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September 1, 2020

Our File No. 156175

BY EMAIL: Paul.Freeman@york.ca

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

Dear Mr. Freeman:

**Re: York Region Employment Conversions Special Meeting - September 17, 2020
2400 Glenwoods Avenue, Town of Georgina
Request No. G1**

We act on behalf of the owner of the above-referenced property. Our client has previously written to the Region and the Town of Georgina requesting conversion of its property from a pure employment designation and has met with Staff to discuss this request. The chronology of those submissions and discussions is set out in the attached correspondence from GSP Group, dated August 18, 2020. A thorough explanation of the rationale for our client's original request is set out in the April 30, 2019, letter to you from GSP Group. Staff's preliminary evaluation did not support the request.

Since that time, several important factors have come into play which strengthen the merits of the proposal to expand the range of permitted uses by redesignating the property. In addition to the changes detailed in the supporting correspondence from GSP Group, we attach a further submission from our client, dated August 20, 2020, both of which speak to these changes. The purpose of this letter is to express our client's continued interest in a mixed use designation and to address the application of the Region's criteria for conversion.

The objective of the request to redesignate the lands for mixed uses is to create a greater degree of flexibility on the site to respond to evolving needs. While our client wishes to have the option to introduce non-employment uses sometime in the future, a designation as mixed use would provide the necessary flexibility to accommodate employment uses as well as to respond to changing demands for additional, complementary uses.

As noted in previous submissions on behalf of our client, the subject site is not situated at the edge of the business park, thus eliminating concern about erosion of the employment area. Rather, the site is located on an arterial road, making it a good candidate for mixed use development. Importantly, under the Region's criteria for conversion, the site is not

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surrounded by employment uses. Surrounding uses instead include multiple institutional uses - places of worship – as well as a stormwater management pond. It is our respectful submission that this satisfies the concern embodied in the criteria.

Moreover, recent developments, including the continued evolution of the Provincial framework – witnessed by the release of the Growth Plan forecasts and the updated Land Needs Assessment methodology – as well as the already-apparent, likely ongoing impact of the Covid-19 pandemic demonstrate, it is important to preserve flexibility to respond to changing demographic and economic needs. The addition of non-employment uses on the lands to create a mixed-use development does not threaten to undermine the long-term development of a planned business park in a way which reflects the future workplace. Therefore, when considering sites such as the subject lands, the criteria endorsed by Council ought to be applied flexibly with a view to providing a designation which responds to likely actual need in the planning horizon.

On behalf of our client, we respectfully request that the Region support the conversion of the subject lands to a mixed use designation.

We would be pleased to discuss this request further or to meet with Staff to provide any additional information.

Yours truly,

AIRD & BERLIS LLP



Tom Halinski

TH/ek

Attachs.

c: Client
GSP Group

41342752.2



SHAPING GREAT COMMUNITIES

August 18, 2020

File No: 18200
Submitted Electronically Via Email

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

**Re: Request for Residential Permission Through Regional MCR
2400 Glenwoods Avenue, Town of Georgina (Keswick)
Belair Credit Company Limited (BCCL)**

In the Spring of 2019, Regional Staff solicited comments for employment land conversion for the Phase 1 preliminary evaluation of employment land needs as part of the Regional Municipal Comprehensive Review (MCR). On behalf of BCCL, GSP Group Inc. submitted a request for the conversion of 2400 Glenwoods Avenue in the Town of Georgina (the "Site") to permit mixed-use development. The proposed mix of uses would incorporate options for residential, commercial/retail and office uses. The submission was reviewed, and a recommendation was made by Regional Staff that the Site remain designated for employment uses at this time as the Keswick Business Park has not yet had an opportunity to develop. After receiving that recommendation, we made an additional submission dated October 4, 2019 to further explain our planning opinion.

Since the time of our last submission there have been a few notable changes that may affect the need for employment conversion. The Province released updated Growth Plan forecasts and Land Needs Assessment (LNA) methodology. As described in Regional Report No. DS-2020-0063, once these changes are approved, the Region will revise their forecasts using the new LNA methodology and growth forecasts. That same report states that, "The government has indicated that the proposed changes are intended to work together to provide more flexibility and foresight to municipalities into demographic, employment, market demand, and housing affordability trends in the GGH" (pg.4). We believe the implementation of the new forecasts and the new LNA methodology may reveal new opportunities to revisit employment land conversion requests, including our request made for the Site.

The other significant change that has occurred since our last submission is the current COVID-19 pandemic and its ever-shifting dynamic. With drastic changes to peoples' work and social habits, we believe the pandemic has the potential to significantly impact the ways in which we plan for growth. Since the changes that result from this crisis are not something that can be predicted, there may be an even greater need now in maintaining flexibility in land use to accommodate unforeseen changes. For this reason, we believe it would be advantageous for the Region to continue to investigate the opportunity for the conversion of the Site from employment to non-employment uses.

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We believe that adding a greater mix of land uses to this area through the conversion of this Site will help shape and build in flexibility to allow this area to shift and change, as needed, to meet future needs of the community.

