

Our Plan Toronto: Employment Area Conversion Requests - Preliminary Assessments Group 1

Date: December 21, 2021

To: Planning and Housing Committee

From: Chief Planner and Executive Director, City Planning

Wards: All

SUMMARY

Toronto is largely built-out and there is fierce competition for land for both residential and employment space. Toronto must find room via infill and redevelopment of existing land and buildings to accommodate growth. At the same time, the city's *Employment Areas* face considerable pressure to convert to permit a broader range of uses, including sensitive residential uses. Due to the operational needs of many businesses and given differences in development economics, once land designated *Employment Areas* is converted, it is unlikely that these lands will be developed for significant future industrial, manufacturing or distribution employment activity.

This report provides 39 preliminary assessments for a grouping of requests to convert land designated as *Core Employment Areas* and *General Employment Areas* as part of the City's Official Plan Growth Plan Conformity and Municipal Comprehensive Review (MCR). This is the first in a series of reports providing staff's preliminary position for the basis of consultation with key stakeholders and the public, including landowners and businesses, to obtain comments and feedback.

Council defined a year-long window during which staff would receive formal written requests to convert lands designated as *Core Employment Areas* and *General Employment Areas*. The City Planning Division received approximately 140 conversion requests before the opportunity to submit a conversion request closed on August 3, 2021. Proponents were given an additional month to supplement their conversion requests with information required for staff to conduct a technical analysis of the conversion request.

Nine conversion requests were received which did not submit the necessary materials and studies to undertake the required review. Staff will bring forward a final report on these "incomplete" conversion requests recommending Council's refusal given the lack of information for staff to adequately review the request.

Staff will prepare final recommendations for each of the conversion requests for Planning and Housing Committee and Council's consideration as part of a statutory public meeting under Section 26 of the Planning Act.

RECOMMENDATIONS

The Chief Planner and Executive Director, City Planning recommends that:

1. Planning and Housing Committee authorize the Chief Planner and Executive Director, City Planning to use the Preliminary Assessments, attached as Attachment 1 to the report (December 20, 2021) from the Chief Planner and Executive Director, City Planning as a basis for consultation during Q1 of 2022

FINANCIAL IMPACT

The City Planning Division confirms that there are no financial implications resulting from the recommendations included in this report in the current budget year or in future years.

EQUITY IMPACT STATEMENT

The Official Plan provides a vision for the City grounded in principles that assure a successful and healthy future. A founding principle of the Official Plan is that Toronto's future must be shaped by diversity and be more inclusive and equitable. The provision of employment and economic opportunities across the city is important to planning inclusive and equitable communities.

Employment Areas serve to accommodate a range of businesses including those that offer attainable employment opportunities for people of various education levels and skill sets. The relationship between *Employment Areas* and economic opportunities for equity deserving groups is also important. Jobs in distribution and in manufacturing and other goods-producing sectors are commonly identified as low-barrier employment opportunities for newcomers and other individuals that tend to face challenges related to having their professional certifications recognized along with those individuals where English is not their first language or where other barriers to social and economic inclusion exist.

DECISION HISTORY

City Council adopted Official Plan Amendment (OPA) 231 (By-law 1714-2013) on December 18, 2013, following the City's first Municipal Comprehensive Review (MCR)

to conform to the Growth Plan for the Greater Golden Horseshoe 2006 (Growth Plan 2006). The Minister of Municipal Affairs and Housing approved OPA 231 in 2014 with the exception of certain lands within the Lower Don Special Policy Area.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.PG28.2>

OPA 231 has been before the Ontario Land Tribunal (OLT) (formerly the Local Planning Appeal Tribunal and Ontario Municipal Board) since 2015. Significant portions of OPA 231 have been approved including citywide policies pertaining to *Employment Areas* land use designations, permitted uses, mapping, compatibility and mitigation, retail policies, cultural policies, and conversion policies. In addition, Council has adopted a number of site specific settlements which have also received OLT approval. Remaining to be resolved are appeals to citywide office replacement policies and approximately 80 site and area specific appeals, a number of which are subject to ongoing or upcoming litigation or resolution. An April 2021 consolidation of OPA 231 is available at this link:
<https://www.toronto.ca/legdocs/refdocs/11463.pdf>

On October 15, 2019, Planning and Housing Committee considered a report from the Chief Planner that described the requirements for the Growth Plan 2019 conformity exercise and MCR (the City's second MCR). The report described four major policy areas that are required to be addressed through the conformity exercise including protecting employment lands and considering requests to convert employment lands. The Committee requested the Chief Planner report on a work program for the completion of the required conformity exercise. The Committee also directed City Planning to prioritize the study of the Keele-St. Clair area as part of the MCR.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH9.2>

On June 29, 2020, City Council adopted a recommended approach and work plan for the Official Plan Growth Plan Conformity and Municipal Comprehensive Review (MCR). To standardize the requirements for conversion requests, City Council authorized the commencement of the MCR on August 4, 2020 and established a deadline of August 3, 2021 for written requests to convert lands designated *Core Employment Areas* or *General Employment Areas*.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH14.4>

On May 5, 2021, City Council adopted, as amended, EX23.3 Provincial Transit-Oriented Communities Program, which reaffirmed its position on the *Employment Areas* land use designation on the lands south of Eastern Avenue and supported the identification of this area as a Provincially Significant Employment Zone (PSEZ).
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX23.3>

On July 14, 2021, City Council adopted an approach for City staff to engage with the Province and Cadillac Fairview on the proposal for mixed use development at East Harbour. Through motions at this meeting, City Council directed the Chief Planner and Executive Director, City Planning, in consultation with the General Manager, Economic Development and Culture to:

- confirm the South of Eastern Employment Area boundaries as part of the MCR in light of the possible loss of employment lands resulting from an anticipated Ministerial Zoning Order and conversion request on the East Harbour Transit Oriented Community; and,
- report to the Planning and Housing Committee in the first quarter of 2022;
 - on the relevance of the South of Eastern Employment Area; and,
 - provide a high-level overview of the critical features of core employment districts and their contributions to Toronto's economy.

