

Attachment 4: Research and Consultation Summary

Existing Retail, Office and Service Businesses in Neighbourhoods

Staff conducted an analysis of existing retail, office and service businesses located in *Neighbourhoods* from the 2022 Toronto Employment Survey. The analysis consisted of a review of location and use characteristics of these businesses to inform staff's understanding of what types of businesses have successfully been able to establish themselves in *Neighbourhoods* historically, and where.

Businesses were analysed by a number of location factors that the team were considering as possible location criteria to incorporate into the Zoning By-law, based on input from consultations with stakeholders in Phase 1 of the project. These location factors included proximity to intersections, proximity to parks, proximity to parking, location along a TTC route, location along a bike route, road classification based on the City's [Road Classification System](#), and adjacency to a laneway.

The analysis found that 78 percent of retail, office and service businesses located in *Neighbourhoods* in 2022 were located along a TTC route, suggesting that access to transit has historically been a relevant factor in where business owners want to open and can sustain *Neighbourhood* businesses. However, TTC routes can change over time, so staff sought to identify a proxy locational criterion to incorporate into the Zoning By-law amendment that would approximate access to transit. The majority (69 percent of all retail, office and service businesses located in *Neighbourhoods*) were along a bus route. Upon comparing TTC route modes by the City's Road Classification System city-wide, staff found that most bus route segments occurred along major arterials (40 percent), minor arterials (24 percent), and collector streets (20 percent). These road classifications generally align with the Major Streets identified on Map 3 of the Official Plan and the Major Streets overlay in Zoning By-law 569-2013. This evidence suggests that permitting small-scale retail, office and service uses along Major Streets may appeal to future business owners. Doing so may also support Official Plan Policy 4.1.3's goals of minimizing adverse parking impacts on adjacent or nearby residences and of serving the needs of residents in an effort to reduce local automobile trips.

Additionally, 73 percent of retail, office and service businesses in *Neighbourhoods* were within 25 metres of an intersection. Some businesses may have historical legal non-conforming permissions on corner locations, indicating that in the past these locations were deemed acceptable locations for non-residential uses and that they have continued to meet the needs of modern businesses. Locations close to or on a corner may draw clientele from multiple streets and help to prevent traffic on quieter, more interior streets, again supporting Official Plan Policy 4.1.3's goals of minimizing adverse impacts on nearby residences and of serving the needs of residents in an effort to reduce local automobile trips.

The analysis also found that 68 percent of retail, office and service businesses in *Neighbourhoods* were adjacent to a surface parking lot. However, this varied widely by

former municipality: while 95 percent of *Neighbourhood* businesses in Scarborough were adjacent to a surface parking lot, only 6 percent of businesses in the former City of Toronto were. This finding reflects historical planning trends. While much of the former City of Toronto was laid out before the advent of the car, communities in many parts of the inner suburbs tended to concentrate local non-residential uses into strip plazas that included surface parking lots. These historical trends persist today. However, the fact that there are some *Neighbourhood* businesses in every former municipality that operate without direct access to surface parking shows that surface parking is not a necessary ingredient for the success of retail, office and service businesses in *Neighbourhoods*. As one of the goals of Official Plan Policy 4.1.3's is to reduce local automobile trips, staff are not proposing any parking criteria in the proposed Zoning By-law.

Existing business locations did not correlate strongly with the other location factors explored. Most businesses (72 percent) were not along a current or planned bike route. This does not necessarily mean that this infrastructure doesn't support businesses in *Neighbourhoods*. Some parts of the city simply do not have this type of infrastructure, or where it is present it may be new and/or located along hydro or rail corridors or through parks and therefore not adjacent to existing businesses. Similarly, although Phase 1 consultation had suggested that certain non-residential uses might serve clientele in nearby parks, the analysis found that 85 percent of businesses were not within 50 metres of a park. This distance would capture most businesses adjacent to or across the street from a park in most parts of the city. It therefore seems that, while some businesses may benefit from proximity to parks, this factor has historically not been a large driver in where *Neighbourhood* businesses have chosen to locate. However, through consultation it was mentioned that parks often serve as community nodes, particularly in the inner suburbs where the historical main street is less prevalent.

Adjacency to a laneway was also a characteristic of on 19 percent of businesses. While laneways can help to mitigate adverse impacts to nearby residents by providing a location for loading, the majority of existing business owners in *Neighbourhoods* have able to operate their businesses without this amenity. Therefore, staff are not proposing any restrictions on where retail, office and service businesses in *Neighbourhoods* are able to operate based on proximity to bike lanes or laneways but propose that sites adjacent to parks and other existing non-residential uses are appropriate locations for small-scale retail uses.

