

Information Report



Service Area	Infrastructure, Development and Enterprise Services
Date	Friday, April 5, 2019
Subject	Commercial Policy Review Preferred Framework Implementation Discussion Paper
Report Number	IDE-2019-46

Executive Summary

Purpose of Report

The purpose of this report is to present the Discussion Paper for the Commercial Policy Review Preferred Framework Implementation.

Key Findings

The Commercial Policy Review Preferred Framework Implementation Discussion Paper identifies preliminary proposed revisions to the City's Official Plan and Zoning By-law to implement the Commercial Policy Review Preferred Framework approved by Council on July 9, 2018.

Comments on the Discussion Paper will be solicited over a three week period from April 5, 2019 – April 26, 2019. Feedback received on the Discussion Paper will help inform the Draft Official Plan and Zoning By-law amendments to be developed by City staff.

Financial Implications

The Commercial Policy Review is funded through approved capital funding.

Background

The Commercial Policy Review began in November 2016 when the project Terms of Reference was approved by Council. The terms of reference outlined a three stage process.

Stage 1 involved the completion and release of the Commercial Market Analysis and Background Report on November 24, 2017 as part of Information Report IDE-2017-130. Overall, the supply of commercial space and land in the City is sufficient to accommodate the demand for new commercial space to the year 2031 and the City's commercial vacancy rate of 7.5% falls within the normal range of a balanced market. However, modest revisions to the City's commercial policy framework were proposed to build on the City's strengths and respond to identified issues. The identified issues involved the geographic distribution of commercial space (e.g. lack of east end grocery store), lack of larger commercial sites (2.8+ ha.) and the potential loss of existing and planned commercial space.

Stage 2 involved the release of draft policy alternatives on May 14, 2018 as part of Council Report IDE-2018-57. The report was received by Council and was used to guide public discussion and evaluation of the alternatives in order to develop a preferred commercial policy framework. The public consultation included a key stakeholder workshop, public workshop and on-line survey, and a presentation at the Downtown Advisory Committee during April 2018. On July 9, 2018 the preferred framework presented in Council Report IDE-2018-94 was approved by Council and staff were directed to initiate amendments to the Official Plan and Zoning By-law to implement the Council approved Commercial Policy Review: Preferred Framework.

The project is now in Stage 3 which involves the preparation of official plan and zoning by-law amendments for consultation and Council consideration.

Report

The Commercial Policy Review Preferred Framework Implementation Discussion Paper (see ATT-1) identifies potential revisions to the City's Official Plan and Zoning By-law to implement the Commercial Policy Review Preferred Framework approved by Council on July 9, 2018. The Discussion Paper summarizes current Official Plan and Zoning By-law policies and regulations, presents and analyzes options for implementing the Preferred Framework recommendation and presents staff preliminary recommendations. The Discussion Paper addresses the following matters from the Preferred Framework:

- Commercial and Mixed-use Designation Objectives;
- Commercial/Non-residential Floor Space References;
- Community Mixed-use Centres;
- Woolwich Street Mixed-use Corridor;

- Mixed-use Corridor (GID);
- Neighbourhood Commercial Centres;
- Implementing a FSI Benchmark and Controls on Reducing Existing Gross Floor Area; and
- Commercial Function Studies.

Next Steps

Comments on the Discussion Paper will be solicited over a three week period from April 5 to April 26, 2019.

Feedback on the Discussion Paper will help inform the preparation of the draft Official Plan and Zoning By-law amendments to be developed by City staff. An open house will be held to provide the public with an opportunity to ask questions and provide feedback on the draft amendments.

The formal statutory process includes a public meeting for the CPR Official Plan and Zoning By-law amendments followed by a decision meeting of City Council. It is anticipated that the project will be completed in 2019.

Financial Implications

The Commercial Policy Review is funded through approved capital funding.

Consultations

A Community Engagement Plan and Communications Plan has been developed for the Commercial Policy Review project. A list is being maintained of interested stakeholders as the project progresses. Comments of the Discussion Paper will be solicited over a three week commenting period (April 5 to April 26, 2019). Notice of the Discussion Paper will be posted in the Guelph Tribune and posted on the City's website, and a notice will be sent to the list of interested stakeholders. The feedback received will help inform the draft Official Plan and Zoning By-law amendments to be developed by city staff to implement the preferred commercial policy framework.

Corporate Administrative Plan

Overarching Goals

Service Excellence

Service Area Operational Work Plans

Our Services - Municipal services that make lives better

Our Resources - A solid foundation for a growing city

Attachments

ATT-1 Commercial Policy Review Preferred Framework Implementation
Discussion Paper

Departmental Approval

None

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Attachment 1



Guelph Commercial Policy Review

Stage 3: Preferred
Framework Implementation
Discussion Paper

April 2019

Alternative formats are available as per the Accessibility for Ontarians with Disabilities Act by contacting Planning and Building Services at 519-822-1260 extension 5616

Guelph Commercial Policy Review

Stage 3: Preferred Framework Implementation

Discussion Paper

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Stage 3: Commercial Policy Review Preferred Framework Implementation Discussion Paper

1 Introduction

1.1 Purpose

The purpose of this Discussion Paper is to outline Stage 3 of the Commercial Policy Review and identify recommended revisions to the City's Official Plan and Zoning By-law to implement the Commercial Policy Review Preferred Framework approved by Council on July 9, 2018. The Discussion Paper has been released for information, review and comment. The recommendations of this paper, along with comments received, will assist in developing an Official Plan Amendment and Zoning By-law Amendment to implement the preferred framework.

1.2 Project Scope

The scope of the Commercial Policy Review is to update the City's Official Plan and Zoning By-law to reflect the preferred framework so that both the City's land use policies and regulations address identified commercial issues. These issues include:

- Geographic distribution of commercial space, especially east end opportunities;
- A lack of sufficiently sized parcels to accommodate traditional larger neighbourhood and community functioning commercial developments (2.8+ ha.) and;
- Potential loss of existing and planned commercial space.

Including key changes to commercial zoning by-law regulations, as part of this project, will ensure that opportunities and protections are in place prior to the completion of the City's Comprehensive Zoning By-law Review. Full alignment of the City's Zoning By-law with the Official Plan, including commercial policies, will be undertaken through the City's Comprehensive Zoning By-law Review.

The following table highlights the scope of Stage 3 of the Commercial Policy Review work. The scope for Stage 3 is focused on implementation of the Commercial Policy Review Preferred Framework which includes the following:

In Scope	Out of Scope
Amending Official Plan preamble and objectives for section 9.4 Commercial and Mixed-use Designations.	Commercial land use designations and zoning within the Downtown.
Increasing commercial floor space caps in the Official Plan for Community Mixed-use Centres in the Official Plan (policy 9.4.2.14).	Commercial land use designations and zoning within the Clair-Maltby Secondary Plan.
Increasing commercial floor space maximum caps for Neighbourhood Commercial Centres to align with the minimum commercial floor space caps for Community Mixed-use Centres (policy 9.4.4.3).	Adding new lands to the commercial inventory to meet needs to 2041.
Revising the land use designations in the Official Plan for the Woolwich/Speedvale/Woodlawn Mixed-use Corridor; and to create a Victoria/York (east) Community Mixed-use Centre and a York/Watson Community Mixed-use Centre (policies 9.4.3, 9.4.14 and Schedule 2).	Incentives to overcome barriers to second floor commercial space.
Revising the market impact study policies in the Official Plan (policy 9.4.1).	Comprehensive Zoning By-law Review (Commercial) <ul style="list-style-type: none"> • As-of-right small-scale commercial in base of apartments. • Commercial parking requirements.
Reviewing and recommending terminology (names) for commercial designations in the Official Plan (section 9.4 and Schedule 2).	<ul style="list-style-type: none"> • Amending Zoning By-law to reflect Commercial Built Form Standards.
Revising the Guelph Innovation District Mixed-use Corridor (GID) height policies in Official Plan (Schedule C) (policy 11.2.6.3.2).	<ul style="list-style-type: none"> • Implementing new terminology for zoning category names.

<p>Adding a 0.15 Floor Space Index (FSI) benchmark in the Official Plan for Community Mixed-use Centres, Mixed-use Corridors and Neighbourhood Commercial Centres (9.4.2, 9.4.3, 9.4.4).</p>	<ul style="list-style-type: none"> Amending Zoning By-law General Provisions - Holding Zones, Outdoor Storage, Off-street Parking, Loading Space Requirements, Home Occupations, Fences, Occasional Uses, Enclosed Operations.
<p>Provision of a 6,500 m² minimum amount of commercial floor space policy in the Official Plan for Community Mixed-use Centres (policy 9.4.2).</p>	<ul style="list-style-type: none"> Implementing new zoning regulations, including changes to specialized zones, outside of CMUCs, NCCs and Mixed-use Corridors.
<p>Providing commercial function study policies in the Official Plan to provide flexibility to consider site specific reduction of 0.15 FSI policy and loss of more than 25% of commercial space. (policy 9.4, 10.18).</p>	<ul style="list-style-type: none"> Consulting on Section 6 Commercial Zones of Zoning By-law – including Section 6.1 (Convenience Commercial), Section 6.5 (Office Residential Zone), Section 6.6 (Commercial-Residential Zone) which could have issues surface through review of zone changes, specialized zones and minor variances, etc.
<p>Revising Commercial zoning regulations to implement Commercial Policy Review: definitions, mapping, uses, GFA, FSI (Section 6.2 Commercial Shopping Centre Zones (Neighbourhood Shopping Centre, Community Shopping Centre, Regional Shopping Centre – Commercial Zones), Section 6.4 Service Commercial Zones).</p>	<ul style="list-style-type: none"> Recommending new terminology (names) for commercial zones. Zoning By-law – Zones and Zone Symbols (Section 2.3), Definitions (Section 3).
	<p>Requests for site specific OPAs or zoning amendments</p>

1.3 Commercial Policy Review – Preferred Framework

The Commercial Policy Review preferred framework was approved by Council on July 9, 2018 as an appropriate response to the identified commercial issues. An analysis of commercial space and trends undertaken in 2017 concluded that the City of Guelph is commercially well served. However, modest revisions to the City’s commercial policy framework were proposed to build on the City’s strengths and respond to the identified issues.

The preferred framework includes recommendations for:

1. Modifying Official Plan policies for selected commercial mixed-use designations to support intensification and protect existing commercial space and mixed use areas including their planned function;
2. Changing land use designations to reconfigure commercial space and increase land use permissions in selected locations as shown on Figure 1 below from the consultant's Guelph Commercial Policy Review Stage 2 Preferred Policy Framework Report (Figure 5);
3. Modifying the Mixed-use Corridor (GID) designated lands at the Southeast corner of Victoria Road and Stone Road within the Guelph Innovation District (GID) Secondary Plan to decrease the minimum height to 7.5 m (two storeys) to allow development to occur on more conventional retail formats;
4. Zoning to align regulations with the commercial policies in the City's Official Plan Policy;
5. Opportunities in the Clair-Maltby Secondary Plan to provide additional lands to meet needs both prior to and after 2031;
6. Monitoring the commercial land supply to stay in sync with commercial trends and measure the appropriateness of current and proposed new commercial policies; and
7. Aligning zoning with the City's Official Plan designations and considering small scale commercial "as of right" on the ground floor of apartment buildings.

Opportunities for commercial in the City's east end are specifically addressed by:

- Reconfiguring existing commercial space by redesignating lands to Community Mixed-use Centre to broaden the type and form of commercial use as shown on Figure 1 below from the consultant's Guelph Commercial Policy Review Stage 2 Preferred Policy Framework Report (Figure 5); and
- Establishing a commercial benchmark and floor space minimum for Community Mixed-use Centres to protect commercial space and planned function.

This Discussion Paper addresses the first three items as identified in the project scope. New zoning is proposed for the proposed new Community Mixed-use Centres to facilitate their development. However, as noted earlier, the alignment of zoning regulations with commercial policies in the City's Official Plan will be considered through the Comprehensive Zoning By-law Review. Item five will be addressed through the Clair-Maltby Secondary Plan, item six is a monitoring action that will follow implementation of this commercial policy review, and item seven will be addressed through the Comprehensive Zoning By-law Review.

Figure 1 displays land use designation changes proposed in the Commercial Policy Review Preferred Framework report. These changes will be addressed in sections 4.3 and 4.4 of this Discussion Paper.

