

4711-4751 STEELES AVENUE EAST

Employment Land Conversion Rationale

June 2021

**URBAN
STRATEGIES
INC .**

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1. INTRODUCTION

Nova Depot Corporation (“Nova Depot”) engaged Urban Strategies Inc. (“Urban Strategies”) to assess the potential for an employment land conversion for their properties municipally known as 4711, 4723, 4733 and 4751 Steeles Avenue East (“the Site” or “the subject properties”), located immediately east of the Milliken GO Station, on either side of Silver Star Boulevard. The subject properties are part of the larger Milliken Employment Area and consist of three properties totaling 1.7 hectares and occupied by single-storey and two-storey commercial buildings. This report provides a rationale for the conversion of the subject properties from a General Employment Area designation to Mixed-Use Area, through the City of Toronto’s current Municipal Comprehensive Review.

At this stage, Nova Depot does not have development plans for the Site, and there is no intention to submit a Zoning By-law Amendment (ZBA) application until the City’s Municipal Comprehensive Review (MCR) process is completed and the City deems a land use conversion appropriate.

On August 4, 2020 City Council authorized the commencement of the MCR process and is receiving written requests to convert lands designated Core Employment Areas or General Employment Areas until August 3, 2021. The MCR is a regular update required to align the City’s Official Plan with provincial policy. Specifically, this MCR process will align the Official

Plan’s policies with the 2020 Provincial Policy Statement (PPS) and the Province’s A Place to Grow: Growth Plan for the Greater Golden Horseshoe (2019) (“the Growth Plan”). The MCR process includes a general review of existing employment and economic policies, a review of policies related to Core Employment Areas and General Employment Areas, the establishment of minimum density targets for all Employment Areas, as well as consideration of requests to convert lands within Employment Areas. To guide and ensure consistency across applications, the City has approved “Attachment 3: Conversion and Removal Policies for Employment Areas” as part of its MCR work plan. The City’s approved conversion policies provide specific tests for the approval of conversion requests, which are intended to align with the criteria set out in Section 2.2.5.9 of the Growth Plan and Section 2.2.4 of the Official Plan.

This Conversion Rationale responds to the City’s conversion criteria and incorporates the findings of the following technical studies, prepared in accordance with Policies 2.2.4.5, 2.2.4.7, 2.2.4.8 and Schedule 3 of the Official Plan and submitted with this report:

- **SLR** – Land Use Compatibility/Mitigation Study (air quality, noise and vibration)
- **WSP** - Transportation Assessment Report
- **NBLC** - Employment Conversion Review

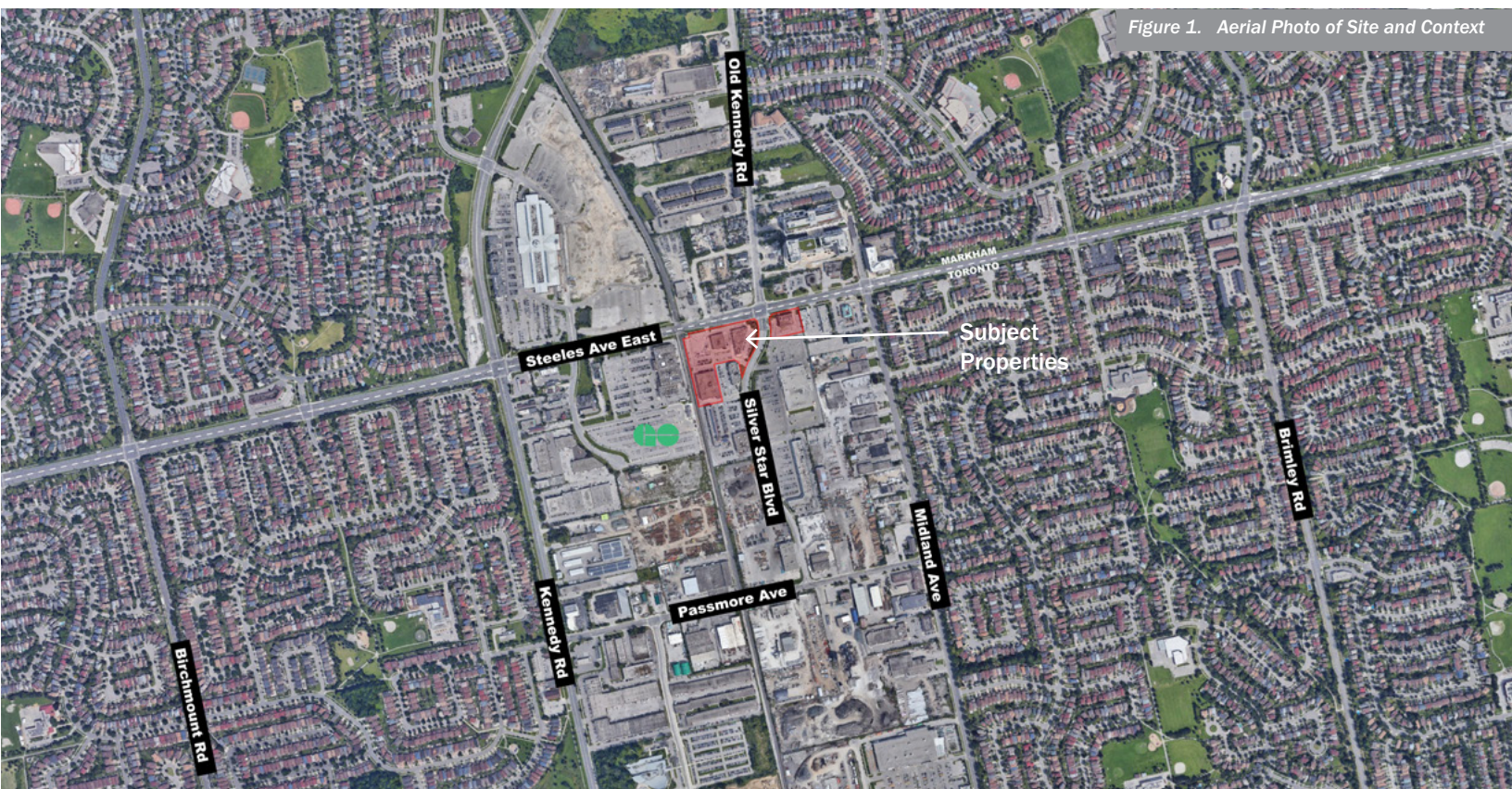


Figure 1. Aerial Photo of Site and Context

2. THE SUBJECT PROPERTIES AND THEIR SURROUNDINGS

2.1 EXISTING CONDITIONS ON THE PROPERTIES

The Site consists of a 0.97-hectare parcel of land fronting Steeles Avenue, west of Silver Star Boulevard, and 0.31-hectare parcel on the east side (see Figure 2). The existing one- and two-storey commercial buildings on the site, built around 2003 and described further on the next page, have a total GFA of approximately 6,284 m². They are occupied by financial institutions, restaurants, a medical office and uses, which together provide approximately 110 full-time equivalent jobs.

Under Zoning By-law 24982 of the former City of Scarborough (the Site is not regulated by city-wide Zoning By-law 569-2013), the subject properties are zoned ME (mixed employment), which, in addition to the current service and retail commercial uses, permits the following on the lands: office, day nursery, industrial, personal service shop and place of worship. Exception 420 also permits a cinema with ancillary games arcade and a mall food court eating establishment at 4733 Steeles Avenue East.



Figure 2. Aerial view of Subject Lands



4711 Steeles Avenue East (above) consists of a single-storey building occupied by Planet Fitness.

4733 Steeles Avenue East (below) consists of a single-storey retail plaza for several commercial businesses facing Silver Star Boulevard and Steeles Avenue, including restaurants and a medical office.





4723 Steeles Avenue East (above) consists of a single-storey building occupied by Scotiabank.

4751 Steeles Avenue East (below) consists of a two-storey building occupied by RBC Royal Bank.



2.2 METROLINX MILLIKEN STATION AND STOUFFVILLE RAIL CORRIDOR UPGRADES

Upgrades to the Milliken GO Station, all-day/15-minute GO service and the new Steeles underpass reposition and re-orient the Site for transit-oriented development.

Metrolinx is currently investing in the Stouffville Line to establish 15-minute, two-way, all-day rail service between Unionville GO Station and Union Station. Once completed, the expansion will include connections to the Eglinton Crosstown LRT in the City of Toronto and YRT/Viva in York Region, and will be served by double track to and from Milliken GO station. The following new station features are anticipated to be completed by the end of 2022 at the Milliken GO Station:

- A new eastern track and platform immediately adjacent to (and requiring a portion of) the subject lands;
- A renovated western platform;
- Grade separation of Steeles and the tracks by way of an underpass bridge on Steeles Avenue to enable the train tracks to pass over the vehicular right-of-way;
- Canopies and integrated shelters on platforms for comfort of waiting transit users;
- Two new pedestrian tunnels (being constructed at the rear of 4711 Steeles that will connect the Nova Depot site to the GO Station platform) with elevators

connecting to the east and west side platforms; and

- A pedestrian bridge over Steeles Avenue East that will connect both platforms and provide a safe pedestrian crossing of Steeles.

Being adjacent to both Steeles Avenue and the Stouffville Line, the Site has been significantly affected by improvements to the corridor and Milliken GO Station. The subject properties west of Silver Star Boulevard once had access and high visibility from Steeles Avenue. In 2017, Metrolinx expropriated part of these for the purposes of building the underpass and bridge and improving pedestrian access to Milliken Station. As a result, the properties today can only be accessed from Silver Star Boulevard, and the existing commercial establishments are less visible from Steeles. This materially impacts the ability of the lands to perform their current planned function for commercial services and retail, which relies heavily on pass-by traffic triggered by visual cues to the uses and access.

Once ongoing station and rail corridor improvements are completed, the Site will have direct pedestrian access to the station. This effectively re-orientates the properties to the station and makes them highly appropriate for transit-oriented development.



Figure 3. Rendered image of the underpass bridge on Steeles Ave to separate the train tracks from Steeles Avenue



Figure 4-2. Rendered aerial view of Milliken Station improvements and Steeles underpass

2.3 SURROUNDING LAND USES

The Site is in the heart of an evolving node that crosses municipal boundaries and has begun to transition to a mixed-use node with high-density residential uses.

On the south side of Steeles Avenue, the subject properties are currently surrounded by commercial developments. On the west side of the rail corridor is the Splendid China Mall, owned by Global Fortune Real Estate Development Corp., which contains more than 150 shops and restaurants and has an approximately total gross floor area (GFA) of 88,273 m². The Mall was converted to Mixed Use through the previous MCR and has been rezoned for a high-density, mixed-use development that includes residential, office and additional retail uses (see Section 3.3). South of the mall is a parking lot serving the GO station.

Immediately south of the subject properties west of Silver Star Boulevard is a retail plaza and banquet hall. South of the property at 4751 Steeles Avenue East (Royal Bank) is a No Frills grocery store, and to the east is a stand-alone restaurant and a small retail plaza.

