

City of Mississauga

Corporate Report



<p>Date: October 4, 2023</p> <p>To: Chair and Members of Planning and Development Committee</p> <p>From: Andrew Whittemore, M.U.R.P., Commissioner of Planning & Building</p>	<p>Originator's files:</p>
	<p>Meeting date: October 23, 2023</p>

Subject

Scope of Work for Employment Land, Office and Retail Market Analysis

Recommendation

1. That the report titled "Scope of Work for Employment Land, Office and Retail Market Analysis" dated October 4, 2023 from the Commissioner of Planning, be received for information.
2. That staff be authorized to retain consultants to assist with the undertaking of the scope of work to conduct the employment land, office and retail market analysis outlined in the report.

Executive Summary

- Staff have been receiving informal inquiries to remove lands from employment areas and formal development applications to convert office lands (outside employment areas) to residential uses.
- Landowners often mention COVID-19 related market impacts and housing supply creation as reasons for the conversion requests.
- Staff are proposing to conduct an analysis of the current employment land, office and retail markets, locally and globally, to help inform future advice to Council.
- Staff are seeking Council authorization to retain consultants to assist with the analysis and the draft scope of work has been provided for Council's consideration.

Background

On November 4, 2022 the Region of Peel's Official Plan was approved by the Province. Presently the designation of employment land is a Regional responsibility however, the Province has announced this, and other regional planning functions, will become a local responsibility with a likely effective date in early 2024.

Since the adoption of the Regional Official Plan, several landowners have approached the City to gauge interest on additional land-use conversions. The conversion requests have involved both converting designated employment areas to residential uses and converting office and/or retail sites, outside designated employment areas, to residential uses. The latter can be done outside a Municipal Comprehensive Review (MCR) process, and the City has 120 days to approve or reject a conversion initiated through a development application request, after this the application can be appealed to the Ontario Land Tribunal.

Although the MCR was completed recently, some landowners have suggested the market for office and retail uses changed significantly during the COVID-19 pandemic and the City/Region should revisit its planning policies.

In addition, at several Planning and Development Committee Meetings, staff received questions from Councillors related to the health of the office market post-COVID and staff noted the intent to undertake a study.

This report seeks Council approval for the scope of work for the study. Given the range of conversion requests received, staff recommend the study also consider retail and employment land (industrial) market shifts and trends in addition to the office market.

Status of Recent Employment Area Conversions and Requests

As part of the Region of Peel Official Plan adoption, employment area conversions were approved for several areas. Additionally, several other sites were identified during MCR process for further study before conversions would be considered.

Regional Council Approved Areas	Size - Hectares (Acres)
Dundas Connects – Dixie & Mavis	136.7 (337.8)
Dundas Connects – Western Business Park	77.1 (190.5)
Malton Great Punjab Business Centre	7.4 (18.3)
Rangeview Area of Lakeview	24.8 (61.3)
Portion of Heartland Town Centre	13.2 (32.6)
Areas Currently Under Study	
Clarkson MTSA Employment Area	~ 7.7 (19)
Meadowvale SmartCentres (Lisgar GO)	~ 12.6 (31)
1100, 1140 and 1170 Burnhamthorpe	~ 4.6 (11.4)
720 and 780 Burnhamthorpe	~ 4.4 (10.9)

Staff will be reporting to Planning and Development Committee on their findings from the review of these additional sites over the coming months.

