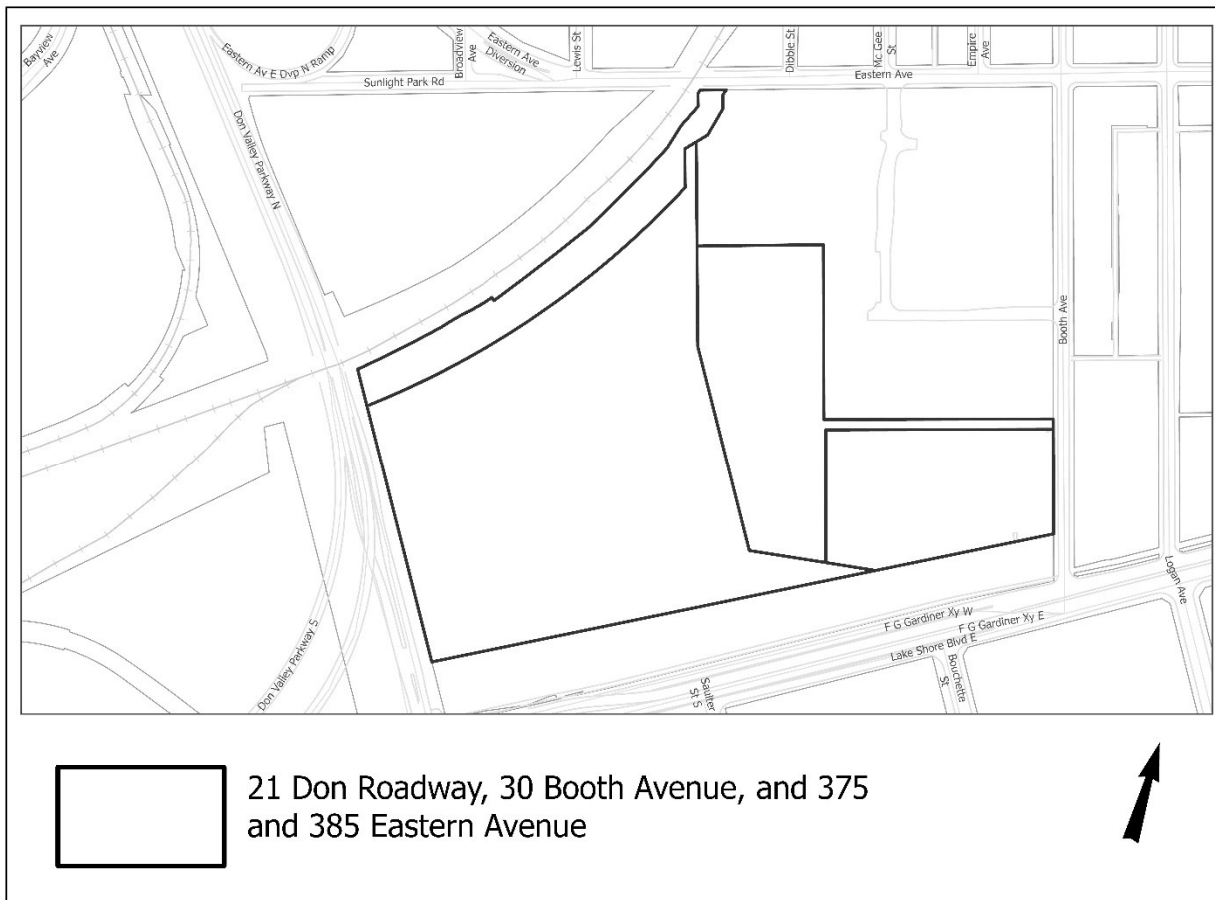


FINAL ASSESSMENT OF CONVERSION REQUEST NO. 041

- Address:** 21 Don Valley Parkway, 30 Booth Avenue, and 375-385 Eastern Avenue (East Harbour)
- General area:** Don Valley Parkway and Lake Shore Boulevard East
- Ward:** Toronto-Danforth (14)
- Owner (Applicant):** Cadillac Fairview (Urban Strategies Inc.)
- Site area:** Approximately 15.1 hectares (37.3 acres)
- Existing uses:** Former Unilever Soap Factory (vacant), existing Cinespace Studio, low to mid-rise industrial buildings.



