

December 4, 2024

To: City of Toronto
Planning and Housing Committee
100 Queen Street West
Toronto, ON M5H 2N2

From: Leigh McGrath, MCIP, RPP, PMP
Partner, Urban Strategies Inc.
197 Spadina Avenue, Suite 600
lmcgrath@urbanstrategies.com

Re: **Response to Official Plan Review - Office Replacement Policies - Status Report (Item 2024.PH17.13)**

Urban Strategies Inc. (USI) are land use planners retained by BentallGreenOak (BGO). We respectfully submit the enclosed letter in relation to Item 2024.PH17.13 (Official Plan Review – Office Replacement Policies – Status Report) for your review and consideration.

We have been closely following the City's review of its office replacement policies with great interest as this process affects several of our client's sites. We draw attention to the significant structural office vacancy in the City (18.6%¹) and have observed that the current office replacement policy requirements are exacerbating the issue. Potential housing units, which could help the housing crisis, are being deferred until office leasing justifies new construction containing replacement office space. We are encouraged by the increased flexibility that the City is contemplating. This flexibility will be key in encouraging the supply of more housing units in desirable, high-density areas, helping to address the City's acute housing crisis and managing the current vacancy issue. However, we have some concerns with the recommendations contained within the Staff Report.

The staff recommendation is to implement the revisions to Council-adopted office replacement policies through a mediated settlement of Official Plan Amendment (OPA) 231. OPA 231, initially adopted by Council in 2013, obliges applicants seeking to redevelop sites which meet certain criteria and have existing office uses to provide on-site replacement of any office space lost. This policy has been under appeal to the Ontario Land Tribunal (OLT) by a number of landowners since its adoption. Under the proposed process, mediation would occur with the OPA 231 appellants in early 2025 and an OLT settlement would result in the adoption of new city-wide office replacement policies. No consultation with interested parties outside of the OPA 231 appeals process is proposed.

The recommended implementation approach does not benefit from consultation with landowners, including our client, who are not active participants in the OPA 231 appeal process, but who nevertheless have an interest in more flexibility for office replacement policies. A more appropriate solution would, in our opinion, be to implement a new OPA through the usual Council process, which would allow for appropriate consultation of all affected landowners and stakeholders.

Thank you for your consideration of our comments.

¹ CBRE Research Q3 2024

Sincerely,

A handwritten signature in black ink, appearing to read "Leigh McGrath". The signature is fluid and cursive, with the first name "Leigh" and last name "McGrath" clearly distinguishable.

Leigh McGrath, MCIP, RPP, PMP
Partner

URBAN STRATEGIES INC.