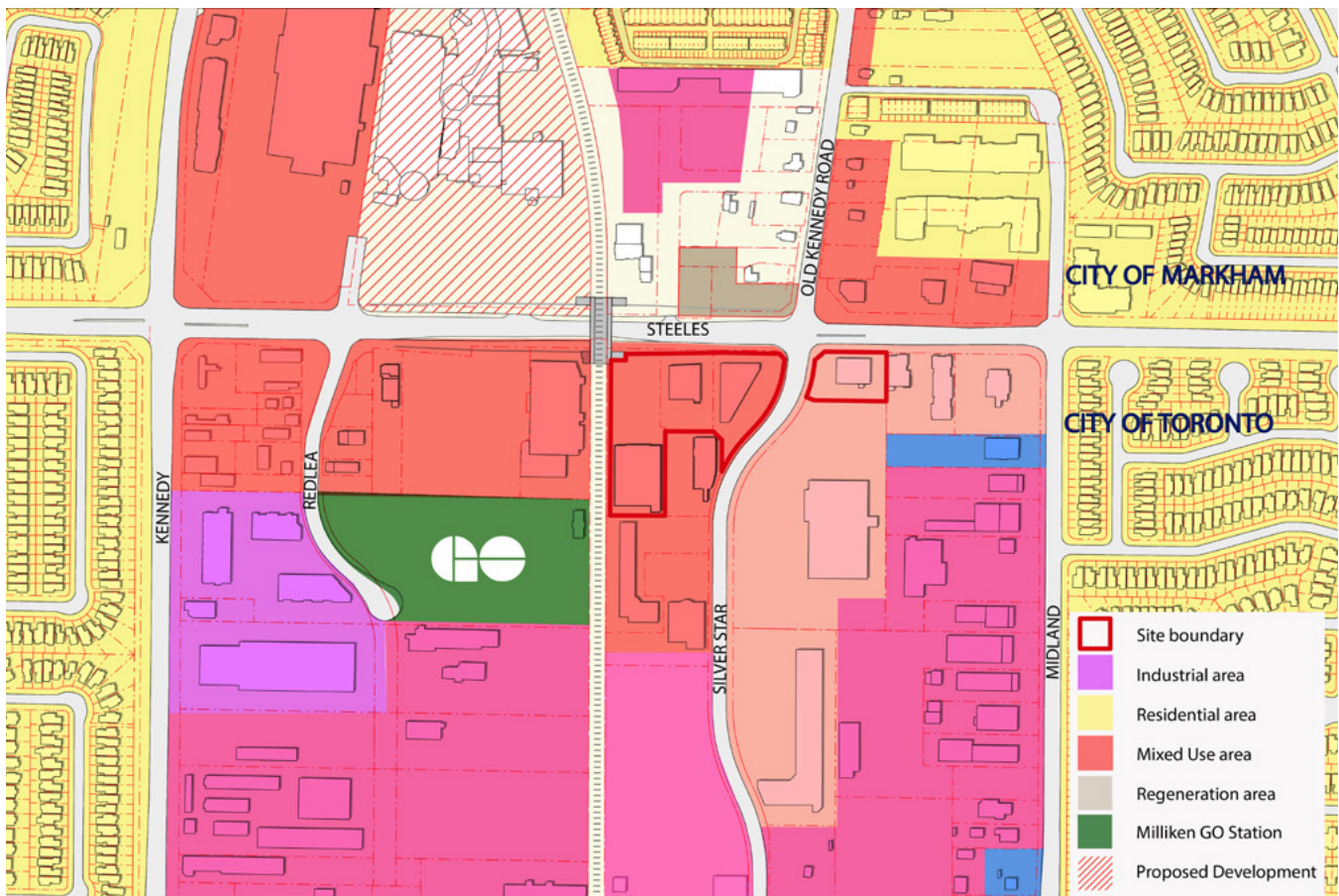


Figure 4. Existing Land Use Context

On the Markham side of Steeles Avenue East, the area between Midland Avenue and Kennedy Road is transitioning from a mix of commercial and semi-industrial uses to a mix of residential and commercial. Northeast of the subject properties is a seven storey mixed-use building located at the northeast corner of Steeles and Midland Avenue and Mon Sheong Court, a 24-storey seniors housing development completed in 2016. South and west of this development is an assortment of automobile-related services uses (on lands that are designaged Mixed-Use). Further north, on the west side of Old Kennedy Road, are two townhouse developments and a bowling alley.

West of the rail corridor, a shopping mall was recently demolished to make way for the Remington Centre—a proposed new mall and two 30-storey apartment buildings on Steeles Avenue.

Pacific Mall, with 25,000 square metres of retail space, is immediately west of the Remington Centre site.



Figure 5. Rendered Image of Proposed Remington Centre Development

2.4 MILLIKEN EMPLOYMENT AREA

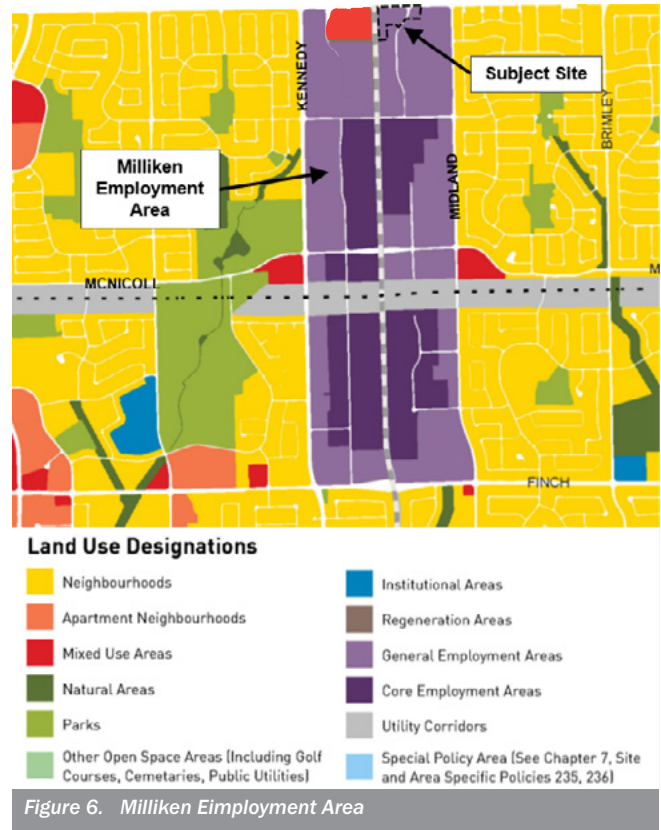
The subject lands are part of the larger Milliken Employment Area, which extends south to Finch Avenue East, between Kennedy Road and Midland Avenue, and contains a range of employment uses (see Figure 6). In addition to the commercial node along Steeles Avenue that comprises the subject lands, the employment area also includes industrial and office uses, described below.

INDUSTRIAL USES

According to the accompanying report by NBLC, in total, there are 177,000 square metres (1.9 million square feet) of industrial GFA throughout the Milliken Employment Area, with buildings ranging from 2,000 to nearly 200,000 square feet in size. Most buildings are, however, less than 50,000 square feet. The largest share of these buildings were initially constructed between the 1960s to 1980s.

By far the most common use for the industrial properties is warehousing. Other industrial uses in the Employment Area include distribution facilities, food processing facilities, manufacturing, and industrial showrooms. Several of the properties used for warehousing purposes have associated outside open-air storage for heavy machinery. These uses are concentrated in the northern part of the Employment Area. Notably, there are several outside storage yards south of the subject properties, north of Passmore Avenue, and an asphalt plant on the south side of Passmore, owned by The Crupi Group.

Similar to the rest of Toronto, the industrial spaces in this area appear to be highly in demand, with none of the 1.9 million square feet of space being available for lease as



of March 2021. Very little industrial space has come to the market in this area over the past three years.

OFFICE USES

The Milliken Employment Area also contains a number of Class A and Class B office buildings clustered near Steeles Avenue and Kennedy Road, McNicoll Avenue and Midland Avenue, and along the north side of Finch Avenue. Built primarily between the 1980s and early 2000s, these buildings range considerably in size from approximately 400 square metres to 15,000 square metres; however, leasable spaces are fairly compact, with very few contiguous spaces over 300 square metres. In total, the Milliken Employment Area consists of approximately 687,000 square feet of office GFA.

The smaller office spaces are reflective of the dominant tenant group in these buildings, which is medical and health care service providers (the two relatively new office buildings in the area, on Silver Star Boulevard, near McNicoll Avenue, are both medical office buildings). Other tenants in the area include professional and technical service providers such as accountants, lawyers, and financial advisors. There are also some real estate firms located in these buildings. This tenant make-up can best be described as population serving.

Generally, the office uses in the Milliken Employment Area can be described as healthy and stable, with a vacancy rate of only 1.7%, well below the city-wide rate of 5.9% as of March 2021.

USES SURROUNDING THE EMPLOYMENT AREA

The lands surrounding the Milliken Employment Area are almost entirely designated Neighbourhoods in the City's Official Plan. These areas are predominately low-rise residential and are considered physically stable in nature. Specifically, the lands to the east of Midland Avenue and the lands to the west of Kennedy Road are designated Neighbourhoods. Both of these areas consist almost entirely of detached homes primarily built between the 1960s and 1980s. These neighbourhoods are also interspersed with public parks as well as institutional uses, including public libraries and schools.

While industrial uses to the south and neighbourhoods to the west and east are relatively stable, lands immediately surrounding the subject properties are undergoing change, partly in response to major improvements to transit facilities and service underway on the Stouffville GO Line. The significant commercial node that straddles Steeles Avenue, including the subject properties, is gradually becoming a more transit-oriented, mixed-use node. In this evolving context, the Site will be incongruous if policies encourage the current car-oriented uses to continue and prevent mixed-use intensification that supports a more complete community centred on Milliken Station.

3. BACKGROUND

3.1 CITY OF TORONTO OFFICIAL PLAN AMENDMENT 231

OPA 231 led to the Steeles-Redlea Regeneration Area (SRRA) Study, which in turn led to conversion of the Global Fortune lands west of the railway.

On December 18, 2013, Toronto City Council adopted Official Plan Amendment 231 (OPA 231), a result of a Municipal Comprehensive Review (MCR) of employment lands. In addition to other updates to the City's employment land policies, OPA 231 established new designations for the City's designated employment lands, Core Employment Area and General Employment Area. The latter designation generally applying to the periphery of Employment Areas and permitting additional uses such as retail, services and restaurants intended to meet the needs of businesses and employees in the larger employment area.

As part of the MCR, the City reviewed 125 requests for employment land conversions. Forty-three sites were entirely or partially converted to permit non-employment uses, including 17 sites entirely for residential and 12 sites with employment areas partially retained as a buffer

to a rail corridor or other employment uses. An additional 12 sites were designated as part of larger Regeneration Areas, allowing for further study to determine a context-appropriate approach to introducing a mix of uses beyond employment.

Through OPA 231, the subject properties were designated General Employment Area. At the time of the MCR, the owners of the subject lands, Nova Depot, did not make a submission to the City of Toronto concerning its lands. In July 2017, Nova Depot served its Motion Record for the purpose of allowing it to obtain party status to OPA 231. However, that motion was denied on the basis that OPA policies and land designation had already been approved for the subject lands.

There are currently a number of site specific appeals to OPA 231, which the City has proposed grouping into address, geographic or general policy subphases. The site specific appeals in the Northeast Scarborough area, include 70 & 83-85 Passmore Ave and 681 Silverstar Blvd, south of the subject properties.

