

May 18, 2022

MGP File: 21-2977

Members of York Region Council
The Regional Municipality of York
17250 Yonge Street
Newmarket, ON L3Y 6Z1

Via email: futureyork@york.ca / regionalclerk@york.ca

Attention: Chairman and Members of Council

**RE: Draft York Region Official Plan
IBM Canada Limited - 8200 Warden Avenue, City of Markham**

Malone Given Parsons Ltd. (**MGP**) is the planning consultant for IBM Canada Limited (**IBM**), the owner of the ~32 hectares (77 acres) of land generally located south of Cedarland Drive, west of Warden Avenue, municipally known as 8200 Warden Avenue in the City of Markham ("**IBM Lands**"). The IBM Lands are within the Markham Centre Urban Growth Centre and the Markham Centre Secondary Plan Area.

On behalf of IBM, we have reviewed the staff report on the Draft York Region Official Plan (the "Draft YROP") being considered at the May 19, 2022 Statutory Public Meeting, as well as the Comments on the Draft YROP (Attachment 1).

We note that the City of Markham has made a request to remove the current Employment Area designation in Map 1A on a portion of the IBM lands to reflect the in-force designations of OPA 21 (Markham Centre Secondary Plan) to the 1987 Markham Official Plan.

We have been participating in the Markham Centre Secondary Plan update process since its initiation in 2020, where the City has taken a similar approach. As part of this process, we provided formal correspondence dated April 6, 2022 to the City (Appendix 1 to this letter) as part of the Markham Centre update process requesting that the proposed park designation be removed from a portion of the IBM Lands. We have opposed this request as the redesignation does not consider IBM's short and long-term vision for its lands.

At a regional level, we support the current mapping of the IBM Lands as Employment Area as it protects for IBM's ability to expand as necessary. In response to the City's mapping request:

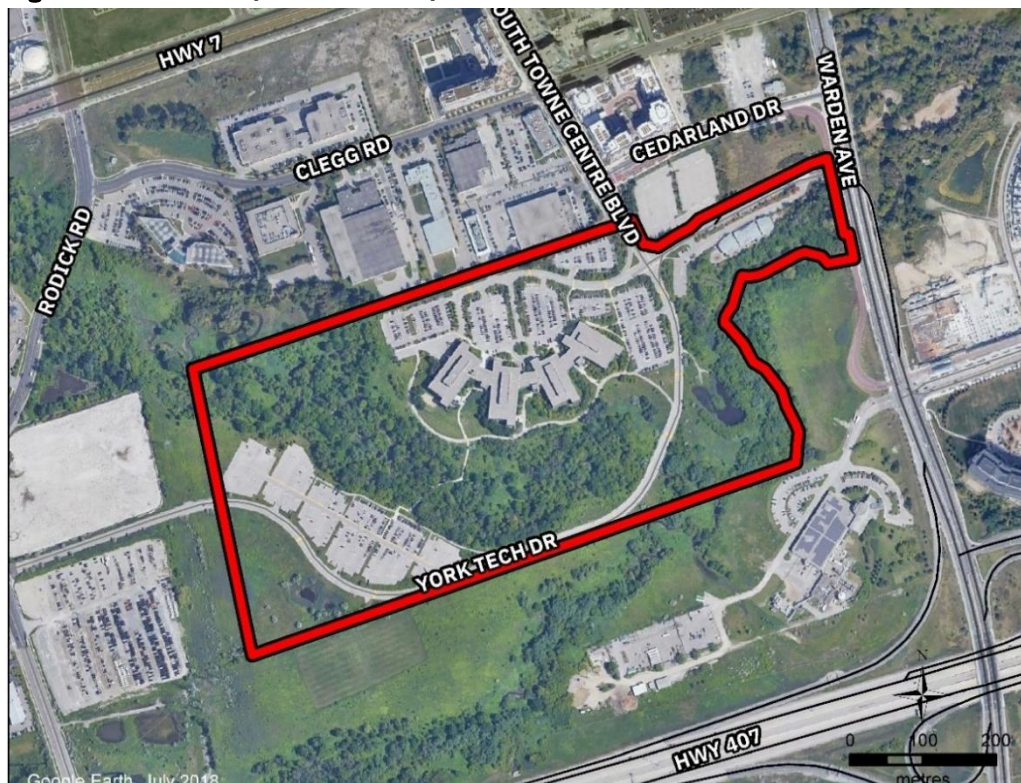
- We have no issue with removing the Employment Area designation from a portion of the IBM Lands and replacing it with Community Area as it provides IBM with greater development flexibility.
- However, we are strongly opposed to the City's request if removing the Employment Area designation is for the sole purpose of locating a park on the entirety of the IBM Lands.

