

Patrick G. Duffy

May 25, 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 3.5
3234, 3263 and 3274 Wonderland Road South (File OZ-8590)**

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 Wharnccliffe Road South, London. York/NADG have party status in the current proceeding commenced before the Ontario Municipal Board related to this matter.

We are writing to express our support for the recommendations put forward by City staff in their report to the Planning & Environment Committee, dated May 18, 2018 (the “**Staff Report**”), which recommends refusal of the Official Plan and Zoning By-law Amendment application filed by the Southside Group, bearing File OZ-8590 (the “**Application**”). At its core, the Application seeks to introduce an additional 18,700 m² of commercial floor area to the Southside Group lands, above and beyond the 100,000 m² cap on commercial floor area across the Wonderland Road Community Enterprise Corridor (the “**Enterprise Corridor**”), which was established by the Ontario Municipal Board in its decision on the Southwest Area Secondary Plan, issued April 29, 2014 (OMB Case No. PL130020).

At its meeting held on March 27, 2018, City Council considered this very issue of removing the 100,000 m² commercial cap (File O-8868). In concluding its deliberations, Council voted in favour of retaining the 100,000 m² commercial cap across the Enterprise Corridor. Together with our clients’ planning and market consultants, we made written submissions to the Planning & Environment Committee and to City Council in their consideration of this matter. Copies of these submissions are enclosed with this letter for your reference.

We are supportive of staff’s recommendations to refuse the Application—a position that is in accordance with Council’s recent decision to retain the commercial cap. As consistently emphasized through our various submissions on this matter, the commercial cap serves a vital role in ensuring the orderly development of commercial lands in the Enterprise Corridor, particularly when it is evident that existing commercial supply in the Enterprise Corridor exceeds demand. This significance of the cap has been recognized by the Ontario Municipal Board and recently reaffirmed by Council, especially given that the Staff Report and the market studies commissioned by the City readily acknowledge the existence of excess commercial supply in the Enterprise Corridor.

As a matter of clarification, Section 3.3 of the Staff Report notes that no responses were received from the public with respect to the Application following circulation of notice; in actuality, the City cancelled the public meeting initially scheduled for April 16, 2018, and it is upon the rescheduling of this matter to be heard at the present Committee meeting on May 28, 2018, that our client has the opportunity to express its support for the current staff recommendations to refuse the Application and to reiterate its serious concern with any suggestion of removing or increasing the commercial cap across the Enterprise Corridor.

We will continue to follow this matter closely. Please provide us with notice of all upcoming meetings of Council and Committees of Council at which the Application will be considered, and we ask to be provided with notice of the Committee's and Council's decision with respect to this item, as well as any other upcoming meeting or decision regarding the Enterprise Corridor. As a party in the current appeal of the Application commenced before the Ontario Municipal Board, it is our client's intention to appear at the hearing scheduled for August 2018 and to vigorously oppose the appeal.

Yours truly,



Patrick G. Duffy

PGD/jsc

Enclosures

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

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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

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March 26, 2018
File No.: 129002.1001

By E-mail
csaunders@london.ca;
lmorris@london.ca

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

Attention: Mayor Brown and Councillors

Dear Sirs/Mesdames:

Re: Council Meeting, Item 8.4.17 (Bill 140)
Wonderland Road Community Enterprise Corridor (File O-8868)

As counsel to 1279059 Ontario Inc. and CLF 1 (Wonderland Road) Inc. (c/o York Developments and North American Development Group), the owners of lands municipally known as 3405 Wonderland Road South and 1789 Wharncliffe Road South, London (the "**Property**"), we are writing in response to the submissions made to the Planning and Environment Committee (the "**Committee**") on Monday, March 19, 2018.

Our clients' position is that the proposed deletion of the commercial cap in the Wonderland Road Community Enterprise Corridor (the "**Enterprise Corridor**") should be turned down by Council or, in the alternative, that Council should find this matter to be premature until planning staff have carefully considered the mitigation of potential impacts resulting from lifting the cap, with a report back to Council.

The reasons in support of this position are as follows:

1. Retention of the commercial cap is in conformity with the intent of Southwest Area Secondary Plan ("**SWAP**");
2. Removal of the cap would be inconsistent with the Provincial Policy Statement ("**PPS**");
3. The proposal to remove the cap is premature until mitigation—as recommended by the City's consultant—is addressed; and
4. In the context of the new Local Planning Appeal Tribunal regime, the City's process regarding this matter is unfair.

1. RETENTION OF THE COMMERCIAL CAP IS IN CONFORMITY WITH THE INTENT OF SWAP

It is our position that the commercial cap has not been given sufficient time for its anticipated planning impact to be fully realized, especially since the cap was approved by the Ontario Municipal Board (the "**Board**") only in 2014. In the usual course, before construction can begin, development proposals must advance through various stages, including obtaining zoning approval, site plan approval, and in the case

of Wonderland Road, the construction of millions of dollars of infrastructure funded mostly through private expenditures. In this respect, at the March 19, 2018 Committee meeting, Mr. Adema correctly advised about the potential for non-retail uses to develop, noting that there will be "change over time and the market will move to support other uses over time". Mr. Adema's statement is in line with what the Board stated in its decision on January 13, 2016, issued in response to appeals filed by Westbury International and The Decade Group. The Board found that the intent of the Enterprise Corridor, as stated in Section 20.5.6.1(ii) "is that the commercial uses 'shall be encouraged to locate in mixed use developments **over time.**' (Board emphasis)"¹

Further, there were a number of statements made at the March 19, 2018 Committee meeting that suggested that the previous Council was wrong in imposing the commercial cap, and that this matter needs to be fixed. However, the decision that this current Council is now proposing to overturn is in fact a decision of the Ontario Municipal Board—a decision based upon expert planning evidence filed on behalf of the City by an outside planning consultant retained by the City. Since the issuance of the Board's decision on the SWAP, our clients have spent millions of dollars on infrastructure to support the development of the Lowe's Home Improvement retail warehouse and other developments occurring on the Property in reliance upon the intent of the Enterprise Corridor as approved by the Board and as supported by the City. Lifting the cap at this point in time destabilizes the investment environment, discourages economic development, and leaves landowners questioning whether they should be spending millions of dollars on infrastructure if there is not going to be sufficient long-term protection for the policies and permissions set out in the City's planning documents.

It is an inappropriate suggestion, from an economic development perspective, to lift the cap so soon after it has been imposed. Furthermore, lifting the cap may very well ensure that retail migration occurs. If retailers can secure a better site at a similar price, they will move to the location considered to be superior. The end result is a retail strip along Wonderland Road that does not conform with the intent of the SWAP, along with problems in re-tenanting existing commercial areas across the City. It is well established that the City presently has an excess in designated commercial space for anticipated need over the next 30 years. Retaining the cap will better encourage other uses, such as office or residential, to develop on vacant lands, thereby stemming the migration of existing retail uses.

2. REMOVAL OF THE CAP WOULD BE INCONSISTENT WITH THE PROVINCIAL POLICY STATEMENT

Attached is the opinion of Carol Wiebe and Scott Allen of MHBC concerning this matter. We urge you to review the letter in full, but for purposes of a summary, here are some selected excerpts:

- i. *In light of the recommendation of the Staff report to remove the commercial cap and the Committee's endorsement of this recommendation, we wish to advise Council Members that as set out in our previous submission, in our opinion that the proposed Amendment is not consistent with the policy framework established for the Enterprise Corridor as set out in the current City of London Official Plan (1989) and the Southwest Area (Secondary) Plan. Further, it is our opinion that no significant planning rationale has been presented to substantiate removal of the commercial cap, particularly at this time when the policies establishing the WRCEC were only approved a few years ago. 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 South London. **We therefore respectfully request that Council not support the proposed Official Plan Amendment to remove the Enterprise Corridor commercial cap.***

¹ OMB Case No. PL150327.

- ii. *Given these considerations, the commercial GFA cap introduced into the Enterprise Corridor policy framework is 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 development, the policy framework for this corridor facilitates the mix of complementary service, employment, residential and community activities envisioned for this gateway community (recognizing that caps are only applied to commercial and office uses in this Corridor). In addition, the commercial cap addresses an equally important principle to minimize market impact from the premature increase in commercial floor area that would impact on both existing and approved but undeveloped commercial centres.*

It is our opinion that the mixed-use permissions and commercial/office caps adopted for the Enterprise Corridor support an efficient development pattern that is entirely consistent with this Policy. Removal of the commercial cap as recommended in the Staff report would allow for an uncontrolled expansion of commercial uses throughout the Enterprise Corridor. Suburban shopping areas, such as those currently developed along Wonderland Road South, typically integrate a variety of stand-alone and large format buildings dispersed across expansive surface parking fields. In our opinion, permitting this type of use throughout the entire Enterprise Corridor would result in a highly inefficient land use pattern that does not support the planned function of this mixed-use designation.

Based upon our assessment and the foregoing considerations, in our opinion, removal of the cap is not consistent with Policy 1.1.1 a) of the PPS.

- iii. *it is our opinion that the commercial cap does not promote leap-frog development in the Enterprise Corridor or preclude development of lands for the range of uses envisioned in this designation and supported by this Policy. It is also our opinion that it is not consistent with the planned function of the corridor or sound land use planning to:*
- a. *Remove the cap in its entirety to facilitate a relatively limited amount of additional contiguous commercial development that is not warranted to meet market demand;*
 - b. *Permit the expansion of commercial areas without the benefit of retail market studies demonstrated warranted demand; and*
 - c. *Broaden commercial permissions without addressing the oversupply of commercially-designated land by redesignating lands for non-commercial purposes.*

With respect to the third concern, as discussed in our previous submission and this letter, it is our opinion that the cap is consistent with, and helps to realize, the planned function of the Enterprise Corridor and is an effective tool to help ensure a fair, equitable and reasonable distribution of warranted commercial space. It is also our opinion that removal of the commercial cap will not facilitate the broad mix of uses that is appropriate for the Enterprise Corridor and in keeping with its planned function in the context of the Southwest Planning Area.