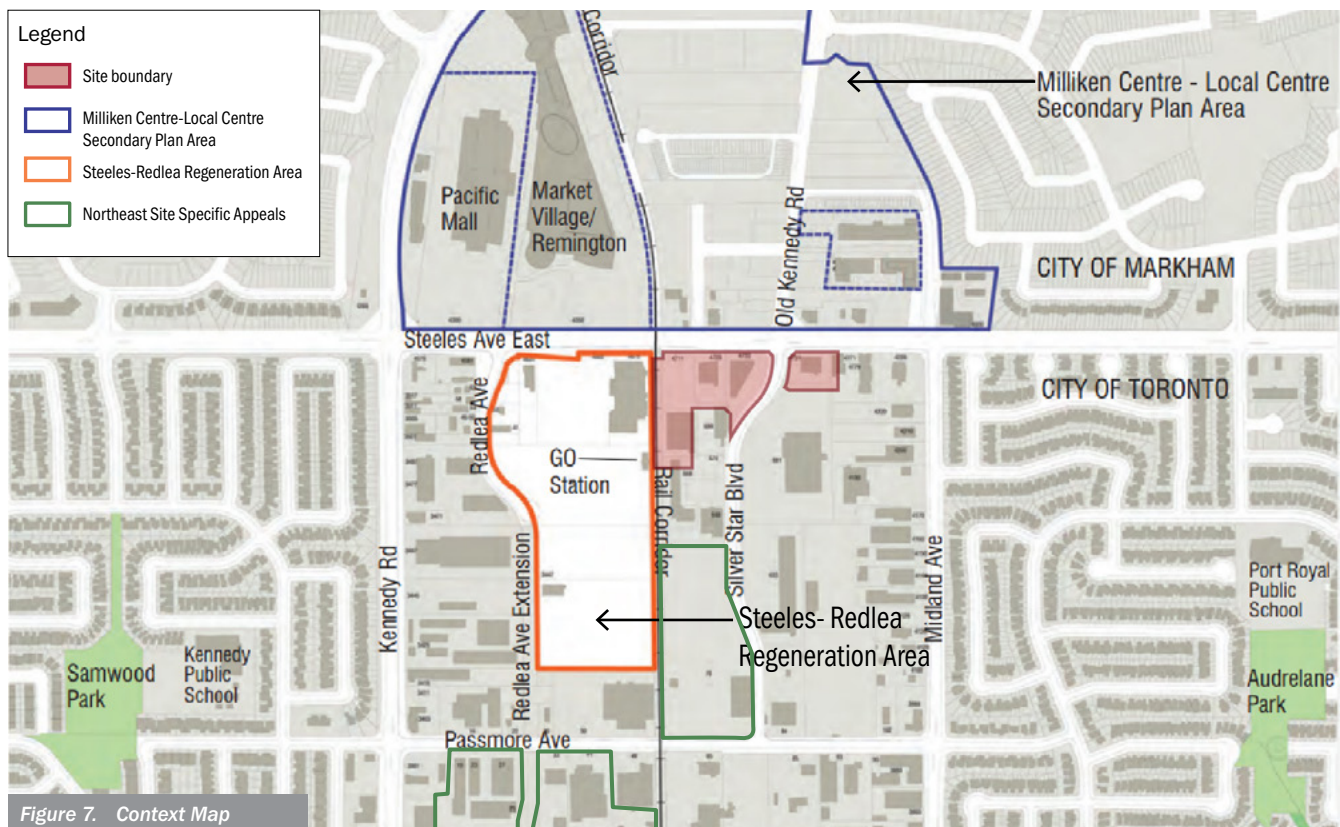


Figure 7. Context Map

3.2 STEELES REDLEA REGENERATION AREA STUDY

As part of the City of Toronto's previous MCR process, lands between Redlea Avenue and the Stouffville GO Line were converted from Employment Lands to a Regeneration Area (see Figure 7). In a report to Council dated November 15, 2013, Planning staff concluded that "many of the components were present that, in combination, made a Regeneration Area designation and a study to guide future development desirable, including:

- Adjacency to the Milliken GO Train Station;
- Large areas occupied by surface parking lots and underutilized or vacant land awaiting access through the extension of Redlea Avenue;
- Limited employment;
- Existing Official Plan permissions for institutional uses including seniors residential uses;
- Permissions for Mixed Use development in Markham north of Steeles Avenue;
- Public realm conditions in need of improvement."

It is noteworthy that all of the above characteristics also apply to the subject properties.

The intent of the Steeles-Redlea Regeneration Area (SRRA) Study that followed was to provide an opportunity to redevelop the area based on a consistent planning framework supportive of the Milliken GO Station.

A land use compatibility evaluation prepared on behalf of the City as part of the SRRA Study (by Golder & Associates) assessed air quality, odour, noise and vibration impact from the existing major facilities (i.e., the Stouffville rail corridor and industrial uses in the Milliken Employment Area). The Study concluded that "generally, lands at the north limit of the Regeneration Area by Steeles Avenue has the least potential for land use planning conflicts with existing industry... as they are the furthest from existing impactful industries." Golder noted that final building design for future residential and mixed-use development would need to be verified to ensure compliance with applicable air quality, noise and vibration guidelines. They reported that:

- Mixed-use, high-rise residential developments can be appropriately designed, buffered and separated.
- Metrolinx was generally supportive of mixed-use development on lands close to the Milliken GO Station as it would result in land use intensification and an increased critical mass of people living, working and shopping within close proximity to higher-order transit.

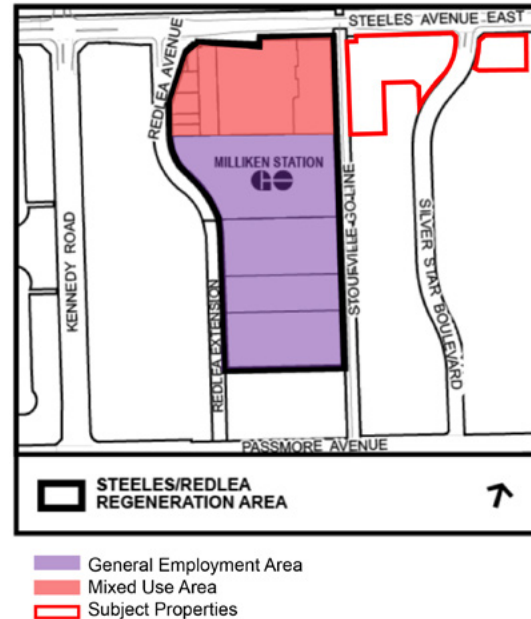


Figure 8. Land use re-designations resulting from SRRA Study

In the August 31, 2015 Staff Report the City recommended that, in order to minimize the potential for land use conflicts between existing and/or future industrial operation, "only the lands fronting onto Steeles and adjacent lands on Redlea Avenue, north of the Milliken GO Station lands" should be re-designated to Mixed Use Areas. The City noted that site-specific zoning by-law amendments would be required on a site-specific basis and only considered after detailed environmental impact, mitigation measures, implementation plans and legal agreements had been prepared and/or entered into.

The report concluded that "the proposed official plan amendment and urban design guidelines, if adopted, position lands fronting on or near Steeles Avenue to redevelop and capitalize on investment in this regional transit asset and to inform, in part, the anticipated emergence of a mixed use community north of Steeles Avenue in the City of Markham."

Concerned about the potential impacts of heavy industrial uses in the Milliken Employment Area on the emerging mixed use node north of Steeles Avenue, Markham Council passed a resolution on September 28, 2015, in order to advise the City of Toronto about their concerns regarding the potential for additional incompatible uses south of the Steeles, specifically asphalt and concrete batching and recycling facilities

3.3 APPROVED AND PROPOSED DEVELOPMENTS

with outdoor storage and processing. Aware of the City of Markham's concerns as well as the potential impact of such uses on sensitive uses in the Regeneration Area, Toronto City staff, in their August 31, 2015 report, noted that Crupi, which owns large industrial properties north of Passmore, indicated they wish to maintain permissions to locate a ready-mix concrete batching plant on the north portion of their lands at 70 Passmore Avenue. Staff reported that Crupi has the opportunity to minimize dust and odour impacts from such a facility through the use of advanced technology and through exercising several options including, but not limited to, maximizing separation distances to sensitive points of reception, use of acoustic barriers and optimizing building locations and layouts to minimize impacts.

Markham Council's resolution was acknowledged in the Final Report on the study, presented to Council on September 29, 2016, following further consultation and study. Staff concluded that the mixed-use, predominantly high-rise residential development proposed for the Global Fortune site could be appropriately designed, buffered and separated from existing and future industrial operations on nearby employment lands. Planned investments in the Stouffville Line and Milliken GO were also acknowledged by all area landowners, and staff stated that proximity to higher-order transit was to be taken into consideration when evaluating proposed development in proximity to the rail corridor/station. Lands south of Steeles but north of the Milliken GO Station lands were re-designated to Mixed Use Area and the balance and majority of the lands within the Regeneration Area remained an Employment Area (see Figure 8).

The basis for re-designating a portion of the Steeles Redlea Regeneration Area to Mixed Use—proximity to rapid transit; distance to and buffering from heavy industrial uses; ability to mitigate noise, vibration and environmental impacts; and mixed use designations on the north side of Steeles—all apply to the subject properties.

GLOBAL FORTUNE SITE REZONING

During the SRRA Study, Global Fortune submitted a zoning by-law amendment application for its lands at 4665 Steeles Avenue East, which include the Splendid China Mall. Following completion of the study and conversion of the property, the rezoning was approved. It permits development of three residential towers containing a total of 777 dwelling units and 14,720 m² of retail and office space. A second rezoning application by Global Fortune to permit high-rise residential development at the rear of 3447 Kennedy Road, south of the Metrolinx parking lot, which was not converted to Mixed-Use Area, was withdrawn.