Status of Recent Legislative Changes

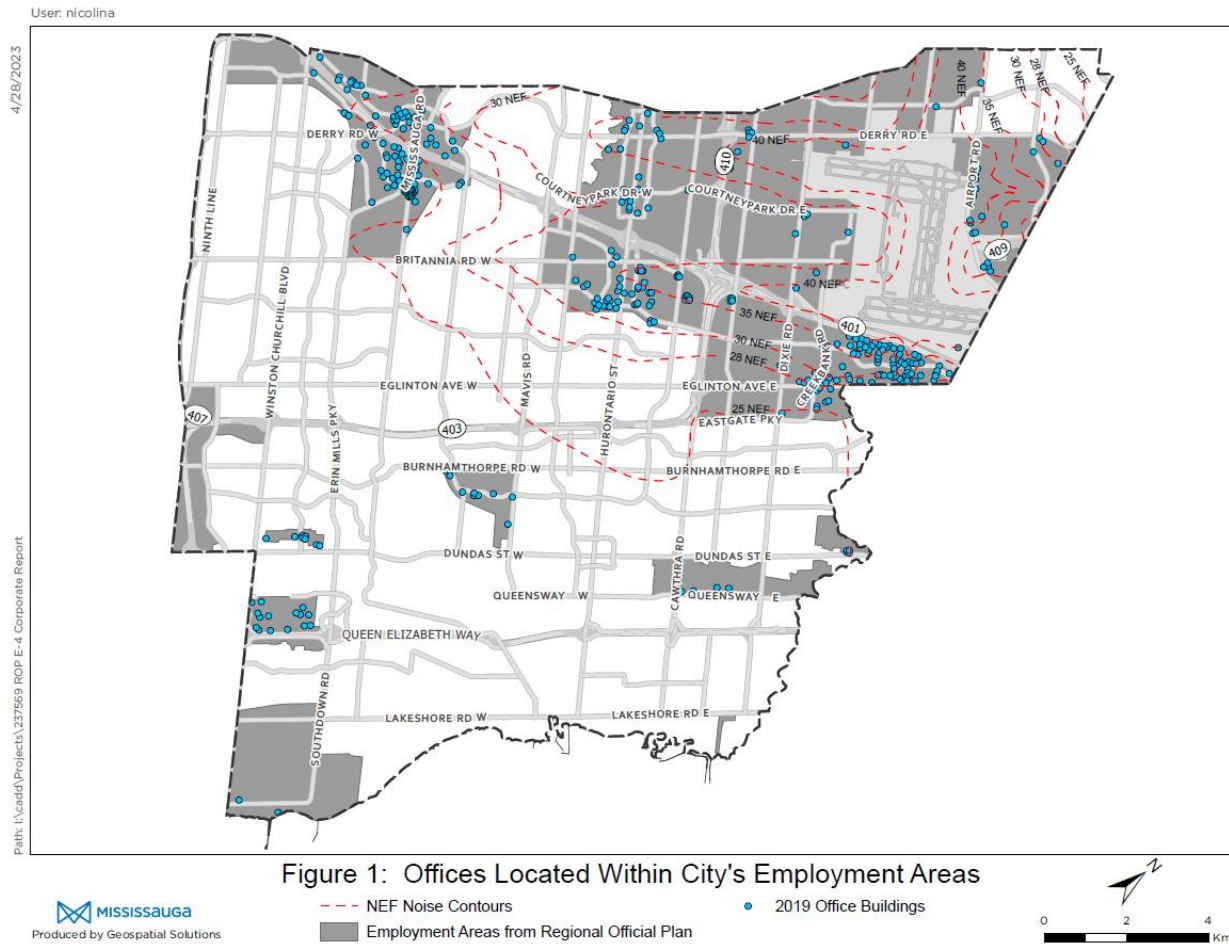
On June 8, 2023, Bill 97, the Helping Homebuyers, Protecting Tenants Act, 2023 (Bill 97) received royal assent. Bill 97 introduced several amendments to land use planning legislation, including the *Planning Act*. One of the significant changes from Bill 97 is the narrow definition of “area of employment” to only include a short list of uses in an employment area (to only include warehousing, manufacturing and related uses) and removing institutional and commercial uses such as office and retail, unless associated with manufacturing or warehousing. This new definition is not yet in-force.

Bill 97 also included a transition provision where a municipality can allow areas designated in an official plan for employment uses to include one or more parcels with institutional or commercial use to continue, when those uses have been lawfully established before the day the new definition of area of employment comes into force. This transition provision may allow to preserve existing clusters of commercial uses in employment areas, but this provision is unclear as to whether municipalities would need to introduce multiple amendments to their Official Plans to keep existing office and retail buildings in employment areas.

Mississauga’s employment areas provide land for diverse employment uses to meet current and future needs, and do not permit residential development. The changes to the area of employment definition may have implications for the continued viability of certain employment areas.

