

# City of Mississauga Corporate Report



<p>Date: October 25, 2023</p> <p>To: Chair and Members of Planning and Development Committee</p> <p>From: Andrew Whittemore, M.U.R.P., Commissioner of Planning &amp; Building</p>	<p>Originator's files: CD.03-SMA</p>
	<p>Meeting date: November 13, 2023</p>

## Subject

### **INFORMATION AND RECOMMENDATION REPORT (WARDS 6 AND 9)**

### **Employment Sites Review (SmartCentres Mixed Use Proposals): Findings and Next Steps**

## Recommendation

1. That the report titled "Employment Sites Review (SmartCentres Mixed Use Proposals): Findings and Next Steps" dated October 25, 2023, from the Commissioner of Planning and Building, and associated findings and recommendations, be received and forwarded to the Region of Peel for their consideration.
2. That any approval of the requested employment conversion for a portion of Site 1 and the western portion of Site 2 be subject to the conditions outlined in the report titled "Employment Sites Review (SmartCentres Mixed Use Proposals): Findings and Next Steps" dated October 25, 2023, from the Commissioner of Planning and Building.

## Executive Summary

- SmartCentres has requested the partial removal of a site (Site 1) and complete removal of two sites (Sites 2 and 3) from the Region's Employment Area to allow for residential, mixed use development. Currently, all three sites contain a mix of commercial uses including retail stores, office, restaurants, and other amenities and services.
- Removal of a site from the Region's Employment Area is commonly called an "employment area conversion" or "conversion" and can only occur through a regionally initiated Municipal Comprehensive Review (MCR) process that is typically undertaken

every 5 to 10 years. A conversion is required prior to the submission of a development application that includes residential and other sensitive land uses.

- During the most recent MCR, Region of Peel Council and Mississauga City Council directed their respective staff to conduct further analysis and land use review of the three sites with a public engagement component. Direction was provided to report back with staff's findings by December 2023. In the meantime, all three sites remain in the Region's Employment Area.
- Provincial and Regional policies include criteria for evaluating employment conversions. The land use review, entitled Employment Sites Review, included four components to address these criteria: a land use compatibility assessment; market analysis; infrastructure and servicing capacity review; and public engagement.
- Based on the findings of this land use review, Staff have identified the locations where residential and other sensitive land uses could be supported, consistent with prior Council direction. It includes a portion of Site 1 and the western portion of Site 2. City staff recommend residential development remain prohibited in the eastern portion of Site 2 and the entirety of Site 3.
- Staff recommend that any conversion of the requested portion of Site 1 and the western portion of Site 2 be subject to conditions to ensure good planning and respond to community feedback and required infrastructure and transit improvements, as outlined in this report.
- Approval of a conversion by the Region of Peel would be the first step in a longer planning process with multiple opportunities for community input and engagement on the future redevelopment potential of a site.

## Background

Following direction from Regional and City Councils in 2022, the City of Mississauga in partnership with the Region of Peel, has completed a land use review of three SmartCentres sites to assess if the sites should be removed from an Employment Area to allow for possible residential, mixed use redevelopment. All three sites currently contain a mix of commercial uses including retail stores, medical offices, restaurants, and other amenities and services that serve nearby residents and employees.

The general location of the sites are as follows:

- **Site 1 (referred to as 3155 Argentia Rd.<sup>1</sup>)** – comprises multiple properties and is located near Lisgar GO Station along Argentia Rd. between Tenth Line W. and Winston Churchill Blvd. in the Meadowvale Business Park Corporate Centre
- **Site 2 (1100, 1140 & 1170 Burnhamthorpe Rd. W.)** – is located near Erindale GO Station along Burnhamthorpe Rd. W. between Erindale Station Rd. and Central Pkwy. W. in the Mavis-Erindale Employment Area
- **Site 3 (720 & 780 Burnhamthorpe Rd. W.)** – is located along Burnhamthorpe Rd. W. between Mavis and Wolfedale Rds. in the Mavis-Erindale Employment Area

The exact location and boundaries of each site, including the requested area of conversion for Site 1, are shown in Appendices 1 and 2 of the report.