Applications for Retail, Office and Service Uses and Space in Neighbourhoods

Staff also analysed Committee of Adjustment applications involving retail, office and service uses or space in *Neighbourhoods* that were submitted to the City between January 1, 2018 and November 20, 2023. Applications were included in the analysis if they contained at least one of the following terms in the application description: retail, office, commercial, service, restaurant, eating establishment, or shop. The purpose of this analysis was to identify the characteristics of small non-residential projects that

applicants are commonly pursuing in *Neighbourhoods*, where across the city those applications are occurring, and whether or not they are being approved.

A total of 88 minor variance applications for non-residential uses in *Neighbourhoods* were submitted and received a decision in the time period studied, 90 percent of which were approved.

The vast majority of the applications (78 percent) were located in Toronto and East York Community Council Area. Given that commercial permissions are more relaxed in the R zone, which is only found in the former City of Toronto, this may indicate that it may be more onerous to pursue a non-residential project in the other areas of the city, including requiring a more expensive and time-consuming rezoning application. A previous analysis in Phase 1 of the Neighbourhood Retail and Services project found only one Zoning By-law amendment project on a Major Street in a *Neighbourhood* that proposed new non-residential gross floor area (GFA) and contained either retail or office uses. One of the goals of the Neighbourhood Retail and Services project's proposed Zoning By-law is to remove such barriers to establishing new businesses in *Neighbourhoods* by equalizing non-residential permissions across the various Residential zone categories throughout the city.

Across the city, the majority of the approved applications (71 percent) involved adding new non-residential uses to an existing building, followed by increasing or changing the permitted gross floor area (GFA) or floor space per worker (45 percent) and maintaining or legalizing existing uses or GFA (21 percent). The most common uses requested in the minor variance applications were office uses (50 percent), followed by retail (22 percent) and eating establishment (20 percent) uses. The Zoning By-law amendments proposed in this report may help to reduce the need for such minor variances in the future by permitting more retail, service and office uses in more locations in *Neighbourhoods* across the city.

Review of Other City of Toronto documents, policy, and design manuals

The City of Toronto's Retail Design Manual Background Report writes of Retail Street Corners: "In a street grid city, these corner sites are the most accessible and visible. Corner sites generally have higher volumes of pedestrian traffic, are the locations of transit stops and therefore have the greatest potential for social interaction and sales opportunities."

Existing Commercial Unit Sizes

Staff conducted an analysis on previous planning studies to compare typical retail unit sizes for businesses along main streets. The Danforth Avenue Planning Study was reviewed to gather information on average business establishment sizes and lot patterns. This study revealed that the predominant lot pattern found within the study area consisted of lots which were less than 8 meters wide and greater than 30 meters deep. Business establishments analysed in the planning study typically ranged from 101 to 184 square meters across the study area.

Staff also studied the existing retail sizes on Dundas Street West, from Yonge Street to Ossington Avenue. Aside from very large retail units, the average retail unit sizes are 66 square meters.

The Leslieville Planning Study was also reviewed, which had an emphasis on maintaining the existing character of the study area. This study revealed existing larger non-residential uses to be approximately 300 square meters in store size. However, it was stated that future development will be encouraged to incorporate flexible floor spaces for smaller retailers.

- Bathurst Street – Queen Street West to Dupont Street study findings
 - Commercial uses generally have a frontage on Bathurst Street in the range of 4.5 and 6 metres. While such uses are mainly found on lots within the *Mixed Use Areas*, there are instances where non-residential uses occur in *Neighbourhoods*, sometimes operating at grade within traditional house-form buildings.

- Heritage Conservation Districts – Typical Storefronts
 - St Lawrence Neighbourhood Heritage Conservation District: 5 to 9 metre frontages.
 - Historic Yonge Street Heritage Conservation District: 3 to 7 metre frontages.
 - Parkdale Main Street Heritage Conservation District: 4 to 7.5 metre frontages.

- Retail Design Manual Background Report
 - Linear Retail Main Streets: “Traditional main streets in neighbourhoods first developed before about 1950. They often follow streetcar lines. Roads are narrow and are easily crossed. A fine grain of lots (typically about 7 metres wide and 30 metres deep) with ground floor retail and apartments above emerged on these streets. Some lots are serviced by rear and side yard public lanes but many rely exclusively on the main street frontage for access.”
 - Width to depth ratios: “Depends on the retail uses and retail character of the street. More traditional retail merchandise stores might prefer a 1:3 ratio (narrow and deep) for the purposes of merchandising along longer walls.”