In light of these considerations it is our opinion that the commercial cap is a fundamental measure to ensure an appropriate range and mix of land uses in the Enterprise Corridor. It is also our opinion that at the appropriate 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. Without the cap, we are concerned that the resultant land use pattern will be inefficient as no planning mechanism would be in place to help guide the scale or distribution of commercial growth in this area or to mitigate the impacts of oversupply. Accordingly, there is the potential that a number of partially-developed commercial sites could be established along the corridor which may preclude opportunities to introduce a broader range of complementary uses. In our opinion, this resultant land use pattern would not

be sustainable, supportive of a range and mix of land uses, or consistent with the planned function of the corridor.

Based upon our assessment and the foregoing considerations, in our opinion, the proposed Amendment is not consistent with Policy 1.1.1 b) of the PPS.

- iv. *Consistent with Policy 1.1.1 e), in relation to the above-referenced Policies we are concerned that without a GFA cap in place, commercial land use pattern in the Enterprise Corridor will be inefficient in relation to both land consumption and the associated servicing costs. York/NADG have made significant capital expenditures to develop their lands for a region servicing shopping centre. These expenditures were predicated on the introduction of the Enterprise Corridor commercial cap and the associated Decision of the Board on this specific policy. In this regard, the cap provided York/NADG with a certain level of assurance that investment in the commercial centre would be sustained by market demand. According to the Coriolis report, removal of the commercial cap would introduce approximately 136,400 m² of additional commercial space into the South London trade area (equating to a 77% increase over existing conditions and approximately 87% more space than required to meet forecasted market demand). In our opinion, the substantial increase in capacity resulting from cap removal would hinder or prevent the completion of this approved commercial development. This would result in a partially-developed site and the under-utilization of existing infrastructure servicing these lands.*

Accordingly, in our opinion the proposed Amendment is not consistent with Policy 1.1.3.2 a) 2. of the PPS.

- v. *Under the proposed Amendment, the cap would be removed without any corresponding policies to minimize the concentration of commercial uses and to ensure the corridor develops in a mixed-use form. Further, in our opinion, without the cap there is no incentive in place to encourage development of the Enterprise Corridor for non-commercial uses. In the Staff report, in relation to this Policy it is argued that “it is not consistent with the PPS to include policies that would prevent the corridor from achieving a mix of uses that result in contiguous development patterns south of Bradley Avenue”. We disagree that the commercial cap is precluding contiguous development south of Bradley Avenue as these lands benefit from residential, office and institutional permissions that serve to complement the adjacent shopping centres. Policy 1.1.3.6 does not stipulate the new development must reflect adjacent uses. Rather, the Policy promotes compact, efficient mixed use development patterns. In our opinion, with the commercial cap in place, the current Enterprise Corridor policy framework is entirely consistent with this Policy. Additionally, the Policy does not stipulate the new development adjacent to existing developed areas must occur without gaps. Market conditions and ownership decisions commonly delay development of lands contiguous to established urban areas. In this respect, we fully anticipate that lands south of Bradley Avenue will develop for a range of non-commercial uses in accordance with the expected growth sequencing for the Enterprise Corridor.*

3. THE PROPOSAL IS PREMATURE UNTIL MITIGATION—AS RECOMMENDED BY THE CITY’S CONSULTANT—IS ADDRESSED

The Impact Report (February 2018) prepared by the City’s consultants, Coriolis Consulting Corp. (the “**Coriolis Report**”) recommends a mitigation strategy to avoid excess commercial capacity in lieu of the commercial cap—namely, the redesignation of various lands for non-commercial uses. However, despite the mitigation strategy recommended in the Coriolis Report, the draft Official Plan Amendment (the “**OPA**”) proposed by City staff fails to address the redesignation of existing commercial lands. As a result, the OPA puts the City’s existing and planned commercial areas at significant risk of impact.

Our clients' market consultant, Ward Land Economics Inc., has analyzed these matters in greater detail in their report, which is enclosed with this letter. While we urge you to review the complete report, we draw your attention to the following excerpts:

i. **What are the Coriolis Report Findings Regarding (1) the Impact of Removing the Cap and (2) the Strategy to Mitigate Impacts of Removing the Cap?**

The Coriolis Report findings regarding the impact of removing the cap, and the recommended strategy to mitigate impacts are as follows:

- a. **Impact of Removing the Cap:** *The Coriolis Report (page 2 and 52) identifies 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.*
- b. **Strategy to Mitigate Impacts:** *To avoid excess commercial capacity with removal of the cap, the Coriolis Report recommends a strategy to mitigate impacts. The Coriolis Report recommends that five commercial sites be redesignated for non-commercial uses. The five commercial sites include: Greenhills, Aarts, two sites on Wharncliffe Road, and one site on Wellington Road South at Highway 401, across from Costco and the future Ikea.*

Correspondence provided by Greenhills Shopping Centres Limited ("Greenhills") to the City Planning & Environment Committee dated March 15, 2018 states that:

"We fundamentally disagree with the notion that the Property should be redesignated now or at any time in the future to exclude retail permission. The intention of Greenhills is to maintain current retail commercial permissions in order to develop the site in a manner consistent with the 2014 zoning amendment approved by City Council..."

ii. **Is the Proposed Official Plan Amendment Consistent with the Coriolis Report Findings and the Strategy to Mitigate Impacts with Removal of the Cap?**

No, the City's proposed OPA 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 risk of significant impact.

The Coriolis Report recommends that a mitigation strategy to avoid excess commercial capacity, in lieu of a cap, is to redesignate five sites for uses other than commercial. Based on the Coriolis Report, the five sites have capacity for over 600,000 sq.ft. of commercial space. However, the proposed OPA does not provide for the redesignation of those lands.

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.

iii. **What are the Implications of removing the Cap Without Implementing a Corresponding Strategy to Mitigate Impacts?**

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.

Southwest London currently has a significant amount, over 800,000 sq.ft., of vacant retail commercial space as detailed in the attached Memorandum prepared by Ward Land Economics Inc. dated March 23, 2018. Accounting for large/anchor space vacancies elsewhere in London, the city has over one million square feet of vacant space. This does not include other vacancies throughout the city.

The Kircher 2016 market study prepared for the City also identified the impact implications of permitting too much space too soon. The Kircher 2016 market study states that:

"...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."

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.

4. IN THE CONTEXT OF THE LPAT REGIME, THE CITY'S PROCESS IS UNFAIR


As mentioned at the Committee meeting held March 19, 2018, and as stated in our March 16, 2018 letter, under the new land use approvals regime of the Local Planning Appeal Tribunal (the "LPAT"), municipalities must consider whether the processes for public consultation and participation are fair, transparent, and accessible. In particular, the City must give sufficient time following the release of materials to allow interested parties and members of the public to review those materials and provide meaningful input. Unlike the former process under the Ontario Municipal Board, under the LPAT regime, there is virtually no opportunity for parties to introduce new evidence of their own accord once Council has made its decision on the planning matter. Furthermore, the scope of the LPAT's analysis is limited to a narrow review of Council's decision.

In this matter, we were given only 45 hours to produce comments from the time the City released the Planning Staff Report at noon on Wednesday, March 14, 2018 until the deadline for public comments at 9:00 a.m. on Friday, March 16, 2018. Within these extremely tight timelines, we produced a Planning Report, a report from our clients' Land Economist, and a legal cover letter. This narrow window of time represents the only opportunity that we had to submit a written response to the Committee, which is also the only venue at which members of the public are allowed to make oral deputations and respond to questions from the Committee. Although there is an opportunity to file written submissions before 9:00 a.m. on Monday, March 26, 2018, in advance of the March 27, 2018 Council meeting, the City of London does not allow oral deputations before Council. As a result, there is no opportunity for us to respond to any questions that Council may have.

In view of these significant procedural changes and fundamental matters of fairness, we urge the City to reconsider its processes regarding this matter and any future *Planning Act* matters under the new LPAT regime.

We will continue to follow this matter closely. Please provide us with notice of all upcoming meetings of Council and Committees of Council at which the Enterprise Corridor will be considered, and we ask to be provided with notice of Council's decision with respect to this item, as well as any other upcoming meeting or decision regarding the Enterprise Corridor.

Yours truly,



for James W. Harbell

JWH/rw

Enclosures

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

March 23, 2018

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

Attention: Mayor Matt Brown, Members of Council

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'**

MHBC has been retained by 1279059 Ontario Inc. and CLF1 (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 planning initiatives respecting these lands including the above-referenced City-initiated Official Plan Amendment (OPA) application.

Given the ownership group's significant investment in the development of a regional shopping centre on the noted site, our review of the OPA has focused principally on the proposed City-initiated Amendment to remove the Wonderland Road Community Enterprise Corridor (Enterprise Corridor) commercial 'cap' (100,000 m² of commercial space). We have submitted comments, dated March 19, 2018, specifically on this matter to the Planning and Environment Committee for consideration in conjunction with the March 23, 2018 public meeting for this application. Our submission addressed the Coriolis Consulting Inc. (Coriolis) report evaluating this proposal on behalf of the City of London, dated February 2018, and the associated City Planning Staff Report to the Committee (Staff report), dated March 12, 2018.

In light of the recommendation of the Staff report to remove the commercial cap and the Committee's endorsement of this recommendation, we wish to advise Council Members that as set out in our previous submission, that in our opinion the proposed Amendment is not consistent with the policy framework established for the Enterprise Corridor as set out in the current City of London Official Plan (1989) and the Southwest Area (Secondary) Plan. Further, it is our opinion that no significant planning rationale has been presented to substantiate removal of the commercial cap, particularly at this time when the policies establishing the Enterprise Corridor were only approved a few years ago. 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 South London. **We therefore respectfully request that Council not support the proposed Official Plan Amendment to remove the Enterprise Corridor commercial cap.**

Additionally, as part of our submission, we expressed concern that the Staff Report presents a very narrow interpretation of the consistency of this application with the Provincial Policy Statement (2014). The intent of this letter is to supplement our previous submission to provide Council with (1) a more detailed evaluation of this proposal relative to the 2014 Provincial Policy Statement (PPS) and (2) our opinion that the proposed Amendment is not consistent with the entirety of the PPS.