SmartCentres, the property owner, has requested that a portion of Site 1 and all of Sites 2 and 3 be removed from the Region's Employment Area to allow for mixed use redevelopment with residential, commercial, office, community and parkland uses. Sensitive land uses such as residential are not permitted in the Region's Employment Area, and a site needs to be removed from the Employment Area before a development application can be submitted that includes these uses. The removal of a site from the Region's Employment Area is commonly called an "employment area conversion", or conversion for short.

### **IN 2022, REGIONAL AND CITY COUNCILS DIRECTED A LAND USE REVIEW OF THE THREE SITES**

Current provincial policies only allow employment area conversions through a regionally initiated Municipal Comprehensive Review (MCR) process. MCRs are typically undertaken every 5 to 10 years when a municipality is updating its Official Plan. As part of the recent MCR to prepare a new Regional Official Plan, the Region of Peel received 59 employment area conversion requests, of which 16 were approved for conversion.

Three of those requests were received from SmartCentres for the conversion of the three sites. Regional staff evaluated SmartCentres requests and did not recommend conversion at the time, partly on the basis that:

- the conversions were not needed to support residential growth projections;
- there were potential impacts on the viability of surrounding employment lands that needed more consideration; and,
- there were no concrete plans for two-way, all-day GO service on the Milton line for Sites 1 and 2 to justify a change in land use policies.

<sup>1</sup> Site 1 comprises the following addresses: 3015, 3017, 3021, 3025, 3029, 3031, 3035, 3041, 3055, 3110, 3120, 3126, 3130, 3136, 3140, 3150, 3155 and 3160 Argentia Road

City and Regional Councils passed resolutions directing their staff to proceed with a land use review of all three sites. On April 20, 2022, City Council passed a resolution supporting the concept of the employment conversions in principle, and directing City staff to undertake a land use review. On April 28, 2022, Regional Council passed a resolution directing the Region of Peel to support local municipal leadership in the land use and public engagement component of the review.

Both resolutions directed staff to prepare a report to their respective Councils with the results of the land use review by December 2023. Regional staff had identified that a subsequent phase of the MCR process could be undertaken to approve a conversion based on the outcomes of the land use review. In the meantime, Regional Council decided to keep all three sites in the Region's Employment Area in the Region's new Official Plan.

### **IMPLICATIONS OF RECENT PROVINCIAL LEGISLATION**

The Province has passed Bill 112 to dissolve the Region of Peel by January 1, 2025. The Province has also passed Bill 23 that, among other changes, will remove planning authority from the Region of Peel; however, the date for this to occur is uncertain and has not been communicated by the Province. Finally, Bill 97 although not yet in force, would change how employment areas are defined by narrowing the list of uses in an employment area and removing commercial uses such as office and retail. For now, the Region of Peel remains the approval authority for employment conversions. Staff recommend that the findings and proposed conditions for conversion be forwarded to the Region for their consideration.

### **LAND USE REVIEW IDENTIFIED IN MISSISSAUGA'S HOUSING ACTION PLAN**

On March 1, 2023, Mississauga City Council endorsed a Housing Action Plan (herein referred to as "Growing Mississauga") with a housing target of 120,000 additional housing units by 2031. Growing Mississauga noted that the land use review may identify opportunities for housing on the sites. The land use review has sought to balance the need for additional housing with the need to preserve viable employment land supply and create complete communities.

With the limited supply of vacant employment land in Mississauga, protecting the viability of employment areas is important to the economic success of the City. Mississauga can accommodate the housing target within its existing land use planning framework as long as there is an investment in new infrastructure at an accelerated pace and favourable market conditions. The Peel Regional Official Plan (2022) forecasted that approximately 100,000 new housing units are required over the next 30 years. City staff has estimated that the City's existing Official Plan land use structure allows for the construction of 250,000 units.

