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MISSISSAUGA

Corporate Report

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DATE: June 2, 2015

TO: Chair and Members of Planning and Development Committee
Meeting Date: June 22, 2015

FROM: Edward R. Sajecki
Commissioner of Planning and Building

SUBJECT: **Municipal Comprehensive Review of Employment Lands**

RECOMMENDATION:

1. That the recommendation to allow for the conversion of employment lands identified in the Lakeview, Dixie and Northeast Employment Areas subject to further detailed land use studies, as outlined in the report titled *Municipal Comprehensive Review of Employment Lands*, from the Commissioner of Planning and Building, dated June 2, 2015, be approved.

2. That the report titled *Municipal Comprehensive Review of Employment Lands*, from the Commissioner of Planning and Building, dated June 2, 2015, be circulated for information to the Region of Peel, Mississauga Board of Trade and to the Building Industry and Land Development Association (BILD).

REPORT HIGHLIGHTS:

- The City requires employment land to meet economic growth goals and employment growth forecasts.
- Mississauga has sufficient vacant employment land to meet its 2041 employment growth forecasts, provided that employment uses that do not need to be located in and/or are incompatible with uses in employment lands, are directed to Corporate Centres and mixed use nodes so that employment lands are protected for traditional

employment, in support of Mississauga Official Plan (MOP) policies.

- Mississauga can accommodate future retail commercial development in more urban, mixed-use formats on existing lands designated for mixed use and commercial purposes, without the need to designate new retail commercial areas.
- Recommendations are made to help the City protect, preserve and shape the future of employment areas and land uses in the city.
- Three Potential Conversion Areas are recommended. Detailed land use reviews required for Potential Conversion Areas, will be undertaken through City-led, local area review processes already underway, including Inspiration Lakeview, Dundas Connects and the Malton Local Area Review.

BACKGROUND:

Employment lands are vital to the economic well-being of the City and the jobs they accommodate are a key component of a complete and balanced community. In Mississauga where there is no greenfield land left for development, competition for land puts pressure on employment lands for conversion to non-employment uses. In response to employment land conversion pressures in municipalities across Ontario, the Province has legislative requirements and policy directives that address the long term protection of employment lands and conversion conditions. A background report outlining Provincial and municipal regulations governing employment uses and their location and the importance of preserving employment lands, is attached as Appendix 1.

The current Mississauga growth forecasts show the population increasing to 878,000 and employment to 552,000 by 2041[1], an increase in 135,000 people and 104,000 jobs[2]. Sufficient employment land and commercial retail land is required to accommodate the employment and population growth forecasts.

Every five years, the City is required to undertake a review of its employment lands and policies to ensure it has enough employment land to accommodate future employment growth and the policy framework to protect its inventory of employment lands from

[1] *Based on Steady Growth Scenario forecasts adopted by Council on October 30, 2013.*
[2] *Increase based on 2011 Census population and employment numbers.*

conversion to other land uses. This review is called a municipal comprehensive review (MCR).

Consultants from Cushman & Wakefield Ltd. and The Planning Partnership were retained to undertake a MCR for the City. Their report titled Municipal Comprehensive Review of Employment Lands (hereafter referred to as *MCR Employment Lands*), is attached as Appendix 2. Attached as Appendix 3 is a letter indicating that the market data used in the *MCR Employment Lands* remains valid. An accompanying Technical Report is available on request.

The purpose of the *MCR Employment Lands* is to:

- Assess Mississauga Official Plan (MOP) policies and land use designations for adequacy of employment land protection and policy direction to achieve the City's employment needs;
- Evaluate employment and commercial land capacity based upon population and employment growth projections to 2031 and 2041; and
- Consider the potential for employment land conversion.

The *MCR Employment Lands* assesses vacant employment land capacity and does not consider the redevelopment potential of employment lands. The intensification potential of existing employment sites was considered, but only a small number of sites could be described as "under-utilized" and, therefore, these lands were not included in the vacant employment land supply.

The *MCR Employment Lands* land capacity assessment is based on employment growth forecasts allocated by the Province to Peel Region through the Growth Plan for the Greater Golden Horseshoe (Growth Plan).[3] Peel Region has identified the challenges of achieving the Growth Plan employment growth forecast targets, partially due to the structural shift in the economy with the decline of manufacturing sector employment that has not rebounded to pre-recession levels and lower employment densities associated with the use of advanced technologies such as robotics. Lower employment densities are also

[3] *Not including Amendment 2 updated forecasts, subject to a formal review by the Region and adoption by Regional Council.*

the result of the large number of logistics operations located in Peel Region. These lower employment densities are evident in Brampton and Caledon as well as in Mississauga even though Mississauga has attracted a considerable amount of office development.

Initiatives such as the Hurontario Main Street LRT project and Regional Express Rail (RER) will position Mississauga to attract more office development which would result in higher employment in the office sector. Higher order transit could also support more intensive use of general employment lands supporting manufacturing and other such uses.

Achieving the growth forecasts and higher employment densities is beyond the scope of the *MCR Employment Lands*, which is strictly a land capacity study that relies on the existing growth forecasts and considers employment densities, among other matters, to determine the impact on land demand.

COMMENTS:

The *MCR Employment Lands* assesses employment land capacity to accommodate employment growth to 2041[4]. The assessment considers vacant employment lands located within Employment Area Character Areas[5] and Corporate Centre Character Areas[6] as identified in MOP and as shown on Appendix 4.

For the purposes of this study, the term “employment lands” refers to lands identified in MOP as Employment Area and Corporate Centre Character Areas. These areas are dedicated to a broad range of general and industrial employment activities and office uses permitted within the ‘Business Employment’, ‘Industrial’, ‘Institutional’, ‘Office’ and ‘Mixed Use’ designations. While other areas in the city allow employment uses (e.g. offices and retail in the Downtown, population-related uses in mixed use nodes and neighbourhoods), employment lands are unique in that they are the only areas where certain uses such as manufacturing can locate and residential uses are not permitted.

[4] *Based on Steady Growth Scenario forecasts adopted by Council on October 30, 2013.*

[5] *Employment Area Character Areas include: Churchill Meadows, Clarkson, Dixie, Gateway, Lakeview, Mavis-Erindale, Northeast, Southdown, and Western Business Park.*

[6] *Corporate Centre Character Areas include: Airport Corporate, Gateway Corporate, Meadowvale Business Park, and Sheridan Park.*

The *MCR Employment Lands* also assesses the City's land supply to accommodate retail commercial growth to 2041.

Employment Land Demand Scenarios

Three land demand scenarios were used to examine different employment land use patterns and the resulting vacant employment land requirements to 2041. The analysis uses three broad types of employment categories: Employment Land Employment[7]; Major Office Employment[8]; and Population-Related Employment.[9]

The scenarios considered the capacity for employment in mixed use areas (e.g. Downtown) and the impact on employment lands of redirecting office and population-related employment uses to mixed use areas.

Below are the three scenario assumptions:

- *Scenario 1 - Base Case*: a continuation of the status quo (current density and employment/land use mix assumptions). A large proportion of employment growth, including major office growth, occurs on employment lands in Employment Areas and Corporate Centres;

- *Scenario 2 - Nodes and Corridors Evolution*: a more concentrated form of development, particularly major office employment, in mixed use nodes, intensification areas and along major corridors. Employment intensification also occurs on traditional employment lands, with a higher office component within "flex" industrial properties. This scenario is supported by and would implement Mississauga Official Plan (MOP) policies; and

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[7] *Employment Land Employment (ELE): Uses in this category are principally industrial-type jobs, including manufacturing, research and development, warehousing and distribution, and wholesale trade.*

[8] *Major Office Employment (MOE): Uses in this category are high density and typically have requirements such as transit accessibility, site visibility, adequate parking provision and other considerations that make them non-complimentary to traditional industrial parks. MOE is regarded by the industry as employment in freestanding office buildings over 1,850 m^2 (20,000 sf), as a benchmark.*

[9] *Population-Related Employment (PRE): Uses in this category, including retail, educational services, health care, government, and accommodation and food services, are generally accommodated within existing neighbourhoods and commercial areas and primarily serve a resident population but may locate on employment lands to support the employment base.*

- *Scenario 3 - Employment Lands-Focused Growth*: a less dense form of development concentrated on employment lands. All major office employment jobs are allocated to employment lands, resulting in a failure of the Downtown and other mixed use areas to attract office development.[10]

The following table summarizes the vacant employment land demand and supply for the three scenarios.

EMPLOYMENT LAND DEMAND AND SUPPLY CONCLUSIONS			
VARIABLE	**SCENARIO 1 HA / AC**	**SCENARIO 2 HA / AC**	**SCENARIO 3 HA / AC**
Land Demand to 2031	442 / 1092	291 / 719	609 / 1505
Land Demand to 2041	506 / 1250	330 / 815	697 / 1722
Total Employment Land Supply*	925 / 2286		
Less Vacancy Factor (5%) **	(462) / (1142)		
Adjusted Land Supply	463 / 1144		
Surplus/(Deficit) to 2031	**21 / 52**	**172 / 425**	**(146) / (361)**
Surplus/(Deficit) to 2041	**(43) / (106)**	**133 / 329**	**(234) / (578)**
** There are approximately 230 parcels of vacant land totaling about 925 hectares (2,286 acres), distributed across Mississauga's Employment Area (EA) and Corporate Centre (CC) Character Areas. Northeast EA (East and West), Meadowvale Business Park CC and Southdown EA, respectively, have the largest amounts of vacant land.*			
*** Note that a 5% vacancy factor is applied since there are land parcels that will remain vacant over the long term for factors such as landowner motivation; land contamination; site attributes such as size, configuration and accessibility; incompatible adjacent land uses; and other constraints. This results in an adjusted land supply of 463 hectares (1,144 acres).*			

Employment Land Demand Conclusions

<u>Mississauga has sufficient vacant employment land to meet its 2041 employment growth forecasts, provided that the City is a good steward of these lands</u>. It is imperative that the City's vacant employment land supply be carefully managed to ensure that forecasted employment growth can be accommodated to 2041 and beyond. The long term

[10] *Scenario 3 is not technically feasible since all employment lands are consumed and employment growth target numbers cannot be met.*

availability of employment land is dependent on where employment growth is directed.

Scenario 2 is the only scenario that meets employment growth forecasts and nets a surplus of employment land. This scenario anticipates the success of MOP's vision and city structure. It capitalizes on planned transit infrastructure investments and directs employment, particularly freestanding office, to mixed use areas including the Downtown, Major Nodes, Intensification Corridors and Major Transit Station Areas. This also results in major office uses being distributed beyond Corporate Centres. In this scenario, employment land intensification takes place at a rate that reflects a higher office component within "flex" industrial properties, due to a higher proportion of office space locating adjacent to industrial and research and development-type facilities. This scenario leaves Employment Area lands intact for employment uses (e.g. industrial and land extensive business operations) that are not appropriate in other areas of the city.

Commercial Land Demand Conclusions

Mississauga can accommodate future retail commercial development in more urban, mixed-use formats on existing land designated for mixed use and commercial purposes. It is expected that in the Downtown and in nodes and corridors, there will be tremendous opportunity to replace existing retail commercial functions, and intensify that environment through more urban, mixed use built forms. Intensification of existing larger shopping centres may also occur over time, depending on the productivity (sales performance) of these properties.

A more urban form of retail commercial development represents a paradigm shift in Mississauga. It is a move away from an auto-oriented built form supported by extensive surface parking, towards a transit-supportive, higher density, mixed use model. This shift to a more urban model aligns with MOP principles and meets an increasing demand for pedestrian-oriented main street shopping experiences and mixed use centres in proximity to where people live and work.

While there is still demand for big box retailers at existing large format retail centres/ power centres, the future of these centres is unknown. Ultimately, when these centres outlive their economic lifecycle, they may redevelop with higher intensity, mixed use development.

E-commerce (on-line and mobile shopping) is also spurring changes in commercial development, ultimately reducing the overall amount of commercial space needed per household and subsequently the amount of commercial land required.

Recommendations and Potential Conversion Areas

The *MCR Employment Lands* makes recommendations to help the City protect, preserve and shape the future of employment areas and employment land uses in the city. Potential Conversion Areas are also identified. These recommendations are summarized below.[11]

- Protect employment lands. Protect all Corporate Centre and Employment Area Character Areas from conversion to non-employment land uses, except as identified below.

- Consider focussed employment land conversion. Three Employment Areas are identified as Potential Conversion Areas. Conversions in these areas have been identified as supporting the City's strategic objectives or community building goals. The areas are listed below and shown on Appendix 5:

    - The Lakeview Employment Area, in its entirety;
    - The Dixie Employment Area in proximity to the proposed Community Node, the Intensification Corridor (Dundas Street), the Corridors (Dixie Road and Cawthra Road) and the Dixie GO Station. The extent of area to be converted will be

[11] See Chapter 9.0 of the *MCR Employment Lands* for detailed Recommendations (Appendix 1).

determined through future planning work pertaining to Dundas Connects – The Dundas Corridor Master Plan; and

- The Northeast Employment Area, in immediate proximity to the Malton Neighbourhood Character Area. The extent of area to be converted will be determined through the Malton Local Area Review planning process that is currently underway.

Lands located outside of Potential Conversion Areas will not be considered for conversion to non-employment uses until the next five-year MCR process.

- Amend existing MOP policy to include two types of land use reviews with respect to the scale of the proposed Potential Conversion Area. A comprehensive review will focus on a large geographic area, involving multiple ownerships and multiple sites. This would be applicable to Lakeview and the Dundas Corridor. A small-scale review should apply to small areas/sites on lands located on the periphery of an Employment Area, such as those in proximity to Malton.

- Amend MOP policy to include provision to require, at a minimum, the replacement and expansion of the employment potential lost through any proposed conversion. Require that the conversion of an existing Employment Area to permit non-employment land uses, replace or increase the total number of jobs on the same site or in the same area.

- Use planning tools and policy to retain existing office space and sites and create a strong investment climate to attract new office uses, including:

  - Provide incentives in Community Improvement Plans and consider height and density bonusing in exchange for the provision of office sites;
  - Require the replacement of existing office space in key locations where a redevelopment includes land that has an existing office function; and
  - Protect and preserve current office sites within Intensification Areas from redevelopment to alternative uses.

- Use existing MOP policy to facilitate retail commercial uses in an urban retail format as part of mixed use developments that include office and residential uses (where permitted). Pursue this not only in the Downtown, Major Nodes, Community Nodes, Intensification Corridors and Major Transit Station Areas, but in the redevelopment of existing large format retail centres as they outlive their economic lifecycle.

- Amend policy to require the replacement of the retail commercial function (in whole or in part) in key locations where a redevelopment includes lands that have a retail commercial function.

Next Steps

Implementation of the *MCR Employment Lands* recommendations requires five actions, two of which are currently underway.

Current Initiatives Underway:

- Detailed land use reviews for the three identified Potential Conversion Areas, through City-led initiatives: Inspiration Lakeview, Dundas Connects and Malton Local Area Review; and
- Zoning by-law amendments to include mixed-use zones that allow for a combination of residential, retail and office uses.

Future Work:

- New MOP policies to address:
  - office and retail commercial use replacement;
  - protection and preservation of current office sites within Intensification Areas; and
- Land use redesignation and rezoning of office sites.

It is recommended that this report be circulated for information to the Region of Peel, Mississauga Board of Trade and to the Building Industry and Land Development Association (BILD).

FINANCIAL IMPACT: Not applicable.

CONCLUSION:

A long term supply of employment land is vital to sustaining employment growth and a healthy, prosperous economy. The Province recognizes the importance of employment land and has mandated the long term protection of employment land.

The *MCR Employment Lands* fulfils the *Planning Act* requirements for a review of employment policies and employment lands, as well as the requirements of MOP.

The *MCR Employment Lands* assessment shows that Mississauga is on the right track to accommodate employment growth with its current strategic and MOP policy direction. The *MCR Employment Lands* also shows that Mississauga's long term vacant employment land supply is limited, making it imperative that employment uses not requiring an industrial-type land area, be directed to other areas.

The identification of the Potential Conversion Areas in the *MCR Employment Lands* allows the City to move forward to further delineate the conversion areas and identify appropriate land uses. The process will occur through City-led planning processes underway for Inspiration Lakeview, Dundas Connects and the Malton Local Area Review.

Lands located outside of the identified Potential Conversion Areas will not be considered for conversion to non-employment uses until the next five-year MCR process.

ATTACHMENTS:

Appendix 1: Background Report: Preserving Our Employment Future, Municipal Comprehensive Review of Employment Lands, June 2015

Appendix 2: Municipal Comprehensive Review of Employment Lands: Report 1 - Summary Report

Appendix 3: Market Data Review Letter

Appendix 4: Employment Lands

Appendix 5:	Employment Lands for Protection and Potential Conversion Areas
Available on request	Municipal Comprehensive Review of Employment Lands: Report 2 - Technical Report

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Edward R. Sajecki
Commissioner of Planning and Building

Prepared By: Sharleen Bayovo, Planner, Policy Planning

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APPENDIX 1

Background Report:
Preserving Our Employment Future
Municipal Comprehensive Review of Employment Lands

June 2015

MISSISSAUGA

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1.0 INTRODUCTION

It is fundamental to good planning to ensure an adequate supply of land for employment-generating land uses in the long-term. Employment lands are a valuable resource to sustain employment growth and a healthy, prosperous economy.

As the city's population grows through intensification and redevelopment, it will be critical to maintain the existing employment base and to provide opportunities for future employment growth.

In Mississauga, a desirable place for business but with little greenfield land left for development, competition for land puts pressure on employment lands for conversion to other non-employment uses. Mississauga is not alone. Many municipalities are grappling with land development pressure in industrial areas where land costs are less relative to built-up commercial and residential areas.

In response to employment land conversion pressures in municipalities across Ontario, the Province has legislative requirements and policy directives that address the long term protection of employment lands and conversion conditions.

This background report highlights the importance of protecting employment lands and related provincial requirements, as well as the City's priorities and policy direction for employment growth.

1.1 Provincial Employment Areas

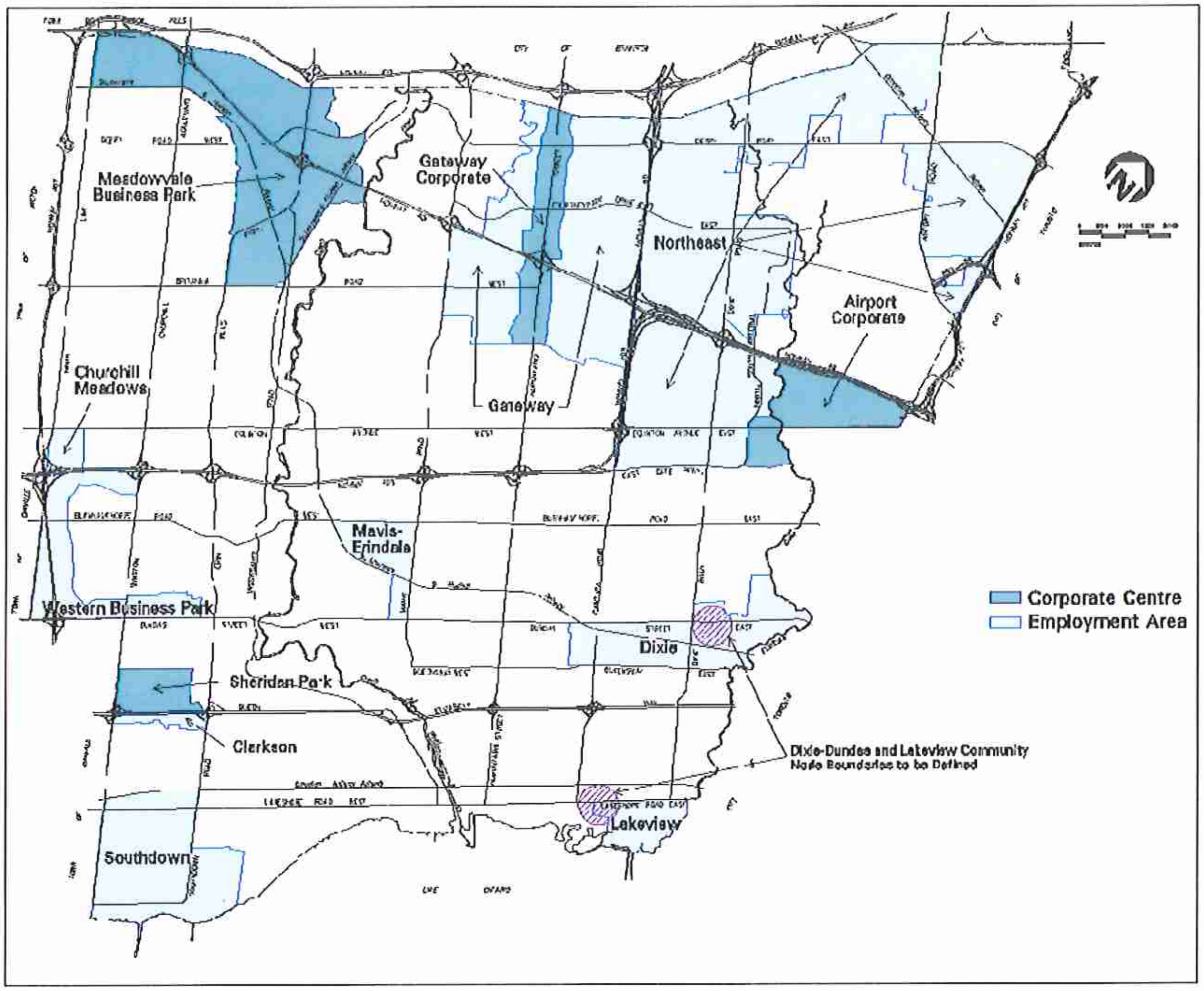
The Province defines "employment areas" in the *Planning Act*, the Growth Plan for the Greater Golden Horseshoe (Growth Plan) and the Provincial Policy Statement (PPS), as areas that are designated in an official plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities. In the case of the conversion of lands within employment areas, to non-employment uses, the Growth Plan considers major retail uses as non-employment uses.

1.2 Mississauga's Employment Lands

In the Mississauga Official Plan (MOP), the City Structure identifies two employment-based functional areas that together meet the Province's definition for employment areas: Employment Areas and Corporate Centres, as shown on the following Map 1.[1] These areas support all of the City's employment lands and are dedicated for general employment, industrial and office employment-type uses, permitted within the 'Business Employment', 'Industrial', 'Institutional', 'Office' and 'Mixed Use' designations.

The City's employment lands are areas that do not allow residential uses. New major retail uses (i.e. outside the limits of land designated Mixed Use) are also prohibited in these areas.

[1] Reference in this report to the capitalized "Employment Area" is to the MOP City Structure element. Lower case "employment area", refer to the Provincial definition.



Map 1: Mississauga's employment lands are located in Corporate Centres and Employment Areas as identified in Mississauga Official Plan. The areas are dedicated for general employment, industrial and office employment-type uses and do not permit residential uses.

Other areas in the City allow employment uses (e.g. offices in the Downtown, population-related uses in mixed use nodes and neighbourhoods) but employment lands are unique in that they are the only areas where certain uses such as manufacturing can exist.

MOP policies discourage uses that have employment but are intended to serve residential communities, from locating in Employment Areas. Such uses, including Places of Religious Assembly and schools, may be incompatible with and affect the functioning and growth of businesses that can only locate in these areas.

