

September 9, 2020

Chairman Emmerson and Members of Regional Council

c/o Mr. Christopher Raynor
Regional Clerk
Regional Municipality of York
Regional Corporate Services Department
Administrative Centre
17250 Yonge Street, 4th Floor
Newmarket, Ontario
L3Y 6Z1

Dear Chairman Emmerson Regional Council Members:

**RE: SEPTEMBER 17, 2020 SPECIAL COUNCIL MEETING
REQUEST FOR CONVERSION OF EXISTING EMPLOYMENT LANDS – REQUEST M8
NORTHEAST CORNER OF ELGIN MILLS ROAD EAST AND HIGHWAY 404
OUR FILE 07132BQ**

On behalf of our clients, Woodmills Developments Inc. (a member of the Penguin Group of Companies), please accept this letter as our submission related to the conversion of Employment Lands in the City of Markham located at the northeast corner of Elgin Mills Road East and Highway 404 (the “subject lands”).

On May 1, 2019 we made a formal request to the Region for conversion of the subject lands per the attached letter to Mr. Freeman. The proposed conversion request is to permit the lands which are approximately 3.16 hectares (7.8 acres) of land to be converted.

The conversion request is appropriate as the lands are located immediately adjacent to a recently constructed residential development which has altered the ability of this parcel to effectively be developed for employment purposes given that access to the subject lands can only be accessed through the residential neighbourhood. No safe access is possible from Elgin Mills Road East due to the Highway 404 ramp location. We note that our client has been in discussions with the Ministry of Transportation who has advised that access from Elgin Mills Road East would not be permitted by the Ministry as doing so would be unsafe. **This knowledge was not known at the time that the City provided its comments on the conversion request.**

Regional staff, through their review, did not agree with the request for conversion, again without the knowledge of the Ministry’s position on access from Elgin Mills Road East.

We therefore are requesting, for the reasons outlined in our May 1, 2019 submission and based on the recent confirmation that the Ministry of Transportation will not permit access from Elgin Mills Road East, that Regional Council allow for the conversion of the entirety of the parcel.

Our clients will be making a deputation to Regional Council on this submission.

Thank you.

Yours truly,

MHBC

A handwritten signature in black ink, appearing to read 'David McKay', written over a circular stamp or seal.

David A. McKay, MSc, MLAI, MCIP, RPP
Vice President and Partner

cc: Clients

Encl.

May 1, 2019

Paul Freeman, MCIP, RPP
Regional Municipality of York
17250 Yonge Street
Newmarket, ON
L3Y 6Z1

Dear Mr. Freeman:

**RE: FORMAL REQUEST FOR CONVERSION OF EXISTING EMPLOYMENT LANDS
NORTHEAST CORNER OF ELGIN MILLS ROAD EAST AND HIGHWAY 404
MARKHAM WOODMILLS DEVELOPMENTS INC. – ELGIN MILLS, CITY OF MARKHAM
OUR FILE 07132BQ**

This submission has been prepared and submitted in support of a request to the Region of York for an employment land conversion as a part of the Region's municipal comprehensive review analysis. The request is being made on behalf of Markham Woodmills Developments Inc. for the approximately 3.18 hectares (7.88 acres) of land located at the northeast corner of Highway 404 and Elgin Mills Road East in the City of Markham (the "Subject Lands").

Prior to submitting this Formal Request for Conversion a meeting between Region of York Staff and SmartCentres took place on April 1, 2019 to discuss this Application. The take aways from this meeting include that the Region has a mandate to determine if employment is required for the region, that emphasis should be placed on preserving employment uses along 400 series highways, and that the conversion of these lands shall not impact long term employment lands supply. The proposal being submitted is based on these comments.

The proposal for conversion would allow the establishment of a mixed use development (the "Mixed Use Development"). The conversion, if permitted, will promote a range of employment and residential uses, cohesiveness through the creation of a live-work setting, healthy sustainable employment uses adjacent to the Highway 404 right-of-way, transitioning to the designated residential area to the east, and leveraging existing municipal infrastructure. The proposed Mixed Use Development would be in line with Provincial policy direction for the establishment of compact, mixed-use, integrated employment areas and healthy, liveable and complete communities.

A land use concept has been prepared in support of the request for conversion which can be found in **Appendix A**. The concept envisions an overall Mixed Use Development that accommodates a mix of office and residential space within a more favorable live-work environment. This proposal will generate 823 to 1,559 people and jobs in the overall Mixed Use Development of which 323 to 809 jobs would be located within the Subject Lands post-conversion.

This letter report evaluates the applicable land use policy that provides for the consideration of conversion, and concludes that the request maintains consistency with the Provincial Policy Statement (2014), conformity with the Growth Plan (2017), Region of York Official Plan and City of Markham Official Plan as it relates to employment lands while providing for a greater range of land uses on the Subject Lands through the conversion request.

DESCRIPTION OF THE SUBJECT LANDS

The Subject Lands are located within the northern Markham Urban Area boundary (**Figure 1**), south of a woodlands area, west of vacant land designated residential in the City 2014 OP, and north of the northbound on ramp from Elgin Mills Road East to Highway 404. The lands contain natural topography, are flat without any grading constraints, do not contain any trees requiring removal, and are absent of any development.

SURROUNDING CONTEXT DESCRIPTION

Surrounding land uses include (**Figure 2**):

NORTH – Vacant land that is designated Business Park in the City 2014 OP and may be developed for office purposes. North of this land is a woodland area that is identified as a Woodland within the Greenway System in the City 2014 OP and a Woodlot and Environmental Protection Area in the City 1987 OP.

EAST – Vacant land that is designated as Residential Low Rise in the City 2014 OP and is currently being developed for a residential subdivision. There is an existing cul-de-sac street on these lands, Lord Melbourne Street that connects with Woodbine Avenue and the existing low rise residential neighbourhood to the east. Along the Elgin Mills frontage are two single detached dwellings on large lots and a stormwater management pond. An employment conversion request by a private landowner, 1628740 Ontario Inc. (Tucciarone), has been submitted for the two single detached lots to redesignate them from Service Employment to Low Rise Residential.