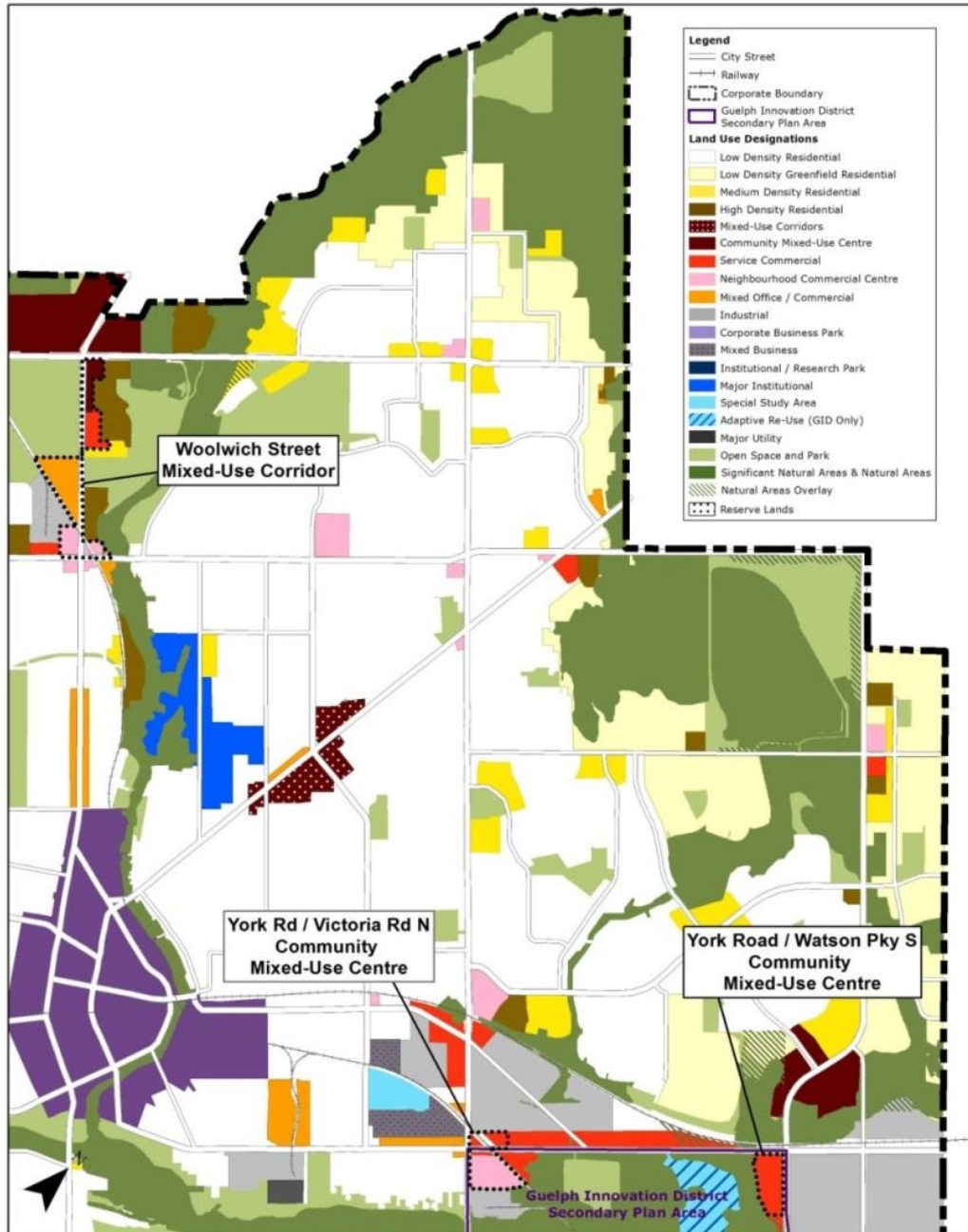


Figure 1: Preferred Policy Framework Land Use Designation Changes

2 Policy and Regulation Context

2.1 Provincial Policy Statement and Growth Plan

The Provincial Policy Statement focuses on building strong communities, protecting the environment, resources, and public health and safety, and supporting a strong economy. Policy 1.1.1 recognizes that healthy, liveable and safe communities are sustained by, among other matters:"

- a) Promoting efficient development and land use patterns which sustain the financial well-being of the Province and municipalities over the long term;
- b) Accommodating an appropriate range and mix of residential..., employment (including industrial and commercial), institutional..., recreation, park and open space, and other uses to meet long-term needs;
- e) Promoting cost-effective development patterns and standards to minimize land consumption and servicing costs."

In policy 1.7.1 long-term economic prosperity is supported by "maintaining and, where possible, enhancing the vitality and viability of downtowns and main streets." Under policy 1.8.1 energy conservation, air quality and climate change is supported through land use and development patterns which "focus major employment, commercial and other travel-intensive land uses on sites which are well served by transit where this exists or is to be developed, or designing these to facilitate the establishment of transit in the future".

The provincial Growth Plan builds on the policy foundation provided by the Provincial Policy Statement. The guiding principles of the provincial growth plan for the greater golden horseshoe:

- Support the achievement of complete communities that are designed to support healthy and active living and meet people's needs for daily living throughout an entire lifetime.
- Prioritize intensification and higher densities to make efficient use of land and infrastructure and support transit viability.

Under the Provincial Growth Plan complete communities are meant to meet people's needs for daily living throughout their lifetime by providing convenient access to an appropriate mix of jobs, local services, public service facilities and a full range of housing.

Under employment policy 2.2.5.3 "retail and office uses will be directed to locations that support active transportation and have existing or planned transit". Policy 2.2.5.12 states that "The retail sector will be supported by promoting compact built form and intensification of retail and service uses and areas and encouraging the integration of those uses with other land uses to support the achievement of complete communities".

2.2 Current Official Plan Policies

The existing commercial policies contained within the City's Official Plan are based on the Commercial Policy Review undertaken in 2006 which was incorporated into the Official Plan through Official Plan Amendment No. 29. The City's Official Plan update (OPA 48) brought the Official Plan into conformity with provincial legislation and growth plans and ensured consistency with the Provincial Policy Statement. However, the commercial land use designations and associated policies were not revised as they were not in the scope of the update.

The current Official Plan policies recognize the evolution over time of commercial development into mixed-use centres and corridors that include main street experiences. The commercial and mixed-use designations, defined by their size and planning function, include:

- Community Mixed-use Centre;
- Mixed-use Corridor;
- Neighbourhood Commercial Centre;
- Service Commercial; and
- Mixed Office/Commercial.

The importance of urban design to commercial development and other uses is also evident. The policies acknowledge that achieving the desired built form will occur over the horizon of the Official Plan and provides guidance for that evolution. Downtown continues to be an important multi-purpose Urban Growth Centre that is a retail, dining and entertainment destination.

The hierarchy of commercial and mixed-use centre and corridor designations generally align with the City's growth plan elements of nodes and intensification corridors.

The policies focus on protecting the planned function of commercial (retail and service) space and the economic vitality of Downtown from an over supply of commercial space.

The Community Mixed-use Centres and Neighbourhood Commercial Centres both have maximum floor space size caps for retail for the protection of other commercial centres.

Market Impact Studies are required where a new Community Mixed-use Centre or Mixed-use Corridor is proposed or an existing Community Mixed-use Centre or Mixed-use Corridor is proposed to be expanded or the retail floor limitations within a Community Mixed-use Centre or Neighbourhood Commercial Centre are proposed to be exceeded.

The development of commercial and mixed-use areas at less than the maximum permitted size caps for retail is not currently recognized, i.e. there are no commercial floor space minimums.

Maximum and minimum residential densities are provided for Community Mixed-use Centres and Mixed-use Corridors and not for Neighbourhood Commercial Centres.

2.3 Current Zoning By-law Regulations

The commercial regulations contained within the City's Zoning By-law are from the 1995 comprehensive review of the By-law and do not reflect the changes made to the City's commercial Official Plan policies in 2006. Commercial zoning by-law revisions made since 1995 have generally been issue and site specific, and a number of zones, especially site specific zones, are being used to implement the Official Plan designations.

The City's Zoning By-law consists of the following eight commercial categories outside of the Downtown:

- Convenience Commercial (C.1)
- Neighbourhood Shopping Centre (NC)
- Community Shopping Centre (CC)
- Regional Shopping Centre (RC)
- Service Commercial (SC.1)
- Highway Service Commercial (SC.2)
- Office Residential (OR)
- Commercial Residential (CR)

Each zone includes permitted uses and regulations that cover lot area, lot frontage, setbacks, maximum building height, parking, etc. The Convenience Commercial (C.1), Commercial Residential (CR) and three shopping centre zones (NC, CC, RC) also include maximum gross floor area regulations for buildings. The Community Shopping Centre (CC) and Regional Shopping Centre (RC) zones are the only ones with minimum gross floor area regulations for buildings.

There are numerous zones, especially site specific zones, located within lands designated as Community Mixed-use Centres, Mixed-use Corridors and Neighbourhood Commercial Centres.

The existing Community Mixed-use Centres are generally zoned Community Shopping Centre (CC), Neighbourhood Shopping Centre (NC), Highway Service Commercial (SC.2), Service Commercial (SC.1) and Commercial Residential (CR) with specialized uses and regulations. The Watson Parkway/Starwood Centre includes specialized High Density Apartment Zone (R.4B) residential lands.

The existing Mixed-use Corridors are generally zoned Community Shopping Centre (CC), Neighbourhood Shopping Centre (NC), Service Commercial (SC.1) and Office Residential (OR) with specialized uses and regulations. The Stone Road Mixed-use Corridor is the only area that uses the Regional Shopping Centre (RC) zone for the Stone Road Mall. The Silvercreek Parkway

Mixed-use Corridor, in addition to commercial zones, includes specialized I.1 institutional lands and R.3A residential lands.

The existing Neighbourhood Commercial Centres are generally zoned Community Shopping Centre (CC), Neighbourhood Shopping Centre (NC), Convenience Commercial (C.1) and Service Commercial (SC.1) with specialized uses and regulations.

2.4 Identified Issues

The Commercial Policy Review: Preferred Framework Report IDE-2018-94 recognized that generally there was sufficient land currently designated in the City's Official Plan to meet needs to 2031 provided that no existing or planned commercial space was lost. The Report also recognized that commercial and mixed-use designations were evolving which could involve the loss of commercial lands. In particular, the City is aware of landowner proposals that contemplate a reduction of the amount of planned commercial space within selected Community Mixed-use Centres and within Neighbourhood Commercial Centres in order to incorporate a residential component. In particular, the Commercial Policy Review: Preferred Framework Report recognized both the lack of appropriate commercial space in the east end of the City and the desire expressed by the landowners within the Watson Parkway/Starwood Community Mixed-use Centres to reduce the amount of planned commercial space.

This evolution of commercial development into mixed-use areas results in the need to improve the regulation of residential space within the commercial and mixed-use designations. Currently, the City's Official Plan policies include only minimal parameters around the inclusion of residential space within Neighbourhood Commercial Centres. There are currently no maximum or minimum limits set on the density of residential units that could be located within a Neighbourhood Commercial Centre. Within the Neighbourhood Commercial Centre designation residential units are only permitted as part of a live/work use or within mixed-use buildings. Official Plan policy 9.4.4.13 does specify that "development will be planned and designed to maintain the principal commercial function".

The current policies lack clarity on the type of space that is measured when setting floor space maximums for retail and the method of measurement. Recommendations are made to specifically refer to "commercial gross floor area", where applicable, e.g. CPR Recommendation on page 66 dealing with Market Impact Studies (Section 4.3.1 of Guelph CPR Stage 3 Preferred Framework Implementation Discussion Paper).

The lack of alignment of the City's Official Plan policies for land use designations with Zoning By-law categories and regulations was also identified as an issue.

3 Project Steps

The Discussion Paper builds on the Commercial Policy Review Preferred Framework as well as the City's Official Plan, Zoning By-law, and Concept Plan for the Woodlawn/Woolwich Community Mixed Use Node and Woolwich Intensification Corridor. Where appropriate, options on how to implement the recommendations from the Commercial Policy Review Preferred Framework were developed. The interdepartmental project team formed at the beginning of the Commercial Policy Review continues to provide ongoing input and feedback on options and proposed directions. It is intended that improvements to the Zoning By-law will be made without changing the basic structure of the By-law itself and will rely on the existing zone structure. The City is currently undertaking a comprehensive zoning by-law review to address the entirety of the Zoning By-law and issues such as format may be addressed through that process.

This stage of the Commercial Policy Review includes the following:

Phase 1: Project Initiation has been completed with Council direction to proceed with city initiated Official Plan and Zoning By-law amendments.

Phase 2: Research and Analysis includes the development of the Discussion Paper. The Discussion Paper content is based on the Commercial Policy Review work completed to date as well as known challenges and technical difficulties identified by staff in interpreting and applying Official Plan policies and zoning regulations. Staff conducted detailed research into the existing and approved amount of commercial development within the City on a site-by-site basis to inform the analysis of implementation options. In addition an analysis of existing uses, Official Plan policies and zoning regulations, including permitted uses, was undertaken on a site-by-site basis to develop options and staff preliminary recommendations on new Community Mixed-use Centres and Mixed-use Corridor. This Discussion Paper presents options and recommendations in response to the recommendations included in the Commercial Policy Review Preferred Framework.

Phase 3: Community Engagement includes the public release of the Discussion Paper for information, review and comment by stakeholders. The Community Engagement phase also includes a public open house on the draft Official Plan and Zoning By-law amendments.

Phase 4: Formal Statutory Process includes a statutory public meeting being held in accordance with the *Planning Act* prior to Council making a decision on the recommended Official Plan and Zoning By-law amendments. The draft Official Plan and Zoning By-law amendments that are released prior to the public open house may be revised as necessary based on feedback received during the community engagement phase.

4 Recommendations and Options

This Discussion Paper presents recommendations and options in response to the Commercial Policy Review Preferred Framework using the following main categories:

- Commercial and Mixed-use Designation Objectives;
- Commercial/Non-residential Floor Space References;
- Community Mixed-use Centres;
- Woolwich Street Mixed-use Corridor;
- Mixed-use Corridor (GID);
- Neighbourhood Commercial Centres;
- Implementing a FSI Benchmark and Controls on Reducing Existing Gross Floor Area; and
- Commercial Function Studies.

For each of the above categories, information is provided under the following subheadings:

- CPR Recommendation;
- Current Policies and Regulations;
- Options and Analysis; and
- Staff Preliminary Recommendation.