Employment Lands Types

Mississauga accommodates three broad types of employment uses within Employment Areas and/or Corporate Centres:

- general employment
- industrial
- office

General Employment

General employment uses are directed to Employment Areas and include diverse industrial and business employment operations, including manufacturing, logistics, warehousing, storage yards and small and mid-size office developments, among other activities. Freestanding major office uses are directed to Corporate Centres, the Downtown and Major Nodes where they can be supported by transit, including higher order transit.

Figure 1: Distribution centres are a critical component of the supply chain.

Figure 2: Mid-size offices can be found in Employment Areas.

Industrial

The industrial-designated areas in the Gateway, Northeast and Southdown Employment Areas accommodate land extensive, industrial uses, including those where outdoor storage is critical to business operations. Industrial areas also accommodate industrial uses that are prohibited in other areas of the city, such as composting

Figure 3: Manufacturing facilities, such as this aircraft wing assembly plant, need to be located on employment lands and be separated from non-employment uses.

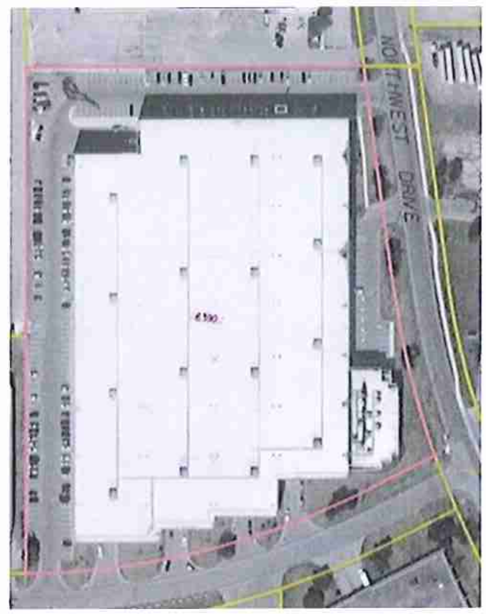


Figure 4: Industrial areas accommodate land extensive manufacturing buildings.

Figure 5: Industrial areas accommodate operations with extensive outdoor storage.

facilities and commercial motor vehicle body repair facilities.

Office

The City's Corporate Centres are home to a significant share of the Greater Toronto Area's (GTA) office supply, and are the headquarters to many local, national, and international firms. With a focus on office development and uses with high employment densities, major office and post-secondary educational facilities are permitted in Corporate Centres. However, interior or peripheral locations of Corporate Centres may include a broader, lower density mix of employment uses. Uses not suitable in an office environment (e.g. waste processing stations, trucking terminals) are generally not permitted.

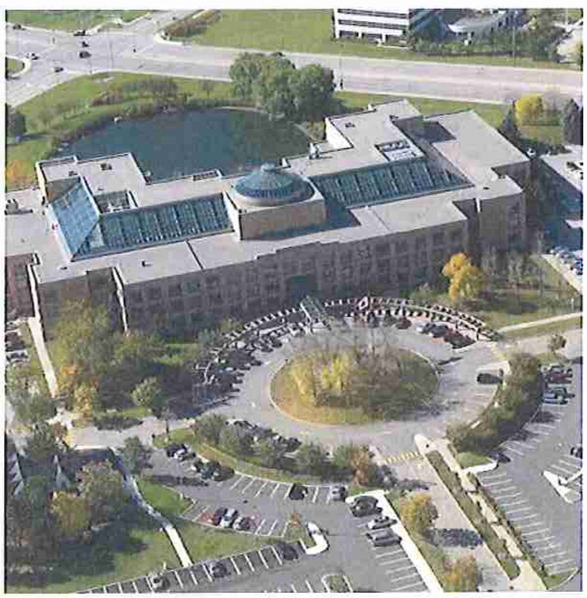


Figure 6: Corporate Centres are home to prestigious pharmaceutical headquarters.

Figure 7: Land extensive research and development businesses can be found in Corporate Centres.

Figure 8: Office headquarters and manufacturing facilities can be found together in Corporate Centres.

Employment Uses Outside of Employment Lands

Employment uses are also located elsewhere throughout the city in mixed use nodes and neighbourhoods. The types of employment uses in these areas are compatible with the residential uses and may be in a mixed use form, integrated with residential units. Employment uses in proximity to residential creates an opportunity for people to both live and work in the same area, reducing the need to commute long distances. Mixed use nodes are also well-served by transit.

Locating employment uses in mixed use nodes and neighbourhoods in proximity to the people they serve is important, as not to consume land needed for those businesses that must go to employment lands because they are incompatible with residential and other sensitive land uses.

Figure 9: Mixed uses allows for people to both live and work in the same neighbourhood area.

Mixed Use Nodes

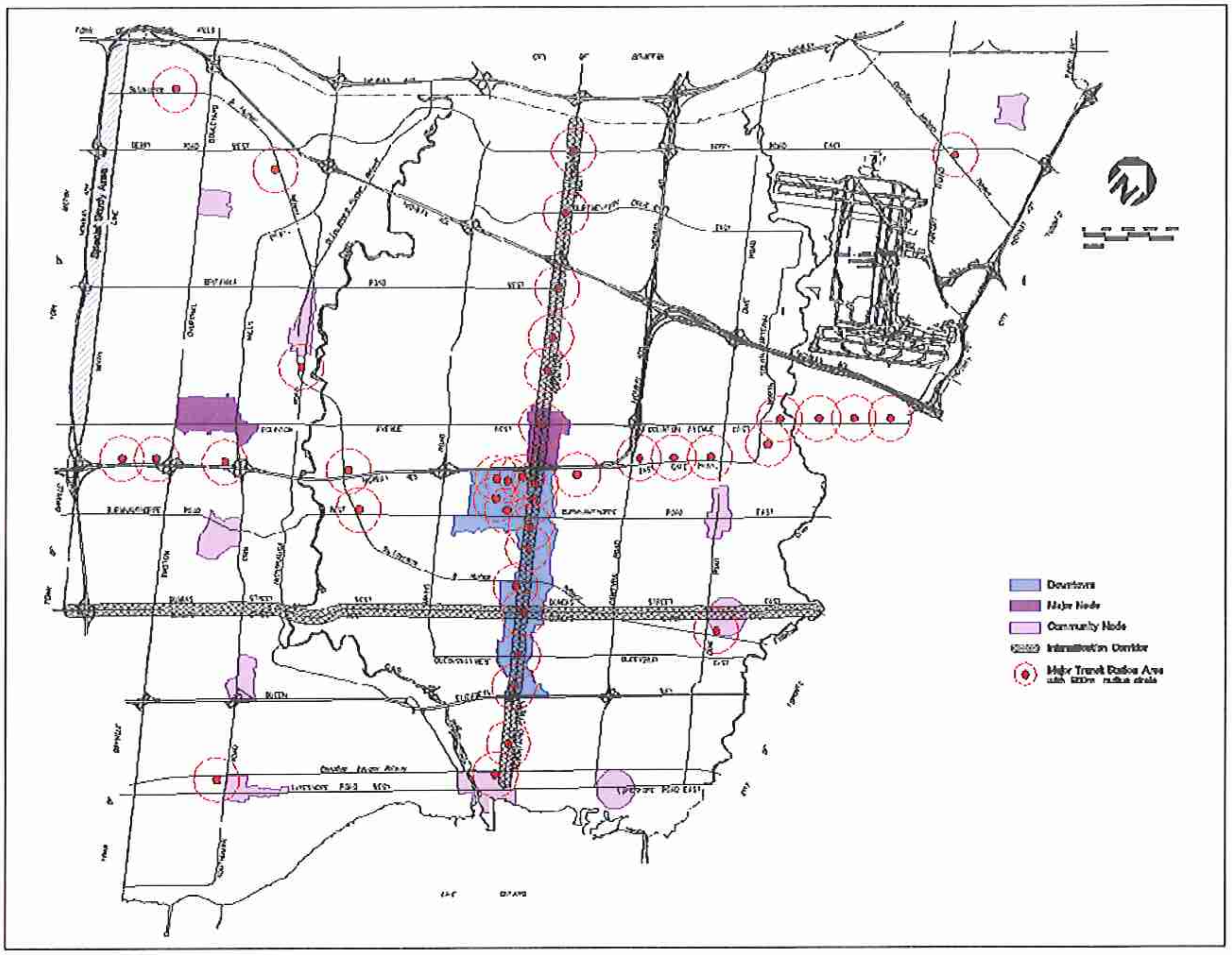
The Downtown is a critical employment centre that will accommodate employment in a mixed use format with commercial and residential uses. It is not considered purely for employment uses or as employment lands. Similarly, Major and Community Nodes and portions of Intensification Corridors and some Major Transit Station Areas, accommodate a mix of employment and residential uses. These areas are shown on the following Map 2. Higher density employment uses such as office employment are directed to mixed use nodes where they can be supported by transit, including higher order transit.

Neighbourhoods

Local serving, convenience and service-type employment is found in Neighbourhoods; however, most services for day-to-day living will be provided in Major Nodes or Community Nodes in close proximity to Neighbourhoods.

In conclusion, there are a variety of employment uses that are directed to different areas of the city dependant on their type, function and compatibility with sensitive land uses (e.g. residential). The employment uses work together to provide an array of employment opportunities on lands dedicated for employment uses and as part of mixed use nodes and neighbourhoods.

Figure 10: The Downtown will accommodate higher density employment uses in a mixed use format.



Map 2: Mixed Use Nodes will accommodate employment in a mixed use format with commercial and residential uses.

The employment uses work together to provide an array of employment opportunities on lands dedicated for employment uses and as part of mixed use nodes and neighbourhoods.

2.0 BACKGROUND

Considering the importance of employment lands, the Province has mandated their protection. The Province has legislative requirements and policy directives for municipalities to review their employment lands policies for conformity with provincial plans and policies, and to protect and maintain a long term supply of employment lands. This review process, that includes an evaluation of employment lands to determine if there is any conversion potential to allow for non-employment uses, is called a municipal comprehensive review.

2.1 Provincial and Regional Requirements for a Municipal Comprehensive Review

Since 2005, the importance of protecting and preserving employment areas from conversion to other land uses has been emphasized through changes to the *Planning Act* and the Provincial Policy Statement (PPS), and the introduction of the Growth Plan. The *Planning Act* gives municipalities the ability to refuse applications for the conversion of employment lands to other uses, provided that they have conversion policies in place, by removing the right of private applicants to appeal such applications to the Ontario Municipal Board (OMB)[2].

The intent of Provincial policies, and subsequently Regional and local planning policies, is based upon a recognition that employment lands are a limited resource that is fundamental to a fiscally healthy and economically sustainable municipality. The protective legislation and policy ensures that the pressures to convert employment lands to other uses, which may be viewed as more market expedient or higher value, can be repelled in order to achieve longer-term community objectives related to economic prosperity, and complete and balanced communities.

A comprehensive review of employment policy and employment lands supply is mandated through the *Planning Act*, the PPS and the Growth Plan.

Planning Act

The *Planning Act* requires that a review of employment policies be undertaken every five years.[3] The last review undertaken by the City of Mississauga was completed in 2008 as part of the official plan review process.

The *Planning Act* states that "The Minister, the Council of a municipality...and the Ontario Municipal Board, in carrying out their responsibilities under this Act, shall have regard to...matters of provincial interest such as, ...

- (k) The adequate provision of employment opportunities;
- (l) The protection of the financial and economic well-being of the Province and its municipalities;"[4]

As matters of Provincial interest, all planning decisions are required to "have regard for" the accommodation of employment opportunities and the financial and economic well-being of the City. Further, the City, in making a planning decision, must balance these matters of Provincial interest, with the other matters identified in Section 2 of the Act.

Provincial Policy Statement

The PPS indicates that within employment areas, conversion of lands to non-employment uses may be permitted through a comprehensive review, *"only where it has been demonstrated that the land is not required for employment purposes over the long term and that there is a need for the conversion."* It is only at the time of the comprehensive review that the municipality may identify potential employment lands conversion areas.

Growth Plan

The Growth Plan requires municipalities to maintain an adequate supply of employment lands to accommodate employment growth forecasts. The Growth Plan also provides direction on the conversion of employment lands to non-

[2] Part III Official Plans, Section 22. (7.3)
[3] Part III Official Plans, Section 26. (1)
[4] Part I Provincial Administration, Section 2.

employment uses, requiring a "municipal comprehensive review" to determine if a conversion is appropriate, subject to certain criteria.

Peel Region Official Plan

The Regional Plan requires area municipalities to designate in their official plans, an adequate supply of *employment land*[5] to achieve employment forecasts. Through the Regional Official Plan, it is the policy of Regional Council to "*protect and support employment areas for employment uses, as defined and designated in area municipal official plans*", and recognizes Mississauga's Corporate Centres and Employment Areas as *employment areas*[6]. The conversion of lands within employment areas to non-employment uses is permitted only through a municipal comprehensive review that demonstrates, amongst other criteria, the need for the conversion. These conversion requirements are reflected in MOP conversion policies.

2.2 MOP Requirements for Employment Lands Conversion

Aligning with Provincial and Regional policy requirements, MOP employment-related policies require that employment lands be protected and an adequate supply maintained for a diversity of employment uses to meet current and future needs.

MOP also requires a two-step process for employment lands conversion, including a Phase One and Phase Two municipal comprehensive review (MCR). A Phase One MCR is a city-wide "macro" review of employment land capacity and potential for employment land conversion, and a Phase Two MCR is a detailed local area "micro" look at appropriate land uses for any conversion areas identified through the Phase One process.

MOP policy prohibits the conversion of employment lands to non-employment uses in the City's employment areas, unless considered through a Phase One MCR to, among other requirements, demonstrate the need for the conversion and that the lands being converted are not required over the long term for employment uses.

Where a Phase One MCR has identified the potential for the conversion of lands, a Phase Two MCR is required to determine appropriate land uses for identified areas and consider, among other matters, the following:

- alternative locations for displaced employment uses;
- land use options that result in a similar or greater number of employment opportunities;
- compatibility with surrounding land uses;
- infrastructure capacity, needs and costs; and
- municipal benefits to be realized through land conversion.

Development applications for the conversion of employment lands to non-employment uses are considered premature until the Phase Two conditions are met.

[5] *Employment Land(s)*: land within *employment areas*.
[6] *Employment Area(s)*: areas that are designated...for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities.

3.0 STRATEGIC PRIORITIES

Mississauga's Strategic Plan priorities and the Economic Development Strategy provide direction for economic and employment growth.

3.1 Strategic Priorities for Economic Growth and Complete Communities

Mississauga's priorities under the Strategic Plan pillar, Prosper: Cultivating Creative and Innovative Businesses, include fostering a prosperous and sustainable economy that attracts global business, with a goal to attract innovative business and be the preferred location for knowledge-based businesses and emerging industries.

Further priorities in support of a strong local economy and local jobs are under the pillars, Connect: Completing Our Neighbourhoods, and Move: Developing a Transit-Oriented City. These pillars speak to creating a vibrant downtown with a strong economic centre; creating complete, mixed use communities that include work opportunities; and communities that are supported by transit.

These strategic priorities are reflected in MOP policies and the City's Economic Development Strategy.

3.2 Employment Lands for Economic Development

The Economic Development Strategy identifies three strategic goals that support the city's vision:

- to be a Global Business Magnet;
- to have a Culture of Innovation; and
- to be a Knowledge Economy.

In this context, a number of target opportunities have been recognized in high growth knowledge sectors, including Life Sciences, Information Communications and Technologies (ICT), Advanced Manufacturing, and Financial Services.

Each of these sectors has a strong presence in Mississauga today, with recognizable clusters in areas such as Airport Corporate Centre, Gateway Corporate Centre and Meadowvale Business Park. In addition, Sheridan Park is characterized by a research cluster.

Important to the success of the city's key sectors is the presence of the logistics, supply chain and distribution business operations that enable business in these sectors. The logistics and supply chain business plays an important role as a result of Mississauga's strategic location in the heart of a major transportation network that includes Canada's largest airport and seven major highways and two principle railways, providing businesses in Mississauga easy access to global markets.

It is critical for the City to preserve employment lands in order to grow and sustain the knowledge sectors as well as the supporting land extensive logistics and supply chain operations within the municipality.

Employment lands in Meadowvale Corporate Centre and Northeast Employment Area have recently accommodated the following significant expansions and new investment from companies in the Life Sciences and Advanced Manufacturing sectors, showing the importance of having readily available employment lands:

- Roche Canada renovated a 22,670 m^2 (244,000 sq.ft.) building to expand its pharmaceutical development operations, employing 550 full time staff;

- Sumitomo Precision Products opened a new 8,830 m^2 (95,000 sq.ft.) production facility for commercial aircraft landing gear equipment and systems, employing up to 100 people; and
- Mitsubishi Heavy Industries Canada Aerospace expanded into a new 24,800 m^2 (267,000 sq.ft.) facility dedicated to aircraft wing assembly, with 680 employees working two shifts.

4.0 Mississauga's Employment Lands Future

Mississauga's employment lands future depends on the protection of employment lands and a greater reliance on office-type development.

4.1 Development Pressure

In order to continue to attract and accommodate employment uses, the City must be vigilant to the impacts from emerging growth pressures and future land use limitations.

Development pressure for non-employment uses (e.g. residential, major retail) has in the past resulted in a loss of employment lands. Employment land conversion slowly erodes intact employment area boundaries and potentially creates conflict situations with existing employment uses. Furthermore, once employment lands are converted for non-employment uses, that land's employment potential is lost and unlikely to ever be regained.

Many cities across North America have found that if prime industrial-type employment land was not protected from the pressures for conversion, marginal demand for non-industrial uses would eventually crowd out the last remaining core industrial uses, leading to a lack of locations for traditional industries, and a flight of those important businesses away from the city to adjacent municipalities or beyond the economic region altogether. In Mississauga, rising land values have led some companies to sell their local assets and relocate beyond the Greenbelt, taking the increase in equity (given the lower land and construction costs/lease costs in outlying markets) to reinvest in their businesses with new technologies, in order to remain competitive globally.

It is imperative that Mississauga keeps its employment sites intact and avoid driving out established businesses with the introduction of non-complementary uses to an employment area.

The City continues to experience employment land conversion pressures. Certain conversions may be supported to achieve strategic city goals and local community needs. However, where conversions are contemplated, they should continue to retain or expand the existing number of job opportunities.

4.2 Employment Lands Limitations

Mississauga is at the end of its greenfield development phase and as a result, will experience limitations in the amount of vacant employment lands are available for future employment uses.

Future growth will be oriented towards intensification of existing lands, as well as redevelopment. A greater reliance on office-type development will be necessary, as land-extensive business activities will by necessity locate in other

Greater Toronto Area (GTA) locations providing more readily available and suitable (and affordable) land for development.

It is recognized that there will be fewer opportunities for land extensive development and a greater reliance on office development as a generator of employment. To support this office development, the City directs transit infrastructure investment to Intensification Areas where major trip generating uses are encouraged to locate.

Although the office market has weakened, Mississauga has attracted substantial new office construction during the past several decades, indicating its ongoing desirability as an office location. Vacant land is not a constraint to attracting future office development in the city since office developments can be accommodated on relatively small parcels (especially with structured parking). Mississauga's Downtown and Corporate Centres are particularly well located for future office development as they have access to existing and planning higher order transit services and several 400 series highways.

While Mississauga continues to be a desirable location for industrial activity, the availability of large industrial parcels is diminishing. There are very few undeveloped land parcels of significant size within the City's employment areas.[7] The overall picture for the industrial market is one that may be showing the early signs of transition away from land extensive industrial uses, particularly as large, vacant parcels diminish and those remaining are more fragmented. Over time, Mississauga may be less attractive to some businesses and will see a declining share of GTA industrial growth relative to other municipalities that have a larger vacant industrial land supply.

However, not all industrial businesses require large land parcels. Almost one-quarter of all new industrial construction across the GTA since 2000 has occurred on land parcels less than 0.8 hectares (2 acres) in size. This is significant for Mississauga since 35% of the vacant employment land parcels across the city fall into this size category.

5.0 Conclusion

Employment lands are protected through Provincial legislation and policy and municipalities are mandated to review their employment lands policies for conformity with Provincial policy, and to protect a long term supply of employment lands.

MOP has a City Structure and policy framework to direct employment uses and protect employment lands. MOP directs high density employment uses including major office development to the Downtown, Corporate Centres and other intensification areas, preserving the Employment Areas for general employment land uses.

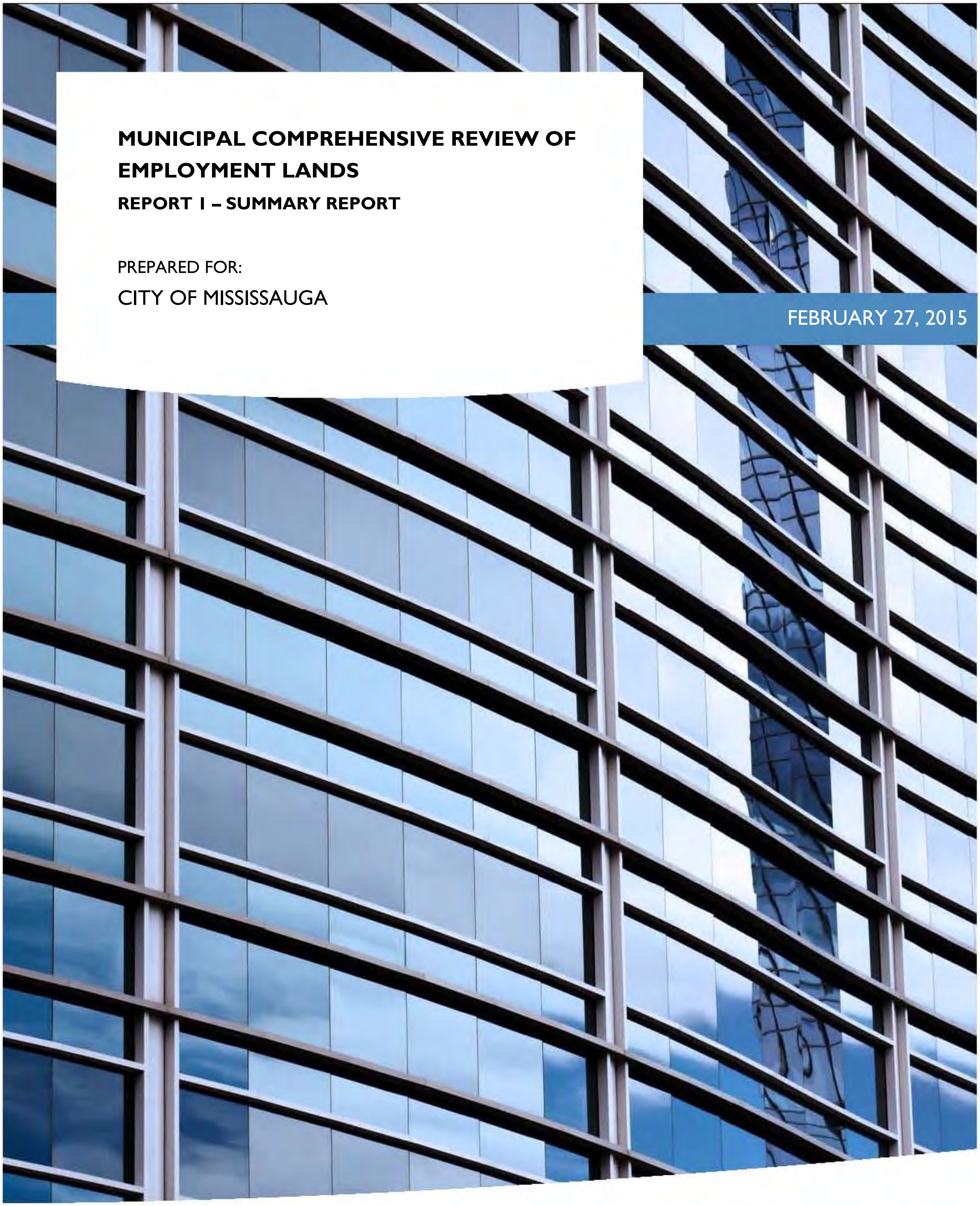
The City must maintain a long term employment lands supply, and protect its limited supply from development pressures for conversion in order to ensure economic sustainability and employment opportunities, and choice for the population that lives in Mississauga.

