

Stikeman Elliott

Stikeman Elliott LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, ON Canada M5L 1B9

Main: 416 869 5500
Fax: 416 947 0866
www.stikeman.com

James W. Harbell
Direct: +1 416 869 5690
jharbell@stikeman.com

March 16, 2018
File No.: 129002.1001

By E-mail
pec@london.ca

Planning and Environment Committee
City of London
300 Dufferin Avenue
PO Box 5035
London, ON N6A 4L9

Attention: City Clerk

Dear Sirs/Mesdames:

**Re: Planning and Environment Committee Meeting, Item 3.4
Wonderland Road Community Enterprise Corridor (File O-8868)**

We are counsel to 1279059 Ontario Inc. and CLF 1 (Wonderland Road) Inc. (c/o York Developments and North American Development Group ("**York / NADG**"), the owners of lands municipally known as 3405 Wonderland Road South and 1789 Wharncliffe Road South, London (the "**Property**").

First, from a procedural perspective, we believe that this matter has been dealt with in the most unfair manner. The Planning Staff Report for this matter, dated March 12, 2018 (the "**Planning Report**") and its recommendations were not made available to us until noon on Wednesday, March 14, 2018, and the City Clerk's office is requiring that we file any response that will be dealt with by the Planning and Environment Committee (the "**Committee**") by 9:00 a.m. on Friday, March 16, 2018. This gives us, and other members of the public, only 45 hours to respond to the Planning Report. Given that the record before the Committee is of utmost importance as any appeals on this matter will go to the Local Planning Appeal Tribunal, we believe that we have not been given sufficient time to respond properly to this matter. On that basis alone, this item ought to be adjourned.

In the event that the Committee proceeds to hear this matter, it is our position that the recommendations of planning staff should not be accepted, and that the proposal to lift the commercial cap in the Wonderland Road Community Enterprise Corridor (the "**Enterprise Corridor**") should either be refused by the Committee or be referred back to planning staff to conduct a proper comprehensive report, which we anticipate will take a number of months in order to adequately complete.

Ward Land Economics Inc. and MHBC Planning have been retained to review this matter from a market and planning perspective. Their reports are attached to this letter. Both firms have been involved in this matter for many years and participated extensively in all matters related to the Southwest Area Secondary Plan and the associated hearing before the Ontario Municipal Board.

The issue of the commercial cap was addressed by the Ontario Municipal Board (the "**Board**") in its decision on the Southwest Area Secondary Plan ("**SWAP**"), issued April 29, 2014 (OMB Case No. PL130020). In fact, the Board dealt with this exact issue of whether the designations along Wonderland Road should be modified to secure retail approvals for the Decade and Southside sites. Southside, who was represented by legal counsel and presented evidence from an expert land use planner, made submissions to the Board that the Enterprise Corridor should be shortened to permit retail designations to

be applied to the Southside and Decade sites. In effect, Southside sought to take away the commercial designations from the Aarts and Greenhills sites, which is precisely the suggestion made in the Impact Report, prepared by Coriolis Consulting Corp., dated February 2018 (the "**Coriolis Report**"), upon which staff rely for this present item before the Committee; the Coriolis Report recommends that Sites 14 and 15 (i.e., the Aarts and Greenhills sites), among others, be designated for uses other than commercial.

At the SWAP hearing, the Board heard expert evidence from Southside's planner that leapfrogging would occur if the Board permitted the corridor to extend further south with a 100,000 sq m cap on commercial space. Southside's evidence was that extending the corridor "exacerbates the City's historical proclivity of over-designating commercial space, will result in scattered commercial nodes being created along Wonderland [Road] and will result in unintended consequences which are not in the public interest". According to Southside, these unintended consequences included that existing commercial centres would be hard-pressed or simply unable to revitalize or reformat and that there could be "leapfrogging" of commercial development in the Enterprise Corridor.

By contrast, the Board stated that the planning intent of the Enterprise Corridor was to create "opportunities for a broad mix of commercial, office, residential and institutional uses". The Board accordingly denied the change requested by Southside and stated "the evidence demonstrated that by having 100,000 sq m of commercial space over a larger area, i.e. between Bradley Avenue and Hamlyn Street, the broader ranges of uses contemplated in the [Enterprise Corridor] were more likely to be promoted". The Board further found that the SWAP does not contain the phrase "continuous commercial corridor", and finally, the Board reached a conclusion, which is not contained in the Planning Report before you, that "by having the [Enterprise Corridor] extend to Hamlyn Street while maintaining the 100,000 sq m of gross floor area, mixed use development as contemplated by the Plan will, in my view, be a logical consequence. Simply put, the permitted amount of commercial space will be spread over a wider area and, consequently, there will be room for as of right development of other complementary uses, thereby resulting in a mix of uses throughout the corridor". (emphasis added).

The Board noted that at that time, planning staff did not support this extension to Hamlyn Street, but that Council did support the extension after an extensive public process. As the Board stated, "[t]he position of municipal planning staff in any planning decision is undoubtedly important, but that position must be balanced against and measured by the planning position(s) advanced by affected parties and, needless to say, by the decision itself of Council".

As outlined in the reports of Ward Land Economics Inc. and MHBC Planning, the recommendation from City planning staff on this matter is fundamentally flawed for the following reasons:

1. It is based on an incorrect reading of the previous Ontario Municipal Board decision that is exactly on point;
2. It is based on an unsubstantiated conclusion that "mixed use development is not economically viable in the Enterprise Corridor";
3. It misinterprets the intent of the designation of the Enterprise Corridor which was never to allow retail uses on every site, but instead, to encourage a mix of uses interspersed throughout the Enterprise Corridor;
4. There is no adequate review of the Provincial Policy Statement (the "**PPS**"), and it is clear that this proposal is inconsistent with the PPS;
5. Staff fail to provide a review of the London Plan and its policies, which encourage mixed use development in corridors—this proposal therefore does not conform with the London Plan;

6. The Coriolis Report suggests that commercial uses will be taken away from landowners such as Aarts, Greenhills, a site adjacent to the new Ikea / Costco regional centre, and two others. The Coriolis Report suggests that redesignation of these sites should be considered, but fails to offer any suggestion of what that redesignation might be. Further, staff do not address this at all in their recommendation, which is at odds with the Coriolis Report. It is clearly premature to lift the commercial cap until all of the ramifications are analyzed and put before Council;
7. Removal of the commercial cap will have an impact on existing commercial centres that are trying to remarket and redevelop as there is already far too much retail space designated in South London, as agreed to by the City's market expert; and
8. It will destabilize the investment retail community which has relied upon past decisions from Council and the Board to spend millions of dollars in infrastructure upgrades.