The CPR Recommendation refers to the recommendation in the consultant's Guelph Commercial Policy Review: Stage 2 Preferred Policy Framework Report except for the Commercial and Mixed-use Designation Objectives which refers to recommendations in IDE-2018-18 Commercial Policy Review: Vision and Principles, March 5, 2018 . In most cases direct quotes are used with some additional wording added in parenthesis for clarity. A page number is included in parenthesis for easy reference.

Options are discussed regarding the implementation and alignment of the changes proposed to the Official Plan with the Zoning By-law where applicable. The proposed changes regarding commercial function studies do not impact the City's Zoning By-law.

4.1 Commercial and Mixed-use Designation Objectives

CPR Recommendation: "The current objectives for Commercial and Mixed-use designations remain current under the recommended vision and principles. The recommended principles support the inclusion of additional objectives to strengthen the recognition of market needs by recognizing proximity to a suitable population base and exposure to sufficient levels of pass-by traffic. The principles also support flexible and adaptable commercial formats and a wide range of uses to recognize changing market demands and support the evolution of commercial development". (Page 5, IDE-2018-18 Commercial Policy Review: Vision and Principles, March 5, 2018)

Current Policies and Regulations:

The City's Official Plan includes overall objectives for Commercial and Mixed-use Designations in section 9.4 and specific objectives for each designation,

e.g. Community Mixed-use Centre, Mixed-use Corridor, Neighbourhood Commercial Centre. The objectives include:

- provision of an adequate supply of land dispersed throughout the City at appropriate locations;
- promotion of high standards of urban design;
- promotion of the continued economic vitality, intensification and revitalization of designated commercial and mixed-use areas;
- creation of mixed-use areas that are pedestrian oriented and transit-supportive; and
- development of Mixed-use Corridors and Neighbourhood Commercial Centres in a cohesive and coordinated manner.

Options and Analysis:

The City's Official Plan update made amendments to the vision, overall growth structure and strategic goals, objectives and policies. However, this work predates this commercial policy review. On March 26, 2018 City Council approved the Commercial Policy Review vision and principles as outlined in report IDE-2018-18. The vision and principles informed the development of the Commercial Policy Review Preferred Framework. As noted in report IDE-2018-18 "The recommended principles support the inclusion of additional objectives to strengthen the recognition of market needs by recognizing proximity to a suitable population base and exposure to sufficient levels of pass-by traffic. The principles also support flexible and adaptable commercial formats and a wide range of uses to recognize changing market demands and support the evolution of commercial development".

Staff Preliminary Recommendation:

That the overall objectives for Commercial and Mixed-use Designations in section 9.4 be reviewed and updated as needed to address the recognition of market needs by recognizing proximity to a suitable population base and exposure to sufficient levels of pass-by traffic. In addition, that the objectives reflect a diversity of uses and adaptable commercial formats. That the objectives for Neighbourhood Commercial Centres consider the evolution of commercial neighbourhood uses into a mix of complementary uses that serve the immediate neighbourhood community.

4.2 Commercial/Non-residential Gross Floor Space References

CPR Recommendation: "The existing Official Plan policies dealing with Community Mixed-use Centres state that to promote a mixture of land uses, retail development will be limited to a total gross floor area cumulatively of all buildings within the designation. In order to provide greater clarity on what is to be included within the floor space maximum, it is recommended that this policy be revised to apply to all commercial development and not just retail space". (Page 66)

Current Policies and Regulations:

The Official Plan commercial and mixed use policies generally refer to permitted commercial uses, retail facilities/development and gross floor area, without references to the type of gross floor area to be measured. The Market Impact Study policies (OP section 9.4.1) and Community Mixed-use Centre policies (OP section 9.4.2) reference retail facilities, retail uses and retail development. However the Mixed-use Corridor (OP section 9.4.3) and Neighbourhood Commercial Centre (OP section 9.4.4) policies generally don't refer to retail development except in policy 9.4.4.6 where the maximum gross floor area of an individual retail use within a Neighbourhood Commercial Centre is limited to 3,250 square metres (35,000 square feet). Clarity and consistency regarding what space is considered within the maximum size policies and on the type of space that is measured when referencing gross floor area limitations and expansion of facilities is lacking, e.g. Official Plan policy 9.4.4.3. In particular, the gross floor area limits for Neighbourhood Commercial Centres should reference commercial space since residential space is also permitted on these sites.

Options and Analysis:

Two options have been identified.

Option 1) Reference commercial space to align with the consultant's recommendation in the Stage 2 Preferred Policy Framework Report.

In practice, since commercial, retail and service uses are permitted uses in the commercial and mixed-use designations it is difficult to separate the uses once a site is designated, zoned and built. In addition, commercial, retail and service uses often cluster near each other in a way that advances the function of commercial and mixed-use areas and occupy similar types of building and unit configurations, providing flexibility for changes in tenancy. It is not desirable to spatially separate these uses. Adding a commercial reference would improve clarity and consistency in the policies. However, it is a challenge to continually have to interpret whether a use is considered commercial and subject to the size minimums and maximums included in the policies which could trigger the need for a Market Impact Study. The practice in measuring commercial space would be to exclude any purpose built non-commercial space, e.g. residential and institutional uses. This Option would still include any non-residential, non-commercial space (e.g. institutional uses) located within a commercial suitable building, e.g. plaza. This approach connects to the way the commercial inventory and market needs assessment is done, i.e. based on type of building. In addition, the amount of non-commercial space occupying this type of space is expected to be minimal.

Option 2) Reference Non-residential Space

Option 2 is to reference non-residential space. Measuring non-residential space simplifies implementation of the policies. The permitted uses will continue to regulate what is allowed within each designation and zone. There

is some risk that a single permitted non-residential use, such as a cultural, educational or institutional use, would occupy all of the space within a Community Mixed-use Centre. This situation has arisen within the Neighbourhood Commercial Designation where the Guelph YMCA/YWCA recreation centre use occupies the entire site. More importantly it would be inappropriate to attempt to conduct a Market Impact Study based on non-residential space and there would not be alignment with the commercial inventory.

Staff Preliminary Recommendation:

That commercial space be referenced in the appropriate commercial mixed-use policies to ensure clarity on the type of space that is measured when setting gross floor space maximums and the method of measurement.

That the Community Mixed-use Centre and Neighbourhood Centre Official Plan policies refer to “commercial *gross floor area*” in place of “*gross floor area*” except where the policies are referencing an individual development incorporating a single use building in excess of a specified size, e.g. policy 9.4.2.12 and 9.4.3.8.

That Market Impact Studies policy 9.4.1.2 ii) be amended to refer to “commercial gross floor area” in place of “retail floor area” and that policy 9.4.1.2iii) be amended to refer to “commercial *gross floor area*” in place of “*gross floor area*”.

That Market Impact Studies policy 9.4.1.4 i) be amended to refer to “commercial facilities” in place of “retail facilities”.

4.3 Community Mixed-use Centres

The Community Mixed-use Centre discussion covers the following items from the Commercial Policy Review Preferred Framework:

- Increasing Gross Floor Area Maximums;
- Establishing a Minimum 6,500 m² of Commercial Gross Floor Area;
- Establishing a York/Victoria Road Community Mixed-use Centre;
- Establishing a York/Watson Parkway Community Mixed-use Centre;
- and
- Mixed-use Centre Designation Terminology.

4.3.1 Increasing Gross Floor Area Maximums

Preferred Framework Recommendation:

“It is recommended that caps be increased for three of the Community Mixed-use Centres (Gordon/Clair, Woodlawn/Woolwich and Paisley/Imperial) that are currently developed to provide a total gross floor area”. (Page 36)

“It is recommended that caps be increased by a modest 10% for three of the Community Mixed-use Centres:

- Gordon/Clair
- Woodlawn/Woolwich

- Paisley/Imperial

The base amount of existing and planned commercial floor space needs to be refined from the numbers currently included in the OP because of the recommended change from limiting retail gross floor area to limiting “commercial” gross floor area. These figures should be determined through stage 3 of this project.” (Page 66)

Current Policies and Regulations:

The City’s Official Plan currently designates the following five Community Mixed-use Centres:

- Gordon/Clair
- Woodlawn/Woolwich;
- Paisley/Imperial;
- Watson Parkway/Starwood; and
- Silvercreek Junction.

Each is subject to Centre specific maximum total retail gross floor areas for all lands within each of the Centres.

Zones within the Community Mixed-use Centres include Community Shopping Centre (CC), Neighbourhood Shopping Centre (NC), and Service Commercial (SC.1 and SC.2). The CC and NC zones permit a maximum gross floor area of 12,500 m² and 1,875 m² respectively. These maximums apply to all gross floor area irrespective of use. The Service Commercial zones do not regulate the amount of gross floor area. The zoning maximums in these general zones are not well aligned with Official Plan’s retail gross floor area maximums for the Centres. Many properties within the Centres include site-specific zoning with a maximum GFA that corresponds to the Official Plan retail gross floor area maximums for the Centres.

Options and Analysis:

The existing policy limiting retail gross floor area within Community Mixed-use Centres presents implementation challenges because, beyond retail, a broad range of service and other non-residential uses are also permitted. After the current Official Plan polices were adopted in 2006, staff implemented the policy by assuming a 75%/25% ratio of retail uses to other uses. Potential problems with this approach emerged; retail uses are permitted in zoning and could be established as-of-right and exceed the Official Plan retail gross floor area maximums. Moving forward City staff have found that assuming a 75%/25% ratio was not effective.

For clarity and to ease interpretation, the preferred framework recommends transitioning to a policy that regulates all commercial uses within the Community Mixed-use Centers.

Recently, several commercial landowners have been interested in developing less commercial gross floor area than was contemplated when the

Community Mixed-use Centres were first planned. However, the policy intent of limiting commercial gross floor areas to protect the planned function of commercial mixed use areas and to provide for residential development to support the mixed use function of the Community Mixed-use Centres remains valid.

This Discussion Paper outlines two options for increasing the Official Plan commercial gross floor area maximums within the Community Mixed-use Centres and then considers two options for implementing these through the zoning by-law.

Although changes to the gross floor area maximum were only recommended for three Centres, changing the policy regime from limiting retail to limiting commercial gross floor area requires consideration of changes to all of the Community Mixed-use Centres for consistency. Furthermore, a GFA maximum should be established for the recommended new Centres at York/Watson and York/Victoria.

4.3.1.1 Options for maximum commercial gross floor area in three Community Mixed-use Centres

Centre	Existing OP Total GFA	Option 1 Total GFA	New Base Total GFA	Option 3 Total GFA	Pre-liminary Preferred Total GFA
Clair/Gordon	48,500 m ²	53,400 m ²	51,400 m ²	57,900 m ²	57,900 m ²
Woodlawn/Woolwich	56,000 m ²	61,600 m ²	64,100 m ²	75,600 m ²	75,600 m ²
Paisley/Imperial	57,000 m ²	62,700 m ²	57,000 m ²	63,500 m ²	63,500 m ²

Note: GFA is rounded up to the nearest 100 m²

Options and Analysis:

Official Plan Option 1) Add 10% to existing Official Plan maximum total GFA

This Option adds 10% to the current Official Plan gross floor area maximums as shown in the table above.

The advantage of this approach is that it is the easiest to calculate. The disadvantages of this approach is that it does not appropriately account for a change from a retail gross floor area maximum framework to a commercial maximum gross floor area framework as described in section 4.1. As a result, some centres may exceed or be close to exceeding their gross floor area maximum based on existing or site plan approved development. This Option would limit opportunities for additional commercial development.

Official Plan Option 2 – Reset the base and add 10%

This approach starts by calculating a new base amount of commercial gross floor area within commercial designated and zoned parcels within the Centre:

- The existing amount of commercial gross floor area or the amount of gross floor area that is site plan approved, whichever is greater;
- For vacant sites, the amount of commercial gross floor area included in any development concept provided to the City or 0.3¹ FSI where no concept is available;

Option 2 is a 10% increase above the newly calculated base amount. These calculations apply to sites that are currently zoned and designated for commercial uses as recommended in the preferred framework to ease implementation and to reflect planned and established primarily residential sites within the Centres.

Small sites (with less than 7,000 m² of developable commercial area) are treated differently. They would be permitted to develop with a maximum commercial FSI of 0.33 (the same 0.3 FSI assumed for large vacant sites plus 10%). In this case, commercial developable area means the portion of a property that is commercially zoned and designated. This ensures that portions of a site that are constrained by natural heritage features are not included in the calculation.

The 7,000 m² threshold was chosen since it represents approximately half of the properties within designated Community Mixed-use Centres, the other half are smaller². Larger properties account for more than 93% of the commercial developable area within the Centres. In all cases the 0.33 maximum FSI for small sites is greater than or equal to a base +10%.

A 0.33 FSI for small sites is justifiable because:

- of the limited potential of these sites to add significant amount of commercial floor area that could negatively impact the planned commercial function of the centres. The 0.33 FSI better connects to the capacity of a site to accommodate commercial development.
- these site typically have small existing buildings and a 10% increase above this base is minimal. Requiring development applications to permit these minor expansions limits desirable flexibility to accommodate small scale commercial development.

This approach reflects the intent of the recommendation in the preferred framework, but the commercial gross floor area maximum for the three centres increases by 12%-18% above the base rather than 10% as recommended in the preferred framework. Nevertheless, the amount of new

¹ The CPR Phase 1 report assumes 0.3 FSI for commercial development from 2026 to 2031 - the middle of the planning period.