[7] Of the vacant land supply across Mississauga's Employment Areas and Corporate Centres, there are only 24 parcels that are larger than 26 acres in size. Sites that are two acres or less in size, account for one-third of all sites.

Sources:

1. Cushman & Wakefield and The Planning Partnership, Municipal Comprehensive Review of Employment Lands. Report 2 – Technical Report. 2015.
2. Mississauga Official Plan

APPENDIX 2



MUNICIPAL COMPREHENSIVE REVIEW OF EMPLOYMENT LANDS

REPORT 1 – SUMMARY REPORT

PREPARED FOR:

CITY OF MISSISSAUGA

FEBRUARY 27, 2015

The Planning Partnership

CUSHMAN & WAKEFIELD®

Andrew Browning
Vice President

Cushman & Wakefield Ltd.
33 Yonge Street, Suite 1000
Toronto, Ontario M5E 1S9
T +1 (416) 862 0611
F +1 (416) 359 2613
www.cushmanwakefield.com

February 27, 2015

Ms. Sharleen Bayovo
City Wide Planner
Planning Policy Division
Planning and Building Department
City of Mississauga
300 City Centre Drive
Mississauga, ON L5B 3C1

Regarding: Municipal Comprehensive Review of Employment Lands – Summary Report

Dear Ms. Bayovo,

Cushman & Wakefield and The Planning Partnership are pleased to deliver this Municipal Comprehensive Review of Employment Lands. Please note that this document serves as the Summary Report, or "Executive Summary". There is a separate Technical Report document that presents the full scope of our analysis. We have enjoyed working with you and other City and Regional staff on this project.

Respectfully submitted,

Cushman & Wakefield Ltd.	**The Planning Partnership Ltd.**
Andrew Browning	**Ron Palmer**
Vice President, Valuation & Advisory	Partner
Cushman & Wakefield	The Planning Partnership

TABLE OF CONTENTS

1.0 INTRODUCTION

1.1 STUDY PURPOSE

Along with assistance from City of Mississauga staff, Cushman & Wakefield Ltd. and The Planning Partnership together have prepared this Municipal Comprehensive Review (MCR) of Employment Lands. This document serves as the **Summary Report**. There is a separate **Technical Report** document that presents the full extent of the market overview, land supply and demand analysis, and policy review and recommendations, as well as illustrative mapping.

The purpose of the Municipal Comprehensive Review is as follows:

- To assess Mississauga's Official Plan (MOP) policies and land use designations for employment lands under the City Structure *(refer to Appendix A – Map 1: Urban System – City Structure)*;
- To evaluate employment and commercial land capacity based upon population and employment growth projections to 2031 and 2041; and,
- To consider the potential for employment land conversion.

Directing future growth to areas identified for intensification is one of the guiding principles of MOP, under the City Structure framework. Mississauga is at the end of its greenfield development phase. Future growth will be oriented towards intensification of existing lands, as well as redevelopment. A greater reliance on office-type employment will be necessary, as land-extensive business activities will by necessity locate in other GTA locations providing more readily available and suitable (and affordable) land for development. In order to meet Growth Plan requirements, the City is evaluating the need to identify policy and/or land use changes to accommodate future employment growth.

1.2 PHASE ONE STUDY

MOP establishes a two-phased approach for the MCR that is required to facilitate any land use conversion to a non-employment land use, on lands designated Business Employment, Industrial, Institutional or Office within Corporate Centres and Employment Areas. The Technical Report document constitutes a city-wide Phase One Study, intended to review employment land supply and demand conditions, and provide an overview regarding future policy direction regarding the Employment Areas and Corporate Centres *(refer to Appendix A – Map 2: Corporate Centres and Employment Areas)*. While areas for land use conversion consideration/potential are identified, such conversions are not automatic.

More specifically, a Phase One MCR carries out an analysis of the broad supply and demand factors influencing the long-term balance among various land uses throughout the city, with a specific focus on the city's various employment lands. The Phase One Analysis will identify "Potential Conversion Areas", which are identified lands within the Corporate Centres or Employment Areas, that may be considered for land use conversion, subject to a Phase Two analysis.

A Phase One MCR will be required to demonstrate that:

- There is a need for the conversion;
- The City will meet the employment forecasts of MOP, Peel's Regional Official Plan (PROP), and Places to Grow (P2G);
- The conversion will not adversely affect the overall viability of the Corporate Centre or Employment Area, and the achievement of the intensification target, density targets and other policies of MOP/PROP/P2G;
- There is existing or planned infrastructure to accommodate the proposed conversion;

- The lands are not required over the long term for employment purposes; and,
- Cross-jurisdictional issues have been considered.

A Phase Two Study is required to determine appropriate land uses for areas with conversion potential, subject to the Phase Two MOP conversion policy (10.1.4.b) conditions. Therefore, development applications are premature until the Phase Two conditions are met.

1.3 STUDY APPROACH AND BACKGROUND

The analysis begins with a review of the importance of industrial/employment areas within a municipality. Industrial, office and retail market overviews provide context into the historic and current market conditions and trends. This informs the employment and commercial land supply and demand analysis. A review of current employment and commercial land planning policy ultimately leads to conclusions and recommendations to assist the City in planning for future growth.

The City of Mississauga's municipal staff and politicians are faced with deciding which lands must be retained and protected for employment use; which lands could be released and replanned for non-employment uses; and where land use conflicts should be mediated with better interface design and planning. Therefore, this report (and the Technical Report) present a policy and administrative framework for:

- Protecting the established and planned employment areas from pressures of land use conversion where industrial/employment areas are economically healthy and important components of the local and regional economy;
- Assessing where – and under what circumstances – components of the Employment Areas and Corporate Centres could be considered for land use conversion at little loss to the local economy;
- Ensuring that development applications that involve a conversion of industrial land to a non-industrial use are appropriately considered through a comprehensive evaluation process;
- Where land use conflicts should be addressed through site-specific mechanisms, or through a broader comprehensive planning exercise, to either protect the industrial/employment function of the area and/or to improve the functional relationship between the industrial/employment use and its neighbours;
- Identifying where employment intensification (replacement of employment function, conversion of employment function, and introduction of mixed use employment with other users) may be appropriate; and,
- Promoting intensification of office and industrial development.

1.4 METRIC AND IMPERIAL MEASUREMENTS

It is the real estate industry convention to report market data using imperial measurements (building areas are described in square footage [abbreviated sf], rental rates are quoted in dollars per square foot [abbreviated $psf], etc. As such, much of the data presented in the industrial, office and retail market overview sections is described in imperial measurements.

Data from other sources is generally described using metric measures (such as the City's employment and commercial land supply). Apart from the real estate market overviews, the report cites metric measurements (and may indicate the imperial conversion as well), and all of the report's conclusions are quoted in metric measurements.

2.0 INDUSTRIAL MARKET OVERVIEW

2.1 INTRODUCTION

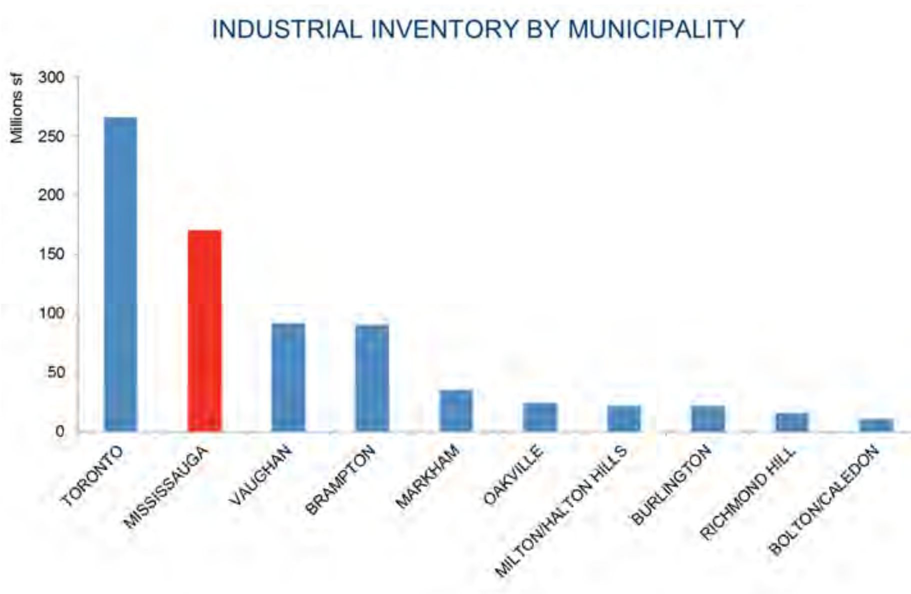
A review of historic and current industrial market conditions provides insight into trends affecting Mississauga, as well as the broader GTA West market. We examine metrics such as inventory, new supply, vacancy, and rental rates, to profile the health of the industrial market. Building permit activity and property sales are other indicators of the success of the local market.

Mississauga is the GTA's largest industrial market. Understanding its past performance sets the stage for considering its ability to accommodate future demand in the form of industrial-type employment growth.

2.2 REVIEW OF MARKET TRENDS

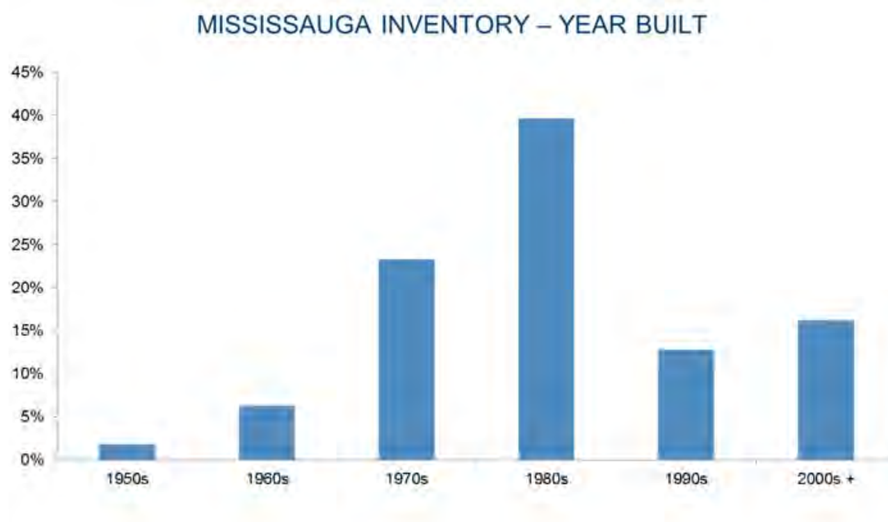
INVENTORY

The GTA industrial market has an overall inventory of approximately 789 million square feet (sf) divided into four primary submarkets: West (339 million sf), Central (266 million sf), North (155 million sf) and East (29 million sf). Mississauga is located in the GTA West market, encompassing the Peel and Halton Regions. The City of Mississauga is home to approximately 170 million sf of industrial space. This ranks it as the second largest submarket in the GTA, with a 22% share of the overall market.



YEAR BUILT

Cushman & Wakefield has year built information for approximately one-half of the industrial inventory in Mississauga. The exhibit below profiles the age of the industrial building stock by year of completion, as a proportion of the overall inventory size. The 1980s were the most active decade of industrial development, accounting for a nearly 40% share of today's industrial stock.



INDICATORS OF INDUSTRIAL AREA HEALTH

In the Technical Report, there is extensive analysis regarding various dimensions of the industrial market in Mississauga. The following table is intended to summarize and illustrate some of the key metrics that are determinants of the health and viability of industrial areas.

INDICATORS OF INDUSTRIAL AREAS HEALTH

INDICATOR	ANALYSIS	CONCLUSIONS
Land vacancy	There are roughly 925 hectares (2,290 acres) of vacant land across Mississauga's Employment Areas and Corporate Centres. This represents a 10% share of the total land in these areas. Of this land supply, there are only 24 parcels that are larger than 10 hectares (25 acres) in size. Sites that are 0.8 hectares (2 acres) or less in size account for one-third of all sites.	Continuing industrial land absorption has seen the vacant employment land inventory decline to just 10% of the overall land inventory in the Employment Areas and Corporate Centres.
Building vacancy	Mississauga's industrial vacancy rate has moved in tandem with trends across the GTA in recent years. Having reached a recent peak high cyclical vacancy level in 2008 of 7.7%, Mississauga's vacancy rate has since declined to 6.9% at year-end 2012. Limited new supply additions and some recovery in occupier demand have together caused this improvement in overall vacancy. Mississauga's vacancy rate is currently 0.7 percentage points above the GTA average, and just 0.2 percentage points above the GTA West average.	Improved from 2009-2011, but regressed in 2012. Mississauga has historically exceeded the GTA average.
Rental rates	Although asking net rental rates remain more than 10% below their recent peak in 2007, Mississauga's rents exceed the GTA West and GTA overall average.	Improving, but remain below cyclical peak. Mississauga still exceeds GTA average.

New construction	New construction activity has slowed following the 2008-2009 recession, as a response to weaker leasing demand. Levels seen from 2009-2012 are just one-sixth of the volume recorded in Mississauga from 2001-2008. This is also likely due to the diminishing supply of prime industrial development sites. Construction levels across the GTA have declined by two-thirds.	Mississauga accounting for a diminishing share of overall GTA new supply.
Property reinvestment	Building permits for additions and renovations approached 4.3 million sf during the 2002-2012 period.	Indication of ongoing investment in the industrial building stock.
Time on market	Other than an increase in time on market for large industrial units/buildings (> 50,000 sf) in 2008-2009, the leasing market across Mississauga has exhibited a very stable trend of time on market for available units/buildings this past decade. There is an expected variation by unit size – larger units take longer to lease – given that the number of prospective users declines.	No indication of increasing time on market for industrial listings – continued healthy demand for space.

Overall, it is apparent that the Mississauga industrial submarkets remain a sought-after location for industrial activity among tenants and owner-users, despite some pressures for land use conversion away from the traditional industrial function of these areas. These applications for land use conversion appear to be a function of the relative affordability of land within these areas compared to other parts of the city, rather than a consequence of the decline in industrial market demand in these locations. Certainly, a property-level assessment of the suitability for land use conversion is necessary, as it is evident that the submarkets are not facing a widespread transition away from industrial uses.

2.3 CONCLUSIONS

According to Cushman & Wakefield’s data, current industrial vacancy levels are within the recent historic range, and rental rates have shown some improvement from cyclically low levels seen just a few years ago. The time on leasing market for available units has showed little variation in historic terms.

There are very few land parcels of significant size remaining undeveloped within Mississauga’s industrial employment areas. Opportunities exist to intensify operations on those existing parcels that have excess land, but intensification will largely occur through a change to an alternative employment use. Addition/renovation activity continues to provide capital reinvestment, as indicated by building permits issued during the past decade. As well, there has been a strong level of investment sales activity across Mississauga.

The overall picture is an industrial market that may be showing the early signs of transition, as new supply has been modest since the 2008 recession in Mississauga and across the GTA. This transition is from the past pattern of greenfield development across the city, to a more fragmented form of development on remaining lands. Other GTA municipalities will rise in prominence over time – from a new development perspective – as Mississauga’s remaining employment lands are absorbed. The outlook for industrial-type employment growth will play a significant factor in the amount of industrial land that will be required to meet future demand.

3.0 OFFICE MARKET OVERVIEW

3.1 INTRODUCTION

The purpose of this office market overview is to assess historic and current office market conditions to provide insight into trends affecting Mississauga's office nodes, as well as the broader GTA West market. We review metrics such as inventory, year built, vacancy, and rental rates, to profile the health of the office market. Building permit activity and property sales are other indicators of the success of the local office market.

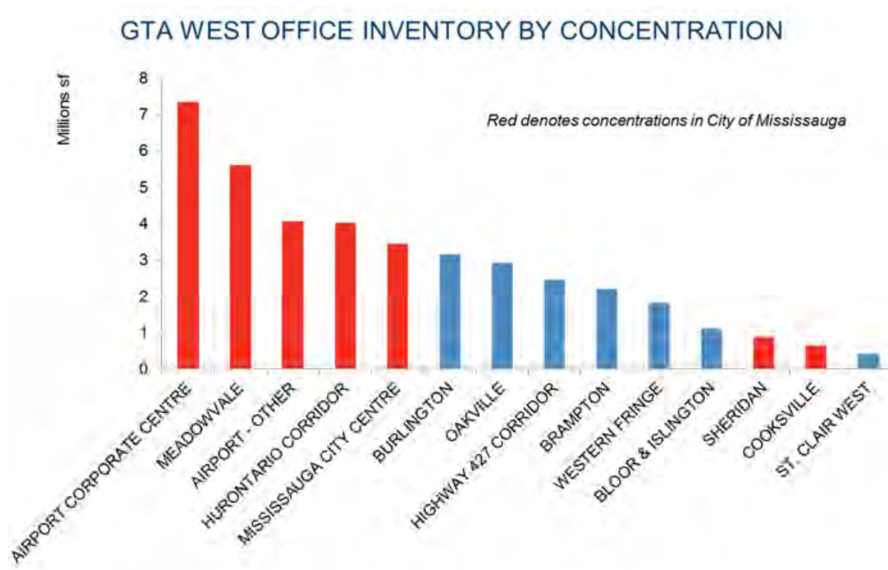
Mississauga is home to a sizable share of the GTA's suburban office market – and arguable some of the suburb's most successful office concentrations. Understanding its past and current performance is important in assessing its capacity to accommodate future demand for office space.

3.2 REVIEW OF MARKET TRENDS

INVENTORY

The GTA office market has an overall inventory of approximately 170 million square feet (sf). Office space across the GTA is divided evenly between the Central Area (Downtown and Midtown Toronto, comprising 84.7 million sf) and the Suburbs (West, Central, and East, comprising 84.8 million sf). Mississauga forms part of the GTA West submarket (comprised of Peel and Halton).

The City of Mississauga is home to approximately 26 million sf of office space in 262 buildings tracked by Cushman & Wakefield. The five largest concentrations of office space in GTA West are located in Mississauga.



YEAR BUILT

Cushman & Wakefield has year built information for almost all office buildings it tracks in the City of Mississauga (99.6% of the inventory, by size). The exhibit below profiles the age of the office inventory by decade of completion, as a proportion of the overall inventory size.

The 1980s was the most active decade of construction, with 9.2 million sf of office space built in 95 buildings. The 1990s and 2000s saw 5.4 million sf (59 projects) and 6.8 million sf (52 projects) completed, respectively. Since 1980, the city has seen an annual average of almost 700,000 sf of new office space completed.

INDICATORS OF OFFICE MARKET HEALTH

In the Technical Report, there is extensive analysis regarding various aspects of the office space market in Mississauga. The following table is intended to illustrate and summarize some of the key metrics that are determinants of the health and viability of the local office market.

INDICATORS OF OFFICE MARKET HEALTH		
INDICATOR	ANALYSIS	CONCLUSIONS
Land vacancy	There are roughly 925 hectares (2,290 acres) of vacant land across Mississauga's Employment Areas and Corporate Centres (10% vacant). Given their built form and density, office developments can be accommodated on relatively small parcels (especially with structured parking).	Vacant land is not a constraint to attracting future office development in the city.
Building vacancy	Mississauga had an overall vacancy rate of 10.5% at year-end 2012. This is slightly above the GTA Suburban average of 9.5%. Mississauga's vacancy rate has ranged from around 6% to 14% since 2000.	Slightly poorer performance relative to other GTA markets since 2009, but remains with recent historic range.
Rental rates	Despite higher vacancy rates than were recorded through the middle portion of the 2000s, rental rates have continued to rise in most concentrations. Notwithstanding the pause in 2009 due to the recession, average asking net rental rates for Mississauga at an aggregate level have increased annually since 2005.	Sustained although moderate rental rate growth recorded in most office concentrations.

New construction	Although the 1980s was the most active decade for office development in Mississauga, the 2000s saw more new development than the 1990s. New construction has occurred in six of Mississauga's seven office concentrations since 2000 (Mississauga City Centre is the exception).	Continuing developer interest in Mississauga is evident based on recent performance.
Property reinvestment	There are few building permits recorded for office additions and renovations.	Demand for new office space in Mississauga has been in the form of new projects, rather than additions to existing buildings.

In summary, the indicators of office market health indicate opportunities to accommodate future office demand on remaining land parcels. Rental rates have generally been increasing for the past several years, with ongoing new development activity. Building sales activity indicates continued interest from the investment market in this asset class within Mississauga. Overall, Mississauga's office concentrations remain generally successful and are anticipated to remain in demand from office space users.

3.3 CONCLUSIONS

Mississauga has continued to attract significant new office supply. The 2000s saw more space added than the decade prior. Notably, Airport Corporate Centre and Meadowvale Corporate Centre have emerged as key locations for new office inventory, at the expense of other established nodes in the city. The current overall office vacancy rate of 10.5% lies roughly in the middle of the recent historic low (2008) and high (2002) recorded in Mississauga. Although rental rates declined during the recession in 2009, the trend has been for stable rental rate growth since 2005. With these generally positive market indicators, Mississauga has seen a continued strong demand for office buildings acquired by investors and users, underpinning investor confidence.

Mississauga's Employment Areas and Corporate Centres provide a range of types, sizes and quality of office space to appeal to prospective tenants and owner-occupiers. The city has attracted substantial new office construction during the past several decades, indicating its ongoing desirability as a suburban GTA office location.

4.0 EMPLOYMENT LAND ANALYSIS

4.1 INTRODUCTION

The employment land analysis considers the types of employment growth that are projected for the City of Mississauga. C&W has utilized recent work by Hemson Consulting Ltd.[1] ("2013 Hemson Report") to illustrate the geographic location of jobs within the city. Character Areas (focusing on the Employment Areas and Corporate Centres) are the level of geography that has been studied.

In the Technical Report, employment densities by type of space are examined, along with the supply of vacant land. We present an analysis of employment by type of job, and consider appropriate benchmark densities to be applied in our land demand projection model.

4.2 EMPLOYMENT TYPES

Our analysis is based upon three broad types of employment: Employment Land Employment (ELE), Major Office Employment (MOE), and Population-Related Employment (PRE). These are described as follows:

Employment Land Employment: The phrase "Employment Land Employment" refers principally to industrial-type jobs, and includes: manufacturing; research and development; warehousing and distribution; and wholesale trade. These jobs are typically located in single storey buildings, with a small office component which may be multi-storey.