CONVERSION REQUEST

Proposal: Requests 302,000 square metres of residential use permissions, in addition to the previously approved 926,000 square meters of commercial office and retail gross floor area on the lands.

The Minister of Municipal Affairs and Housing made Ontario Regulation 329/22 on April 8, 2022. This Ministerial Zoning Order (MZO) granted residential permissions on certain limited portions of the lands.

OFFICIAL PLAN AND ZONING FRAMEWORK

Urban Structure: *Employment Areas (Map 2)*

Designation(s): *General and Core Employment Areas (Map 18)*

Area Specific Policies: Unilever Precinct Secondary Plan;
Chapter 7 SASP 426;
Lower Don Special Policy Area (Map 11)

Zoning By-law: Ontario Regulation 329/22: Zoning Order – City of Toronto (MZO)

Employment Industrial Office (EO) and Open Space Recreation (OR) in the City of Toronto Zoning By-law 569-2013 (Site-specific Zoning By-laws 1280-2018 and 1281-2018)

SITE CONTEXT AND ADJACENT USES

North: Metrolinx Rail corridor (further north: automobile dealerships and small scale commercial uses)

South: Toronto Economic Development Corporation (“TEDCO”)-owned vacant property, Keating Rail Lands and Lake Shore Boulevard East (further south: The Port Lands)

East: Enbridge-owned lands and City of Toronto-owned office buildings (City of Toronto Booth Yards) (further east: low-rise residential, office, film and television studios and facilities)

West: Don Valley Parkway and the Don River (further west: West Don Lands)

CONVERSION REQUEST CONSIDERATION

The *Planning Act*, the PPS 2020, and the Growth Plan 2020 emphasize the importance of protecting employment lands to ensure a prosperous economic future. The Growth Plan 2020 and Official Plan set out the criteria by which the City is to consider the conversion of lands designated *Employment Areas*. Criteria include the requirement to demonstrate a need for the conversion; that the City will maintain sufficient land to achieve the 2051 employment forecasts set out in the Growth Plan 2020; the conversion would not adversely affect the overall viability of the employment area; and, there is infrastructure and public facilities to accommodate the proposed uses.

The City received approximately 150 requests to convert lands designated *Core Employment Areas* and *General Employment Areas* as part of the City's Official Plan Growth Plan 2020 Conformity and Municipal Comprehensive Review ("MCR"). Preliminary Assessments were prepared that provided preliminary issues and staff positions on requests. Planning and Housing Committee authorized the use of over 130 preliminary assessments for the basis of consultation with requestors, neighbouring businesses, major facilities, propane operators, other stakeholders and the public.

Staff have reviewed the material provided as part of this conversion request; considered the permissions granted in the MZO made for the lands, the conclusions of the Peer Review of the Compatibility/Mitigation Study; consulted with the owner/applicant and staff from the Ministry of Municipal Affairs and Housing and Ministry of Natural Resources and Forestry; and conducted site visits. This Final Assessment completes the review of Conversion Request No. 041 and provides staff's recommendations.

GEOGRAPHICALLY RELATED CONVERSION REQUESTS

These conversion requests form part of a series of four requests within the South of Eastern *Employment Areas* cluster. In assessing this conversion request, staff considered the potential cumulative impacts of all the nearby conversion requests, particularly:

- 17 Leslie Street (Conversion Request No. 055)
- 629, 633, and 675 Eastern Avenue (Conversion Request No. 092)
- 65, 87 Heward Avenue (Conversion Request No. 127)

FINAL ASSESSMENT

In April 2021, the Province announced a Transit Oriented Communities ("TOC") commercial partnership with Cadillac Fairview for the East Harbour lands. The East Harbour TOC proposes a mixed-use community on the lands, including the 926,000 square metres of employment development previously approved in the Unilever Precinct Secondary Plan and relevant Zoning By-laws. The residential uses envisioned for the TOC are not permitted as part of the Secondary Plan or through the applicable zoning by-laws.