² As an example, the Tim Hortons located at 950 Paisley Road (formerly a Scotiabank) has a site area of approximately 7,000 m².

development permitted within the Centres would be modest and is supportable from a commercial market perspective. The figures included in Option 2 are not directly comparable to those currently included in the Official Plan because existing policies address retail space whereas the proposed approach would address all commercial space.

The assumption of 0.33 FSI for large vacant sites and all small sites may be low considering that several existing standalone commercial sites in Guelph currently exceed this density, and that Phase 1 of the CPR assumed average densities increasing to a 0.4 FSI by 2041. Reductions in parking requirements or increases in land value could result in a desire to build with a FSI greater than 0.33 within the planning period.

4.3.1.2 Silvercreek Junction Community Mixed-use Centre

Site specific policies apply to this Centre and the preferred framework did not recommend changing its gross floor area maximum. The site-specific policies of the Official Plan currently limit retail uses to 22,760 m² of gross floor area and limit total commercial uses to 25,730 m² of gross floor area (including retail) within the Community Mixed-use Centre designation for Silvercreek Junction. If the City-wide Community Mixed-use Centre policies in section 9.4.2.14 are amended to address commercial gross floor area as proposed, the figure provided for Silvercreek Junction should be amended to cite the total commercial gross floor area (i.e., total retail plus total service commercial) from Policy 9.13.2.5.5.1 for consistency. Further, no changes to gross floor area maximum regulations in the zoning by-law are proposed.

4.3.1.3 Watson Parkway/Starwood Community Mixed-use Centre

The preferred policy framework report did not recommend changing the gross floor area maximum for the Watson Parkway/Starwood Centre because the centre is primarily vacant. The existing Official Plan retail gross floor area maximum is proposed to be retained and applied to commercial development. Additional opportunities for commercial development in the east end are recommended through the addition of two new Community Mixed-use Centres. No changes to gross floor area maximum regulations in the zoning by-law are proposed.

4.3.1.4 Options for zoning regulations for maximum commercial gross floor area

Whichever method is selected for determining a new maximum gross floor area in the Official Plan, it needs to be implemented through the zoning by-law. The sum of gross floor area permitted in the zoning by-law for properties within each of the Community Mixed-use Centres should not exceed the maximum gross floor area permitted within the Official Plan for that Centre.

Options and Analysis

Two options are considered here:

Zoning Option A – Set a commercial gross floor area maximum for each commercially zoned property within the Community Mixed-use Centre as the “base”

This approach sets a commercial maximum gross floor area regulation for all commercially zoned parcels within the Centre on a site-by-site basis, using the “base” amount as described in Option 2 for increasing the gross floor area caps in the Official Plan. This leaves the remaining additional 12-18% capacity of commercial GFA unallocated. A development application (zoning by-law amendment or minor variance provided it conforms to the Official Plan maximum) would be required to build more than this amount.

The advantage of this approach is that it protects the gross floor area maximums in the Official Plan and distributes intensification among sites based on landowner interest.

The disadvantage of this approach is that it would not allow intensification as-of-right beyond the base amount of total gross floor area. Furthermore, it is unclear how the City should determine how much of the total remaining capacity established in the Official Plan should be approved through any particular development application. Therefore, the first developers to make a development application could consume a disproportionate amount of commercial gross floor area within the Centre, to the detriment of later applicants.

Zoning Option B –Permit a 10% increase in gross floor area on large sites and 0.33 commercial FSI maximum for small sites.

Option B sets out a different treatment for large and small, i.e. sites with more or less than 7,000 m² of commercial developable area of, as in option 2. In this case, commercial developable area means the portion of a property that is commercially zoned and designated.

The zoning regulation would allow commercial development on large sites up to 10% above the base amount, whereas small sites would be limited to a maximum commercial FSI of 0.33 as described in Official Plan Option 2. This is proposed to be implemented using a zoning overlay that prescribes the maximum amount of commercial gross floor area or commercial FSI permitted for each property within the Centres. The proposed zoning overlays are included in **Appendix 1**. Larger properties are assigned a numerical maximum commercial gross floor area and smaller properties limited to a commercial floor area though the FSI maximum.

Option B allows modest increases of commercial gross floor area for both large and small properties as-of-right, thereby reducing the need for development applications and City determinations of the appropriate share of the applicable Centre-specific gross floor area maximum to be allocated to a

given site. More significant intensification could be supported through development applications with supporting studies in conformity with the Official Plan. This approach provides owners of large properties certainty that commercial development potential of their lands will not be restricted by another property owner developing first, as noted in the analysis of Option A.

However, small properties are provided additional flexibility to allow modest intensification of more than 10% as-of-right up to 0.33 FSI.

Staff Preliminary Recommendation:

Official Plan Option 2 and Zoning Option B are emerging as the preliminary recommended approach. Resetting the maximums for commercial gross floor area eases implementation and provides flexibility to address the rapidly evolving commercial landscape. Allowing modest amounts of intensification as-of-right provides for intensification of the Centres that will help them evolve into more compact and walkable focal points for commercial and community uses per the objectives of the Official Plan. The proposed 12-18% increases in permitted commercial gross floor area for three Community Mixed Use Centres continues to protect the planned function of Downtown and other commercial areas and distributes commercial development throughout the City while helping to meet the commercial needs of a growing population. Providing additional flexibility for small properties allows modest increases in gross floor area without the need for a development application.

No changes are proposed for the gross floor area maximums for Silvercreek Junction and Watson Parkway/Starwood.

Based on this, the gross floor area maximums contained within policy 9.4.2.14 would be considered for revision as follows:

Mixed-use Centre	Total Commercial Gross Floor Area
Gordon/Clair	57,900 m ²
Woodlawn/Woolwich	75,600 m ²
Paisley/Imperial	63,500 m ²
Watson Parkway/Starwood	No change
Silvercreek Junction	25,730 m ²

In order to implement these Official Plan polices it is recommended that the zoning by-law be revised to allow commercial development on large sites up to 10%. Small sites would be permitted a maximum commercial FSI of 0.33. This would be implemented using a zoning overlay that prescribes the maximum amount of commercial gross floor area permitted as shown in **Appendix 1**.

4.3.2 Establishing a Minimum 6,500 m² of Commercial Gross Floor Area

CPR Recommendation: “In order to maintain the planned function of these sites, it is recommended that a minimum of 6,500 sq m of commercial floor space be specified for Community Mixed-use Centres.” (Page 50)

Current Policies and Regulations:

There are no minimum gross floor area policies. The planned function of Community Mixed-use Centres is protected in part by the amount of commercial land designated, maximum size policies for Community Mixed-use Centres and Neighbourhood Commercial Centres, as well as Market Impact Study requirements.

Options and Analysis:

This recommendation results in one option for implementation. The Commercial Policy Review Preferred Framework recommended a minimum 6,500 m² of commercial gross floor area in order to maintain the planned function of Community Mixed-use Centres which includes a mixture of uses. Setting a minimum requirement for commercial space ensures that the designation maintains a mix of uses and its primary commercial function. The minimum 6,500 m² of commercial gross floor area provides sufficient size to incorporate a larger store such as a supermarket if desired, as well as other smaller retail and personal service uses that will support the immediate neighbourhood and wider community.

The minimum gross floor area would apply to the entire designation for each Centre. It also allows for the allocation of commercial space through zoning in a flexible manner for each Community Mixed-use Centre so that an individual property within a Community Mixed-use Centre could have residential zoning.

Staff Preliminary Recommendation:

That a new policy be added to the Official Plan to establish a minimum commercial gross floor area of 6,500 m² for Community Mixed-use Centres.

4.3.3 Establishing a York/Victoria Road Community Mixed-use Centre

CPR Recommendation: It is recommended that the east side of Victoria Road at York Road be redesignated to Community Mixed-use Centre in order to expand the range of commercial opportunities available within the east end of the City. (Page 60)

Current Policies and Regulations:

The Victoria Road and York Road lands, which the CPR Preferred Framework recommended to be designated as a Community Mixed-use Centre, are currently designated Service Commercial and Neighbourhood Commercial Centre and have Community Shopping Centre (CC) and specialized Service Commercial zoning (SC.2-12 and SC.2-2). The parcel at 540 York Road is

designated Service Commercial with a sliver of land along the rear of the property designated Industrial. Figure 2 displays the current Official Plan designations and zoning in the York Road, Victoria Road area.

The current Service Commercial designation permitted uses include service commercial uses and complementary uses such as small-scale offices, convenience uses, institutional and commercial recreation or entertainment uses. The City's Official Plan defines Service Commercial as uses that support highway-oriented or service-oriented commercial activities that cannot be readily located within the downtown area or within a shopping centre location.

The proposed Community Mixed-use Centre designation permitted uses include:

- Commercial, retail and service uses;
- *Live/work* uses;
- Small-scale professional and medically related offices;
- Entertainment and recreational commercial uses;
- Community services and facilities;
- Cultural, educational and institutional uses;
- Hotels;
- Multiple unit residential; and
- Urban squares and open space.

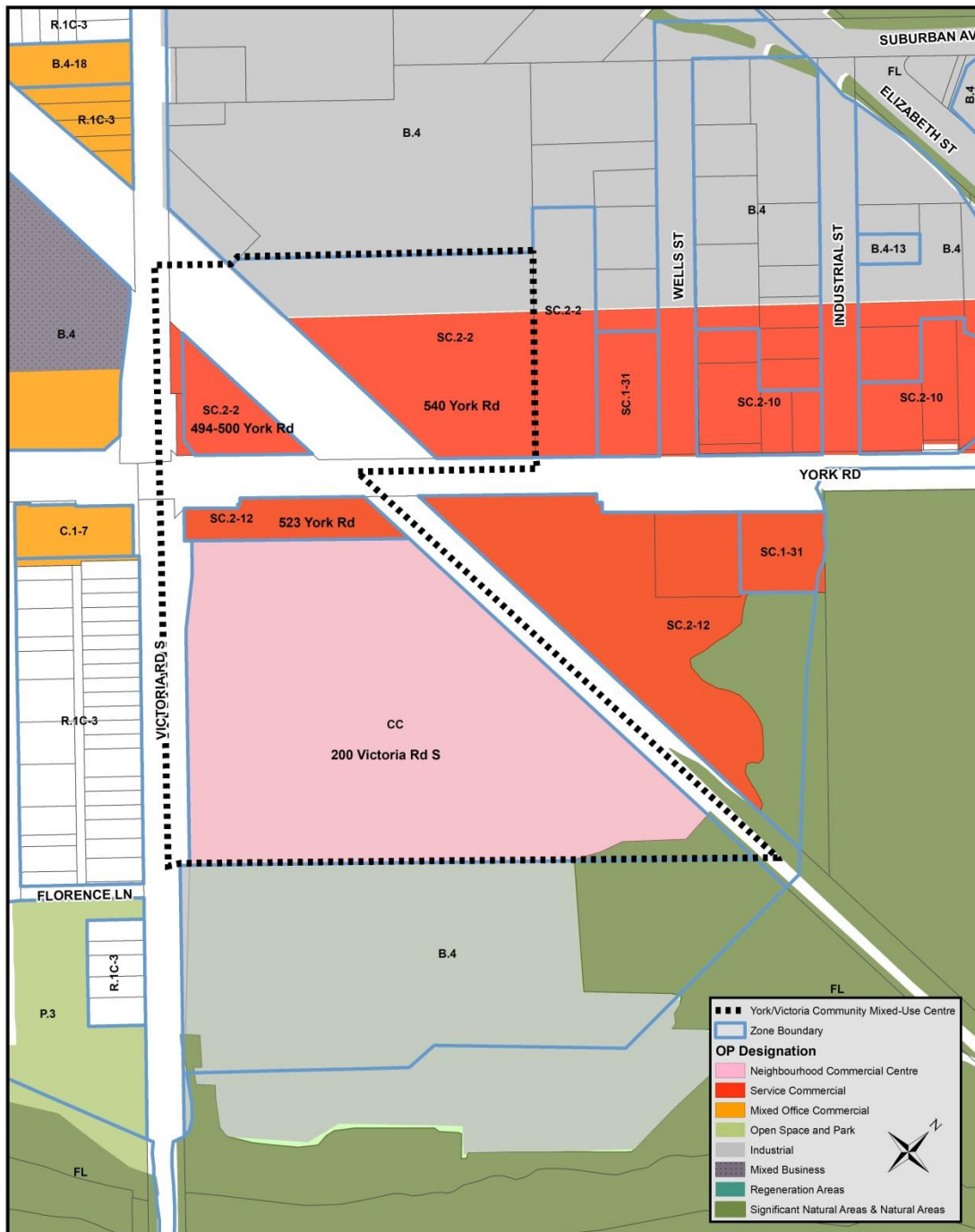


Figure 2: Proposed York/Victoria Community Mixed-use Centre: Existing Official Plan and Zoning

Options and Analysis:

Redesignating commercial properties at York/Victoria to create a new Community Mixed-use Centre site as shown in Figure 2 will increase the

opportunity for a wider range of commercial uses in the east end, including providing an additional site with permissions for a grocery store on the north side of York Road. The proposed policies for Community Mixed-use Centres establish a minimum 6,500 m² of commercial space and a minimum 0.15 commercial FSI which is discussed in section 4.7 of this Discussion Paper.

