

# City of Mississauga

## Corporate Report



Date: April 26, 2021

To: Chair and Members of Planning and Development Committee

From: Andrew Whittemore, M.U.R.P., Commissioner of Planning & Building

Originator's files:  
CD.21-DOW

Meeting date:  
May 10, 2021

## Subject

**INFORMATION REPORT (WARDS 4 and 7) – Downtown Urban Growth Centre Office Retention**

## Recommendation

1. That the following report titled "Downtown Urban Growth Centre Office Retention", dated April 26 2021, from the Commissioner of Planning and Building, be received.
2. That staff prepare an Official Plan Amendment for the Downtown Urban Growth Centre to address key challenges identified in this report and help ensure that the Downtown can retain its existing office floor space.
3. That staff are authorized to undertake community engagement to support this work, including holding a public meeting at an upcoming Planning and Development Committee meeting in the spring or fall.

## Executive Summary

- The Province has identified Downtown Mississauga as an Urban Growth Centre (UGC). As such, the City is required to plan for a mixed-use community that is a focal point for office, retail and institutional uses, and transit investments.
- While the Downtown UGC is seeing high levels of growth, this is largely residential. Based on approved and active development applications, the UGC could add another 54,000 residents but just 5,000 jobs. When factoring in preliminary development applications, the UGC could see 81,000 residents added but just 8,000 jobs.
- Staff are seeking Council authorization to prepare an Official Plan Amendment (OPA) to ensure office space in the Downtown is retained or replaced as part of any new development. The project will also explore if any retail retention policies are required.

## Background

The Downtown UGC is comprised of four character areas: the Downtown Core, Downtown Fairview, Downtown Cooksville and Downtown Hospital. See Appendix 1 for a map of the area.

The Downtown UGC is currently home to almost 70,000 residents and 30,000 jobs. Over the last ten years there have been approximately 18,000 people added to the UGC, but only 4,000 jobs.<sup>1</sup> Most of the job growth has been in the retail / commercial sectors.

It has long been a City, Regional and Provincial objective to maintain and grow employment in the UGC. Employment helps create a more vibrant community by providing activity throughout the day and creating spin-off economic and social benefits. From a transportation perspective, mixing residential and non-residential development can create a more walkable environment (e.g. a “15 Minute City”) and provide two-way ridership for the future LRT.

Despite this policy focus, the City has received four active and nine preliminary applications to redevelop existing office sites to allow for high-density residential growth. Some applicants have proposed to replace all office space, but others have proposed to replace a portion of it or replace it with retail / commercial space. Many preliminary applications propose to demolish existing office buildings without providing clarity on if or how office space would be replaced onsite.

Replacing office space as part of a larger redevelopment is important, as this office space is not being replaced by new standalone buildings. There are several challenges associated with building new offices in the UGC, including competition with residential development, which offers a higher return, costs for structured or underground parking, and a lack of market momentum. To help stimulate new office development, Council approved a Community Improvement Plan (CIP) in 2017, with tax increment equivalent grants, for new office development in the Downtown Core. No CIP agreements have been executed to date. Regional Council also approved a complementing office CIP in principle at their April 22, 2021 meeting.

Staff are seeking authorization from Council to move ahead with developing policies to retain office floor space in the UGC.

## Comments

### EXISTING OFFICE EMPLOYMENT POLICIES FOR THE UGC

The Province’s *A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2020* (the Growth Plan) identifies Downtown as an UGC. As such, the UGC must be planned as a “*high-density major employment centre that will attract provincially, nationally, or internationally*”

*significant employment uses.*” The Province also intends for the Greater Golden Horseshoe’s UGCs to emerge as a focal point for major offices, cultural facilities, institutions and transit investments. The Growth Plan also has a policy to ensure that the redevelopment of any employment lands retain a similar number of jobs onsite.

The existing policy framework in the Mississauga Official Plan has helped guide density and growth in the Downtown UGC, specifically policy directs this area will:

- Have the highest densities, greatest mix of uses and be a location for intensification;
- Strive to balance population and employment with a 1:1 ratio of residents to jobs;
- Achieve a density target of 200 by 2031, by striving for 300 to 400 residents and jobs combined per hectare;
- Connect to key regional and city destinations with an efficient local transportation network and higher order transit services; and
- Evolve as a vibrant local and regional centre where residents are able to live, work and play.

Staff’s recommendation to proceed with a city initiated OPA is intended to build on these existing policies, and support employment within the Downtown.

## **KEY POLICY CONSIDERATIONS**

Staff undertook an analysis of non-residential space in the UGC and recommend undertaking a municipally initiated OPA to address employment retention.