For these reasons, we believe the Planning Director's recommendations must not be accepted or, in the alternative, that this matter should be sent back to planning staff to require that staff produce a report that contemplates the following, which is missing from the Planning Report:

1. Recommendations for new planning approvals for the five sites listed in the Coriolis Report, for which Coriolis states that notwithstanding their current permissions for retail uses, these sites are recommended to be redesignated for uses other than commercial.
2. A full and proper analysis of whether this proposed Official Plan Amendment conforms with London Plan.
3. A full and proper analysis of whether this proposed Official Plan Amendment is consistent with the PPS.
4. Evidence that, in fact, mixed use development will not occur within the Enterprise Corridor thereby frustrating the intent of SWAP, which is to provide for a mix of uses within the corridor with not each use being based on retail permissions.
5. An appropriate analysis on the potential impact of lifting the commercial cap on existing retail designations in South London, including the Pen Equity / Ikea / Costco site, Westmount Mall, Pond Mills Square, and the planned function of retail corridors, the Downtown Transit Villages, and other commercial areas in London.

Finally, for purposes of the record, we incorporate by reference the Stikeman Elliott letter of June 4, 2017, the Ward Land Economics Inc. letter of June 2, 2017, and the York Developments letter of June 12, 2017.

Yours truly,



James W. Harbell

JWH/rw

Enclosures

cc. Mimi Ward, *Ward Land Economics Inc.*
Carol Wiebe, *MHBC Planning*
Scott Allen, *MHBC Planning*
Client

March 16, 2018

Planning and Environment Committee
City of London
300 Dufferin Avenue
London, Ontario
PO Box 5035, N6A 4L9

Attention: Councillor Turner, Chair and Members

Dear Sirs/Mesdames:

**RE: Proposed Official Plan Amendment, City of London (File: O-8868)
Wonderland Road Community Enterprise Corridor Land Use Designation
Southwest Area Secondary Plan
Our File 1094'A'**

On behalf of our clients, we offer the following comments as it pertains to the above noted matter being considered by Planning & Environment Committee on March 19, 2018.

SUMMARY

Coriolis Consulting Inc. (Coriolis) has been engaged by the City of London to evaluate whether removing the commercial cap applying to Wonderland Road Community Enterprise Corridor (Enterprise Corridor) would substantially impact upon the existing and planned commercial space in the corridor and the City as a whole. As a result of their engagement, Coriolis provided a Final Report dated February 2018. City Planning Staff subsequently prepared a Report to Planning and Environment Committee dated March 12, 2018 to be presented to the PEC on March 19, 2018.

MHBC has reviewed both the Coriolis and City Planning reports from a land use planning perspective on behalf of 1279059 Ontario Inc. and CLF 1 (Wonderland Road) Inc., owners of a regional shopping centre on lands addressed as 3405 Wonderland Road South and 1789 Wharncliffe Road South.

As an outcome of our review, we have evaluated the conclusions/recommendations of both reports and have identified significant planning concerns with the core rationale advanced by Coriolis for removing the commercial cap. Further, we have concerns with the analysis and rationale provided by Staff.

A synopsis of our assessment is provided below; more detailed commentary on these matters is provided within this letter.

1. Mixed-Use Development Pattern. The Coriolis recommendation to remove the cap is based, in part, on a concern that this area is not viable for a mixed-use development pattern and should be built-out for regional serving retail uses north of Exeter Road. We disagree with this assessment. The SWAP has only been in effect for approximately four years and, in our opinion, lands in the Enterprise Corridor are developing according to the expected growth sequencing. In the fullness of time, it is our opinion that service, employment, residential and community activities will be established within this corridor to (1) meet market demands and (2) achieve the complete and flexible mix of land uses envisioned for this designation.
2. Geographic Distribution of Commercial Uses. The Coriolis report acknowledges that removing the commercial cap increases the land supply for such uses but will not increase market demand in South London. Accordingly, it is noted in the report that the major impact of this measure will be to alter the long-term geographic distribution of development in the Enterprise Corridor. In this respect, Coriolis is proposing to remove the cap to promote the full build-out of this corridor north of Exeter Road for regional serving retail uses. By contrast, the cap encourages a wider mix and geographic distribution of land uses as it affords opportunities for commercial uses and complementary office, institutional and residential activities to be located throughout the corridor. It is therefore our opinion that the cap is consistent with, and helps to realize, the planned function of the Enterprise Corridor.
3. Market Demand Forecast. According to the analysis provided in the Coriolis report, for the forecast period 2017 to 2047, the additional market demand in South London for region serving retail removal would be 167,100 m². With the cap in place, it is stated in the report that there is capacity to accommodate an additional 176,300 m² of retail GFA, including 65,600 m² in the Enterprise Corridor. It is further noted that removing the cap increases the capacity in South London to approximately 312,700 m² (equating to approximately 87% more space than required to meet forecasted market demand). The Coriolis report does not demonstrate that removal of the cap is warranted to address market demand in the long-term.
4. Redesignation of Enterprise Corridor Lands. The substantial over-supply of retail GFA resulting from removal of the cap has the potential to undermine the planned function of both the Enterprise Corridor and other designated commercial areas in South London. The Coriolis report addresses this concern by proposing that strategic measures could be considered to avoid excess capacity other than a GFA cap. One potential measure presented by Coriolis is to redesignate lands in the Enterprise Corridor to uses not required to meet retail market demand (including lands south of Exeter Road). In our opinion, redesignation of these lands for non-commercial uses is not consistent with the planned function of the corridor to accommodate a range and mix of land uses to meet service, employment, residential and community activity needs. Moreover, in our opinion, if elimination of the cap is predicated on the removal of commercial permissions from lands in this corridor, any decision on the cap is premature without a full evaluation of existing and future land use in this designation.
5. Inconsistent with the Provincial Policy Statement (2014). The Staff report states that the proposed Official Plan amendment is consistent with the Provincial Policy Statement (2014) by maintaining and, where possible, enhancing the vitality and viability of downtowns and main streets (Policy 1.7.1.c). Staff also refer to Policy 1.1.1.a) which states that “healthy , livable and safe communities are sustained by promoting efficient development and land use patterns that sustain the financial well-being of the Province and municipalities over the long term”. The report also refers to Policy 1.1.3.6 which states that “new development taking place in designated growth

areas should occur adjacent to existing built up areas and shall have a compact form, mix of uses and densities that allow for the efficient use of land, infrastructure and public service facilities.” In their analysis staff has concluded that due to gaps in development along the Wonderland Road corridor this is not consistent with the goal of promoting efficient development patterns and that new growth should occur adjacent to existing built up areas. In our opinion, this is a very narrow interpretation of the PPS and suggests that there cannot be vacant undeveloped parcels along roadways as this would represent an inefficient use of roads, infrastructure and development. The intent of the PPS is not to require contiguous parcels to develop prior to any other development occurring. Further, staff has stated that the commercial cap prevents the corridor from achieving a mix of uses that is promoted within the PPS. However that is not the case as the other development parcels along the Wonderland Road corridor can develop with a range of other uses that are permitted within the Official Plan framework and would achieve the broader goal of providing a mix of uses along the entire corridor.