On April 8, 2022, the Minister of Municipal Affairs and Housing made a Minister's Zoning Order per Ontario Regulation 329/22 ("MZO") for the East Harbour lands. The MZO permits residential uses in specific portions of the East Harbour lands to permit 302,000 square metres of residential development, in addition to the existing employment development permissions, to facilitate the East Harbour TOC proposal. The MZO allows for residential uses in the zoning permissions on lands designated *Core Employment Areas* and *General Employment Areas* in the Official Plan. While the Growth Plan 2020 prohibits, and the City's official plan policies do not permit, residential uses on lands designated *Employment Areas*, the Province's MZO does not need to conform to these policies.

The lands are within the South of Eastern *Employment Areas* cluster. Along with the Port Lands to the south, the South of Eastern *Employment Areas* cluster is home to a significant concentration of Toronto's film and television production facilities. The City of Toronto is the fifth largest production jurisdiction in North America and anchors the growing film and television industry in Ontario. In 2022, film and television productions in Toronto resulted in a \$2.6 billion direct spend within the city; this does not include associated indirect spending to adjacent industries, which multiplies the economic impact substantially. Productions in the city employs approximately 35,000 Torontonians every year. Demand for Toronto's studio space outpaces capacity. Each year the City of Toronto Film Office turns away substantial amounts of production and resulting jobs and investment because studios in Toronto are already full.

The South of Eastern *Employment Areas* cluster plays a critical role in Toronto's television and film industry as it allows for the clustering of film and film-related uses, including television and production, prop suppliers, visual effects and sound studios. The cluster of film and television production facilities drives locational decisions for a number of businesses and facilities that support the sector, from prop suppliers to visual effects and post-production studios.

On December 1, 2021, the Economic and Community Development Committee adopted direction from the Film, Television and Digital Media Advisory Board, acknowledging the importance of the existing Official Plan Employment Areas designations in the South of Eastern *Employment Areas* cluster to ensure the protection of existing, and the development of new, studio and production space. With over 1 million square metres of non-residential development proposed in the area, and a 1% vacancy rate, the South of Eastern *Employment Areas* cluster will continue to be a critical location for employment growth in Toronto and the region. The lands are located within the Growth Plan 2020 Provincially Significant Employment Zone ("PSEZ") – Zone 8.

Employment areas provide opportunities for Torontonians to live and work in the City. Seventy-four percent of the workers in the South of Eastern *Employment Areas* cluster and the Port Lands live in the City of Toronto, and 16% of all workers in the Employment Area reside in Neighbourhood Improvement Areas ("NIAs"). NIAs are areas identified as priority for investments to improve the general well-being of residents. This area accommodates a significant source of local jobs. Providing convenient access to jobs contributes to the achievement of a complete community. The accessibility of Employment Areas by transit is a core strength as the city moves

toward adapting to climate change. In this employment area, 24% of workers use a low-carbon mode of travel to work: 16% use transit while 8% walk or cycle.

The existing supply of Employment Areas is sufficient to achieve the 2051 Provincial employment forecast for Toronto per Schedule 3 of the Growth Plan 2020. It is anticipated that the City will achieve the employment forecast allocated to the municipality pursuant to the Growth Plan 2020. It should be noted, however, that while no single conversion request would affect this outcome, multiple conversions could impact Toronto's ability to achieve the Provincial employment forecast. There is no need to convert the remaining *Employment Areas* at 21 Don Valley Parkway, 30 Booth Avenue, and 375-385 Eastern Avenue (East Harbour) to achieve the population growth forecasted by the Growth Plan.

Based on its access to major goods movement corridors, such as the Don Valley Parkway, Lakeshore Boulevard East and the Gardiner Expressway, as well as to the Port Lands, more traditional heavier industries and large sites devoted to City services have historically located here. Large film and television production studios are drawn to the area for similar reasons, including access, flexible large sites and proximity to the workforce and Downtown Toronto. Some of the largest employers in the area are Canada Post, Loblaws, Toronto District School Board, BMW Toronto, and Revival Studios.

