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City of Brampton 2 Wellington Street West Brampton, ON L6Y 4R2

via email: <a href="mailto:cityclerksoffice@brampton.ca">cityclerksoffice@brampton.ca</a>

Dear Mayor, Members of Council and the Planning and Development Committee:

RE: August 28, 2023 – Planning and Development Committee Meeting

Item 5.1: Major Transit Station Areas (MTSAs), Draft Brampton Plan Policies, City-

Wide

Report No. Planning, Bld & Growth Mgt-2023-708

North East Corner of The Gore Road and Queen Street East, Block 140, Registered

Plan 43M-2092

Comments from TACC Holborn (Block 140) Inc.

Malone Given Parsons Ltd. is the Planning Consultant for TACC Holborn (Block 140) Inc. ("TACC Holborn"), the owner of lands located at the northeast corner of Queen Street East and The Gore Road, legally described as Block 140 on Registered Plan 43M-2092 (the "Subject Lands"). The Subject Lands are within The Gore Major Transit Station Area ("The Gore MTSA").

On behalf of TACC Holborn, we have been monitoring the City's MTSA Study and associated City-Initiated MTSA Official Plan Amendment, specifically as it relates to the Subject Lands and The Gore MTSA. Most recently, we provided comments on the Gore MTSA Preliminary Land Use Plan presented to Planning and Development Committee on July 31, 2023, requesting that our previous comments to amend the Gore MTSA Preliminary Land Use Plan to identify Block 140 as Mixed-Use, which is generally consistent with the Mixed Use designation proposed by the Draft Brampton Official Plan ("Draft OP") be considered (see Attachment 1).

In our review of Information Report: "Major Transit Station Areas (MTSAs), Draft Brampton Plan Policies, City-wide" (Report No. Planning, Bld & Growth Mgt-2023-708), we note that Staff have responded to our comments in Attachment 5 of the Information Report and that no action has been taken in response to our request.

It continues to be our opinion that Block 140 should be designated Mixed Use (to High-Rise Mixed-Use) to reflect the Draft OP Land Use Schedule 2 – Designations. In addition, we have significant concerns with the proposed jobs-to-population ratio of 1:1 for the Office Mixed-Use designation within The Gore MTSA, as proposed in

Attachment 1 of the Information Report – MTSA Policies and Land Use Schedules. In our opinion, this required ratio results in a development proposal that is not feasible or appropriate for Block 140. We ask that Council direct Staff to meet with TACC Holborn and their team to discuss our concerns and TACC Holborn's vision for Block 140.

### **Context of the Subject Lands**

The Subject Lands, together with the lands north of Queen Street East, The Gore Road and Fogal Road were developed by TACC Holborn as part of an approved plan of subdivision (21T-13004B). Most blocks within the subdivision have received development approvals and are now constructed or under construction; this includes the low-rise residential neighbourhood to the north, a neighbourhood park, and a high-density mixed-use block along The Gore Road (referred to as Block 139). Only Block 140 remains vacant at the direct intersection of The Gore Road and Queen Street East.





Source: Google Earth (2021), MGP (2023)

As shared with Staff through a Pre-Consultation Meeting on July 26, 2023, TACC Holborn currently envisions a node of high-density mixed-use buildings within Block 140, with a variety of building heights. The development will include a mix of office, commercial, and residential uses, creating a true mixed-use development that will complement the entire MTSA and support the City's vision for the area. We note that

TACC Holborn's vision for the remaining Block 140 is generally consistent with the Draft Brampton Official Plan's designation for the area.

#### Designate the Lands as High-Rise Mixed-Use

Based on our review of materials from the Draft Brampton Plan MTSA Policies and Land Use Schedules, we note that The Gore Road Station Draft Land Use Plan continues to identify Block 140 as Office Mixed-Use, contrary to our request to identify the lands as Mixed Use, which is sub-categorized into High-Rise Mixed-Use, Mid-Rise Mixed Use, and Institutional. The designation of Office Mixed-Use remains in contrast with the Draft OP which proposes to designate Block 140 as Mixed Use on Schedule 2 – Designations.

Staff have noted in Attachment 5 to the Information Report that no action is required at this time; however, we continue to believe the type of Mixed Use designation in the Draft OP and The Gore Road Station Draft Land Use Plan should correspond. Respectfully, the Office Mixed Use designation identified for Block 140 in The Gore Road Station Draft Land Use Plan is contrary to the Mixed Use designations proposed in the Draft OP for the Block 140 Lands. The draft Mixed Use designation policies permit a mix of residential, commercial, institutional, office, restaurant, and service uses (Policy 2.2.6.3), which is consistent with TACC Holborn's vision for Block 140.It should be noted that the Draft OP also contains a separate Mixed Use Employment designation that is not applied to Block 140.