Major Office Employment: Small-scale office properties may be accommodated in industrial parks on employment lands, often in the form of space within multi-tenant commercial strip properties. "Major Office" uses are higher density uses and typically have different requirements, such as transit accessibility, site visibility, adequate parking provision and other considerations that make them non-complimentary to traditional industrial parks. "Major Office" may be considered as employment in freestanding buildings over 1,850 M^2 (20,000 sf), as a benchmark.

Typical categories of "Major Office" employment include the following: Finance, Insurance and Real Estate; Professional, Scientific and Technical Services; Other Business Services (some segments); and Information, Culture and Recreation (some segments). Major Office functions typically concentrate in downtown areas or established suburban office parks, but developers may also pursue pioneering sites in complementing other existing commercial/retail properties or planned projects.

Population-Related Employment: The "Population-Related Employment" category of employment is that which exists in response to a resident population that is not primarily located in employment areas. Commercial, institutional and accessory retail uses – and increasingly, community facilities/population-related functions – may locate on employment lands. The extent of population-related land uses in employment areas varies among municipalities, and contributes to the mix of land uses and amenities within employment areas. The range of employment sectors includes the following: Retail Trade; Educational Services; Health Care and Social Assistance; Accommodation and Food Services; and Government (NAICS codes). These land uses are generally accommodated within existing neighbourhoods and commercial areas, as well as through secondary planning for new residential/commercial areas.

[1] Long-Range Forecasts, City of Mississauga 2011-2051 (September 18, 2013).

4.3 EMPLOYMENT LAND SUPPLY

VACANT EMPLOYMENT LAND

According to data provided by the City of Mississauga, there are almost 230 parcels of vacant land situated in Employment Areas and Corporate Centres, totaling some 925 hectares (2,290 acres). This accounts for a 10% share of the total land in these areas. These vacant lands represent roughly three-quarters of all of the available lands across the city, at year-end 2012.

A portion of the remaining vacant employment lands across the city may remain vacant over the long term for a variety of reasons, including issues such as ownership, site configuration, and contamination. Lands within certain Character Areas – Southdown EA, Churchill Meadows EA, and Sheridan Park CC – may be restricted from development as an employment use, for reasons discussed in the Technical Report.

There are 36 hectares (almost 90 acres) of vacant employment lands made up of parcels that are less than 0.8 hectares (2 acres) in size. Many of these should be excluded from consideration in meeting future employment lands targets due to the fact that their small size likely makes economic development of the site prohibitive – unless developed by an adjacent land owner.

Employment lands become functionally fully occupied once a critical threshold is reached – all of the prime sites are developed, and the remaining lands have issues such as awkward site configuration, poor access or visibility, difficult access to servicing, land contamination, incompatible adjacent uses, or are simply held in long-term reserve by land owners (often adjacent parcels) for strategic business reasons (used for parking or storage purposes). Accordingly, a long-term vacancy contingency should be considered in our analysis of land supply in the city. For the purposes of our analysis, a 5% structural vacancy factor is considered appropriate. Within the Employment Areas and Corporate Centres, this equates to 462 hectares of the total 9,262 hectares of land.

4.4 LAND DEMAND PROJECTIONS – EMPLOYMENT LANDS

INTRODUCTION

Three land demand scenarios have been prepared that examine sensitivities that can be tested, such as employment density by type, and the share of the future employment by type on employment lands. The scenarios reflect different land use outcomes, varying from a continuation of the status quo; to a more concentrated (dense) form of development in growth centres and along major corridors; to a less dense form of development concentrated on employment lands.

SCENARIO 1 – BASE CASE

The following exhibit incorporates the benchmark employment densities and share of overall employment on employment lands analysis presented above, along with a projection of job growth by type to 2031 and 2041 (the employment projections are drawn from the 2013 Hemson Report). This can be considered the “Base Case Scenario”, as it incorporates all of the preceding analysis, without testing any sensitivities in the model.

SCENARIO 1 – BASE CASE – LAND DEMAND PROJECTION							
EMPLOYMENT TYPE	DENSITY (JOBS/HA)	JOB GROWTH TO 2031	SHARE ON EMPLOYMENT LAND	LAND REQUIRED (HA)	JOB GROWTH TO 2041	SHARE ON EMPLOYMENT LAND	LAND REQUIRED (HA)
ELE	35	9,000	100%	257	9,000	100%	257
MOE	265	47,000	80%	142	62,000	80%	187
PRE	80	23,000	15%	43	33,000	15%	62
Total		**79,000**		**442**	**104,000**		**506**

The conclusion of the land demand projection model is that the City of Mississauga will be required to plan for approximately 510 hectares of employment lands to absorb employment growth projections through 2041, and that roughly 440 hectares will be absorbed by 2031, at these benchmark employment densities.

SCENARIO 2 – NODES & CORRIDORS EVOLUTION

This scenario imagines a different pattern of land use emerging in Mississauga over time, which capitalizes on the planned future transit infrastructure and directs employment to mixed use areas and particularly along arterials in a "nodes and corridors" approach. In this scenario, ELE employment intensification takes place at a rate that reflects a higher office component within "flex" industrial properties, as seen in Markham and Richmond Hill (50 jobs per hectare). This is due to a higher proportion of office space locating adjacent to industrial and research and development-type facilities. This is not consistent with recent trends in Mississauga (and elsewhere), which has seen declining ELE densities due to a high proportion of low intensity warehousing and distribution-type facilities being constructed during the past decade. MOE density is slightly increased to 285 jobs per hectare, as more of the office space locates along major arterials with structured/underground parking, rather than office campuses with surface parking. Correspondingly, the share of the growth of MOE jobs on employment lands is reduced to 50% from the Base Case figure of 80%. As well, the proportion of PRE that locates on employment lands is reduced to 10% from the Base Case 15% figure, to incorporate more of these functions in mixed use buildings.

SCENARIO 2 – NODES & CORRIDORS EVOLUTION – LAND DEMAND PROJECTION							
EMPLOYMENT TYPE	DENSITY (JOBS/HA)	JOB GROWTH TO 2031	SHARE ON EMPLOYMENT LAND	LAND REQUIRED (HA)	JOB GROWTH TO 2041	SHARE ON EMPLOYMENT LAND	LAND REQUIRED (HA)
ELE	50	9,000	100%	180	9,000	100%	180
MOE	285	47,000	50%	82	62,000	50%	109
PRE	80	23,000	10%	29	33,000	10%	41
Total		**79,000**		**291**	**104,000**		**330**

This land demand scenario indicates that roughly 330 hectares of employment land will be absorbed by 2041, with 290 hectares of absorption occurring by 2031.

SCENARIO 3 – EMPLOYMENT LAND-FOCUSED GROWTH

This scenario envisions all of Mississauga's future ELE and MOE job growth seeking employment land sites in the Employment Areas and Corporate Centres. The ELE density has been reduced to 25 jobs per hectare, reflecting a greater proportion of warehousing and logistics functions (including e-commerce related goods fulfilment), and increased employee productivity via technology and automation, versus the more employment-intensive uses considered in Scenario 2. The MOE density is in line with the Base Case scenario, however, all jobs are allocated to employment lands. This scenario could be viewed as a failure of the Downtown area and other Mixed Use areas to attract office development. The proportion of PRE employment targeted for employment lands has been increased to a 25% share of future job growth in this category.

SCENARIO 3 – EMPLOYMENT LAND-FOCUSED GROWTH – LAND DEMAND PROJECTION

EMPLOYMENT TYPE	DENSITY (JOBS/HA)	JOB GROWTH TO 2031	SHARE ON EMPLOYMENT LAND	LAND REQUIRED (HA)	JOB GROWTH TO 2041	SHARE ON EMPLOYMENT LAND	LAND REQUIRED (HA)
ELE	25	9,000	100%	360	9,000	100%	360
MOE	265	47,000	100%	177	62,000	100%	234
PRE	80	23,000	25%	72	33,000	25%	103
Total		**79,000**		**609**	**104,000**		**697**

This land demand scenario indicates that roughly 700 hectares of employment land will be required by 2041, with 610 hectares required by 2031, in order to meet these job growth targets at the specified employment densities.

4.5 CONCLUSIONS

SUMMARY OF CONCLUSIONS

If this analysis holds true – relying on the employment projections and density benchmarks presented above – then in the Scenario 1 "Base Case", there is a slightly inadequate supply of land to accommodate the projected employment growth to 2041 (a shortfall of 43 hectares), although the employment target to 2031 could still be accommodated. Otherwise, more marginal lands below the 5% employment land vacancy threshold will be required to meet employment targets. Alternatively, directing certain types of employment (such as major office, major institutional and major retail uses) away from employment lands will need to be considered, from a planning policy perspective, to both promote those uses in defined urban growth centres and major transit station areas and to ensure that employment lands are available to accommodate Employment Land Employment. Also, accommodating employment in mixed use areas (particularly major office employment) in the Downtown, Major Nodes, and Corporate Centres is another consideration.

Scenario 2 results in a surplus of employment lands of roughly 130 hectares by 2041. This scenario results in less traditional employment land being required compared to the other scenarios, which leads to a surplus of lands within the EAs and CCs. The City could therefore have the flexibility of considering the conversion of certain employment land sites for other land uses, or retain lands for longer term planning and economic development objectives.

Importantly, it must be noted that Scenario 3 is not achievable – there is insufficient employment land remaining to support all the projected employment, while taking into account the long-term vacancy factor of land set aside as undevelopable. The implication is that if the anticipated future employment growth were to occur at these densities, the supply of employment land would be exhausted before the employment target is reached.

DEMAND AND SUPPLY CONCLUSIONS			
VARIABLE	SCENARIO 1 (HA)	SCENARIO 2 (HA)	SCENARIO 3 (HA)
Land Demand to 2031	442	291	609
Land Demand to 2041	506	330	697
Total Employment Land Supply	925	925	925
Less Vacancy Factor (5%)	(462)	(462)	(462)
Adjusted Land Supply	463	463	463
Surplus/(Deficit) to 2031	**21**	**172**	**(146)**
Surplus/(Deficit) to 2041	**(43)**	**133**	**(234)**

5.0 COMMERCIAL LAND ANALYSIS

5.1 INTRODUCTION

The commercial land analysis reviews retail market trends, which informs our view regarding future retail space requirements. An analysis of the current retail inventory in Mississauga, along with vacant lands, are supply-side inputs to the land demand model. An assessment of retail space per capita is provided, which is used to project future retail space demand, based on a population projection.

5.2 RETAIL TRENDS

RETAIL FORMATS

The retail sector is a constantly evolving business, with changing store formats, shopping centre formats, anchor tenant brands, and consumer behaviours. The entry (and announced departure) of Target (which took over many former Zellers locations); the continued expansion of Walmart; Sears exiting its leases at several key sites, and the entry of new US department stores; the uncertain future of electronics retailing (Best Buy/Future Shop restructuring); the closure of Blockbuster Video locations; ongoing consolidations in the grocery segment (Sobey's acquiring Canada Safeway; Loblaw acquiring Shoppers Drug Mart); Leon's acquisition of The Brick – these are a few of the significant changes seen across Canada's retail landscape in just the past few years.

The following presents some of the key broad retail sector trends that are considered in our evaluation of the retail-commercial marketplace in Mississauga today, and in the future:

- **Big box retailing the dominant form of new development** – Big box stores serve as a relatively low cost form of retail development, addressing a suburban style of design. This allows retailers to accrue economies of scale in their operations and meet consumer's demand for low prices and wider product selection.
- **Smaller store formats** – Recent media reports have noted a number of big box retailers are exploring smaller sized box stores, due to concerns over productivity, and under-utilized square footage. Also, smaller format stores are more compatible in urban environments when seeking infill sites, as prime sites are not as readily available (or in the case of higher land costs – affordable).
- **Unknown future of power centre developments** – Power centres are maligned by some as a sprawling form of unsustainable development – a sea of car parking surrounding buildings disconnected from the surrounding built landscape. Across Canada, the first wave of power centres will soon be 20-25 years old. As these power centres age and consumer habits evolve, will they continue to represent the highest and best use of their lands?
- **Increasing rate of E-Commerce** – The ability to research and purchase items using our computers and mobile devices has changed the way we shop. According to research firm Peerless Research Group (PRG), nearly half of the retailers responding to a recent survey expect mobile commerce ("m-commerce") to become the most vital sales channel in the next 24 months. An Ipsos Reid survey conducted in July, 2014 indicated that 82% of Canadians had made an online purchase within the past year. Deloitte projects that by 2030, e-commerce will comprise 30% of all retail sales, meaning that in roughly 15 years, e-commerce sales will grow by a factor of five.

5.3 SHOPPING CENTRE INVENTORY

It is necessary to identify the current retail shopping centre inventory in Mississauga, in order to determine the shopping centre space per capita today. The amount of shopping centre space per capita is an input to determining the future retail space demand, based upon population growth.

Cushman & Wakefield has relied upon retail inventory data from the Centre for the Study of Commercial Activity. The inventory for the City of Mississauga is identified in the following exhibit, compared to the Toronto Census Metropolitan Area.

RETAIL INVENTORY

RETAIL TYPE	MISSISSAUGA (M^2)	MISSISSAUGA (SF)	MISSISSAUGA SHARE	TORONTO CMA (M^2)	TORONTO CMA (SF)
Strip	305,000	3,280,000	10%	3,070,000	33,047,000
Power Centre	353,000	3,804,000	15%	2,395,000	25,783,000
Shopping Centre	1,545,000	16,635,000	17%	9,189,000	98,915,000
New Format	606,000	6,521,000	14%	4,289,000	46,164,000
Total	**2,809,000**	**30,239,000**	**15%**	**18,944,000**	**203,909,000**

5.4 SHOPPING CENTRE SPACE PER CAPITA/PER HOUSEHOLD

Based upon this retail inventory and 2011 Census data, Mississauga has a ratio of 12 M^2 (129 sf) of retail space per household. This same figure holds true if the 2013 Hemson Report household data is utilized. There is a slight variance in per capita retail space depending upon whether Census or 2013 Hemson Report figures are utilized; for the purposes of our analysis, and for consistency throughout this report, we have relied upon the 2013 Hemson Report figures. This translates to a ratio of approximately 3.8 M^2 (40.7 sf) per capita.

5.5 VACANT COMMERCIAL-RETAIL LAND SUPPLY

Cushman & Wakefield has reviewed vacant land data provided by City staff, at year-end 2013. The vacant lands designated as Convenience Commercial, Mixed Use, and Downtown Core Commercial and Downtown Mixed Use in the Downtown Core have all been considered suitable to accommodate future retail-commercial development. Notably, mixed use lands would be envisioned as a ground floor (or perhaps multi-level) retail-commercial component, with alternate uses on upper floors. Of the total 1,156 hectares (2,858 acres), there is an inventory of 81 hectares (200 acres) of vacant land, accounting for a 7% share.

In addition to the vacant land supply, there is also the potential to intensify and redevelop existing retail-commercial sites throughout the city. This could come in the form of pad sites at existing shopping centres, or expansions on these sites (which might require parking structures, if surface parking spaces are displaced as a result). On a smaller scale, there may be strip plazas and neighbourhood shopping centres with excess land that could be intensified. However, the capacity for intensification is difficult to quantify – along with gauging the intentions of property owners.

5.6 LAND DEMAND PROJECTIONS – COMMERCIAL LANDS

INTRODUCTION

The preceding analysis of retail market trends, retail inventory, space per capita and vacant land supply are all key inputs to our land demand projection. In the following section we utilize a projection of future population, along with a site coverage benchmark, to forecast future commercial land needs. Two scenarios are examined to test assumptions regarding the amount of space required per capita.

SCENARIO 1 – BASE CASE

In the Base Case scenario, commercial/retail space demand is projected to continue at the current ratio of retail space per household, which is 12 M^2 (129 sf). Based upon an increase in the number of households of 37,100 by 2031 and 53,700 by 2041, this translates to a requirement for land to accommodate approximately 443,500 M^2 and 642,000 M^2 of new space, respectively (4.8 million sf and 6.9 million sf, respectively). When this space demand is translated to a land requirement at a benchmark site coverage of 25%, this equates to a need for 177 hectares (438 acres) of land by 2031 and 257 hectares (635 acres) by 2041.

SCENARIO 1 – BASE CASE – LAND DEMAND PROJECTION

VARIABLE	2031		2041	
Retail Space per Household	12.0 M^2	128.7 sf	12.0 M^2	128.7 sf
Households Growth	37,100 households		53,700 households	
Current Retail Space (2011)	2,809,000 M^2	30,239,000 sf	2,809,000 M^2	30,239,000 sf
Future Needed Retail Space	3,253,000 M^2	35,013,000 sf	3,451,000 M^2	37,149,000 sf
New Construction Required (or Surplus)	444,000 M^2	4,774,000 sf	642,000 M^2	6,910,000 sf
Site Coverage	25%		25%	
Land Required (or Surplus)	177 HA	438 AC	257 HA	635 AC

SCENARIO 2 – REDUCED RETAIL SPACE PER HOUSEHOLD

A second scenario has been developed that tests the impact of a reduction in retail space per household in the future. This is influenced by the secular trends apparent in the consumer market today towards online shopping, mobile commerce, same-day delivery of goods, and declining store sizes among certain retail categories. It is also influenced by higher land costs, and the more urban orientation of retail that is envisioned for Mississauga going forward. As well, it recognizes an improved sales performance at existing retailers resulting from the increase in population. In Scenario 2 – Reduced Retail Space per Household – the retail space demand per household is reduced by 15% from today's figure of 12 M^2 (129 sf) to 10.2 M^2 (109 sf).

With a current retail inventory of 2.8 million M^2 (30.2 million sf), there is actually an excess of retail space to meet the needs of Mississauga's households through 2031. Importantly, however, the adjustment towards a lower rate of retail space demand per household will emerge progressively during the forecast period. By 2041, it is projected that an additional 124,000 M^2 (1.3 million sf) of retail space will be required. At a benchmark site coverage of 25%, this means that 50 hectares (123 acres) of land will be required.

SCENARIO 2 – REDUCED DEMAND PER HOUSEHOLD – LAND DEMAND PROJECTION				
VARIABLE	2031		2041	
Retail Space per Household	12.0 M^2	128.7 sf	10.0 M^2	109.4 sf
Households Growth	37,100 households		53,700 households	
Current Retail Space (2011)	2,809,000 M^2	30,239,000 sf	2,809,000 M^2	30,239,000 sf
Future Needed Retail Space	2,765,000 M^2	29,761,000 sf	2,934,000 M^2	31,576,000 sf
New Construction Required (or Surplus)	(44,000 M^2)	(478,000 sf)	124,000 M^2	1,338,000 sf
Site Coverage	25%		25%	
Land Required (or Surplus)	(18) HA	(44) AC	50 HA	123 AC

5.7 CONCLUSIONS

In the Base Case scenario, current retail space per household demand projections indicate a shortfall of retail-commercial land of close to 100 hectares by 2031, which is further exacerbated over the decade following. Conversely, if current retail demand levels per household are reduced to acknowledge consumer trends, there is a modest surplus of lands at the end of the forecast horizon. In either scenario, there is likely to be intensification and/or redevelopment occurring at established retail-commercial properties which will lessen the overall land requirement.

The outcome of the land supply on future retail development will be a focus on more urban retail formats, and mixed use development incorporating retail space. Smaller store formats are more easily incorporated into such development formats. Intensification of existing larger shopping centres via additions (connected to the mall, or pad site development) and structured parking may also occur over time, depending on the productivity (sales performance) of these properties.

DEMAND AND SUPPLY CONCLUSIONS		
VARIABLE	SCENARIO 1 (HA)	SCENARIO 2 (HA)
Land Demand to 2031	177	(18)
Land Demand to 2041	257	50
Total Retail Commercial Land Supply	81	81
Surplus/(Deficit) to 2031	**(96)**	**81**
Surplus/(Deficit) to 2041	**(176)**	**31**

6.0 EMPLOYMENT LAND POLICY ANALYSIS

6.1 INTRODUCTION

Since 2005, the land use planning context in Ontario has become dramatically different with a clear focus on growth management to ensure healthy, safe and balanced communities. Importantly, planning legislation in Ontario establishes a strong relationship between growth management and mandated population and employment projections, and the timeframes that those projections reference. In addition, planning legislation identifies that providing opportunities for businesses to locate is a crucial element in the City's ability to use land wisely, while ensuring a prosperous economic future. As a result, it is fundamental to good planning in Ontario, and in Mississauga, to ensure an adequate supply of land for employment areas and for other employment-generating land uses in the long-term.

At the same time, Mississauga's urban structure is evolving. It is moving from a planned suburban community, to a much more highly urbanized city, with an intensified urban structure that is based on a series of urban centres, connected by urban corridors – all supported by higher-order transit facilities. This evolving urban structure will provide substantial opportunities in the identified centres and corridors for the production of higher density housing and population-related employment, including major office, institutional, retail and service commercial uses. Within the designated urban centres and corridors, the differentiation among various land use types will become less clear as the mix of land uses changes, and it will become a significant planning challenge to manage the growth and evolution of specific single use land use categories.

Notwithstanding Mississauga's evolving urban structure, and the intensified and mixed use development opportunities that it presents, the city will continue to accommodate traditional stable residential neighbourhoods, as well as large and contiguous employment areas. It is these neighbourhoods and employment areas that have defined Mississauga's historic development character, and have made it both economically successful and a desirable place to live, and to locate a business.

Previous sections in this report (and the Technical Report) identify the importance of employment areas, and their role in sustaining Mississauga's economic success. In addition, an analysis of the long-term supply of, and demand for, those lands has indicated that existing employment areas are becoming an increasingly scarce resource. The land demand scenarios project the need for employment lands to 2031 and to 2041, and within both of those time horizons, the supply of land in employment areas versus the amount of land required to meet projected demand is shown to indicate no excess of land – leading to little room for flexibility in a land use planning context.

6.2 THE LEGISLATIVE/POLICY FRAMEWORK

INTRODUCTION

In the Technical Report, there is an examination of pertinent planning policy at the provincial and municipal level. We provide a summary of the overall policy context, and review Provincial policy (The Planning Act, Provincial Policy Statement, and Places to Grow) and regional/municipal-level policy (Regional Official Plan and Mississauga Official Plan). We consider the planning policy related to issues such as:

- Locating Major Office, Major Institutional and Retail Uses;
- Defining Employment Areas;
- Ensuring a Balanced City;

- Ensuring Opportunities for a Range of Employment Types;
- Protecting Identified Employment Areas;
- Considering a Land Use Conversion; and,
- The Right to Appeal a Council Decision.

SUMMARY CONCLUSIONS

1. Since 2005, the land use planning context in Ontario has become dramatically different. Today, planning legislation:

a. Establishes a strong relationship between growth management and mandated population and employment projections, and the timeframes that those projections reference; and,

b. Identifies that providing opportunities for businesses to locate is a crucial element in the City's ability to use land wisely, while ensuring a prosperous economic future.