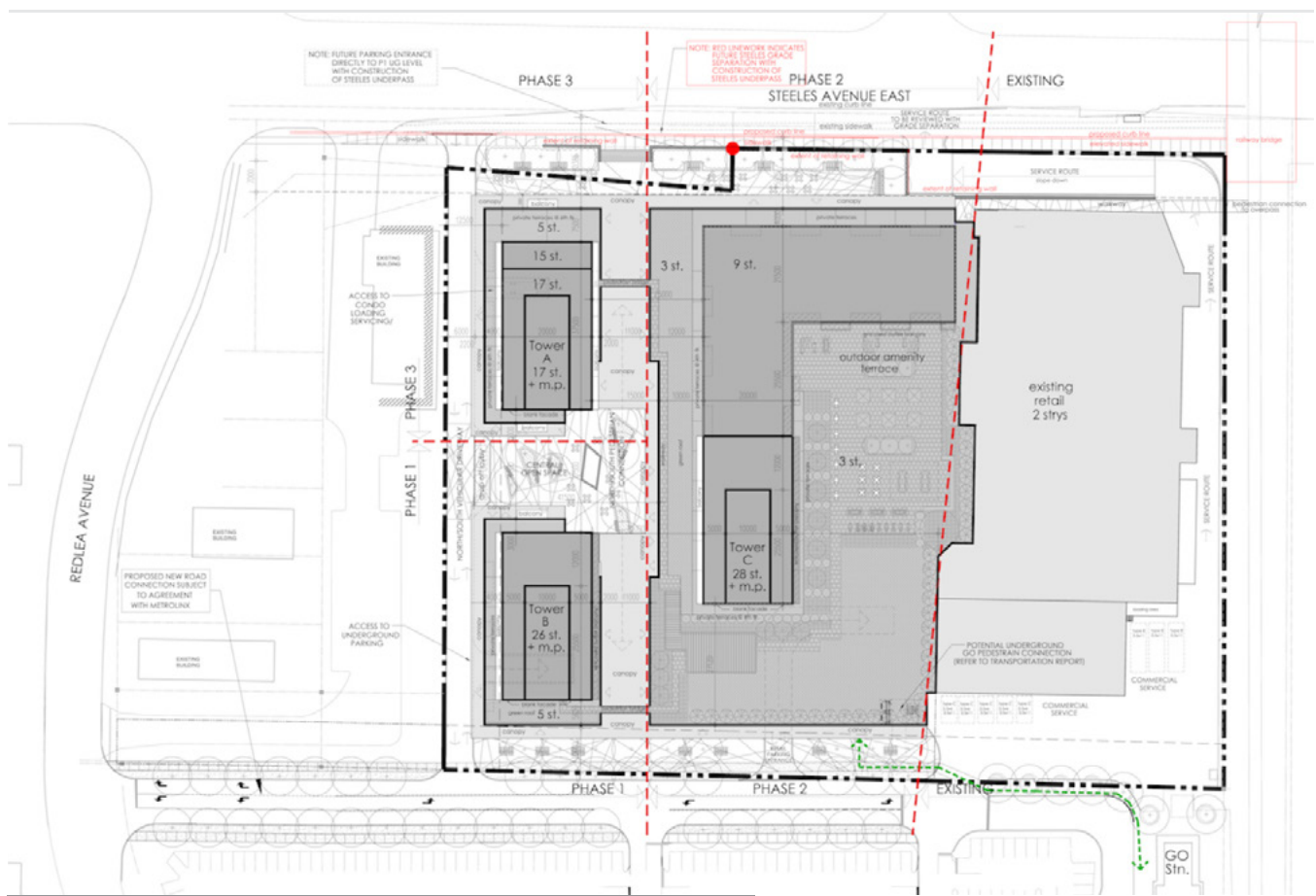


Figure 9. Proposed Global Fortune Development images from application

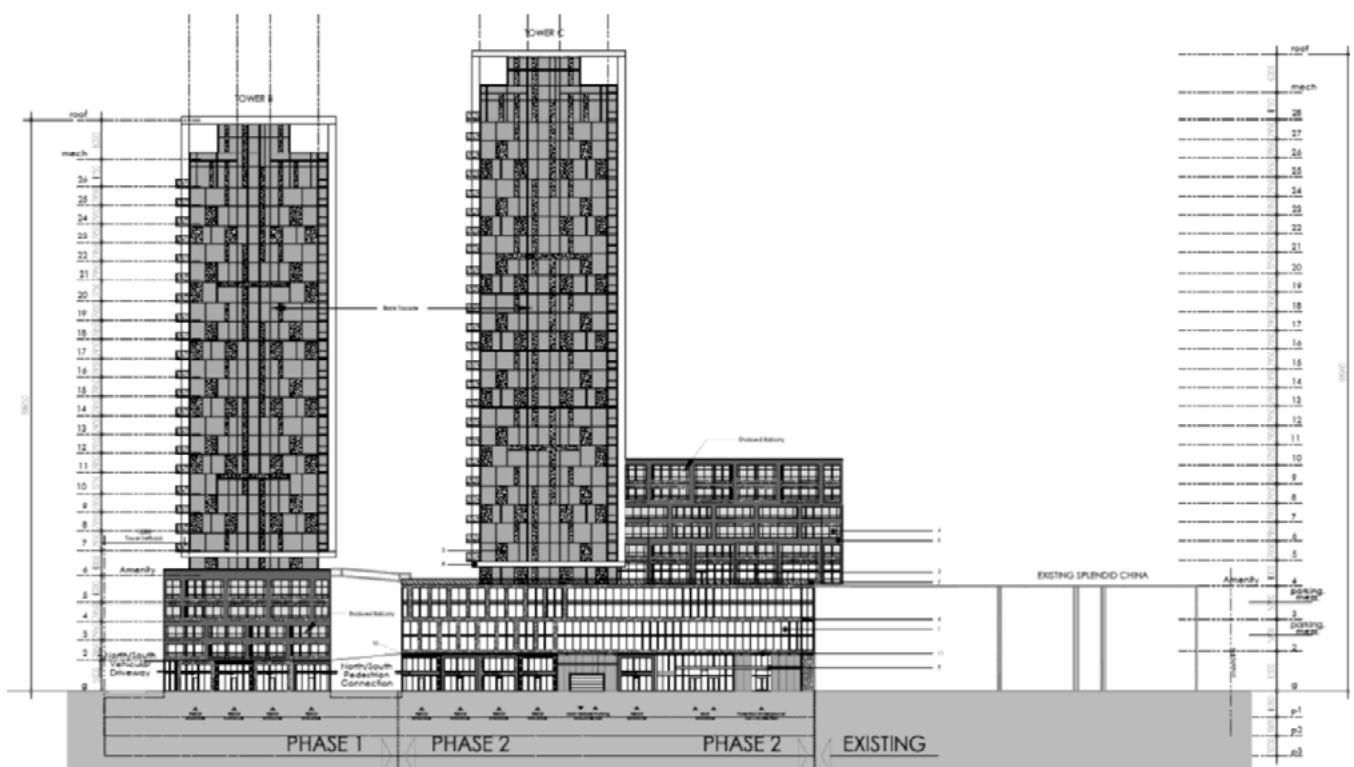


Figure 9-2. Proposed Global Fortune Development - South Elevation from application

4631 STEELES AVENUE EAST

A development application for 4631 Steeles Avenue East, adjacent to the Splendid China Mall property, was submitted in 2019 and is currently under review by the City of Toronto. It proposes a zoning by-law amendment to permit a three-tower, mixed-use development. The proposal includes 26- and 23-storey residential towers with a combined 499 condominium apartment units, as well as a 10-storey medical office tower with approximately 5,200 square metres of office GFA.



Figure 10. Rendering of 4631 Steeles Avenue proposal looking east

Although the subject properties must satisfy the City's tests independently, the recent conversion of the Splendid China Mall site and adjacent properties suggest that conversion of the Site is also appropriate. Both sites are adjacent to the Milliken GO Station on the edge of the employment area, contain commercial/retail uses (not significant employment) and are a similar distance from industrial uses to the south. Just as the Splendid China site is buffered from these uses by the Metrolinx parking lot, so to are the subject properties buffered by commercial lands.

4. PLANNING POLICY CONTEXT

This section provides an overview of the applicable planning policy framework and demonstrates that the requested conversion would support key policy objectives of the Provincial Policy Statement (PPS), the Growth Plan for the Greater Golden Horseshoe (Growth Plan), and the City of Toronto Official Plan. The analysis sets the stage for Section 5, which focuses on the conversion tests established by Section 2.2.5.9 of the Growth Plan, Section 2.2.4 of the City of Toronto Official Plan, and Attachment 3 of the City’s Municipal Comprehensive Review Work Plan.

4.1 PROVINCIAL POLICY STATEMENT (2020)

The Provincial Policy Statement (PPS) provides directions on matters of provincial interest for land use planning and development. The Planning Act requires that all decisions affecting land use planning matters “shall be consistent” with the PPS. These matters include land use planning and management that contribute to a more effective and efficient land use planning system, ensures the quality of the natural and built environment and protects resources of provincial interest and public health and safety.

Section 1.1, which promotes efficient and resilient land use and development patterns, also promotes the provision of a broad range of affordable and market-based residential forms, as well as employment including industrial and commercial uses (Policy 1.1.1b). Policy 1.1.1e supports the integration of land use planning, growth management, intensification, and transit- and infrastructure-supportive development to minimize land consumption and optimize servicing.

Section 1.2.6 addresses land use compatibility issues between major facilities and sensitive land uses. Policy 1.2.6.1 specifies that major facilities and sensitive land uses should be appropriately designed, buffered and/or separated from each other to prevent or mitigate adverse effects from odour, noise and other contaminants, minimize risk to public health and safety, and to ensure the long-term viability of these major facilities. Policy 1.2.6.2 requires that planning authorities shall protect the long-term viability of industrial or manufacturing uses and establishes criteria for permitting sensitive land uses adjacent to them. The criteria are:

- a. there is an identified need for the proposed use;
- b. alternative locations for the proposed use have been evaluated and there are no reasonable alternative locations;
- c. adverse effects to the proposed sensitive land use are minimized and mitigated; and
- d. potential impacts to industrial, manufacturing or other uses are minimized and mitigated.

Section 1.3 provides the province’s policy position on employment and includes policies to support economic development and competitiveness, including the protection of employment areas. Policy 1.3.2.1 specifies that planning authorities shall plan for, protect and preserve employment areas for current and future uses and ensure that necessary infrastructure is provided. Policy 1.3.2.2 specifies that planning authorities should assess whether the designation of employment areas identified in local official plans is appropriate to the planned function of the employment area during an official plan review or update. The City of Toronto is currently undertaking that work.

Policy 1.3.2.3 specifies that planning authorities shall prohibit residential uses or other sensitive land uses within employment areas planned for industrial or manufacturing uses to maintain land use compatibility, and that these employment areas should include appropriate transition to adjacent non-employment areas.

Policy 1.3.2.4 specifies that planning authorities may permit conversion of lands within employment areas to non-employment uses through a comprehensive review for land that is not required for employment purposes over the long term and that there is a need for the conversion.

Policy 1.3.2.5 specifies that employment areas may be converted to a designation that permits non-employment uses provided the area has not been identified as provincially significant through a provincial plan exercise, or as regionally significant by a regional economic development corporation. The possibility for conversion of lands is also subject to a need for conversion being identified; the land not being required for employment uses over the long term; the proposed uses not adversely affecting the overall viability of employment areas; and existing or planned infrastructure and public service facilities being available or planned to accommodate the proposed uses (Policy 1.3.2.5a-c).

Policy 1.3.2.6 specifies that planning authorities shall protect employment areas in proximity to major good movement facilities and corridors for employment uses that require those locations.

A conversion to Mixed Use Area would be consistent with policy directions under the PPS by supporting the efficient use of land and infrastructure and optimization of improvements to GO transit. It would also encourage the provision of a broader range of housing choices in the area, and it would maintain a buffer of commercial lands between the Site and existing industrial uses to the south. Consistency with the PPS's policies regarding the conversion of employment lands is addressed in Section 5.

4.2 GROWTH PLAN (2019)

Toronto's planning decisions are required to conform to A Place to Grow: A Growth Plan for the Greater Golden Horseshoe ("the Growth Plan"), which directs regional growth, including where and how growth should occur, the provision of infrastructure to support growth, and the protection of natural systems. On May 16, 2019, the Province brought into effect A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019, which replaced the 2017 version.

MANAGING GROWTH

The subject site is located within a built-up area and a designated Employment Area under the Growth Plan. Delineated built-up areas are identified in the Growth Plan as locations within settlement areas that can accommodate population and employment growth and intensification.

Section 2.1. Managing Growth supports the achievement of complete communities that:

- feature a diverse mix of land uses including residential and employment, and convenient local access to local services and public service facilities (2.2.1.4a);
- expand convenient access to a range of transportation options, including options for the safe, comfortable and convenient use of active transportation (2.2.1.4d); and,
- provide for a more compact built form and a vibrant public realm (2.2.1.4e).

Policy 2.2.1.2(c) of the Growth Plan states that growth within settlement areas will be focused in locations with existing or planned transit and in areas where higher order transit exists or is planned. Single-tier municipalities, such as the City of Toronto, are further directed to undertake integrated planning to manage growth which provides for an urban form that optimizes infrastructure, including transit infrastructure, particularly along transit corridors, to support the achievement of complete communities through a more compact built form (Policy 2.2.1.3 c).

TRANSIT CORRIDORS AND STATION AREAS

Policy 2.2.3 of the Growth Plan sets out minimum density targets for Urban Growth Areas, intended to be achieved by 2031, which local plans are required to support. To meet the population and density targets set out under the Growth Plan, the City is required to direct growth to areas which optimize investment in infrastructure and which are in close proximity to transit corridors in order to promote dense, compact, mixed-use development that reduces the number of automobile trips.

More specifically, Major Transit Station Areas (areas within 500-800 metres of a higher-order transit station) are to be planned to achieve a minimum density target of 150 residents and jobs combined per hectare (for rail stations) (2.2.4.3). Within MTSA's, land uses and built forms which would adversely affect the achievement of the minimum density targets in the Growth Plan are to be prohibited (2.2.4.6).

In order to satisfy the Growth Plan requirements, the City is required to individually delineate the boundaries for the 180+ MTSA's within its municipal boundaries. The City has approved a work plan through which MTSA boundaries are to be delineated based upon "local area studies". Although the MTSA for the Milliken GO Station has not been precisely delineated, it is certain to include the subject properties, given their proximity to the station and their potential for redevelopment. The Growth Plan Performance Indicators published in 2016 by the Ministry of Municipal Affairs, indicate that the existing density, within the 800m radius of Milliken GO station, is a combined density of 47.2 residents and jobs per hectare, or less than a third of the minimum density target for a major transit station area. In order to meet the minimum requirement within the 800m radius, at least 8,070 more residents and jobs are required. Given the generally low density of commercial, industrial and residential uses within 800 metres of the station, intensification of the subject properties through mixed-use redevelopment likely will be critical to achieving the minimum Growth Plan density target, however the MTSA is delineated.



Figure 11. Milliken GO Station Area-The subject properties are the only quadrant surrounding the Milliken GO station not designated for a mix of uses supportive of the current and future transit infrastructure

EMPLOYMENT AND PROVINCIALLY SIGNIFICANT EMPLOYMENT ZONES

Employment Areas are defined in the Growth Plan as “areas designated in an official plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices and associated retail and ancillary facilities”.