The boundary of the lands proposed to be designated as the York/Victoria Community Mixed-use Centre includes lands designated Service Commercial in the Official Plan. The property at 540 York Road also has a sliver of land at the rear of the parcel designated Industrial. The current zoning of 540 York Road is specialized Service Commercial (SC.2-2). Interpreting the Official Plan designation boundary to align with the property boundary does not represent a conversion of employment lands. The boundary interpretation policies of the Official Plan (1.3.7) acknowledge that the boundaries of the designations on the Schedules to the Plan shall be considered approximate and where the general intent of the Plan is maintained, minor boundary adjustments will not require an amendment to this Plan.

The lands to be designated Community Mixed-use Centre on the northeast corner are currently designated Service Commercial and Neighbourhood Commercial Centre and zoned Community Shopping Centre (CC) and specialized Service Commercial (SC.2-12). Changing the Neighbourhood Commercial Centre and Service Commercial designation to Community Mixed-use Centre increases the range of uses permitted, the maximum gross floor area permitted and the maximum height from six (6) storeys to ten (10) storeys.

Rezoning the sites from SC.2-2 and SC.1-12 to Community Shopping Centre (CC) would permit commercial establishments in addition to the existing uses.

Staff Preliminary Recommendation:

That lands located on the east side of Victoria Road at York Road as displayed on Figure 2 be redesignated from Neighbourhood Commercial Centre, Industrial and Service Commercial to Community Mixed-use Centre and rezoned from SC.2-12 and SC.2-2 to Community Shopping Centre (CC) as shown on Figure 2: York/Victoria Community Mixed-use Centre.

4.3.4 Establishing a York/Watson Parkway Community Mixed-use Centre

CPR Recommendation: It is recommended that the southwest corner of York Road and Watson Parkway be redesignated to Community Mixed-use Centre in order to expand the range of commercial opportunities available within the east end of the City. (Page 60)

Current Policies and Regulations:

The York Road and Watson Parkway lands, which the CPR Preferred Framework recommended to become a Community Mixed-use Centre, are

currently designated Service Commercial and have specialized Service Commercial (SC.1-48), Industrial (B.1-1) and P.1-1 zoning which recognizes the current uses but do not permit a full range of retail establishments.

The current Service Commercial designation permitted uses include service commercial uses and complementary uses such as small-scale offices, convenience uses, institutional and commercial recreation or entertainment uses. The City's Official Plan defines Service Commercial as uses that support highway-oriented or service-oriented commercial activities that cannot be readily located within the downtown area or within a shopping centre location.

The proposed Community Mixed-use Centre designation permitted uses include:

- Commercial, retail and service uses;
- *Live/work* uses;
- Small-scale professional and medically related offices;
- Entertainment and recreational commercial uses;
- Community services and facilities;
- Cultural, educational and institutional uses;
- Hotels;
- Multiple unit residential; and
- Urban squares and open space.

Options and Analysis:

Amending the Official Plan designation to create a new Community Mixed-use Centre site at York Road and Watson Parkway will increase the opportunity for a wider range of commercial uses in the east end, including providing permissions for a grocery store.

Under section 9.4 of the Official Plan "Community Mixed-use Centres and Mixed-use Corridors are intended to develop over time into distinct areas with centralized public spaces that provide a range of uses including, retail and office uses, live/work opportunities and medium to high density residential uses". The Official Plan policies recognize the following objectives for Community Mixed-use Centres "to promote Community Mixed-use Centres as areas that support a mix of uses including concentrations of commercial, residential and complementary uses serving the immediate neighbourhood and the wider community".

The proposed policies for Community Mixed-use Centres would establish a minimum 6,500 m² of commercial space and a minimum 0.15 commercial FSI.

Figure 3: York/Watson Parkway Community Mixed-use Centre Options shows three options for the boundary of the area to be designated Community Mixed-use Centre.



Figure 3: York/Watson Parkway Community Mixed-use Centre Options

Option 1 proposes to redesignate 895-919 York Road (Futures Gymnastics), 57 Watson Parkway S. (Royal Canadian Legion) and a portion of 785 York Road to Community Mixed-use Centre as shown on Figure 3, Option 1. The Option rezones 895-919 York Road and 57 Watson Parkway S. to Community Shopping Centre (CC).

Option 1, which proposes to redesignate all of the Service Commercial designated lands on the west side of Watson Parkway S. to Community Mixed-use Centre would require a FSI of 0.16 of commercial space to meet the 6,500 m² minimum of commercial gross floor area. This Option does not recognize the potential development restrictions on the lands which are adjacent to lands designated within the Natural Heritage System.

Option 2 proposes to redesignate 895-919 York Road (Futures Gymnastics) to Community Mixed-use Centre as shown on Figure 3, Option 2. The Option rezones the lands to Community Shopping Centre (CC).

Option 2 would require a FSI of 0.28 of commercial space to meet the 6,500 m² minimum of commercial gross floor area.

Option 3 redesignates 895-919 York Road (Futures Gymnastics) and 57 Watson Parkway S. (Royal Canadian Legion) to Community Mixed-use Centre as shown on Figure 3, Option 3. The Option rezones 895-919 York Road and 57 Watson Parkway S. to Community Shopping Centre (CC).

Option 3 would require a FSI of 0.19 to meet the 6,500 m² minimum of commercial gross floor area. This Option redesignates the majority of the Service Commercial lands to Community Mixed-use Centre and retains some lands, south of 57 Watson Parkway S., as Service Commercial. Leaving the lands south of 57 Watson Parkway S. designated as Service Commercial in Option 3 recognizes the potential development restrictions on the lands that are adjacent to lands designated Significant Natural Areas & Natural Areas and require an EIS to determine if any portion is developable. This parcel is also small and irregularly shaped. Like Option 1, Option 3 includes the Royal Canadian Legion property zoned specialized Industrial (B.1-1). The existing B.1-1 zone recognizes the Legion and permits sportsfields since the property included a ball diamond. The ball diamond has been removed from the property and there is no longer the need to specifically permit sportsfields. The existing horseshoe pits do not require a special zoning reference. There are sportsfields located on adjacent lands zoned P.1-1 that would retain their existing zoning.

Staff Preliminary Recommendation:

Option 3 is emerging as the staff preferred recommendation since it provides the greatest potential to meet the policies for Community Mixed-use Centres and does not change the designation for the Service Commercial lands with potential development restrictions.

The Royal Canadian Legion offers an important community service as a club for veterans and it rents out meeting rooms and space for community functions. This fits in well with the objectives and policies for Community Mixed-use Centres that include community services and facilities as permitted uses. Rezoning the specialized Service Commercial lands Community Shopping Centre (CC) would permit retail establishments and the existing uses, i.e. club. Lands located within the southwest corner of York Road and Watson Parkway S. (895-919 York Road (Futures Gymnastics) and 57 Watson Parkway S. (Royal Canadian Legion) are recommended to be redesignated from Service Commercial to Community Mixed-use Centre and rezoned from SC.1-48 and B.1-1 to Community Shopping Centre (CC) as shown as Option 3 on Figure 3: York/Watson Parkway Community Mixed-use Centre Options.

4.3.5 Commercial Gross Floor Area Maximums for York/Victoria and York/Watson Community Mixed-use Centres

CPR Recommendations:

The preferred framework report does not provide recommendations for commercial gross floor area maximums for the new Community Mixed Use Centres.

Current Policies and Regulations:

The York/Watson Community Mixed-use Centre and part of the York/Victoria Community Mixed-use Centre are designated Service Commercial in the Official Plan. The lands at 200 Victoria Road South within the York/Victoria Centre are designated Neighborhood Commercial Centre. That designation permits a maximum 4,650 m² of total gross floor area. The lands are zoned Community Shopping Centre (CC) and permit a maximum of 12,500 m² of gross floor area.

Options and Analysis:

Commercial gross floor area maximums should be established for these Centres. The options for increasing the maximum commercial gross floor area within the existing centres presented in section 4.3.1 are the basis of developing options for the maximum for the new Centres. However, Option 1 used in setting the caps for existing Centres is not applicable to the new Centres because they do not currently have gross floor area maximums within the Official Plan. Option 2 used in resetting caps for the existing Centres, can be applied to the new Centres as follows:

Options for Maximum Total Commercial Gross Floor Area in new Community Mixed Use Centres

Centre	Base	Option 2	Option 2 modified
York/Victoria	14,600 m ²	16,300 m ²	N/A
York/Watson	3,900 m ²	4,300 m ²	11,700 m ²

Note: GFA is rounded up to the nearest 100 m²

York/Victoria

Option 2 represents a reasonable and consistent approach to setting a commercial gross floor area maximum for the York/Victoria Community Mixed-use Centre because the site has been developed at typical commercial densities, an increase of 10% beyond the existing base allows for the reasonable intensification of the site.

York/Watson

Due to the small amount of gross floor area and low density of existing development within the proposed York/Watson Community Mixed-use Centre, Option 2 yields just 4,300m² gross floor area. Such a maximum is not appropriate because it is less than the proposed 6,500 m² gross floor area minimum. Instead, Option 2 is modified by using a FSI of 0.33 (the 0.3 FSI base used for vacant sites in Option 2, plus 10%) for York/Watson.

Staff Preliminary Recommendation:

The recommended maximum total commercial gross floor area of the York/Victoria and York/Watson Centres are 16,300 m² and 11,700 m² respectively. These maximums provide for the intensification or redevelopment of these sites with a compact mixed-use form while protecting the planned commercial function of Downtown and other commercial and mixed-use centres.

4.3.6 Mixed-use Centre Designation Terminology

Improve the alignment between the urban structure terminology in the City's Official Plan and the Community Mixed-use Centre designation terminology to avoid confusion between the terms.

Current Policies and Regulations:

The City's Official Plan includes Community Mixed-use Nodes and Intensification Corridors as Growth Plan Elements in policies and on Schedule 1: Growth Plan Elements. In comparison, the Official Plan Land Use policies and Schedule 2: Land Use Plan designate lands within the Community Mixed-use Centre and Mixed-use Corridor designations.

Options and Analysis:

The Official Plan's urban growth structure elements of Community Mixed-use Nodes and Intensification Corridors include lands designated as Community Mixed-use Centre and Mixed-use Corridor. The "Community Mixed-use Centre" terminology is often confused with "Community Mixed-use Nodes". Changing the designation term from "Community Mixed-use Centre" to "Commercial Mixed-use Centre" creates a better distinction between the terms and recognizes the primary commercial component of the Centre designation as part of their planned function. A clearer distinction is already apparent in the "Intensification Corridor" and "Mixed-use Corridor" terms so changes are not recommended.

Staff Preliminary Recommendation:

That the "Community Mixed-use Centre" designation be renamed to "Commercial Mixed-use Centre".

4.4 Woolwich Street Mixed-use Corridor

CPR Recommendation: "It is recommended that the lands on both sides of Woolwich Street, between Speedvale Avenue and Woodlawn Road be redesignated to Mixed-use Corridor." (Page 61)

Current Policies and Regulations:

The proposed Woolwich Street Mixed-use Corridor, between Woodlawn Road and Speedvale Ave., is located within the Woolwich Intensification Corridor identified in the City's Official Plan. Official Plan policy 3.10 identifies Intensification Corridors as areas planned to provide for mixed-use development, at increased residential and employment densities, in proximity to transit services at appropriate locations.

An Urban Design Concept Plan was completed for the Woolwich Street Intensification Corridor and Council directed staff to use the Concept Plan to guide future development within the corridor via IDE Report 16-54 dated July 11, 2016.

The Woolwich Street lands are currently designated Community Mixed-use Centre, Service Commercial, Mixed Office Commercial and Neighbourhood Commercial Centre.

The City's Official Plan currently designates the following three Mixed-use Corridors:

- Silvercreek Parkway Mixed-use Corridor;
- Eramosa Mixed-use Corridor; and
- Stone Road Mixed-use Corridor.

Under section 9.4 of the Official Plan "Mixed-use Corridors are intended to develop over time into distinct areas with centralized public spaces that provide a range of uses including, retail and office uses, live/work opportunities and medium to high density residential uses". The Official Plan policies recognize the following intent and objectives for Mixed-use Corridors:

- Serve nearby neighbourhoods, employment districts and wider city;
- Promote continued economic viability, intensification, diversity of uses and revitalization;
- Promote a distinctive and high standard of building and landscape design; and
- Development occurs in a cohesive, complementary and coordinated manner.

The Mixed-use Corridor designation permitted uses include:

- Commercial, retail and service uses;

- *Live/work* uses;
- Office;
- Entertainment and recreational commercial uses;
- Community services and facilities;
- Cultural and educational uses;
- Institutional uses;
- Hotels;
- Medium and high density multiple residential buildings and apartments; and
- Urban squares and open space.

The maximum height within the designation, outside of height and density bonusing provisions, is 6 storeys with no minimum. The density for freestanding residential development is a maximum net density of 150 units per hectare and a minimum net density of 100 units per hectare.

The planned function of Mixed-use Corridors is partially protected by the amount of commercial land designated on Schedule 2: Land Use Plan of the Official Plan, maximum size policies for Community Mixed-use Centres and Neighbourhood Commercial Centres, as well as Market Impact Study requirements. The City's Official Plan policies do not include a maximum or a minimum gfa requirement for Mixed-use Corridors.

Options and Analysis:

The area under consideration for designation as Mixed-use Corridor is located within an Intensification Corridor on Schedule 1 of the Official Plan and the redesignation could result in an expanded range of uses to encourage redevelopment.

Figure 4: Woolwich Street Mixed-use Corridor Options shows three options for a new Corridor.