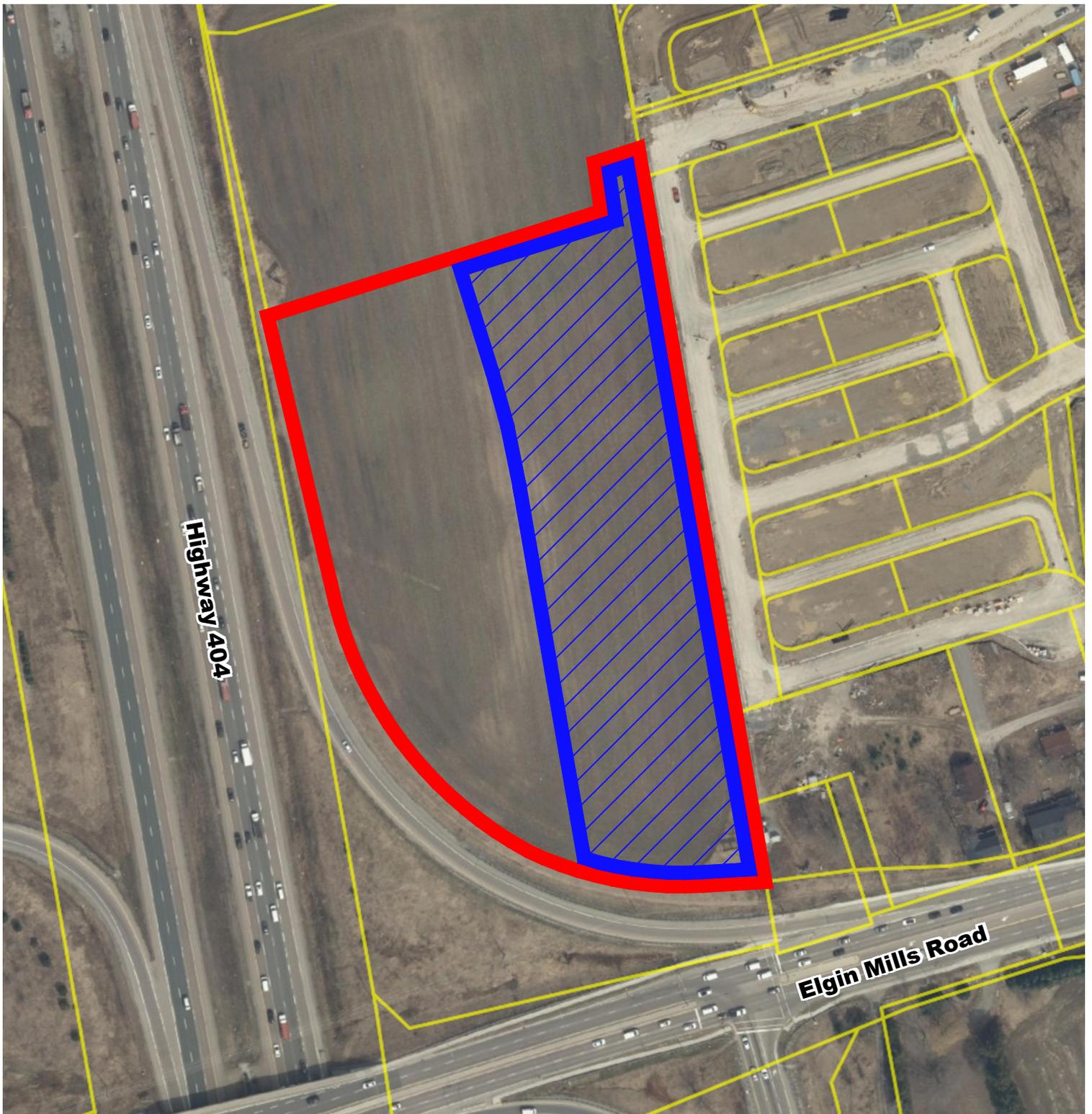
SOUTH – The northbound on ramp from Elgin Mills Road East on to Highway 404, and Elgin Mills Road East.

WEST – The north bound on ramp from Elgin Mills Road East on to Highway 404, and Highway 404.

PROPOSED FUTURE VISION FOR A MIXED USE DEVELOPMENT

As mentioned previously, the proposal for conversion envisions the Subject Lands contributing to an overall Mixed Use Development that accommodates a mix of office and residential space within a live-work type of environment (**Figure 3**). The proposed preliminary concept of the Mixed Use Development is provided in **Appendix A**. To achieve this vision, the following is proposed:

The proposed mixed use greenfield development is in the form of office buildings located along Highway 404 with residential buildings interior and adjacent to the residential subdivision under development. To provide flexibility at this time, the proposal includes a range of building heights and densities with proposed building heights of 2 to 5 storeys for the office buildings and 4 to 6 storeys for the residential buildings. The two proposed office buildings will be located along the Highway 404



Data Source: First Base Solutions Aerial Flown 2011

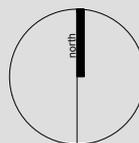
Figure 1
**Aerial Photograph
 with Lands Subject
 to Conversion**

LEGEND

- Subject Lands
- Lands Subject to Conversion

DATE: April 23, 2019

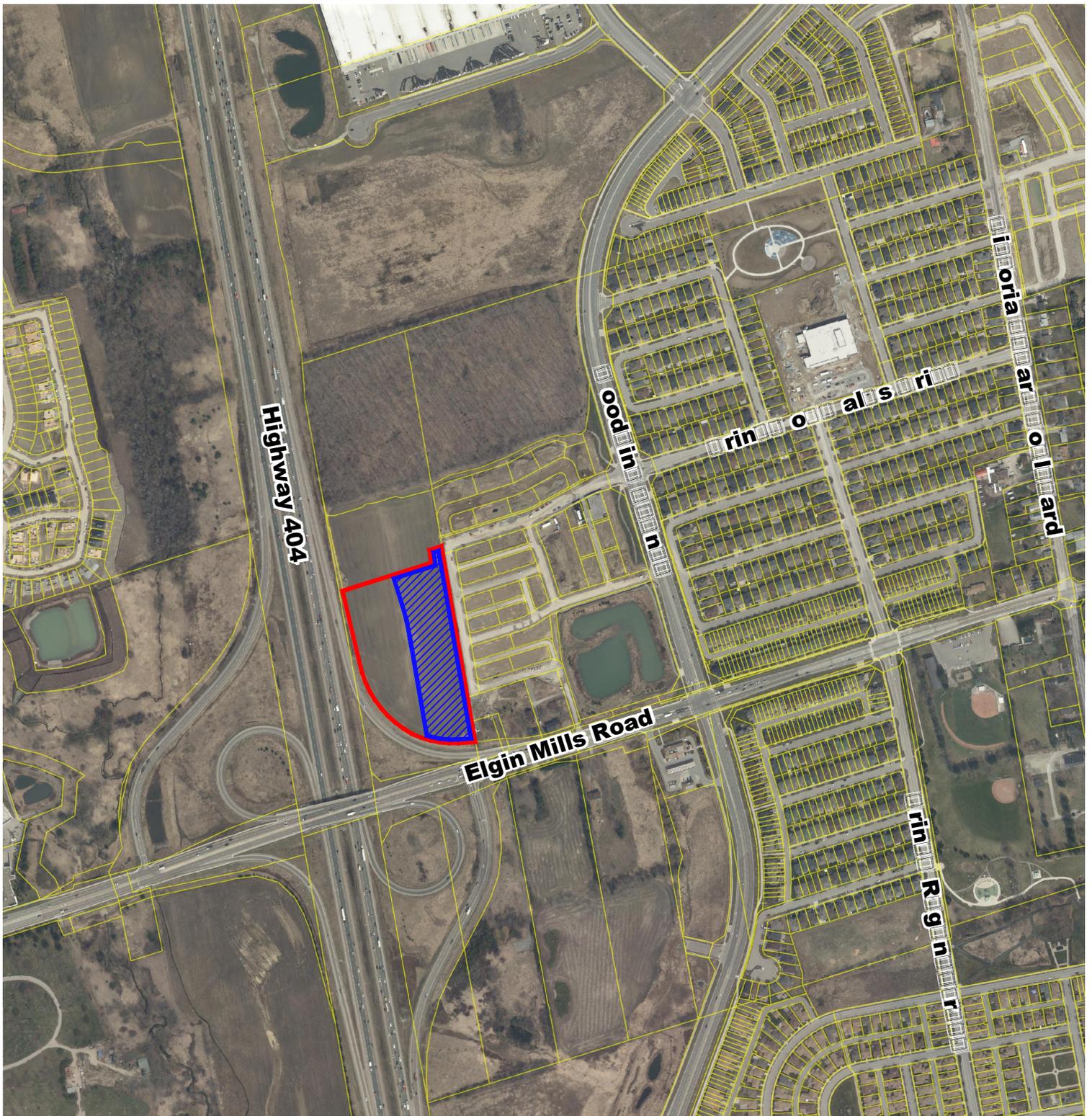
SCALE 1:2000



**Elgin Mills Road and
 Highway 404,
 City of Markham, Ontario**

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Data Source: First Base Solutions Aerial Flown 2019