Section 2.2.5, Employment, directs that economic development and competitiveness will be promoted by making more efficient use of existing employment areas and vacant and underutilized employment lands by increasing employment densities (2.2.5.1a) and integrating and aligning land use planning and economic development goals and strategies to retain and attract investment and employment (2.2.5.1d). Furthermore, the Growth Plan’s goals for employment areas include developing built form supportive of transit and active transportation networks, while minimizing surface parking (2.2.5.4). Policy 2.2.5.8 states that the development of sensitive land uses, such as residential, will avoid, or where avoidance is not possible, minimize and mitigate adverse impacts on industrial, manufacturing or other uses vulnerable to encroachment.



Figure 12. Site boundary is within PSEZ Zone

The Growth Plan policies relating to employment areas provide flexibility for the role of employment areas to be considered in the context of evolving market conditions and allow the conversion of employment areas that are not provincially significant outside of a municipal comprehensive review (MCR) process. As per policy 2.2.5.9, the conversion of lands within employment areas to non-employment uses may be permitted only through a municipal comprehensive review where it is demonstrated that:

- a.** there is a need for the conversion;
- b.** the lands are not required over the horizon of this Plan for the employment purposes for which they are designated;
- c.** the municipality will maintain sufficient employment lands to accommodate forecasted employment growth to the horizon of this Plan;
- d.** the proposed uses would not adversely affect the overall viability of the employment area or the achievement of the minimum intensification and density targets in this Plan, as well as the other policies of this Plan; and,
- e.** there are existing or planned infrastructure and public service facilities to accommodate the proposed uses.

While the current MCR process will delineate MTSA boundaries it is clear that the Province has recognized the importance of lands that may be both within a PSEZ and MTSA towards the fulfillment of MTSA policies.

As shown in Figure 12, the subject properties are located within a provincially significant employment zone (PSEZ). The Growth Plan defines PSEZs as “[a]reas defined by the Minister in consultation with affected municipalities for the purpose of long-term planning for job creation and economic development.” The intent of the PSEZ designation is to protect employment areas for the most significant employment generators in the region and should include lands that support skilled jobs contributing to the regional economy and lands crucial to support major employment generators (Policy 2.1). Notably, the definition of PSEZ also states that they can consist of employment areas as well as mixed-use areas that contain a significant number of jobs.

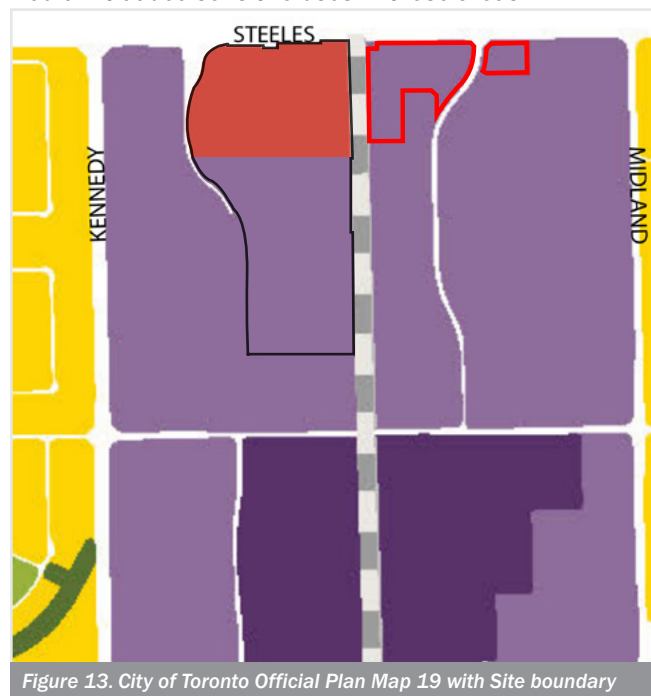
A land use conversion and mixed-use redevelopment of the subject properties would conform to the Growth Plan’s growth management policies by replacing low-density, car-oriented development with compact, transit-oriented development that facilitates active transportation and contributes to a more complete community. Importantly, mixed use intensification will support the minimum density target for MTSA’s. While conversions must satisfy criteria set out in the Growth Plan (and captured by the City’s conversion tests), the plan acknowledges that conversion may be appropriate, even where the lands are within a provincially significant employment zone, particularly if they are located within an MTSA. It is the Province’s clear intention to encourage mixed-use intensification in MTSA’s, particularly where it includes a significant number of jobs, to optimize transit investments and other infrastructure. The conversion of the subject properties to Mixed Use would allow for a variety of uses, including the types of employment currently on the site and more desirable office employment, that would be attracted to the evolving urban character of the node.

4.3 CITY OF TORONTO OFFICIAL PLAN (2019 OFFICE CONSOLIDATION)

The City of Toronto Official Plan (Official Plan) is the primary set of policies that guide the overall growth and development in the City up to 2031. The Official Plan implements and builds upon the provincial policy directions found within the Planning Act, the PPS and the Growth Plan. The Official Plan must be consistent with the PPS and conform to the Growth Plan.

The Official Plan generally supports intensification, particularly around transit stations and promotes mixed-use development that provides for new housing and jobs and makes communities more complete. The plan also supports active transportation, an enhanced public realm and more pedestrian-friendly environments.

As part of the most recent MCR process, City Council adopted OPA 231, which maintains the subject lands within an Employment Area on the Urban Structure Plan (Map 2) and applied the designation of General Employment Area on the Land Use Plan (Map 19). As described below, policies specific to Employment Areas provide detailed direction for the preservation of jobs and employment lands, and for land use conversions that would introduce sensitive uses in these areas.



Legend

 Site boundary	 General Employment	 Parks
 Neighbourhoods	 Core Employment Area	 Natural Area
 Mixed Use Area	 Steeles Redlea Regeneration Area	

STRUCTURING GROWTH IN THE CITY

Chapter 2 of the Official Plan sets out a growth management strategy that directs how growth and change will occur in the City, emphasizing the importance of integrating land use and transportation. Policy 2.2.1 states:

This Plan will create a better urban environment, a competitive local economy and a more socially cohesive and equitable city through the integration and coordination of transportation planning and land use planning by: a) attracting more people and jobs to targeted growth areas in the City that are supported by good and affordable transit services and other infrastructure.

- a. Making an efficient use of municipal land, infrastructure and services;
- b. Concentrating jobs and people within an area appropriate for growth that is well served by existing surface transit and rapid transit stations;
- d. Promote mixed use developments to increase opportunities for living close to work and encouraging walking and cycling for local trips;
- e. Offering opportunities for people of all means to be affordably housed;
- f. Facilitating social interaction, public safety, and cultural and economic activity; and

EMPLOYMENT AREAS

Section 2.2.4 of the Official Plan describes the role of employment areas in Toronto's urban structure and growth management strategy. It sets out a rationale for the conservation of employment areas to ensure the city has a diverse economic bases, offers a range of jobs, protects existing businesses and allows them to grow. Employment areas are intended to be used exclusively for business and economic activities (2.2.4.2) and are particularly important for accommodating existing and new industrial uses, such as manufacturing and warehouses.

Section 2.2.4 also includes compatibility and mitigation measures pertaining to sensitive land uses. Sensitive land uses such as residential development outside of and adjacent to or near Employment Areas are to be appropriately planned, designed, buffered and/or separated from the Employment Areas to prevent or

mitigate adverse impacts from the operations inside the Employment Areas (Policy 2.2.4.5).

The City's assessment criteria for the re-designation of land from Employment Area to other designations are found under Policies 2.2.4.14 to 2.2.4.17. Section 5 of this report will respond in detail to these policies and will comprise the primary rationale for this conversion request, including the findings of a Compatibility/Mitigation Study.

ECONOMIC HEALTH AND DIVERSIFICATION

Section 3.5, regarding Toronto' economic health, notes that "by moving away from specialized single-use districts and emphasizing the mixing of urban activities, this Plan sets out flexible and adaptive policies to meet the changing economic conditions of the future and create a vibrant City." Policy 3.5.1.2 promotes transit-oriented office growth within walking distance of rapid transit stations.

MIXED USE AREAS

Chapter 4 of the Official Plan explains that Mixed Use Areas consist of a broad range of commercial, residential and institutional uses, which may include single use or mixed use buildings, as well as parks and open spaces. A critical mass of residents is needed to achieve mixed use communities that will enable people to live, work and shop in the same area, encouraging less reliance on cars and the creation of lively, walkable districts along transit routes. In the decades to come, the City anticipates that Mixed Use Areas will absorb most of the future growth in retail, office and service employment uses.

EMPLOYMENT AREA LAND USE POLICIES

Employment Areas are places of business and economic activities, and they include Core Employment Areas and General Employment Areas. As previously noted, the Site is currently designated General Employment Area in the Official Plan. In contrast to Core Employment Areas, which are generally geographically located within the interior of Employment Areas and are intended to be insulated from uses that would attract the general public or possibly disrupt industrial operations, General Employment Areas are described in Section 4.6 as follows:

General Employment Areas are generally located on the periphery of Employment Areas on major roads where retail, service and restaurant uses can serve workers in the Employment Area and would also benefit from visibility and transit access to draw the broader public. Retail uses on the periphery of Employment Areas frequently serve as a buffer between industries in the interior of Employment Areas and nearby residential areas.

In both General Employment and Core Employment Areas, a full range of industrial and office-based uses are permitted, including 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, along with small-scale ancillary commercial uses (Policy 4.6.1-4.6.3). What distinguishes General Employment Areas is the permission for a broader range of commercial uses, including all types of retail, services, restaurants and fitness centres (4.6.3-4.6.4). While these permissions are similar to the uses currently on the site, these same uses can be accommodated in a mixed use environment

SITE AND AREA SPECIFIC POLICIES 104 AND 133

The Official Plan map identifying areas subject to Site and Area Specific Policies (SASP) indicates that SASPs 104 and 133 apply to the Site (see Figure 14). The former permitted business and trade schools, libraries, fraternal organizations, places of worship and long term care (LTC) on the subject properties, as well as on many other edge properties in the employment area. However, Official Plan Amendment No. 321 ("OPA 321"), which implemented the recommendations of the Steeles Redlea Study, removed SASP 104 in its entirety from lands north of Passmore Avenue, including removing previously long standing permission for sensitive/residential uses such as LTC and places of worship

Site and Area Specific Policy 133 applies to the lands bounded by Steeles Avenue, Kennedy Road, Passmore Avenue and Midland Avenue. Retail and service uses, including stand-alone retail stores and/or power centres are permitted. SASP 133 reinforces that the subject properties are not being preserved for the kinds of industrial and manufacturing employment uses for which designated employment lands are necessary. The planned function of the subject site is for public-serving commercial uses that can be co-located with other sensitive uses such as residential.

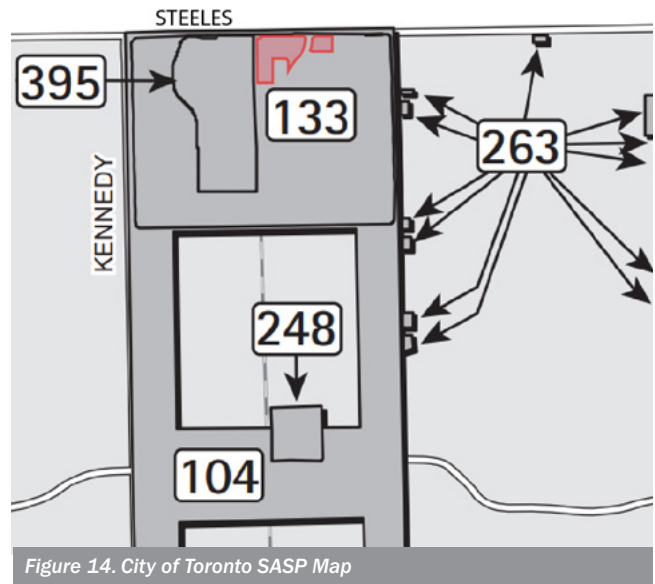


Figure 14. City of Toronto SASP Map

The City's Official Plan is consistent with the PPS and Growth Plan in highlighting the need to protect valuable employment land. At the same time, like the higher-level policy documents, it promotes the integration of land use and transportation and strongly supports mixed-use intensification around rapid transit stations like the Milliken GO Station. Notwithstanding the City's criteria for the conversion of employment lands, addressed in Section 5, conversion would support the Official Plan's growth management and economic policies. In addition to supporting and leveraging the significant improvements to the Stouffville GO Line and Milliken Station, high-density, mixed-use development on the subject properties provides an opportunity to increase employment through the integration of office and retail space. The presence of commercial lands south of the subject properties provides a buffer and separation from industrial activities in the Employment Area, addressing the Official Plan's compatibility and mitigation policies.