6. Conformity with the vision and intent of the Southwest Area Secondary Plan (SWAP). The staff report states the commercial cap precludes development in accordance with the planned vision for the Wonderland Road corridor. The long term vision for the Wonderland Road corridor was the establishment of a mixed-use corridor that would include a mix and range of land uses including commercial, office, residential and institutional uses. The policies within SWAP also state that both stand-alone and mixed-use developments are permitted and that a mix of any of these permitted uses within a single building is permitted and encouraged. On this basis, we do not support the position advanced by staff that the commercial cap precludes development in accordance with the planned vision of SWAP. On the contrary, the inclusion of the commercial cap within the Wonderland Road corridor encourages a wider range and mix of uses to locate on parcels that do not have a commercial allocation. The SWAP policies do not require uses other than commercial to be located in mixed-use buildings and therefore there is nothing preventing the development of stand- alone office, residential or institutional uses from being developed at this time.

In light of our review of the Coriolis and City planning reports as well as other documents relating to this Official Plan Amendment application, it is our opinion that no significant planning rationale has been presented to substantiate removal of the commercial cap is warranted to fulfill its planned function. To the contrary, in our opinion the findings of the Coriolis report specifically illustrate that removal of the cap would be detrimental to the planned function of this mixed-use corridor and other commercial areas in North London.

Given these considerations, we therefore request that the Committee recommend retaining the 100,000 m² commercial cap established for the Enterprise Corridor.

Background

MHBC has been engaged by 1279059 Ontario Inc. and CLF 1 (Wonderland Road) Inc. (c/o York Developments Inc. and North American Development Group (York/NADG) to evaluate planning matters related to their holdings in the Southwest Planning Area addressed as 3405 Wonderland Road

South and 1789 Wharncliffe Road South. In this capacity, MHBC has provided professional planning opinion in relation to several City of London planning processes addressing these lands including:

1. The site-specific Official Plan Amendment/Zoning By-law Amendment (OPA/ZBA) applications which resulted in the designation of the lands New Format Regional Commercial Node and applied commercial zoning to the site. These applications were approved by City Council on June 25, 2013.
2. The Southwest Area (Secondary) Plan (SWAP) and associated Ontario Municipal Board (OMB) hearing which resulted in the redesignation of the subject lands to the Wonderland Road Community Enterprise Corridor (Enterprise Corridor) designation and applied a 100,000 m² gross floor area (GFA) 'cap' on commercial development in this designation. The SWAP was approved pursuant to the OMB Decision issued April 26, 2014.
3. The Site Plan Approval application submitted by York/NADG to develop its site for a regional-scale, large format commercial centre. The SPA application was approved by the City of London on May 30, 2016.
4. The new Official Plan (The London Plan) which is proposing to designate the entire Enterprise Corridor as Shopping Area place type. Applicable policies and schedules of the new Official Plan have been appealed to the OMB and are not presently in effect.

MHBC has been retained by York/NADG to evaluate the planning merits of the proposed SWAP amendments associated with the proposed OPA. Given the ownership group's significant investment in the servicing/development of the aforementioned regional shopping centre, our review of the OPA has focused principally on the proposed amendment to remove the Enterprise Corridor commercial cap.

As part of this assessment, we have reviewed several reports and studies pertaining to the establishment and potential removal of this cap including:

1. City of London Planning Division reports to the City's Planning and Environment Committee providing rationale for both the Enterprise Corridor and the approved commercial GFA cap (June 18, 2012; October 15, 2012; October 7, 2014);
2. *Retail Market Demand Analysis for the South West Area Plan (SWAP), City of London, Ontario 2016-2031*, prepared by Kircher Research Associates Ltd. (May 15, 2012; November 24, 2016);
3. Stikeman Elliott LLP submission, dated June 4, 2017, on behalf of York/NADG providing commentary on the above-noted reports and expressing concerns with the proposed removal of the cap (with assistance from Ward Land Economics Inc.); and
4. *Impact of Removing the Retail Development Cap in the Wonderland Road Community Enterprise Corridor (Enterprise Corridor), London Ontario*, dated February 2018 and prepared by Coriolis Consulting Corp.

Planned Function: Enterprise Corridor

Section 4.8.2 of the current City of London Official Plan (1989) describes that in the context of the SWAP's Wonderland Boulevard Neighbourhood, Wonderland Road South is to service as a significant City gateway and a focal point of the Southwest Planning Area. With respect to planned function, Section

4.8.2 states that the intent of the Enterprise Corridor is to provide for a broad range and mix of uses including commercial, office, residential and institutional uses. The planned function of the Enterprise Corridor is further described in this Section as follows:

... The intent is to ultimately develop a mixed-use corridor characterized by a high density built form to support transit service and active transportation modes....

The Wonderland Road Community Enterprise Corridor will establish the identity of the broader Southwest Secondary Planning Area, and accommodate a range and mix of land uses to meet service, employment, residential and community activity needs. ...

The planned function of the Enterprise Corridor is further described in the October 15, 2012 Planning Division report to the Planning and Environment Committee regarding the SWAP. As outlined in the 'Rationale' section of this staff report, the intent of the new Enterprise Corridor designation is to support a complete and flexible mix of land uses, including commercial, residential, and institutional and office activities. Additionally, it is stated in the 'Wonderland Road Enterprise Corridor' section of the report that this designation was established in response to Council direction (June 2012), **"To provide for a wide range of land uses, and, rather than geographically distribute these land uses in the Corridor, allow the uses to establish anywhere within the Corridor up to the limits, or caps, as defined in the Plan."** (emphasis added)

Consistent with the current Official Plan, Section 20.5.6.1 (i) of the SWAP states that the intent of the Enterprise Corridor is to provide for a wide range of commercial, office, residential, and institutional uses. Additionally, Section 20.5.6.1 (i) provides general policy direction for commercial development in the Enterprise Corridor designation:

Commercial uses within this designation are intended to complement the more traditional commercial uses and forms in the Lambeth Village Core, and serve local, neighbourhood and city needs. It is not intended that the specific location of commercial uses be identified within this designation, however, such uses shall be encouraged to locate in mixed use developments over time with the opportunity to incorporate office and/or residential uses.

Commercial Cap: Enterprise Corridor

As part of the implementation strategy for the Enterprise Corridor, GFA caps were specifically established for commercial uses (100,000 m²) and office uses (20,000 m²). No caps were applied for residential or institutional uses within the Enterprise Corridor.

The concept of a commercial GFA cap within the Wonderland Road South corridor was initially proposed in a Planning Division report (June 18, 2012) and in a corresponding draft Secondary Plan dated June 2012. The initial commercial cap built on the findings of the retail market demand study prepared by Kircher Research (May 15, 2012) which evaluated warranted commercial demand in the Southwest Planning Area. A cap of 120,000 m² was originally proposed for an area extending from Southdale Road West to lands just south of the Bradley Avenue. This cap included 90,000 m² of existing commercial development and lands approved and/or under construction. Ultimately, in conjunction with the establishment of the Enterprise Corridor and direction from City Council, the cap was increased to 100,000 m², excluding existing development.