## Comments

Through this land use review, staff considered Provincial and Regional MCR criteria for evaluating employment area conversions that aim to protect the continued viability and integrity of employment lands. The MCR conversion criteria are as follows:

- there is a need for a conversion;
- the lands are not required for employment uses over the planning horizon;
- the Region and Mississauga will maintain sufficient employment land to meet growth forecasts;
- the proposed uses do not affect the viability of the surrounding Employment Area, and achievement of intensification and density targets;
- there is existing or planned infrastructure to accommodate the proposed uses;
- the lands do not affect the operations or viability of existing or permitted employment uses on nearby lands; and
- cross-jurisdictional issues have been considered.

To evaluate these criteria, staff undertook the land use review based on four general “lens” – land use compatibility, market analysis, infrastructure and servicing capacity review, and public engagement described in more detail below.

### 1. EVALUATING LAND USE COMPATIBILITY WITH SURROUNDING BUSINESSES

The SmartCentres sites are surrounded by a variety of employment and residential uses. Commercial properties such as the three SmartCentres sites can perform a buffer function between heavier employment uses in employment areas, and surrounding residential uses outside of employment areas. This helps protect the viability of employment lands by maintaining adequate separation distances between industry and nearby residential communities. It also minimizes adverse effects on nearby residential uses.

Staff retained GHD Limited to evaluate the likelihood of adverse effects from surrounding businesses for proposed sensitive land uses on each SmartCentres site. The objective of the evaluation was to understand how the introduction of sensitive land uses on a particular site could threaten the future of nearby businesses, and the overall viability of the surrounding employment area. Having sensitive land uses in close proximity could hinder the ability of industrial operators to obtain certificates of approval from the Province for updated or new industrial operations. Surrounding zoning permissions were also evaluated to better understand the long-term implications of introducing sensitive land uses for the overall employment area.

Using the Ministry D-6 Guideline *Compatibility between Industrial Facilities*, surrounding businesses were categorized into three distinct Classes based on air quality, odour, dust, noise and vibration impacts from their operations – with Class I having the fewest impacts and Class

III having the greatest likelihood of adverse effects. The Province has recommended minimum separation distances between industry and residential uses that vary by Class.

Generally, the land use compatibility assessment found that:

- Site 1 and the western portion of Site 2 would not have a significant impact for surrounding industry, or the overall viability of the surrounding employment area;
- Conversion of Site 3 and the eastern portion of Site 2 may impact the viability of surrounding employment lands, and result in a reduction and fragmentation of the Mavis-Erindale Employment Area. Sensitive land uses could also experience adverse impacts due to air quality, dust, odour, noise and vibration;
- Further analysis is required to identify the appropriate location for residential uses on the western portion of Site 2; and
- Site 3 in particular has several nearby industries that may be adversely affected with the introduction of sensitive land uses. In addition, the overall viability of the employment area may be impacted as zoning permissions for properties to the south of the Site allow for other manufacturing/industrial uses than what exists there today.

A summary of staff's findings based on GHD's analysis is provided in Table 1 of Appendix 3. Maps showing surrounding businesses by Class of industry are also provided in Appendices 4 and 5 of this report.

## **2. UNDERSTANDING MARKET CONDITIONS**

Staff undertook a market analysis of the Meadowvale Business Park Character Area (location of Site 1) and Mavis-Erindale Character Area (location of Sites 2 and 3). Using data from the City's annual employment survey, staff evaluated long-term trends in the number of jobs and businesses, as well as the composition of each Character Area by business sector in 2022.

The overall findings for both Character Areas indicate they remain healthy with growth in both the number of jobs and business since 2012. Life Sciences and Finance are the largest sectors within the Meadowvale Business Park Corporate Centre, while Transportation and Manufacturing sectors play a more important role in the Mavis-Erindale Employment Area. Table 2 of Appendix 6 provides a summary of the market analysis findings.

## **3. TESTING INFRASTRUCTURE AND SERVICING CAPACITY**

The City of Mississauga and the Region of Peel undertook a high-level capacity review of municipal and community infrastructure for each site. Potential impacts on the following infrastructure and services were examined: schools, water and wastewater, parkland, library, recreation, fire and transportation capacity. The review tested two scenarios considering moderate and high growth.