4.4 MARKHAM OFFICIAL PLAN

The area immediately north of the subject lands, across Steeles Avenue, is planned for a broad mix of uses in the City of Markham Official Plan 2014 (currently under OMB appeal and partially approved). Much of the area is currently designated Mixed Use Mid Rise, with a maximum building height of 8 storeys. However, this area has been identified for greater residential intensification around the Pacific Mall, and the Milliken Centre Secondary Plan, which is currently being updated, calls for a pedestrian-friendly residential node in proximity to the GO station. The land use objectives for the Centre are: (a) to provide a focal point for the larger Milliken community through a pedestrian, transit supportive development pattern; and (b) to integrate a mix of uses at transit-supportive densities adjacent to the GO Station.

The Milliken Centre Secondary Plan area is forecasted to accommodate approximately 15,000 – 17,000 residents and 4,800 jobs within a compact connected, pedestrian oriented, transit supportive, and sustainable and complete community.

The draft land use plan for the Milliken Secondary Plan Update proposes re-designating the lands between Kennedy Road and the GO Line as Mixed Use High Rise, permitting a maximum height of 30 storeys (see Figure 16). The two blocks east of the rail corridor, fronting Steeles Avenue and across from the subject properties, are proposed to be designated Mixed Use Office Priority and Mixed Use High Rise, both with 30-storey height limits. The higher density supports the Secondary Plan vision of maintaining this area as a shopping destination with residential and office uses.

As noted in Section 3.2 of this report, at the time of the SRRA study, the City of Markham has expressed concerns regarding the continuation and potential expansion of heavy industrial uses within the Milliken Employment Area to the south and potential land use conflicts with the vision of a mixed use community on the north side of Steeles Avenue.

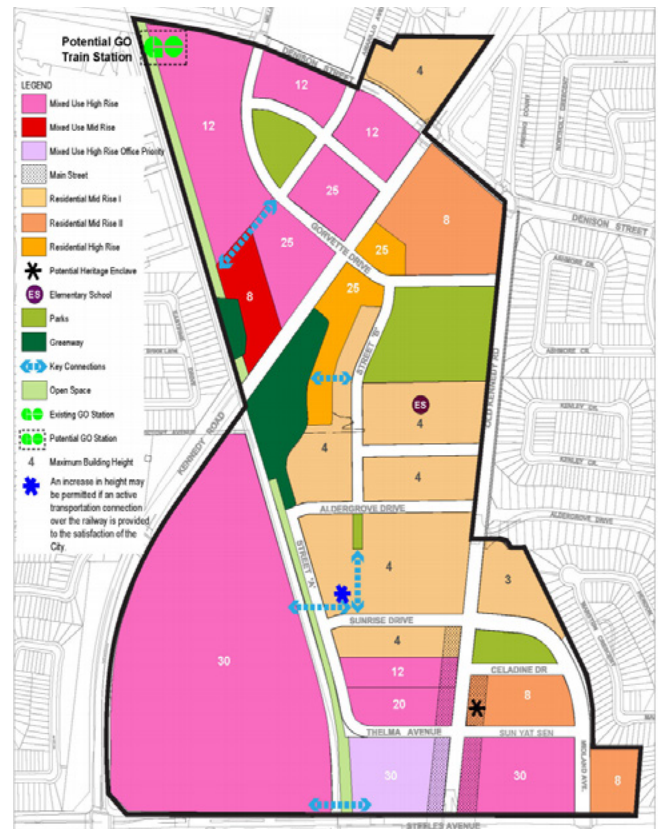


Figure 16. Draft Milliken Centre Land Use Map

Lands to the north in Markham are designated for residential intensification around the Pacific Mall and slated to become a pedestrian-friendly, mixed-use node centred on the GO station. The subject properties currently are the only quadrant surrounding the station not designated for a mix of uses supportive of the current and future transit infrastructure.

5. ANALYSIS OF PROPOSED CONVERSION

This section responds directly to the conversion tests established through Attachment 3 of the City's Growth Plan Conformity and Municipal Comprehensive Review (MCR) Work Plan. These tests correspond to the Conversion and Removal Policies for Employment Areas found in Section 2.2.4 (Policy 17) of the Official Plan, and capture the criteria for employment land conversions found within Section 2.2.5.9 of the Growth Plan (2019).

In responding to each of these tests, it will be demonstrated that:

- The requested conversion is required to establish appropriate land use relationships in an area with emerging mixed-use and residential character, and to simultaneously contribute to achieving population and jobs forecasts in the Growth Plan;
- The requested conversion will better enable the subject site to contribute to a more diverse economic base;
- The conversion will not create incompatible land use relationships:
 - any adverse effects from noise, vibration, emissions, dust or odour will be prevented or appropriately mitigated;
 - The conversion and potential redevelopment can minimize negative impacts on views and overlook from the subject site, and reduce the risk of complaints;
 - The requested conversion will not result in any public health risks, or non-compliance with environmental regulations or standards;
- The conversion will not adversely affect the overall viability of the Employment Area;
- There is sufficient servicing capacity and community infrastructure to support the proposed conversion; and,
- There are no cross jurisdictional issues relevant to the conversion request.

The following subsections explain how each test is satisfied. More detailed technical analyses and recommendations are provided in the additional consultant reports included as part of this conversion request.

5.1 NEED FOR THE CONVERSION

OP Policy 2.2.4 17. a) There is a demonstrated need for the conversion to:

- 1. meet the population forecasts allocated to the City in the Growth Plan; or**
- 2. mitigate existing and/or potential land use conflicts**

THE PROPOSED CONVERSION WILL HELP ENSURE POPULATION AND JOB FORECASTS FOR THE CITY ARE ACHIEVED IN AN OPTIMAL MANNER

Although the City has determined it has adequate lands outside of employment areas to meet the Growth Plan's population forecasts, conversion of the subject properties would support the Province's and the City's growth management policies that promote intensification around transit stations. As noted in Section 4.2 of this report, mixed-use intensification of the subject properties likely will be critical to achieving the minimum density target of 150 people and jobs per hectare within the Milliken GO MTSA, regardless of its boundaries, which are still to be determined. In addition, as NBLC remarked in their accompanying Employment Conversion Report, the Site is well positioned to help increase the supply of affordable housing, which is drastically needed in the city.

THE PROPOSED CONVERSION WILL IMPROVE LAND USE RELATIONSHIPS

Conversion of the Site would prevent conflicts between potential industrial uses permitted on the properties and planned uses in the surrounding area. Mixed-used development has been approved on the Splendid China Mall site immediately west of the subject properties. On the north side of Steeles Avenue, the City of Markham is planning for a mixed-use, transit-oriented community, and transformation of the area is well underway. In addition, Metrolinx, based on their comments during the SRRA Study, encourages mixed-used, high-density development around the Milliken Station.

In this context, maintaining the current designation of the Site may be detrimental to broader plans for the immediate area. The existing retail uses on the Site are out of place, the grade-separation of Steeles reduces their utility for their current planned function as an auto-oriented commercial cluster, and industrial uses would be incompatible. This leaves major office development as the only appropriate form of redevelopment under the General Employment designation. However, NBLC conclude that the Site "does not appear to be supportive of a new stand-alone office building from a market perspective" (p.29). Instead, they see an opportunity for a modest office component within a mixed-use development, remarking that "given the weak market for stand-alone office investment in this location, allowing residential development on the subject site, that incorporates enhanced employment over existing conditions, would allow the property to better leverage the significant transit infrastructure investments at Milliken GO" (p.38).

5.2 CONTRIBUTING TO A MORE DIVERSE ECONOMIC BASE

OP Policy 2.2.4.17(b) The lands are required over the long-term for employment purposes

OP Policy 2.2.4.17(c) The City will meet the employment forecasts allocated to the City in the Growth Plan

Regarding the first test, it is important to note that the subject properties are occupied by retail uses serving the general public, not the employment uses for which employment areas are primarily intended (i.e., industrial). Furthermore, the current uses are highly compatible with residential uses and could be incorporated into a mixed-use development. By also incorporating a component of office space, future mixed-use development could, in fact, enhance the Site's economic function and the area's employment diversity.

NBLC further address both tests in their report. They acknowledge that because the City's employment lands are finite and projected to be fully occupied by 2041, there is a rationale for protecting all employment lands if this test is applied on its own. However, they also state:

[I]ndustrial uses adjacent to high-order transit is not a desirable outcome, nor does it comply with Provincial or City policy. If the proposed redevelopment incorporates a significant amount of employment space and jobs, that either replaces or preferably increases the number of jobs previously associated with the existing retail uses on the subject sites, this test would be satisfied. This strategy would also address many other City/Provincial policies regarding transit-oriented development.

Regarding the second test, NBLC report the following:

In the 2019 City of Toronto Employment study, it was noted that the City was on track to meet its 2041 employment forecast as early as 2023, due to the extraordinary supply of office development in recent years. These Growth Plan employment forecasts for the City were revised in 2020, with the forecast increasing and being extended to 2051. Even with this increased forecast, as well as the job losses throughout 2020 due to COVID-19, the City remains well on its way towards meeting these targets prior to 2051. Incorporating employment space within the proposed redevelopment will ease any concerns related to this test.

OP Policy 2.2.4 17. h) The proposal(s) to convert lands in an Employment Area will help to maintain a diverse economic base accommodating and attracting a variety of employment uses and a broad range of employment opportunities in Toronto.

As discussed above, conversion of the subject properties will have no impact of significance on the ability of the Milliken Employment Area to continue to accommodate a variety of employment uses. The Site today is occupied by commercial uses, and to the extent they support the employment area, they can be replaced within a mixed-use development. Furthermore, as noted, if future mixed-use development were to include a component of office space, then conversion may in fact lead to a more diverse economic base in the area.

5.3 MAINTAINING THE VIABILITY OF THE EMPLOYMENT AREA

OP Policy 2.2.4.17(d) sets out eleven tests to be satisfied to ensure the conversion will not adversely affect the overall viability of the Employment Area and will maintain a stable operating environment for business and economic activities.

- 1. Compatibility of any proposed land use with the lands designated Employment Areas and major facilities, as demonstrated through the submission of a Compatibility/Mitigation Study in accordance with Policies 2.2.4.5, 2.2.4.7 and 2.2.4.8 and Schedule 3 for any proposed land use, with such policies read as applying to lands within Employment Areas.**

THE PROPOSED CONVERSION WILL BE COMPATIBLE WITH THE LANDS DESIGNATED EMPLOYMENT AREAS AND MAJOR FACILITIES.

SLR Consulting (Canada) Ltd. (SLR) was retained to conduct a compatibility/mitigation study in accordance with the City's terms of reference. Their report accompanies this planning rationale. SLR reviewed the surrounding industrial land uses and major facilities in the area, identified existing and potential land use compatibility issues, and evaluated options for achieving appropriate design, buffering and/or separation distance between existing and potential future industrial uses in the Milliken Employment Area and mixed-use development, including residential uses, on the subject properties.

The study acknowledged the site's evolving mixed-use surroundings and noted that existing industrial uses in the employment area have long co-existed with relatively stable neighbourhoods to the west and east.