Figure 2

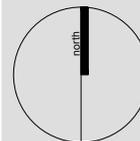
Surrounding Context Map

LEGEND

- Mixed Use Development
- Lands Subject to Conversion

DATE: April 23, 2019

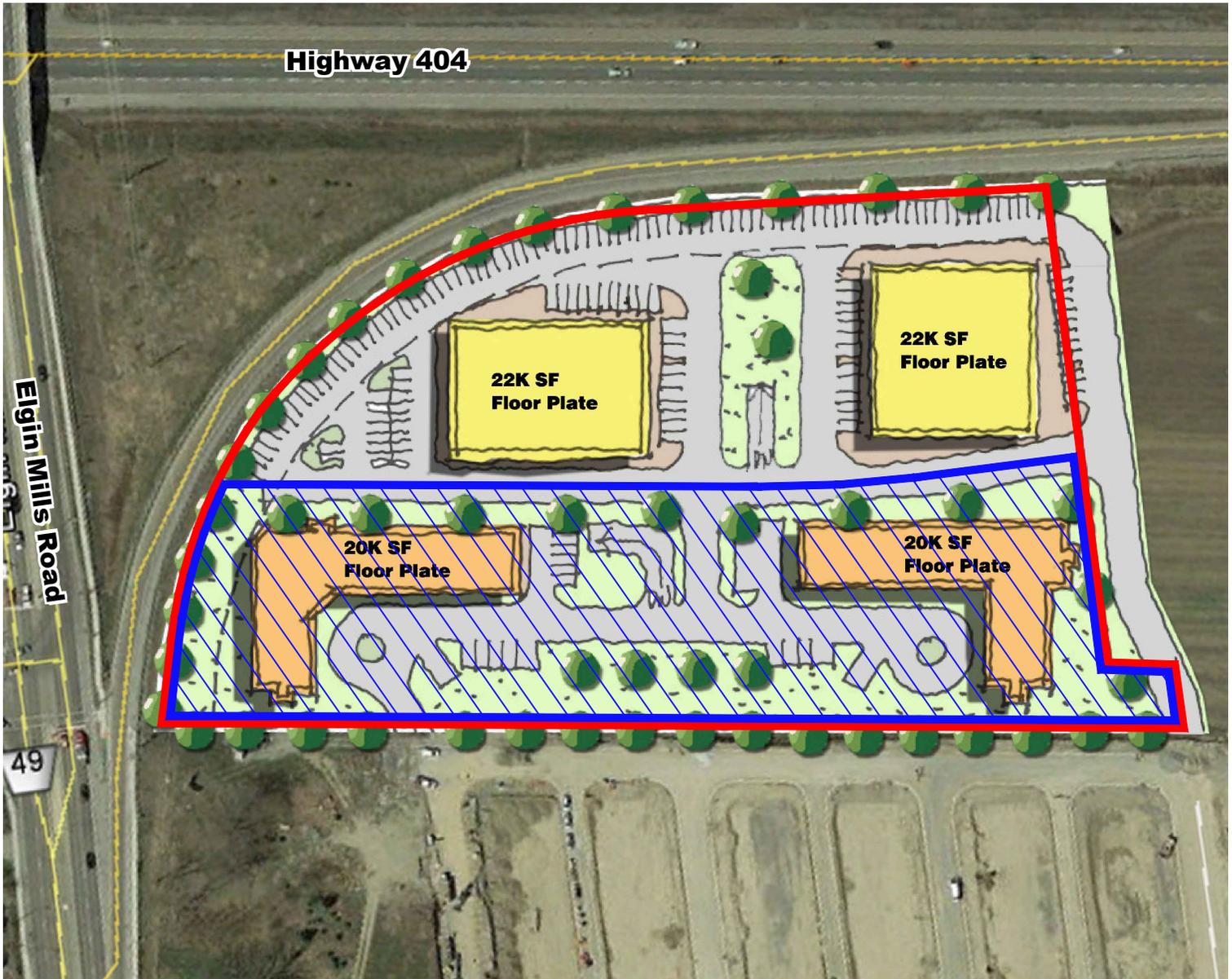
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Elgin Mills Road and Highway 404, City of Markham, Ontario

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Data Source: Proposed Concept Plan (2019)

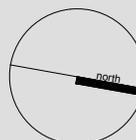
Figure 3
**Mixed Use
 Development**

LEGEND

- Subject Lands
- Lands Subject to Conversion

DATE: April 23, 2019

SCALE 1:1000



**Elgin Mills Road and
 Highway 404,
 City of Markham, Ontario**

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frontage, with the two proposed residential buildings located along the eastern portion of the Subject Lands.

The proposed buildings contain a total density of 23,039 sq. m. (247,989 sq. ft.) to 42,644 sq. m. (459,016 sq. ft.) to provide for a higher density, compact built form. All buildings provide for a 14 metre setback from the existing northbound on ramp to Highway 404. These building locations allow for appropriate transitioning to take place between the existing and proposed low density residential uses to the east and the proposed office buildings and Highway 404 to the west. At the same time, the proposed office buildings will provide screening transition for the proposed residential buildings and subdivision to the east from Highway 404.

Due to the Subject Lands being located to the east and north of the Highway 404 northbound onramp, proposed access to the private internal driveway system for the Mixed Use Development will be provided through an extension of the existing Lord Melbourne Street at the north end of the site. Proposed parking areas will be provided as surface parking spaces along the western portion of the Subject Lands and within underground parking garages.

Common amenity space serving the office buildings is being proposed through an outdoor green space area in between the office buildings and along the eastern edge of the lands.

The proposed gross floor areas related to the overall Mixed Use Development are as follows:

Office - Low Option

- Office Building 1 4,087 sq. m (44,000 sq. ft.)
- Office Building 2 4,087 sq. m (44,000 sq. ft.)
- Total Office 8,175 sq. m (88,000 sq. ft.)

Office - High Option

- Office Building 1 10,219 sq. m (110,000 sq. ft.)
- Office Building 2 10,219 sq. m (110,000 sq. ft.)
- Total Office 20,438 sq. m (220,000 sq. ft.)