2. All of the Planning Act, Provincial Policy Statement, Places to Grow, Peel Region Official Plan, and the Mississauga Official Plan are complementary to each other, some including greater level of detail on specific topics. All of these documents are to be read in their entirety, and all relevant policies applied to every planning decision, at all levels of government. The policy analysis included a discussion of a number of key policy related themes, including:
    a. The siting of major office, major institutional and retail uses;
    b. The definition of an "employment area";
    c. Ensuring a balanced city, with opportunities for a range of employment types;
    d. Protection of identified employment areas;
    e. Consideration of the conversion of a land use; and,
    f. The rights of appeal related to a Council Decision.
3. The Provincial, Regional and local planning policy context is both complementary and complex. It is important to understand this context because planning documents and decisions in Mississauga are required to conform to the Planning Act, Places to Grow and the Region of Peel Official Plan. Planning documents and decisions in Mississauga are also required to be consistent with the Provincial Policy Statement. The Mississauga Official Plan appropriately conforms to Provincial and Regional policy requirements. More importantly, the policy framework implemented through the Mississauga Official Plan is an integral element of the employment area strategy envisioned at all levels of government.
4. There is tremendous consistency among Provincial, Regional and local policy frameworks. All of these policies are to be applied by the City of Mississauga when dealing with issues related to the accommodation of the full range of employment uses, and in particular, those employment land employment opportunities that are expected to be accommodated in identified employment areas. The collective policies provided to the City by the Province and the Region work in support of the City's long-term planning objectives with respect to the accommodation of a full range and mix of employment generating land uses.
5. A changing development environment has been appropriately captured in the City of Mississauga Official Plan. The city is evolving from a planned suburban community to a much more complex urban structure with a focus on mixed-use urban centres and corridors, connected by high order transit facilities. While the evolving urban structure will accommodate all land uses in a different way, there is still a need to protect stable neighbourhoods, and, with respect to this report, accommodate those employment generating land uses that are more space extensive, and require locations with access and visibility attributes typical of Mississauga's employment areas.

6. Since 2005, all of the levels of government have identified an interest in the protection of "employment areas" from conversion to other land uses. The intent of Provincial policies, and subsequently Regional and local planning policies, is based upon a recognition that employment lands are a limited resource that are fundamental to a fiscally healthy and economically sustainable municipality. As a result, they require special protective legislation and policy to ensure that the pressures to convert employment lands within an Employment Area to other uses, which may be viewed as more market expedient or higher value, can be repelled in order to achieve longer-term community objectives related to economic prosperity, and complete and balanced communities.
7. The overall policy framework is favourable with respect to the City's ability to protect its inventory of employment lands within an Employment Area from conversion to other land uses. The overall policy framework empowers the City to manage its own long-term employment accommodation destiny. Specific requirements for a City initiated/approved "municipal comprehensive review" provide a strong statement in support of the City's control of the process. The limitation of appeal rights in the Planning Act ensures that City decisions are taken seriously with respect to conversion, and are not to be constantly challenged by the private sector on a site-specific basis.
8. It is fundamental to good planning in Ontario, and in Mississauga, to ensure an adequate supply of land within employment areas and for other employment-generating land uses in the long-term. The protection of employment lands within employment areas from conversion to other land uses is considered to be in the long-term public interest, as that public interest is defined through Provincial, Regional and municipal planning policy, the actions of Peel Region and City of Mississauga Councils, and in recognition of the principles of good planning.

7.0 COMMERCIAL LAND POLICY ANALYSIS

7.1 THE EVOLUTION OF COMMUNITY PLANNING & COMMERCIAL DEVELOPMENT

Commercial land use planning, retail trends, and building formats have been evolving over the last several decades in response to changing lifestyles and social preferences, as well as ideas about community planning and development. From the mid-to-late twentieth century, the common commercial hierarchy adopted by municipalities across North America included a historic downtown, regional malls, community-scaled malls and plazas, and locally-scaled commercial nodes that offered convenience items and personal services. Historically, commercial development in Mississauga has reflected this model, with the additional element of main streets and nodes within the city's historic villages, such as in Streetsville and Port Credit.

The evolution of retail over the last two decades has resulted in changes to the traditional commercial hierarchy, largely owing to two divergent trends. There has be a shift towards larger format power centres, and super regional malls – and a corresponding decline of the traditional retail centres. Alongside this shift towards super-sized shopping areas, there has been an increasing demand for main street shopping experiences and mixed use centres that are associated with complete and walkable communities, and characterized by smaller format and pedestrian-oriented retail areas. These types of areas are becoming increasingly attractive as an alternative to space-extensive and sprawling retail formats that are segregated from the places where people live and work. Within this context, big box retailers are developing smaller format stores that are better integrated with urban environments. Online shopping is also spurring changes in commercial development, in terms of reducing the overall amount of commercial space needed per capita to satisfy local demand.

The emerging commercial planning model now clearly emphasizes compact development and mixed uses, as well as intensification and a nodes and corridors structure. From a commercial planning perspective, this includes opportunities to redevelop and retrofit existing commercial strips and ageing retail centres to support the long-term success of established neighbourhoods, as well as the viability of public transit.

7.2 POLICY CONTEXT

The Technical Report provides an overview and analysis of relevant Provincial policy, as well as the Regional Official Plan and Mississauga's Official Plan. In our review of MOP, we examine the City Structure Elements, along with the underlying land use designations, with regard to the commercial retail environment.

7.3 SUMMARY CONCLUSIONS

1. Commercial uses employ a large number of people, and are an important element in Mississauga's overall urban and employment structure. From the mid-to-late twentieth century, the common commercial hierarchy adopted by municipalities across North America included a historic downtown, regional malls, community-scaled malls and plazas, and locally- scaled commercial nodes that offered convenience items and personal services. Historically, commercial development in Mississauga has reflected this model, with the additional element of main streets and nodes within the city's historic villages, such as in Streetsville and Port Credit.
2. More recently, commercial land use planning, retail trends, and building formats have been evolving in response to changing lifestyles and social preferences, as well as ideas about community planning and development. This evolution has resulted in changes to the traditional commercial hierarchy, largely owing to the following trends:

a. A shift towards larger format power centres, and super regional malls and a corresponding decline of the traditional retail centres; and,

b. An increasing demand for main street shopping experiences and mixed use centres that are associated with complete and walkable communities, and characterized by smaller format and pedestrian-oriented retail areas.

3. This more urban form of retail commercial development represents a paradigm shift in Mississauga. It is a move away from a more auto-oriented built form towards a transit-supportive, high density, mixed-use model. Notwithstanding the shift to a more urban model, the achievement of a more intensely developed Downtown, in conjunction with the redevelopment of the identified mixed-use Nodes and Corridors would represent a successful implementation of the principles and objectives of MOP.

4. The Provincial planning framework has been informed by, and then subsequently influenced the changing approaches to community planning and commercial development. Although much of the Provincial planning framework – and the Growth Plan in particular – is focused on residential and employment land use planning, expectations for commercial development are integrated through the emphasis on mixed use development and complete communities, intensification, and the revitalization of urban centres. The shift to higher quality, compact and mixed use commercial development is also expressed through the intensification policies of the Growth Plan.

5. The Region of Peel Official Plan establishes an urban structure and policies at the regional level. Although discrete commercial areas are not identified, the policies related to the Regional Structure speak to the mix of uses and built form. The relevant objectives of the ROP call for sustainable development, complete communities that contain living, working, and recreational opportunities, and an intensified and compact built form with a mix of land uses. In addition, the objectives and policies for Urban Growth Centres and the Regional Intensification Corridor identify these areas as major locations for mixed use, intensified development, including commercial land uses.

6. Mississauga's Official Plan establishes a City Structure that is influenced by the traditional commercial hierarchy, with existing shopping areas serving as the foundation for future mixed use nodes/centres. In terms of their planned evolution, the Downtown, Major Nodes and Community Nodes are envisioned to become transformed through intensification that brings in new residents and jobs, and a more urban and pedestrian friendly form. While all of these areas are intended to accommodate a mix of uses and retain a commercial function, Community Nodes in particular are intended to retain a strong focus on community-oriented retail, services and public facilities that serve surrounding neighbourhoods. Outside of the Downtown, Major Nodes and Community Centres, retail commercial uses are more restricted.

7. The policy framework in MOP conforms with, and implements the principles and policies of the Province and the Region. MOP policy direction with respect to the accommodation of commercial, and particularly retail, facilities of all scales is appropriate, and is supportive of the broader understanding that there will be a much greater reliance on intensification within the identified Downtown, Nodes and Corridors. If the vision and objectives of the Official Plan are achieved, and the Downtown, Nodes and Corridors redevelop and intensify as expected, there will be significant opportunity to exceed anticipated retail commercial and office space projections. A significant part of this evolution is a move away from surface parking lots to structured parking facilities, and a move toward multi-storey retail facilities and truly mixed-use development projects.

8.0 CONCLUSIONS AND RECOMMENDATIONS

8.1 INTRODUCTION

The following represents the key conclusions and recommendations from the preceding market analysis, land supply and demand projections, and planning policy analysis. The key question guiding the analysis is whether MOP's employment policies and land use designations are appropriate to plan for the city's short and long-term employment needs. In particular:

- Is the City's supply of land in various designations sufficient to accommodate forecasted employment growth to 2031 and beyond?
- Is there sufficient land, from a macro-level perspective, for general retail (e.g. strip retail, malls), retail in a mixed use environment, and large format retail?
- Is any conversion of employment land warranted?
- Are any revisions or additions to the regulating policies of MOP for the accommodation of employment-generating land uses warranted?

Based on the detailed analyses documented throughout this report (and the Technical Report), the following conclusions address the city's Evolving Urban System; Corporate Centres and Employment Areas; Retail Commercial Lands; and, Employment Land Conversions.

In 2008, Hemson Consulting Ltd. prepared a report entitled "Employment Land Review Study"; the report identified certain lands as "areas of managed change". Nothwithstanding this, the preceding market and land needs analysis undertaken as part of this report (and the Technical Report) has led to has led to certain lands being identified as "potential conversion areas". Any additional lands that do not fall within those identified as "potential conversion areas" or are not being considered through a local area review process would be reviewed at the time of the next Municipal Comprehensive Review.

8.2 AN EVOLVING URBAN SYSTEM

1. The City of Mississauga has recently undertaken a review of its Official Plan to bring it into conformity with all Provincial Growth Plan requirements, to incorporate the results of various City initiatives, and to establish a policy framework that will guide the city's development in the coming decades.
2. As Mississauga approaches build-out and greenfield land resources become more and more scarce, the city is rapidly evolving from its suburban roots. Where in the past major land uses were segregated into large and distinct districts, the city is now transitioning into a much more intense and dense municipality that includes distinct districts, as well as a structure of mixed use nodes and corridors that are planned to be served by transit.
3. The Urban System reflects the City's growth management strategy, which directs population and employment growth to areas identified for intensification, including the Downtown, Major Nodes, Community Nodes, and Corporate Centres, as well as the Intensification Corridors and Major Transit Station Areas. In fact, one of the guiding principles of MOP is to direct growth to areas identified for intensification.
4. Notwithstanding the desirable and planned urban evolution, it is expected that demand will remain strong in the decades to come for traditional land use districts dominated by low density house forms, business parks, and industrial areas, as well as large format retail commercial districts. At the same time, the diminishing supply of greenfield land in Mississauga will result in:

   a. Increased competition among various land uses for remaining greenfield and even greyfield and brownfield sites;
   b. Fewer opportunities for land-extensive business activities; and,
   c. A greater reliance on office development as a generator of employment.

5. Within this context, focus is needed on how to ensure an appropriate evolution of the Urban System, while accommodating projected employment-generating land uses of all types, including (refer to Section 4.2 – Employment Types – for a broader description):
   a. Major Office Employment (MOE);
   b. Population-Related Employment (PRE); and,
   c. Employment Land Employment (ELE).
6. In particular, there will be an ongoing need to protect land for those employment-generating land uses that are more space extensive, and require locations with access and visibility attributes that are typical of Mississauga's historic development pattern, including those areas identified as a Corporate Centre or Employment Area.

8.3 EMPLOYMENT AREAS AND CORPORATE CENTRES

7. The City's Corporate Centres and Employment Areas are:
   a. A key component of a complete community;
   b. Tax generators, and crucial for economic sustainability; and,
   c. Job providers, necessary to accommodate MOE and ELE development types.
8. Consistent with Mississauga's Official Plan, MOE opportunities will be accommodated in the Downtown, Major Nodes, Corporate Centres, Intensification Corridors and Major Transit Station Areas. Major Office development is an extremely desirable land use that generates a tremendous number of high value jobs, and, given its high density attributes, uses relatively little land.
9. ELE opportunities will be directed primarily to Employment Areas. Employment Areas are non-intensification areas and are expected to build out with space-extensive, and relatively low density businesses.
10. In accordance with Provincial and Regional requirements under the Growth Plan and Regional Official Plan, the City must continue to provide an adequate supply of employment lands to accommodate ELE growth forecasts, and this land supply must include a range and choice of sites that are suitable for ELE uses. To satisfy these requirements, the City will need to:
    a. Recognize that Employment Areas will become increasingly economically vulnerable for conversion to higher value residential, major office and retail commercial land uses – particularly on their periphery; and,
    b. Consider its ability to meet these Employment Area land requirements within its finite land resource for land extensive employment uses.
11. The MOE and ELE land needs analyses considered three scenarios for the future:
    a. Scenario 1 – Base Case: The Base Case scenario establishes a conservative estimate of land needs based on the achievement of current density and employment/land use mix assumptions.
    b. Scenario 2 – Nodes and Corridors Evolution: This scenario imagines a different pattern of land use emerging in Mississauga over time – one which capitalizes on planned transit infrastructure investments and directs employment to mixed use Intensification Areas, in support of MOP. There is a higher rate of ELE density, and MOE density is increased as well. The share of MOE job growth on employment lands is reduced to 50% from the Base Case figure of 80%, and the proportion of PRE that locates on employment lands is reduced to 10% from the Base Case 15% figure.

Scenario 3 – Employment Lands-Focused Growth: This scenario envisions all of Mississauga's future ELE and MOE job growth seeking employment land sites only within the Employment Areas and Corporate Centres. In this scenario, the ELE density is reduced to 25 jobs per hectare. MOE density is in line with the Base Case scenario, however, all jobs are allocated to Employment Areas and Corporate Centres. The proportion of PRE targeted for Employment Areas and Corporate Centres has been increased to a 25% share of future job growth in this category.

12. The following exhibit compares the supply and demand factors for employment land requirements for 2031 and 2041 respectively:

DEMAND AND SUPPLY CONCLUSIONS			
VARIABLE	SCENARIO 1 (HA)	SCENARIO 2 (HA)	SCENARIO 3 (HA)
Land Demand to 2031	442	291	609
Land Demand to 2041	506	330	697
Total Employment Land Supply	925	925	925
Less Vacancy Factor (5%)	(462)	(462)	(462)
Adjusted Land Supply	463	463	463
Surplus/(Deficit) to 2031	**21**	**172**	**(146)**
Surplus/(Deficit) to 2041	**(43)**	**133**	**(234)**

13. With respect to the three land demand scenarios identified, the range identifies near equilibrium in supply versus demand (Scenario 1), or either surplus or deficit conditions. The range is instructive, identifying an extremely conservative scenario (Scenario 3), which results in a significant deficit in Employment Areas/Corporate Centres, or a scenario that anticipates the success of the Official Plan, resulting in a long-term surplus of employment land (Scenario 2).

14. The successful realization of MOP's vision and urban structure (Scenario 2) – which is considered vitally important to the City – would see the substantial employment growth being achieved through MOE development in the Downtown, Major Nodes, Corporate Centres, Intensification Corridors and Major Transit Station Areas. New MOE facilities would support the mixed use and higher density objectives in the appropriate locations, and leave the Employment Land Employment as the primary function in the defined Employment Areas. This is both a departure from the historic development pattern of Mississauga, and a positive long term outcome in terms of city-building.

15. While Scenario 2 identifies a long term surplus of Corporate Centre and Employment Area land, it is also important to note that the planning and development of the city will go on beyond the year 2041, and that current projections will change, achievable development densities will change, and the needs of employers with respect to locational visibility, accessibility and development cost are also likely to change over time.

16. There is tremendous consistency among provincial, regional and local policy frameworks for protecting employment lands. All of these policies are to be applied by the City of Mississauga when dealing with issues related to the accommodation of the full range of employment uses, and in particular, those ELE opportunities that are expected to be accommodated in defined Employment Areas. The collective policies provided to the City by the Province and the Region work in support of the City's long-term planning objectives with respect to the accommodation of a full range and mix of employment-generating land uses.

RECOMMENDATION 1

In order to anticipate the success of MOP over time, and to remain relatively conservative with respect to the remaining land supply, it is recommended that the City:

- Protect all Corporate Centre lands from conversion to other uses. The Corporate Centres subject to ongoing protection from conversion include:
  - Airport Corporate Centre;
  - Gateway Corporate Centre;
  - Meadowvale Business Park Corporate Centre; and,
  - Sheridan Park Corporate Centre;
- Protect identified Employment Areas (both developed and remaining greenfield locations) from conversion to other land uses. Specifically, the following Employment Areas shall be subject to ongoing protection from conversion include:
  - Churchill Meadows Employment Area;
  - Clarkson Employment Area;
  - Gateway Employment Area (East & West);
  - Mavis-Erindale Employment Area;
  - Northeast Employment Area (East & West) – subject to further recommendations described in this report;
  - Southdown Employment Area; and,
  - Western Business Park Employment Area.
- Notwithstanding the general prohibition on the conversion of Employment Areas to other land uses, there are some Employment Areas that have been identified as Potential Conversion Areas, that are identified later in Recommendation 7; and,
- Monitor the progress of MOP in achieving its vision of fostering high intensity, mixed use Nodes and Corridors, including the Downtown, as well as the market forces and employment land development trends.

RECOMMENDATION 2

To achieve the City's objectives for accommodating more office development within the Downtown, Major Nodes, Corporate Centres, Intensification Corridors and Major Transit Station Areas, the City must establish the appropriate economic and planning environment that will attract those office uses. To create a strong investment environment, the City shall consider the implementation of the following planning tools within more detailed planning/economic studies:

- Facilitative Policies: Promote the policies of MOP that facilitate higher intensity, mixed use development that includes office uses, along with, where appropriate, a full array of residential and retail commercial functions together on a site, and within buildings. Planning studies should consider establishing clear targets for the desired mix of uses, including office uses, within the Downtown and Major Nodes, Corporate Centres, Intensification Corridors and Major Transit Station Areas;
- Linkage Requirements: In key locations where a redevelopment includes lands that have an existing office function, require that the existing office space be at least replaced, within the new development proposal – except where existing development permissions have already been established for alternate land uses;

- Incentives: In support of the planned urban structure and transit investment, the City should provide incentives in its Community Improvement Plans to achieve real mixed use development, and higher intensity/density development. The incentive programs should ensure that where a redevelopment includes lands that have an existing office function, that the office space be at least replaced within the new development proposal; and/or,
- Height and/or Density Bonusing: In appropriate locations, the City may consider the implementation of a height and/or density bonus in exchange for the provision of office uses.

Further, the City should consider enhanced policy to protect and preserve its current office sites within the Intensification Areas from redevelopment to alternative uses.

8.4 RETAIL COMMERCIAL LANDS

17. Retail uses employ a large number of people, and are an important element in Mississauga's employment structure, typically calculated as part of PRE.
18. Retail uses in Mississauga have traditionally been located in large format, single storey buildings on large properties, with expansive surface parking lots – or two-storey enclosed shopping centres, with surface and some structured parking. In an urbanizing municipality, large, vacant/redevelopment sites that permit single storey, freestanding retail uses are limited. Arguably, the expansive retail site format may no longer be appropriate in a municipality focused on intensification.
19. The ultimate success of MOP requires that expansive retail sites evolve into mixed use centres. This report (and the Technical Report) assess the city-wide retail land inventory, while considering MOP's retail policy direction to encourage retail uses primarily within mixed use environments in the Downtown, Major Nodes, Community Nodes, Intensification Corridors and Corridors (*refer to Appendix A – Map 3: Nodes & Corridors*).
20. The retail commercial land needs analysis considered two scenarios for the future:
    a. Scenario 1 – Base Case: In the Base Case scenario, commercial/retail space demand is projected to continue at the current ratio of retail space. Based upon an increase in the number of households of 37,100 to 2031 and 53,700 by 2041, this translates to a requirement for land to accommodate approximately 443,500 M^2 and 642,000 M^2 of additional retail space, respectively. When this space demand is translated to a land requirement at a benchmark site coverage of 25%, this equates to a need for about 177 hectares of land by 2031 and 257 hectares of land by 2041.

       Scenario 2 – Reduced Retail Space per Household: The second scenario tests the impact of a reduction in retail space per household in the future. Retail space demand per household is reduced by 15% from today's figure. Based upon an increase in the number of households of 37,100 by 2031, and in consideration of a current retail inventory of 2.8 million M^2, there is actually an excess of retail space to meet the needs of Mississauga's households through 2031 under Scenario 2. Based upon an increase in the number of households of 53,700 by 2041, this translates to a need to plan for approximately an additional 124,000 M^2 of retail space. At a benchmark site coverage of 25%, this means that about 50 hectares of land will be required to accommodate this growth.

21. The following exhibit compares the supply and demand factors for commercial land requirements for 2031 and 2041 respectively:

DEMAND AND SUPPLY CONCLUSIONS		
VARIABLE	SCENARIO 1 (HA)	SCENARIO 2 (HA)
Land Demand to 2031	177	(18)
Land Demand to 2041	257	50
Total Retail Commercial Land Supply	81	81
Surplus/(Deficit) to 2031	**(96)**	**81**
Surplus/(Deficit) to 2041	**(176)**	**31**

22. While Scenario 1 identifies a deficit and Scenario 2 identifies a surplus in retail commercial land, in reality, new retail growth – and particularly major retail development – is likely to correspond to current trends (Scenario 1) in the short term, with an evolution to a more urban development pattern in the medium to longer term (Scenario 2).
23. As a result, it is expected that there will be no need to identify new, significant areas to accommodate retail commercial development within the City of Mississauga. Rather, it is expected that in the Downtown, Nodes and Corridors, there will be a tremendous opportunity to replace existing retail commercial functions, and intensify that environment through more urban, mixed use built forms.
24. The policy framework in MOP with respect to the accommodation of retail facilities of all scales is appropriate, and is supportive of the broader understanding that there will be a much greater reliance on intensification within the identified Downtown, Nodes and Corridors. If the vision and objectives of the Official Plan are achieved, and the Downtown, Nodes and Corridors redevelop and intensify as expected, there will be significant opportunity to exceed anticipated retail commercial and office space projections. A significant part of this evolution is a move away from surface parking lots to structured parking facilities, and a move toward multi-storey retail facilities and truly mixed use development projects.
25. This more urban form of retail commercial development represents a paradigm shift in Mississauga. It is a move away from a more auto-oriented built form towards a transit-supportive, high density, mixed use model. Notwithstanding the shift to a more urban model, the achievement of a more intensely developed Downtown – in conjunction with the redevelopment of the identified mixed use Nodes and Corridors – would represent a successful implementation of the principles and objectives of MOP.

RECOMMENDATION 3

To achieve the City's urban structure objectives with respect to major commercial facilities, the City shall:

- Promote the redevelopment (establish the policy environment for change, invest in the public realm, reduce the costs and risks of development) of existing large format retail centres as they outlive their economic lifecycle and are replaced with higher intensity, mixed use development – including new, more urban retail formats, and office development; and,
- Promote the redevelopment (establish the policy environment for change, invest in the public realm, reduce the costs and risks of development) and intensification of the Downtown and the identified Major Nodes, Community Nodes, Intensification Corridors and Corridors, as they too are replaced with mixed use development – including new, more urban retail formats, high density housing and office development.