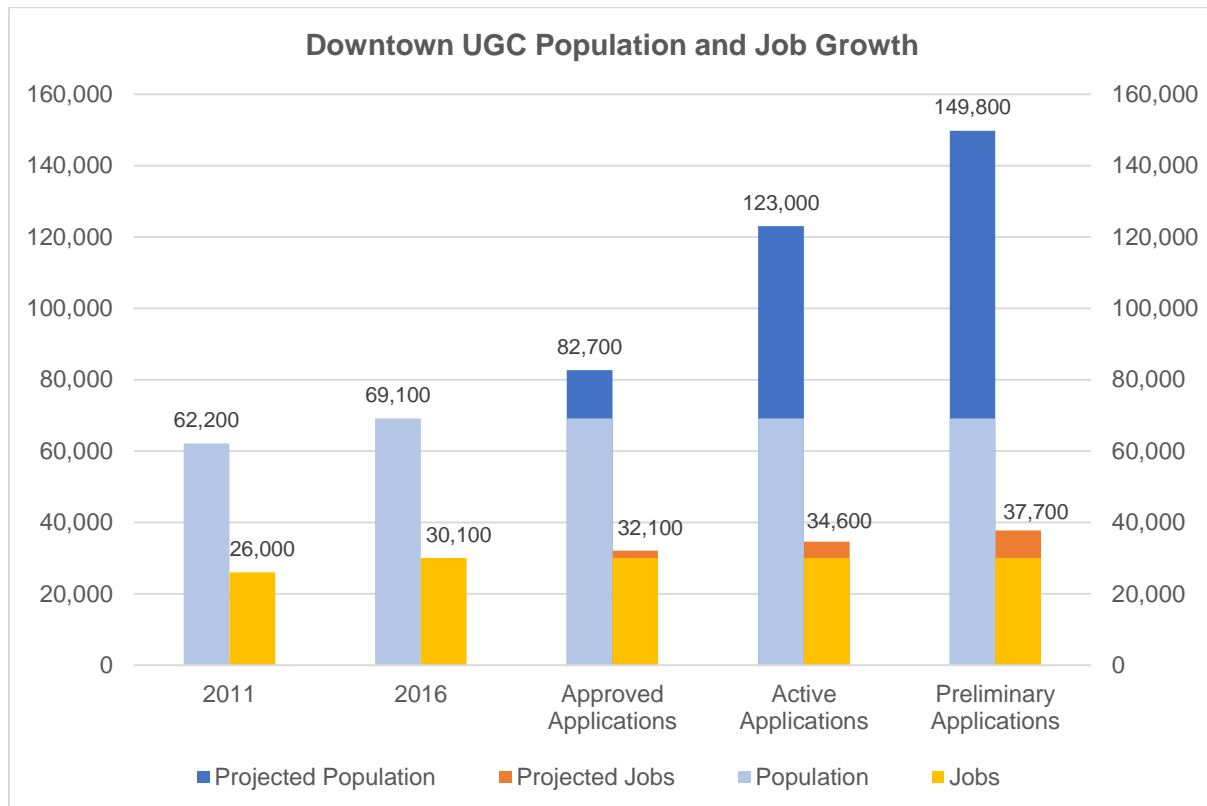
### **Projected growth is not balanced**

The UGC is experiencing unbalanced growth, in favour of residential development.

There are currently 50 approved development applications and 24 active applications in the UGC, which could add 53,900 residents and 4,500 jobs. When factoring in the 23 preliminary applications in the UGC, there could be an additional 26,800 residents and 3,100 jobs (see Graph 1).

The Downtown currently has a 2:1 population to employment ratio. When factoring in approved development the ratio is 3:1 – well below the 1:1 target. When considering active and preliminary applications the ratio could grow to 4:1.

Staff are exploring ways that the OPA could help to contribute to more balanced growth in the Downtown UGC and how policies could provide more certainty going forward to ensure that future redevelopments retain and/or incorporate at least the same amount of existing office space for future office space.



Graph 1: Downtown UGC Population and Job Growth<sup>ii</sup>

### Responding to development pressures on Downtown office space

The Downtown UGC has 46 office buildings (13 Major Office and 33 Secondary Office), totalling approximately 448,400 m<sup>2</sup> (4.8 million sq. ft.) of existing office gross floor area (GFA).

The UGC's office stock is aging, and most of its office buildings were built more than 30 years ago. Many of these buildings are in need of renovations and/or significant re-investment, and most of these buildings have a mid-rise form. With existing development trends and height allowances, Downtown's office inventory is under pressure for redevelopment and the market returns are typically higher for residential development of these sites.