This specific basis for the commercial cap approved under the SWAP is summarized in the 'Wonderland Road Enterprise Corridor' section of the October 15, 2012 Planning Division report as follows:

To capitalize on the upcoming connection of Wonderland Road South to Highway 401, within the Wonderland Road Enterprise Corridor, up to 100,000 square metres (1,080,000 square feet) of new commercial development may be permitted. This is in addition to the approximately 90,000 square metres (967,000 square feet) already developed or approved/under construction in the corridor on the designated lands generally located north of the Bradley Avenue extension.

The function of the Enterprise Corridor commercial cap was further articulated in the October 7, 2014 Planning Division report regarding a commercial development proposal for 51 and 99 Exeter Road (Application OZ-8324). Within the 'Analysis' section of the report, the following is stated in relation to this cap:

*The principle behind the **inclusion of a cap on commercial development is to prevent the over-supply of commercial uses in new suburban areas**, where additional public infrastructure and servicing investments are required and must be supported over the long-term. The 2012 Retail Demand Analysis completed by Kircher Associates Ltd. cited difficulties encountered by Westmount Mall after the development of "big-box" commercial uses south of Southdale Road, in suggesting that planning for future retail space in the Southwest Area should be careful to take into account actual market demand in order to prevent overbuilding and ensure that existing public infrastructure is used efficiently. **By preventing over-supply through a GFA cap in planning regulations, it is anticipated that the integrity and planned function of existing commercial centres elsewhere in the City, will be preserved and that existing infrastructure and public services will be continue to be efficiently utilized** in those areas. (emphasis added)*

The inclusion of the cap in the Enterprise Corridor was upheld by the Ontario Municipal Board (OMB) in its Decision regarding the SWAP dated April 29, 2014 (OMB Case No. PL130020).

Commentary

In our opinion, the commercial and office GFA caps introduced into the Enterprise Corridor policy framework are an integral mechanism to achieve the planned function of this unique, mixed-use designation. By prescribing a specific limit on the total space expressly dedicated to retail/service commercial and office development, the caps ensure that only a portion of the entire designation can be dedicated exclusively for those purposes. With these restrictions in place, in its entirety, the policy framework for the corridor encourages and promotes the mix of complementary service, employment, residential and community activities envisioned for this gateway community (without specifying the geographic distribution of such uses).

Additionally, from a market demand perspective, it is our opinion that the commercial GFA cap serves two key functions:

1. To prevent the over-supply of commercial uses in the South London trade area; and
2. To guide the sequencing of the development mix in the Enterprise Corridor.

With respect to the first function, based upon our review of related studies/reports, the cap is intended to limit commercial development in the Enterprise Corridor to a scale that (1) is warranted to meet demand

and (2) is unlikely to undermine the planned function of other designated commercial areas in the South London trade area. This is reflected in the Planning Division comments highlighted above, which recognize that in this circumstance, a GFA cap is an effective measure to preserve the integrity and planned function of existing commercial centres. Given the physical size, gateway function and prominent location of the corridor, we agree that the commercial cap is an important and prudent tool to support the planned function of existing commercial areas by limiting the over-supply of space in the trade area.

In relation to the sequencing of commercial development, in our opinion the Enterprise Corridor commercial cap was initiated to acknowledge that regional-scale retail uses would represent the first phase of growth in this developing area. This type of commercial development requires a large trade area, large development sites and highly accessible locations - attributes consistent with the Wonderland Road South corridor. Regional-scale shopping is also less reliant on a local residential/employment base than locally-oriented retail/service uses. It is anticipated that the second phase of growth in this area will be office and institutional uses that benefit from both proximity to regional shopping areas and access to the City's arterial road network and the Provincial highway system. Residential uses, in low- and mid-rise forms, are anticipated to be the third major growth phase; however depending upon housing market demand, residential development may occur in the corridor as part of phase two. Given these considerations, the cap is an important component of the Enterprise Corridor policy framework (1) to allow for the development of these region servicing commercial uses to meet current market demands and (2) to encourage the establishment of complementary uses in the near- and intermediate-terms.

Potential Removal of Commercial Cap

City staff have advised that Coriolis Consulting Inc. (Coriolis) was engaged to evaluate whether removing the commercial cap would substantially impact upon the existing and planned commercial space in the corridor and the City as a whole. As set out in the associated study report (dated February 2018), Coriolis is recommending that the cap be removed in its entirety. Their recommendation is also premised on the re-designation of a number of existing designated commercial sites in south London. They have stated that this is a more strategic measure to avoid excess capacity once the cap is removed. However, there has been no analysis on what is the most appropriate designation that would exclude commercial uses. The proposed Amendment in the Staff report does not address these existing commercial parcels and therefore the potential supply of excess capacity could be higher than anticipated in the Coriolis report.

Following our review of the Coriolis report, in our opinion the proposal to remove the cap is predicated on the following rationale set out in Sections 10.1 (Demand and Capacity) and 10.2 (Impact of Removing the Cap) of the report:

...removing the retail cap allows the development of sites in the Enterprise Corridor. This is desirable as sites in the Corridor are the best suited for regional retail development in South London from a market and planning perspective. The Corridor is centrally located, has an existing agglomeration of successful regional retail uses, and has good transportation access. Removing the cap allows full build-out of the Enterprise Corridor to Exeter Road.

*Removing the cap increases retail GFA capacity to about 312,700 square metres at region serving locations in South London. **Removing the cap increases the capacity but doesn't increase demand so the major impact will be to alter the geographic distribution of development over the next 30 years.** (emphasis added)*

Since the Enterprise Corridor is a low density, high volume, commercial area and mixed use residential development is not economically viable in this area, the portion of these sites without retail zoning will likely remain vacant. In addition, retail permissions on sites with zoning under the cap are insufficient to accommodate regional retail projects. (emphasis added)

Taking this matter into account, and considering broader study findings, Coriolis concludes that the Enterprise Corridor commercial cap should be removed. As noted in Section 10.4 (Recommendations) of the report, it is the opinion of Coriolis that removing the cap, *“Will allow the development of sites best suited for regional retail development from a market and planning perspective, promote a contiguous development pattern in the Enterprise Corridor and provide land owners with viable development options over the next 30 years.”*

Notwithstanding these supposed benefits, the Coriolis report identifies the following caveats in Section 10.4:

Removing the cap creates about 136,400 square metres of excess region serving retail capacity which is not needed between 2017 and 2047. This postpones a viable development option for sites which are less suited for region serving retail development over the next 30 years. (emphasis added)

There are more strategic measures that could be considered to avoid excess capacity than a cap on retail development. One strategy is to designate lands for other uses which are not required to meet retail demand between 2017 and 2047 and are appropriate to redesignate from a planning and market perspective.

Commentary

We have evaluated the conclusions/recommendations of the Coriolis and City Planning reports and have identified significant planning concerns with these findings in the context of the planned function for the Enterprise Corridor.