FRAMEWORK

The PPS sets the policy foundation for regulating the development and use of land in Ontario and applies to all applications, matters or proceedings commenced on or after April 30, 2014. Section 3(5) of the Planning Act requires that all decisions affecting planning matters 'shall be consistent with' policy statements issued under the Act.

The PPS provides a vision for land use planning in Ontario that focuses growth within settlement areas, and encourages an efficient use of land, resources, and public investment in infrastructure. To support this vision, the PPS defines a number of policies to promote strong, liveable, healthy and resilient communities. These policies are set out in Section 1.0, and address such matters as efficient development and land use patterns, coordination, employment areas, housing, public spaces/open space, infrastructure and public service facilities, long-term economic prosperity, and energy and air quality.

Given the nature of the proposed Amendment, in our opinion, Policies contained within Sections 1.1 (Managing and Directing Land Use to Achieve Efficient and Resilient Development and Land Use Patterns), 1.3 (Employment), 1.6 (Infrastructure and Public Service Facilities) and 1.7 (Long-Term Economic Prosperity) of the PPS are relevant to this application. Additionally, Policies in Section 4.0 (Implementation and Interpretation) of the PPS are germane to the evaluation of the proposed Amendment.

It is our opinion that the following Policies have particular relevance to the proposed Amendment to remove the Enterprise Corridor commercial cap. For the purposes of this evaluation and for Council's benefit, the consistency of this proposed is assessed in relation to each identified Policy.

POLICY EVALUATION

1.1.1 Healthy, livable and safe communities are sustained by:

a) promoting efficient development and land use patterns which sustain the financial well-being of the Province and municipalities over the long term;

Section 4.8.2 of the current Official Plan 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. Consistent with this direction, Section 20.5.6.1 (i) of the Southwest Area Plan (SWAP) states that the intent of the Enterprise Corridor is to provide for a wide range of commercial, office, residential, and institutional uses. As part of the implementation strategy for the Enterprise Corridor, gross floor area (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 corridor.

The function of the Enterprise Corridor commercial cap was 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 oversupply of commercial uses in new suburban areas**, where additional public infrastructure and servicing investments are required and must be supported over the long-term. ... **By preventing oversupply 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 context of the Enterprise Corridor was upheld by the Ontario Municipal Board ('the Board') in its Decision regarding the SWAP dated April 29, 2014 (OMB Case No. PL130020). On behalf of York/NADG, Stikeman Elliott provided the Committee with an assessment of the Board Decision in its March 16, 2018 submission. Of particular importance to Policy 1.1.1 a) were the following conclusions reached by the Board as referenced in the Stikeman Elliott submission:

- The planning intent of the Enterprise Corridor was to create *"opportunities for a broad mix of commercial, office, residential and institutional uses"*.
- *"...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"*.

As outlined in our previous submission, the new Official Plan (The London Plan) 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. Notwithstanding, pursuant to Policy 1558 of the new Official Plan, *"Where there is a conflict or inconsistency between the parent policies or maps of The London Plan and the policies or maps of a secondary plan, the secondary plan policies or maps will prevail. Otherwise, the parent policies and maps of The London Plan will be read together and in conjunction with the secondary plan."* In this circumstance, the commercial cap represents a policy specific to the SWAP which departs from, and takes precedence over, the standard commercial permissions of the Shopping Area place type. As such, the commercial cap introduced through the SWAP remains the overriding policy framework for commercial uses.

In the context of the current (in-force) Official Plan, the commercial cap applied to **the** Enterprise Corridor is entirely in keeping with the GFA restrictions applied to commercial areas throughout London. The caps and associated development policies set out in Section 4.2 of the current Official Plan define a commercial hierarchy throughout the City based on planned function (e.g., neighbourhood-oriented, community-oriented and regional-scale commercial nodes). Section 4.2.1. of this Plan states the objectives for this commercial hierarchy:

- i) *Promote the orderly distribution and development of commercial uses to satisfy the shopping and service needs of residents and shoppers;*
- ii) *Minimize the impact of commercial development on adjacent land uses and on the traffic-carrying capacity of adjacent roads;*

- iii) *Provide sufficient land at appropriate locations to meet the need for new commercial development; and,*
- iv) *Encourage intensification and redevelopment in existing commercial areas within the built-up area of the City to meet commercial needs, to make better use of existing City infrastructure and to strengthen the vitality of these areas.*

In our opinion, the commercial cap applied to the Enterprise Corridor is consistent with the aforementioned objectives and does not represent a policy tool that is unique to the Official Plan framework or inconsistent with the planned function of this designation. Further, it is our opinion that the application of this cap is consistent with sound land use planning as it helps to guide the appropriate distribution of land uses to: efficiently meet market demand; encourage a mix of compatible land uses; and promote complete communities.

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 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.

Notwithstanding the function of the commercial cap and the adequate supply of land to meet retail demand, Coriolis and City Planning staff are recommending that the cap be removed in its entirety. It is important to note that the Coriolis recommendation is premised, in part, on the re-designation of a number of existing designated commercial sites in the study area to reduce surplus capacity. However, the proposed Amendment in the Staff report does not include any redesignation of existing commercial lands to mitigate the oversupply of retail space in South London; a situation that undermines the planned function of designated commercial lands in this area.

Given these considerations, the commercial GFA cap introduced into the Enterprise Corridor policy framework is 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 development, the policy framework for this corridor facilitates the mix of complementary service, employment, residential and community activities envisioned for this gateway community (recognizing that caps are only applied to commercial and office uses in this Corridor). In addition, the commercial cap addresses an equally important principle to minimize market impact from the premature increase in commercial floor area that would impact on both existing and approved but undeveloped commercial centres.

It is our opinion that the mixed-use permissions and commercial/office caps adopted for the Enterprise Corridor support an efficient development pattern that is entirely consistent with this Policy. Removal of the commercial cap as recommended in the Staff report would allow for an uncontrolled expansion of commercial uses throughout the Enterprise Corridor. Suburban shopping areas, such as those currently developed along Wonderland Road South, typically integrate a variety of stand-alone and large format buildings dispersed across expansive surface parking fields. In our opinion, permitting this type of use throughout the entire Enterprise Corridor would result in a highly inefficient land use pattern that does not support the planned function of this mixed-use designation.

Based upon our assessment and the foregoing considerations, in our opinion, removal of the cap is not consistent with Policy 1.1.1 a) of the PPS.

1.1.1 Healthy, livable and safe communities are sustained by:

- b) accommodating an appropriate range and mix of residential (including second units, affordable housing and housing for older persons), employment (including industrial and commercial), institutional (including places of worship, cemeteries and long-term care homes), recreational, open space and other uses to meet long-term needs;**

The current Official Plan and SWAP generally define that the planned function of the Enterprise Corridor is to provide for a broad range and mix of uses including commercial, office, residential and institutional uses. 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 oversupply of space in the trade area.

In the Staff report, three principal concerns with the commercial cap were identified through the OPA process (as presented on Page 8):

- *It precludes sites in the Corridor from developing in accordance with the Corridor's planned vision,*
- *It forces inefficient leap-frog development patterns by creating a situation that precludes development on desirable commercial sites, and*
- *It is not achieving the intended effect of the WRCEC policies, which is to allow a fair, equitable, and reasonable distribution of commercial floor area.*

We disagree with these characterizations of the cap and the related analysis presented in the Staff report. It is also our opinion that these concerns address matters that specifically relate to Policy 1.1.1 b)

With respect to the first concern, in our opinion, the commercial cap facilitates a wide mix and geographic distribution of land uses as it affords opportunities for commercial uses and complementary office, residential and community-oriented activities to be located throughout the entire Enterprise Corridor. In our opinion, this land use pattern is entirely consistent with the vision and planned function of the corridor. There has been no information provided to substantiate the statement that the commercial cap precludes sites from developing. If this is, in fact, one of the main reasons why the City is initiating the removal of the cap, then there needs to be sufficient information to demonstrate this assertion. To date, none has been provided.

We fully anticipate that removal of this restriction would concentrate commercial uses between Southdale Road West and Exeter Road, thereby establishing this area as a largely contiguous (single-use) commercial corridor. Further, the proposed Amendment does not include any associated mechanisms to ensure that the entirety of the corridor does not ultimately develop for regional serving retail purposes as contemplated in the Coriolis report.

The Coriolis report also acknowledges that removal of the commercial cap 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. Given the substantial oversupply of commercial land forecasted following removal of the cap, the proposed Amendment 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.

Given these considerations, in our opinion, maintaining the cap supports a range and mix of uses within the Enterprise Corridor and does not preclude development in accordance with its vision and planned function.

In relation to the second concern, as we discussed in our previous submission, 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. It is anticipated that office and institutional uses would occur in the second phase, with residential uses, in low- and mid-rise forms, anticipated in the third phase. It is therefore our opinion that the cap is a critical element of the Enterprise Corridor policy framework as it (1) allows for the development of these region servicing commercial uses to meet current market demands and (2) helps to encourage the establishment of complementary uses in the near- and intermediate-terms.

Under the proposed Amendment, the cap would be removed without any corresponding mechanisms to (1) ensure the corridor develops in a mixed-use form, (2) require warranted demand for additional commercial space to be demonstrated through retail market studies or (3) remove commercial permissions from sites in South London to address resultant oversupply of commercially-designated land. Further, in our opinion, without the cap there is no incentive in place to encourage development of the Enterprise Corridor for non-commercial uses. We are therefore concerned that **the** proposed Amendment has the potential to adversely impact upon the corridor at this early stage of its development.

In the Staff report, concern is expressed regarding non-contiguous (leap-frog) development for lands in the corridor north of Exeter Road identified as having 'No Commercial Zoning Available'. This delineation includes three specific properties immediately south of Bradley Avenue West addressed as 3234, 3263 and 3274 Wonderland Road South. These vacant lands are subject to a planning application requesting 18,700 m² of commercial space above the cap and, in our opinion, these lands are the principal concern of Staff in relation to leap-frog development. Notwithstanding, under current SWAP permissions, these lands are not precluded from development for residential, office or institutional uses to complement adjacent shopping centres. This mix of non-commercial uses is entirely consistent with the planned function of the Enterprise Corridor.