Residential - Low Option

- Residential Building 1 7,432 sq. m (80,000 sq. ft)
- Residential Building 2 7,432 sq. m (80,000 sq. ft)
- Total Residential 14,864 sq. m (160,000 sq. ft.)

Residential - High Option

- Residential Building 1 11,148 sq. m (120,000 sq. ft)
- Residential Building 2 11,148 sq. m (120,000 sq. ft)
- Total Residential 22,296 sq. m (240,000 sq. ft.)

- Total Office Area 8,175 sq. m (88,000 sq. ft) to 20,438 sq. m (220,000 sq. ft.)
- Total Residential Area 14,864 sq. m (160,000 sq. ft.) to 22,296 sq. m (240,000 sq. ft.)
- Floor Space Index 0.72 to 1.34 FSI

A total of 170 to 255 units are proposed as part of the residential buildings, providing for an approximate population of 500 to 750 people. A total of 323 to 809 jobs are anticipated within the office development contemplated along Highway 404.

REVIEW OF APPLICABLE POLICY AND REGULATORY FRAMEWORK

The Subject Lands are located within the Urban Area Boundary of Markham, just to the north of the Provincial Urban Area Boundary, but within a Settlement Area outside of the Greenbelt.

The Subject Lands are designated Urban Area in the Region of York Official Plan, which directs new development to a minimum of 40 per cent residential intensification within the built-up area by 2015 and beyond.

The Subject Lands are located within the Cathedral Secondary Planning area and are designated Industrial in the City 1987 OP and a mix of Business Park Employment and Service Employment in the City 2014 OP. The Business Park Employment designation permits prestige industrial and office development, frequently in larger scale buildings located on large properties that are single storey and can be single use or multiple unit buildings. The Service Employment designation permits service and retail uses together with light industrial and warehousing and small office uses that are dispersed within an overall mix of uses, within a variety of configurations and building forms such as single and multi-storey buildings that are modest in scale.

The following is an identification of the applicable land use policy that the Subject Lands must consider as part of any potential conversion of employment lands.

PROVINCIAL POLICY STATEMENT 2014

The 2014 Provincial Policy Statement (the “PPS”) was approved by the Ministry of Municipal Affairs and Housing on April 30th, 2014 and is applicable to the City of Markham. The PPS provides general policy direction in matters relating to land use planning and development. The PPS outlines policy for Ontario’s long term prosperity, economic health and social well-being. These directives help to inform Municipalities’ Official Plans and Zoning By-laws, which then allow for the efficient use of lands and development patterns that support strong, livable and healthy communities that protect the environment and public health and safety, and facilitate economic growth.

Building strong healthy communities is one of the key policy directives of the PPS as found in Section 1.0. It helps to inform the management and promotion of efficient development and land use patterns for accommodating an appropriate mix of residential, employment, institutional, recreation, park and open space uses and improving accessibility by removing land use barriers in order to create livable communities. The policies support the promotion of healthy, livable and safe communities through such matters as intensification, land use compatibility, provision of housing, and the efficient use of public services and infrastructure.

In particular, Policy 1.3.1 of the PPS promotes economic development and competitiveness by providing an appropriate mix and range of employment uses, maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, encouraging compact, mixed-use development to support liveable and resilient communities, and ensuring the necessary infrastructure is in place for current and projected needs.

Furthermore, Policy 1.3.2.2 states that planning authorities may permit conversion of lands within employment areas to non-employment uses through a comprehensive review, only where it has been demonstrated that the land is not required for employment purposes over the long term and that there is a need for the conversion.

Finally, Policy 1.3.2.3 states that planning authorities shall protect employment areas in proximity to major goods movement facilities and corridors for employment uses that require those locations.

GROWTH PLAN FOR THE GREATER GOLDEN HORSESHOE 2017

The Growth Plan for the Greater Golden Horseshoe (the “Growth Plan”) was approved by the Province of Ontario on June 16th, 2006 and amended July 1, 2017.

The Growth Plan sets out policies to manage growth in the Greater Golden Horseshoe to achieve compact, complete communities in the future. Similar to the PPS, the objectives of the Growth Plan are to create complete, healthy and safe communities with a focus on intensification in settlement areas and optimizing the use of existing infrastructure. The policies within Section 2.2 of the Growth Plan speak to achieving these objectives.

Schedule 3 of the Growth Plan forecasts a population of 1,590,000 and 790,000 jobs for the Region of York for 2031, increasing to 1,790,000 and 900,000, respectively, by 2041. Census data indicates that the population of the Region of York in 2016 was 1,109,909.

The policies within Section 2.2 discuss the management of growth to accommodate a greater number of people and jobs in order to build complete, compact and transit-oriented communities through the better use of land and infrastructure. Policies within the Growth Plan require development to support and achieve complete communities, within walking distance and accessible for residents and employees.

Policy 2.2.2 of the Growth Plan provides that delineated built-up areas are to be planned to achieve a minimum of 60 per cent of all residential development occurring annually within each upper- or single-tier municipality by the year 2031, and each year thereafter, and a minimum of 50 per cent of all residential development occurring annually by the time the next municipal comprehensive review is approved and each year until 2031. Until the next municipal comprehensive review is approved and in effect, the annual minimum intensification target contained in the applicable upper- or single-tier official plan that is approved and in effect as of July 1, 2017 will continue to apply. All municipalities are to develop a strategy to achieve the minimum intensification target and intensification throughout delineated built-up areas, and for upper- and single-tier municipalities, council may request an alternative to the target established through the next municipal comprehensive review where it is demonstrated that this target cannot be achieved.

Policy 2.2.5.1 of the Growth Plan states that economic development and competitiveness in the Greater Golden Horseshoe will be promoted by making more efficient use of employment lands, providing a variety of employment to accommodate forecasted growth, aligning employment densities with transit and ensuring that economic goals and strategies are considered to retain and attract investment and employment.

Policy 2.2.5.7 requires municipalities to plan for the integration of employment areas with adjacent non-employment areas and developing vibrant, mixed-use areas and innovation hubs, where appropriate.

Policy 2.2.5.9 states that the conversion of lands within employment areas or prime 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 prime 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.

REGION OF YORK OFFICIAL PLAN

The Regional Municipality of York adopted an updated Regional of York Official Plan in December of 2009, which was approved by the Province of Ontario on September 7, 2010, and was subsequently appealed to the Ontario Municipal Board (OMB). Since that time, the York Region Official Plan 2010 (hereinafter as "YROP") has been partially approved by the OMB for conformity with the PPS and Growth Plan.

YROP directs growth to occur in an orderly fashion so that healthy and complete, sustainable communities within livable urban environments can be achieved to live in harmony with the natural environment and meet the social and economic needs of current and future residents.

The Subject Lands are designated as "Urban Area". Urban Areas are planned to support communities that are compact, well-designed and lively to be socially inclusive, environmentally sustainable, and economically vibrant. Urban Areas aim to accommodate a significant portion of the planned growth in the Region through intensification.

In addition, YROP identifies that intensification and growth will occur in Urban Areas promoting well-designed and intensified built form for new commercial, industrial and institutional developments. Commercial buildings are to be carefully designed in a compact form to be pedestrian and transit supportive. Multi-storey buildings are encouraged where appropriate.

