

## **Status Update on the East Harbour Transit Oriented Communities Proposal**

**Date:** November 10, 2021

**To:** Planning and Housing Committee

**From:** Chief Planner and Executive Director, City Planning Division

**Wards:** Ward 14 - Toronto Danforth

### **SUMMARY**

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In April 2021, the Province announced a Transit Oriented Communities (TOC) commercial partnership with Cadillac Fairview for the East Harbour site. The TOC partnership proposes to add 302,000 square metres (3.25M square feet) of residential development, or approximately 4,300 residential units, to the 926,000 square metres (10M square feet) of employment development previously approved in the Unilever Precinct Secondary Plan and relevant zoning by-laws. Materials submitted by Cadillac Fairview in May 2021 contemplate nine residential towers, nine commercial towers, and a road network similar to the 2018 East Harbour Master Plan. Cadillac Fairview will make a capital contribution toward required services and infrastructure as part of the TOC partnership.

The significant scale, complex enabling infrastructure and unique partnership structure of the East Harbour TOC distinguishes it from other TOC sites. East Harbour is a 15 hectare brownfield site that forms a significant portion of the 25 hectare Unilever Precinct, with multiple development blocks and future public streets and parks to be delivered throughout. East Harbour is subject to a draft plan of subdivision process. By comparison, other TOC sites redevelop individual parcels within an existing urban structure of streets, blocks, and related infrastructure, and no development partners have yet been secured.

The East Harbour TOC proposal also incorporates an extensive enabling infrastructure program. As a brownfield site within an existing floodplain, the East Harbour site requires many infrastructure investments, including flood protection landforms, roads, transit, and underground servicing.

The Province is targeting early 2022 to provide zoning certainty for this TOC development. The timeline for zoning certainty is linked to the construction timelines for the Transit Hub. As a result, the City's review of the revised Master Plan for East Harbour, and public consultation on the TOC proposal, is constrained.

In July 2021, City Council provided direction to staff on the City's objectives and priorities for negotiation with Infrastructure Ontario (IO) and Cadillac Fairview. City staff have engaged with IO and Cadillac Fairview based on those objectives, inclusive of the objectives and policies in the Unilever Precinct Secondary Plan. Current negotiations are dealing with matters deemed essential to concluding the Province's TOC commercial transaction, ensuring City interests are addressed as much as possible. This includes negotiating the necessary conditions to ensure a new mixed use community of this scale has the required services and facilities to support residents. The City also needs to ensure that the TOC proposal does not result in additional costs or financial risk for the City. Staff also remain concerned that the introduction of residential uses at East Harbour will be a prelude to further employment land conversion requests. Staff will report back to Council on the progress of negotiated conditions, including any financial terms and the next steps on planning approvals.

On October 17, 2021, City staff were also directed by the Planning and Housing Committee (PH27.13 – East Harbour Development), to report to the Committee on November 25, 2021 on current planning and development aspects of the TOC proposal for East Harbour. This report describes the proponent-led planning and public consultation processes, and outlines how City staff have been working to identify and advance City interests with the East Harbour TOC proposal.

## **RECOMMENDATIONS**

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The Chief Planner and Executive Director, City Planning recommends that Planning and Housing Committee receive this report for information.

## **FINANCIAL IMPACT**

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A full assessment of the financial aspects of the East Harbour TOC proposal will be included in the final report to Executive Committee.

## **DECISION HISTORY**

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On February 24, 2016, Planning and Growth Management Committee adopted PG10.7 The Preliminary Report on First Gulf's application for an Official Plan Amendment for their initial development concept on the former Unilever Soap Factory site. City staff were directed to prepare a community consultation work plan with the Ward Councillor, integrating economic development considerations, and to report back to the Planning and Growth Management Committee on a recommended process to undertake comprehensive planning for the precinct in collaboration with the applicant, landowners and stakeholders.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.PG10.7>

On March 28, 2017, City Council adopted PG18.6 Status Update Report on the Unilever Precinct Planning Study, and related zoning amendment and subdivision applications. City staff were directed to commence the Eastern and Broadview Flood Protection

Municipal Class Environmental Assessment, and to report to the Government Management Committee on active investigations to consolidate municipal yard functions, including those provided out of the Booth Yard.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.PG18.6>

On December 5 2017, City Council adopted PG24.1 Unilever Precinct Planning Study and East Harbour Application Review - Update. The report provided updated information on First Gulf's revised development proposal, information regarding ongoing public consultation activities, as well as information regarding consultation with Enbridge Gas.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.PG24.1>