The core rationale advanced by Coriolis for removing the commercial cap is assessed below:

1. Mixed-Use Development Pattern. The Coriolis recommendation to remove the cap is based, in part, on a concern that this area is not viable for a mixed-use development pattern and should be built-out for regional serving retail uses north of Exeter Road. We disagree with this assessment. The SWAP has only been in effect for approximately four years and lands in the Enterprise Corridor are developing according to the expected growth sequencing. In particular, it is recognized that regional-scale retail uses represent the first phase of growth in this developing area. It is also anticipated that this corridor will diversify with a mix of uses complementary to large format commercial uses including office, institutional and residential development. It is our opinion that in the fullness of time, service, employment, residential and community activities will be established within this corridor to (1) meet market demands and (2) achieve the complete and flexible mix of land uses envisioned for this designation.
2. Geographic Distribution of Commercial Uses. The Coriolis report acknowledges that removing the commercial cap increases the land supply for such uses but will not increase market demand in South London. Accordingly, it is noted in the report that the major impact of this measure will be to alter the long-term geographic distribution of development in the Enterprise Corridor. In this respect, Coriolis is proposing to remove the cap to promote the full build-out of this corridor north

of Exeter Road for regional serving retail uses. A contiguous development pattern of this nature is recommended by Coriolis as a means to take advantage of the corridor's central location in South London, its existing development pattern and its transportation access. Contrary to the approach advanced by Coriolis, which would concentrate commercial uses between Southdale Road West and Exeter Road, implementation of the cap has allocated commercial space throughout this designation (including lands south of Exeter Road). In effect, the cap facilitates a wider mix and geographic distribution of land uses as it affords opportunities for commercial uses and complementary office, institutional and residential activities to be located through the entire Enterprise Corridor. It is our opinion that the cap is consistent with, and helps to realize, the planned function of the Enterprise Corridor and is more effective in ensuring a fair, equitable and reasonable distribution of commercial floor area.

3. Market Demand Forecast. According to the analysis provided in the Coriolis report, for the forecast period 2017 to 2047, the additional market demand in South London for region serving retail removal would be 167,100 m². With the cap in place, it is stated in the report that there is capacity to accommodate an additional 176,300 m² of retail GFA, including 65,600 m² in the Enterprise Corridor. Given this finding, it is concluded in Section 10.1 of the report that, *"There is enough the capacity to accommodate demand over the next 30 years"*. It is further noted in this Section that removing the cap increases the capacity in South London to approximately 312,700 m² (equating to a 77% increase over existing conditions and approximately 87% more space than required to meet forecasted market demand). The Coriolis report does not demonstrate that removal of the cap is warranted to address market demand in the long-term.
4. Redesignation of Enterprise Corridor Lands. The substantial over-supply of retail GFA resulting from removal of the cap is problematic from a planning perspective, given that it could generate increased vacancies and underutilized space in existing and new commercial areas throughout South London. As a result, the over-supply of commercial land resulting from this measure has the potential to undermine the planned function of both the Enterprise Corridor and other designated commercial areas in South London including existing commercial centres such as Westmount Mall and White Oaks Mall. This Coriolis report addresses this concern by proposing that strategic measures could be considered to avoid excess capacity other than a GFA cap. One potential measure presented by Coriolis is to redesignate lands in the Enterprise Corridor to uses not required to meet retail market demand (including lands south of Exeter Road). In our opinion, redesignation of these lands for non-commercial uses is not consistent with the planned function of the Enterprise Corridor to accommodate a range and mix of land uses to meet service, employment, residential and community activity needs. Moreover, in our opinion, if elimination of the cap is predicated on the removal of commercial permissions from lands in the Enterprise Corridor, any decision on the cap is premature without a full evaluation of existing and future land use in this designation.
5. Inconsistent with Provincial Policy Statement (2014). As noted in our review, the Coriolis report acknowledges that the removal of the commercial cap will increase commercial capacity (supply) but will not increase demand. In other words, supply exceeds demand and there will be an excess of commercial space that will impact on both existing and other planned commercial site within South London and the City as a whole. The PPS promotes efficient development and land use patterns which sustain the financial well-being of the Province and municipalities over the long term (Policy 1.1.1 a). Further, the PPS promotes opportunities for economic development (Policy 1.7.1 a) and optimizing the long-term availability and use of land, resources and infrastructure (Policy 1.7.1 b). The associated risks of creating excess capacity include increased

vacancies in existing commercial centres and incomplete development of new commercial developments. In turn, this results in loss of investment in the City including reduced assessment and the inefficient use of municipal resources and infrastructure. In addition, and as acknowledged in the Coriolis report, the removal of the cap will result in an increase in the supply of commercial lands rather than establishing an appropriate range and mix of residential, employment, institutional, recreation and other uses to meet long-term needs. This is not consistent with Section 1.1.1 b) of the PPS.

Summation

In summary, it is our opinion that the commercial cap is an integral mechanism to fulfill the planned function of the Enterprise Corridor as a mixed-use development area supporting a wide range of commercial, office, residential, and institutional uses. This vision is set out in the Official Plan, through the Southwest Area Secondary Plan (SWAP), and this vision will not be met with the removal of the commercial cap. Accordingly, in our opinion, the proposed Amendment does not conform to the Official Plan.

Additionally:

- It is our opinion that the findings and recommendations in the Coriolis and City Planning reports do not adequately demonstrate that removal of this cap is warranted to encourage a broader geographic distribution of uses throughout this designation to meet market demand.
- We remain concerned that the removal of this cap would result in the significant over-supply of retail space in South London - a situation that undermines the planned function of designated commercial lands in this area.
- The Coriolis report recommends investigating strategic measures to mitigate the impacts of excess commercial supply, such as redesignating lands in the corridor for non-commercial uses. However, the City Planning report does not address this in their recommendations, thereby leading to an excess supply of commercial lands that have not been fully assessed. In our opinion, measures of this nature require a detailed planning assessment including extensive stakeholder consultation given the prejudicial effects of such a down-designation. More importantly, it is necessary to understand the full impacts of removing the cap in the absence of these other measures that were outlined in the Coriolis report. It is our opinion that it is premature, and inappropriate, to remove the cap on the pretense that measures to address the impacts of excess commercial supply will be investigated in the future.

In light of our review of the Coriolis and City Planning reports and other studies relating to this Official Plan Amendment application, it is our opinion that no significant planning rationale has been presented to substantiate removal of the Wonderland Road Community Economic Corridor commercial cap nor is it warranted to fulfill its planned function. To the contrary, in our opinion the findings of the Coriolis report illustrate that removal of the cap would be detrimental to the planned function of this mixed-use corridor and other commercial areas in London.

Given these considerations, we therefore request that the Committee recommend retaining the 100,000 m² commercial cap established for the Enterprise Corridor.

We trust that the information presented offers sufficient detail to assist the Committee with its evaluation of this proposal.