Section 4.0 of the YROP provides policy direction on the Region's economic vitality. Policy 4.3.2 states that a sufficient supply of employment lands based on the applicable municipal comprehensive review will be maintained to accommodate the employment growth forecasts as per Section 5.0 projections.

Policy 4.3.9 states that the conversion of employment lands to non-employment land uses may only be considered, at the time of a municipal comprehensive review in accordance with the applicable policies and population/employment forecasts of the Region.

Policy 4.3.10 requires local municipalities to include employment land conversion policies within local official plans and secondary plans that are consistent with the employment land conversion policies of the Province and the Region.

Policy 4.3.16 states that development on fully serviced employment lands be compact and achieve a region-wide average minimum density of 40 jobs per hectare in the developable area.

Policy 4.3.19 states that the Region is to work with local municipalities to review and monitor opportunities for employment land intensification.

Finally, the Region recently adopted Employment Area Conversion Criteria to evaluate requests for conversion. The conversion criteria which builds on the Growth Plan conversion criteria is as follows:

6. The following employment areas will not be considered for conversion as they have not yet had the opportunity to develop due to servicing constraints or have recently been brought into the urban boundary to accommodate employment land employment growth to 2031: Keswick Business Park, Queensville, Highway 404 (ROPA 1), ROPA 3, and Highway 400 North (ROPA 52).

7. The conversion will not be considered if the entire perimeter of the site is surrounded by lands designated for employment uses.

8. Conversion of the site would not compromise the Region's and/or local municipality's supply of large sized employment area sites (i.e. 10 ha or greater) which allow for a range uses including but not limited to land extensive uses such as manufacturing, warehousing, distribution and logistics.

9. The conversion will not destabilize or adversely affect current or future viability and/or identity of the employment area with regards to:

- a) Hindering the operation or expansion of existing or future businesses
- b) Maintaining lands abutting or in proximity to the conversion site for employment purposes over the long term
- c) Attracting a broad range of employment opportunities and maintaining clusters of business and economic activities
- d) Providing appropriate buffering of employment uses from non-employment uses.

10. The conversion to a non-employment use is compatible with the surrounding uses such as existing employment uses, residential or other sensitive land uses and will mitigate existing and/or potential land use conflicts.

11. The site offers limited development potential for employment land uses due to factors including size, configuration, access and physical conditions.

12. The proposed site is not adjacent to 400-series highways, or is not located in proximity to existing or planned highways and interchanges, intermodal facilities, airports and does not have access to rail corridors

13. The proposed conversion to a non-employment use does not compromise any other planning policy objectives of the Region or local municipality.

14. Cross-jurisdictional issues have been addressed.

Section 5.0 of the YROP (An Urbanizing Region) anticipates that that the Region will reach a population of 1.5 million people, 780,000 jobs, and 510,000 households by 2031. Markham's projected growth within

this share of Regional growth is anticipated to be 421,600 people and 240,400 jobs by the year 2031, specifically a job growth of approximately 40,100 jobs from 2016 to 2031.

Policy 5.2.5 requests that a balance of residential and employment uses be provided throughout the Region to improve the possibilities for working and living in close proximity.

Policy 5.2.7 requires that communities be designed to ensure accessibility to people of all ages, cultures and abilities.

Policy 5.2.9 encourages retail, commercial, office, and institutional structures be carefully designed in a compact form and be pedestrian-oriented, transit-supportive, and multi-storey where appropriate.

Policy 5.3.1 requires that by the year 2015 and for each year thereafter, a minimum of 40 per cent of all residential development will occur within the built-up area as defined by the Province's Built Boundary in Places to Grow: Growth Plan for the Greater Golden Horseshoe.

Policy 5.3.3 requires that local municipalities complete and adopt their own intensification strategies based on the York Region 2031 Intensification Strategy and on the Region's Intensification Guide. The local municipal intensification strategies, developed in cooperation with the Region, shall: plan to meet and/or exceed intensification targets identified in Table 2 (City of Markham: 31,590), incorporate employment opportunities into intensification areas, and plan for a range and mix of housing.

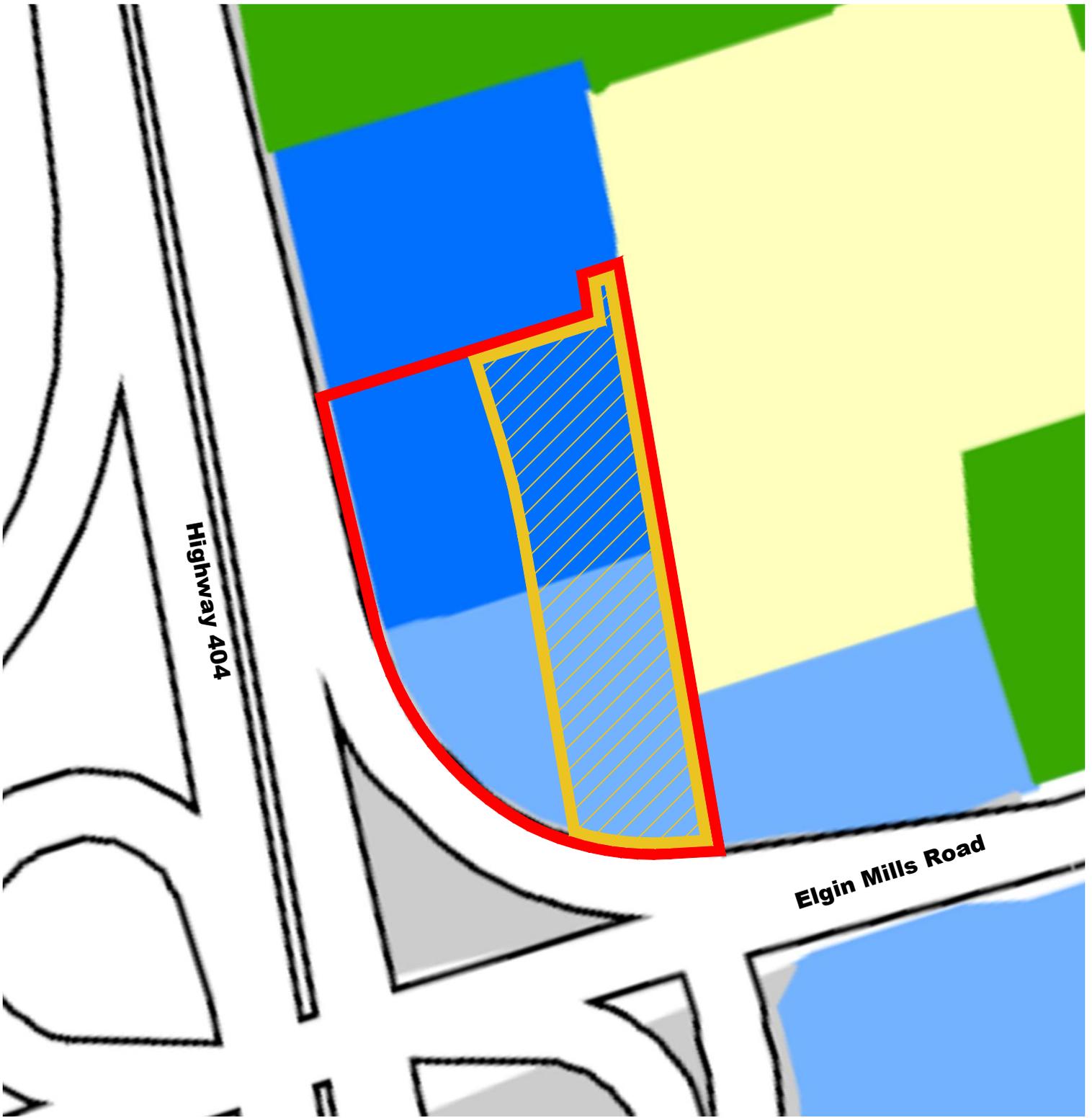
Policy 5.3.10 requires that retail, commercial, office, and institutional structures shall be well designed, street-oriented and pedestrian scaled, and shall include, wherever appropriate as determined by the local municipality, mixed-use, multi-storey buildings, and public meeting spaces in order to support the planned urban structure and density targets of this Plan.