The City's proposal to locate a park on the southwest portion of the IBM Lands negatively impacts IBM's current functionality and prevents the company from re-investing into the site in future growth scenarios. IBM is opposed to any designation which serves to remove the flexibility for future development on the site. Furthermore, it also compromises the ability for IBM to secure the site if this portion of their lands becomes publicly accessible. The security the property provides was a main driver of relocating the company headquarters here.

History of IBM in Markham

The IBM Lands are currently occupied by the IBM Software Lab which is currently the largest software development laboratory in Canada. Previously located at 1150 Eglinton Avenue East in the City of Toronto (the former Celestica site), IBM relocated the Software Lab to the City of Markham in September 2001. Since arriving in Markham, IBM has been a consistent job generator, representing one of the largest corporations with a head office in Markham and has continuously invested heavily in research and development. Currently, the IBM Software Lab has over 2,500 employees and is one of the top employers in Markham.

Figure 1: IBM Lands (outlined in red)



IBM has been a corporate partner to many of the City of Markham's business initiatives and expects to be working with the City on future ventures. They see themselves as a long-term fixture within Markham Centre and expect to remain (and potentially expand) in their current location.

The IBM Software Lab consists of four buildings and associated parking lots. Figure 1 provides an aerial photo of the Software Lab and the delineation and location of the IBM Lands. Primary access

is provided through a controlled flyover accessed from Warden Avenue that connects to a private east-west road south of Cedarland Drive. Secondary access is provided from South Town Centre Boulevard and Yorktech Drive.

IBM intends on remaining within Markham Centre for the long-term and is continually assessing the suitability of its facilities to meet their current and future needs. While the lands identified to be removed from the Employment Area are being used for employee parking or are vacant, they are strategically important to IBM as they provide the Software Lab with the ability to grow, expand and pivot as needed. The increase in land area, and the flexibility it provides, was an important motivator for IBM to relocate to these lands in the first place.

In addition to the landholdings described above, IBM has a lease on a parcel of land located on the south side of Yorktech Drive from Infrastructure Ontario (IO). These lands are currently vacant, but are available for IBM to use as expansion lands. The lease was established through a Purchase Agreement between the two parties and IBM has an option to purchase these lands from IO at any time. Currently, the lands have been leased to IBM on a 99-year lease, expiring in 2098.

If the City's intent, through this mapping revision request, is to locate a major park at the doorstep of the IBM Software Lab, then this is a significant concern to IBM and we strongly oppose the City's request to revise the designations of Map 1A. IBM is committed to working with the City through the Markham Centre Secondary Plan Update process to work through this issue.

Conclusion

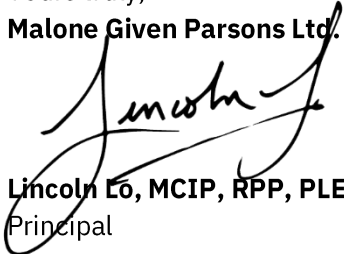
IBM supports the Employment Area designation that is currently illustrated on Map 1A on the IBM Lands as it is in line with the current and future operating functions of IBM. In response to the City's request to redesignate the southwestern portion of the IBM Lands from Employment Area to Community Area, we have no concern as it provides IBM with greater land use flexibility.

However, we do not support the City's request if the intent is to locate a major park on the IBM Lands. Clarity should be provided as to why the City is proposing to remove designated employment areas from a Provincially Significant Employment Zone.

Thank you for the opportunity to input in the Draft YROP. I look forward to discussing our requests with staff. Should you have any questions regarding these comments or would like to discuss further, please feel free to contact the undersigned.

Yours truly,

Malone Given Parsons Ltd.