The balance of the lands identified as having no commercial zoning are developed for a variety of uses including a redi-mix plant, several multi-tenant industrial buildings and the London Transit Commission operational centre. These uses are well established and have been at this location for a number of years. As such, there is no immediate need to establish commercial permissions on these properties. Collectively, these lands could ultimately be redeveloped to accommodate a range of uses complementary to the shopping centres on the west side of Wonderland Road South (when there is sufficient economic or operational reason to redevelop/relocate these properties). Accordingly, these properties should not be considered 'development gaps' as discussed in the Staff report and proposed by Staff as rationale for removing the GFA cap. It is also important to recognize that the property owners of these sites did not participate in the aforementioned Ontario Municipal Board hearing in relation to the implementation of the Enterprise Corridor commercial cap. In essence, the so called 'gap' identified by staff represents a very small area of land that does not currently have commercial permissions and is not presently developed for other uses. This pattern of development is common along most of the major roadways in the City where there are small parcels of undeveloped land juxtaposed between developed parcels. In our opinion, this does not warrant a City-initiated Official Plan Amendment as proposed along the Enterprise Corridor.

In light of these considerations, it is our opinion that the commercial cap does not promote leap-frog development in the Enterprise Corridor or preclude development of lands for the range of uses envisioned in this designation and supported by this Policy. It is also our opinion that it is not consistent with the planned function of the corridor or sound land use planning to:

- Remove the cap in its entirety to facilitate a relatively limited amount of additional contiguous commercial development that is not warranted to meet market demand;
- Permit the expansion of commercial areas without the benefit of retail market studies demonstrated warranted demand; and
- Broaden commercial permissions without addressing the oversupply of commercially-designated land by redesignating lands for non-commercial purposes.

With respect to the third concern, as discussed in our previous submission and this letter, it is our opinion that the cap is consistent with, and helps to realize, the planned function of the Enterprise Corridor and is an effective tool to help ensure a fair, equitable and reasonable distribution of warranted commercial space. It is also our opinion that removal of the commercial cap will not facilitate the broad mix of uses that is appropriate for the Enterprise Corridor and in keeping with its planned function in the context of the Southwest Planning Area.

In light of these considerations it is our opinion that the commercial cap is a fundamental measure to ensure an appropriate range and mix of land uses in the Enterprise Corridor. It is also our opinion that at the appropriate 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. Without the cap, we are concerned that the resultant land use pattern will be inefficient as no planning mechanism would be in place to help guide the scale or distribution of commercial growth in this area or to mitigate the impacts of oversupply. Accordingly, there is the potential that a number of partially-developed commercial sites could be established along the corridor which may preclude opportunities to introduce a broader range of complementary uses. In our opinion, this resultant land use pattern would not be sustainable, supportive of a range and mix of land uses, or consistent with the planned function of the corridor.

Based upon our assessment and the foregoing considerations, in our opinion, the proposed Amendment is not consistent with Policy 1.1.1 b) of the PPS.

1.1.1 Healthy, livable and safe communities are sustained by:

e) promoting cost-effective development patterns and standards to minimize land consumption and servicing costs;

As discussed above, we are concerned that without a GFA cap in place, the resultant land use pattern in the Enterprise Corridor will be inefficient in relation to both land consumption and the associated servicing costs. Based upon the findings of the Coriolis report, there is no substantiated need to increase the commercial land inventory in this corridor or the South London trade area to address market demand for the next 30 years. By contrast, the cap encourages an orderly, compact and cost-effective development pattern by (1) allocating commercial development to specific development areas throughout the corridor and (2) affording opportunities for complementary office, institutional and residential activities at increased densities to be located throughout the corridor. It is therefore our opinion that the proposed Amendment is not consistent with Policy 1.1.1 e) of the PPS.

1.1.2 Sufficient land shall be made available to accommodate an appropriate range and mix of housing to meet projected needs for a time horizon of up to 20 years. However, where an alternative time period has been established for specific areas of the Province as a result of a provincial planning exercise or a *provincial plan*, that time frame may be used for municipalities within the area.

Within settlement areas, sufficient land shall be made available through intensification and redevelopment and, if necessary, designated growth areas. ...

The SWAP was developed by City staff to provide a long-term planning vision for the Southwest Planning Area. As discussed, under the terms of this Secondary Plan, the Enterprise Corridor is envisioned to develop in the long-term for a complete and flexible mix of land uses, including commercial, residential, and institutional and office activities. This vision is not expected to be realized in the near-term and there are no sequencing policies in the current Official Plan or SWAP that state that the Enterprise Corridor is to develop concurrently as a mixed-use community. In this regard, it is important to recognize that 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 our opinion, there has not been sufficient time to conclude that the policies of the SWAP are not functioning effectively or that the cap is precluding the development pattern envisioned for the Enterprise Corridor. Additionally, as discussed, the Coriolis report did not identify any need for additional commercial space within the corridor to meet 30-year market demand. It is therefore our opinion the proposed Amendment is premature, as no significant planning rationale has been presented to substantiate removal of the cap to accommodate projected long-term land needs.

Based upon our assessment and the foregoing considerations, in our opinion, the proposed Amendment is not consistent with Policy 1.1.2 of the PPS.

1.1.3.2 Land use patterns within settlement areas shall be based on:

a) densities and a mix of land uses which:

- 2. are appropriate for and efficiently use, the *infrastructure and public service facilities* which are planned or available, and avoid the need for their unjustified and/or uneconomical expansion;**

Consistent with Policy 1.1.1 e), in relation to the above-referenced Policies we are concerned that without a GFA cap in place, commercial land use pattern in the Enterprise Corridor will be inefficient in relation to both land consumption and the associated servicing costs. York/NADG have made significant capital expenditures to develop their lands for a region servicing shopping centre. These expenditures were predicated on the introduction of the Enterprise Corridor commercial cap and the associated Decision of the Board on this specific policy. In this regard, the cap provided York/NADG with a certain level of assurance that investment in the commercial centre would be sustained by market demand. According to the Coriolis report, removal of the commercial cap would introduce approximately 136,400 m² of additional commercial space into the South London trade area (equating to a 77% increase over existing conditions and approximately 87% more space than required to meet forecasted market demand). In our opinion, the substantial increase in capacity resulting from cap removal would hinder or prevent the completion of this approved commercial development. This would result in a partially-developed site and the under-utilization of existing infrastructure servicing these lands.

Accordingly, in our opinion the proposed Amendment is not consistent with Policy 1.1.3.2 a) 2. of the PPS.

1.1.3.2 Land use patterns within *settlement areas* shall be based on:
b) a range of uses and opportunities for *intensification and redevelopment* in accordance with the criteria in policy 1.1.3.3, where this can be accommodated.

Policy 1.1.3.3. of the PPS states that, “*Planning authorities shall identify appropriate locations and promote opportunities for intensification and redevelopment where this can be accommodated taking into account existing building stock or areas, including brownfield sites, and the availability of suitable existing or planned infrastructure and public service facilities required to accommodate projected needs*”. The Enterprise Corridor is currently subject to commercial and office space GFA caps; however no caps are applied for residential or institutional uses within this corridor. **The commercial cap does not prevent intensification or redevelopment.** Rather, the cap serves to limit the overall scale of commercial development within this designation. As discussed, the existing Official Plan includes policies which provide direction on the scale of the commercial node hierarchy in order to maintain the planned function of these areas and to avoid oversupply of commercial space (without justification determined through a retail market study). The current Official Plan and The London Plan also include special policies which limit the commercial gross floor area for site-specific locations to address these key objectives.

The Enterprise Corridor cap serves the same fundamental purpose as the caps applied within traditional commercial areas. Additionally, by limiting the overall scale of commercial use, this policy encourages a range of other uses within this designation (consistent with its planned function). In this respect, these policies work collaboratively, as the cap provides a sufficient supply of commercial lands and supports the development of a range of complementary uses which promote opportunities for substantial intensification and redevelopment. While intensification and redevelopment within the corridor are guided by Official Plan and SWAP policies, the commercial cap represents an important component of the overall policy framework supporting these initiatives. As discussed, elimination of the cap would remove the incentive to develop the Enterprise Corridor for non-commercial uses, which in turn, would limit opportunities for redevelopment and intensification within the corridor.

Based upon our assessment and the foregoing considerations, in our opinion, the proposed Amendment is not consistent with Policy 1.1.3.2 b) the PPS.

1.1.3.6 New development taking place in *designated growth areas* should occur adjacent to the existing built-up area 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 the context of the SWAP’s Wonderland Boulevard Neighbourhood, the Enterprise Corridor was established in part to support a complete and flexible mix of land uses, including commercial, residential, and institutional and office activities. The corridor was also established to integrate existing and future development areas collectively into a unique, mixed-use corridor. As discussed, the commercial GFA cap introduced into the Enterprise Corridor policy framework is an integral mechanism to achieve the planned function of this designation. In this regard, the cap ensures that only a portion of the entire designation can be dedicated exclusively for those purposes. With this restriction in place, in its entirety, the policy framework for the corridor encourages and promotes the mix of complementary service, employment, residential and community activities in a compact, efficient form.

Under the proposed Amendment, the cap would be removed without any corresponding policies to minimize the concentration of commercial uses and to ensure the corridor develops in a mixed-use form. Further, in our opinion, without the cap there is no incentive in place to encourage development of the Enterprise Corridor for non-commercial uses. In the Staff report, in relation to this Policy it is argued that,

"It is not consistent with the PPS to include policies that would prevent the corridor from achieving a mix of uses that result in contiguous development patterns south of Bradley Avenue". We disagree that the commercial cap is precluding contiguous development south of Bradley Avenue as these lands benefit from residential, office and institutional permissions that serve to complement the adjacent shopping centres. Policy 1.1.3.6 does not stipulate the new development must reflect adjacent uses. Rather, the Policy promotes compact, efficient mixed use development patterns. In our opinion, with the commercial cap in place, the current Enterprise Corridor policy framework is entirely consistent with this Policy. Additionally, the Policy does not stipulate the new development adjacent to existing developed areas must occur without gaps. Market conditions and ownership decisions commonly delay development of lands contiguous to established urban areas. In this respect, we fully anticipate that lands south of Bradley Avenue will develop for a range of non-commercial uses in accordance with the expected growth sequencing for the Enterprise Corridor.

