office uses.**
 - 2. Subsequent phases of development will include:
 - i. a maximum of 1,100 square metres of gross floor area comprised of recreational facilities, restaurants, retail stores and service uses that are permitted to be developed in stand-alone buildings notwithstanding b) above², provided that above-grade building permits have been issued for a minimum of 1,000 square metres of gross floor area for office uses as required in 1. above; and*
 - ii. a minimum of 9,000 square metres of gross floor area of office uses.***

The Campus is zoned MO (Industrial-Office Business Park Zone) Zone which permits a wide range of uses including hotels, manufacturing, office uses, personal service shops, showrooms, service commercial uses, retail uses and restaurants (including outdoor cafes). Retail and service shops are limited to 20% of the gross floor area of the largest building on the lot.

It is the owners' position that, subject to meeting the proposed tests set out in Amendment 1 to the Growth Plan, the Campus could benefit significantly from the introduction of non-employment uses. For this reason they do not support including the Campus as part of a larger PSEZ which would be subject to the

¹ Other sections within the SASP

² Other sections within the SASP

provisions of Section 2.2.5.12 which prohibits the conversion lands without an MCR and leads to the expectation that future conversions might not be appropriate.

The proposed framework for PSEZs states that³:

“To ensure employment areas that are crucial to province’s economy are not converted without a more comprehensive assessment of employment land need, and the implications for economic development, the Ministry of Municipal Affairs and Housing is also proposing to identify provincially significant employment zones. Employment areas within these zones would require provincial approval in order to be converted, and therefore would not be eligible for conversion during the proposed transitional period outlined above...

Identifying provincially significant employment zones would also serve a longer-term purpose for the province and municipalities in the Greater Golden Horseshoe by providing a regional picture of some of the key employment areas that make up the region’s economic land base. This would help coordinate planning and economic development efforts and drive economic growth in the region. (our emphasis)

While it is recognized that the Campus directly abuts Highway 404, and has access to that highway at Steeles Avenue, in no other way does it meet any of the criteria identified by the Province for the protection of prime employment lands.

a) With respect to supporting or protecting industrial uses:

SASP 394 prohibits heavy manufacturing uses, there are no industrial uses on the Campus today and no expectation that any would seek out this location. SASP 394 in fact, encourages non-manufacturing uses - such as hotels, restaurants and some retail.

b) With respect to protecting employment uses from sensitive land uses that could threaten existing employment uses:

Sensitive land uses are specifically permitted by the SASP (hotel and certain recreation uses) and parks, pedestrian and bicycle activities are encouraged.

The City has commented that land use certainty enables business to make long term capital investments. The reverse has happened with the Campus. The employment designation has limited the owners’ ability to respond to the changing office market and the need to

³ As set out in the ERO posting 013-4506 by the Ministry of Municipal Affairs dated January 15, 2019 Proposed Framework for Provincially Significant Employment Zones

provide a more vibrant mixed use development to attract employers and employees.

A failure to recognize the benefits of providing a mix of uses within the Campus as a mixed use area has simply delayed the provision of a complete community.

c) With respect to provide large, continuous constraint free lands for large industries:

The Master Plan has established a detailed road and land use pattern for the Campus, and the policies of SASP 394 require that a network of public and private streets, public and private open spaces and cycling facilities be established. Very precise requirements for the gross floor areas of different land uses are also set out. The Campus simply is not a large, constraint free site.

d) High concentration of employment and/or economic output

The Campus is not intensively developed at the present time, and does not have a high concentration of economic output. In our opinion, what is needed is an opportunity to include additional non-employment uses on the Campus, which will help strengthen the office base and develop a more complete community which will allow Toronto to be more competitive with other office campuses throughout the broader region.

We note that PSEZ 7 is a very large zone which includes lands well beyond the City of Toronto boundary. The exclusion of the subject lands from the PSEZ 7 will in no way prejudice the ability of the City or the broader region to respond to future needs for employment lands.

We thank you for your consideration of our comments and we would ask that Council give serious consideration to our request.

Yours truly,

Bousfields Inc.



Lindsay Dale-Harris M.Sc.Pl., FCIP, RPP

LDH/klh:jobs

c.c. *North American Development Group
Patrick Harrington - Aird and Berlis*