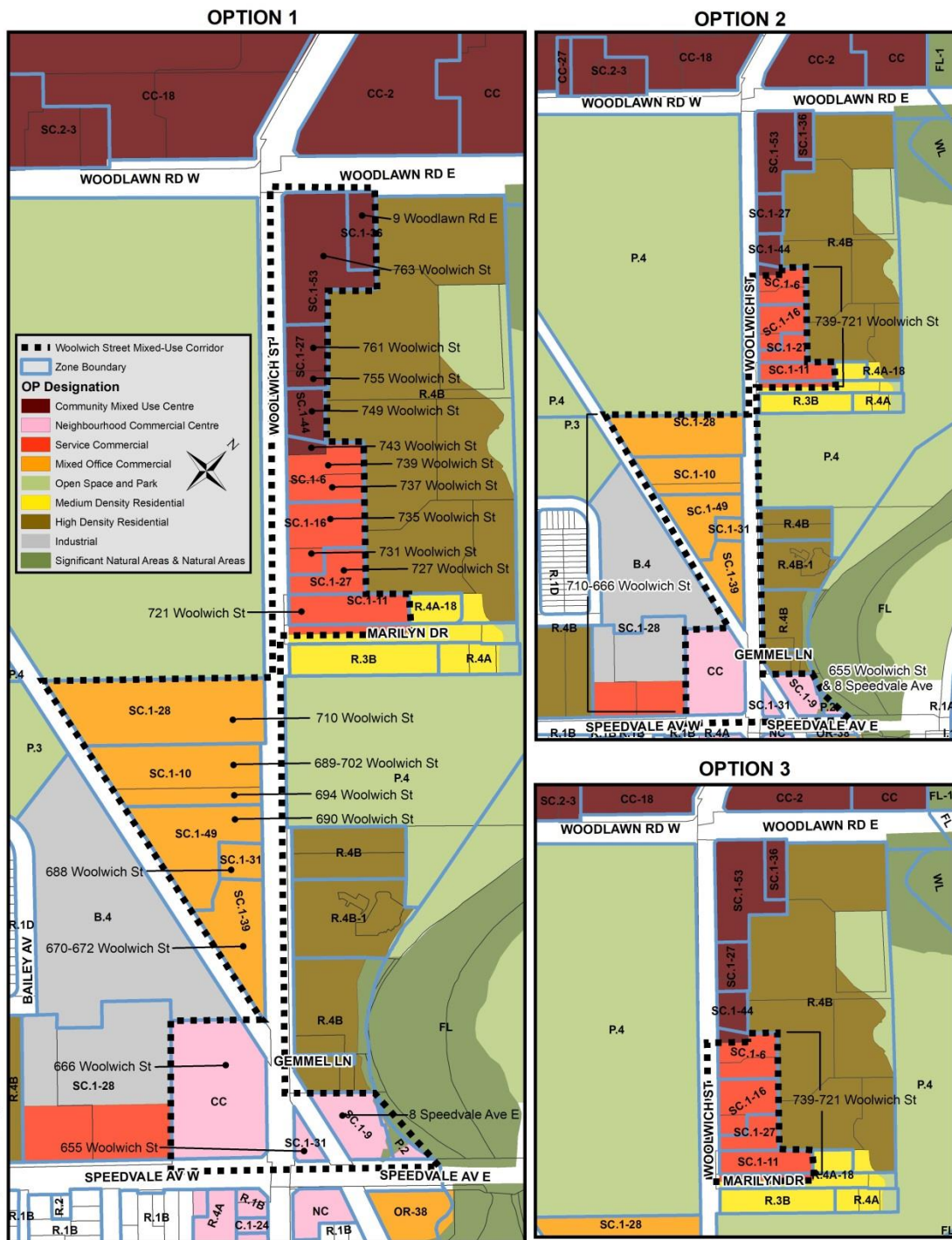


Figure 4: Woolwich Street Mixed-use Corridor Options

Option 1 redesignates lands to Mixed-use Corridor as shown on Figure 4, Option 1.

Option 1 reflects the boundaries of a proposed Woolwich Street Mixed-use Corridor included in the consultant's Guelph Commercial Policy Review: Stage 2 Preferred Policy Framework Report. This option closely aligns with the boundaries of the Intensification Corridor in the City's Official Plan, excluding lands designated Residential and Significant Natural Areas & Natural Areas. The Option also proposes to reassign Community Mixed-use Centre lands to Mixed-use Corridor that would lower permitted heights from 10 storeys to six storeys and removes them from the total gross floor area maximum limits that apply to Community Mixed-use Centres. In addition, the office uses permitted would move from small-scale professional and medically related offices within the Community Mixed-use Centre to office uses in Mixed-use Corridors.

Option 2 redesignates lands to Mixed-use Corridor including 739–721, 710-666 and 655 Woolwich St. and 8 Speedvale Ave. E. as shown on Figure 4, Option 2. This Option revises Option 1 by excluding the lands within the Community Mixed-use Centre designation.

Excluding the lands designated Community Mixed-use Centre in the new Woolwich Street Corridor respects the Concept Plan principle of locating signature and taller buildings at or near the intersection of Woodlawn Road and Woolwich Street since the maximum height permitted for Community Mixed-use Centres is 10 storeys compared to 6 storeys for Mixed-use Corridors. Retaining the Community Mixed-use Centre designation also provides more protection to the commercial lands since these properties are subject to the maximum gross floor area cap of the Woodlawn/Woolwich Community Mixed-use Centre. The Concept Plan principles include focusing commercial activity along Woodlawn Road.

Option 3 redesignates lands to Mixed-use Corridor including 739 Woolwich St. (Fleuristic Garden & Flower Shop) to 721 Woolwich St. (Parkview Motel) as shown on Figure 4, Option 3. This Option only covers the lands designated as Service Commercial on the east side of Woolwich St, which aligns with the area identified by the Concept Plan for the Woodlawn/Woolwich Community Mixed Use Node and Woolwich Intensification Corridor. The current Service Commercial designation permitted uses include service commercial uses and complementary uses such as small-scale offices, convenience uses, institutional and commercial recreation or entertainment uses. In the City's Official Plan, Service Commercial is defined as uses that support highway-oriented or service-oriented commercial activities that cannot be readily located within the downtown area or within a shopping centre location.

A Mixed-use Corridor that redesignates the Service Commercial lands along Woolwich Street, that includes 739 Woolwich St. (Fleuristic Garden & Flower Shop) to 721 Woolwich St. (Parkview Motel), aligns with the lands identified

for review in the Woodlawn/Woolwich Community Mixed Use Node and Woolwich Intensification Corridor Concept Plan endorsed by Council on July 11, 2016 via IDE Report 16-54. The Concept Plan work noted that the designation should be reviewed to how best facilitate more intense development in keeping with the long-term vision and policies for Intensification Corridors that identifies these areas for mixed-use development at increased densities. Redesignating the Service Commercial lands along Woolwich Street as a Mixed-use Corridor will encourage a broader and higher density mix of uses which complements the adjacent medium to high density residential lands and Community Mixed-use Centre designated lands.

The designated Neighbourhood Commercial Centre and Mixed Office Commercial lands within the Intensification Corridor are not experiencing pressure to change permitted uses or intensity of development and should retain their current designation. There was some potential identified by the Commercial Policy Review process to potentially revise the Mixed Office Commercial lands to provide opportunities for a larger redevelopment parcel. However, the creation of two new Community Mixed-use Centres along York Road are better suited to meet the need for larger parcels given their location on the east side of the City where commercial land deficiencies have been identified. In addition, Woolwich Street already includes lands designated as Community Mixed-use Centre in the vicinity of the designated Mixed Office Commercial lands.

Option for Zoning:

It is recommended that the zoning for the Woolwich Street Mixed-use Corridor be updated as part of the Comprehensive Zoning By-law Review. All of the properties included in the proposed Mixed-use Corridor have site-specific Service Commercial zoning. Staff feel that it would be more appropriate and efficient to zone these lands when the commercial and mixed-use categories and regulations are determined as part of the Comprehensive Zoning By-law Review.

Staff Preliminary Recommendation:

The redesignation of lands to Mixed-use Corridor is recommended on Woolwich Street to add greater flexibility to the commercial use within the Intensification Corridor. The properties at 739 Woolwich St. (Fleuristic Garden & Flower Shop) to 721 Woolwich St. (Parkview Motel) are proposed to be redesignated from Service Commercial to Mixed-use Corridor as shown on Figure 4, Option 3.

4.5 Mixed-use Corridor (GID)

CPR Recommendation: "It is recommended that within the Mixed-use Corridor (GID) designation near the southeast corner of Victoria Rd and Stone Rd, the minimum height be reduced from 9 m to 7.5 m on a portion of the designation... The recommended parcel size where the minimum height would be reduced is 2.8 to 3.0 ha." (Page 42)

Current Policies and Regulations:

The Guelph Innovation District Secondary Plan contains a specialized Mixed-use Corridor (GID) designation which contains the same land use permissions as the Mixed-use Corridor designation with the exception of urban squares and open space which is not listed as a permitted use in the Mixed-use Corridor (GID) designation. The density for freestanding residential development is a maximum net density of 150 units per hectare and a minimum net density of 100 units per hectare. Official Plan policy 11.2.6.1.5 prohibits large-format, stand-alone retail commercial uses within the GID. Rather small- and medium-scale retail commercial uses are encouraged within the mixed-use designations. The Mixed-use Corridor (GID) designation has a minimum height of four storeys at the intersection of City Streets and Future City Streets and 9 metres elsewhere as shown on Schedule C: Guelph Innovation District Secondary Plan Built Form Elements (See Figure 5).

The Mixed-use Corridor (GID) lands located at the southeast corner of Victoria Rd and Stone Rd are currently zoned Aggregate Extraction (EX), Urban Reserve (UR), and Specialized Urban Reserve (UR-2). Portions of the site are zoned agricultural extraction and industrial in the Township of Puslinch zoning by-law. Future zoning for the lands will be determined as part of a Block Plan process required by the GID Secondary Plan policies.

Options and Analysis:

The Commercial Policy Review Preferred Framework recommended modifying the Mixed-use Corridor (GID) lands at the Southeast corner of Victoria Road and Stone Road to decrease the minimum height to 7.5 m (two storeys) to allow more conventional retail formats. As noted in the Preferred Framework “while the second floor space may initially be vacant (such as has occurred at the southwest corner of Gordon St. and Wellington St.), the long term massing of the building will contribute to a main street feel which supports a mix of uses and density of development within the area. It may also promote a larger retail store such as a grocery store as part of a larger building containing a variety of commercial and office uses.” The reduced height was recommended to apply to a 2.8 to 3.0 hectare size parcel that was not located immediately adjacent to the intersection where a minimum four storey height is established on Schedule C. The recommended parcel size assists with addressing the lack of larger commercial sites (2.8+ ha.), in particular an east end grocery store opportunity.

Figure 5: Proposed Revision to GID Built Form Elements: Building Height shows two options for an appropriately sized area for the reduced minimum height of 7.5 metres.

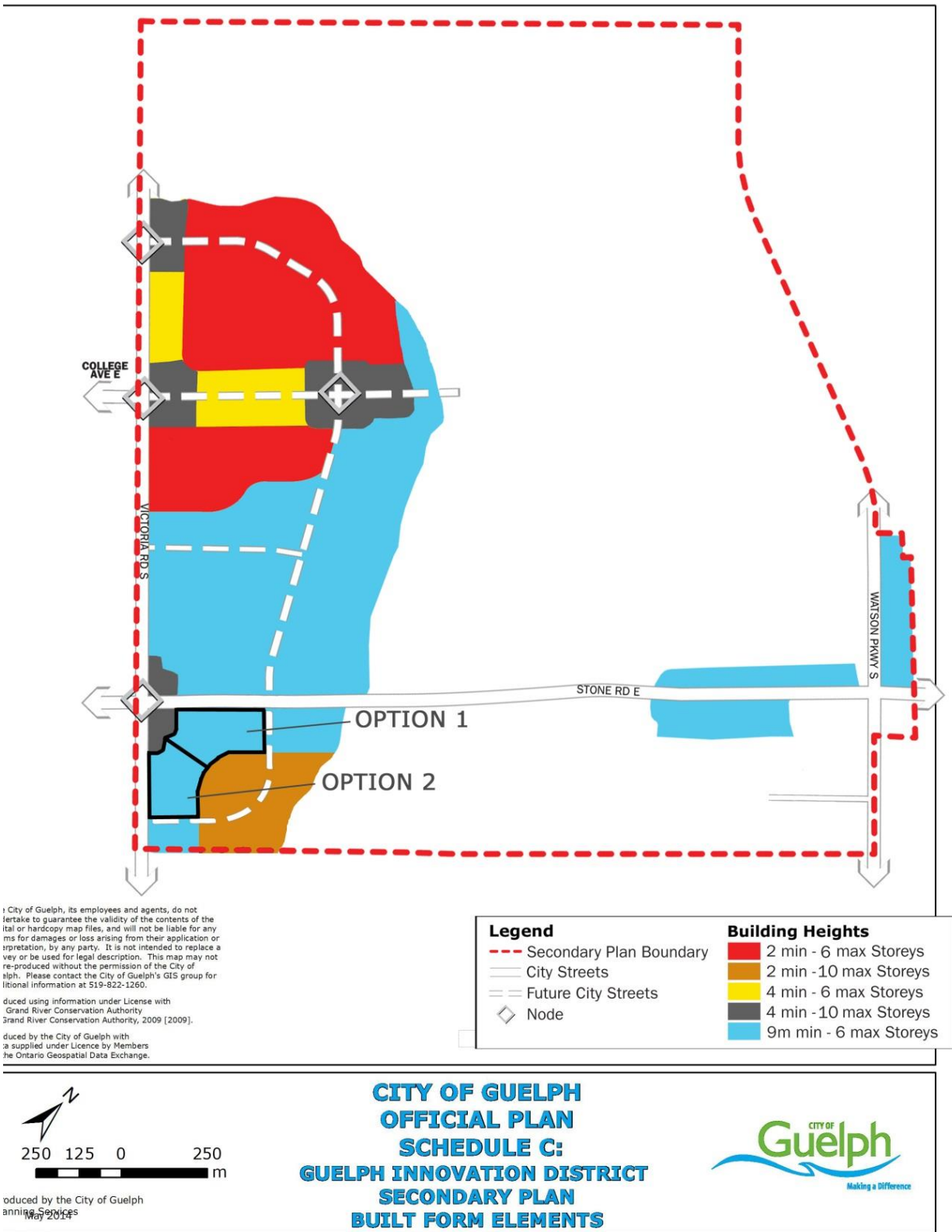


Figure 5: Proposed Revision to GID Built Form Elements: Building Height

Option 1 reduces the minimum building height for lands designated Mixed-use Corridor (GID) at the Southeast corner of Victoria Road and Stone Road from 9 m to 7.5 m for a 3.0 ha area fronting on Stone Rd E. as shown in Figure 5, Option 1.