SLR's assessment concluded that the proposed conversion will not present any operational constraints for existing major facilities and does not present any risk to the viability of the existing employment uses in the area or any significant issues of incompatibility. They also concluded that it is unlikely the proposed conversion would limit the ability of major facilities to reasonably expand, intensify or introduce changes to their operations and "is unlikely to result in constraints for new major facilities to reasonably be established in the Employment Area" (p37).

The study also stated that all potential concerns related to incompatible uses can be resolved through the implementation of mitigation measures as part of conditions for site plan approval. The recommended mitigation measures are discussed in more detail below and in Appendix A of SLR's Modified Compatibility/Mitigation Study.

- 2. Prevention or mitigation of adverse effects from noise, vibration, and emissions, including dust and odour.**

NO ADVERSE IMPACTS FROM EMISSIONS ARE EXPECTED AND NOISE AND VIBRATION IMPACTS FROM INDUSTRIAL USES AND THE RAIL CORRIDOR CAN BE ACCEPTABLY MITIGATED.

From an assessment of existing industrial uses within the area of influence around the subject properties (300 metres for medium industrial uses and 1,000 metres for heavy industrial uses), SLR identified the following properties as requiring further analysis related to air and noise quality:

- D. Crupi & Sons hot mix asphalt plant
- MetroCon Ready Mix Corporation
- Century Concrete Products
- D. Crupi & Sons storage yard

Air Quality, Dust and Odour

SLR assessed the potential for air quality impacts from the above uses on future mixed-use development on the subject properties and concluded adverse impacts are not anticipated and the requirements of MECP Guideline D-6 will be met (p24).

To mitigate the potential for dust emissions from fugitive sources, SLR recommends fresh air intakes to be supplied with particulate filters and placed on north or west facades or behind significant structures. Additionally, warning clause are recommended to be included in agreements of purchase, sale or lease, all rental agreements and in documents registered on Title.

Noise

SLR determined that the subject properties meet the definition and requirements for a Class 4 area (infill area) under the Ministry of the Environment, Conservation & Parks (MECP) Publication NPC-300 guidelines. Therefore, SLR recommends the City consider them as such, as has been done for similar properties within or in proximity to employment areas (including the Splendid China Mall site).

In addition to the above industrial uses, SLR also identified the rooftop mechanical equipment on the Splendid China Mall as a potential source of adverse noise, and they assessed noise impacts from transportation sources (i.e., adjacent roads and railway).

Based on SLR's assessment of potential for noise impacts on the subject properties, they concluded the following:

- Stationary noise levels from the surrounding industrial land uses are predicted to exceed the Class 4 exclusionary limits at all locations in the development. As such, physical noise mitigation measures, such as enclosed noise buffer balconies, will be required;
- Central Air Conditioning and a Type F noise warning clause is required as a component of the Class 4 Area designation; and
- With the inclusion of mitigation measures (upgraded glazing/barriers) and warning clauses, adverse noise impacts from transportation sources are not anticipated. (pp35-36).

Vibration

SLR assessed the potential for vibration impacts on the site, based on the setback distances to industry and transportation sources. Since there are no existing or proposed industrial vibration sources within 75 metres of the subject properties, a detailed vibration assessment was not required. SLR noted that adverse impacts from industrial vibrations are not anticipated and that the requirements of MECP Guideline D-6 will be met (p36).

Since the subject properties are located less than 75 metre from the GO Metrolinx Uxbridge Subdivision Railway Corridor, a detailed vibration assessment of the railway corridor will need to be completed at the time of a development application. SLR has stated that if the vibration impacts are determined to exceed the applicable criteria, mitigation measures such as increased building setback distances from the railway tracks, modified building construction and/or the inclusion of trenches may be required (p36).

3. Prevention or mitigation of negative impacts and minimization of the risk of complaints.

THE PROPOSED CONVERSION IS UNLIKELY TO RESULT IN GREATER COMPLAINTS AND NUISANCE CLAIMS

SLR has determined that since the requirements of the MECP Guideline D-6, Regulation 419/05 and Publication NPC-300 are met and with the inclusion of the above mitigation measures, including a Class 4 area designation, the proposed conversion is unlikely to result in increased risk of complaints and nuisance claims (p37).

4. Ability to ensure compliance with environmental approvals, registrations, legislation, regulations and guidelines.

THE PROPOSED CONVERSION WILL BE IN COMPLIANCE WITH ENVIRONMENTAL APPROVALS, REGISTRATIONS, LEGISLATION, REGULATIONS AND GUIDELINES.

Based on SLR's assessment, conversion of the subject properties will not affect compliance by nearby industrial facilities with applicable Provincial environmental policies, regulations, approvals, authorizations and guidelines, including the City's Noise Bylaw, provided an environmental noise Class 4 area designation is applied by the City (p37).

5. Ability to provide an appropriate buffering and/or separation of employment uses from sensitive land uses, including residential.

THE PROPOSED CONVERSION IS ABLE TO PROVIDE AN APPROPRIATE BUFFER AND/OR SEPERATION OF EMPLOYMENT USES FROM SENSITIVE LAND USES.

When the Splendid China Mall site and adjacent commercial properties were converted to mixed use, the City noted that the GO parking lot immediately to the south would provide a buffer and separation from existing industrial uses. Similarly, but to an even greater extent, existing retail commercial properties between the rail corridor and Silver Star Boulevard will provide a buffer and separation of at least 140 metres between future sensitive uses on the properties at 4711-4733 Steeles Avenue East and the D. Crupi & Sons storage yard to the south. On the east side of Silver Star, much larger existing retail commercial properties will also provide a buffer and separation from industrial uses both to the south and to the east, on Midland Avenue.

6. Ability to minimize risk to public health and safety.

THERE ARE NO SIGNIFICANT KNOWN RISKS TO PUBLIC HEALTH AND SAFETY RELATED TO THE PROPOSED CONVERSION.

SLR's assessment determined that there are no significant known risks to public health and safety that would result from the conversion, in terms of noise, vibration, odour, emissions or dust. Noise and vibration impacts can be appropriately mitigated, and no adverse impacts from emissions are anticipated, although warning clauses and filtered air intakes are recommended.

The risk of train derailments is a consideration when development is proposed adjacent to a railway. The risk to public safety from such accidents, however, can be mitigated with appropriate setbacks (minimum 30 metres) and/or the incorporation of crash walls in building construction.

7. Reduction or elimination of visibility of, and accessibility to, employment lands or uses.

As noted in the NBLC report, "The visibility of the larger employment area from Steeles Avenues is already disrupted due to the built-out retail fabric and is unlikely to be made worse by any mixed-use development on the subject site" (p43). The visibility of the area from Steeles Avenue has also been reduced by the construction of the underpass to separate the road from the rail crossing, which involved an approximately 7-metre high retaining wall and a change in elevation across the entire 150-metre frontage of the subject properties west of Silver Star Boulevard.

Accessibility to the employment area also will not be affected by conversion and a future mixed-use development on the Site. Many businesses within the Milliken Employment Area have direct access to the boundary roads of Kennedy, Midland and Finch, and internal properties have convenient access to these major roads via Passmore Avenue and McNicoll Avenue. Silver Star Boulevard will also continue to function well as an access road to the area from Steeles Avenue.

8. Impact upon the capacity and functioning of the transportation network and the movement of goods for existing and future employment uses.

WSP conducted a preliminary traffic evaluation of the proposed conversion, focusing on impacts to the following intersections, which, except the last, form key gateways for access and egress to much of the Milliken Employment Area:

- Steeles Avenue East at Kennedy Road;
- Steeles Avenue East at Silver Star Boulevard;
- Steeles Avenue East at Midland Avenue;
- Silver Star Boulevard at Passmore Avenue;
- Passmore Avenue at Midland Avenue;
- Passmore Avenue at Kennedy Road; and
- Existing and future site accesses onto Silver Star Boulevard.

The comparison of the future background and future total conditions (without and with additional residential and office uses at densities comparable to those approved for the Splendid China Mall site) indicate that the additional site-generated traffic will have minimal impacts on the study intersections (p8). In fact, a benefit of the mixed uses permitted through a land use conversion is the opposing traffic distribution. For example, in the morning period residential uses tend to generate more outbound trips while employment uses tend to generate more inbound trips in the morning peak period. This trend helps to minimize placing excessive demand on the critical turning movements.

WSP also concluded that access to the employment area to the south is not expected to be adversely affected by the proposed conversion, given the integrated network of roads that serve the area, which will be enhanced with the planned extensions of Midland Avenue and Redlea Avenue.

9. Removal of large and/or key locations for employment uses.

The subject properties west of Silver Star Boulevard total less than 0.5 hectares and together form an irregular shape and therefore are not considered a large site. Nor is it a key location for employment uses. Key locations for contemporary industrial uses are typically adjacent to provincial series highways or active freight rail corridors, neither of which are present in this context. As noted above, given the mixed-use designations on the land immediately to the west (Splendid China) and the north (Markham), industrial uses on the Site would not be appropriate in the first place. Also, this is not a key location for office buildings, compared to more desirable locations downtown and in suburban locations with lower costs and better highway access.

10. Ability to provide opportunities for the clustering of similar or related employment uses.

The removal of the subject properties from the larger Employment Area will not affect the potential clustering of similar or related industrial uses, since the Site is not an appropriate location for industrial uses. Mixed-use development on the subject properties, on the other hand, together with similar developments in the immediate surroundings, will provide the opportunity to accommodate office space that cumulatively would encourage the clustering of similar employment uses, for example, in the professional services or medical sectors.

11. Provision of a variety of land parcel sizes within the employment area to accommodate a range of permitted employment uses.

Since the subject properties form a small piece of the larger Milliken Employment Area (less than 0.4%), their conversion will have a negligible impact on the provision of a variety of land parcel sizes in the area.

5.4 INFRASTRUCTURE TO ACCOMMODATE THE CONVERSION

OP Policy 2.2.4.17(e) The existing or planned sewage, water, energy and transportation infrastructure can accommodate the proposed conversion(s)

The Preliminary Servicing Report (2015) and Functional Servicing and Stormwater Management Report (2016) undertaken by Cole Engineering in support of the proposed conversion and rezoning application for the Splendid China Mall property, and which are also relevant to the subject properties, concluded the following regarding servicing infrastructure.

Water

The system has sufficient flow supply capacity and system head to support proposed development under normal operation conditions; external upgrades will be required to meet the City's fire fighting requirements. Construction of additional watermains internal to development will provide a net benefit to the existing external network by providing additional looping.

Sanitary Sewer

Minor capacity upgrades will be required, and internal sewer networks will collect flows generated within development.

Stormwater Sewer

No modifications to existing systems are required. Proposed on-site stormwater management must be in compliance with the City's Wet Weather Flow Management Guidelines. Detailed design relies on site level controls (private lands) to meet water balance, quality and quantity controls to compensate for control on the proposed new streets.

With respect to the road network, WSP has determined, that the future road network and study area intersections can accommodate the site generated traffic associated with additional residential and office uses contemplated in the land use conversion request for the subject properties.

OP Policy 2.2.4 17. f) In the instance of conversions for residential purposes, sufficient parks, libraries, recreation centres and schools exist or are planned within walking distance for new residents.

A variety of community services and faculties currently exist within the surrounding communities, close to the subject properties, including the following parks/open spaces, libraries, community/recreation facilities and schools (see Figure 17).