RECOMMENDATION 4

To enable the City to achieve its objectives with respect to the accommodation of more urban forms of retail commercial development within the Downtown, Major Nodes, Community Nodes, Intensification Corridors and Major Transit Station Areas, the City's planning instruments should promote enhanced residential permissions in lock-step with enhanced retail commercial-focused employment permissions in these areas. To achieve this objective, the City shall consider implementing the following through Local Area Reviews, Official Plan Amendments, Community Improvement Plans and/or Rezoning processes:

- Facilitative Policies: Promote the policies of MOP that facilitate higher intensity, mixed use development that include a full array of residential and retail commercial functions, and potentially MOE uses, together on a site, and within buildings;
- Linkage Requirements: In key locations, where a redevelopment includes lands that have a retail commercial function, require through planning policy that the retail commercial function be replaced (in whole or in part) within the new development proposal. The test for adjudicating whether or not a redevelopment proposal is appropriate is to the satisfaction of the City; and/or,
- Incentives: Incentive programs should be provided through the City's Community Improvement Plans to achieve real mixed use development, and higher intensity/density development, in support of the planned urban structure and transit investment. The incentive programs should ensure that where a redevelopment includes lands that have an existing retail commercial function, that the retail commercial function be replaced, in whole or in part, within the new development proposal.

8.5 EMPLOYMENT LAND CONVERSION

EXISTING CONTEXT

26. The issue of land use conversion – the redesignation of lands from one use category to another – occurs within Mississauga all the time, subject to Official Plan Amendments, Local Area Reviews and through the rezoning process. However, the conversion of employment lands within Employment Areas has been given special consideration in the Planning Act, Growth Plan, and the regional and local official plans.
27. The philosophy behind a more focused approach to employment land conversion lies in the premise that employment lands accommodate generally lower value land uses than commercial or residential designations, and that there will therefore be pressure to convert the lower value employment lands to higher value commercial or residential land use categories. To stem the proliferation of employment land conversions within Employment Areas, the Province introduced strong language into the Planning Act and policy support in the Growth Plan that provides substantial protection to Employment Areas, and their important functions. This strong language is carried forward in both the Regional and local official plans.

GENERAL IMPLICATIONS OF THE LAND SUPPLY AND DEMAND ANALYSIS

28. The City of Mississauga has a limited supply of vacant/undeveloped lands identified as a Corporate Centre or Employment Area intended specifically for the accommodation of MOE and ELE development opportunities. There is some potential to intensify existing employment-generating land uses, however, there are limitations to relying on employment use intensification to meet employment growth targets, as outlined in the Technical Report.
29. This report (and the Technical Report) have identified that the current supply of vacant Corporate Centre and Employment Area land is approximately equal to the demand for those corresponding MOE and ELE generating land uses to the year 2041. As such, the City of Mississauga has only a limited surplus of Corporate Centre/Employment Area land available for consideration as a Potential Conversion Area.

This conclusion assumes the ultimate success of MOP in directing growth to areas identified for intensification. As previously noted, through MOP, population and employment growth is focused and directed to the Downtown, Major Nodes, Community Nodes, Corporate Centres, Intensification Corridors and Major Transit Station Areas. It is these identified areas of the city that have the potential to accommodate significant PRE and/or MOE, which then, in turn, allows those lands identified as Employment Area to accommodate the projected ELE.

30. While there is some flexibility to consider the conversion of employment lands under certain land demand scenarios, the City should act with caution, keeping in mind that permitting conversion today will limit its flexibility to attract ELE opportunities beyond 2041.

THE POLICY FRAMEWORK FOR EMPLOYMENT LAND CONVERSIONS

31. The overall policy framework articulated in the Planning Act, Growth Plan, the PPS, the Regional Official Plan and MOP, is a favourable one with respect to the City's ability to protect its inventory of employment lands within Employment Areas from conversion to other land uses. In particular:
    a. The overall policy framework empowers the City to manage its own long-term employment accommodation destiny. Specific requirements for a City-initiated/approved Municipal Comprehensive Review (MCR) provide a strong statement in support of the City's control of the process; and,
    b. The limitation of appeal rights in the Planning Act ensures that City decisions are taken seriously with respect to employment land conversion, and are not to be constantly challenged by the private sector on a site-specific basis.
32. The Provincial, Regional and local policy frameworks are similar with respect to the conversion of employment lands within Employment Areas to other land uses. In combination, the Growth Plan and the Regional Official Plan state that the City may permit conversion of lands within employment areas, to non-employment uses, only through an MCR, where key criteria are met. An MCR is defined as an Official Plan Review, or an Official Plan Amendment, initiated by a municipality that comprehensively applies the policies and schedules of the Growth Plan.

LOCAL POLICIES FOR EMPLOYMENT LAND CONVERSION

33. MOP establishes a two-phased approach for the MCR that is required to facilitate any land use conversion to a non-employment land use on lands identified as employment lands within a Corporate Centre, and/or on lands within an Employment Area.
    a. Phase One MCR – A Phase One MCR includes an analysis of the broad supply and demand factors influencing the long-term balance among land uses throughout the city, with a specific focus on the city's employment lands that are located within defined Employment Areas.

       The Phase One Analysis includes the identification of "Potential Conversion Areas", which are identified lands within the Corporate Centres or in an Employment Area that may be considered for land use conversion, subject to the Phase Two analysis. Where a potential conversion is proposed, a Phase One MCR is required to demonstrate that:
        i. There is a need for the conversion;
        ii. The City will meet the employment forecasts of MOP, the Regional Official Plan and the Growth Plan;
        iii. The conversion will not adversely affect the overall viability of the Corporate Centre or Employment Area and the achievement of the intensification target, density targets and other policies of MOP, the Regional Official Plan and the Growth Plan;
        iv. There is existing or planned infrastructure to accommodate the proposed conversion;
        v. The lands are not required over the long term for employment purposes; and,
        vi. Cross-jurisdictional issues have been considered.

b. Phase Two MCR – A Phase Two MCR more specifically identifies sites/areas within the Potential Conversion Areas, and establishes the appropriate policy framework that may facilitate the conversion of the employment lands to another use, including redefining the site/area's role in providing employment opportunities in the long term.

PHASE ONE MCR FINDINGS REGARDING POTENTIAL CONVERSION AREAS

34. This report (and the Technical Report) constitute a Phase One MCR. It is a broad overview of the supply and demand factors that impact the City's growth management objectives for employment-generating land uses to the year 2031 and 2041. Overall, the supply/demand analysis carried out concludes that employment land conversion in Mississauga, in general, is not appropriate. However, a number of important physical and market based parameters must be considered because the employment lands inventory in Mississauga includes lands with different physical and locational attributes, and some of those lands may have the potential to be converted to other land uses in recognition of their unique context.

RECOMMENDATION 5

It is recommended that the City adopt two types of Phase Two MCRs – differentiated with respect to the scale of the proposed conversion within the identified Potential Conversion Area. The requirements for each of the Phase Two MCR options are as follows:

- Comprehensive Phase Two MCR – A Comprehensive Phase Two MCR, carried out concurrently with a Local Area Review process, will focus on a large geographic area, involving multiple ownerships and multiple sites. The Comprehensive Phase Two MCR/Local Area Review shall only be carried out on lands that have been identified as a "Potential Conversion Area" in the Phase One MCR. The Comprehensive Phase Two MCR shall determine appropriate land uses, infrastructure requirements, and an implementing policy framework for the identified area. The Comprehensive Phase Two MCR/Local Area Review shall, among other matters, also consider and assess the following:
  - Local neighbourhood land use needs and whether the conversion represents a logical extension of land uses – for example, an extension of commercial land uses along an identified Corridor;
  - The reasons in support of the conversion, including the consideration of an array of other employment-generating land uses that may be appropriate to mitigate any defined impact on adjacent sensitive land uses;
  - Alternative locations for displaced employment uses;
  - Land use options that result in a similar or greater number of employment opportunities;
  - Compatibility with surrounding land uses;
  - Infrastructure capacity, needs and costs; and,
  - Municipal benefits to be realized through the employment land conversion.
- Small-Scale Phase Two MCR – A Small-Scale Phase Two MCR shall apply to small areas/sites on lands located on the periphery of an identified Employment Area. These areas/sites may be considered for a conversion from an Employment Area to another land use, subject to the following:
  - The site/area is within an Employment Area identified as a "Potential Conversion Area" by the Phase One MCR, and is located immediately adjacent to a Neighbourhood Character Area;
  - The proposed small-scale conversion will not adversely affect the overall viability of the adjacent remaining Employment Area;
  - The proposed conversion is supported by a Local Area Review process, carried out by the City that:
    - » Considers and assesses local neighbourhood land use needs and whether the conversion represents a logical extension of land uses – for example, an extension of commercial land uses along an identified Corridor; and,

    - » Identifies the reasons in support of the conversion, including the consideration of an array of other employment-generating land uses that may be appropriate to mitigate any defined impact on adjacent sensitive land uses; and,
  - The proposed small-scale conversion will assist the City in resolving an existing, defined land use conflict, such as:
    - » The need to mitigate a defined land use conflict based on undue, adverse impacts caused by pollution from smoke, noise, odours, dust and/or vibrations; or,
    - » Traffic impacts related to the movement of trucks, and the infiltration of significant truck traffic through an area of sensitive land uses; or,
    - » An unacceptable and detrimental visual impact caused by unscreened outdoor storage of vehicles, goods or materials.

RECOMMENDATION 6

It is also recommended that all of the Comprehensive and Small-Scale Phase Two MCRs shall:

- Consider the opportunity to – at a minimum – replace the employment potential lost through any proposed conversion, in accordance with the following policy:

  The conversion of an existing Employment Area to permit non-employment-generating land uses – including new residential dwellings, new retail, new office and/or new institutional uses – shall be required to replace or increase the total number of jobs on the same area/site, or within the same contiguous Employment Area, to the satisfaction of the City. This requirement shall be achieved through the development of mixed use buildings and/or a mix of land uses within an area/site.

  Be implemented by an Official Plan Amendment that, among other land use and planning policy matters, supports the conversion of an area/site within an Employment Area to an alternative land use. The implementing Official Plan Amendment shall be initiated and adopted by the City of Mississauga, shall comprehensively apply the policies of MOP, and shall conform to the recommendations of the Phase One MCR. The implementing Official Plan Amendment shall also be in conformity with the Regional Official Plan, the Growth Plan, and shall be consistent with the PPS.

RECOMMENDATION 7

This Phase One MCR has identified three areas as Potential Conversion Areas, subject to a more detailed Phase Two MCR analysis:

- The Lakeview Employment Area, in its entirety;
- A portion of the Dixie Employment Area – with a focus on the identified Community Node, the Intensification Corridor (Dundas Street), the Corridors (Dixie Road and Cawthra Road) and the Dixie GO Station – note that these boundaries are to be refined as an element of future planning pertaining to the Dundas Corridor Study; and,
- The Northeast Employment Area, in the immediate proximity to the Malton Neighbourhood Character Area.

LAKEVIEW EMPLOYMENT AREA ASSESSMENT

35. The City's Inspiration Lakeview project will guide the creation of a sustainable new community along Mississauga's eastern waterfront. The Inspiration Lakeview Master Plan promotes a great diversity of uses including residential, commercial, institutional, and employment. The provision of on-site employment is essential to ensure Inspiration Lakeview becomes a truly mixed use community, where residents can live and work.

In addition to the site's institutional, cultural and retail employment, the Master Plan recommends re-locating the existing Lakeview Employment area to the eastern extent of the site. This district – known as the Serson Place Innovation Corridor – could capitalize on the buffer zone adjacent to the G.E. Booth Wastewater Treatment Facility, where no sensitive land uses are permitted. The corridor's strategic location adjacent to proposed district energy and institutional facilities could provide collaboration and partnership. The innovation corridor is envisioned as a high-tech green campus, providing office and light industrial use opportunities that will attract state-of-the-art employers.

Considering the Master Plan's strategy to relocate the existing Business Employment land uses, more detailed studies are needed – including an area-specific Employment Lands Review Study and Economic Development Strategy. Currently, there are over 30 existing property owners operating a variety of businesses within the Lakeview Employment area. These businesses will have to be engaged in discussion about their long term goals as the future of this Employment Area is evaluated.

In light of that ongoing City initiative, the entire Lakeview Employment Area (*refer to Appendix A – Map 4: Lakeview Employment Area*) is considered as a "Potential Conversion Area". In addition to all those positive aspects of this Area, the following analysis has also been considered in formulating this recommendation:

a. The Lakeview Employment Area, originally developed in the 1960s, is not considered a prestige location, and has principally attracted small-scale users, in small buildings, on small sites. It is an older Employment Area, with an ageing building stock, dominated by small to medium-sized owner-users. The Area has the smallest average building size in the city, and a lower average rental rate than the city-wide average. The Area has poor accessibility and visibility attributes, which are typical requirements for a modern Employment Area.

   The combination of an ageing building stock and multiplicity of ownership in the Lakeview Employment Area will make it very difficult to regenerate the area as a viable, modern business park.

   In addition, the Lakeview Employment Area has been identified as a "Potential Conversion Area" because it has an attractive waterfront location that could be better utilized for a mixture of residential, retail commercial, office and other employment-generating land uses developed at generally higher densities, in accordance with Inspiration Lakeview. The Area is currently in transition from its industrial past, as the major electrical generating station is now gone.

   Further, the Lakeview Waterfront Connection Project is being undertaken by Credit Valley Conservation and the Region of Peel. The project aims to create a new natural waterfront park in the Lakeview neighbourhood, including the Lakeview Employment Area, to enhance degraded wildlife habitat and provide public access to the waterfront in an area that currently does not provide such opportunities.

b. Notwithstanding those attributes in support of a potential conversion to a mixture of PRE/ELE generating, residential and open space uses, the wastewater treatment plant and water treatment plant remain long-term uses, and will need to be fully considered through the required Phase Two MCR exercise.

DIXIE EMPLOYMENT AREA ASSESSMENT

36. A portion of the Dixie Employment Area – with a particular focus on the Community Node, the Dundas Street Intensification Corridor and the Dixie and Cawthra Corridors (*refer to Appendix A – Map 5: Dixie Employment Area*) – is considered a "Potential Conversion Area" for the following reasons:

    a. The Dixie Employment Area is the fourth largest Employment Area in the city, comprising approximately 8% of the total Employment Area/Corporate Centre land supply. The Area is currently in transition from its industrial past, and is characterized by a mix of retail commercial uses, light industry, and supportive office functions. Retail commercial functions are focused on Dundas Street, Dixie Road, and Cawthra Road, including major retail uses located along Dundas Street.

    b. The Area is surrounded on the north, south and west sides by residential neighbourhoods. On its east side, the Dixie Employment Area abuts Etobicoke Creek, and further east a designated Employment District in the City of Toronto.

c. Given its lack of accessibility (distance to major highways) and visibility attributes, the Dixie Employment Area is not considered an ideal location for modern industrial users or warehousing and logistics functions. The Dixie Employment Area is also hampered by a building stock developed through the 1980s, with lower floor to ceiling heights. As a result, the area achieves lower than average rental rates, and has a higher than average vacancy rate.

d. The combination of an ageing building stock, the multiplicity of ownership, and poor accessibility and visibility attributes, will make it very difficult for the Dixie Employment Area to become regenerated as a viable, modern business park. The existing preponderance of PRE-generating land uses has substantially diluted its ELE function – particularly along the Dundas Street Intensification Corridor.

e. At the same time, the Dixie Employment Area has substantial potential to attract higher density, mixed use development. The Area includes a Community Node, the Dundas Street Intensification Corridor (a major transit connecting route to the City of Toronto), two Corridors (Dixie Road and Cawthra Road), and the existing Dixie GO Station, which could all be better utilized for higher density, mixed use development. That mixture of uses may include ELE, PRE and MOE functions, potentially in combination with higher density residential uses in appropriate locations. The introduction of higher density residential uses would require a significant shift in current policy, and shall only be supported where it is shown to the satisfaction of the City to have no detrimental impact on those employment uses that are retained.

   While some portion of the Dixie Employment Area has been preliminarily identified as a "Potential Conversion Area", it is anticipated that the Phase Two MCR and the Local Area Review exercises (as part of the Dundas Corridor Study) will further refine the area subject to conversion, and will ensure that the Dixie Employment Area has the opportunity to continue to contribute to the City's ELE opportunities. More specifically, the City is currently considering the initiation of a Dundas Corridor Study process that will be intended to identify a number of key strategic goals and principles for the long term vision for this Area. Importantly, the Dundas Corridor Study will only deal with lands within its identified boundary – not capturing much of the Dixie EA lands in the south. The Dundas Corridor Study will review the interface with land uses at the study area boundary, and have regard for impacts to adjacent land uses. Lands beyond the study area boundary will not be addressed in the study with regards to conversion; these lands are not intended for conversion review and are presumed to be retained.

   This Study process is also expected to identify a refined study area boundary to:

   i. Identify those geographic components of the Dixie Employment Area that will remain a functional cluster of employment generating land uses; and,

   ii. Focus any potential Employment Area conversion activity on the Dixie Community Node, the Dundas Street Intensification Corridor and the Dixie Road and Cawthra Road Corridors in proximity to Dundas Street, to the satisfaction of the City. The Terms of Reference for the Dundas Corridor Study will be focused along the Dundas Street Intensification Corridor and in most cases the study area is not expected to extend more than 500 metres on either side of Dundas.

NORTHEAST EMPLOYMENT AREA/MALTON NEIGHBOURHOOD CHARACTER AREA ASSESSMENT

37. A Local Area Review process is currently underway for the Malton Neighbourhood, which is bounded on two sides by the Northeast Employment Area, and on the other two sides by municipal boundaries (*refer to Appendix A – Map 6: Malton Neighbourhood Character Area*). The Malton Neighbourhood is growing and is ethnically diverse; it has diverse needs to expand its current supply of PRE opportunities, in proximity to the Community Node and the residential neighbourhoods.

During the Local Area Review process, some Employment Area lands along the periphery of the Malton Neighbourhood Character Area may be identified for potential conversion to other land uses, where appropriate, to meet the needs of the resident population. The area surrounding the Malton Neighbourhood Character Area has been identified as a "Potential Conversion Area" for the following reasons:

a. Notwithstanding that the Northeast Employment Area is a major and modern Employment Area, there are components of that Employment Area that interface directly with the Malton Neighbourhood Community Area. Some of the edges of this interface are clearly in land use transition. This interface condition includes an array of land uses and has resulted, over time, in both formal and informal land use conversions that reflect the needs of the adjacent community. It is the desire of the City – through this Phase One MCR – to provide some level of flexibility to consider the appropriate recognition of the existing land use pattern, and to properly plan for the needs of the adjacent residential community.

b. Any potential Employment Area conversions adjacent to the Malton Neighbourhood Character Area are expected to be extremely small scale, are to be located at the periphery of the Northeast Employment Area, and are to result in a more appropriate planning outcome to the benefit of the local community. In addition, any potential Employment Area conversions are to be subject to a Phase Two MCR, a Local Area Review, and any other supportive studies deemed necessary by the City.

MEETING MOP CRITERIA FOR CONVERSION

38. The following is an outline of how conversion of the Lakeview, Dixie, and Northeast Employment Areas, respectively, meets the mandatory criteria established in MOP:

a. There is a need for each of the conversions.

The issue of need is a complex one. On one hand, the demand forecasts carried out in this report have indicated that the long-term supply of employment lands, including identified Employment Areas, should generally be protected from conversion to other land uses. On the other hand, not all of the identified Employment Areas are equal in terms of their attributes and desirability, and, subsequently their current and long-term viability.

From a market perspective, both the Lakeview and Dixie Employment Areas are substantially disadvantaged compared to more modern business parks now found in Mississauga, which have better access to the 400-series highway network and the airport, and better visibility to/from those locations. Both Areas need to be assessed on the basis of their existing functional attributes, including their inventory of existing businesses, and their future success as business parks in competition with those other Employment Areas within the city.

The location of the Lakeview Employment Area adjacent to the waterfront makes it a desirable location for any number of other land uses that could utilize/leverage a waterfront location. Similarly, the location of the Dixie Employment Area in proximity to existing and planned transit facilities makes it a desirable location for mixed use, transit supportive development.

In this context, the potential conversion of the Lakeview and Dixie Employment Areas to a mixture of other PRE/ELE generating land uses is needed because their respective long-term prospects as successful Employment Areas is considered extremely limited, and their potential conversion to a mixture of other employment-generating and residential land uses is considered appropriate.

In summary, both the Lakeview and Dixie Employment Areas are appropriate locations for conversions that will not impair the City's objective of accommodating ELE in appropriate locations throughout the city, in conformity with all of the relevant policies of the Official Plan and related growth management exercises.

Moreover, the conversion of these Employment Areas will:

» Promote the planned urban structure, where new, higher density and mixed use development – including PRE, ELE and potentially residential development – is located in proximity to existing or planned transit facilities. In the case of Lakeview, conversion will support the intensification of a mixed use Community Node and Corridor. Similarly, conversion of the Dixie Employment Area will support the redevelopment of a Community Node, Intensification Corridor and other Corridors.

- » Enhance the character/condition of the adjacent community. Land uses in proximity to both Employment Areas are also in transition, and with broadened land use permissions within the Lakeview Employment Area and specific intensification areas within the Dixie Employment Area, comprehensive planning can occur over the broader community to substantially mitigate any existing, or potential undue, adverse impact from the Employment Area and any abutting or nearby sensitive land use. In the case of the Dixie Employment Area, conversion will particularly enhance the character of those lands identified as Neighbourhood in proximity to the Community Node, and the Dundas Street Intensification Corridor.
- » Facilitate appropriate long-term planning. Through the required Phase Two MCR exercises, the City will have the opportunity to more fully consider the long-term implications of the conversions in maximizing the benefits of the conversion to the City, versus the impacts from the change in land use.
- » In the case of the Northeast Employment Area conversion, it is needed because the adjacent residential area requires additional lands for other types of employment-generating land uses and/or there is a desire to remediate existing land use interface issues, and/or simply a desire to recognize the land use pattern that exists on the ground.

b. The lands are not required over the long term for employment purposes.

The Lakeview Employment Area constitutes less than 1% of the total Employment Area/Corporate Centre land supply in the City of Mississauga, and the Dixie Employment Area constitutes approximately 8%. The supply versus demand scenarios carried out in the context of this report show substantial variation, identifying near equilibrium, or either surplus or deficit conditions. Assuming the ultimate success of the policies of MOP, neither the Lakeview nor Dixie Employment Area is required over the long term to accommodate anticipated employment growth. It is anticipated that both Employment Areas would continue to accommodate some extent of employment-generating land uses, including PRE and ELE functions, as their character evolves – subject to the more detailed planning work required through the Phase Two MCR and Local Area Review exercises, and subject to the satisfaction of the City.

Potential conversions within the Northeast Employment Area adjacent to the Malton Neighbourhood are expected to be extremely small scale, and not have any substantive impact on the City's long-term supply of Employment Area lands over the long term. For the most part, the lands considered for conversion in this context are not likely to have any positive contribution to the ELE requirement for the city, but may have a more positive impact on PRE functions – subject to the more detailed planning work required through the Phase Two MCR and Local Area Review exercises.

c. The City will meet the employment forecasts of MOP, the Regional Official Plan and Growth Plan.