It is essential to preserve employment lands with good access to important transportation infrastructure that support the movement of goods. The Growth Plan 2020 sets out that municipalities should designate and preserve lands located adjacent to or near major goods movement facilities and corridors, including major highway interchanges, as areas for manufacturing, warehousing and logistics, and appropriate associated uses and ancillary facilities. Conversion of the lands may impact the facilitation of the movement of goods for existing and future employment uses in the larger South of Eastern *Employment Areas* cluster.

While the Minister issued a MZO on the lands to introduce permissions for sensitive land uses, including residential uses, conversions to allow sensitive land uses, including residential uses on the subject lands, within this cluster of *Employment Areas* designated lands could impact the ability for existing and new businesses to continue operating, and create a precedent for additional conversions and the erosion of the surrounding employment area. Loss of the neighbouring employment lands could result in the loss of many and diverse jobs, including specialized job opportunities in the film and television industry, distribution and warehousing. The conversion of the lands would adversely impact the ability of these *Employment Areas* to provide a stable and productive operating environment for existing and new businesses. Given the low vacancy rates in this area, existing businesses that may be displaced by new stand-alone retail uses may have difficulties relocating and clustering in this same area.

Outreach to local industry included those with existing provincial Environmental Compliance Approvals (ECAs) and Environmental Activity and Sector Registrations (EASRs), as well as those in the immediate vicinity and stakeholders in relevant sectors. Businesses in the area, particularly those that support the film and television

industry, noted the benefits of their location and the ability to cluster within the South of Eastern *Employment Areas*. For example, the prop suppliers would have significant increases in costs related to transportation and time if they have to relocate away from the production facilities in the area. The variety of parcel sizes on the lands are conducive to different users, and there is a need for large sites in this area, driven by the demand for warehousing and storage facilities to support the film and television industry.

Outreach to other industries in the area included auto uses, recycling and salvage uses, traditional machining and roofing suppliers and storage facilities. Although these users represent more traditional employment area uses, their activities and operations can exist alongside film and production uses. Continued truck access, as well as access to a local workforce, are concerns for these industries as well. Several businesses noted that transit investment in the area will be key to continuing to attract employees and support the *Employment Areas*.

A Compatibility/Mitigation (“C/M”) Study was required to support each conversion request. The submitted C/M Study for the proposed conversion found that the existing Enbridge facility immediately to the north-east of the lands emits Nitrogen Oxides, which may have adverse effects on future sensitive uses that may be located on the lands, and the Study recommended that an Air Quality Assessment be conducted to identify Nitrogen Oxide concentrations at various heights to understand the potential impacts.

In addition, the submitted Noise and Vibration Study indicated that including sensitive residential uses on the lands would be subject to higher than acceptable noise levels as Class 1 (urban) sound level limits could not be met. The Study recommended that a Class 4 area classification for the lands should be sought due to noise from major transportation facilities and employment uses (e.g., the City’s Work Yard, the Enbridge facility, and the Don Yard layover) around the lands. A Class 4 area is defined under the Ministry of the Environment, Conservation & Parks Publication NPC-300 guidelines, and means that residents would be subject to higher than normal noise levels, while allowing nearby noise sources to continue to operate without changes. This would not be considered mitigation, but acceptance of higher than normal noise levels.

The Peer Review of the Compatibility Mitigation (“C/M”) Study determined that required information and assessment materials were not provided with respect to the following: correct classification of impactful industries, complaint history, review of all surrounding proposed and approved development, evaluation in the vibration analysis of potential impacts from the expanded planned transit operation in/around the lands, evaluation of the impact of potential expansions/development of the surrounding employment facilities, complete traffic data. The Peer Review did not confirm if a Class 4 area classification is appropriate for the lands based on the submitted C/M Study; however, it did note that additional information and analysis is needed through an updated Noise and Vibration Study to fully understand the impacts of the surrounding uses on any proposed sensitive residential uses on the lands.