The review concluded that all sites would require improvements to infrastructure such as new parks and new roads to service mixed-use developments for both the moderate and high growth scenarios. The Region identified the need to upgrade existing local water and wastewater infrastructure systems at all sites. Comments from Peel District School Board for Sites 2 and 3 indicated that a new public school is needed to service new residential developments more broadly that are occurring in proximity to Mississauga's Downtown. The review also noted that there are no concrete plans for all-day, two-way GO service along the Milton GO Line.

#### 4. COMMENTS FROM THE COMMUNITY AND INDUSTRY

Two rounds of engagement were held with the community and industry for a total of 6 meetings. Most engagement participants for Site 1 were opposed to the proposed conversion, and had concerns related to the possible loss of businesses and services that play an important role for the community. Participants for engagements on Sites 2 and 3 expressed a mix of opinions. Several industries near Sites 2 and 3 communicated their concerns with the possibility of a conversion near their business, particularly for Site 3.

The "What We Heard" reports summarize comments from the public and staff's responses, and can be found on the project webpage (<https://yoursay.mississauga.ca/esr>).

Comments received through public engagement generally reflected the following themes:

1. Name of the project – The name of the project caused confusion as to its intent and any future studies should use plain language that the public can more easily understand.
2. Lack of development information – Typically, employment reviews are a high-level exercise that are technical in nature and are not based on development scenarios or community engagement. The community expressed frustration with the lack of information on how the site would redevelop in the future should a conversion be approved.
3. Impact to existing businesses – Participants expressed concern that existing tenants on the SmartCentres sites may be displaced either in the interim when construction begins or more permanently through future redevelopment.
4. Loss of services and amenities – Currently, all three sites are used by the community as a place to shop and access local services. The loss of these businesses would reduce the quality of life of residents, and increase travel distances for people seeking goods (e.g. groceries), or a service (e.g. medical office). Comments were received that expressed a desire for improved amenities, including additional pedestrian connections, green spaces, benches and outdoor skating rink on Site 1.

5. Loss of jobs – Redevelopment may lead to a loss of jobs on the sites if the conversion proceeds. Many of these jobs provide entry-level positions into the jobs market, particularly for youth in the area.
6. Inadequate transit – All-day, two-way GO train service does not exist on the Milton Line for Sites 1 and 2. Participants expressed concern that existing transit would not provide an adequate level of service for residential, mixed use development envisioned by SmartCentres.
7. Traffic congestion – Participants for Site 1 expressed concern that the proposed development would further strain the existing road network.
8. Affordable housing – Concern was expressed that Site 1 would become 100% social housing without a mix of housing options by type, tenure and affordability. Other participants expressed optimism that development would bring new housing options that are more affordable than the current housing stock, particularly for young people who may wish to remain in the community.
9. Built Form – Participants expressed a desire that should the Region approve the conversions, that development contain heights that are appropriate to the surrounding context, particularly adjacent to nearby low-rise residential areas.
10. Land use compatibility – Several business owners in proximity to Sites 2 and 3 expressed concern that conversion of those properties would introduce sensitive land uses closer to their operations, making it harder for them to continue in their current location. They also noted there are few viable locations in Mississauga where they could move their operations.

Appendix 7 provides a description of public engagement events and tactics.

## SUMMARY OF REVIEW FINDINGS

Staff have found that the portion of Site 1 requested for conversion, and the western portion of Site 2 would generally meet the Province and Regions' MCR conversion criteria – except for demonstrating the need for a conversion. These portions of Sites 1 and 2 have a minimal likelihood for land use compatibility issues, and are the basis of staff's recommended boundaries, should the conversion process proceed at the Region. City staff recommend the conditions described in the section below apply. These conditions are important to ensuring a conversion would continue to provide access to jobs, services and amenities for the community and the City as a whole; and are a key finding of the MCR conversion evaluation.

Site 3 and the eastern portion of Site 2 would not meet the MCR conversion criteria. There is a higher likelihood for adverse affects from surrounding industry, and the introduction of sensitive



land uses on the site may impact the overall viability of surrounding employment lands. Appendix 8 provides staff's assessment of each conversion request based on the MCR criteria.