Similar to the conclusion above, given the scale of the potential conversions, and the anticipation that both the Lakeview and Dixie Employment Areas will continue to accommodate some extent of employment-generating land uses, their potential conversion will have no significant negative impact on the City's ability to meet the employment forecasts of MOP, the Regional Official Plan or the Growth Plan.

d. The conversions will not adversely affect the overall viability of either Employment Area or the achievement of the intensification target, density targets or other policies of MOP, the Regional Official Plan or the Growth Plan.

It is the conclusion of this report that the Lakeview Employment Area and a portion of the Dixie Employment Area (the boundaries of which are to be determined through future study) are not viable, in the long-term, as Employment Areas, and should consequently be appropriately converted to permit a range of alternative uses.

As mixed use areas, it is expected that redevelopment in both Areas will contribute to the achievement of the City's intensification target. The Lakeview Employment Area includes a Community Node and Corridor. The Dixie Employment Area is focused on a Community Node, the Dundas Street Intensification Corridor, the Dixie Road and Cawthra Road Corridors and the Dixie Road GO Station.

Both Employment Areas are located within the identified Built Boundary, and are therefore not subject to Provincial density targets. The required Phase Two MCR exercises for each respective Area may consider establishing appropriate density targets for the broader area, including the applicable Community Node, Corridor, Intensification Corridor and Transit Station components.

In conclusion, the potential conversion of the Lakeview and Dixie Employment Areas will not adversely affect the overall viability of either Employment Area or the achievement of the intensification target, density targets and other policies of MOP, the Regional Official Plan and the Growth Plan.

Similar to the previous conclusion, potential conversions within the Northeast Employment Area adjacent to the Malton Neighbourhood Character Area are expected to be extremely small scale, and will not adversely affect the overall viability of the remainder of the Northeast Employment Area or the achievement of the intensification target, density targets or other policies of MOP, the Regional Official Plan or the Growth Plan.

e. There is existing or planned infrastructure to accommodate the proposed conversion.

The Lakeview and Dixie Employment Areas are both fully developed, with existing infrastructure/services that will accommodate some redevelopment/intensification, and which are targeted for growth. Just what level of intensification can be provided with appropriate infrastructure will be determined through the more detailed Phase Two MCR exercises, as supported by Local Area Review processes.

The Northeast Employment Area and the Malton Neighbourhood Character Area are both existing developed districts within the city. There is existing infrastructure to accommodate the potential land conversion. Just what level of redevelopment based on any land use conversion can be provided with appropriate infrastructure will be determined through the more detailed Phase Two MCR exercises, as supported by a Local Area Review.

f. Cross-jurisdictional issues have been considered.

Neither the Lakeview nor the Dixie Employment Areas has been identified as a strategically important Employment Area; as such, their ongoing function as an Employment Areas is not crucial from a sub-regional, or regional perspective. Further, neither Area is related to the function of the airport, nor any significant Lake Ontario port functions.

With regard to the Lakeview Employment Area, a residential neighbourhood is identified across Etobicoke Creek in the City of Toronto. Also, the Regionally-operated water and wastewater treatment plants, and their potential future expansions, may be affected by future land use conversions. The ongoing function and expansion potential of the water treatment plant will need to be more fully explored through the Phase Two MCR and Local Area Review exercise for the Lakeview Employment Area. Similarly for the Dixie Employment Area, the long-term interface with Etobicoke Creek and the existing designated Employment District within the City of Toronto may require consideration in the Phase Two MCR and Local Area Review exercise (as part of the Dundas Corridor study). The lands within the Northeast Employment Area that may be subject to a land use conversion are internal to the City of Mississauga, and – given the scale of the conversion to be considered – would not impact any planning issues on a broader, regional scale. As such, cross-jurisdictional issues have been appropriately considered.

39. The following additional criteria is identified in the ROP:

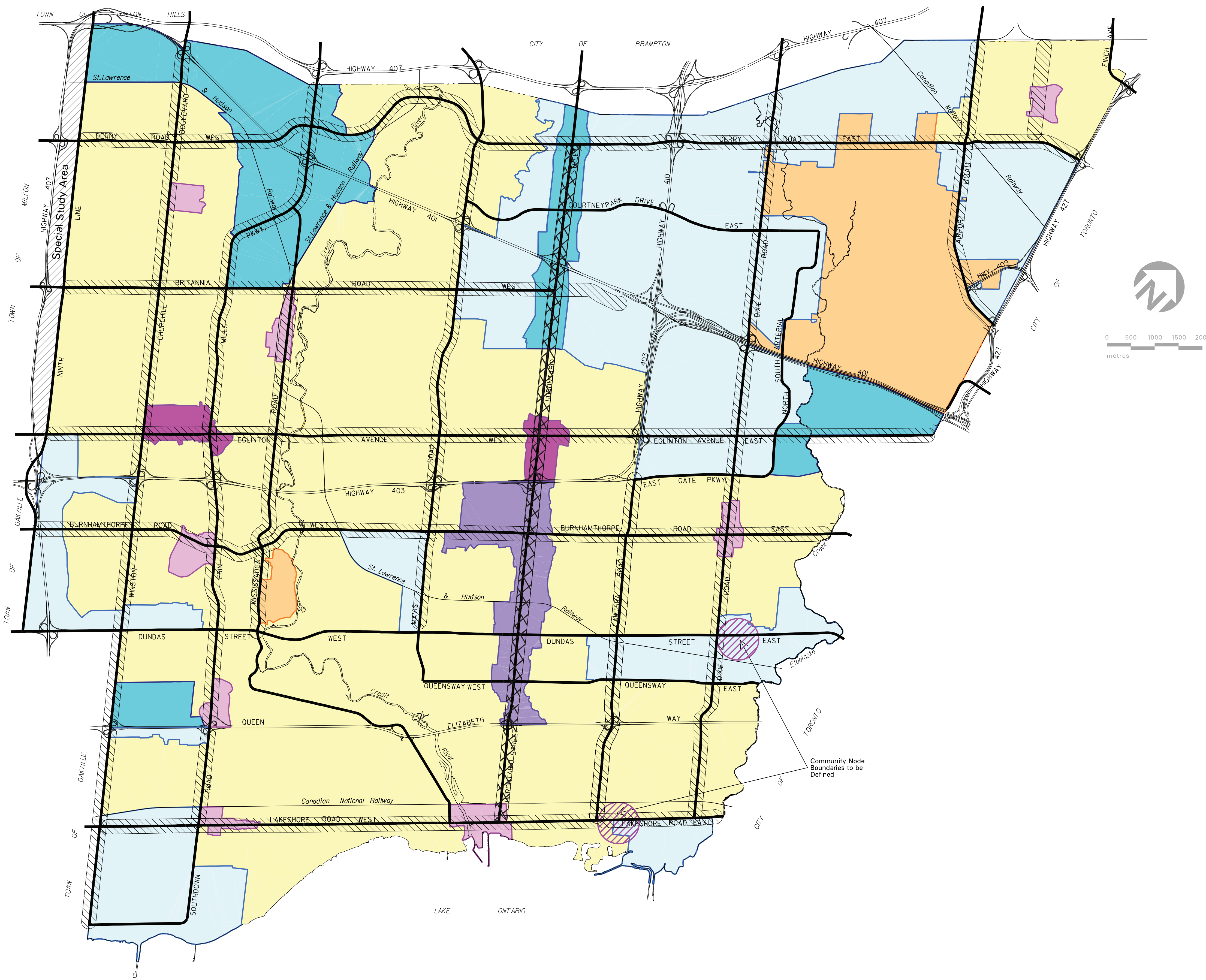
g. The lands do not affect the operations or viability of existing or permitted employment uses on nearby lands.

For both the Lakeview and Dixie Employment Areas, this is a site-specific issue that must be dealt with during the Phase Two MCR process. It is anticipated that the lands within the Northeast Employment Area that may be subject to conversion will create a new interface zone between the ELE of the Employment Area, and the PRE and residential uses within the Malton Neighbourhood Character Area. This will create a number of site-specific issues that must be dealt with during the Phase Two MCR/Local Area Review processes to ensure that the ELE function of the Northeast Employment Area is adequately protected in the long term. These issues are expected to be very site specific, and easily managed through traditional mitigation techniques.

APPENDIX A – MAPPING

Urban System - City Structure

Map 1



Elements

- Downtown
- Major Node
- Community Node
- Community Node (boundaries to be determined)
- Neighbourhood
- Corporate Centre
- Employment Area
- Special Purpose Area

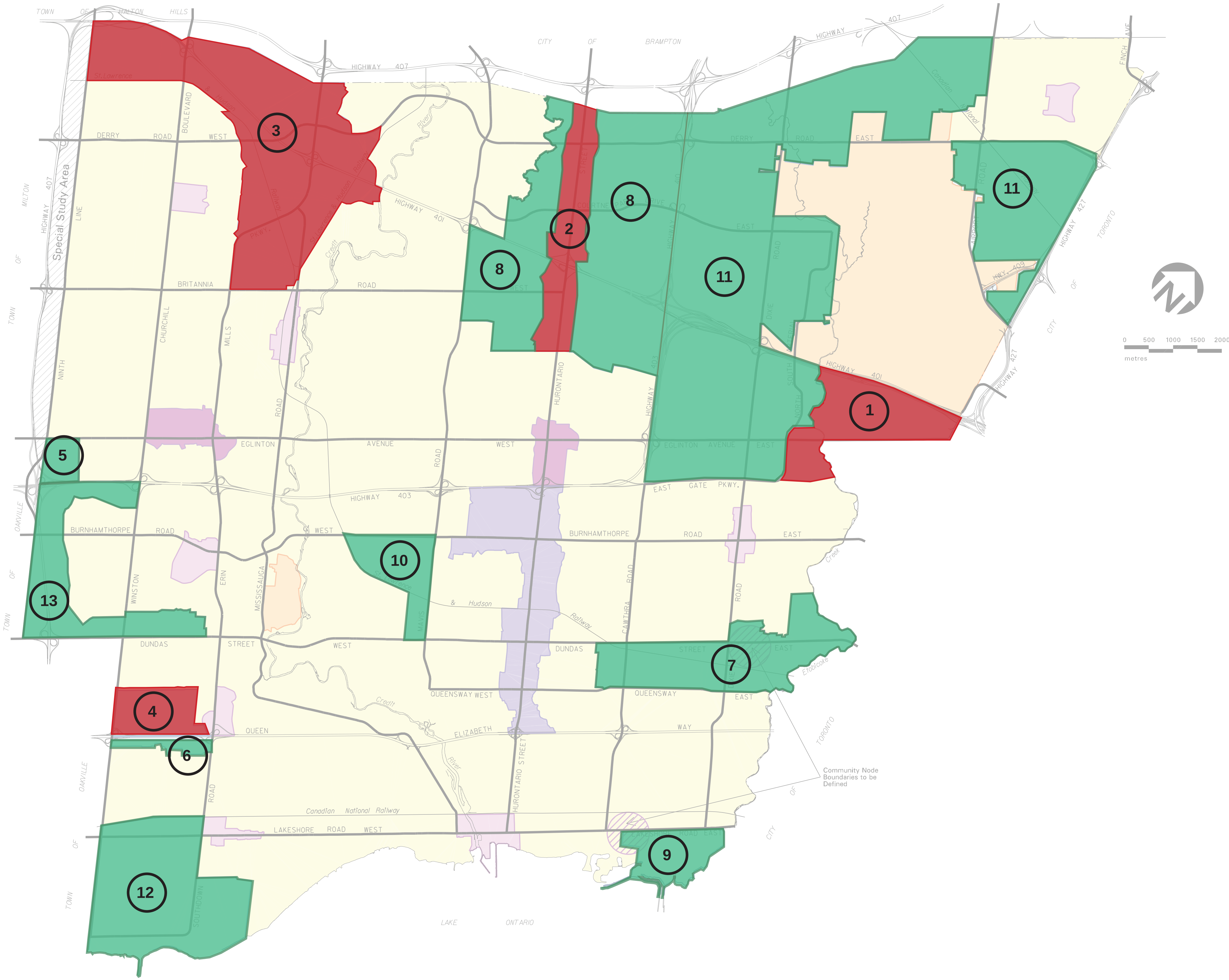
Corridors

- Corridor
- Intensification Corridor

Note: Map is based on Schedule 1 Urban System from the Official Plan

Corporate Centres and Employment Areas

Map 2



Corporate Centres

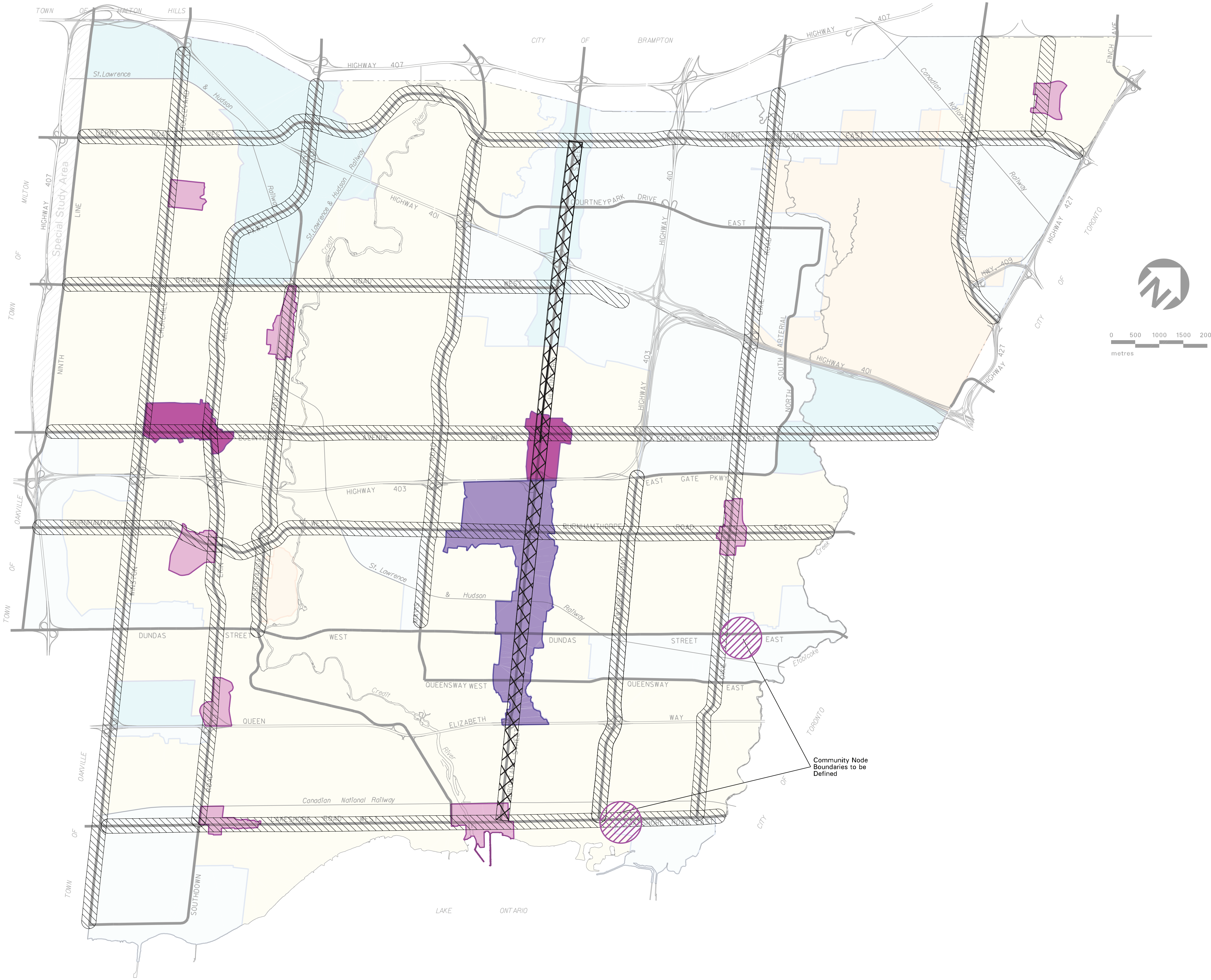
1. Airport CC
2. Gateway CC
3. Meadowvale Business Park CC
4. Sheridan Park CC

Employment Areas

5. Churchill Meadows EA
6. Clarkson EA
7. Dixie EA
8. Gateway EA (East & West)
9. Lakeview EA
10. Mavis-Erindale EA
11. Northeast EA (East & West)
12. Southdown EA
13. Western Business Park EA

Nodes & Corridors

Map 3



Downtown & Nodes

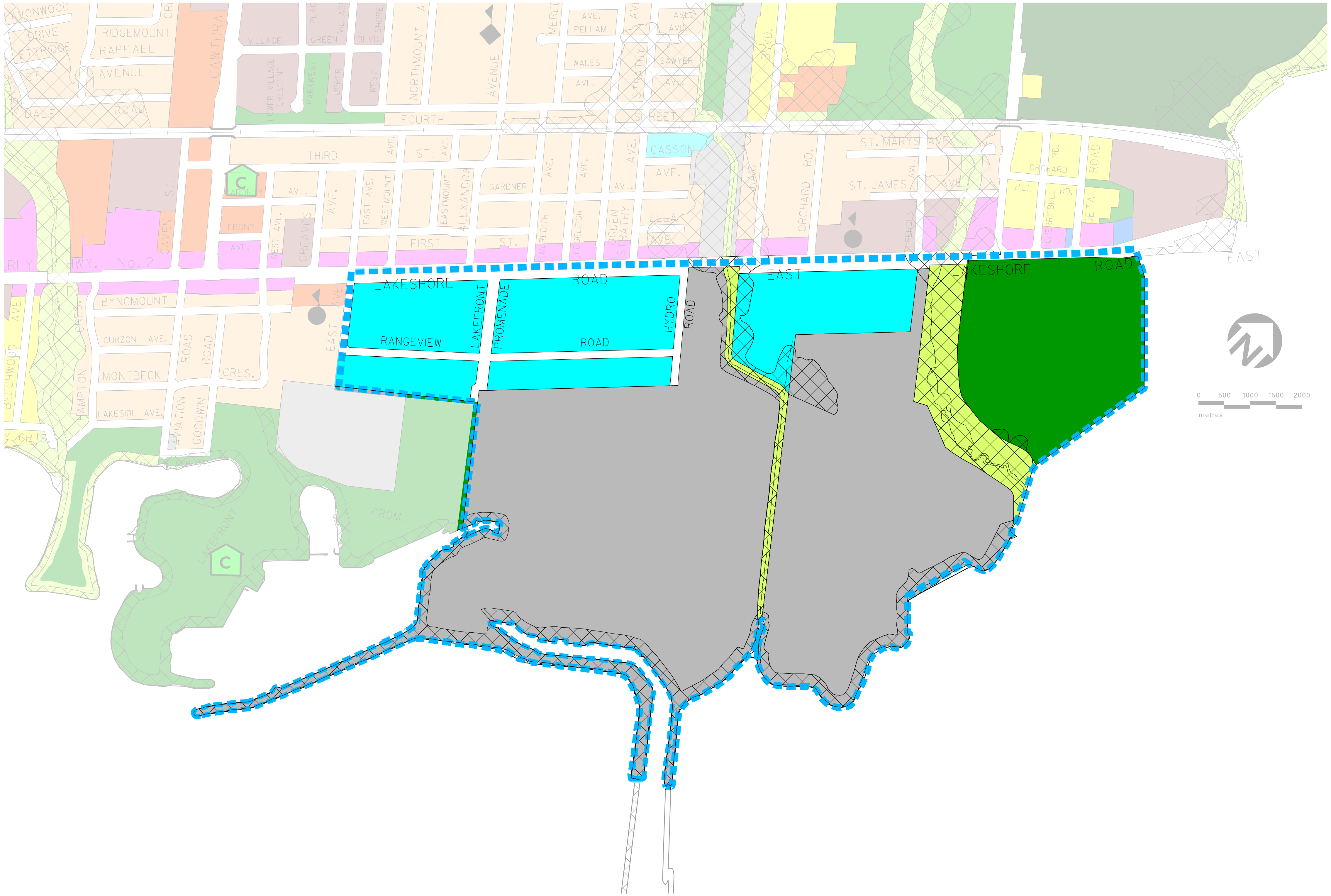
- Downtown
- Major Node
- Community Node
- Community Node (boundaries to be determined)

Corridors

- Corridor
- Intensification Corridor

Lakeview Employment Area

Map 4

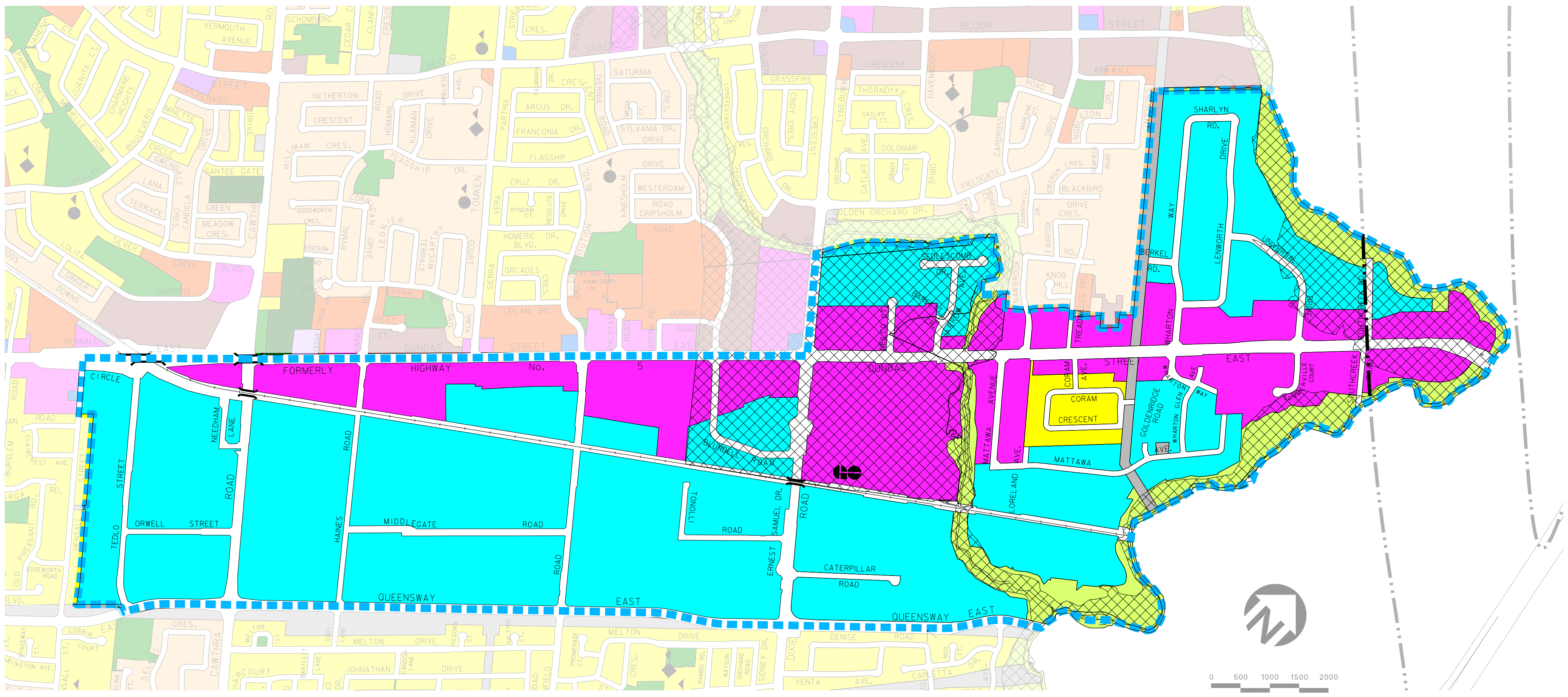


Land Use Designations

- Business Employment
- Public Open Space
- Greenbelt
- Utility
- Natural Hazards
- Employment Area