On March 26, 2018, City Council adopted, as amended, PG 27.3 21 Don Valley Parkway, 30 Booth Avenue, and 375 and 385 Eastern Avenue - Proposed Modifications to Official Plan Amendment 231 Site and Area Specific Policy (SASP) 426. The report recommended modifications to SASP 426 to modernize the language of that SASP in support of continued employment land use in that area, to be forwarded to the Minister of Municipal Affairs for approval.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.PG27.3>

On April 27, 2018, the Mayor and the Minister of Municipal Affairs and Housing and Minister of Natural Resources and Forestry entered into the Protocol Regarding the Lower Don Special Policy Area ("Protocol"), which applies to the lands affected by the existing flood plain. The Protocol is intended to address land use planning and development approvals in the Lower Don Special Policy Area in a manner that is consistent with the Provincial Policy Statement.

On June 26, 2018, City Council adopted, as amended, PG30.5 Unilever Precinct Planning Study Secondary Plan and Planning Framework, and East Harbour Official Plan and Zoning By-law Amendment Applications - Final Report for an office employment hub supported by transit, flood protection and other infrastructure.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.PG30.5>

On July 23, 2018, Council also adopted associated Zoning By-laws for the developer-owned portion of the Precinct to enable their proposed East Harbour development, having received the necessary land use policy approvals associated with SASP 426 on July 20, 2018 via correspondence from the Ministry of Municipal Affairs and Housing and the Ministry of Natural Resources and Forestry.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.MM44.121>

On January 29 2020, City Council adopted, as amended, EX12.3 Toronto-Ontario Transit Partnership - Status Update, which included the Ontario-Toronto Memorandum of Understanding on Transit-Oriented Development ("MOU on TOD", now known as the "MOU on TOC") as Attachment 1. The MOU on TOC established a series of shared objectives for TOC and identified the roles and responsibilities of the City and Province for TOC specific to the Province's Subway Program.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EX12.3>

On February 2 2021, City Council adopted EX20.2 Advancing the SmartTrack Stations Program, which updated terms that will be incorporated into a revised Agreement in Principle to advance the SmartTrack Stations Program.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX20.2>

On April 8, 2021, City Council adopted IE20.11 Broadview and Eastern Flood Protection Environmental Assessment, directing staff to finalize the Environmental Study Report and issue a Notice of Study Completion, to be placed on the public record for minimum 30 day review period. Staff were also directed to initiate cost-sharing and implementation discussions with stakeholders and report back to the Infrastructure and Environment Committee with a funding and implementation strategy.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.IE20.11>

On May 5, 2021, City Council adopted, as amended, EX23.3 Provincial Transit-Oriented Communities Program, which introduced a proposed expedited process for the City's review of TOC proposals, reaffirmed South of Eastern as an employment area, and supported the designation of this area as a Provincially Significant Employment Zone.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX23.3>

On July 14, 2021, City Council adopted PH25.16 East Harbour Transit Oriented Communities Proposal, which provided direction to staff on the City's objectives and priorities in negotiations with the Province and Cadillac Fairview on the East Harbour TOC proposal, and directed staff to report back to Council in December 2021 on the progress on negotiated conditions related to the Province's and Cadillac Fairview's request to establish zoning certainty, including any financial terms and the next steps on planning approvals for East Harbour.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH25.16>

At its meeting on October 18th, 2021 the Planning and Housing committee directed City Planning to report on current planning and aspects of the Transit Oriented Communities (TOC) proposal for East Harbour to the November 25, 2021 Planning and Housing Committee meeting. Staff will be reporting on the current review process to ensure that development and growth in Toronto is properly managed through a thorough, open and transparent public consultation process given the tight timelines and proponent led consultation process to date.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH27.13>

## **COMMENTS**

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### **Provincial Transit Oriented Communities Program**

In July of 2020, the Provincial government passed the Transit-Oriented Communities Act - legislation aimed at facilitating the provincial government's plans to build mixed-used Transit Oriented Communities (TOC) near or at transit stations along the Ontario Line, the Yonge North Subway Extension, the Scarborough Subway Extension, and the Eglinton Crosstown West Extension. The Act gives the Province new authorities to facilitate TOC developments.