## **EMPLOYMENT SITES REVIEW NEXT STEPS**

Based on the findings of the review and comments received from the public, staff recommend that any conversion of Site 1 or the western portion of Site 2 be subject to conditions. These conditions would help address comments from the public related to loss of retail, loss of jobs, inadequate transit, traffic congestion, affordable housing, built form and land use compatibility. Staff also recommend that any future engagements on other employment conversion requests adopt a plan language title and further consultation occur after conversions have been approved.

No change or conditions are being recommended for Site 3 or the eastern portion of Site 2, on the basis that a conversion would not meet the Province and Regions' MCR conversion criteria. Please refer to Appendix 9 for the general location of the western portion of Site 2.

### **Site 1 - Proposed Conditions**

For the area of conversion requested by SmartCentres for Site 1, staff recommend the following conditions for a conversion:

1. Maintain existing non-residential gross floor area (e.g. commercial) in any future redevelopment, with the exact amount to be determined through the master plan process.
2. Provide a variety of housing options by type, tenure and affordability.
3. Integrate an affordable housing component in any future development that is for a term not less than 25 years.
4. Phasing of development that aligns with improvements to GO transit service along the Milton Line.
5. Completion of a Master Plan prior to any residential, mixed use development that addresses:
  - Public engagement and public input
  - A vision and set of guiding principles for how the site should develop
  - The mix and location of land uses
  - Location and type of parks and open spaces, as well as any other needed community infrastructure
  - Appropriate built form and buildings heights
  - Road network improvements (e.g. new roads)

- Infrastructure and service capacity
- Development phasing strategy

### **Site 2 - Proposed Conditions**

For the western portion of Site 2, staff recommend the following conditions for a conversion:

1. Maintain existing non-residential GFA (e.g. commercial) in any future redevelopment, with the exact amount to be determined through a special site policy review.
2. Integrate an affordable housing component in any future development that is for a term not less than 25 years.
3. Require further detailed analysis of air quality, dust, odour, noise and vibration impacts from surrounding businesses to confirm location of residential uses on the western portion of the site.
4. Completion of a special site policy review prior to any residential, mixed use development that addresses:
  - Public engagement and public input
  - A vision and set of guiding principles for how the site should develop
  - The mix and location of land uses
  - Location and type of parks and open spaces, as well as any other needed community infrastructure
  - Appropriate built form and buildings heights
  - Road network improvements (e.g. new roads)
  - Infrastructure and service capacity

## **Financial Impact**

There are no financial impacts resulting from the recommendations in this report.

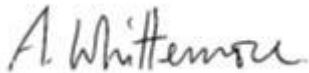
## **Conclusion**

The land use review has found that the requested conversion of a portion of Site 1, and the western portion of Site 2, would generally meet MCR conversion criteria. The findings do not support the conversion of the eastern portion of Site 2 and all of Site 3. To date, staff have received many comments on the proposed conversions. Comments were received that expressed concern with the possible loss of services and amenities, loss of jobs, and impacts to existing businesses should a conversion proceed – particularly for Site 1. Other comments expressed support for additional housing with a range of options by type, tenure and affordability, and the possibility for improved amenities.

Should a conversion be approved, there is an opportunity to address many of these comments as part of any subsequent planning work. In particular, staff recommend that any conversion of the requested portion of Site 1 and the western portion of Site 2 be subject to conditions that would help address the findings of the review and comments from the public.

## Attachments

- Appendix 1: Site 1 Location Map
- Appendix 2: Sites 2 and 3 Location Map
- Appendix 3: Table 1 with Summary of Land Use Compatibility Findings
- Appendix 4: Surrounding Businesses by Class – Site 1
- Appendix 5: Surrounding Businesses by Class – Sites 2 and 3
- Appendix 6: Table 2 with Summary of Market Analysis Findings
- Appendix 7: Summary of Public Engagement Events and Tactics
- Appendix 8: Table 3 with Staff Assessment of MCR Conversion Criteria
- Appendix 9: General Area of Western Portion of Site 2



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

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