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

On July 14, 2021, City Council adopted, as amended, a report recommending approval of Official Plan amendments resulting from the Geary Works Planning Study. Council directed City Planning and Economic Development and Culture to consider area-specific changes to the land use permissions in *Employment Areas* adjacent to Geary Avenue and to consider a conversion of certain lands from *Core Employment Areas* to *General Employment Areas* matters as part of the MCR of the Official Plan.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH24.1>

On October 18, 2021, Planning and Housing Committee adopted a motion requesting City Staff to report to the November 25, 2021 committee meeting on the current planning and development context of the East Harbour Transit Orientated Communities (TOC) proposal.

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

On December 1, 2021, the Economic and Community Development (ECD) Committee adopted motions related to the Overview on Employment Lands in the Area South of Eastern Avenue, which were originated from the Film, Television and Digital Media Advisory Board letter ([Item FB10.2](#)). ECD Committee adopted the following motions:

- Acknowledged the importance of lands designated as *Core Employment Areas* and *General Employment Areas* in the Official Plan to the protection of existing and development of new studio and production space across the City of Toronto;
- Requested the Manager, Official Plan, City Planning to provide a presentation at the January 21, 2022 meeting of the Economic and Community Development Committee on the Overview of Employment Lands in the Area South of Eastern Avenue; and,
- Requested the Chief Planner and Executive Director, City Planning, in consultation with the General Manager, Economic Development and Culture, to consider as part of the report to the Planning and Housing Committee on the Municipal Comprehensive Review:
 - a. the importance of protecting and expanding studio and production space in the City of Toronto in an effort to increase Toronto's global market share in film production; and,
 - b. the potential impacts that proposed Employment Area conversions may have on current and future operations of nearby film and production studios.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EC26.14>

On December 15, 2021, City Council adopted, as amended, a preliminary report with planning comments, issues and next steps respecting Transit Oriented Communities (TOC) proposals related to Ontario Line stations in the Downtown. Through motions at this meeting, Community Council, among other matters directed Planning staff working on the *Employment Areas* conversion requests for the MCR to:

- hold a meeting on the East Harbour TOC proposal and to confirm the details in a report back to the January 6, 2022 Community Council meeting;
- convene a meeting with any public members of the Infrastructure Ontario/Cadillac Fairview-led Local Advisory Committee who are interested in reviewing the East Harbour TOC proposal; and,
- create a City-led local working group to review the East Harbour TOC proposal from a City Planning Policy perspective.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.TE29.17>

On November 25, 2021, Planning and Housing Committee adopted, as amended, a report providing a status update on the East Harbour TOC proposal. A motion was adopted directing Staff to report to the January 12, 2022 meeting of the Planning and Housing Committee on specific aspects of the East Harbour Transit Oriented Communities proposal, including:

- the impact of the introduction of residential development into 1/10 of the 330 acre *Core Employment Area*, designated as a provincially significant employment zone, including possible impacts, long and short term, on other current employment land conversion requests that the city has received as part of the MCR;
- steps the city can take to limit the impact of high-value job losses if the East Harbour conversion would be undertaken through a Provincial Ministerial Zoning Order, as anticipated; and,
- the nature and number of jobs in the Employment Area currently, with the retail jobs listed in a separate category.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH29.13>

COMMENTS

Provincial Policy Statement and Provincial Plans

Provincial Policy Statements and geographically specific Provincial Plans, along with municipal Official Plans, provide a policy framework for planning and development in the Province. This framework is implemented through a range of land use controls such as zoning by-laws, plans of subdivision, and site plans.

Provincial Policy Statement

The Provincial Policy Statement (2020) (the "PPS") provides policy direction province-wide on land use planning and development to promote strong communities, a strong

economy, and a clean and healthy environment. It includes policies on key issues that affect communities, such as:

- protecting and preserving employment areas for current and future uses and ensure that the necessary infrastructure is provided to support current and projected needs;
- the efficient use and management of land and infrastructure;
- ensuring opportunities for job creation; and
- ensuring the appropriate transportation, water, sewer and other infrastructure is available to accommodate current and future needs.

The provincial policy-led planning system recognizes and addresses the complex interrelationships among environmental, economic and social factors in land use planning. The PPS supports a comprehensive, integrated and long-term approach to planning, and recognizes linkages among policy areas.

The PPS is issued under Section 3 of the *Planning Act* and all decisions of Council in respect of the exercise of any authority that affects a planning matter shall be consistent with the PPS. Comments, submissions or advice affecting a planning matter that are provided by Council shall also be consistent with the PPS.

The PPS is more than a set of individual policies. It is to be read in its entirety and the relevant policies are to be applied to each situation.

The PPS recognizes and acknowledges the Official Plan as an important document for implementing the policies within the PPS. Policy 4.6 of the PPS states that, "The official plan is the most important vehicle for implementation of this Provincial Policy Statement. Comprehensive, integrated and long-term planning is best achieved through official plans."