This pressure is reflected in the City having received four active and nine preliminary applications to redevelop existing office sites to allow for high-density residential growth. Collectively, these applications could result in the demolition of four existing office buildings. In some of the preliminary applications, it is not clear if or how the demolished office space would be replaced. City staff are concerned that if office is not replaced as part of the redevelopment, it could be permanently lost. The loss of existing office space will be much harder to replace in the long term.

Office uses also like to cluster, so the introduction of high-density residential developments on office sites could limit the viability of expanding office uses on these sites in the future. Current policy does not require an applicant to consider how the introduction of high-density residential uses on site could impact office viability over time. Additionally, office sites tend to have single ownership, which could be fragmented through residential redevelopment and difficult to redevelop in the future.

In addition, 29 of the UGC's office buildings are on lands designated for Mixed Use development in the Official Plan. Unlike sites designated for Office in the Official Plan, Mixed Use designations allow for residential uses in conjunction with other permitted uses. Although development applications may still require zoning to be changed to allow residential uses, the current policy does not require that redevelopments maintain the same amount of office space, which creates a risk that these sites could be redeveloped with significantly less or no office space.

At present, staff have to negotiate for the replacement of office space through the development application process. While some applicants have replaced existing office space as part of their redevelopments, there is currently no policy framework to ensure a consistent approach to responding to these applications.

Staff are exploring ways that the OPA could help to protect existing offices spaces, as well as help assure that existing office uses in the UGC can be viable now and into the future.

### **Reducing pressure on existing retail spaces that support the community**

As a result of new Mixed Use policies in the Mississauga Official Plan (Chapter 11 as well as in the Downtown Local Area Plan) that require retail and other non-residential uses, at minimum on the ground floor, retail space in many parts of the UGC has grown through redevelopment.

There are some major retail plazas that support daily needs and a complete community, particularly in Downtown Cooksville. Staff are exploring ways that the OPA could help support the continuation of some of these important community retail uses, such as grocery stores and pharmacies, as part of any future redevelopment.

### **Optimizing the LRT by growing employment**

Balanced growth in the UGC is also important to support transit. Having a wide mix of transit-supportive uses, including places of employment, institutions, retail / commercial uses and homes support transit ridership across the day. While residential density in proximity to transit can help promote ridership, employment uses can have a greater impact on increasing transit ridership, especially during peak AM and PM hours.

Staff are exploring the connections between LRT ridership and employment as part of the work on this OPA.

### **Considering the impacts of COVID-19**

The COVID-19 pandemic has influenced existing work spaces and work patterns, shifting many office-based jobs to work-from-home environments, where possible. As we begin to emerge from the pandemic, returning to previous levels of activity may take some time and businesses may shift to satellite locations or extended work-from-home allowances. Staff will continue to monitor how the nature of work changes, and what that means for employment and our office spaces.

In the meantime, staff consider that the development of this OPA to protect existing office spaces is an important priority to ensure the UGC can support a mix of uses and its employment base into the future.

## **Engagement and Consultation**

Staff propose to work closely with stakeholders, landowners and the public in developing the OPA. This will occur as part of planned engagement events for the *Downtown Strategy* and *Downtown Fairview, Cooksville, and Hospital Policy Review* projects.

Following support from Council to proceed with a city-initiated OPA, staff will conduct further stakeholder engagement, including stakeholder meetings with landowners, as well as online engagement through the Downtown Strategy Engagement webpage: [www.yoursay.mississauga.ca/downtown](http://www.yoursay.mississauga.ca/downtown).

Staff will come back to Planning and Development Committee for a Statutory Public Meeting in the spring or fall.

## **Financial Impact**

No financial impact.

## **Conclusion**

The Downtown UGC is planned as a vibrant, mixed-use community with a large share of the city's population and employment growth. However, the UGC is presently experiencing unbalanced growth, in favour of residential development, as well as development pressure on existing office spaces.

Staff are seeking authorization to develop an OPA with policies that would support the retention of existing office space in the UGC. Staff are also seeking authorization to further explore policies that could support existing retail and commercial functions that are valuable to the community.

### **End Notes**

- i) *Based on data collected through the 2006 Census and 2016 Census*
- ii) *Assumptions for Graph 1: Downtown UGC Population and Job Growth*

#### Existing Population:

- *Data for population is from the Census (2011 & 2016)*
- *Data for jobs is from the City of Mississauga's Employment Survey (2011 & 2016)*

#### Projected Population:

- *Projected populations are based on a People per Unit (PPU) rate of 2.2*
- *Projected jobs are based on the following assumptions: 23 m2/worker for office; 40 m2/worker for retail; and 65m2/worker for institutional spaces, per the 2019 Development Charges Background Study*

## **Attachments**

Appendix 1: Downtown Urban Growth Centre Character Areas Map



Andrew Whitemore, M.U.R.P., Commissioner of Planning & Building

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