Initial discussions between the City and the Province on the potential for TOC began prior to this in the context of the subway program upload negotiations. In November 2019, the City of Toronto and the Province of Ontario entered into an agreement (Ontario-Toronto Transit Partnership) related to the Provincial subway program. As part of this agreement, the parties acknowledged that the Province intends to pursue an Ontario-led TOC Program for station sites and adjacent properties for the four priority subway projects, as well as for existing and future GO and SmartTrack stations.

On February 14, 2020, the City and the Province announced the signing of the Ontario-Toronto Transit Partnership Preliminary Agreement, related to the funding and building of subway projects in Toronto. The Agreement included a Memorandum of Understanding on Transit-Oriented Development (now referred to as Transit Oriented Communities), affirming a shared interest in advancing TOC developments, and outlining principles to guide the partnership between the City and the Province.

The MOU includes commitments by both parties to work together to advance TOC proposals that meet shared interests and that have regard to the City's planning vision and objectives. The MOU outlines several shared objectives for TOC developments, including East Harbour:

- The creation of complete and accessible communities, with employment and residential densities that support higher-order transit in a manner consistent with good land use planning and city-building principles
- An increase in the housing supply, with a range and mix of types that are responsive to the specific context and nature of each unique TOC site, including affordable housing and other types
- Growth in potential transit ridership and improvements/enhancements to the customer experience, as a result of direct access to rapid transit and connections to surface transit
- Increased transit access for residents to employment areas, while further supporting employment growth
- An offset of the costs of building and/or operating transit
- The coordinated delivery of GO Expansion/SmartTrack and the Provincial subway projects with integrated TOC initiatives that result in an adherence to the committed project schedules, and that optimize the utilization of City resources.

The Province and the City have committed to ongoing, proactive and good faith collaboration in respect of the Ontario-Led TOC strategy. The MOU further outlines that the Province and City will work together to develop a structured process to review and shape TOC proposals. This includes commitments by the parties related to information sharing and expedited timelines. A draft of the formally structured process was presented to City Council in May 2021. Council direction from that report has formed the general basis for the City's work with the Province and IO on TOC proposals related to the Ontario Line South.

The Province is bringing forward mixed use development proposals for all TOC sites. Currently, the East Harbour site is identified in the Unilever Precinct Secondary Plan as an employment hub and the area is designated as a Provincially Significant Employment Zone (PSEZ) under the Growth Plan. Cadillac Fairview has submitted an

employment land conversion request for the East Harbour lands as part of the Municipal Comprehensive Review.

### **East Harbour Planning Context**

In October 2015, City Planning received an Official Plan Amendment (OPA) application from First Gulf (original applicant) for the entire Unilever Precinct Area. In December of 2016, the City received rezoning and subdivision applications for the East Harbour Development portion of the Precinct. At the same time, the City of Toronto initiated the Unilever Precinct Planning Study, which in June 2018 resulted in the Council adoption of the Unilever Precinct Secondary Plan, the Unilever Precinct Planning Framework, the East Harbour Zoning By-laws and a new vision for the Unilever Precinct Lands.

The Unilever Precinct Secondary Plan sets out policies in support of development of the 25-hectare precinct, including the 15 hectare East Harbour development, as a block of predominantly office employment lands. It also forms the westerly extent of the South of Eastern Employment Area.

Jointly, the City's statutory and non-statutory planning framework for East Harbour provides the in-force, City Council-approved planning framework for an extensive employment area at East Harbour. The approved plan allows for 926,000 square metres of commercial development, which translates into approximately 50,000 jobs, with a focus on transit-oriented density and aggressive modal split targets for transit and active transportation. In May 2021, City Council reaffirmed its position on the importance of the South of Eastern Employment Area and supported the designation of this area as a Provincially Significant Employment Zone.

### **East Harbour Transit Oriented Communities Proposal and Revised Master Plan**

In April 2021, the Province announced a TOC partnership with Cadillac Fairview for the East Harbour site. The TOC partnership proposes to add 302,000 square metres (3.25M square feet) of residential development, or approximately 4,300 residential units, to the 926,000 square metres (10M square feet) of employment development previously approved in the Unilever Precinct Secondary Plan and relevant zoning by-laws. Preliminary materials submitted by Cadillac Fairview contemplate nine residential towers, nine commercial towers, and a road network similar to the 2018 East Harbour Master Plan. Cadillac Fairview will make a capital contribution toward required services and infrastructure as part of the TOC partnership.