Places to Grow: Growth Plan for the Greater Golden Horseshoe

The Growth Plan (2020) came into effect on August 28, 2020. The Growth Plan (2020) provides a strategic framework for managing growth and environmental protection in the Greater Golden Horseshoe region, of which the City forms an integral part. The Growth Plan (2020) establishes policies that require implementation through an MCR, which is a requirement pursuant to Section 26 of the *Planning Act*.

The Growth Plan (2020), builds upon the policy foundation provided by the PPS and provides more specific land use planning policies to address issues facing the GGH region. The policies of the Growth Plan (2020) take precedence over the policies of the PPS to the extent of any conflict, except where the relevant legislation provides otherwise. In accordance with Section 3 of the *Planning Act* all decisions of Council in respect of the exercise of any authority that affects a planning matter shall conform with the Growth Plan (2020).

The Growth Plan (2020) requires municipalities to: prohibit certain land uses (residential); prohibit or limit other sensitive land uses; prohibit or establish size or scale

thresholds for major retail uses; and address compatibility issues between *Employment Areas* and non-employment areas.

Policies also direct that the Minister of Municipal Affairs and Housing may identify Provincially Significant Employment Zones (PSEZ), which are identified for the purpose of long-term planning for job creation and economic development. Approximately 67% of the City's designated employment areas are identified as PSEZs.

The Growth Plan (2020) Policy 2.2.5.9 directs that a conversion to permit non-employment uses may only be permitted through an MCR where it is demonstrated:

- that there is a need for the conversion;
- that the lands would not be required to accommodate forecast employment growth over the horizon of the plan;
- the proposed uses would not adversely affect the overall viability of the *Employment Area*; and,
- there are existing or planned infrastructure and public services to accommodate the proposed uses.

Despite the policy described above, Growth Plan (2020) Policy 2.2.5.10 permits, until the next MCR, conversions outside of an MCR so long as the conversion is not located within a PSEZ or is located in a Major Transit Station Area (MTSA) in a PSEZ.

However, given that the City has initiated the current MCR, Council will consider all submitted conversion requests concurrently with and in the context of this MCR.

Official Plan

The Official Plan is a comprehensive policy document that guides development in the City, providing direction for managing the size, location, and built form of different land uses and the provision of municipal services and facilities. Authority for the Official Plan derives from the *Planning Act*. The PPS recognizes the Official Plan as the most important document for its implementation

The Official Plan *Employment Areas* land use planning framework was largely established through OPA 231. An integral component of the City's economic health are the 8,000 hectares of lands designated in the Official Plan as *Core Employment Areas* and *General Employment Areas*. These two designations apply to 13 per cent of all lands in the City. Policy 4.6.1 states that *Core Employment Areas* are places for business and economic activities. Uses permitted in *Core Employment Areas* are all types of manufacturing, processing, warehousing, wholesaling, distribution, storage, transportation facilities, vehicle repair and services, offices, research and development facilities, utilities, waste management systems, industrial trade schools, media, information and technology facilities, and vertical agriculture. Policy 4.6.2 allows for ancillary uses including parks, small-scale restaurants, and small-scale service and retail uses.

Official Plan Policy 4.6.3 specifies that *General Employment Areas* are places for business and economic activities generally located on the peripheries of *Employment Areas* and allow for restaurants and all types of retail and service uses.

On May 8, 2020, the OLT issued its Order bringing into effect the employment land conversion and removal policies of OPA 231. The policies direct that the conversion and removal of employment areas to permit non-employment uses or to redesignate *Core Employment Areas* to *General Employment Areas* may only be permitted through a city-initiated MCR that comprehensively applies the policies of the Growth Plan (2020). The OLT posts their orders and decisions at this link:

<https://www.omb.gov.on.ca/ecs/CaseDetail.aspx?n=PL140860>

Municipal Comprehensive Review Conversion Requests

Growth Plan (2020) policies 2.2.5.9 and 2.2.5.10 state that *employment areas* may be converted and lists the tests that need to be considered before any conversion. The Official Plan policies 2.2.4.14 to 2.2.4.18 provide Conversion and Removal Policies for *Employment Areas* in addition to those set out in the Growth Plan (2020).

Policy 2.2.4.14 states that a redesignation of land from an *Employment Area* designation to any other designation or the introduction of a use that is otherwise not permitted in an *Employment Area* is a conversion and a removal of land from an *Employment Area* and may only be permitted by way of an MCR. The introduction of a use that may be permitted in a *General Employment Area* into a *Core Employment Area* or the redesignation of a *Core Employment Area* into a *General Employment Area* designation is also a conversion and may only be permitted by way of an MCR.

Approximately 960 hectares of land designated *Employment Areas* are either subject to a conversion request as part of the current MCR; an outstanding site and area specific appeal to OPA 231; or, both. This equates to 12% of all lands designated *Employment Areas* in the City of Toronto, which is broken down in Table 1 and described below.

The City Planning Division is considering approximately 140 requests to convert lands designated as *Core Employment Areas* or *General Employment Areas*. This includes 15 sites in the Keele-St. Clair Local Area Study Area and 128 other requests city wide received as either a complete application for an Official Plan Amendment or a written request with supporting material and payment of the conversion request fee established by Council. The conversion requests constitute about 685 hectares (1,700 acres) of land, or 8.5% of all lands designated *Core* or *General Employment Areas*.