- Existing bylaws
 - No loading space is required for 0 to 499 square metres of commercial space.
 - The Residential Apartment Commercial (RAC) zone, developed in 2014, established size limits of 200 square metres per unit, and 400 to 1000 square metres total for apartment buildings, depending on size.
 - Residential Apartment (RA) zone: The interior floor area of the retail store may not exceed 30.0 square metres for the first 100 dwelling units in the

apartment building, which may be increased by 10.0 square metres for each additional 50 dwelling units in excess of 100, to a maximum of 110.0 square metres.

- Home Occupation: Floor area may not exceed the lesser of 25 percent of total interior floor area or 100 square metres.

Jurisdictional Research

Staff conducted a review and analysis of select North American municipalities that have recently adopted or are currently in the process of implementing policies that would allow for non-residential uses in low density residential neighbourhoods. In total, staff reviewed regulations and background materials in seven cities across Canada and the United States.¹

Reasons cited for why such policy changes were beneficial included reference to “complete communities”, “15-minute city”, “walkable neighbourhoods”, “serving the local community”, “pedestrian oriented”, “serving a social purpose”, “creating social connection and social gathering places for community”, “economic resiliency”, “climate” and “access to fresh healthy foods”.

Findings of this research related to the three main zoning considerations are summarized below.

Location

“Corner stores” were often cited as appropriate and preferred sites for non-residential uses within neighbourhoods and was the focus of the new zoning approaches in Vancouver and New York City. Collectors and arterial roads were also seen as appropriate, particularly in less urban contexts, including in Barrie and Hamilton, though Hamilton also introduced new non-residential permissions within the “interior of residential neighbourhoods” as well.

Some municipalities are proposing to require that the non-residential use be on the ground floor of an otherwise residential building, including in Ottawa, while others are proposing to allow additional floor area on each subsequent floor in addition to the ground floor area of the non-residential use, such as in Barrie.

¹ The municipalities studied include: Barrie, Hamilton, Ottawa, Edmonton, Vancouver, New York City, and Portland.

Size

The maximum GFA permitted for retail, service and office uses in neighbourhoods range from 110 square metres in Vancouver (though an increase to a maximum to 165 square metres is under consideration) to 2,000 square metres in Barrie. Generally, the more densely populated and urban the municipality, the smaller the maximum floor area proposed.

Some municipalities are not proposing a maximum GFA but rather a maximum area related to the overall size of the site, such as in Hamilton. Portland restricts the non-residential floor-area-ratio (FAR) to 1.0 and maximum building coverage to 85 percent, while New York City is proposing to limit home-based occupations to 49 percent of the size of the dwelling unit, up from the current permissions of 25 percent or about 46 square metres, whichever is less, and to increase the number of permitted employees in home-based occupations from one to three.

Uses

The retail, service and office uses proposed to be permitted in the jurisdictions analyzed were wide and varied, but all placed particular emphasis on small grocery stores and cafes. Vancouver has a definition for Neighbourhood Grocery Stores that permits the selling and serving of prepared food as an ancillary use. Small-scale office uses are also proposed to be permitted in all the municipalities examined.

Other uses proposed to be permitted in residential neighbourhoods include small-scale manufacturing uses and “maker-spaces” that generate limited or no adverse impacts, such as soap making, craft breweries and 3D print making, such as in Ottawa and New York City.

Drive-through facilities are prohibited in Hamilton and Portland. Hamilton also prohibits outdoor patios in residential neighbourhoods as well as the outdoor storage of goods, materials or equipment for retail purposes in the front or flankage yard.

The United States jurisdictions examined included stipulations that the commercial use or home-based business must not produce any adverse impacts, such as noise, smoke, dust, particulate matter, odor, or any other nuisance, or comply with Off-Site Impacts standards to manage nuisances. Portland also limits the hours of operation of neighbourhood businesses.

In addition, other municipalities also allow for home occupations to operate within residential neighbourhoods, including Barrie and New York City. In New York, the sale of goods not produced on site at a home-based business is proposed to be prohibited.

Definitions and Designations

Some municipalities introduced new designations or definitions into their Zoning By-law, including in Barrie, Hamilton, Ottawa, and Portland.