The Option fronts onto Stone Road East and is situated between the lands at the intersection of Stone Road East and Victoria Road South, which have a 4 storey minimum height and a maximum height of ten storeys, and the Future City Street south of Stone Road East.

Option 2 reduces the minimum building height for lands designated Mixed-use Corridor (GID) at the Southeast corner of Victoria Road and Stone Road from 9 m to 7.5 m for a 3.0 ha area fronting on Victoria Rd S. as shown in Figure 5, Option 2.

The Option fronts onto Victoria Road, is across from lands designated as Significant Natural Area & Natural Areas and represents the edge of the Guelph Innovation District. Option 2 would experience higher traffic volumes and visibility along Victoria Road than the Stone Road East frontage that supports the retention of higher density and heights at this location and not a reduction.

The Stone Road East location of Option 1 is more interior to the site than the Victoria Road location of Option 2 and would better service development on both sides of Stone Road East and connect the Mixed-use Corridor (GID) lands on the south side of Stone Road East with the Employment Mixed-use 1 lands designated on the north side of Stone Road.

Both options would be adjacent to lands designated Residential and could be accessed by an identified Future City Street within the GID Secondary Plan.

Staff Preliminary Recommendations:

That Schedule C: Guelph Innovation District Secondary Plan Built Form Elements be amended to reduce the minimum building height from 9 m to 7.5 m for a 3.0 ha area fronting on Stone Rd E. as shown on Figure 5, Option 1.

4.6 Neighbourhood Commercial Centres

4.6.1 Increased Maximum Gross Floor Area

CPR Recommendation: "It is also recommended that the caps (maximum gross floor area) be increased for Neighbourhood Commercial Centres from 4,650 m² to 6,500 m²." (Page 37)

Current Policies and Regulations:

The City's Official Plan currently includes a number of Neighbourhood Commercial Centres throughout the City. The Centres currently have a maximum size limit of 4,650 m² gross floor area for total building space on

site and seven identified Neighbourhood Commercial Centres are permitted a maximum of 10,000 m².

Options and Analysis:

The Commercial Policy Review Preferred Framework recommended establishing a minimum 6,500 m² of commercial gross floor area for Community Mixed-use Centres. Increasing the current maximum of 4,650 m² for Neighbourhood Commercial Centres to 6,500 m² would align the minimum limit for Community Mixed-use Centres with the maximum limit for Neighbourhood Commercial Centres, providing for a distinction between the commercial centres. Increasing the floor space also provides intensification opportunities that makes better use of existing infrastructure. The centres that are permitted a maximum of 10,000m² would not be changed.

Staff Preliminary Recommendation:

That Official Plan policy 9.4.4.3 be amended to change the maximum gross floor area to 6,500 m² to align with the minimum size proposed for Community Mixed-use Centres.

4.6.2 Residential Ground Floor Permissions

CPR Recommendation: "Multiple residential uses are permitted within the Neighbourhood Commercial Centre designation but not on the ground floor. It is recommended that the policy be revised to state that no residential uses other than a lobby or residential components of a live-work unit are permitted on the ground floor." (Page 61)

Current Policies and Regulations:

Official Plan policy 9.4.4.11 states that residential uses are permitted within Neighbourhood Commercial Centre designations as part of live/work uses and as multiple unit residential within mixed-use buildings. Policy 9.4.4.13 states that residential uses are not permitted on the ground floor.

Options and Analysis:

Official Plan policy 9.4.4.13 for Neighbourhood Commercial Centres states that residential uses are not permitted on the ground floor. The Commercial Policy Review Preferred Framework recommended that the policy be revised to state that no residential uses other than a lobby or residential components of a live/work unit are permitted on the ground floor. The policy change provides clarity and helps ensure consistent application to development.

Staff Preliminary Recommendation:

That Official Plan policy 9.4.4.13 be amended to clarify that no residential uses other than a lobby, amenity space or residential components of a live-work unit are permitted on the ground floor.

4.6.3 Residential Density

CPR Recommendation: “It is recommended that the City establish a maximum number of residential units per hectare (for Neighbourhood Commercial Centres)”. (Page 61)

Current Policies and Regulations:

There is no established maximum net density for residential development within the designation.

Options and Analysis:

Neighbourhood Commercial Centres do not permit freestanding residential uses. There is no need to include a minimum density because residential is not a required use. Residential development within the Neighbourhood Commercial Centre designation is expected to take a medium density form since multiple unit residential units within mixed-use buildings are a permitted use within the designation and the maximum height is six (6) storeys. The permitted residential uses align well with permitted uses within the Medium Density Residential designation that permit a maximum net density of 100 units per hectare.

Staff Preliminary Recommendation:

That a maximum net density of 100 units per hectare be established for residential development to align with the density for Medium Density Residential (OP policy 9.3.4.3).

4.7 Implementing a FSI Benchmark and Controls on Reducing Existing Gross Floor Area

CPR Recommendations: “It is recommended that the City apply a benchmark of 0.15 Floor Space Index (FSI) of commercial space at full build out to Community Mixed-use, Mixed-use Corridor and Neighbourhood Commercial Centre designations. This is intended to be applied on an individual site basis to sites that are currently zoned commercial.” (Page 66)

Current Policies and Regulations:

The City’s Official Plan does not set out an explicit policy for a minimum threshold for the maintenance of existing or planned commercial space. The Regional Shopping Centre (RC) and Community Shopping Centre (CC) zones require a minimum gross floor area of 31,250 m² and 1,875 m² respectively.

Options and Analysis:

Each commercially zoned property in the Community Mixed Use Centres, Neighbourhood Commercial Centre or Mixed-use Corridor would be subject to a zoning regulation that requires a minimum commercial gross floor area equal to 15% of the commercially zoned, developable lot area; or 25% less gross floor area than existed at the time the zoning by-law comes into effect; whichever is the greater gross floor area. This regulation should specify that

this amount apply across the entire property even if it is subsequently severed.

Staff contemplated applying these minimums across the designation as a whole, or at an intermediate level of geography such as a “quadrant,” but could not determine a workable implementation approach to prevent owners who developed their properties last from making up for a potential lack of commercial development on other sites. Accordingly, this Discussion Paper develops one option to implement the Commercial Policy Review Preferred Framework.

Applying these policies and regulations would result in the following minimum amounts of commercial gross floor area in the Community Mixed-use Centres:

Community Mixed-use Centre	Minimum Total Commercial Gross Floor Area
Gordon/Clair	33,900 m ²
Woodlawn/Woolwich	44,400 m ²
Paisley/Imperial	30,400 m ²
Watson Parkway/Starwood	15,400 m ²
Silvercreek Junction	14,700 m ²
Victoria/York	9,100 m ²
York/Watson Parkway	6,500 m ² *

Note: Figures rounded to the nearest 100 m²

*Set at minimum for the designation

Staff Preliminary Recommendation:

1. Include an Official Plan policy stating that commercially zoned properties within Community Mixed Use Centres, Mixed-use Corridors, and Neighbourhood Commercial Centres, must include commercial development at a minimum density of 0.15 FSI and cannot reduce it by more than 25% from what currently exists, measured from the date of when this policy is deemed to be in full force and effect, whichever is the greater gross floor area. The policy should state that the implementing zoning by-law may require higher commercial FSI in order to implement the 6,500 m² minimum within smaller Community Mixed Use Centres.
2. Include minimum commercial gross floor area zoning regulations for commercially zoned properties within Community Mixed Use Centres, Mixed Use Corridors and Neighbourhood Commercial Centres on a property basis that require a commercial density of 0.15 FSI, or 25% less gross floor area than existed on the date of the passing of the by-law, whichever is the greater amount of gross floor area. A higher

minimum FSI may be required for properties within the York/Watson Centre.

This zoning approach would be protective of the 6,500 m² gross floor area minimum recommended to protect the commercial function at each of the Centres. It would also help ensure that the City continues to plan for and protect commercial land to meet its projected growth. Given the current typical standalone commercial density of 0.30 FSI and forecast density of 0.40 by 2041, this figure is easily achievable for standalone commercial and provides flexibility for mixed-use intensification.

A minimum commercial FSI of 0.19 is required for the two properties under Option 3 in section 4.2.4 in the York/Watson Centre in order to plan for a minimum commercial gross floor area of 6,500 m² and to maintain the planned function of this Centre. The 0.19 is an achievable figure for a standalone commercial development. A site-specific zoning regulation should be included on these properties requiring a minimum commercial FSI of 0.19 rather than a 0.15 FSI as on other commercial properties.

4.8 Commercial Function Studies

CPR Recommendation: "It is recommended that the City add new OP policies that would give the City the ability to ask that a Commercial Function Study be undertaken if the commercial gross floor space is proposed to drop below 0.15 FSI or there is a reduction in the current commercial floor space of more than 25 percent on an individual site basis." (Page 71)

Current Policies and Regulations:

The City's Official Plan does not include policies that address the potential or proposed loss or reduction of existing commercial gross floor area.

Options and Analysis:

The Stage 2 Preferred Policy Framework Report recommended the use of Commercial Function Studies as a means of protecting against the loss of commercial space that represents more than 25 percent of the existing/planned space or would result in a mixed-use development that falls below the recommended commercial 0.15 FSI benchmark. This will allow the City to determine if the commercial vision and principles will continue to be met and how the reduction in commercial floor space will affect the needs of the community. The potential loss of commercial space is a concern given the long-term need for additional commercial land supply and the evolution of commercial areas into mixed-use developments that allow for additional uses to complement the commercial space. The Commercial Function Study would be required to demonstrate that the planned function of the designation will not be compromised by the proposed reduction in commercial space.

The Stage 2 Preferred Policy Framework Report did not recommend that the Commercial Function Study be made mandatory, but that the City have the

ability to make the determination if one is required at the time of the preconsultation meeting. The Study may be requested as part of a complete application, which could be applied to planning applications such as an Official Plan Amendment, Zoning By-law Amendment and/or minor variance. This will give the City the flexibility to determine if a reduction slightly over the 25 percent is acceptable without the need for a study for a small site or where the proposed use to replace the commercial space is very compelling and that its benefits are deemed to outweigh the loss of commercial space in the neighbourhood. This could allow the City to balance the need to maintain the commercial options within communities to avoid “food deserts” as an example while achieving the positive effects of intensification in appropriate locations.

Staff Preliminary Recommendations:

1. That new Official Plan policies be included after section 9.4.1 Market Impact Studies that would give the City the ability to request, where deemed appropriate, a Commercial Function Study where a planning application proposes development with a commercial FSI below 0.15 or where the amount of current commercial space on an existing site would drop by more than 25 percent measured from the date of when this policy is deemed to be in full force and effect.
2. The new policy state that the Commercial Function Study should be prepared by the applicant to address:
 - availability of commercial floor space within the designation to meet daily and weekly needs of the surrounding community, especially for food and drug stores;
 - opportunities for additional commercial floor space to be provided elsewhere and thereby sustain the local provision of commercial space within that designation or in the immediate area;
 - impacts on the ability of residents and employees in the area to use active transportation options to access commercial shopping areas and commercial services; and
 - role of the commercial space in creating a community focal point.
3. The new policy allow for the ability for the City to retain at the applicant’s expense a peer review of the applicant’s submission similar to Official Plan policy 9.4.1.5 for Market Impact Studies.
4. That a Commercial Function Study be included in the list of Planning Matters that may be requested as part of a complete application under Official Plan policy 10.18.3 ii).

5 Conclusions and Next Steps

The Commercial Policy Review Discussion Paper identifies recommended revisions to the City’s Official Plan and Zoning By-law to implement the Commercial Policy Review Preferred Framework approved by Council on July 9, 2018.