The scale, enabling infrastructure and partnership structure of the East Harbour TOC makes it unique within the TOC portfolio. East Harbour is a 15 hectare brownfield site that forms a significant portion of the 25 hectare Unilever Precinct, with multiple development blocks and future public streets and parks to be delivered throughout. East Harbour is also subject to a draft plan of subdivision process. By comparison, other TOC sites are for individual parcels within an existing urban condition.

Cadillac Fairview proposes to demolish rather than reuse the Soap Factory building as part of the updated proposal, although discussions about the retention of some aspects of the industrial heritage character on the site continue. Heights for buildings would be

increased on several parts of the site, with the most substantial increases in building heights planned for parcels adjacent to the Transit Hub and where the former Soap Factory building is positioned.

Many elements from the approved East Harbour development concept for the site would be maintained, including the use of Broadview Avenue as a commercial spine, the general street and block structure, and some of the building footprints and locations.

The East Harbour TOC proposal also incorporates an extensive enabling infrastructure program. As a brownfield site within an existing floodplain, the East Harbour site requires many infrastructure investments, including flood protection landforms, roads, transit, and underground servicing. The TOC partnership is based on an expectation that the design and construction of the Broadview Avenue extension and the Broadview Eastern Flood Protection landform will be advanced and implemented in concert with the construction of the East Harbour Transit Hub. The East Harbour Transit Hub includes facilities for both the SmartTrack/GO station and the Ontario Line station.

**Figure 1: Revised East Harbour Master Plan**



Cadillac Fairview subsequently submitted an employment land conversion request pursuant to the City's Municipal Comprehensive Review of the Official Plan.

## City Engagement on the East Harbour TOC Proposal

In July 2021, City Council adopted PH25.16 East Harbour Transit Oriented Communities Proposal - which provided direction to staff on the City's objectives and priorities in negotiations with the Province and Cadillac Fairview on the East Harbour TOC proposal, and directed staff to report back to Council in December 2021 on the progress on negotiated conditions related to the Province's and Cadillac Fairview's request to establish zoning certainty, including any financial terms and the next steps on planning approvals for East Harbour.

With regard to negotiations on the TOC proposal, Council directed staff to engage with Cadillac Fairview and the Province on the proposal subject to several conditions:

- The City's planning approval authority will be preserved for any required planning approvals following the establishment of zoning certainty for East Harbour
- Any required agreements between the Province and Cadillac Fairview will also address the interests of the City
- Initial negotiations will address City interests and will only focus on matters deemed essential to conclude the TOC commercial transaction between the Province and Cadillac Fairview, including any agreements related to the Broadview Eastern Flood Protection landform and the Broadview Avenue extension
- Development of East Harbour will be phased to ensure employment development happens prior to, or concurrently with any residential development, with phases advancing when conditions are met
- The East Harbour development will include a significant component of affordable housing, consistent with City policy and practice
- Cadillac Fairview will cover the normal costs of development
- Parkland and community services and facilities will be provided at an appropriate level to serve the development and sustainability of a complete community
- Improvements to the public realm will be augmented beyond the previous planned levels to serve the additional residential density
- The City will not assume costs for hard and soft infrastructure and services required solely to service the East Harbour residential community.

As noted, the East Harbour TOC proposal was not submitted as a formal planning application with associated fees, but rather as a TOC submission. The planning process has been a Provincial proponent-led process with an expedited timeline driven by a requirement for zoning certainty in early 2022. The City expects this will be established through a Minister's Zoning Order. The proponent's consultation and negotiation schedule has been timed accordingly, and do not follow typical development application timelines.

City staff received a detailed submission for the updated East Harbour TOC proposal from the Province and Cadillac Fairview in late May 2021. This submission was in the form of a TOC Proposal and an updated draft plan of subdivision. Both submissions included background reports on a range of technical and planning matters to support the proposed changes to the East Harbour master plan. As with any typical planning application, City staff circulated these materials to relevant city agencies and divisions



for review. Input from this review has been used to shape the City's negotiating strategy with Cadillac Fairview and the Province. Community Planning and all Divisions that are normally engaged in reviewing development applications are part of the City team.

City staff received a resubmission of the draft plan of subdivision application on May 3, 2021, with supplemental materials added on June 16, 2021 and July 20, 2021. The resubmission responds to comments received from City staff and other agencies on the March 2019 Draft Plan submission, and also addresses proposed changes including the integration of residential density into the East Harbour Lands. City staff circulated these materials to relevant agencies and divisions for review. The original Draft Plan application was filed in December 2016 in conjunction with a Rezoning application.