Lincoln Lo, MCIP, RPP, PLE
Principal

cc: Ms. Sandra Malcic, Region of York
Mr. Clarence Bumstead, IBM Canada Limited

APPENDIX 1



Lincoln Lo
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April 6, 2022

MGP File: 21-2977

City of Markham
101 Town Centre Boulevard
Markham, ON L3R 9W3

Attention: Mayor and Members of Council

**RE: Markham Centre Secondary Plan Update
IBM Canada Limited
8200 Warden Avenue, City of Markham**

Malone Given Parsons Ltd. (**MGP**) is the planning consultant for IBM Canada Limited (**IBM**), the owner of the ~32 hectares (77 acres) of land generally located south of Cedarland Drive, west of Warden Avenue, municipally known as 8200 Warden Avenue in the City of Markham ("**IBM Lands**"). The IBM Lands are within the Markham Centre Urban Growth Centre and the Markham Centre Secondary Plan Area.

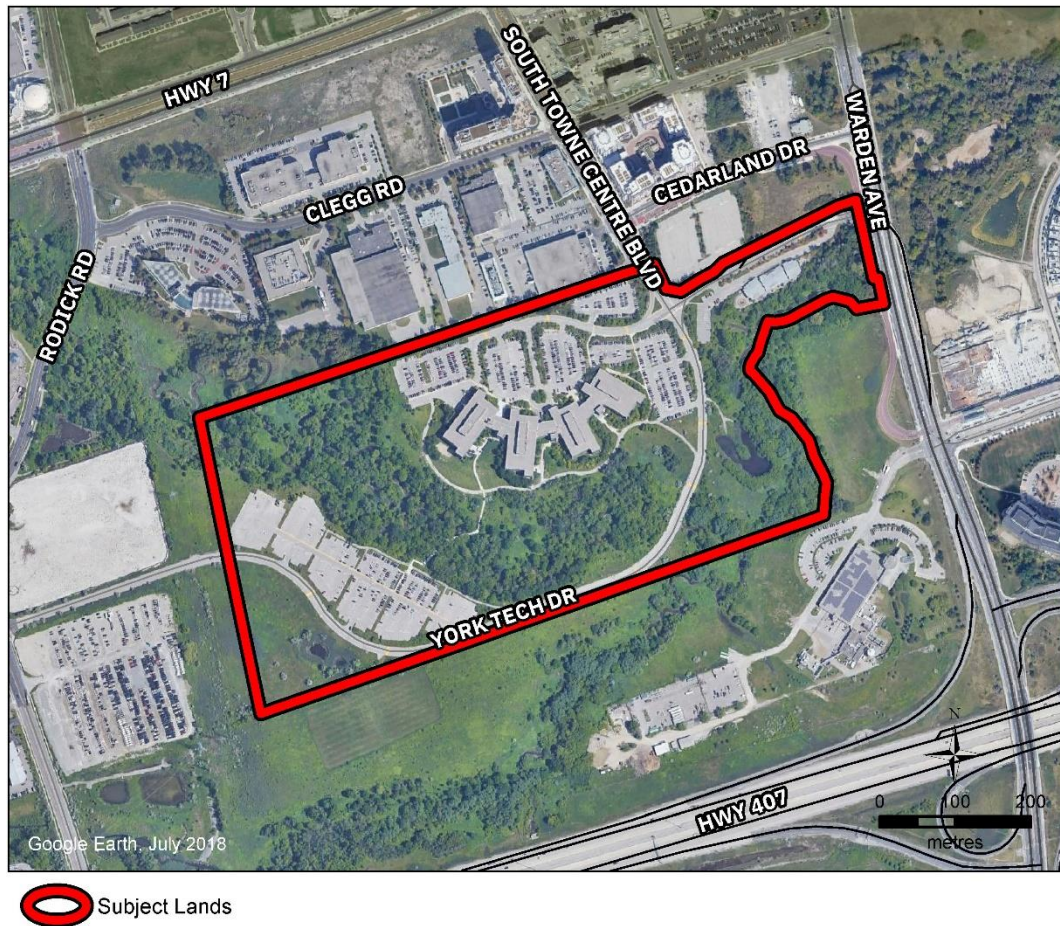
IBM has been participating in the Markham Centre Secondary Plan update process since its initiation. MGP has reviewed the Markham Centre Secondary Plan Interim Update and Discussion and are concerned that the Plan does not consider IBM's short and long-term vision for its lands.