There are 22 submitted conversion requests for lands that are subject to site and area specific appeals in the on-going OPA 231 OLT proceedings. These 22 conversion requests form part of the approximately 80 site specific appeals to OPA 231 currently before the OLT, encompassing about 370 hectares (900 acres) of land. The Province transitioned these appeals under the previous Growth Plan (2006) through O.Reg 305/19, which can be accessed at this link:

<https://www.ontario.ca/laws/regulation/060311>.

Table 1: Employment Area breakdown - Conversions and Appeals

	Number of Requests	Land Area	Percent of all Employment Areas - citywide
Conversion request or Official Plan Amendment application	106	685 hectares (or 1,700 acres)	8.5%
Conversion Request and OPA 231 appeal	22		
Keele-St. Clair	15		
Incomplete conversion requests	9		
Outstanding OPA 231 appeal (not a MCR conversion request)	n/a	275 hectares (or 680 acres)	3.5%
Totals		960 hectares (or 2,370 acres)	12.0%

Approach to Review the Requests

Completed requests for a conversion by landowners were supported by a written submission that addressed planning policy; a Compatibility/Mitigation Study; and, payment of the *Employment Areas* Conversion Request User Fee. 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.

Preliminary Review of Economic Trends and Employment Areas

In support of the Growth Plan (2020) conformity exercise and MCR, the City retained Hemson Consulting Ltd., with Cushman & Wakefield, to carry out an employment study and economic analysis of the City of Toronto's *Employment Areas* and office market (Employment Study). The Employment Study will provide the necessary research and analysis to assist City staff in generating policy recommendations as part of the MCR.

Work to date has helped to set the context of Toronto's economy in the broader economic region; provides a macro level overview of Toronto's employment profile; and, highlights the local impacts of the COVID-19 pandemic and its implications for the City's employment outlook. With respect to *Employment Areas*, work to date has tracked changes to Toronto's employment land market over time in response to the evolving structure of Canada and Toronto's economy.

The following provides a high level summary of the consultants' preliminary findings:

- Office employment is Toronto's dominant sector, and accounted for 48% of all jobs in 2019 and reflective of Toronto's role as the central city in the broader economic region. Office employment is a broad category that consists office buildings in the Downtown and those dispersed office buildings found across the city, including in *Employment Areas* and office parks
- Employment growth, both citywide and within *Employment Areas*, has been particularly robust in the decade between 2011 and the start of the pandemic. In *Employment Areas* specifically, the city added 51,530 jobs between 2011 and 2019.
- Two sectors are dominant in the designated *Employment Areas*: Office and Manufacturing and Warehousing.
- Prominent employment activity within *Core Employment Areas* and *General Employment Areas* reflects their intended purpose. The role of *Core Employment Areas* is to serve traditional industrial and other business serving employment needs, primarily accommodating Manufacturing and Warehouse jobs (43%). *General Employment Areas* feature a more diverse share of Office and Retail jobs, which involve more frequent interface with the public.
- Job losses in Manufacturing and Warehousing were substantial between 2001 and 2011 resulting in a notable decrease on land now designated *Core Employment Areas*. These losses began to abate between 2011 and 2016, with the sector showing signs of considerable resurgence in the *Core Employment Areas* between 2016 and 2019, growing by over 12,400 jobs in that time.
- Changes in the number of jobs and the amount of investment in *Employment Areas* largely reflects the decline of the manufacturing sector and growth in the warehousing and distribution sector over time.
- With an industrial inventory of about 227 million square feet, Toronto accommodates more industrial space than any other municipality in the Greater Toronto Area (GTA). Toronto's industrial inventory accounts for about 28% of the total GTA market.
- Industrial vacancy rates within the City of Toronto have remained at or near historic lows for the past five years, sitting at 1.3% in mid-2021. Vacancy in the GTA industrial market reached a new record low at mid-year 2021, at just 1.1%.

- There is almost 9.6 million square feet of industrial space under construction market-wide. The current development cycle represents developer confidence in persisting demand from occupiers within the City of Toronto
- While most new industrial space is constructed in municipalities with greenfield opportunities located west and north of Toronto, the City of Toronto has accounted for approximately 3% of the GTA's net new industrial supply since 2009.
- Average net asking rental rates in Toronto (\$10.75 per square foot net) are nearly on par with the GTA average. Historically the City's rental rates have been slightly below the regional average given the higher rate of new construction activity in the suburban markets and the premium pricing associated with new product. That gap has closed in recent years.
- Steady activity in new building permits and permits for additions/renovations and alterations or other modifications, maintenance and safety upgrades demonstrate the importance of preserving existing *Employment Areas* for ongoing industrial and other adaptive employment uses. The value of construction by type of permit has remained relatively stable over time, indicating sustained investment/reinvestment activity.
- Shift towards e-commerce to continue competition for retail sales, which increases demand for industrial space (warehousing, distribution, transportation logistics)

In addition to adding a significant amount of new job growth between 2011 and 2019, Toronto's Employment Areas also experienced a considerable amount of change amongst emerging economic clusters and key industry groupings. General Manufacturing experienced roughly a 10% decline over this time period (-3,950 jobs), but continues to represent a significant portion of all jobs in the Employment Areas (8.6%). These losses were largely offset by significant increases in other specialty production related activities including:

- Life sciences and healthcare technology (+2,320 jobs)
- Computer system design (+3,830 jobs) and software publishing (+1,110 jobs)
- Architectural and engineering services (+3,330 jobs) and specialty trade contractors (+2,660 jobs)
- Food manufacturing (+2,150 jobs) and
- Motion picture and video industries (+2,330 jobs).