In discussions on the revised master plan proposal and the draft plan of subdivision, City staff have raised a number of issues to address, including:

- The public realm network in East Harbour is envisioned to become a series of spectacular public spaces where the area's pre-settlement and industrial histories are celebrated and commemorated. The City has noted that maintaining the Soap Factory Building is a key part of achieving this goal, as it serves as the centerpiece of these public spaces and the anchor for the organization of the public realm.
- The Open Space network in the Council-endorsed Unilever Precinct Secondary Plan is envisioned to include a diversity of public and private open spaces that are interconnected with clear visual and physical linkages. This creates a legible structure where pedestrians can loop around the district on both sides of Broadview Avenue. This clear sense of connectivity is not evident in the new proposal, with roads, pedestrian connections and building frontages that do not align with each other.
- The alignment of streets and public spaces in the Council-endorsed planning framework created many opportunities for interior and exterior views linking the Precinct to its context and the City beyond. Interior views are curtailed with this proposal.
- The overall massing lacks coherence. It does not visually provide any clear differentiation between the different towers. Part of this is attributed to the absence of alignment in the streets and blocks, but the lack of visible variation in building heights and typology is also a contributing factor.
- City staff need further details on how the applicant will be achieving environmental sustainability objectives consistent with the Official Plan and Council's goal of achieving net zero emissions for new buildings by 2030 or sooner
- The introduction of a residential community of this scale requires appropriate community services and facilities to create a complete community. The provision of the necessary recreational, daycare, library and other important services is a top priority for the City.

- Affordable housing must be included on this site. City staff are negotiating an approach to the provision of affordable housing consistent with the City's policy for large sites.

Council direction has guided staff's approach and strategy in all negotiations and discussions with the Province and Cadillac Fairview. The objectives of the Council-approved Unilever Precinct Secondary Plan remain relevant to the proposed TOC Master Plan. City staff have also been clear that a key objective of the City's investment in the SmartTrack elements of the East Harbour Transit Hub is to unlock significant employment development in this area. As of the time of the writing of this report, a number of matters are still being negotiated with the Province and Cadillac Fairview.

In July 2021, City Council also directed staff on two matters related to the protection of employment lands. Staff were asked to confirm the boundaries of the South of Eastern Employment Area as part of the Municipal Comprehensive Review, and to report to Planning and Housing Committee in Q1 2022 on the relevance of the South of Eastern Employment Area and to provide a high-level overview of the critical features of core employment districts and their contributions to Toronto's economy. City staff are advancing these requests through the Municipal Comprehensive review process.

The City Planning Division is considering approximately 140 requests to convert lands designated as Core Employment Areas or General Employment Areas, including the East Harbour request as well as three other addresses in the South of Eastern Employment Area. More details on these requests are provided in Attachment 1 on a preliminary basis to assist with context in considering the East Harbour TOC proposal.

## **Public consultations**

Public consultation for the East Harbour TOC proposal has been a proponent-led process, different from a typical process for private development proposals. In its July 2021 session, City Council directed City staff on their engagement in this East Harbour consultation process. Staff were directed to:

- highlight the goals and existing permissions of the existing Unilever Precinct Secondary Plan
- identify the areas of consistency and divergence between existing policies and the updated East Harbour proposal
- outline the supplementary requirements that would need to be incorporated for the proposed residential portion of the updated East Harbour proposal
- seek feedback on the compatibility of the proposed land uses and the anticipated impacts on the surrounding community
- discuss the conditions required to create a thriving complete community, including design excellence, community services and other best practices
- share timelines for the City's review and negotiations for the proposed land use change.

City staff and the local Councillor participated in all public consultation sessions hosted by Cadillac Fairview. Staff addressed Council's direction to the extent possible through opening comments and answers to questions raised by participants. At the time of

writing of this report, City Planning staff were scheduled to present to the Film, Television and Digital Media Advisory Board on issues related to employment lands and conversion requests in the South of Eastern area.

The proponent-led consultation process included virtual public Open House sessions and the establishment of a small Local Advisory Committee (LAC) - comprised of invitees from local resident associations, Business Improvement Areas, active-transportation advocacy groups, youth groups and arts organizations. Cadillac Fairview used the Open House sessions and LAC meetings to outline their updated vision for the site.