SCHOOLS: THESE HAVE BEEN SCOPED TO EXCLUDE FACILITIES WHICH ARE LOCATED IN THE CITY OF TORONTO AND MARKHAM

- **1. Port Royal Public School:** located approx. 900 metres east of the Subject Lands. 5% overcapacity (412 enrolled / 398 school capacity students = 105% utilization)
- **2. Saint Rene Goupil Catholic School:** approx. around 1km south-east of the Subject Lands. 70% under capacity (73 enrolled / 251 school capacity students = 29% utilization [TDDSB - 2016-2017 and 2018-2019 Consensus Enrolment Projections])
- **3. Milliken Public School:** located approx. 1.3km south-east of the Subject Lands. 11% overcapacity (620 enrolled / 559 school capacity students = 111% utilization)
- **4. Mary Ward Catholic Secondary School:** located approx. 1.3km south-west of the Subject Lands. 15% overcapacity (998 enrolled / 861 school capacity students = 115% utilization [TDDSB - 2016-2017 and 2018-2019 Consensus Enrolment Projections])
- **5. Kennedy Public School:** located approx. 800 metres south-west of the Subject Lands. 17% overcapacity (296 enrolled / 254 school capacity students = 117% utilization)

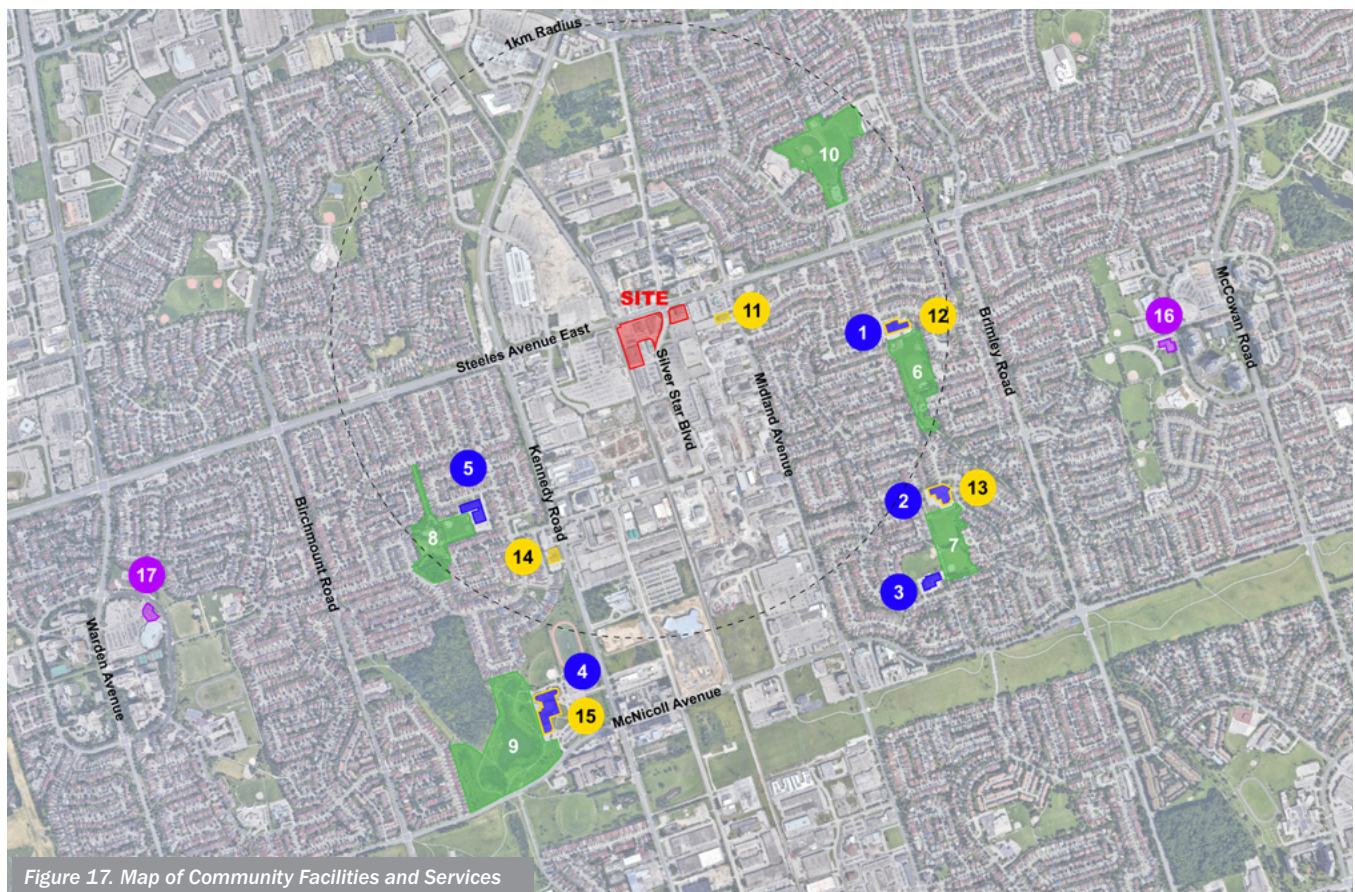


Figure 17. Map of Community Facilities and Services

PARKS: THESE HAVE BEEN SCOPED TO INCLUDE FACILITIES WHICH ARE LOCATED IN THE CITY OF TORONTO

- **6. Audrelane Park:** located approx. 1km east of the Subject Lands
- **7. Port Royal Park:** located approx. 1km south-east of the Subject Lands
- **8. Sanwood Park:** located approx. 900 metres south-west of the Subject Lands
- **9. L'Amoureux Park, Open Space and Recreation Complex:** located approx. 1.5km south-west of the Subject Lands
- **10. Aldergrove Park:** located approx. 900 meters north-east of the Subject Lands
- There are also 2 proposed parks as part of the draft Milliken Centre Secondary Plan which have yet to be confirmed.

CHILD CARE:

- **11. Midland Child Care Centre:** located approx. 350 metres east of the Subject Lands
- **12. Port Royal YMCA Childcare Centre:** located approx. 900 metres east of the Subject Lands
- **13. Heritage Child Care and Early Learning Centre:** located approx. 1.2km south-east of the Subject Lands
- **14. Cheer Daycare Centre:** located approx. 850 metres south west of the Subject Lands
- **15. Mary Ward Child Care Centre:** located approx. 1.3km south-west of the Subject Lands

LIBRARIES:

- **16. TPL – Goldhawk Park Branch:** located approx. 1.9km south-east of the Subject Lands
- **17. TPL – Steeles Branch:** located approx. 1.9km south-west of the Subject Lands

RECREATION:

- **L'Amoureux Park, Open Space, Sports Fields and Community Recreation Complex:** located approx. 1.5km south-west of the Subject Lands

REVIEW OF CSF FOR SRRA STUDY

A Community Services and Facilities (CS&F) assessment was done as part of the Steeles-Redlea Regeneration Area Study. The CS&F study included both a demographic analysis and an inventory of services and facilities including: non-profit child care centres; community recreation centres; pools and arenas; parks; public libraries; public schools; and human services.

Key priorities identified included:

- The need for additional child care spaces. Efforts to secure a child care centre on new development sites or funds towards the upgrading of existing facilities nearby;
- Capital funding for libraries that serve the area (Agincourt, Bridlewood, Goldhawk and Steeles branches);
- The provision of community agency and cultural space to run local programs and services such as settlement services, employment training, parenting and youth programs in visible locations such as storefronts;
- Improvements to L'Amoureux, Stephen Leacock and Milliken Park Community Recreation Centres for youth programming, splash pads, playgrounds, basketball courts, gymnasium etc.; and
- Investigating the use of the hydro corridor by McNicoll Avenue for community gardening and active recreation.

Mixed-use development around the Milliken Station, including on the subject properties, would create opportunities to accommodate some of the needed facilities above including park lands and daycare.

OP Policy 2.2.4 17. g) Employment lands are strategically preserved near important transportation infrastructure such as highways and highway interchanges, rail corridors, ports and airports to facilitate the movement of goods

The Milliken Employment Area is not located close to transportation infrastructure heavily used for goods movement. NBLC notes that, “while the Milliken Employment Area is located adjacent to the Stouffville Rail line, this corridor has never functioned as a rail corridor for industrial or other employment purposes. Its current usage is entirely for commuter rail service, with this service being the most impactful transportation feature influencing the future uses of the site, especially as this service is increased and improved, and new higher-density employment uses are introduced as part of any redevelopment.”

The Milliken Employment Area is not particularly close to any of the region’s major expressways, with Highway 401 and Highway 404 being a 10- to 15-minute drive away. In any case, it is unlikely that the conversion of the subject site would pose any challenges to the strategic preservation of employment lands near important transportation infrastructure.

5.5 NO CROSS-JURISDICTIONAL ISSUES

OP Policy 2.2.4.17(i) Cross-jurisdictional issues have been considered.

The Site is only within the municipal jurisdiction of the City of Toronto and abuts Markham to the north across Steeles Avenue. NBLC notes that “Given that the lands north of the subject site are commercial retail and/or residential, and are not designated for employment uses, there should be no cross-jurisdictional issues.” On the contrary, a land use conversion to Mixed Use Area would complement the planned uses on the north side of Steeles Avenue and address a concern expressed by the City of Markham during the SRRRA Study that future heavy industrial uses ultimately extending to Steeles would create land use conflicts.

5.6 STRATEGIC EMPLOYMENT LANDS UNAFFECTED

OP Policy 2.2.4 17. g) Employment lands are strategically preserved near important transportation infrastructure such as highways and highway interchanges, rail corridors, ports and airports to facilitate the movement of goods

The Milliken Employment Area is not located close to transportation infrastructure heavily used for goods movement. NBLC notes that, “while the Milliken Employment Area is located adjacent to the Stouffville Rail line, this corridor has never functioned as a rail corridor for industrial or other employment purposes. Its current usage is entirely for commuter rail service, with this service being the most impactful transportation feature influencing the future uses of the site, especially as this service is increased and improved, and new higher-density employment uses are introduced as part of any redevelopment.”

The Milliken Employment Area is not particularly close to any of the region’s major expressways, with Highway 401 and Highway 404 being a 10- to 15-minute drive away. In any case, it is unlikely that the conversion of the subject site would pose any challenges to the strategic preservation of employment lands near important transportation infrastructure.

6. CONCLUSION

In our opinion, the proposed employment land conversion has satisfied all the conversion tests set out in Section 2.2.5.9 of the Growth Plan, Section 2.2.4 of the Official Plan and Attachment 3 of the City's MCR Workplan. In summary, conversion of the subject properties:

- Responds appropriately to the evolving transit-oriented, mixed-use node emerging around the Milliken GO Station, on both sides of Steeles Avenue. Conversion will ensure there is compatibility and cohesion among the mix of uses that develop near the station.
- Aligns with and complements the recent conversion of the Splendid China Mall site on the west side of the rail corridor.
- Will not result in issues of compatibility between future sensitive uses on the Site and existing or potential industrial uses to the south. The Compatibility and Mitigation Study concluded that the proposed conversion is anticipated to be compatible with the surrounding land uses from an air, quality, noise and vibration perspective with the inclusion of mitigation measures and warning clauses summarized in Appendix A of SLR's report.
- Will maintain a buffer of commercial uses between future mixed-use development and industrial uses further south in the employment area.
- Will not otherwise adversely affect the overall viability of the Milliken Employment Area. The subject properties are currently occupied by low-density, car-oriented commercial uses serving the general public

and, given their location, are not appropriate for industrial uses. Their future redevelopment with a mix of uses will not affect the visibility and accessibility of the employment area, nor the movement of goods.

- Will facilitate the opportunity to increase employment on the Site through the integration of office space, along with retail, in future mixed-use developments. Since stand-alone office development at transit-supportive densities is unlikely to be attracted to the site, mixed-use development may be the most effective strategy to achieve employment intensification.
- Will support the opportunity for the clustering of office-based industries in mixed-use development surrounding Milliken Station while not preventing the clustering of related industrial businesses within the employment area.
- Is supported by existing and planned infrastructure in the area. With upgrades to the water and sanitary systems, there will be adequate capacity within the major utility networks to accommodate future high-density, mixed-use development on the Site, and the road network will continue to function adequately. There are also a range of community facilities and services, including parks and schools, within walking or cycling distance of the Site. Future mixed-use development will provide opportunities to augment these facilities with additional open space and other amenities.
- Will support the Province's and the City's policies related to growth management; supporting and encouraging transit; achieving complete, walkable communities; and maintaining and supporting a diverse economic base.

It is our opinion that this conversion request represents good planning and merits approval.

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STRATEGIES
INC .**