Toronto is largely built-out and there is fierce competition for land and space. Toronto's Employment Areas face considerable pressure to convert to permit a broader range of uses, including mixed-uses and major retail. Due to the operational needs of many operating businesses and differences in development economics between industrial and other land uses, once an Employment Area is converted it is unlikely that these lands will be developed for future industrial, manufacturing or distribution employment activity.

Permitted conversions tend to create a precedent, signalling the potential for additional conversions at a later date. Such a trend could further erode the City's employment land base and its ability to accommodate the types of jobs and businesses that rely on the location and site-specific characteristics of lands designated *Employment Areas*.

Land Needs Assessment

The Land Needs Assessment (LNA), required by the Growth Plan (2020), is a critical component of the MCR and is underway by City Planning. It will help determine the quantity of land required to accommodate forecasted growth to 2051. Key inputs into the LNA are the population and employment forecasts of the Growth Plan (2020); the City's own growth projections; and, quantity and location of potential supply. These components will incorporate the 2016 Census results as the baseline to assess the impacts of the intensification strategy on population, households and employment.

Group 1 Preliminary Assessments

The conversion requests that form Group 1 include seven conversion requests within the Toronto and East York District, six requests within Etobicoke-York District, 12 in Scarborough District, and 14 in North York District. The Group 1 preliminary assessments are contained in Attachment 1. Detailed mapping of each conversion area cluster can be seen in Attachment 3. Most of the conversion requests in Group 1 formed part of a general cluster of submitted conversion requests.

The following sections are organized to provide information on the area context and a brief summary of the conversion requests within the area. These descriptions are divided into the associated four Community Council geographies and Keele-St. Clair.

1. Toronto and East York Employment Conversion Requests

South of Eastern Employment Area

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.

Film Sector

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.

Summary of South of Eastern Conversion Requests

Four conversion requests have been received for the South of Eastern Employment Area. 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 (Conversion Request No. 055). 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 maintain 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 2022. The implications of this anticipated decision is being considered and will be brought to Council through 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. This site was subject to a previously approved application that would retain studio uses on the site, with various other employment uses.

Leslie Street, 17 (Conversion Request No. 055)

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 lands from *General Employment Area* to *Mixed Use Areas* to permit a mix of residential, retail, and office uses. These lands are also subject to an outstanding appeal to OPA 231 (Appeal 119).

Davies Avenue Office Cluster

The area context around Davies Avenue contains a cluster of low-rise office buildings, north of Queen Street East and east of the Don Valley Parkway. This cluster of land designated *Core Employment Areas* has a number of creative studio spaces, and small businesses. This employment cluster is part of a larger employment area that extends north to Dundas Street East, which includes office, event spaces and automobile dealerships.

Three conversion requests (Nos. 030, 038 & 071) have been received in the area, all seeking residential permissions and/or other non-employment uses.

2. Etobicoke York Employment Conversion Requests

Rexdale-Airport Employment Area

The Rexdale-Airport Employment Area is bounded generally by Highways 401 and Highway 427 to the south and west, Islington Avenue to the east and Rexdale Boulevard and Berry Creek to the north. The Etobicoke North GO transit station is a potential MTSA in this area. Metrolinx has indicated that they intend to close Etobicoke

North GO station in the future due to incompatibilities with the future track alignments for the GO Expansion program.

The Rexdale-Airport Employment Area has been identified by the Province as a PSEZ as defined in the Growth Plan (2020). These lands form part of a much larger PSEZ centred on Pearson International Airport, a PSEZ that includes lands in Toronto, the City of Mississauga, and the City of Brampton. Except for a portion of the Woodbine Racetrack lands, the conversion request properties in the Rexdale-Airport Employment Area are located in the Pearson Airport Operating Area (AOA). Site and Area Specific Policy ("SASP") 29 applies to the lands subject to the AOA and only permits residential development in a location in the northwest corner of the area, outside of Transport Canada's 30 NEF/NEP Composite Noise Contour where it can be demonstrated there will be no negative impact on the long-term function of the airport.

The local economic and employment context is as follows:

- The Rexdale-Airport Employment Area accommodated about 43,100 jobs in 2019, an increase of 6,000 jobs over 2011. This represents a total growth rate of 16.1% or 2.0% per year.
- The area is characterized by a mix of industries with transportation and logistics being the most prominent. Employment growth from 2011 to 2019 has been concentrated in the Professional and Education/Health Care sectors. In 2019, 23% of jobs were in the Professional Services sector.
- The two largest employers are Purolator and Woodbine Racetrack and Casino.
- There is nearly 27 million square feet of rentable industrial building space in the Rexdale-Airport Employment area with an average vacancy rate of 4% in 2021.
- The Rexdale-Airport Employment Area was largely developed through the 1960s and 1970s with the more recent buildings having clear ceiling heights generally between 16 and 20 feet.
- There has been an investment of \$317 million in new development in industrial and commercial building permit activity over the past five years as well as nearly \$370 million in alterations and additions.
- With about 1,600 businesses employing 43,000 workers over 1,024 hectares, Rexdale currently has an employment density of about 42 workers per hectare.