Three Open House sessions have been held, with 98 participants at the July 27, 2021 session, 71 participants at the September 21, 2021 session and 64 participants at the October 21, 2021 session. Two meetings of the LAC have been held, with 6 and 10 participants, respectively. Another Open House and LAC session will be scheduled for early 2022.

Cadillac Fairview also established a website, called "Engage East Harbour", which allows community members to submit questions and comments to Cadillac Fairview on the TOC proposal. City staff have also participated and observed all public meetings related to East Harbour. City staff have provided comment to Cadillac Fairview on their consultation approach as part of the staff review of the proposal. Online, more than 120 comments have been posted and 335 surveys have been completed on the website. Additionally, the proponent mailed 14,000 information mailer-sheets to residents in adjacent communities, directing them to the consultation website.

Through the various consultation methods listed, several common themes have emerged through public comment:

#### Housing:

- Ensuring access to affordable housing is a strong priority
- Providing different methods of affordability (co-op, rent-to-own)

#### Transport and Mobility

- Designing around high-quality transit and active transport connections
- Not inducing further traffic and congestion downtown
- Concerns over connection issues to Corktown in the west

#### Community Services and Amenities

- Strong demand for elementary school on site, in addition to community centre, library
- Concerns over lack of amenities in area, new neighborhood is a chance to establish.

#### Neighborhood Identity

- Designing a neighborhood with a distinct architectural identity
- Preservation of heritage elements of industrial past and Soap Factory building
- Strong emphasis on design of buildings not being standard "glass towers"

#### Mix of Use

- Allowing for local and independent businesses to establish themselves in community
- Questioning the split between residential and employment, in context of COVID recovery and return-to-office

#### Public Space and Open Space

- Strong network of parks and public spaces are fundamental for prospective residents
- Respondents generally prefer active use of spaces rather than gathering plazas

#### Sustainability and Environment

- Design of new neighborhood is an opportunity to integrate best-practices in sustainable design and environmental sustainability and think long-term
- Concerns over location of development near waterfront habitats and other ecological issues on-site

#### Planning Process

- Concerns regarding expedited timeline and lack of transparent process
- Comments note confusion over how their input will be translated into planning changes

### **East Harbour Negotiation Report**

As directed by City Council, staff will report to Executive Committee and Council on the status and outcomes of negotiations with the Province and Cadillac Fairview on the East Harbour TOC proposal. The report will focus on recommended terms and conditions to guide implementation of the TOC proposal in a manner that best advances the City's financial and planning interests and objectives.

### **CONTACT**

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### **SIGNATURE**

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Gregg Lintern  
Chief Planner and Executive Director  
City Planning Division

### **ATTACHMENTS**

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# Attachment 1

## South of Eastern Employment Area and Conversion Requests

The South of Eastern Employment Area is bounded by Woodbine Park to the east, the Don Valley Parkway to the west, Eastern Avenue to the north, and generally Lake Shore Boulevard East to the south but including the Ashbridges Bay Wastewater Treatment Plant. The local economic and employment context is as follows:

- The South of Eastern Employment Area is 135 hectares in size.
- The area accommodated 4,600 jobs in 2019. The number of jobs have increased significantly since 2011, increasing 39% or 2.1% per year with a slight drop since 2016.
- Employment growth from 2011 to 2019 has been concentrated in the Office and Retail sectors; the former incorporating growth in film and television production along with other media firms.
- The Office sector experienced a significant decline from 2001 to 2011 (encompassing the Great Recession) and has since made up for that decline through the recovery period to 2019.
- New establishment growth was concentrated in the Retail sector while there was a decline in establishments in the Manufacturing, Service and Office sectors.
- The largest employer in this area continues to be Canada Post, although with a reduced workforce from 2011.
- There has been investment in buildings, with almost \$29 million in non-residential building permit values between 2016 and 2021.
- There is 2.13 million square feet of rentable industrial building space in the Employment Area with an average vacancy rate of 1% in 2021.
- Most built industrial space dates to the pre-1960s and 1950s, concentrated in buildings with clear ceiling heights less than 16 feet.

The South of Eastern Employment Area, along with the Port Lands to the south, plays an important role in the City's film industry due to the cluster and range of film and production studios, as well as other support and ancillary businesses to support the industry. Film and television production facilities have experienced increased demand in recent years, with a number of development applications for additional studio and production office space having been submitted over the past five years.