History of IBM in Markham

The IBM Lands are currently occupied by the IBM Software Lab which is currently the largest software development laboratory in Canada. Previously located at 1150 Eglinton Avenue East in the City of Toronto (the former Celestica site), IBM relocated the Software Lab to the City of Markham in September 2001. Since arriving in the City, IBM has been a consistent job generator, representing one of the largest corporations with a head office in Markham and has continuously invested heavily in research and development. Currently, IBM employs more than 2,500 persons at the IBM Software Lab and nearly double that number at the IBM Canada Headquarters at 3600 Steeles and is one of the top employers in the City.

IBM has been a corporate partner to many of the City's business initiatives and expects to be working with the City on future ventures. They see themselves as a long-term fixture within Markham Centre and expect to remain (and potentially expand) in their current location.

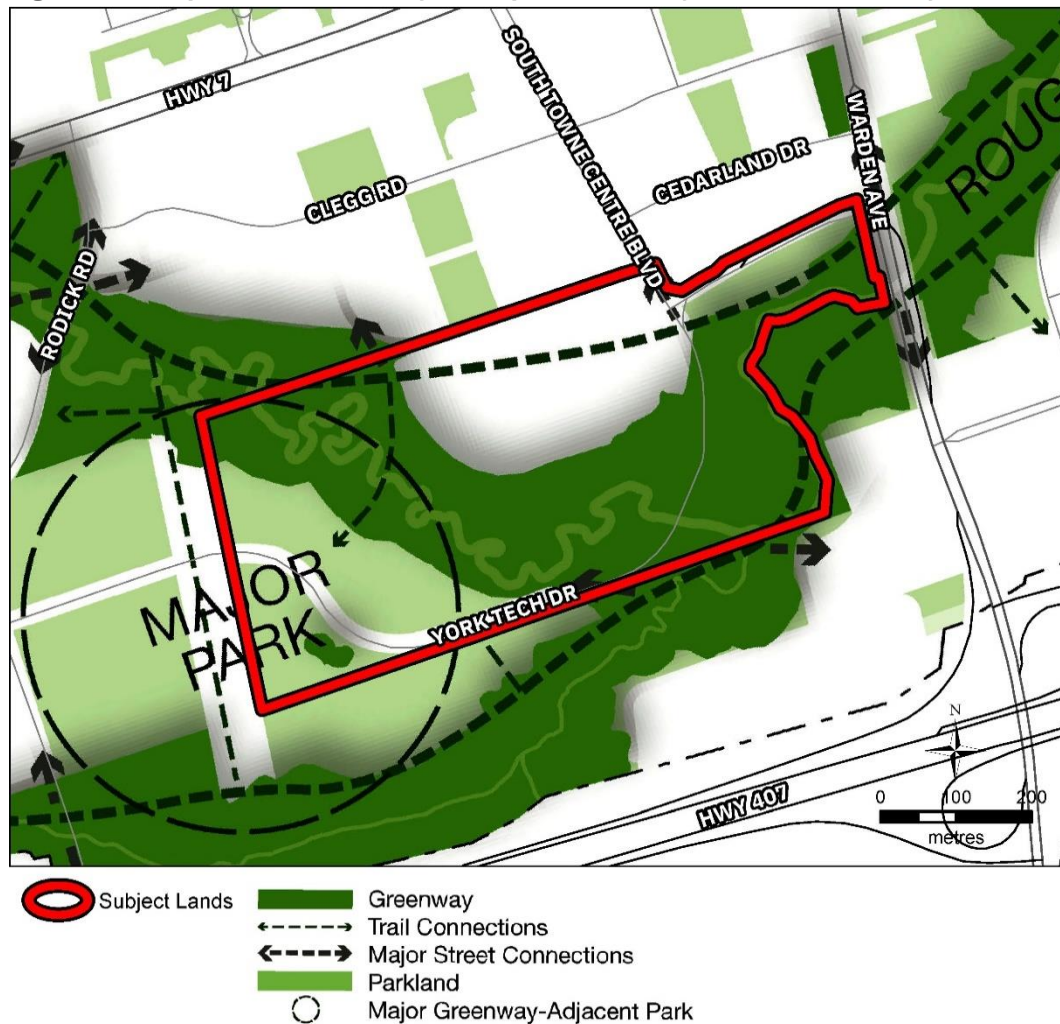
The IBM Software Lab consists of four buildings and associated parking lots. Figure 1 below provides an aerial photo of the Software Lab and the delineation and location of the IBM Lands. Primary access is provided through a controlled flyover accessed from Warden Avenue that connects to a private east-west road south of Cedarland Drive. Secondary access is provided from South Town Centre Boulevard and Yorktech Drive.