We respectfully request that the Region reconsider the conversion of the Site from employment to a mix of residential, commercial/retail and office uses. Please also refer to our October 4th, 2019 submission for additional explanation regarding our position.

We thank you for your consideration through this process. Should you have any questions in the meantime, please do not hesitate to contact myself or Megan Gereghy.

Yours truly,
GSP Group

A handwritten signature in blue ink that reads "Hugh Handy". The signature is fluid and cursive, with a period at the end.

Hugh Handy MCIP, RPP
Senior Associate

- c.c. Sandra Malcic, Region of York
Paul Bottomley, Region of York
Gary Foch, Belair Credit Company Limited (BCCL)
Alan Drozd, Town of Georgina
Harold Lenters, Town of Georgina

Aug 20, 2020

The new urban economy during and post Covid

The 1st and 2nd quarters of 2020 were a curious way to be introduced to a new decade. Disruption to all aspects of life are occurring and in particular to traditional health and business models.

Covid has had, will continue to have a long reaching effect and, those that can embrace flexibility will be the Governments, Health and Business leaders of tomorrow. The ability to anticipate and remain flexible to adapt in short order will be the winners of tomorrow.

So how can we take all the lessons of the 1st half of 2020 and apply it all to a 4.5 acre parcel in the Keswick business park, representing .6% of the total lands therein, located almost dead centre of it and on a planned major interchange, just west of a planned 404 on ramp and all surrounded for the most part by non employment land uses?

Economic changes, including the harsh realities that Covid imposed on business efficiencies at an accelerating rate are substantial enough that the majority of the systems we will rely on in the future are becoming reality now, and some still do not even exist in theory today. For the next generations, these foundational systems include employment, transportation, residence, commerce, and community. Similarly, the education system is faced with the challenge of training human capital for jobs that may not exist by the time they graduate. The education system is wrestling with how to modify an existing educational structure to address Covid and only time will tell if the past model can survive.

We believe that urban planning does not have to suffer the same fate. Properly preparing us for an unpredictable future demands that we have the ability to adapt as things change. The most prudent way to enable a sustainable tomorrow is to allow flexibility in land use planning today and build in planning flexibility today – for tomorrow. In doing so Keswick's business park may be ready for the title wave of change coming upon us, in daily doses.

At the time of writing, Covid has imposed its wrath on the business world. It is expected that within the next 12 months 60% vacancies may be achieved in office towers/spaces. Zoom and other work at home incentives are becoming realities and the implications are far reaching, both economically and environmentally.

Some financial institutions have decided they will not be paying their rents, advised that they may consider re occupying their spaces in March 2021, and in the event they do they will only need 10% of that space.

Similarity in the fashion and clothing retail sector, web buying is in full force and effect. As a result the carnage in that sector is just starting, and many more will follow. Governments are faced with the realities of maximizing flexibility to capture an eroding tax base. No one knows how all this will play out on employment lands and the end users, but all the themes explored below are all augmented by the Covid effect.

End users of employment land depend on a few things:

1. Space;
2. Labor, and
3. Location.

At the macroeconomic level, there are negative pressures on all three of these factors. Space requirements are declining, the labor market is fragmenting as a result of automation (AI) accelerated by Covid effects, the gig economy, and employment areas within the fringes of Toronto's urban agglomeration are stifled by regional and provincial policy that are designed to curb sprawl and bring density toward the core.

Interestingly enough Covid as reignited a desire for urban sprawl as City centre's demonstrate late release to Phase 3, triggering a significant exodus to avert another "lock down" times on them should they stay in a City

centre. House pricing in Cities are level or declining, inventories - particularly in the Condo segment are escalating, rent and sale pricing are declining as a result, However in urban and rural markets the opposite is at play.

Space

There are currently declining marginal returns on space in the industrial real estate economy right now. This trend is fast consuming Commercial sites due to the "Amazon Phenomenon" forcing reinvention of Plaza/ Smart Centre ways. The "big box" is now coming to your door as opposed to you going to the "big box".

Essentially, the square footage required as an input of x to create an output of x is declining. Furthermore, there is acceleration in the rate at which it is declining. There are thousands of iterations of "zombie companies" in the industrial and commercial world that are unlikely to survive a negative market. Look at the 400 and 401 intersect. In the last 10 years all have witnessed the reinvention of industrial and commercial space there, to vertical high density residential buildings accommodating "live work" on mass.

A parallel trend to industrial square footage is occurring in retail. Warehousing for online goods is the fastest-growing sector of industrial end use in Canada, but a number of retail players are rolling this use into their existing big-box retail footprints within smaller local communities. Essentially, the market for employment land is one that is shrinking. As a result, online distribution is increasingly leveraging the sunk cost of their retail environment and forgoing warehousing. By this logic, planning to restrict a diversity of uses and stifling mixed-use development is a failure to adapt to a very clear trend in the market - businesses need less space.

Vehicle technology innovation compounds the changing demand for how we use space. Automated driving, rideshares, car-sharing, and other community innovations have changed the way we interact with infrastructure, driving positive environmental and economic change. The externalities have resulted in changing in parking utility and requirements, dedicated access points, mobility, and electrical systems for onsite charging networks. There are myriad examples of successful executions of this concept throughout the world, and, as a byproduct are all resulting in "green" contributors celebrating environmental stewardship.