Yours truly,

MHBC



Carol M. Wiebe, BES
Partner



Scott Allen, MA, RPP
Partner

cc. *S. Bishop; NADG*
A. Soufan; York Development
J. Harbell, J. Cheng; Stikeman Elliott
M. Ward; Ward Land Economics

March 15, 2018

File: 17-1004

Planning and Environment Committee

City of London
300 Dufferin Avenue
London, Ontario
PO Box 5035, N6A 4L9

Attention: Councillor Turner, Chair, and Members

Dear Sirs/Mesdames:

Re: Impact of Eliminating the Commercial Development Cap in the Wonderland Road Community Enterprise Corridor, City of London

The following provides a summary of market findings regarding the City's proposed Official Plan amendment ("OPA") to eliminate the 100,000 sq.m. commercial development cap applied to the Wonderland Road Community Enterprise Corridor ("WRCEC" or "Enterprise Corridor"). The proposed OPA is provided in the City Planning Staff Report to Planning and Environment Committee for Public Participation Meeting on March 19, 2018 (the "March 19, 2018 Staff Report").

This market assessment is based on a review of the Coriolis Consulting Corp. report titled "*Impact of Removing the Retail Development Cap in the Wonderland Road Community Enterprise Corridor (WRCEC), London Ontario*" prepared for the City of London, Final Report dated February 2018 (the "Coriolis Report").

This assessment also accounts for the information, analysis, and findings summarized in the Ward Land Economics Inc. ("WLE") letter dated June 2, 2017 "*Re: Retail Commercial Market Support - Wonderland Road Enterprise Corridor, Southwest Area Secondary Plan (SWAP), London*" (the "WLE June 2017 Letter").

In summary, the market related findings are as follows.

Based on the Coriolis Report and several other market studies including those conducted on behalf of the City of London, Southside Group, and Westbury International, among others, there is no market need or justification to increase or eliminate the 100,000 sq.m. commercial maximum within the Enterprise Corridor.

The Coriolis Report (page 2 and 52) concludes that removing the cap creates excess region serving capacity which is not needed over the next 30 years from 2017 to 2047, and that removal of the cap postpones a viable development option for less suited region serving retail sites over the next 30 years. To avoid excess commercial capacity with removal of the cap, the Coriolis Report recommends that various lands be redesignated for non-commercial uses.

It follows that increasing or eliminating the commercial cap would cause significant negative impact on existing and planned commercial sites and areas in the Enterprise Corridor and elsewhere in the City, and therefore, the planned function of commercial areas would be undermined.

Uncontrolled retail commercial development in the Enterprise Corridor puts the City's downtown and its revitalization as well as other existing commercial areas at risk of significant negative impact, store closures, and job losses. The City also risks pre-empting and impacting its planned commercial areas including the Enterprise Corridor, the Southwest Area Plan, and the Transit Villages.

Removal of the maximum commercial floor area identified in the Enterprise Corridor is not consistent with the City and Provincial planning policy direction.

The City's March 19, 2018 Staff Report recommends an Official Plan amendment and deletion of policy 20.5.6.1 v) a) of the Southwest Area Secondary Plan ("SWAP") which directs that;

Commercial development for the entire Wonderland Road Community Enterprise Corridor designation shall not exceed 100,000 square metres gross floor area. For the purposes of this limit, this shall not include those lands generally located north of the Bradley Avenue extension that are currently developed or are approved/under construction as of October, 2012.

The March 19, 2018 Staff Report informs that the intended purpose and effect of the recommended OPA and removal of the cap is to:

- *Allow development along Wonderland Road South in accordance with the planned vision for the Corridor,*
- *Remove a policy that forces inefficient, discontinuous development patterns that precludes development on desirable commercial sites,*
- *Ensure the WRCEC policies are achieving their intended effect of allowing a fair, equitable, and reasonable distribution of commercial floor area, and*
- *Allow the market to determine appropriate locations for commercial development within commercially designated areas, while not negatively impacting other commercial sites in South London.*

This market assessment is based on a review and findings of the Coriolis Report. As well, this assessment accounts for the findings of other market studies including the following.

- Kircher Research Associates Ltd. report titled “Retail Market Demand Analysis for the South West Area Plan (SWAP), City of London, Ontario, 2016-2031” prepared for The Corporation of the City of London, Ontario, dated November 24th, 2016.
- Tate Economic Research Inc. report titled “Supplementary Update, Retail Market Demand and Impact Analysis, City of London, Ontario” prepared for Westbury International (1991) Corporation, dated October 6, 2015.
- urbanMetrics inc. report titled “Retail Market Study, Wonderland Road and Bradley Avenue, London, Ontario” prepared for Southside Group, dated February 5, 2016.

Reference was also made to other market studies and documents which also address retail commercial market need, demand, and impact regarding the Enterprise Corridor, SWAP, and south London. The other market studies and documents include those carried out by: Robin Dee & Associates, Kircher Research Associates Ltd., Malone Given Parsons Ltd.¹, and Tate Economic Research Inc. Other related and relevant documents were also reviewed including: correspondence, Staff Reports, municipal documents, Ontario Municipal Board decisions, other consultant reports, Statistics Canada documents and data, and various industry documents.

This market assessment is not intended to address all components, gaps, issues, and inconsistencies of the Coriolis Report or other market studies and documents, but it is intended to highlight the overall findings and implications.

Enterprise Corridor Commercial Development Space Maximum

SWAP and the guiding policies including the 100,000 sq.m. commercial cap resulted from a comprehensive planning process that extended over many years and ultimately was approved by the Ontario Municipal Board less than four years ago.

Several market reports, including Staff Reports, provided input to the SWAP planning policies which restrict the total commercial space permitted in the Enterprise Corridor to a maximum of 100,000 sq.m. (approximately 1,080,000 sq.ft.). That area excludes lands north of the Bradley Avenue extension which were developed or approved/under construction as of October, 2012.

If the cap were removed, the Coriolis Report identifies an additional 1.3 million square feet of retail and service commercial space in the Enterprise Corridor, for a total of approximately 2.4 million square feet.

¹ Mimi Ward, while previously at Malone Given Parsons Ltd., carried out comprehensive quantitative market analyses regarding SWAP, the Enterprise Corridor, and the Commercial cap as summarized in reports, correspondence, witness statement, and a technical appendix.

The City of London Staff Report dated October 7, 2014 informs that the commercial cap applied to the Enterprise Corridor is to prevent an over-supply of commercial space and to protect the integrity and planned function of existing commercial centres in the City.

“The principle behind the inclusion of a cap on commercial development is to prevent the over-supply of commercial uses in new suburban areas, where additional public infrastructure and servicing investments are required and must be supported over the long-term.” (page 9)

The Staff Report also informs that:

“By preventing over-supply through a GFA cap in planning regulations, it is anticipated that the integrity and planned function of existing commercial centres elsewhere in the City, will be preserved and that existing infrastructure and public services will continue to be efficiently utilized in those areas.” (page 9)

If retail commercial space is built within the Enterprise Corridor before the market support is available, then this puts the City’s existing and planned retail commercial lands and centres, and the planned function of commercial areas at risk of significant negative impact. These lands include the Enterprise Corridor and SWAP, the downtown, other commercial areas, and the planned Transit Villages.

This result is not consistent with the City of London Official Plan, the new London Plan, or the Provincial Policy Statement which provide policy direction to protect commercial areas including the downtown.

The Coriolis Report Market Analysis and Findings

Based on the Coriolis Report, there is no market need or justification for an increase or elimination of the commercial cap on the Enterprise Corridor over the 30 year planning horizon to 2047.