Toronto is one of the top five screen-based industries in North America with a full scope of infrastructure, services, suppliers, talent, crew and locations. In 2019, the film industry brought over \$2.2 billion in film, television and digital media production investment to the City, which is a 13% increase from the previous year, and despite a short hiatus at the start of the pandemic, 2021 and 2022 are set to be record-breaking production years. This investment represents over 35,000 jobs, and 1,500 screen projects citywide each year. The film industry is expected to grow its studio space by

63% in the next five years, however this would not meet the projected demand due to global production volumes and Toronto's potential market share.

Four conversion requests have been received for the South of Eastern Employment Area. Completed requests for a conversion were supported by a written submission that addressed planning policy; a Compatibility/Mitigation Study; and, payment of the Employment Areas Conversion Request User Fee. Three of the requests are for residential permissions and one is for the addition of a retail use. Together, the conversion requests constitute 26.5 hectares, representing approximately 20% of the total land area in the South of Eastern Employment Area. One of the sites for which there is a conversion request is also a site for which there is an outstanding appeal to OPA 231 (Appeal 119). There are another two sites in the South of Eastern Employment Area, totalling 5.9 hectares, for which there are additional outstanding site and area specific appeals to OPA 231 (Appeal 187 and 115).

### **East Harbour (Conversion Request No. 041)**

The largest of the four sites for which there has been a conversion request is the 15.1 hectare East Harbour site. Cadillac Fairview has submitted a conversion request to facilitate the addition of residential uses at East Harbour as contemplated in the Province's Transit Oriented Communities Program (TOC).

Though the Unilever Precinct Secondary Plan establishes East Harbour as an employment hub and while the area is identified as a PSEZ as defined in the Growth Plan (2020), the East Harbour TOC proposal is a mixed-use community of residential and employment uses. If approved, the TOC proposal would provide the amount of employment GFA approved through the Unilever Precinct Secondary Plan and the East Harbour Zoning by-laws, but add 302,000 square metres (3.25 million square feet) of residential uses.

A Minister's Zoning Order (MZO) to permit residential uses is anticipated to be made by the Province in early 2022. The implications of this anticipated decision and the outcomes of negotiations with the Province and Cadillac Fairview will be explored and brought to Council through an upcoming report to Executive Committee.

### **Heward Avenue, 65 and 87 (Conversion Request No. 127)**

A request to convert approximately 1.6 hectares was submitted on behalf of Heward Studio Investments Inc. for 65 and 87 Heward Avenue. The lands presently accommodates studio and office space and tenants include Six5 Studios and the offices of the Director's Guild of Canada. The conversion is requested in support of a site plan application that proposes retail and restaurant uses on the ground floor of a proposed 6-storey office building located on the north end of the property, fronting Eastern Avenue.

### **Eastern Avenue, 629 (Conversion Request No. 092)**

A request to convert approximately 7.4 hectares was submitted on behalf of Eastern Avenue Developments Limited (SmartCentres). The lands presently accommodates Revival Film Studios and visual effects company Pixomondo as well as a number of other businesses. The conversion request is to redesignate the lands from Core Employment Areas to Mixed Use Areas to permit a mix of residential, office, retail and employment uses.

### **Leslie Street, 17 (Conversion Request No. 016)**

A request to convert approximately 2.6 hectares was submitted on behalf of Choice Properties Limited Partnership. The lands are currently occupied by a Loblaws grocery store, a surface parking lot and stand-alone retail. The conversion request is to redesignate the site from General Employment Area to Mixed Use Areas to permit a mix of residential, retail, and office uses.

### **Next Steps**

City Planning and Economic Development and Culture staff are currently reviewing the conversion requests, including facilitating peer reviews of the Compatibility/Mitigation Studies. A preliminary assessment will be prepared by staff for each conversion request for consideration by Planning and Housing Committee. The preliminary assessment will form the basis for consultation with stakeholders and the public, including landowners and businesses, to obtain comments and feedback.

Prior to preparing a Final Report for Committee and Council's consideration, staff will assess requests to convert lands designated Employment Areas against the conversion policies of the Growth Plan (2020) and the Official Plan. This includes a consideration of the need for a conversion to either meet the growth forecasts allocated to the City in the Growth Plan (2020) or to mitigate existing and/or potential land use conflicts. As well, staff will consider the impact of a proposed conversion on surrounding lands, including the potential for the conversion to adversely affect the overall viability of an Employment Area and the maintenance of a stable operating environment for business and economic activities.