The staff preliminary recommendations to implement the Commercial Policy Review Preferred Framework include:

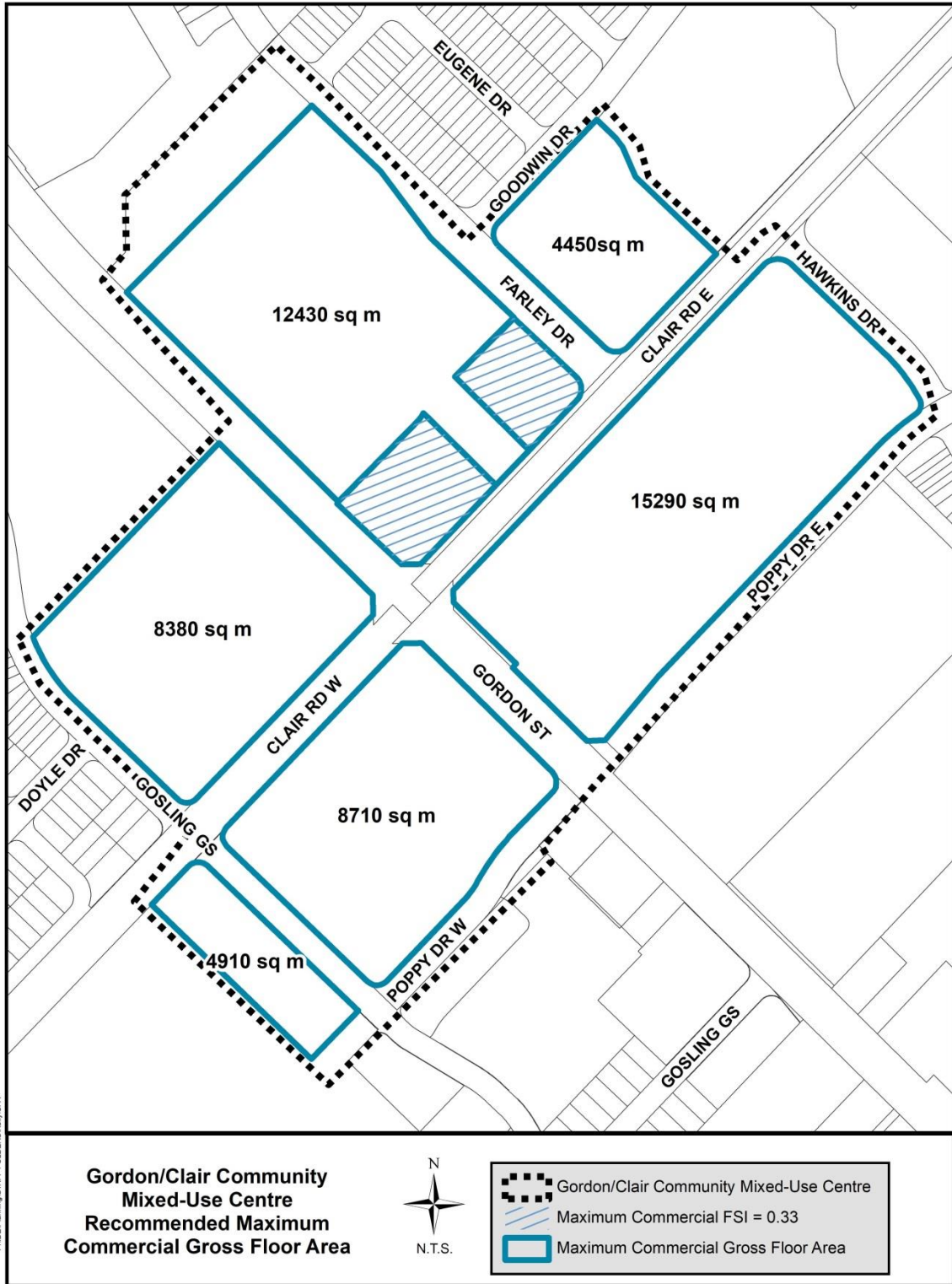
- Changing references from retail space to commercial space.
- Expanding the maximum gross floor area of commercial space in the Official Plan for the following three Commercial Mixed-use Centres: Gordon/Clair; Woodlawn/Woolwich; and Paisley/Imperial.
- Establishing a minimum of 6,500 m² commercial gross floor area for Community Mixed-use Centres (CMUC) and a new maximum of 6,500 m² of commercial gross floor area for Neighbourhood Commercial Centres (NCC) in the Official Plan to protect the planned function of CMUCs, align sizes between the CMUC and NCC designations, and protect against the loss of commercial space.
- Designating two new Commercial Mixed-use Centres along York Road in the Official Plan and zoning the properties as Community Shopping Centre (CC).
- Renaming the "Community Mixed-use Centre" designation as "Commercial Mixed-use Centre".
- Designating a new Mixed-use Corridor along Woolwich Street, including 739 Woolwich St. (Fleuristic Garden & Flower Shop) to 721 Woolwich St. (Parkview Motel) in the Official Plan. Zoning for the new Woolwich Street Mixed-use Corridor is left to the Comprehensive Zoning By-law Review.
- Reducing minimum height for a 2.8 to 3.0 Ha parcel within the Mixed-use Corridor (GID) designation near the southeast corner of Victoria Rd. and Stone Rd.
- Modifications to Neighbourhood Commercial Centres to increase maximum size limits, clarify residential ground floor permissions and add maximum residential density regulations.
- Implementing a FSI benchmark and controls on reducing existing gross floor area.
- Incorporating Commercial Function Study policies in the Official Plan as a means of protecting against the loss of commercial space.

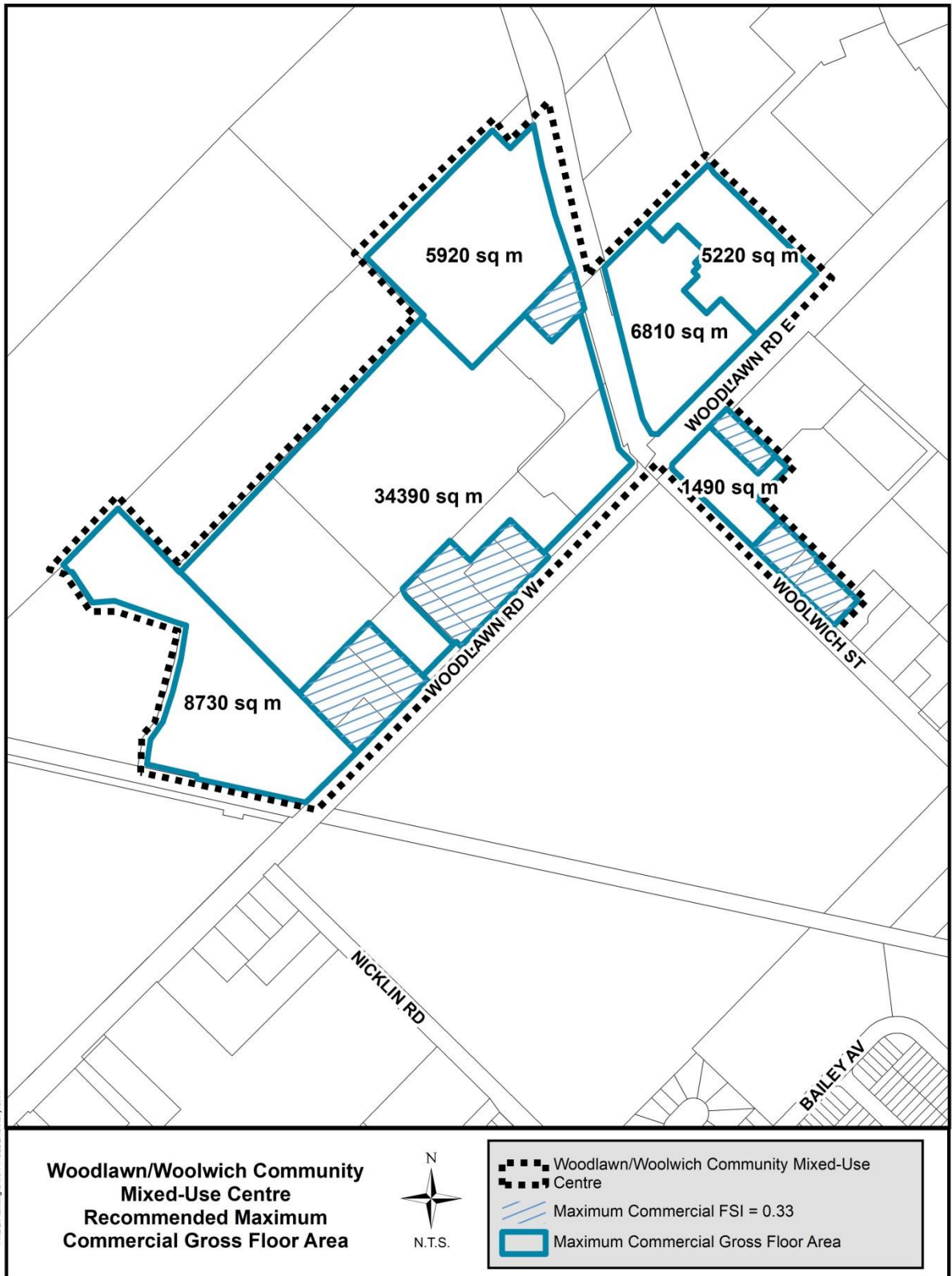
Comments on the Discussion Paper will be accepted from April 5, 2019 – April 26, 2019.

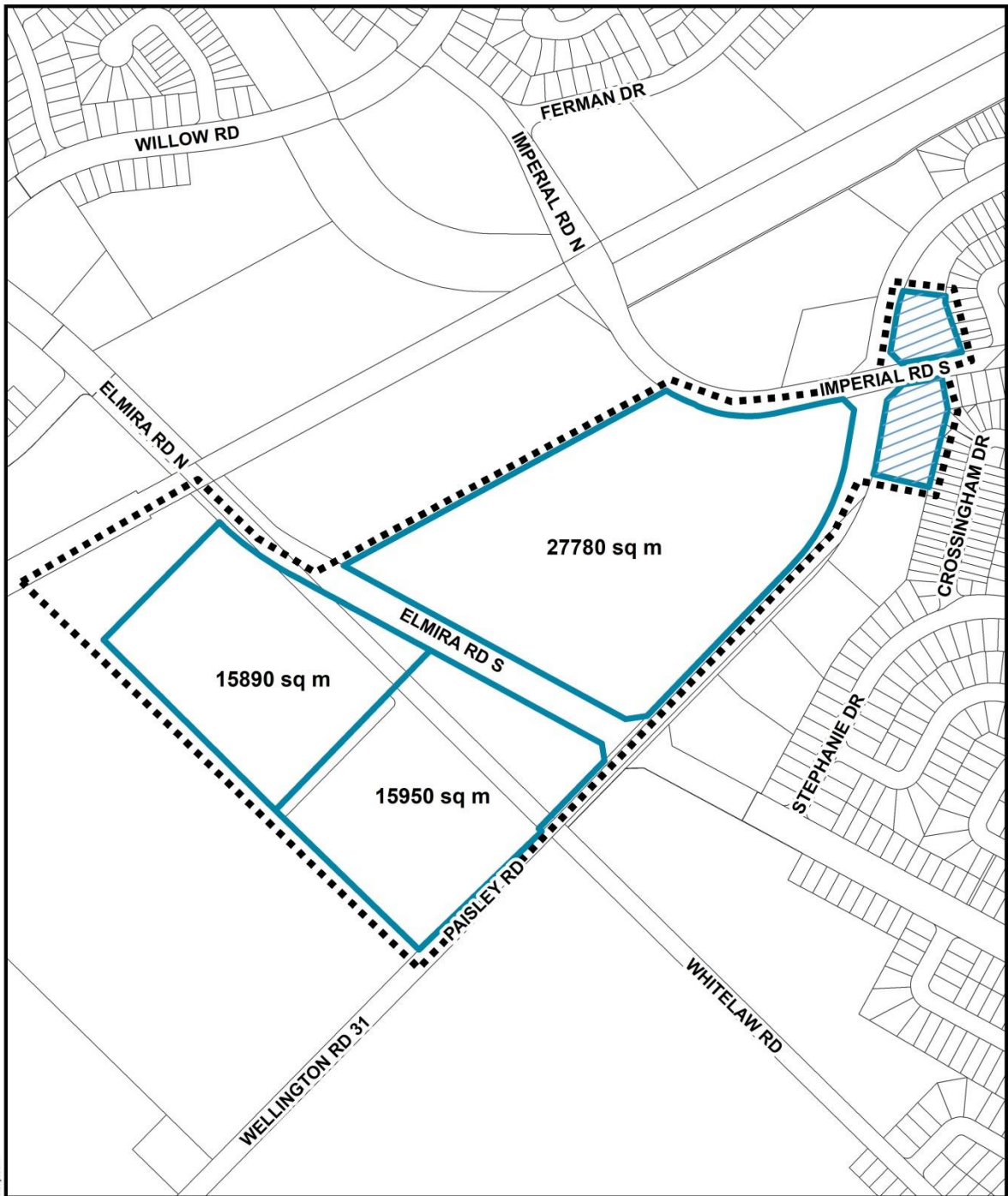
The receipt of feedback on the Discussion Paper will help inform the Draft Official Plan and Zoning By-law amendments to be developed by City staff. An open house will be held to provide the public with an opportunity to ask questions and provide feedback on the draft amendments.

The formal statutory process includes a public meeting followed by a decision meeting of City Council. The project is scheduled to be completed in 2019.

Appendix 1 – Proposed Maximum Commercial Gross Floor Area for the Zoning of Properties within Community Mixed Use Centres







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**Paisley/Imperial Community
Mixed-Use Centre
Recommended Maximum
Commercial Gross Floor Area**



- Paisley/Imperial Community Mixed-Use Centre
- Maximum Commercial FSI = 0.33
- Maximum Commercial Gross Floor Area