Woodbine Racetrack - Policy Context

The Woodbine Racetrack is approximately 265 hectares and is located southeast of Rexdale Boulevard and Highway 427. The site is three times the size of the ConsumersNext Secondary Plan Area and is larger than the size of the Financial District and University of Toronto Secondary Plan Area combined.

The lands are designated *Core and General Employment Areas*. In addition to SASP 29 related to the Airport Operating Area, SASP 296 applies to the site and sets out a planning framework for new commercial retail and entertainment uses in addition to existing racetrack and associated entertainment uses. SASP 296 permits residential uses at the northwest corner of the site and requires that a planning framework and strategies be created to provide for matters such as parkland, affordable housing,

community services and local institutions prior to the approval of implementing zoning. The framework requires matters such as a subdivision agreement and other agreements, phasing and provisions to secure needed amenities and features such as public roads. Zoning By-law 864-2007 partially implements the direction of SASP 296.

Woodbine Racetrack - Development Applications

In 1998, the Minister of Municipal Affairs and Housing filed Ontario Regulation 688/98 ("O.Reg. 688/98"), a Minister's Zoning Order to allow for the operation by Ontario Lottery Gaming Corporation ("OLG") of slot machines and electronic gaming on the subject site.

In 2015, City Council approved, in principle, expanded gaming at Woodbine Racetrack subject to 21 conditions that would require the owner and the gaming service provider to ensure appropriate planning approvals and community benefits are realized.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX7.4>

In 2018, City Council approved Zoning By-Law Nos. 1260-2018 and 1261-2018 that would allow for live table gaming on the northeast portion of the subject lands and the existing grandstand building respectively. City Council also endorsed the approval of the Draft Plan of Subdivision for the northern portion of the subject lands. Collectively, the approvals further implement the direction of SASP 296 and the conditions for providing a mix of uses, including an integrated entertainment complex, while continuing the existing horse racing use.

City Council also requested the Ministry of Municipal Affairs and Housing to remove O.Reg. 688/98 once the amending by-laws are in full force and effect. O.Reg. 688/98 is still applicable on the subject site. Council also request that Woodbine Entertainment Group (WEG) work with the City of Toronto and local residents on Community Benefit Agreements ("CBA") as part of future development of lands at 555 Rexdale Boulevard outside of the proposed Gaming District.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EY29.2>

Concurrently with the planning approvals, City Council also authorized the City to enter into a Community Benefits Agreement (CBA) with the service provider of the gaming facility on the subject site to satisfy conditions focused on community benefits.

The approved Draft Plan of Subdivision applies to 118.5 hectares in the northern part of the site and would create eight city-owned public roads and 19 development blocks. The Draft Plan of Subdivision was approved in 2019 by the OLT. The applicant is in the process of fulfilling the draft approval conditions prior to registration and issuance of final approval. The anticipated final approval of Phase 1 of the Plan of Subdivision is targeted for the first quarter of 2022.

Two site plan applications were submitted in 2018 to implement the integrated entertainment complex. The first site plan application, referred to as Block 9 on the Draft Plan of Subdivision, proposes four commercial buildings with a total gross floor area of 7,616.5 square metres. The application is currently under review and is targeted to

receive Notice of Approval Conditions in the first quarter of 2022 in order for construction to begin.

The second site plan application, referred to as Block 10 on the Draft Plan of Subdivision, proposes a casino facility, two hotels, a theatre, two retail buildings and a parking structure with a total gross floor area of 106,760 square metres. The application received Notice of Approval Conditions in 2019 and is currently under construction.

In 2021, City Council approved Zoning By-law 500-2021 that added transportation uses in order to facilitate the provision of transit facilities, such as a potential GO station on the entirety of the subject site. A site plan application was submitted in 2020 to implement the proposed GO station located at the southeast portion of the subject site. The application includes a station building, a bus loop, and approximately 1,000 surface parking spaces. The site plan application is currently under review and did not include any development beyond the core station elements noted.

Woodbine - Transit Oriented Communities Proposal

In 2019, Metrolinx, WEG and the Province announced plans to construct a new GO Station on the Woodbine lands at the southern edge of the site along the Kitchener GO rail corridor. The future station is proposed to be delivered under Metrolinx's TOC program. WEG indicated it would provide the land and the funding to construct the proposed Woodbine GO station, and did not propose any new development on or adjacent to the station site in their station site plan application to the City. Since 2019, planning and negotiations for the proposed GO station have advanced, and both WEG and Metrolinx have indicated a June 2022 milestone date to confirm the terms of their commercial agreement and proceed with the construction and delivery of the station.

WEG informed the public during an open house in October 2021 that they are in discussions with the Province's staff and intend on requesting that the Province issue a MZO. Prior to implementing zoning on the site to permit residential uses, a comprehensive planning framework through a secondary planning process is strongly recommended. The introduction of additional residential uses would be a significant departure from what has been planned for the site over the past 15 years. This current change in course would require a comprehensive planning framework akin to multi-disciplinary, multi-year processes that have been undertaken elsewhere in the city where large scale land use change is proposed.

Summary of the Rexdale-Airport Employment Area Conversion Requests

Woodbine Racetrack (Conversion Request No. 074)

A request to convert all of the subject lands was submitted on behalf of WEG and seeks to redesignate the lands to *Mixed Use Areas* and/or *Regeneration Areas*. WEG has provided a conceptual master plan that contemplates the development of approximately 27,600 residential units and 794,000 square metres of non-residential space.