It follows that increasing or eliminating the commercial cap would negatively impact existing and planned commercial space in the Enterprise Corridor and the City as a whole, and the planned function of the commercial areas would be undermined.

- The Coriolis Report (page 2 and similarly on page 49 and 52) concludes that *“Removing the cap creates about 136,400 sq.m. of excess region serving capacity which is not needed between 2017-2047. This postpones a viable development option for sites designated for retail development which are less suited for region serving retail over the next 30 years.”*
- The Coriolis Report concludes on page 49 that *“Removing the cap creates 1.4 million square feet of retail capacity which is not needed between 2017 and 2047.”*

- An increase or elimination of the Enterprise Corridor commercial cap is therefore not needed or justified over the 30 year planning horizon to 2047.
- The Coriolis Report findings are based on various market inputs which overstate market support for additional retail commercial space.
- The Coriolis Report makes reference to population forecasts provided by The London Plan (the City's new Official Plan, presently under appeal at the Ontario Municipal Board) and the Watson and Associates Population, Housing and Employment Growth Forecasts provided in November 2017 and which are the same in the February 1, 2018 final report. The Watson population forecasts are higher than the London Plan forecasts by approximately 20,000 people in 2031 and the population growth rate is approximately 20% higher from 2017 to 2044 compared with the actual growth rate based on past growth trends.
- The Coriolis Report population forecasts used in the market analysis, are higher than the London Plan population forecast by approximately 10,000 people in 2035 and the population growth rate from 2017 to 2047 is approximately 15% higher than the actual growth rate based on past growth trends. Overstating future population overstates market need and support for additional retail commercial space, which in turn understates impact on existing and planned retail commercial areas and the planned function of those areas.
- The Coriolis Report (page 32) identifies that per capita expenditures are based on the Ontario average not adjusted down to align with the lower incomes of trade area residents. Income levels influence the amount of spending in retail stores. Overstating income and spending overstates market need and support and understates impacts on existing and planned retail commercial areas and the planned function of those areas.
- Although market support for local serving space is identified to be 19.3 sq.ft. per capita in the Primary Trade Area, the Coriolis Report forecasts market demand at 21.5 sq.ft. (per page 38). Overstating the ratio overstates market need and support and understates impacts on existing and planned retail commercial areas and the planned function of those areas.

- The Coriolis Report identifies a very significant supply of existing built retail and service commercial space - approximately 7,708,106 sq.ft. in south London² of which the report estimates 10% or 770,800 sq.ft. is vacant. There is a significant amount of vacant commercial space in south London including: Wellington Road, Westmount Shopping Centre, and elsewhere in the City. Vacancies should be filled before the City permits additional commercial space in the Corridor.
- The Coriolis Report identifies an additional 3,782,663 sq.ft. of retail and service commercial space which is permitted but not yet built in south London. This would bring the total supply of existing and potential retail and service commercial space to over 11 million square feet in south London.
- If the cap were removed, the Coriolis Report identifies an additional 1.3 million square feet of retail and service commercial space in the Enterprise Corridor in addition to the 1,080,000 sq.ft. permitted by the cap. This increase represents the introduction of a significant amount of additional commercial space - approximately the size of White Oaks Mall and Masonville Place combined.
- With removal of the cap, the Coriolis Report identifies demand for 1,618,883 sq.ft. of region serving retail commercial space in south London by 2047. However the supply or “capacity” to accommodate retail commercial space is significantly greater at 3,028,884 sq.ft. Therefore, the report identifies and concludes that *“Removing the cap creates excess region serving capacity which is not needed between 2017 and 2047.”* (page 52)

Table 1: Coriolis Report Summary of Regional Serving Retail Space Demand vs. Capacity with Removal of the Cap - 2017 to 2047

	sq.m.	sq.ft.
Retail Commercial Demand	150,394	1,618,883
Capacity with Cap Removed	281,383	3,028,884
Difference	-130,989	-1,410,001

Source: Coriolis Report page 50, summarized by Ward Land Economics Inc.

Note: The sq.m. numbers referenced on page 50 of the Coriolis Report appear to be incorrect. The footnote on that page appears to reflect the correct numbers in sq.ft. and which are presented on this table.

² The Coriolis Report defines south London as the area of London south of the Thames River. The Coriolis Report also identifies that area as the “Study Area” or “Primary Trade Area”.

- With removal of the cap, the supply of commercial space exceeds demand from 2017 to 2047. Since supply exceeds demand, the Coriolis Report recommends redesignating five commercial sites: Greenhills, Aarts, and three others. However, no market or planning assessment, or public process has been carried out to determine if this recommendation is appropriate or implementable.
- If too much space is permitted too soon in the Enterprise Corridor, the City risks negatively impacting existing and planned retail commercial areas including the Enterprise Corridor and SWAP, existing shopping centres, the downtown, other commercial areas, and the planned Transit Villages.
- Since the Coriolis Report concludes that removal of the cap is not needed and will cause impact, it follows that removal of the cap would undermine and detract from the planned function of existing Shopping Areas or other place types shown in the City Structure Plan and on Map 1 as directed by The London Plan policy 881 (2).
- If the Enterprise Corridor commercial cap is increased or removed, the City risks having a commercial development pattern of partly developed/partly undeveloped commercial sites and vacancies in existing shopping centres and areas. This is not conducive to properly serving residents and shopping needs nor does it provide a balanced distribution of retail commercial space.
- The Coriolis Report does not provide an assessment of the impact of not providing a balanced distribution of retail commercial space required to serve the needs of existing and future residents of the City's other neighbourhood areas.

The City's proposed Official Plan Amendment provided in the March 19, 2018 Staff Report is not consistent with the Coriolis Report recommendations and the OPA puts the City's commercial areas at significant risk of impact.

The Coriolis Report recommends that a strategy to avoid excess commercial capacity rather than a cap, is to redesignate various lands for uses other than commercial. The Coriolis Report identifies five sites which have capacity for approximately 600,000 sq.ft. of commercial space to be designated for other uses. However, the proposed OPA does not account for the redesignation of those lands. It follows that the OPA would result in significant negative impact on existing and planned shopping centres and areas.

To be consistent with the Coriolis Report recommendation, the City needs to address the redesignation of existing commercial lands. Additional work and analysis is required for Planning Staff to assess the market and planning implications of the Coriolis Report recommendations and whether or not the recommendations are implementable.

Inconsistencies with Policy Direction

An increase or elimination of the maximum commercial floor area identified in the Enterprise Corridor is not consistent with several City and Provincial policy directions. A summary of some of the inconsistencies include the following.