As discussed, without the cap in place, we are concerned that the resultant land use pattern will be inefficient as there would be no planning mechanism in place to guide the scale of commercial sites in this area. Accordingly, there is the potential that a number of partially-developed commercial sites could be established along the corridor which may preclude opportunities to introduce a broader range of complementary uses. We are also concerned that this development pattern would not be sustainable, given that there is already more capacity in South London than is required to serve retail needs for the next 30 years.

Based upon our assessment and the foregoing considerations, in our opinion, the proposed Amendment is not consistent with Policy 1.1.3.6 of the PPS.

1.3.1 Planning authorities shall promote economic development and competitiveness by:

- a) providing for an appropriate mix and range of employment and institutional uses to meet long-term needs;**
- b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;**
- c) encouraging compact, mixed-use development that incorporates compatible employment uses to support liveable and resilient communities; ...**

Policies 1.3.1. a), b) and c) address matters discussed in our previous submission and this letter.

In relation to Policy a) the commercial cap is a fundamental policy to support an appropriate range and mix of land uses in the Enterprise Corridor. Further, it is our opinion that 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. In the fullness of time, we anticipate 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.

Respecting Policy b), the commercial GFA cap introduced into the Enterprise Corridor policy framework is 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 development, the policy framework for this corridor facilitates the mix of complementary service, employment, residential and community activities envisioned for this gateway community.

With regard to Policy c), the commercial cap ensures that only a portion of the entire designation can be dedicated exclusively for these purposes. With this restriction in place, in its entirety, the policy framework for the corridor encourages and promotes the mix of complementary service, employment, residential and community activities in a compact, efficient form. Moreover, it is our opinion that the application of this cap is consistent with sound land use planning as it helps to guide the appropriate distribution of land uses to promote complete communities and to meet market needs.

Given these considerations, in our opinion the Enterprise Corridor commercial cap supports an efficient development pattern entirely consistent with this Policy. Removal of the commercial cap as recommended in the Staff report would allow for a concentration of commercial uses throughout the Enterprise Corridor. In our opinion, permitting this type of use throughout the Enterprise Corridor would result in a highly inefficient land use pattern that does not support the planned function of this mixed-use designation. Accordingly, in our opinion, removal of the cap is not consistent with Policies 1.3.1 a), b) and c) of the PPS.

1.6.1 *Infrastructure, electricity generation facilities and transmission and distribution systems, and public service facilities shall be provided in a coordinated, efficient and cost-effective manner that considers impacts from climate change while accommodating projected needs.*

Planning for *infrastructure, electricity generation facilities and transmission and distribution systems, and public service facilities shall be coordinated and integrated with land use planning so that they are:*

- a) *financially viable over their life cycle, which may be demonstrated through asset management planning; and***
- b) *available to meet current and projected needs.***

In the October 7, 2014 Planning staff report regarding the commercial development proposal (Application OZ-8324) referenced earlier in this letter, it was noted that *"The principle behind the inclusion of a cap on commercial development is to prevent the oversupply of commercial uses in new suburban areas, where additional public infrastructure and servicing investments are required and must be supported over the long-term. ..."*. As discussed we are concerned that without a GFA cap in place to provide direction respecting the scale of commercial sites in the area, the resultant land use pattern in the Enterprise Corridor will be inefficient in relation to both land consumption and the associated servicing costs.

York/NADG have made significant capital expenditures in infrastructure to develop their lands for a region servicing shopping centre. The cap provided existing commercial properties along the Wonderland Road South corridor as well as York/NADG with a certain level of assurance that investment in the commercial centre would be sustained by market demand. As the Coriolis report does not demonstrate that removal of the cap is warranted to address market demand in the long-term, in our opinion the substantial increase in commercial space resulting from cap removal would hinder or prevent the completion of this approved commercial development. This would result in a partially-developed site and the under-utilization of existing infrastructure servicing these lands. By contrast, in our opinion, with the commercial cap in place, the policy framework for the corridor encourages and promotes the type of mixed-use, compact development that serves to optimize investments in infrastructure.

Based upon our assessment and the foregoing considerations, in our opinion, the proposed Amendment is not consistent with Policy 1.6.1 of the PPS.

1.7.1 Long-term economic prosperity should be supported by:

- b) optimizing the long-term availability and use of land, resources, *infrastructure, electricity generation facilities and transmission and distribution systems, and public service facilities;***
- c) maintaining and, where possible, enhancing the vitality and viability of downtowns and mainstreets;**
- d) encouraging a sense of place, by promoting well-designed built form and cultural planning, and by conserving features that help define character, including *built heritage resources and cultural heritage landscapes;***

Policies 1.7.1. b), c) and d) address matters discussed in our previous submission and this letter.

Respecting Policy b), in our opinion, removing the Enterprise Corridor commercial cap would result in an inefficient land use pattern as there would be no planning mechanism in place to help guide commercial development in this area. Accordingly, there is the potential that a number of partially-developed commercial sites could be established along the corridor which may preclude opportunities to introduce a broader range of complementary uses. We are concerned that this resultant land use pattern would not be sustainable and would not optimize infrastructure investments, given that there is already more capacity in South London than needed to serve long-term retail needs.

With regard to Policy c), the substantial oversupply 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 (thereby adversely impacting upon their overall vitality and viability). 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. Additional concerns with the Coriolis recommendations in relation to this Policy are detailed in the Ward Land Economics Inc. (WRE) submission to the Planning and Environment Committee (dated March 15, 2018).

In relation to Policy d), 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 and further note that under the current Official Plan and SWAP, the vision of the Enterprise Corridor is to support a complete and flexible mix of land uses. In our opinion, lands in the corridor are developing according to the expected growth sequencing and in the fullness of time, this area will realize its intended, mixed-use character. Accordingly, it is our opinion that the proposed Amendment is premature.

Based upon our assessment and the foregoing considerations, in our opinion, the proposed Amendment is not consistent with Policies 1.7.1 b), c) or d) of the PPS.

4.4 This Provincial Policy Statement shall be read in its entirety and all relevant policies are to be applied to each situation.

Commentary provided in this letter addresses those Policies of the PPS which, in our opinion, are particularly germane to the proposed Amendment to remove the Enterprise Corridor commercial cap. Consistent with Policy 4.4, all Policies of the PPS were evaluated in conjunction with our assessment of the proposed Amendment. It is also our opinion that the Staff Report presents a very narrow interpretation of the consistency of this proposal with the PPS.

4.7 The official plan is the most important vehicle for implementation of this Provincial Policy Statement. Comprehensive, integrated and long-term planning is best achieved through official plans.

Official plans shall identify provincial interests and set out appropriate land use designations and policies. ...

Collectively, our submission to the Planning and Environment Committee on the proposed OPA (dated March 16, 2018) and this letter address the consistency of this proposal with the Provincial Policy Statement (2014) and the City's current Official Plan, new Official Plan (The London Plan) and the Southwest Area (Secondary) Plan. We have specifically evaluated the planning merits of removing the Enterprise Corridor commercial cap relative to the planned function of this designation as defined in the current Official Plan and the SWAP.

Generally, the intent of the Enterprise Corridor is to provide for a wide range of commercial, office, residential, and institutional uses. In our opinion 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. We have evaluated the conclusions/recommendations of the Coriolis and Planning Staff reports and have identified significant planning concerns with the recommendations of both reports to remove the cap. These concerns are itemized in our submission to the Committee and further discussed in this letter.

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 and the SWAP, and this vision will not be achieved with the removal of the commercial cap. Accordingly, in our opinion, the proposed Amendment does not conform to the Official Plan and is therefore not consistent with Policy 4.7 of the PPS.

SUMMATION

In light of our review of the Staff report, the Coriolis report and other studies and reports relating to this OPA application, it is our opinion that no significant planning rationale has been presented to substantiate removal of the commercial cap. To the contrary, 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 South London.

Given these considerations, we therefore respectfully request that Council not support the proposed Official Plan Amendment to remove the Enterprise Corridor commercial cap. Additionally, as outlined in this letter, it is our opinion that the proposed Amendment

recommended in the Staff Report and endorsed by the Committee is not consistent with the Provincial Policy Statement.

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

Yours truly,

MHBC



Carol M. Wiebe
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 23, 2018

File: 17-1004

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

Attention: Mayor Brown and Councillors

Dear Sirs/Mesdames:

Re: Proposed Official Plan Amendment, Wonderland Road Community Enterprise Corridor, Southwest Area Secondary Plan

At the Planning & Environment Committee Meeting on March 19, 2018 regarding the proposed Official Plan Amendment (“OPA”) to delete policy 20.5.6.1 v) a) of the Southwest Area Secondary Plan (“SWAP”), various questions and items were raised regarding the potential removal of the 100,000 sq.m. commercial development cap in the Wonderland Road Community Enterprise Corridor (“WRCEC” or “Enterprise Corridor”). This letter responds to the market related questions and issues raised at the March 19, 2018 meeting and is based on reference to:

- 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”); and,
- the Ward Land Economics Inc. letter to Planning & Environment Committee *“Re: Impact of Eliminating the Commercial Development Cap in the Wonderland Road Community Enterprise Corridor, City of London”* dated March 15, 2018 (the “WLE March 15, 2018 Letter”).

1. What is the Purpose of the Coriolis Report as Directed by City Staff?

Page 6 of the City’s March 19, 2018 Staff Report informs of the direction given to Coriolis Consulting Corp. in preparing their report. The Staff Report states that:

Directions given to the consultant were to evaluate the impact of removing the cap on existing and planned retail and service space in the City of London and identify strategies to mitigate any potential impacts. [emphasis added]

Therefore, the purpose of the Coriolis Report as directed by Planning Staff is two-fold:

- 1) evaluate the impact of removing the cap; and,
- 2) identify strategies to mitigate any potential impacts.