Dixie Employment Area

Map 5

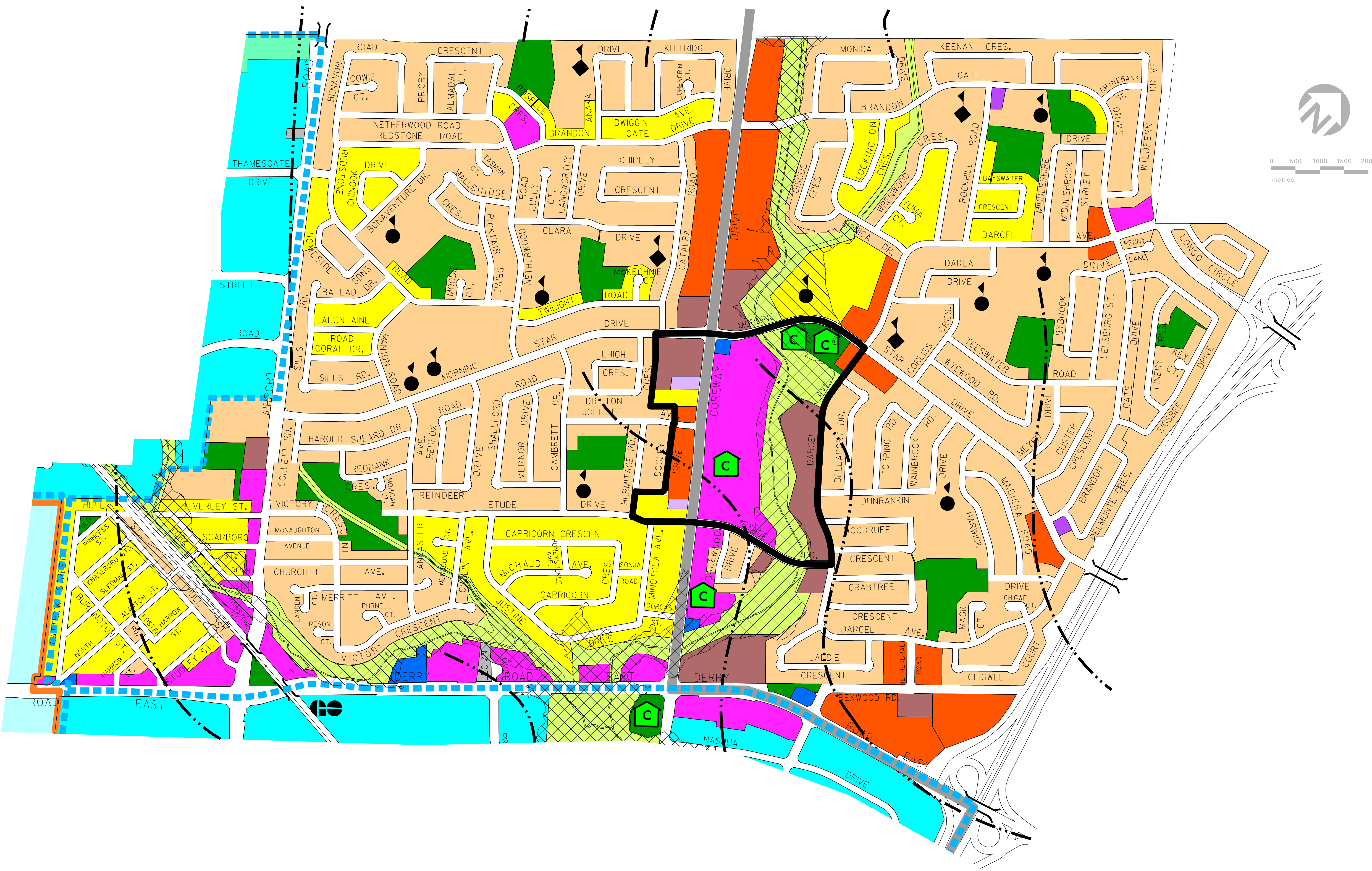


Land Use Designations

- Residential Low Density I
- Mixed Use
- Business Employment
- Greenbelt
- Utility
- Natural Hazards
- Employment Area
- GO Rail Transit Station
- 30 — 1996 NEP/2000 NEF Composite Noise Contours

Malton Neighbourhood Character Area

Map 6



Land Use Designations

- Residential Low Density I
- Residential Low Density II
- Residential Medium Density
- Residential High Density
- Mixed Use
- Motor Vehicle Commercial
- Office
- Business Employment
- Public Open Space
- Greenbelt
- Natural Hazards
- Community Facilities
- 30 — 1996 NEP/2000 NEF Composite Noise Contours
- LBPIA Operating Area Boundary See Aircraft Noise Policies
- GO Rail Transit Station
- Public School
- Catholic School
- Employment Area
- Community Node

CUSHMAN & WAKEFIELD®

Andrew Browning
Vice President

Cushman & Wakefield Ltd.
33 Yonge Street, Suite 1000
Toronto, ON M5E 1S9
T +1 (416) 862 0611
F +1 (416) 359 2613
www.cushmanwakefield.com

February 27, 2015

Ms. Sharleen Bayovo
City Wide Planner
Planning Policy Division
Planning and Building Department
City of Mississauga
300 City Centre Drive
Mississauga, ON L5B 3C1

Regarding: Municipal Comprehensive Review of Employment Lands – Market Data

Dear Ms. Bayovo,

The research and analysis process for the MCR commenced in January, 2013. In our work program, the preliminary step was the preparation of a market overview of the industrial, office and retail markets for the City of Mississauga and broader Greater Toronto Area environment. Accordingly, our statistical analysis dated from year-end 2012 (the most current industry data available at that time).

Over the course of the project, the timeline has been extended due to issues such as the timing of receipt of the population and employment forecasts prepared by Hemson Consulting Ltd., and more recently, issues related to revised forecasts due to the Regional growth allocation amendments resulting from Amendment 2 of the Growth Plan for the Greater Golden Horseshoe.

The purpose of this letter is to express that market conditions today do not vary in a material way from those observed at year-end 2012. Our report conclusions and recommendations remain valid, even in light of changes in the local industrial and office markets since year-end 2012, and ongoing retail market trends. A brief review of current market metrics such as vacancy rates, rental rates, and new supply activity is presented on the following pages.

Sincerely,

Andrew Browning
Vice President

T +1 (416) 359 2510
andrew.browning@ca.cushwake.com

INDUSTRIAL MARKET DATA

VACANCY RATE

Improved leasing demand from industrial space users has contributed to a decline in the vacancy rate within the City of Mississauga and across the GTA more broadly during the past two years. Mississauga's current vacancy rate of 6.1% is 80 percentage points lower than year-end 2012.

Both the vacancy rate for the City of Mississauga and broader GTA is currently in-line with its historic average from 2000-2012. During this period, Mississauga's vacancy rate averaged 6.4%, so the current state of the market is slightly tighter – from a leasing market perspective – than is typically seen. This is good news for landlords, who have benefitted from rental rate growth in recent years. This should also support renewed new development, with occupiers needing to consider leasing within new buildings, as opportunities within the existing market become more limited.

VACANCY RATE				
GEOGRAPHY	2000-2012 (AVG)	2012 Q4	2013 Q4	2014 Q4
Mississauga	6.4%	6.9%	5.8%	6.1%
Total GTA	5.5%	6.2%	5.7%	5.4%

RENTAL RATE

During the past two years, the average asking net rental rate has increased from $5.30 psf to $5.65 psf within the City of Mississauga. This represents an increase of 6.6%. For the GTA as a whole, rental rates has increased just less than 6.0% during the same period. This is attributable to rising demand – which is reflected in lower vacancy levels – along with only modest new supply additions. Notably, the current net rent for Mississauga and the GTA is in-line with the average recorded from 2002-2012.

NET RENTAL RATE				
GEOGRAPHY	2002-2012 (AVG)	2012 Q4	2013 Q4	2014 Q4
Mississauga	$5.50	$5.30	$5.55	$5.65
Total GTA	$5.30	$5.05	$5.25	$5.35

NEW SUPPLY

The City of Mississauga added 1,363,000 sf of new supply in 2014. This accounted for a 30% share of the overall GTA market, which added 4,561,000 sf of new supply in 2014. This is an improvement over the modest 3% share of the new construction activity recorded GTA-wide in 2013. Notably, the new supply added in recent years remains well below the recent historic market performance, in terms of the average annual new supply activity both within Mississauga and across the GTA.

NEW SUPPLY			
GEOGRAPHY	2001-2012 (AVG ANNUAL)	2013	2014
Mississauga	2,111,000	149,000	1,363,000
Total GTA	6,460,000	4,318,000	4,561,000

OFFICE MARKET DATA

VACANCY RATE

The vacancy rate within Mississauga's four major office concentrations has worsened since the time of our analysis. In the Technical Report, we reported vacancies at year-end 2012. While the Meadowvale market has shown some slight improvement since this time, the vacancy rate for Airport Corporate Centre, Hurontario Corridor and Mississauga City Centre are all higher currently versus year-end 2012. All four concentrations have a current vacancy rate that is well in excess of the average recorded from 2000-2012. The impact of this is that new office-type employment in Mississauga will more likely find a home in existing vacancies, rather than promote meaningful new office development – at least in the near term, until vacancy levels are worked down.

VACANCY RATE				
GEOGRAPHY	2000-2012 (AVG)	2012 Q4	2013 Q4	2014 Q4
Airport Corporate Centre	8.6%	8.2%	10.6%	11.4%
Meadowvale	6.5%	10.8%	9.2%	10.2%
Hurontario Corridor	9.5%	9.4%	9.8%	15.0%
Mississauga City Centre	12.0%	11.1%	12.1%	13.6%
Total GTA	7.8%	7.0%	7.4%	7.6%

RENTAL RATE

There has been very little variation in the average asking net rental rate for Class A office space among Mississauga's largest office concentrations during the past two years – despite a rise in vacancy. Tenants have benefitted from an absence of rental rate inflation during this time.

RENTAL RATE (CLASS A)				
GEOGRAPHY	2000-2012 (AVG)	2012 Q4	2013 Q4	2014 Q4
Airport Corporate Centre	$15.70	$16.50	$16.20	$16.40
Meadowvale	$16.90	$19.00	$18.90	$19.10
Hurontario Corridor	$15.10	$15.00	$$15.00	$14.90
Mississauga City Centre	$18.00	$18.20	$$18.10	$18.20
Total GTA	$19.20	$20.80	$21.00	$21.00

NEW SUPPLY

2014 represented a resumption in new office development in Mississauga, after only limited new construction that occurred in 2012 and 2013. In fact, in 2014, development occurred at a rate very similar to the recent historic annual average (2000-2012). However, as evidenced by rising vacancy rates and flat rental rates, there may be a near-term lull in development activity until demand resumes from tenants to lease space.

NEW SUPPLY				
GEOGRAPHY	2000-2012 (AVG)	2012 Q4	2013 Q4	2014 Q4
Airport Corporate Centre	244,000	0	0	254,000
Meadowvale	224,000	0	96,000	64,000
Hurontario Corridor	112,000	0	0	126,000
Mississauga City Centre	0	0	0	60,000
Total GTA	1,695,000	989,000	567,000	2,279,000

RETAIL MARKET DATA

RETAIL TRENDS

The Technical Report focuses more on retail market trends rather than a discussion of statistical metrics such as vacancy, rental rates, and new supply. The reason is that the retail market is more difficult to track – since leasing activity is often between landlords and tenants directly, without involving real estate brokers (such as Cushman & Wakefield). Due to the variation in retail formats, tracking data in the market is a challenge.

The discussion of retail trends assesses issues such as retail centre types, stores formats, and issues such as increasing e-commerce and the phenomenon of showrooming (stores showcasing a more limited range of goods that are shipped to the consumer's home). These trends are still very evident today – perhaps even more pronounced.

SUMMARY AND CONCLUSIONS

INDUSTRIAL MARKET

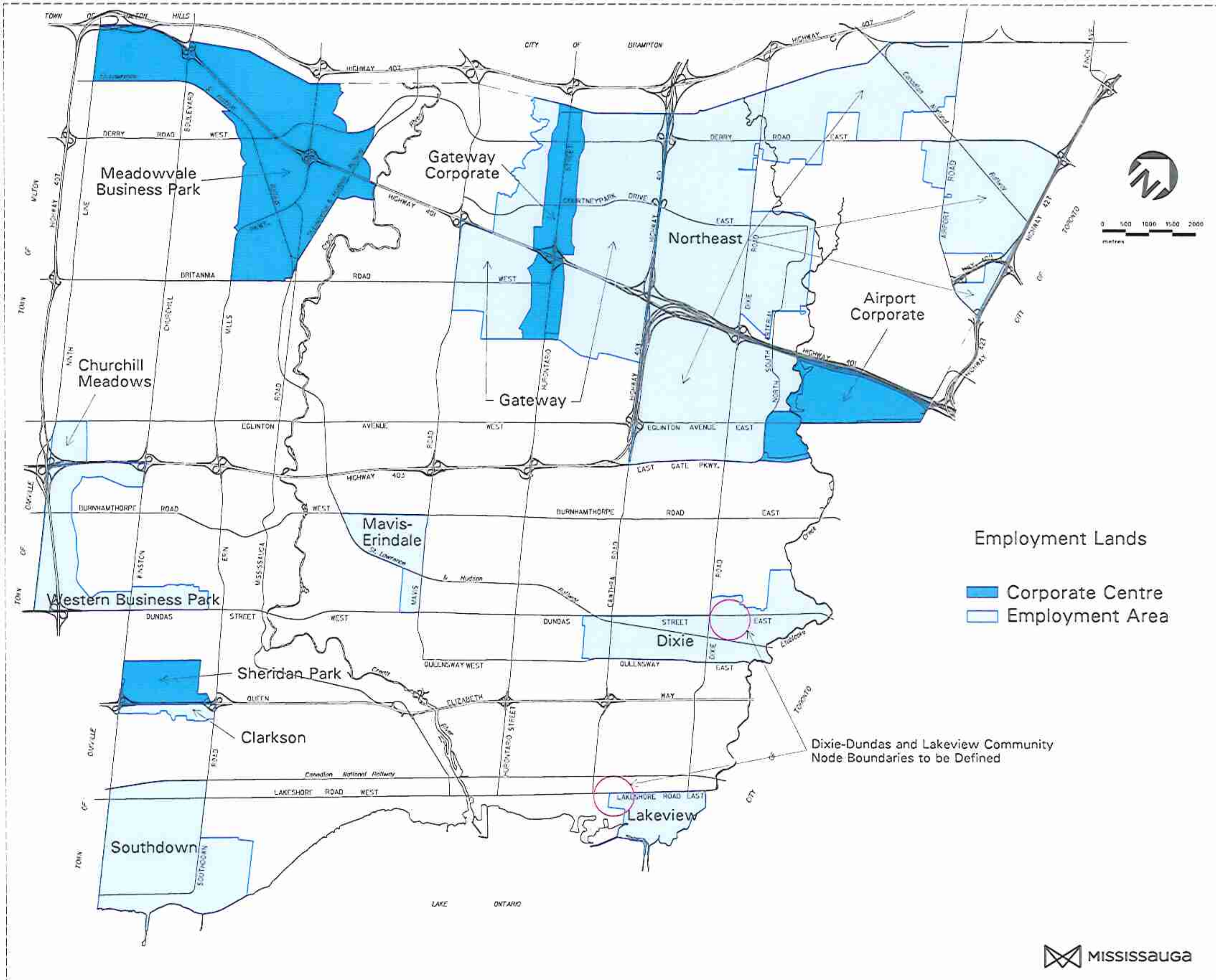
Overall, the preceding review of current market statistics versus the data utilized at the time of the Municipal Comprehensive Review analysis paints a picture of a healthy and improving market. Although new supply additions have been relatively restrained in 2013 and 2014, the falling vacancy rate and rising rents bode well for developers. Ultimately, the analysis and conclusions presented in the Summary Report and Technical Report remain supportable, given the state of the industrial market presently.

OFFICE MARKET

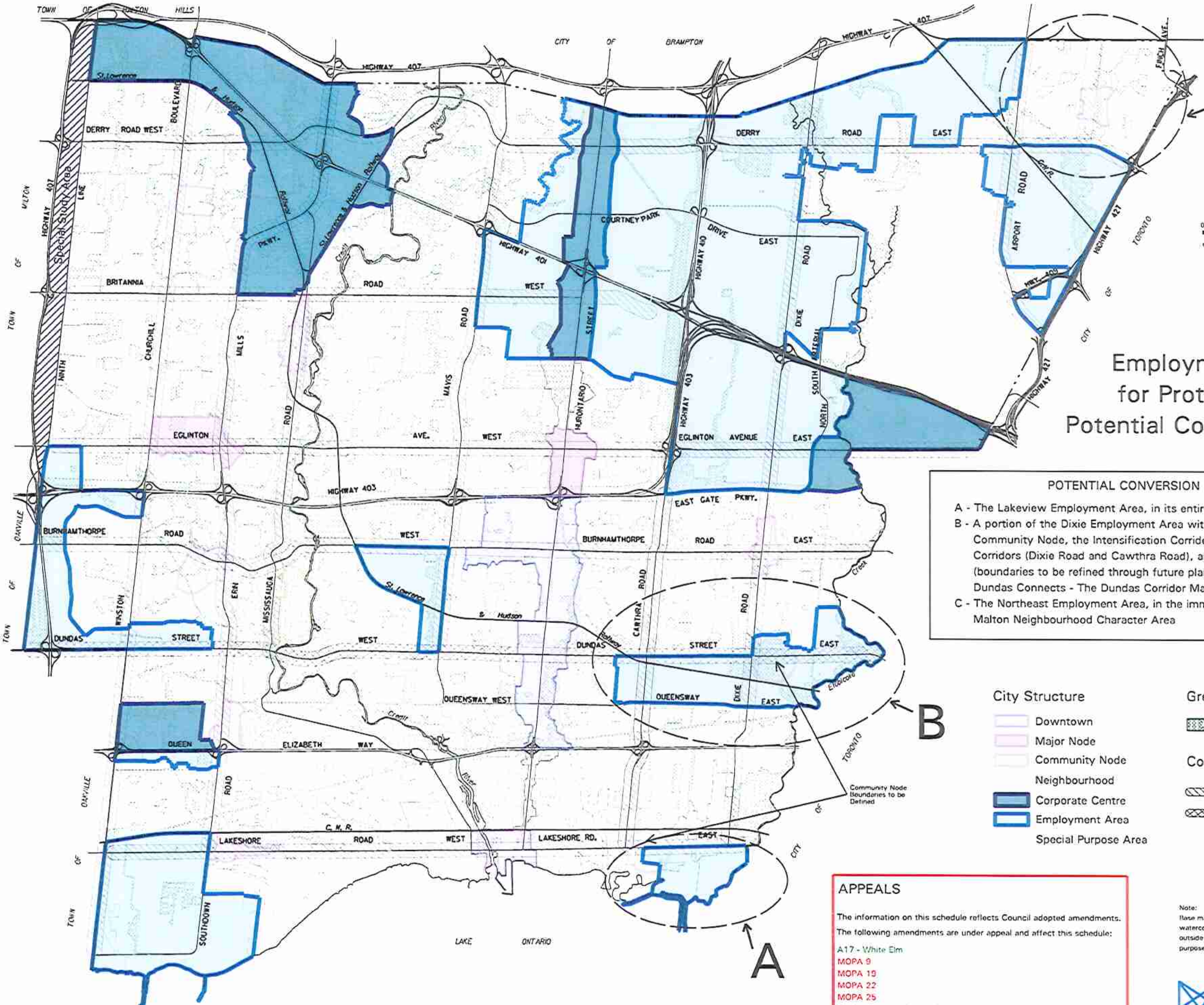
Overall, conditions within Mississauga's largest office concentrations could be said to have weakened since the analysis was completed as part of the Technical Report. Recent new supply additions have come at a time of rising vacancy and flat rental rates. This suggests that over the near term, the leasing market will need to improve before another cycle of new development will occur. However, since our projections in the Technical Report are based on long-term employment forecasts, the office market overview and resultant conclusions presented in the Report remain supportable – Mississauga is home to some of the most appealing offices in the suburban market.

RETAIL MARKET

The retail market is generally more dynamic than the industrial and office markets. At the outset of the Municipal Comprehensive Review process, Target was a new kid on the block; now, they have announced that they are exiting the Canadian market! The analysis and conclusions in the Report are based upon a current retail inventory, and a long-term projection of population growth. This analysis remains valid today.


Meadowvale Business Park
Gateway Corporate
Northeast
Airport Corporate
Churchill Meadows
Gateway
Mavis-Erindale
Western Business Park
Dixie
Sheridan Park
Clarkson
Lakeview
Southdown
Employment Lands
Corporate Centre
Employment Area
Dixie-Dundas and Lakeview Community Node Boundaries to be Defined
CITY OF BRAMPTON
HIGHWAY 407
HIGHWAY 401
HIGHWAY 403
DERRY ROAD WEST
DERRY ROAD EAST
BRITANNIA ROAD
EGLINTON AVENUE WEST
EGLINTON AVENUE EAST
BURNHAMTHORPE ROAD WEST
BURNHAMTHORPE ROAD EAST
DUNDAS STREET WEST
DUNDAS STREET EAST
QUEENSWAY WEST
QUEENSWAY EAST
LAKESHORE ROAD WEST
LAKESHORE ROAD EAST
LAKE ONTARIO
0 500 1000 1500 2000
metres
MISSISSAUGA

APPENDIX 4



Employment Lands for Protection and Potential Conversion Areas

POTENTIAL CONVERSION AREAS

A - The Lakeview Employment Area, in its entirety
B - A portion of the Dixie Employment Area with a focus on the identified Community Node, the Intensification Corridor (Dundas Street), the Corridors (Dixie Road and Cawthra Road), and the Dixie GO Station (boundaries to be refined through future planning pertaining to Dundas Connects - The Dundas Corridor Master Plan)
C - The Northeast Employment Area, in the immediate proximity to the Malton Neighbourhood Character Area

City Structure

- Downtown
- Major Node
- Community Node
- Neighbourhood
- Corporate Centre
- Employment Area
- Special Purpose Area

Green System

- Green System

Corridors

- Corridor
- Intensification Corridor

APPEALS

The information on this schedule reflects Council adopted amendments.
The following amendments are under appeal and affect this schedule:

A17 - White Elm
MOPA 9
MOPA 19
MOPA 22
MOPA 25

For in effect mapping information refer to the Consolidation Tables and MOPA document.

Note:
Base map information (eg. roads, highways, railways, watercourses), including any lands or bodies of water outside the city boundaries, is shown for information purposes only.

MISSISSAUGA

APPENDIX 5

V - 8.001