Block 140 is the last remaining vacant block in the subdivision and is located directly at the intersection of Queen Street East and The Gore Road. As such, it offers a unique opportunity to create a gateway development adjacent to the station that will provide a high-density mixed-use concept in an attractive and pedestrian-friendly manner. In our opinion, the Office Mixed-Use designation shown in The Gore Road Station Draft Land Use Plan does not support this vision. Therefore, the designation for Block 140 shown in The Gore Road Station Draft Land Use Plan should be amended to Mixed Use (High-Rise Mixed-Use).

#### **Concerns with Office Mixed Use Designation and Job Ratio**

The required jobs-to-population ratio of 1:1 for Office Mixed-Use designation lands under Table 1 in Attachment 1 - Draft Brampton Plan MTSA Policies and Land Use Schedules raises significant concerns for TACC Holborn. We understand that this ratio is applied on a per site basis; however, the application of this ratio results in a substantial amount of employment GFA that is not attainable.

The Concept Plan for Block 140 submitted as part of the Pre-Consultation with Staff includes 2,549 residential units. Based on the City's Development Charges Background Study PPU rates, a mix of large and small apartment units would result in approximately 4,665 residents. With the jobs-to-population ratio, a minimum of

4,665 office jobs would be required to be provided. To accommodate this number of jobs, a <u>minimum</u> employment GFA of approximately 84,000 m<sup>2</sup> is required on Block 140. If other non-residential uses are incorporated, the minimum required GFA will need to be increased substantially.

This minimum GFA estimate for Block 140 therefore more than doubles the minimum Office GFA required between 2021 to 2051; however, it is acknowledged by the City's consultant Watson & Associates Economists Ltd in their Office Market Review of Major Transit Station Areas study, Attachment 6 to the Information Report, that The Gore MTSA faces the greatest challenge in attracting office growth due to its location, compared to the other office-focused MTSAs. The Watson report acknowledges that the Gore MTSA has a small office base and has yet to demonstrate a need for a range of office uses, including Class A office space. It is anticipated that the Gore MTSA will have the greatest challenge in attracting office growth due to its location as there are other areas in Brampton and in Vaughan that can better accommodate these uses.

Urban Metrics has reviewed the Draft MTSA employee job ratio as well as the office market review of The Gore Road MTSA prepared by Watson & Associates and has provided their opinion on the feasibility of office development in the attached letter.

Therefore, we do not believe that this job ratio is feasible or appropriate. The inferred requirement to reduce population growth in order to match the job generated on site does not support the transit investments made in The Gore MTSA, reduces the opportunity to create a gateway development adjacent to the station, and significantly limits the vision for Block 140 to develop into a high-density mixed use block.

#### Conclusion

We respectfully request that Block 140 be identified in The Gore Road Station Draft Land Use Plan as Mixed Use (High-Rise Mixed-Use). Development of these lands into a high-density mixed use block will actively support the transit investments made and will not compromise the job targets for Block 140. We also request that staff revise the proposed 1:1 ratio of jobs-to-population within the Gore MTSA due to the challenges associated with accommodating the expected number of jobs and need to consider the context of the Gore MTSA's employment growth potential in relation to surrounding areas.

We would be pleased to meet with Staff to discuss our comments in further detail. We recognize the effort that City staff have put into the preparation of the City-wide Draft Brampton Plan Policies and thank staff for the opportunity to provide comments. As the process advances, we reserve the right to provide further comments.

Should you have any questions or wish to discuss our comments in greater detail, please contact me at (905) 513-0170 ext. 112.

Yours very truly, Malone Given Parsons Ltd.



### Lauren Capilongo, MCIP, RPP

cc: TACC Holborn (Block 140) Inc.
TACC Holborn (Block 139) Inc.
Steve Ganesh, City of Brampton
Claudia LaRota, City of Brampton
City of Brampton Clerks Department

Att: Letter from Urban Metrics, dated August 25, 2023

MGP Letter to City of Brampton re: Primary MTSA Preliminary Land Use Plan

Comments – July 28, 2023



August 25, 2023

Mr. James Stevenson
Vice-President of Planning & Development
HBNG Holborn Group
161 Trade Valley Dr.
Vaughan, ON
L4H 3N6

Dear Mr. Stevenson:

You have asked urbanMetrics to provide commentary with regards to the City of Brampton's proposed MTSA policies and particularly with regards to the supporting Office Market Review prepared by Watson & Associates. As your site – Block 140 – is situated within "The Gore" MTSA, we have focused primarily on the policies affecting this area, although are comments could be applied equally to the other three strategic MTSA's addressed by the policies.