With respect to market impact, 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 the market to determine appropriate locations while not negatively impacting other commercial sites. Page 6 of the Staff Report states that the OPA and removal of the cap is to (among other items):

Allow the market to determine appropriate locations for commercial development within commercially designated areas, while not negatively impacting other commercial sites in South London.

The intent to protect commercial sites from impact is consistent with the City of London October 7, 2014 Staff Report which informs that the purpose of 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 intent to protect commercial sites, commercial areas, and the downtown from negative impact, is also consistent with the City's existing Official Plan, The London Plan, and the Provincial Policy Statement as summarized on pages 8 and 9 of the WLE March 15, 2018 letter.

2. What are the Coriolis Report Findings Regarding (1) the Impact of Removing the Cap and (2) the Strategy to Mitigate Impacts of Removing the Cap?

The Coriolis Report findings regarding the impact of removing the cap, and the recommended strategy to mitigate impacts are as follows:

- 1. Impact of Removing the Cap:** The Coriolis Report (page 2 and 52) identifies 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.
- 2. Strategy to Mitigate Impacts:** To avoid excess commercial capacity with removal of the cap, the Coriolis Report recommends a strategy to mitigate impacts. The Coriolis Report recommends that five commercial sites be redesignated for non-commercial uses. The five commercial sites include: Greenhills, Aarts, two sites on Wharncliffe Road, and one site on Wellington Road South at Highway 401, across from Costco and the future Ikea.

The table below provides a summary of the five commercial sites identified by the Coriolis Report to be redesignated for non-commercial uses. In total the five sites could accommodate over 600,000 sq.ft. (over 56,000 sq.m.) of retail commercial space based on the Coriolis Report.

Table 1: Coriolis Report Mitigation Strategy – Summary of Commercial Sites Recommended for Redesignation to Non-Commercial Uses

Site # (1)	Name/Owner	Location Address (1)	Location Description	Designation (1)	Potential Retail Commercial Space (in sq.ft.) (1)
14	Greenhills	51 - 99 Exeter Rd.	Enterprise Corridor	WRCEC	179,858
15	Aarts	17 Exeter Road	Enterprise Corridor	WRCEC	0
25	n/a	4441 Wellington Road South	Hwy. 401 Regional Node	NFRCN	245,107
27	n/a	146 Exeter Road	Wharnccliffe Rd.	AOCC	125,035
28	n/a	1255 - 1229 Wharnccliffe Rd.	Wharnccliffe Rd.	AOCC	56,710
Total (in sq.ft.)					606,710
Total (in sq.m.)					56,365

(1) Based on the Coriolis Report Exhibit 60 and page 52

However, the Coriolis Report does not include a market or planning analysis to assess the implications of redesignating the five commercial sites, nor has a public process been carried out to determine if the Coriolis Report recommendation for redesignation is appropriate or implementable.

Correspondence provided by Greenhills Shopping Centres Limited (“Greenhills”) to the City Planning & Environment Committee dated March 15, 2018 states that:

“We fundamentally disagree with the notion that the Property should be redesignated now or at any time in the future to exclude retail permission. The intention of Greenhills is to maintain current retail commercial permissions in order to develop the site in a manner consistent with the 2014 zoning amendment approved by City Council...”

The Greenhills site accounts for over a quarter of the retail commercial space that could be built on the five commercial sites identified by the Coriolis Report to be redesignated. Based on the Greenhills March 15, 2018 correspondence, the recommendation to redesignate the Greenhills site to non-commercial uses does not reflect the intentions of the land owner.

3) Is the Proposed Official Plan Amendment Consistent with the Coriolis Report Findings and the Strategy to Mitigate Impacts with Removal of the Cap?

No, the City's proposed OPA 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 risk of significant impact.

The Coriolis Report recommends that a mitigation strategy to avoid excess commercial capacity, in lieu of a cap, is to redesignate five sites for uses other than commercial. Based on the Coriolis Report, the five sites have capacity for over 600,000 sq.ft. of commercial space. However, the proposed OPA does not provide for the redesignation of those lands.

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.

4) What are the Implications of Removing the Cap Without Implementing a Corresponding Strategy to Mitigate Impacts?

Since redesignation of the five commercial sites as recommended by the Coriolis Report is not reflected in the proposed OPA, it follows that approval of the OPA would result in significant negative impact on existing and planned shopping centres and commercial areas.

The Coriolis Report recommendation that five commercial sites be redesignated to non-commercial uses would result in a reduction of over 600,000 sq.ft. in the potential supply of commercial space. If the impact mitigation strategy is not implemented, as the proposed OPA is presently drafted, then the City risks significant negative impact on existing shopping centres and commercial areas.

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.

Southwest London currently has a significant amount, over 800,000 sq.ft., of vacant retail commercial space as detailed in the attached Memorandum prepared by Ward Land Economics Inc. dated March 23, 2018. Accounting for large/anchor space vacancies elsewhere in London, the city has over one million square feet of vacant space. This does not include other vacancies throughout the city.

The Kircher 2016 market study prepared for the City also identified the impact implications of permitting too much space too soon. The Kircher 2016 market study states that:

...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.

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.

5) Is the Commercial Cap Working and is it Appropriate?

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.

As summarized in the WLE March 15, 2018 letter, 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.

The commercial cap facilitates 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.

Conclusion and Recommendation

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

The Coriolis Report recommends that a mitigation strategy to avoid excess commercial capacity in lieu of 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 such existing commercial lands.

TO: Mayor Brown and Councillors
RE: Wonderland Road Commercial Enterprise Corridor, London

March 23, 2018

Additional work and analysis is required for Planning Staff to assess the market and planning implications of the Coriolis Report recommendations for redesignation 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.

A handwritten signature in blue ink, appearing to read "M. Ward", is written over the typed name.

Mimi Ward, PLE, MCIP, RPP.
President

MEMORANDUM

To: Ali Soufan, *York Developments* and Steve Bishop, *North American*
From: Mimi Ward, *Ward Land Economics Inc.*
Date: March 23, 2018
WLE File: 17-1004
Re: Summary of the March 2018 Retail Commercial Inventory of Southwest London

The following provides a summary of the retail and service commercial inventory of existing space carried out in March 2018 of southwest London. The southwest London area extends south from the Thames River, west from Adelaide Street South and the CN Rail tracks, and south and west to the municipal boundary. The southwest London area is the primary trade area which I previously defined to assess the Enterprise Corridor and SWAP market for the 2014 OMB hearing.

The measured field inventory of southwest London was carried out by The Dalvay Group in March 2018 under the direction of Ward Land Economics Inc. The inventory provides an update of an inventory previously carried out by The Dalvay Group in November 2013, under my direction while previously at Malone Given Parsons Ltd. The November 2013 inventory was submitted to the OMB for the SWAP hearing.

An inventory of supermarkets and department stores in all other areas of London was also carried out by The Dalvay Group in March 2018. That inventory was used to identify anchor store changes, closures, and vacancies.

The retail and service commercial inventory includes: food stores, non-food stores, services, and vacant space. The inventory is grouped into commercial nodes as summarized on the attached tables.

The following provides a summary of the findings regarding the March 2018 inventory.

- There is over 6.8 million square feet of retail and service commercial space in southwest London.
- The largest concentration of space, over a quarter of all retail and service commercial space in southwest London, is located within the Wellington Road node followed by the Wonderland Road node which accounts for approximately 16% of the space.

-
- Over 11% or 803,200 sq.ft. of the retail and service commercial space in southwest London is vacant. That is a significant amount of vacant space. The amount of vacant space together is greater than the size of White Oaks Mall.
 - Vacancy in southwest London increased from 501,400 sq.ft. in November 2013 to 803,200 sq.ft. in March 2018. As such, the amount of vacant space in southwest London increased by 301,800 sq.ft. which represents an increase of 60% within four years.
 - Several of the vacancies have been vacant for many years.
 - Of the 803,200 sq.ft. of vacant space, almost 40% (304,500 sq.ft.) is located along Wellington Road and over a third (34% or 276,700 sq.ft.) is located in the Westmount Shopping Centre.
 - Over half (51% or 276,700 sq.ft.) of Westmount Shopping Centre is vacant. Most of the vacancy is due to the closure of Target and Sears. Vacancy at Westmount Shopping Centre increased from 30,500 sq.ft. in November 2013, to 276,700 sq.ft. today.
 - Over 16% or 304,500 sq.ft. of the Wellington Road node is vacant.
 - There are other vacancies in London which have occurred due to closures of department stores and other stores. The largest of those vacancies include:
 - the former 65,700 sq.ft. Zellers at Pond Mills at Commissioners Road East;
 - the former 97,000 sq.ft. Rona Home Centre at the Summerside Shopping Centre on Commissions Road East; and,
 - the former 75,000 sq.ft. Sears Outlet at London Mall on Oxford Street West.
 - Those three vacancies total 237,500 sq.ft. Together with the 803,200 sq.ft. of vacant space in southwest London, there is more than one million square feet of vacant space. This does not include other vacancies throughout the city.
 - Since the November 2013 inventory was conducted (which was within six months the 2014 OMB approval of SWAP), there have been various additions of retail commercial space within new constructions. Since that time, there has been over 100,000 sq.ft. more new retail commercial space built in the Enterprise Corridor than in other areas of southwest London. Most of the new retail construction is accounted for by the 140,000 sq.ft. Lowes in the Enterprise Corridor. Other additions include: SportChek, Atmosphere, and PetSmart which together with the Lowes totals 177,200 sq.ft. This does not include retenanting of existing space such as the Ikea pick up, as it did not result in a net addition of new space.