Three other conversion requests (Nos. 048, 049 & 112) have been received for lands within the Rexdale-Airport Employment Area. Two requests seek residential use

permissions, and one conversion request seeks a redesignation to *General Employment Areas* to permit an existing automobile dealership.

Summary of other Etobicoke-York Conversion Requests

Two other conversion requests in Etobicoke-York (Nos. 002 & 014), which are not located within a geographic cluster, are seeking residential permissions.

3. Scarborough Conversion Requests

Scarborough Junction Employment Area

The Scarborough Junction Employment Area is triangular in shape bounded by St. Clair Avenue East to the north, Kennedy Road to the west, and the rail corridor to the east and south on a diagonal. This area represents about 7.9 hectares of lands designated as *General Employment Areas* and is characterized by warehousing, automobile dealerships, office, a sports complex, and light industrial.

Three conversion requests (Nos. 003, 065 & 083) have been received in the Scarborough Junction area, all seeking residential permissions. Two of the conversion requests were submitted as Official Plan Amendment applications. Together, the conversion requests constitute approximately 7.3 hectares, representing approximately 92% of the total land designated as *Core* or *General Employment Areas* within the Scarborough Junction Area.

Kennedy - Finch Employment Area

The Kennedy-Finch Employment Area is the southern portion of the larger Milliken Employment Area. Generally bounded by Midland Avenue to the east, Kennedy Road to the west, Finch Avenue East to the south, and while the Milliken Employment Area goes north to Steeles Avenue East, this particular geography is bounded by the hydro corridor to the north. This area represents approximately 70 hectares of lands designated as *General* and *Core Employment Areas*.

Six conversion requests (Nos. 008, 052, 053, 057, 058 & 061) have been received in the area, all seeking residential permissions. One of the conversion requests (008) also has a site-specific appeal to OPA 231. Together, the conversion requests constitute approximately 13 hectares, representing approximately 18% of the total land designated as *Core* or *General Employment Areas* within this geography.

Golden Mile Employment Area

The Golden Mile Employment Area is generally bounded by Eglinton Avenue East to the north, Birchmount Road to the east, Pharmacy Avenue to the west, and Hymus Road to the south with some further parcels of Employment Areas south along Warden Avenue. This area represents approximately 150 hectares of lands designated as *Core* and *General Employment Areas*.

Three conversion requests (Nos. 043, 067 & 084) have been received in the area, all seeking residential permissions. Two have site specific appeals to the Golden Mile Secondary Plan (request 67 and 84), which was adopted by City Council in October

2020. In addition, one of those sites (request 84) also has a site specific appeal to OPA 231. Together, the conversion requests constitute approximately 14 hectares, representing approximately 9% of the total land designated as *Core* or *General Employment Areas* within this geography.

4. North York Conversion Requests

Don-Mills Office-Focused Employment Area

The Don-Mills Office-Focused Employment Area is generally bound by The Don Valley Parkway to the east, Greenbelt Drive to the north, Leslie Street to the west and Eglinton Avenue East to the south, excluding the lands south of the CN Rail corridor, and west of Don-Mills Road. The area represents approximately 110 hectares of lands designated *General Employment Area*.

Three conversion requests (Nos. 016, 033 & 068) have been received for the Don-Mills Employment Area. All three requests are requesting residential and employment permissions. These three sites have a combined site area of roughly 14 hectares, representing roughly 13% of lands designated as *General Employment* in this area.

Leaside-Thorncliffe Park Employment Area

The Leaside-Thorncliffe Park Employment Area is generally bound by Eglinton Avenue East to the north, The West Don Trail to the east, Overlea Boulevard to the south and Laird Drive to the west, as well as a portion of lands south of the CN Rail Line and west of Millwood Road. The Green Space between the CN Rail Line and Pat Moore Drive is excluded from the Employment Area. The lands in the Leaside-Thorncliffe Park Employment Area represent roughly 168 hectares of lands designated as either *General* or *Core Employment Areas*.

Six conversion requests (Nos. 007, 009, 020, 036, 042 & 051) have been received for the Leaside-Thorncliffe Park Employment Area. Three conversion requests were submitted for properties near Laird Drive and Eglinton Avenue East, two were submitted for properties along Overlea Boulevard and one was submitted for the Loblaw located on Redway Road. These six sites have a combined site area of approximately 10.3 hectares, which represents approximately 6% of the Employment Area. All three of the requests made for properties in the Laird Drive area are requesting to permit non-employment uses permissions. The two conversion requests on Overlea Boulevard and the request on Redway Road (Loblaw), are requesting residential permissions.

Consumers Road Office-Focused Employment Area

The Consumers Road Office-Focused Employment Area is bounded by Sheppard Avenue east to the north, Victoria Park Ave to the east, Ontario Highway 401 to the south, and the Don Valley Parkway to the west. Lands in the Consumers Road Office-Focused Employment Area comprise approximately 93 hectares in area, all of which are designated *General Employment Area*.

Five conversion requests (001, 021, 113, 123 & 125) have been received for the Consumers Road Employment Area. All five conversion requests request residential

permissions or non-employment uses. One of the conversion requests (021) also has a site specific appeal to OPA 231, and one Official Plan Amendment application was submitted in relation to the 001 request. All five sites are related and within the ConsumersNext Secondary Plan area. These five sites have a combined site area of approximately 6.92 hectares, which represents approximately 7% of the land designated *General Employment Area* within this geography.