#### **Policy Context**

The policies of most concern to you are those related to the City's Target Major Office Employment (MOE) for each MTSA shown in Table 1 of the proposed policy:

Table 1: Major Office Employment (MOE) Jobs

MTSA	MOE Jobs to Population Ratio	Minimum Office Gross Floor Area (sq.m.) 2021 to 2051
Steeles at Mississauga	6.3	100,810
Ray Lawson	1.2	58,820
The Gore	1.0	41,900
Bramalea GO	2.2	83,470

This table establishes a ratio of MOE jobs to population for each MTSA and identifies the minimum office GFA to be developed in each area. The ratios and minimum GFA totals were, at least partially determined, through the Office Market Review conducted by Watson & Associates.

# Issue 1: The Policies Undermine the City's Ability to Develop Much Needed Housing

There are two undisputable facts with regards to the real estate market in the Greater Toronto Area. First, that we are in the midst of an unprecedented housing affordability crises. While there are a range of factors contributing to the lack of housing affordability, at a basic level, we simply cannot build housing fast enough to meet current needs.

Secondly, the GTA office market is in a state of upheaval. Even prior to the pandemic, office rents in large parts of the GTA simply could not justify the construction of new major office buildings. With tele-commuting fully ingrained in office culture, companies across North America are rationalizing their space needs. CBRE's Second Quarter Office Market Report cites vacancy rates of over 20% in the Toronto West market (which includes Brampton and Mississauga), with negative absorption upwards of 100,000 square feet. However, traditional office market metrics only tell part of the story, with companies across the GTA holding on to banks of empty cubicles formerly occupied by telecommuting employees. As leases come up for renewal in the years to come, it is inevitable that companies with large amounts of office space will be significantly reducing their office real estate needs.

In my opinion, any policy that handcuffs the City's ability to deliver much needed housing by tying it to the aspiration of attracting new office development is misguided at best. In March 2023, the City pledged to deliver 113,000 new housing units by 2031. In the previous 8 years, according to Statistics Canada data, less than one-quarter of this total was constructed in the City. There has never been a period in the City's history where this rate of housing construction has occurred. In my opinion, the proposed MTSA policy will seriously undermine the City's ability to deliver on its housing pledge.

### Issue 2: The Relationship Between Population Growth and the Office Market Is Far More Complicated than the Policies Would Suggest

Office location is typically tied to accessibility. The areas of the GTA with the highest levels of office growth have typically been those that have high levels of regional accessibility, such as proximity to a 400 series highway or the subway. While the majority of office development tends to gravitate to large cities, such as Toronto, Markham and Mississauga, this is not necessarily true with respect to specific office nodes. Furthermore, there are many large and fast growing cities, such as Vaughan, Oshawa, Pickering, and even Brampton that have experienced very little major office development relative to their population size.



In my opinion, a policy that ties major office employment to population in a specific node is not based on a robust understanding of the factors determining where offices locate.

### Issue 3: The Office Employment Projections in the Watson Report Should be Regarded as Aspirational Targets Rather than as True Projections

It is important to recognize that the employment projections which determine the MOE policy target for each MTSA, ultimately originate from the Growth Plan and are allocated to the individual area municipalities by the Region, which also allocates employment to the individual sectors. Neither the Growth Plan targets or the Regions allocation are pure market driven estimates, but are rather aspirational targets which inevitably are influenced by regional and local policy agendas.

This is not to say that municipalities should not establish development targets and aggressively pursue their achievement. However, tying housing development to aspirational employment targets is inevitably very dangerous, especially given the current office environment.

# Issue 4: The Watson Report Did Not Consider the Financial Feasibility of Office Development

Even prior to the pandemic, prevailing office rents could not justify the construction of multitenant office buildings in most markets. This was especially true where underground parking was required. Since the pandemic, the demand for office space has reduced significantly with the proliferation of telecommuting. Furthermore, high interest rates have hit the office development market especially hard due to the long-term financing typically associated with the construction of rental properties.

In my opinion, there needs to be an understanding of whether or not office development is financially feasible in each of the MTSAs. This is especially true of The Gore MTSA, which is far removed from any other office cluster in Brampton, Mississauga or Vaughan, and is the least likely of any of the MTSAs to attract office development.

It is also important to recognize, that this is true also with respect to mixed office-residential buildings, where by adding an inviable office component may make the entire project financially infeasible.