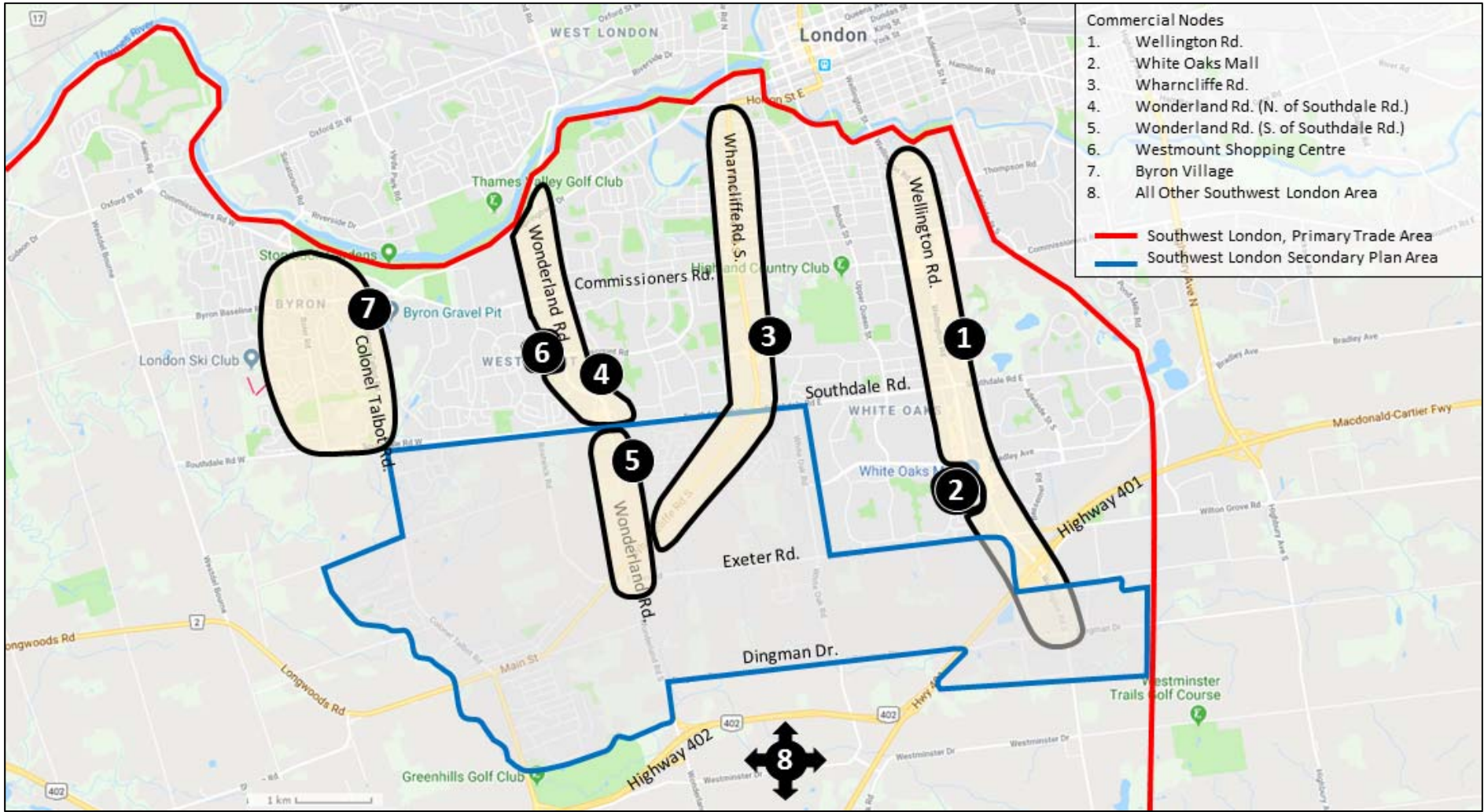
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- New retail commercial construction elsewhere in southwest London is less than that which has occurred in the Enterprise Corridor. New retail commercial developments in other areas of southwest London include: an 11,000 sq.ft. plaza at 875 Wellington Road, the addition of 24,000 sq.ft. along Wharncliffe Road (Cal Tire and Home Hardware), a new Starbucks on Commissioners Road, and some other smaller additions elsewhere.
 - There are various examples of “retail migration” in particular along Wellington Road. Several stores have relocated to existing buildings within the node including: Farm Boy which replaced a Future Shop, and MEC which relocated within the corridor, among others. Several stores have relocated from Wellington Road to Wonderland Road.
 - There have been a lot of tenant changes and turn-over of businesses in southwest London over the past four years. In particular, there have been several tenant changes along Wellington Road, Westmount Shopping Centre, and White Oaks Mall.

In summary, the March 2018 inventory illustrates that there is a significant amount of vacant space in southwest London. Most of the vacancy is located along Wellington Road and the Westmount Shopping Centre. As well, there are several examples of “retail migration” whereby stores have relocated from one location to another, many of which are in the Wellington Road area. Retail migration results in vacancies after stores relocate to new locations. As well, some of the city’s largest vacancies have resulted from the closure of Zellers/Target and Sears.

Attachment

Southwest London Inventory – March 2018

Figure 1: Southwest London Retail and Service Commercial Nodes



Google Earth base map, overlay information prepared by Ward Land Economics Inc.

Table 1: Southwest London Retail and Service Commercial Inventory - March 2018
Space by Node in Square Feet

	Node 1	Node 2	Node 3	Node 4	Node 5	Node 6	Node 7	Node 8	TOTAL
	Wellington Rd (from just south of Dingman Dr. to Thames River)	White Oaks Mall	Wharncliffe Rd. (from just south of Southdale Rd E to Thames River)	Wonderland Rd. (from Southdale Rd E to Thames River)	Wonderland Rd. (from Southdale Rd E to Wharncliffe Rd S)	Westmount Shopping Centre	Byron Village	All Other Southwest London Area	Total Southwest London
Supermarkets & Grocery	113,000	0	40,100	88,400	115,600	37,000	38,200	146,700	579,000
Other Food Stores	27,100	2,600	10,800	4,300	2,000	8,100	10,300	58,500	123,700
Total Food Store	140,100	2,600	50,900	92,700	117,600	45,100	48,500	205,200	702,700
Department Stores	0	296,780	0	0	0	0	0	0	296,780
Warehouse Membership Club	108,000	0	0	0	0	0	0	0	108,000
Home & Auto Supply, Tires/Batteries/Accessories	161,200	0	28,000	10,900	80,000	0	0	41,700	321,800
Other General Merchandise Stores	88,900	13,400	10,900	0	10,000	5,700	2,300	120,000	251,200
Health and Personal Care Stores	29,700	31,500	35,200	34,100	1,200	4,200	18,800	118,600	273,300
Clothing and Clothing Accessories Stores	140,900	215,300	11,000	22,400	93,500	30,600	0	34,600	548,300
Furniture and Home Furnishings	137,900	14,400	363,700	13,800	157,400	4,400	0	152,800	844,400
Other Non-Food Store	183,700	45,800	40,600	14,600	145,800	2,200	8,100	77,200	518,000
Home Improvement	23,900	0	23,800	55,100	270,000	0	0	86,600	463,400
Total Non-Food Store	878,200	617,180	513,200	150,900	757,900	47,100	29,200	631,500	3,625,180
Total Retail	1,018,300	619,780	564,100	243,600	875,500	92,200	77,700	836,700	4,327,880
Second Hand Merchandise	49,700	0	6,000	0	0	0	500	9,000	65,200
Liquor / Beer / Wine	23,600	0	4,500	0	17,800	0	8,300	10,900	65,100
Miscellaneous	0	0	6,300	0	0	0	0	16,700	23,000
Total Other Retail	73,300	0	16,800	0	17,800	0	8,800	36,600	153,300
Food Services & Drinking Places	235,500	10,900	60,400	43,600	50,000	11,300	26,400	114,700	552,800
Repair and Maintenance Services	18,900	0	12,900	7,300	0	500	1,800	0	41,400
Personal & Laundry	24,500	7,600	25,900	13,200	1,200	1,300	15,000	58,100	146,800
Financial Services	21,500	15,100	15,300	7,100	27,300	0	13,300	38,800	138,400
Medical Services	19,700	2,600	18,400	20,200	0	48,300	24,050	67,300	200,550
Other Professional Services	25,800	1,700	21,900	7,500	9,200	0	2,000	45,100	113,200
Other Services	21,400	0	28,000	11,600	7,000	71,700	13,600	62,400	215,700
Entertainment & Fitness	46,100	0	7,500	0	70,000	40,100	2,600	23,300	189,600
Total Services	413,400	37,900	190,300	110,500	164,700	173,200	98,750	409,700	1,598,450
Total Occupied Space	1,505,000	657,680	771,200	354,100	1,058,000	265,400	185,250	1,283,000	6,079,630
Vacant Space	304,500	33,900	72,300	30,400	23,300	276,700	5,700	56,400	803,200
Total Measured Space (in sq.ft.)	1,809,500	691,580	843,500	384,500	1,081,300	542,100	190,950	1,339,400	6,882,830

Inventory conducted by The Dalvy Group under the direction of Ward Land Economics Inc., March 2018

Other food store space includes convenience stores in gas stations. Vacant space includes retail and commercial services space.

Prepared by Ward Land Economics Inc.