5. Keele-St. Clair Local Area Study Conversion Requests

Ten conversion requests were reviewed by staff and included in the 10 Preliminary Assessment Areas within the study area. Planning and Housing Committee considered the Directions Report containing the preliminary assessments on June 28, 2021.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH25.8>.

Subsequently, five additional conversion requests were received within the study area. Three of the requests are either fully or partially within the study area and were evaluated as part of the 10 original preliminary assessments. The two requests not included in the June 28, 2021 report are currently being reviewed by staff. Preliminary Assessments were included in the next report on the study, considered by Planning and Housing Committee on November 25, 2021.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH29.10>

Next Steps

Staff will conduct targeted consultations on the Preliminary Assessments (Group 1) to obtain feedback on them prior to bringing forward a Final Report for Committee and Council's consideration in the second quarter of 2022. Staff from City Planning and Economic and Development and Culture Divisions will continue to review materials for the remaining 100 conversion requests and advance Preliminary Assessments for Committee's consideration. There are nine conversion requests that have not submitted the necessary materials for staff to undertake preliminary assessments. Staff will bring forward a final report on these "incomplete" conversion requests to the March meeting of Planning and Housing Committee.

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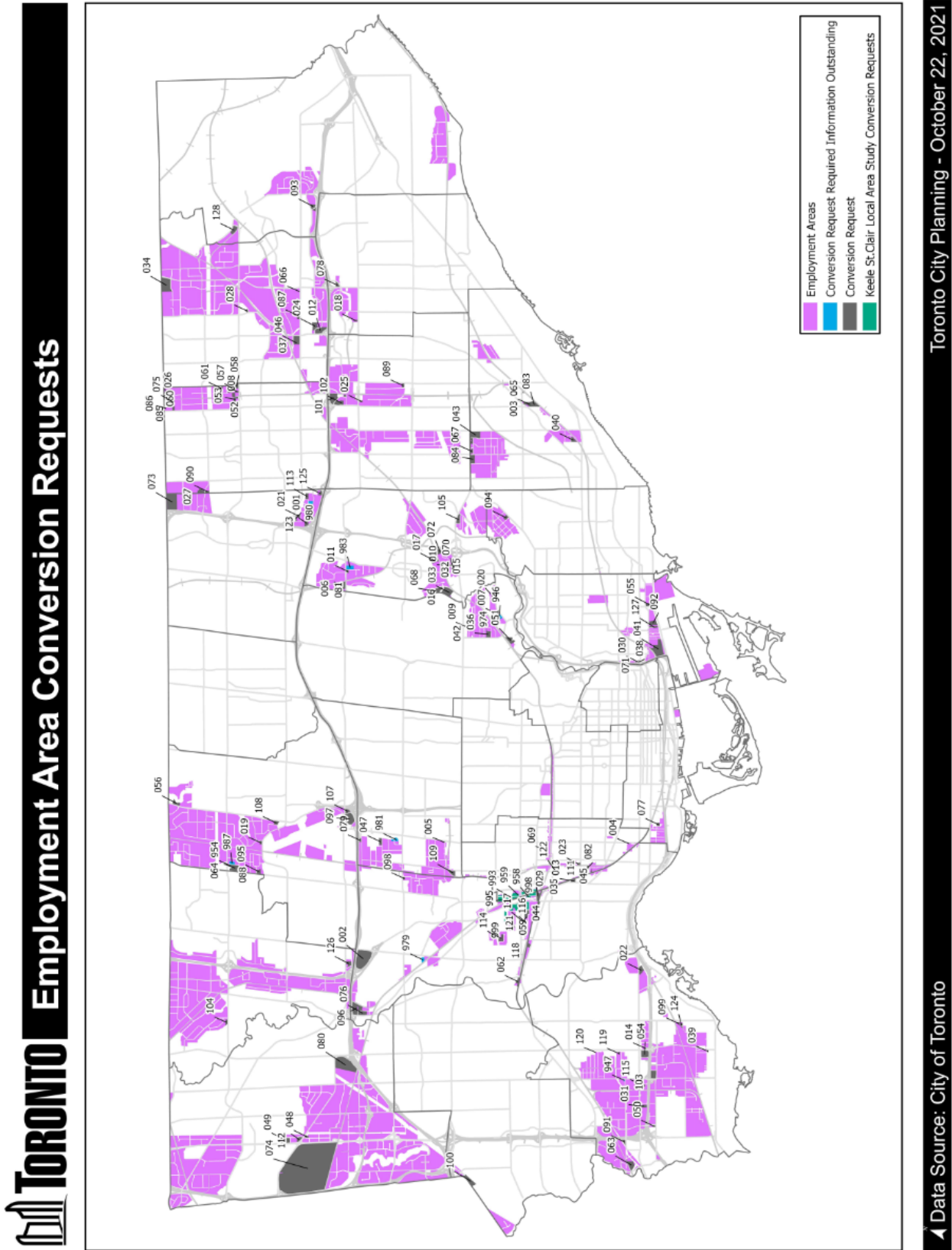
ATTACHMENTS

Attachment 1: Preliminary Assessments of Employment Area Conversion Requests
(Group 1)
Attachment 2: Map of Employment Area Conversion Requests - City-Wide
Attachment 3: Group 1 Conversion Request Land Use Designations and Context

Attachment 1: Preliminary Assessments of Employment Area Conversion Requests (Group 1)

(Provided separately)

Attachment 2: Map of Employment Area Conversion Requests - City-Wide



Attachment 3: Group 1 Conversion Request Land Use Designations and Context