CITY OF MARKHAM OFFICIAL PLAN

Markham City Council adopted the 2014 Official Plan on December 10, 2013 with the Region approving it on June 12, 2014. It has since been appealed to the Ontario Municipal Board and therefore is not fully in force. On November 24, 2017, the Ontario Municipal Board issued a partial approval order, which was updated by the Local Planning Appeal Tribunal on April 9, 2018, bringing parts of the Plan in force.

The Subject Lands are located within the Cathedral Secondary Plan Area. The Cathedral Secondary Plan area policies of the City 2014 OP have been approved except for certain area and site specific appeals. As a result, the land use designation for the site is governed by the City 2014 OP. The Subject Lands are designated Business Park Employment and Service Employment in the City 2014 OP as shown **Figure 4**.

Section 5 of the OP provides direction on "A Strong and Diverse Economy" including conversion of employment. Specifically, Policy 5.1.2.4 of the City 2014 OP states that in regards to the conversion of employment land, conversion of employment land includes the removal of land from an 'Employment Lands' designation established by this Plan or the introduction to an 'Employment Lands' designation established by this Plan, of a non-employment use, including major retail, residential and non-ancillary uses as identified by the Province or York Region. In addition, an application for development involving the conversion of employment land shall only be dealt with in the context of a municipal comprehensive review, in accordance with Provincial and York Region Official Plan policies.



Data Source: City of Markham Official Plan Map 3 Land Use (2014)

Figure 4

**City of Markham
Official Plan 2014**

**Map 3
Land Use**

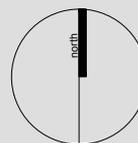
**Elgin Mills Road and
Highway 404,
City of Markham, Ontario**

LEGEND

- | | |
|---|---|
|  Subject Lands |  Residential Low Rise |
|  Lands Subject to Conversion |  Transportation and Utility Area |
|  Service Employment |  Green System |
|  Business Park Employment | |

DATE: April 23, 2019

SCALE 1:2500



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Further, Policy 5.1.2.5 states that during the course of a municipal comprehensive review, in considering a request for conversion of lands, as defined in Section 5.1.2.4, within an 'Employment Lands' designation, it shall be demonstrated that:

- a) there is a need for the conversion; and
- b) there are sufficient lands within 'Employment Lands' designations to accommodate the type of employment assumed in the employment forecast allocated to Markham by York Region that rely on those designations; and
- c) the conversion will not adversely affect the overall viability of the 'Employment Lands' and achievement of intensification and density targets, and any other policies of the York Region Official Plan, this Plan and the Province; and
- d) there is existing or planned infrastructure to accommodate the proposed conversion; and
- e) the lands are not required over the long term for the employment purposes for which they are intended; and
- f) cross-jurisdictional issues have been considered.

RATIONALE FOR CONVERSION AND ANALYSIS RELATIVE TO APPLICABLE CRITERIA

We have considered the applicable tests for conversion of employment lands to non-employment purposes as outlined in the Provincial Policy Statement, Growth Plan, Region's Official Plan, and the City's Official Plan. The following is a summary of our analysis.

Growth Plan for the Greater Golden Horseshoe 2017

- a) there is a need for the conversion;*

Relative to the need, the proposal for conversion will not detract from the Region and City's population and employment projections, rather achieving this goal through a more compact and higher density form utilizing a more efficient absorption of land area. As a result, the size of land preserved for strictly employment purposes exceeds the need, primarily the result of a shift from traditional lower density manufacturing and warehousing towards higher density office employment.

The Growth Plan requires that until the next municipal comprehensive review is approved and in effect, the annual minimum intensification target contained in the applicable upper- or single-tier official plan that is approved and in effect as of July 1, 2017 will continue to apply. Section 4 of the Region of York Official Plan relates to "Economic Vitality" and Policy 4.3.16 states that development on fully serviced employment lands be compact and achieve a region-wide average minimum density of 40 jobs per hectare in the developable area. This ratio would have been used by the Region and City in determining their employment projections and therefore can be used to determine the minimum number of jobs required for the Subject Lands. It can be considered the base case scenario. Based on the site area of 3.188 hectares (7.88 acres), this results in a requirement of 128 jobs on the Subject Lands within the base case scenario.

The proposed development has been designed to contain a higher density than a traditional lower density employment use and can be considered to be compact. When reviewing the development proposal, the lower density case scenario can be considered to be the smallest amount of density being proposed on the Subject Lands. This lower density case scenario would include 8,175 sq. m. (88,000 sq. ft.) of office space. Appendix A of the City of Markham Development Charges Study, dated February 18, 2018, shows employment densities that have been used to convert the employment forecasts into building space estimates to determine the number of jobs that can be produced based on building size.

This shows an estimate of 25.0 sq. m per employee of office uses and 80.0 sq. m per employee for traditional industrial employment uses. In addition, the Region of York 2018 Development Charge Study shows these employment densities as 25.5 sq. m per employee of office uses and 74.32 sq. m per employee of industrial uses. When these numbers are blended, this results in ratios of 25.25 sq. m per office employee and 77.16 sq. m per industrial employee. This results in the number of forecasted office jobs of 323 which exceeds the Region and City planned number of employees by 195 (based on 40 jobs per hectare). In the higher density case scenario significantly more employment could be achieved (809 jobs).

In addition, these planned numbers can be utilized to determine the differences in development charges and building permit fees between the base case scenario and the lower density case scenario as follows:

- Based on current Development Charges of \$62,707 per residential unit and \$360.51 per sq. m. of office area, this proposal would generate higher Development and Educational Development Charges revenues under both scenarios, estimated at a total of \$13.8 million within the Subject Lands in the lower density case scenario. In comparison, the base case scenario of traditional employment would generate at a total of \$3.69 million in Development Charges and Educational Development Charges on the Subject Lands.
- Based on Building Permit fees of \$20.67 per sq. m. for residential, \$9.22 per sq. m. for industrial, and \$14.19 per sq. m. for business and personal services, this proposal would generate \$432,110.88 in building permit revenues within the Subject Lands under the lower density case scenario. In comparison, the base case scenario of traditional employment would generate \$91,056.72 in building permit revenues on the Subject Lands.