Mississauga’s Corporate Centres have an office focus and are identified as Strategic Growth Areas (i.e., Gateway, Meadowvale, Sheridan Park and Airport Corporate Centre). Office uses in these locations support the Province’s push for higher density, transit-supportive growth; but with Bill 97, they may no longer be permitted unless they are existing and the City successfully implements an amendment to keep them in employment areas. Some of these areas are within the Airport Operating Area, which prohibits new sensitive land uses, such as residential development.

Figure 1: Mississauga's Employment Areas and Office Buildings



Comments

Staff are proposing the study be comprised of two general categories: Office, Retail, and Industrial Market Analysis and a land economic analysis that considers the local context with recommendations on how the City can adapt to recent trends and economic shifts. It is expected two different consultants would be retained to assist staff on each component.

Office, Retail, and Industrial Market Analysis

This study would look at the overall health, shifts and trends in the office, retail and industrial markets from a global and GTAH perspective. This would include:

- a. Describe City of Mississauga Economic Profile including:
 - i. The city's existing employment areas and where jobs are located, building type inventory, employment use, industry breakdown
 - ii. Note Mississauga Economic Development strategy objectives and key sectors as they relate to employment areas
 - iii. How Mississauga's economic profile and non-residential stock compares to other cities in the GTAH
 - iv. Factors that have made Mississauga historically successful attracting employment
- b. Assess Current Office, Retail and Industrial Market Health in Mississauga
 - i. Assess the health and growth record within employment areas and the City overall, as they relate to and inform demand for office, retail and industrial space
- c. Provide Outlook for Office, Retail, and Industrial Markets
 - i. Identify and assess the impact of likely key drivers on medium to long term demand for office, retail and industrial space within Mississauga
 - ii. Assess Federal and Provincial economic development policies and strategic priorities and assess Mississauga's alignment and capacity to respond to investment opportunities
 - iii. Assess and identify key factors that will shape Mississauga's value proposition going forward for office, retail and industrial investment in the context of key drivers and Mississauga's location within GTAH
- d. Assess outlook and trends in demand for office, retail and industrial space relative to Mississauga's current and potential building stock
- e. Identify any barriers in city policies that would prevent high growth or desired uses from locating in certain areas (e.g. life sciences in office areas)

Local Land Economic Assessment

The scope of work for the economic assessment is proposed to include:

- Assess City's ability to meet Official Plan targets and creating communities with adequate jobs (and services for residents).
 - Are official plan employment forecasts still reasonable?
- Look at timing of planned employment and residential growth and comment on possible risks associated with conversions, including land speculation
- Assess impact of airport operating area and impacts due to possible changes to noise contours, should it be available
- Estimate tax ratio / revenue implications of a low, medium and high employment growth scenario

- Review Mississauga's existing residential land supply and comment on whether more land is needed to accommodate various targets
- Assess impact of new Bill 97 definitions of employment areas described above

Key Questions to be addressed

Staff plan to compile the findings of the two consultant assisted studies and report back to Council to address the following key questions:

- Are the nature of market changes structural, cyclical or temporary trends?
- Is there adequate supply and mix of employment lands to accommodate future employment targets?
- Has the market changed significantly enough to necessitate a new Municipal Comprehensive Review (MCR) process to consider employment area conversions?
- How should the City assess individual land-use conversion requests, e.g. those permitted outside employment areas?
- What policy changes are recommended to conform with Bill 97?
- What non-conversion related policy changes should the City make to be more responsive to attract investment on land designated for employment that is currently vacant?

Engagement and Consultation

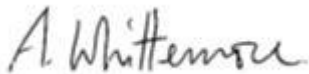
The scope of this study is intended to be city-wide in nature. Staff propose to hold sessions with landowners and industry associations to receive their feedback on the study and general industry trends before reporting back to Council. The intent of the study is not to mirror an MCR process where landowners submit individual requests for conversion.

Financial Impact

Staff intend to retain a consultant for the Office, Retail, and Industrial Market Analysis, which would be funded through existing Economic Development's Advertising and Professional Research budget. It would be a low value acquisition (\$25,000 or less). The consulting fees to assist with the Local Land Economic Assessment will be funded from the Special Planning Studies Project (PN 21952). It would also be a low value acquisition.

Conclusion

Staff are proposing to conduct an analysis of the current employment land, office and retail markets, locally and globally, to help inform future advice to Council. Staff are seeking Council authorization to retain consultants to assist with the work following the draft terms of reference.



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

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