Labour

We live in a world in which large-scale business is rapidly automating. Automation is replacing industrialized jobs at such a rapid rate that there is a risk that employment zones like this could be housing more robots than employees in the future.

At the same time, employees are migrating away from traditional employment structures. Today, 40% of millennials exist within the Gig Economy. The Gig Economy has replaced unskilled labour positions as a source of income, and has offset challenges in the entry-level labour market. A number of unskilled jobs are automated away, and a number are no longer economical for employers to provide. "Gigs" have allowed labour to address this challenge by setting their own wage, often below minimum, by selling services directly to the consumer.

The Gig Economy is one that appears to have a strong future. The biggest challenge it faces today is the hypercompetitive nature of the wage environment, which creates pressure on earners to compete by lowering their cost of living. By improving the cost structure for the Gig Economy, you are effectively fulfilling the role of a business park by providing an economically sensible solution to 40% of the millennial population. By providing space to 40% of the new economy, you are able to bring more employment than by attracting a commercial end user. Gig employment is tech employment, and it seeks to behave in the same campus-like live-work manner that tech companies organize their employment. There is no sense in dismissing the role that housing plays in this. The next generation of employees has made their intentions clear with their capital. Consumers want micro-urban. Consumers want proximity. Consumers want to live and work in close proximity.

Location

The new economy gives us the ability to create more jobs with employment land. It's also a lot easier than attracting large businesses during a densification of the GTA. The biggest factor when analyzing the role of location in the way a business decides where to locate is their supply chain. With an increasing number of new Direct-to-Consumer (D2C) businesses arising, and large corporations following suit, the role of location has never been clearer - the supply chain is shrinking, too.

As a result, location means proximity to consumer. Effectively, the retail/industrial trends outlined seen above are an indication that retail businesses are adapting to this model, not the other way around. The challenge here for a small town with a business park in its infancy is just one thing - there simply isn't enough residential density to substantiate a D2C company to exist here. Pair this with the simplicity that B2B companies exist closer to other businesses, and the cyclical and paradoxical nature of this challenge becomes clear. Restricting this use puts the cart before the horse. People *always* come first. Residential demand, especially in affordable GTA markets, far outweighs commercial demand.

This is *why* you're seeing industrial parks and parking lots torn down in core areas and replaced with skyscrapers. This is *why* density magnetizes to regional shopping centers. You don't have to look beyond the same Woodbine Avenue to find an example. By analyzing the history of comparable municipalities within the GTA, we are given a choice. We can repeat the same process to learn the same lessons in the next generation. Or ?

Alternatively, we can learn from areas ahead of us in growth, adapt, skip a few steps, and avoid the wastefulness of chasing the highest and best use of a municipality. We have the opportunity with a small portion of land, central to the Keswick Business Park to risk being flexible with. This proposal is designed to keep the door open by planning a site that has the malleability to adapt to the changing market demands. Erasing rigidity allows this site to actively fulfill its highest and best use as it evolves - rather than retroactively through multiple wasteful redevelopments and or time consuming OPA's. Build it flexible and they will come.

At least 13% of our GDP is directly composed of housing development. By some metrics, the indirect role makes housing as much as 78% of our GDP. Applying this national trend to a local microcosm tells us that a "local GDP" can see a greater benefit from developing, building, and managing large-scale affordable space for consumers beyond big business. These benefits include capital migration into the local economy, local employment growth, asset value and wealth appreciation for residents.

Putting it all together

The site's role as a major intersection, gateway, and access point make it a bridge between the business park and the Woodbine Avenue retail corridor. Its location on Glenwoods Ave. serves as a bookend that could tighten the land use relationship between the Business Park and Lake Simcoe. This future Glenwoods corridor encapsulates some of the most important pieces of Keswick:

- 2 places of worship abutting the site;
- Stormwater management pond abutting to the west; Trails/green space/health/well being
- Corridor and Gateway to Georgina's two largest retail centers;
- Three schools/educational institutions in close proximity;
- Existing affordable housing developments;
- The Keswick Secondary Plan's Glenwoods Urban Centre; and
- Simcoe Landing, the largest residential subdivision in Georgina.

We feel this is an important role for a site to play, and one that should not be ignored. It is our goal to celebrate the vision of the Keswick Secondary Plan and the Glenwoods Urban Centre by creating opportunity for this site to play a more cohesive mixed-use role in the complete context of this area of Keswick.

Demonstrating an understanding of the new nature of employment and the role of mixed-use development within it would catalyze the growth of the business park along Woodbine Avenue. If we follow this major artery south toward Toronto, we can see age-old iterations of former commercial and industrial development replaced by vibrant mixed-use communities that create social value, employment, culture, and connectivity.

If the potential for mixed use is established now, various mechanisms can be put in place in the early stages of development to introduce any mitigation or buffering required.

As such, we respectfully request that Council continue to consider these lands as a potential area for conversion through Phase 2 of the employment conversion process.

Daniel, Kyle and Gary Foch