Furthermore, the Subject Lands are not located in an ideal location that would be suited to attracting traditional industrial businesses, including manufacturing, assembly, and distribution warehouse. The Subject Lands are located within close proximity of Highway 404, however, due to the Highway 404 northbound on-ramp from Elgin Mills Road East directly adjacent to the Subject Lands, the only point of access into the Subject Lands is through the future residential subdivision to the east. This would require truck traffic to transverse through the future residential community before reaching the Subject Lands. This location does not support employment uses focusing on major goods movement facilities and does not present itself as a logical location to accommodate that distribution. This area lends itself to more business and professional office jobs that tend to require less land area and no heavy truck movements, and that are compatible with the existing and future residential uses. Finally, business and professional office jobs are moving towards lifestyle-oriented environments where employment and non-employment purposes are integrated to archive a dynamic live-work environment. Based on geography, trends and intensification objectives, 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;*

Based on the employment planned to be generated by the proposal, the Subject Lands will result in a net increase of jobs in comparison to the target of 40 jobs per hectare, thereby confirming the Subject Lands as being surplus to the City and Region's employment land needs by accommodating jobs through more compact built form and therefore more efficiently utilizing lands and optimizing services. Furthermore, the York Region 2017 Vacant Employment land Inventory report indicates that there has been a consistent trend of decreasing absorption rates in the Region's employment lands, reinforcing the trend toward service type employment. This surplus on the Subject Lands can support the employment uses through the Mixed Use Development as compatible residential and non-residential uses, reflecting

a compact built form that conforms to applicable policy. The existing employment area if developed at the minimum required rate would yield 128 jobs on the Subject Lands whereas the proposal for an enhanced mixed use development would achieve 323 to 809 jobs on the Subject Lands, an increase by 195 to 681 jobs over the minimum required rate.

The existing Business Park designation applying to the majority of the Subject Lands permits industrial and office uses in larger scaled single storey buildings and the Service Employment designation applying to the southern portion of the Subject Lands permits retail uses together with light industrial and warehousing and small office uses within single and multi-storey buildings. Therefore, although the entire property can be developed with large scale office or industrial uses to increase the number of jobs, in our opinion, this is not appropriate or realistic due to the access constraints related to the site and due to compatibility issues with the under construction residential uses to the immediate east. As the only point of access is through the future residential subdivision to the east, allowing truck traffic to transverse through this subdivision is not appropriate due to noise and traffic impacts that can be anticipated. Therefore, this location does not support employment uses focusing on major goods movement facilities and does not present itself as a logical location to accommodate that distribution. This area lends itself to more small scale business and professional office jobs that tend to require less land area and no heavy truck movements. In addition, locating the proposed residential uses along the eastern portion allows for appropriate transition between the office uses and Highway 404.

Therefore, based on the above, the Subject Lands are not required over the planned horizon for employment purposes as originally designated.

- c) the municipality will maintain sufficient employment lands to accommodate forecasted employment growth to the horizon of this Plan;*

As noted previously, the subject lands will continue to achieve 323 to 809 jobs based on current trends of business and professional office-type jobs, exceeding the jobs of traditional employment which had been forecasted for this employment area.

- d) the proposed uses would not adversely affect the overall viability of the employment area or prime 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*

The overall vision for the Mixed Use Development has the potential to achieve approximately 323 to 809 jobs, the majority of which will occur in a compact, urban form at a density of 110 to 276 jobs per hectare (overall 258 to 488 people and jobs per hectare). The shift in employment trend from manufacturing and warehousing to service-based employment which typically occurs in a higher density form ensures the employment area continues to be viable and relevant for long term growth and economic development. In addition, this employment area is discrete as it is separated from the other employment areas to the north and south by a woodlot to the north and major roads to the south. Therefore, the Mixed Use Development would not detract from the overall employment area nor the ability to achieve appropriate densities but would maintain employment uses along Highway 404 in the form of office uses to ensure that employment uses can continue to be accommodated in this area. Also, a private landowner has already requested an employment conversion for the service employment lands located along Elgin Mills Road East, directly east of the Subject Lands, to redesignate these lands to Low Rise Residential. The redesignation of the employment lands along the eastern portion of the Subject Lands would ensure an appropriate continuation of the residential land uses.

- e) *there are existing or planned infrastructure and public service facilities to accommodate the proposed uses.*

The Subject Lands are adjacent to a plan of subdivision that includes existing and planned water, wastewater and stormwater services. Furthermore, the No. 24 Woodbine bus line runs along Woodbine Avenue within short walking distance of the Subject Lands, providing connections between Honda Canada to the north and Don Mills TTC subway station in the south. There is an opportunity to have this route redirected through or adjacent to the Subject Lands.

Region of York Official Plan

With respect to the Employment Area Conversion Criteria as provided by the Region of York, those criteria have been addressed as follows:

6. The following employment areas will not be considered for conversion as they have not yet had the opportunity to develop due to servicing constraints or have recently been brought into the urban boundary to accommodate employment land employment growth to 2031: Keswick Business Park, Queensville, Highway 404 (ROPA 1), ROPA 3, and Highway 400 North (ROPA 52).

The Subject lands are not subject to servicing constraints, and have not been recently brought into the urban boundary to accommodate employment land growth to 2031.

7. The conversion will not be considered if the entire perimeter of the site is surrounded by lands designated for employment uses.

As established previously, the entire perimeter of the Subject Lands is not surrounded by lands designated for employment purposes. Only portions of the north and southeast abut designated employment lands, however, a private landowner has requested an employment conversion for the lands to the southeast to redesignate them from Service Employment to Low Rise Residential. The remainder of the lands abut residential.

8. Conversion of the site would not compromise the Region's and/or local municipality's supply of large sized employment area sites (i.e. 10 ha or greater) which allow for a range uses including but not limited to land extensive uses such as manufacturing, warehousing, distribution and logistics.

The size of the current employment area on and surrounding the Subject Lands is less than 10 hectares in size and therefore this criterion is not applicable.

9. The conversion will not destabilize or adversely affect current or future viability and/or identity of the employment area with regards to:

- a) Hindering the operation or expansion of existing or future businesses*
- b) Maintaining lands abutting or in proximity to the conversion site for employment purposes over the long term*
- c) Attracting a broad range of employment opportunities and maintaining clusters of business and economic activities*
- d) Providing appropriate buffering of employment uses from non-employment uses.*

The following responds to each of the above items separately:

- a) The overall nature of the Mixed Use Development will promote a range of office uses that will ensure that the overall viability of this employment area is maintained. In addition, the proposed Mixed Use Development will be compatible with the future office use being proposed within the Business Park designation to the north. In regards to the lands within the Service Employment designation to the southeast, a private landowner has already requested conversion of these lands to redesignate them to Low Rise Residential. Therefore, the Mixed Use Development will not hinder the operation or expansion of existing or future businesses but is compatible with them.
- b) The Mixed Use Development proposes office uses along the western portion of the site, west of the conversion lands, which will ensure employment uses are maintained over the long term. The proposed residential uses on the conversion lands will be compatible with the proposed office uses on the Subject Lands and on the lands to the north.
- c) The Mixed Use Development will provide the opportunity to attract a broad range of office employment opportunities within the proposed offices buildings.
- d) The location of the proposed residential buildings along the eastern portion of the Subject Lands will also provide appropriate transition between the office uses and Highway 404 and the existing and future low rise community.