The lands are located within the Council-adopted East Harbour Protected Major Transit Station Area (“PMTSA”). The planned East Harbour Subway/GO Interchange station will

serve the planned Ontario Line subway route. Existing and permitted development within the MTSAs is planned for and meets a minimum population and employment target of 300 residents and jobs combined per hectare. The PMTSA was submitted to the Minister of Municipal Affairs and Housing on July 29, 2022 for approval, as the approval authority for PMTSAs. To date, no decision has been received. The Growth Plan 2020 minimum density targets for PMTSA/MTSAs are targets for jobs as well as residents. Approximately 16% of workers access the South of Eastern *Employment Areas* cluster by transit. Transit accessible *Employment Areas* play a key role in providing Torontonians equitable access to employment opportunities.

Conversion to permit residential uses would require sufficient community services and facilities such as parks, libraries, recreation centres and schools that exist or are planned within walking distance for new residents. The nearest library and community recreation centre are over one kilometre away and would require the crossing of major streets.

The lands are subject to Site and Area Specific Policy (“SASP”) 426, which was enacted through the Minister of Municipal Affairs and Housing approval of OPA 231. The SASP directs the comprehensive planning for an integrated and connected employment precinct with a mix of non-residential uses, including flood mitigation measures that are acceptable to the Toronto and Regional Conservation Authority as the lands are within a floodplain. In addition, SASP 426 included policies that direct the development of a comprehensive plan for the employment precinct, considering matters like land use, built form, phasing, compatibility and mitigation with the surrounding *Employment Areas*. SASP 426 does not contemplate or permit residential uses. This comprehensive plan was adopted by the City Council in June 2018 as the Unilever Precinct Secondary Plan.

The lands are within the Unilever Precinct Secondary Plan, which guides the redevelopment of the East Harbour lands as an office hub and precinct to facilitate the original development applications on the lands for a major office hub with supporting non-residential uses. The subject lands are identified as the 'East Harbour Office District'. The Secondary Plan also provides planning direction for City, TEDCO and Enbridge-owned lands in the Unilever Precinct, where redevelopment may take place in the future. The direction in the Secondary Plan is rooted in the *Core Employment Areas* and *General Employment Areas* designation of the lands to help ensure the future major office hub is developed along with the future East Harbour Smart Track station with the appropriate parks, flood protection, internal road network, animation spaces, etc. The East Harbour Zoning by-laws (By-laws No. 1280-2018 and 1281-2018) provide further direction on land use and built form for office development on the East Harbour lands and introduce a series of holding provisions that secure key elements, including infrastructure delivery and design details.

The conversion request for the lands was made to support the planned development for the East Harbour TOC. In line with the MZO’s parcel-specific approach for residential permissions at East Harbour, staff recommend only converting these specific portions of the lands to *Mixed Use Areas* to align with the Minister's direction in the MZO. The lands recommended to be redesignated from *General Employment Areas* and *Core*

Employment Areas to Mixed Use Areas allow for residential uses in areas where they are permitted through the MZO. Only lands where residential uses are permitted through the MZO will be redesignated. The remaining lands would retain their *Core* or *General Employment Areas* designations and continue to support the area's primary planned function as an employment precinct.

In addition to targeting conversion of part of the lands to align with the MZO, staff are recommending the following specific amendments to in-effect SASP 426 and Unilever Precinct Secondary Plan. These amendments include the requirement for various components of a complete community, to support the residential uses that were previously not contemplated for this area.