### Issue 5: The Multi-tenant Office Market in Brampton is Too Small to Apply Such an Inflexible Approach

The office market in Brampton is dominated by large single occupant buildings with few multitenant office buildings. In fact, the Watson report notes that there have only been two multitenant major office buildings constructed in Brampton in the last decade. One of the office buildings which Watson cites as being in The Gore MTSA – 7965 Goreway Drive - is in fact an industrial building at Goreway Drive south of Highway 407, which is nowhere near the Gore MTSA. The other building noted by Watson is 7685 Hurontario Street, which is in the Ray Lawson MTSA near to Highway 407. This is a 7-storey building with 73,500 square feet or about 6,830 square metres of gross leasable space.

At a rate of one or maybe two multi-tenant office buildings each decade, only three to six new multi-tenant office buildings would be constructed in the City by 2051. This is nowhere near what would be needed to meet the proposed MTSA policy requirement of 285,000 square metres (3.1 million square feet) within the four MTSAs which would only attract 39% of MOE growth in the City to 2051. Recognizing that the downtown is planned to be the major office centre for Brampton, there is simply not sufficient market to support office development in all of these locations.

While the City should be encouraged to aggressively target future employment, an inflexible policy approach tied to unrealistic targets will hinder the development of housing, while at the same time, potentially diluting the small office market, such that no single area, including the downtown can develop into a viable and desirable office cluster.

### Issue 6: A Strategy to Attract Single-tenant/Owner Occupied Buildings has Not Been Addressed

While Brampton has had limited success in attracting multi-tenant office buildings, the City has been moderately successful in attracting single-tenant and owner occupied buildings, such as Loblaws and Canon. The Watson study also notes the proposed development of the Peel Regional Police Support Facility near to the Canon site and the planned relocation of the Rogers Head Office from its current site on Dixie Road to the downtown. We would note that the existing Dixie Road site in Brampton is proposed to be converted from office uses to residential and industrial, so that the relocation would be more strategic in nature than the net addition of a large amount of new office space.

The owners of these buildings typically have very specific locational needs that cannot be tied to rigid policy requirements within each MTSA. For example, a number of these single-tenant



buildings are located in close proximity to Highway 407. The Rogers relocation involved the intervention of the Province through Ministers Zoning Orders and the acquisition of lands owned by Metrolinx.

Unfortunately, the requirements of these types of office users cannot be tied to rigid policies. While it is not inconceivable that large scale single occupant buildings may be attracted to one or more MTSAs, it is not reasonable to link residential development to the possibility that one or more will be developed in a specific location in the future.

As a result, a flexible approach is required that would permit large single tenant office buildings, but not hinge development of the MTSA on them.

This is especially true of The Gore MTSA, which is the most isolated of the MTSAs with no history of office development.

# Issue 7: The Office Space Per Worker Ratios Used by Watson to Determine the Minimum Office Space Requirements in Each MTSA Does Not Reflect the Current and Emerging Market

In order to determine the minimum amount of office space to be required in each MTSA, Watson tested two Floor Space Per Worker ratios – 28 square metres (300 square feet) per worker and 17 square metres (190 square feet per worker). The 28 square metre ratio was based on work that Watson had done as part of the 2020 Development Charges Background Study for the Region of Peel in 2020. The ratio of 17 square metres per employee was determined by reducing the 2020 estimate by 40% to account for telecommuting. The ratio of 17 square metres per employee was ultimately used to determine the space requirements.

However, in research urbanMetrics was undertaking prior to the pandemic, we found that office floor space ratios were generally below 17 square metres per employee. With the advent of telecommuting, flexible seating strategies, the elimination of interior offices, and the downsizing of unproductive space, we have found that the offices are being planned with between 75 and 150 square feet (7 to 15 sm) per employee, recognizing that many employees attached to the office may not have a permanent physical space. With an average of approximately 11 square metres per worker, this would reduce the overall space requirements by about 33%.



## Issue 8: Too Much Emphasis is Given to Major Office Space as a Physical Form to Accommodate Employment

In my opinion, the office market has changed substantially over the past decade with non-traditional locations taking on a significant role in housing the office workforce. The technology sector, for example, often gravitates to quasi-industrial space which permits for small scale assembly, manufacturing and prototype testing. In recent years, office tenants have taken on low-cost vacated retail space. Many companies are able to employ persons living in other cities, provinces and countries who only have virtual connections with the main office.

In my opinion, an MTSA employment strategy should not be tied just to major office space, but should recognize the full range of work opportunities within the MTSA, including retail commercial units, home based employment, flex spaces, and other opportunities.

Yours truly,

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