10. The conversion to a non-employment use is compatible with the surrounding uses such as existing employment uses, residential or other sensitive land uses and will mitigate existing and/or potential land use conflicts.

The proposed residential uses along the eastern portion of the Subject Lands are compatible with the office development proposed along Highway 404 and will provide a transition from these uses and Highway 404 to the future and existing low rise residential uses to the east.

11. The site offers limited development potential for employment land uses due to factors including size, configuration, access and physical conditions.

The existing Business Park designation applying to the majority of the Subject Lands permits industrial and office uses in larger scaled single storey buildings and the Service Employment designation applying to the southern portion of the Subject Lands permits retail uses together with light industrial and warehousing and small office uses within single and multi-storey buildings. Therefore, although the entire property can be developed with large scale office or industrial uses to increase the number of jobs, in our opinion, this is not appropriate or realistic due to the limited access constraints related to the site and due to compatibility issues with the under construction residential uses to the immediate east. As the only point of access is through the future residential subdivision to the east, allowing truck traffic to transverse through this subdivision is not appropriate due to noise and traffic impacts that can be anticipated. Therefore, this location does not support employment uses focusing on major goods movement facilities and does not present itself as a logical location to accommodate that distribution. This area lends itself to more small scale business and professional office jobs that tend to require less land area and no heavy truck movements. In addition, locating the proposed residential uses along the eastern portion allows for appropriate transition between the office uses and Highway 404.

12. The proposed site is not adjacent to 400-series highways, or is not located in proximity to existing or planned highways and interchanges, intermodal facilities, airports and does not have access to rail corridors

The lands subject to conversion are located east of the office uses and not adjacent to Highway 404.

13. The proposed conversion to a non-employment use does not compromise any other planning policy objectives of the Region or local municipality.

The proposal for conversion only relates to the eastern portion of the employment area, continuing to maintain the western portion of the employment area for employment related purposes. The proposal to establish this Mixed Use Development is in line with both Regional and City policy objectives with achieving complete communities, promoting diversified employment areas, growth through infilling and intensification and live-work opportunities that optimize reduced transportation patterns.

14. Cross-jurisdictional issues have been addressed.

There are no cross-jurisdictional issues or conflicts resulting with the conversion of these lands.

The City provides additional criteria in the Official Plan however these are similar to the criteria that were discussed and addressed above.

FUTURE AMENDMENTS

To implement any conversion approved by the Region, an Official Plan Amendment (OPA) to the Markham Official Plan will be required for the Subject Lands to convert the land use from Business Park Employment and Service Employment to Residential Mid Rise. Refinements of the remaining Business Park Employment and Service Employment designations may also be necessary to realize the vision contemplated for the overall Mixed Use Development. Upon receiving approval of a Regional Official Plan Amendment for conversion, applications will be made to amend the City's Official Plan to redesignate the lands. In addition, Zoning By-law Amendment and Site Plan applications would be required to facilitate future development, along with a possible Draft Plan of Subdivision application.

SUMMARY AND RECOMMENDATION

The proposal envisioned on the Subject Lands is one that will contribute to an overall Mixed Use Development in the City of Markham. This proposal is in line with Provincial Policy and structured around existing community amenities and municipal infrastructure. The proposal contemplates a more favourable, cohesive, live-work environment that will provide healthy sustainable employment uses and innovative jobs. It will further strengthen the community fabric and promote compact, integrated employment areas.

The proposed conversion of employment lands to non-employment purposes meets the intent and purpose of the policies with respect to employment land conversions as outlined in the Growth Plan and the City's Official Plan and has been demonstrated as follows:

- The conversion will not detract from the Region and City's population and employment projections, rather achieving this goal through a more compact and higher density form utilizing a more efficient absorption of land area.
- The Subject Lands will result in a net increase of jobs within the overall Mixed Use Development, thereby confirming Subject Lands as being surplus to the City and Region's employment land needs.

- Based on the employment planned to be generated by this proposal, the Subject Lands are not required over the planned horizon for employment purposes as originally designated.
- The proposed development will exceed the jobs of traditional employment which had been anticipated for this employment area.
- Other sites within the City designated for employment purposes will ensure that opportunities for traditional employment uses can continue to be accommodated should viable opportunities emerge.
- The Subject Lands are fully serviced containing water, wastewater and stormwater services.
- It is anticipated that transit services will be realigned through or adjacent to the Subject Lands to enhance service to employment uses and the greater mixed use development.
- The proposed conversion preserves lands to the west for strictly employment uses as a part of the overall vision of the Mixed Use Development.

The report demonstrates that the proposal for employment lands conversion at the northeast corner of Highway 404 and Elgin Mills Road East to permit non employment uses is consistent with the Provincial Policy Statement (2014), conforms to the Growth Plan (2017), meets the intent and purpose of the Regional Official Plan and City of Markham Official Plan and represents good planning.

We would also like to confirm our consent at this time to be added to the Region’s distribution list to be kept apprised of key milestones in the MCR process.

Please feel free to us if you have any questions or wish to discuss in further detail.

Yours truly,

MHBC



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Senior Planner

cc. *Markham Woodmills Developments Inc.*
Paul Bottomley and Sandra Malcic, Region of York
Arvin Prasad, City of Markham

APPENDIX A

Context Map



Land Use Concept Plan



Site Statistics

Subject Lands (North East Corner of Highway 404 and Elgin Mills Road E.)

Area	Ac.	Ha.	Sq.ft
	7.88	3.188248	343,254

Employment Baseline

Ha	Jobs/Ha	Total Jobs
3.188248	40	128

Mixed-Use Concept

	Summary		
	Low	High	
FSI	0.72	to	1.34
Jobs	352	to	880
Office GFA	88,000	to	220,000
Res GFA	160,000	to	240,000

Current
1.00-1.75
max height @ 46m

Office Component - Low

Building ID	Floorplate	Height	Total GFA	SF/Job	Total Jobs
1	22,000	2	44,000	250	176
2	22,000	2	44,000	250	176
Total			88,000	-	352

Residential Component - Low

Building ID	Floorplate	Height	Total GFA	Net GFA	SF/Unit	Total Units
3	20,000	4	80,000	68,000	800	85
4	20,000	4	80,000	68,000	800	85
Total			160,000	136,000	-	170

Office Component - High

Building ID	Floorplate	Height	Total GFA	SF/Job	Total Jobs
1	22,000	5	110,000	250	440
2	22,000	5	110,000	250	440
Total			220,000	-	880

Residential Component - High

Building ID	Floorplate	Height	Total GFA	Net GFA	SF/Unit	Total Units
3	20,000	6	120,000	102,000	800	128
4	20,000	6	120,000	102,000	800	128
Total			240,000	204,000	-	255