Recommended amendments to SASP 426:

- Adding a new policy that allows for residential or other sensitive land uses on the portion of the lands designated *Mixed Use Areas*, provided that:
 - a maximum residential gross floor area of 302,000 square metres is permitted on the *Mixed Use Areas* portion of the lands, aligned with the maximum residential gross floor area permitted in the MZO;
 - a minimum of 5% of the total residential gross floor area, resulting in at least 215 affordable rental units, be provided and maintained on the lands for a minimum of 99 years;
 - a minimum of two 62-pupil childcare facilities be constructed on the lands; and
 - an approximately 6,500 square metre community recreation centre be constructed on the lands.
- Adding a new policy to require a minimum employment gross floor area of 926,000 square metres will be developed on the lands so that East Harbour becomes a major office and employment hub.
- Adding a new policy to require that sensitive land uses, including new residential uses will be located, designed and buffered to mitigate impacts from and be compatible with the ongoing operation and expansion of nearby employment uses, and any new employment uses within the surrounding *Employment Areas*.
- Removing the policy requiring the development of a comprehensive plan as the Unilever Precinct Secondary Plan has since been adopted and is in effect.
- As the lands are within the flood plain, require:
 - flood remedial measures for the lands to the satisfaction of the City, the Toronto and Region Conservation Authority (TRCA) and the Province; and
 - the preparation of an emergency management plan to the satisfaction of the City, in consultation with TRCA, and enter into any necessary agreements to protect public health, safety and property.
- Recommended amendment to the Unilever Precinct Secondary Plan:
 - Amending the Vision and Objectives preamble to acknowledge that residential and other sensitive land uses are only permitted on the *Mixed Use Areas* portion of the East Harbour Office District, in alignment with the

zoning permissions granted by Ontario Regulation 329/22 made on April 8, 2022.

- Amending a sidebar description of the East Harbour Office District to acknowledge that residential uses are permitted on the *Mixed Use Areas* portions of the lands to build a complete, transit-oriented community, including affordable housing.
- Amending preamble text in section 4.1 Land Use to acknowledge that residential uses may be permitted on the portions of the lands designated *Mixed Use Areas* in the East Harbour Office District.
- Amend Policy 7.4.3.4 that only applies to the lands to clarify that the maximum gross density for the East Harbour Office District is:
 - 6.2 times coverage for employment and non-residential uses; and
 - 2.0 times coverage for residential uses.

The lands are within the Lower Don Special Policy Area. PPS 2020 policy 3.1.4 (a) directs that any changes to the official plan policies, land use designations or boundaries applying to Special Policy Area lands must be approved by the Ministers of Municipal Affairs and Housing and Natural Resources and Forestry prior to the municipality approving such changes. Any conversion would require prior approval from the Province.

As the lands are within the Lower Don Special Policy Area and the floodplain, the recommended SASP includes language requiring an Emergency Management Plan to be submitted to the City and the Toronto and Region Conservation Authority as part of future development applications to address the protection of health and safety, and the protection of property. The SASP also requires that the future applicant enter into the necessary agreements regarding risk and indemnification related to the flood risks on the lands. This SASP language is aligned with previously provincially-approved OPA 231 SASP language for other lands within the Lower Don Special Policy Area. Staff shared the recommended amendments with Ministry of Municipal Affairs and Housing staff, as well as staff from the Ministry of Natural Resources and the TRCA for their review and comment. Provincial staff did not provide comments on the recommended amendments.

A Protocol Regarding the Lower Don Special Policy Area ("the Protocol") was signed by the City of Toronto and the Province in April 2018. The Protocol sets out steps to coordinate and sequence approvals for new and intensified development in the Lower Don Special Policy Area, concurrent with flood protection infrastructure to address flood risk and public health and safety, and property damage. The Protocol also sets out mechanisms to manage flood risk for proposed developments prior to the completion of the flood protection works. In accordance with the Protocol, public authorities rely on the TRCA to determine when the flood protection infrastructure is deemed complete and functional.

RECOMMENDATION

Staff have reviewed Conversion Request No. 041 against the policies of the PPS 2020, the Growth Plan 2020, the Official Plan, and the MZO, and recommend that certain

lands, consistent with areas where residential uses are permitted by Minister's Zoning Order per Ontario Regulation 329/22, be redesignated from *General Employment Areas* and *Core Employment Areas* to *Mixed Use Areas* with supporting amendments to SASP 426 and the Unilever Precinct Secondary Plan.