Figure 1: IBM Lands

In addition to the landholdings described above, IBM has a lease on a parcel of land located on the south side of Yorktech Drive from Infrastructure Ontario (IO). These lands are currently vacant but are available for IBM to use as expansion lands. The lease was established through a Purchase Agreement between the two parties and IBM has an option to purchase these lands from IO at any time. Currently, the lands have been leased to IBM on a 99-year lease, expiring in 2098.

Comments on Markham Centre Secondary Plan

We have reviewed the Preliminary Concept Plan prepared by the City that was presented to Development Services Committee on March 1, 2022, and IBM has significant concerns with respect to the planned land use of the southwestern portion of the subject lands identified for “Parkland” and “Major Park”, as shown in the figure below.

Figure 2: Excerpt of the Preliminary Concept Plan on Subject Lands (Greenway)

IBM intends on remaining within Markham Centre for the long-term and is continually assessing the suitability of its facilities to meet their current and future needs. While the lands identified as “Parkland” and “Major Park” are being used for employee parking or are vacant, they are strategically important to IBM as they provide the Software Lab with the ability to grow, expand and pivot as needed. The increase in land area, and the flexibility it provides, was an important motivator for IBM to relocate to these lands in the first place.

In addition to the land area, the relative isolation of the IBM Lands, the controlled access and the security that this provides the site were two other contributing factors to IBM’s relocation. The IBM Software Lab is responsible for technology innovation, research and development and site security is of paramount importance. Locating a major park in this location, as proposed by the concept plan, at the doorstep of the Software Lab is of significant concern to IBM.

As noted above, IBM has a 99-year lease on a portion of land south of Yorktech Drive. These lands have also been included in the “Parkland” and “Major Park” designation. IBM opposes this re-designation of these lands as well, for all the same reasons.

The IBM Lands (including the leased lands) are currently designated *Business Park Employment* in the 2014 City of Markham Official Plan and *Commercial - Community Amenity Area* in the in-force 1987 Official Plan. These designations better reflect IBM's current use and future intentions for these lands. IBM is very concerned with the proposed re-designation of these lands from a Mixed-Use/Employment designation to a parkland designation.

We believe that the change in designations amount to a downgrading of the permissions on the property. The City's proposal to locate a park on the IBM Lands negatively impacts IBM's current functionality and prevents the company from re-investing into the site in future growth scenarios. IBM is opposed to any designation which serves to remove the flexibility for future development on the site. Furthermore, it also compromises the ability for IBM to secure the site if this portion of their lands becomes publicly accessible. As noted above, the security the property provides was a main driver of relocating the Software Lab here.

We respectfully request that the parkland designation be removed from the IBM Lands and a Mixed-Use/Employment designation be maintained.

MGP supports the City's continued efforts to update the Markham Centre Secondary Plan. We understand that Markham Centre is the City's downtown, and the City's vision is to develop the area into an integrated and complete city-centre with a mix of uses. We believe that IBM plays a large part of Markham Centre's future as a leading high-quality job generator and top employer. The requested revisions to the City's proposed designations will allow IBM to continue to operate on site unimpeded and will provide the required reassurance that they can grow and expand in Markham Centre as they have been for the past 10+ years.

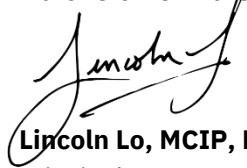
Conclusion

IBM is seeking modifications to the draft policies to remove the "Parkland" and "Major Park" designation from the southwestern portion of the IBM Lands (including the leased lands) and to retain the same permissions and flexibility afforded to their lands through the *Commercial-Community Amenity Area* and *Business Park Employment* designations provided in the 1987 and 2014 City of Markham Official Plans, respectively.

Thank you for the opportunity to input in the new Markham Centre Secondary Plan process. I look forward to discussing our requests with staff. Should you have any questions regarding these comments or would like to discuss further, please feel free to contact the undersigned.

Yours truly,

Malone Given Parsons Ltd.



Lincoln Lo, MCIP, RPP, PLE
Principal

cc: Mr. Stephen Lu, Manager, City of Markham
Mr. Clarence Bumstead, IBM Canada Limited