- An increase or elimination of the cap is not consistent with the SWAP vision and policy direction that the Enterprise Corridor be a mixed-use area.
- An increase or elimination of the cap is not consistent with the London Plan Shopping Area policy 875 which directs that *“It is not expected that new Shopping Areas will be required in London beyond what is shown on Map 1 – Place Types, over the life of this Plan, given the multitude of opportunities in the existing centres, and the many other place types that support commercial uses in the Plan.”*
- Policy 876 1) of The London Plan directs that the City is to *“Plan for a distribution of Shopping Area Place Types across the city to service neighbourhood and collection of neighbourhoods.”*
- Policy 876 2) of The London Plan directs that the City is to *“Discourage the addition of new Shopping Area Place Types, recognizing significant supply of sites that can accommodate commercial uses throughout the city.”*
- With respect to adding new or expanding existing Shopping Area Place Types, Policy 880 of the London Plan directs that *“...new or expanded Shopping Area Place Types will be required to clearly demonstrate the need for the proposed new Shopping Area or the proposed expansion onto additional lands, considering all other opportunities for commercial development or redevelopment that have been planned.”*
- An increase or elimination of the cap is not consistent with The London Plan policy 881 (2) which directs that new Shopping Area Place Types are required to *“...clearly demonstrate need...”* and also to demonstrate that the proposed Shopping Area *“...will not undermine or detract from the planned function of an existing Shopping Area or any other place type shown in the City Structure Plan and on Map 1.”*
- An increase or elimination of the cap is not consistent with several policies of The London Plan Shopping Area Place Type policies which identify commercial caps and total retail gross floor area maximums are specified. For example, Shopping Area policy 889 specifies that *“The total retail gross floor area permitted in the West Five Special Policy Area will be 30,000 square metres.”* Policy 900 specifies that *“Retail uses will not exceed 16,000 m2... ”*

- Removal of the cap is not consistent with the Southwest Area Secondary Plan (SWAP) which directs that the Enterprise Corridor is to be a mixed-use area. The SWAP policy 20.5.6.1 i) directs that *“The Wonderland Road Community Enterprise Corridor designation is intended to provide for a wide range of large scale commercial uses, medium scale office development, high density residential uses, and institutional uses. Both stand-alone and mixed-use developments are permitted.”*
- Removal of the cap puts commercial areas including the Lambeth Village Core at risk of impact which is not consistent with SWAP. The SWAP policy 20.5.6.1 i) directs that it is the intent that within the Enterprise Corridor *“Commercial uses within this designation are intended to complement the more traditional commercial uses and forms in the Lambeth Village Core, and serve local, neighbourhood and city needs.”*
- Removal of the commercial cap puts commercial areas including the City’s Downtown at risk of impact which is not consistent with the City’s existing Official Plan. Section 4.1 of the Official Plan describes the importance of the Downtown as the primary multi-functional activity centre serving the City and the surrounding area. It is intended that the Downtown will continue to be the major office employment centre and commercial district in the City.
- Removal of the commercial cap is not consistent with the Provincial Policy Statement which provides policy direction that protects commercial areas including the downtown. The Provincial Policy Statement (2014) section 1.7.1 c) directs that long-term economic prosperity should be supported by: *“maintaining and enhancing the vitality and viability of downtown and mainstreets;”* (among other items).
- Removal of the commercial cap is not consistent with the existing City of London Official Plan, the new London Plan, or the Provincial Policy Statement which provide policy direction that protects commercial areas including the downtown.

Indicators that the Commercial Cap is Appropriate

The commercial cap in the Enterprise Corridor allows for a proper distribution of commercial space, retenanting of existing vacancies in existing centres, allows for mixed use development in the Enterprise Corridor, and allows the market to determine appropriate locations for commercial development within commercially designated areas, while not negatively impacting other commercial sites in South London.

There are various indicators that the commercial cap on the Enterprise Corridor is appropriate and is working to achieve the vision of the Enterprise Corridor while protecting commercial areas from negative impact.

The cap is appropriate since it results in a proper distribution of commercial space, retenanting of vacancies in existing centres, and in turn, the centres fulfil their planned function. For example, the Super Store Mall (Effort Trust), Westminster Centre (First Capital), and the Gleed Plaza at Wellington and Southdale have retenanting/revitalization plans that would result in retenanting of vacancies and in turn, these centres fulfil their planned function.

Maintaining the commercial cap in the Enterprise Corridor allows for a proper distribution of commercial space. City Planning Staff support a distribution of commercial development including planned areas outside the Corridor. The London Free Press October 20, 2017 published the following: *“Costco is a relocation and expansion, but with Ikea, it is a regional draw for the area,” said London city planner Michael Tomazincic. “It is gratifying to see these plans come to fruition.”*

Contrary to Planning Staff’s concern regarding the distribution of commercial space, with the cap in place, a greater amount of new retail space (over 100,000 sq.ft.) has been built in the Enterprise Corridor since the OMB approval of SWAP in 2014, than in other areas of southwest London.

The commercial cap also allows for the development of a mixed-use area as envisioned and directed by planning policy in SWAP. Contrary to the concern that mixed-use is not viable in the Enterprise Corridor, mixed use development in the Enterprise Corridor has in fact been demonstrated to be viable considering Greenhills’ current plans for residential development adjacent to their commercial lands.

What have we learned if too much space is permitted too soon?

Based on the Coriolis Report and several market studies, there is no justification to remove the 100,000 sq.m. commercial maximum within the Enterprise Corridor. Removal of the cap would allow for too much space to be built too soon. Based on the Kircher 2016 market study prepared for the City, *“...substantial overbuilding can be costly and inefficient, as clearly illustrated by the history of Westmount Mall which lost most retail space on its second level and Pond Mills Square, which has closed.”*

If too much commercial space is permitted too soon, then the City risks significant impact on existing and planned retail commercial areas including the Enterprise Corridor and SWAP, existing shopping centres, the downtown, other commercial areas, and the planned Transit Villages. Significant negative impact leads to undermining the planned function of commercial areas, store closures, and job losses.

This result is not consistent with the City of London Official Plan or the Provincial Policy Statement which provide policy direction that protects commercial areas including the downtown.

Conclusion and Recommendation

Based on the Coriolis Report and several other market studies, there is no need or justification to increase or eliminate the 100,000 sq.m. commercial maximum within the Enterprise Corridor.

If too much commercial space is permitted too soon in the Enterprise Corridor, the City risks significant impact on existing and planned retail commercial areas, including the Enterprise Corridor and SWAP, existing shopping centres, the downtown, other commercial areas, and the planned Transit Villages.

The City's proposed Official Plan Amendment provided in the March 19, 2018 Staff Report is not consistent with the Coriolis Report recommendations and the OPA puts the City's commercial areas at significant risk of impact. The Coriolis Report recommends that a strategy to avoid excess commercial capacity rather than a cap, is to redesignate various lands for non-commercial uses. To be consistent with the Coriolis Report recommendation, the City needs to address the redesignation of existing commercial lands. Additional work and analysis is required for Planning Staff to assess the market and planning implications of the Coriolis Report recommendations and whether or not the recommendations are implementable.

It is recommended that the City account for and protect its existing and planned retail commercial land, as well as the planned function of its commercial areas, before permitting additional retail commercial land that is not needed and allowing uncontrolled development within the Enterprise Corridor.

Yours very truly,

Ward Land Economics Inc.



Mimi Ward, PLE, MCIP, RPP.
President