Table 2: Southwest London Retail and Service Commercial Inventory - March 2018
Distribution of Space by Node

	Node 1	Node 2	Node 3	Node 4	Node 5	Node 6	Node 7	Node 8	TOTAL
Commercial Node	Wellington Rd (from just south of Dingman Dr. to Thames River)	White Oaks Mall	Wharncliffe Rd. (from just south of Southdale Rd E to Thames River)	Wonderland Rd. (from Southdale Rd E to Thames River)	Wonderland Rd. (from Southdale Rd E to Wharncliffe Rd S)	Westmount Shopping Centre	Byron Village	All Other Southwest London Area	Total Southwest London
Supermarkets & Grocery	19.5%	0.0%	6.9%	15.3%	20.0%	6.4%	6.6%	25.3%	100.0%
Other Food Stores	21.9%	2.1%	8.7%	3.5%	1.6%	6.5%	8.3%	47.3%	100.0%
Total Food Store	19.9%	0.4%	7.2%	13.2%	16.7%	6.4%	6.9%	29.2%	100.0%
Department Stores	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Warehouse Membership Club	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Home & Auto Supply, TBA	50.1%	0.0%	8.7%	3.4%	24.9%	0.0%	0.0%	13.0%	100.0%
Other General Merchandise Stores	35.4%	5.3%	4.3%	0.0%	4.0%	2.3%	0.9%	47.8%	100.0%
Health and Personal Care Stores	10.9%	11.5%	12.9%	12.5%	0.4%	1.5%	6.9%	43.4%	100.0%
Clothing and Clothing Accessories	25.7%	39.3%	2.0%	4.1%	17.1%	5.6%	0.0%	6.3%	100.0%
Furniture and Home Furnishings	16.3%	1.7%	43.1%	1.6%	18.6%	0.5%	0.0%	18.1%	100.0%
Other Non-Food Store	35.5%	8.8%	7.8%	2.8%	28.1%	0.4%	1.6%	14.9%	100.0%
Home Improvement related	6.0%	0.0%	5.1%	11.9%	58.3%	0.0%	0.0%	18.7%	100.0%
Total Non-Food Store	24.2%	17.0%	14.2%	4.2%	20.9%	1.3%	0.8%	17.4%	100.0%
Total Retail	23.5%	14.3%	13.0%	5.6%	20.2%	2.1%	1.8%	19.3%	100.0%
Second Hand Merchandise	76.2%	0.0%	9.2%	0.0%	0.0%	0.0%	0.8%	13.8%	100.0%
Liquor / Beer / Wine	36.3%	0.0%	6.9%	0.0%	27.3%	0.0%	12.7%	16.7%	100.0%
Miscellaneous	0.0%	0.0%	27.4%	0.0%	0.0%	0.0%	0.0%	72.6%	100.0%
Total Other Retail	47.8%	0.0%	11.0%	0.0%	11.6%	0.0%	5.7%	23.9%	100.0%
Food Services & Drinking Places	42.6%	2.0%	10.9%	7.9%	9.0%	2.0%	4.8%	20.7%	100.0%
Repair and Maintenance Services	45.7%	0.0%	31.2%	17.6%	0.0%	1.2%	4.3%	0.0%	100.0%
Personal & Laundry	16.7%	5.2%	17.6%	9.0%	0.8%	0.9%	10.2%	39.6%	100.0%
Financial Services	15.5%	10.9%	11.1%	5.1%	19.7%	0.0%	9.6%	28.0%	100.0%
Medical Services	9.8%	1.3%	9.2%	10.1%	0.0%	24.1%	12.0%	33.6%	100.0%
Other Professional Services	22.8%	1.5%	19.3%	6.6%	8.1%	0.0%	1.8%	39.8%	100.0%
Other Services	9.9%	0.0%	13.0%	5.4%	3.2%	33.2%	6.3%	28.9%	100.0%
Entertainment & Fitness	24.3%	0.0%	4.0%	0.0%	36.9%	21.1%	1.4%	12.3%	100.0%
Total Services	25.9%	2.4%	11.9%	6.9%	10.3%	10.8%	6.2%	25.6%	100.0%
Total Occupied Space	24.8%	10.8%	12.7%	5.8%	17.4%	4.4%	3.0%	21.1%	100.0%
Vacant Space	37.9%	4.2%	9.0%	3.8%	2.9%	34.4%	0.7%	7.0%	100.0%
Total Measured Space	26.3%	10.0%	12.3%	5.6%	15.7%	7.9%	2.8%	19.5%	100.0%

Inventory conducted by The Dalvay Group under the direction of Ward Land Economics Inc., March 2018
Other food store space includes convenience stores in gas stations. Vacant space includes retail and commercial services space.
Prepared by Ward Land Economics Inc.

Table 3: Southwest London Retail and Service Commercial Inventory - March 2018
Distribution of Space by Type, Within Each Node

Commercial Node	Node 1		Node 2		Node 3		Node 4		Node 5		Node 6		Node 7		Node 8		TOTAL	
	Wellington Rd (from just south of Dingman Dr. to Thames River)		White Oaks Mall		Wharncliffe Rd. (from just south of Southdale Rd E to Thames River)		Wonderland Rd. (from Southdale Rd E to Thames River)		Wonderland Rd. (from Southdale Rd E to Wharncliffe Rd S)		Westmount Shopping Centre		Byron Village		All Other Southwest London Area		Total Southwest London	
	% of Total	% of Sub- Total	% of Total	% of Sub- Total	% of Total	% of Sub- Total	% of Total	% of Sub- Total	% of Total	% of Sub- Total	% of Total	% of Sub- Total	% of Total	% of Sub- Total	% of Total	% of Sub- Total	% of Total	% of Sub- Total
Supermarkets & Grocery	6.2%	80.7%	0.0%	0.0%	4.8%	78.8%	23.0%	95.4%	10.7%	98.3%	6.8%	82.0%	20.0%	78.8%	11.0%	71.5%	8.4%	82.4%
Other Food Stores	1.5%	19.3%	0.4%	100.0%	1.3%	21.2%	1.1%	4.6%	0.2%	1.7%	1.5%	18.0%	5.4%	21.2%	4.4%	28.5%	1.8%	17.6%
Total Food Store	7.7%	100.0%	0.4%	100.0%	6.0%	100.0%	24.1%	100.0%	10.9%	100.0%	8.3%	100.0%	25.4%	100.0%	15.3%	100.0%	10.2%	100.0%
Department Stores	0.0%	0.0%	42.9%	48.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%	8.2%
Warehouse Membership Club	6.0%	12.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	3.0%
Home & Auto Supply, TBA	8.9%	18.4%	0.0%	0.0%	3.3%	5.5%	2.8%	7.2%	7.4%	10.6%	0.0%	0.0%	0.0%	0.0%	3.1%	6.6%	4.7%	8.9%
Other General Merchandise Stores	4.9%	10.1%	1.9%	2.2%	1.3%	2.1%	0.0%	0.0%	0.9%	1.3%	1.1%	12.1%	1.2%	7.9%	9.0%	19.0%	3.6%	6.9%
Health and Personal Care Stores	1.6%	3.4%	4.6%	5.1%	4.2%	6.9%	8.9%	22.6%	0.1%	0.2%	0.8%	8.9%	9.8%	64.4%	8.9%	18.8%	4.0%	7.5%
Clothing and Clothing Accessories	7.8%	16.0%	31.1%	34.9%	1.3%	2.1%	5.8%	14.8%	8.6%	12.3%	5.6%	65.0%	0.0%	0.0%	2.6%	5.5%	8.0%	15.1%
Furniture and Home Furnishings	7.6%	15.7%	2.1%	2.3%	43.1%	70.9%	3.6%	9.1%	14.6%	20.8%	0.8%	9.3%	0.0%	0.0%	11.4%	24.2%	12.3%	23.3%
Other Non-Food Store	10.2%	20.9%	6.6%	7.4%	4.8%	7.9%	3.8%	9.7%	13.5%	19.2%	0.4%	4.7%	4.2%	27.7%	5.8%	12.2%	7.5%	14.3%
Home Improvement related	1.5%	3.2%	0.0%	0.0%	2.8%	4.6%	14.3%	36.5%	25.0%	35.6%	0.0%	0.0%	0.0%	0.0%	6.5%	13.7%	6.7%	12.8%
Total Non-Food Store	48.5%	100.0%	89.2%	100.0%	60.8%	100.0%	39.2%	100.0%	70.1%	100.0%	8.7%	100.0%	15.3%	100.0%	47.1%	100.0%	52.7%	100.0%
Total Retail	56.3%		89.6%		66.9%		63.4%		81.0%		17.0%		40.7%		62.5%		62.9%	
Second Hand Merchandise	2.7%	67.8%	0.0%	0.0%	0.7%	35.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	5.7%	0.7%	24.6%	0.9%	42.5%
Liquor / Beer / Wine	1.3%	32.2%	0.0%	0.0%	0.5%	26.8%	0.0%	0.0%	1.6%	100.0%	0.0%	0.0%	4.3%	94.3%	0.8%	29.8%	0.9%	42.5%
Miscellaneous	0.0%	0.0%	0.0%	0.0%	0.7%	37.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	45.6%	0.3%	15.0%
Total Other Retail	4.1%	100.0%	0.0%	0.0%	2.0%	100.0%	0.0%	0.0%	1.6%	100.0%	0.0%	0.0%	4.6%	100.0%	2.7%	100.0%	2.2%	100.0%
Food Services & Drinking Places	13.0%	57.0%	1.6%	28.8%	7.2%	31.7%	11.3%	39.5%	4.6%	30.4%	2.1%	6.5%	13.8%	26.7%	8.6%	28.0%	8.0%	34.6%
Repair and Maintenance Services	1.0%	4.6%	0.0%	0.0%	1.5%	6.8%	1.9%	6.6%	0.0%	0.0%	0.1%	0.3%	0.9%	1.8%	0.0%	0.0%	0.6%	2.6%
Personal & Laundry	1.4%	5.9%	1.1%	20.1%	3.1%	13.6%	3.4%	11.9%	0.1%	0.7%	0.2%	0.8%	7.9%	15.2%	4.3%	14.2%	2.1%	9.2%
Financial Services	1.2%	5.2%	2.2%	39.8%	1.8%	8.0%	1.8%	6.4%	2.5%	16.6%	0.0%	0.0%	7.0%	13.5%	2.9%	9.5%	2.0%	8.7%
Medical Services	1.1%	4.8%	0.4%	6.9%	2.2%	9.7%	5.3%	18.3%	0.0%	0.0%	8.9%	27.9%	12.6%	24.4%	5.0%	16.4%	2.9%	12.5%
Other Professional Services	1.4%	6.2%	0.2%	4.5%	2.6%	11.5%	2.0%	6.8%	0.9%	5.6%	0.0%	0.0%	1.0%	2.0%	3.4%	11.0%	1.6%	7.1%
Other Services	1.2%	5.2%	0.0%	0.0%	3.3%	14.7%	3.0%	10.5%	0.6%	4.3%	13.2%	41.4%	7.1%	13.8%	4.7%	15.2%	3.1%	13.5%
Entertainment & Fitness	2.5%	11.2%	0.0%	0.0%	0.9%	3.9%	0.0%	0.0%	6.5%	42.5%	7.4%	23.2%	1.4%	2.6%	1.7%	5.7%	2.8%	11.9%
Total Services	22.8%	100.0%	5.5%	100.0%	22.6%	100.0%	28.7%	100.0%	15.2%	100.0%	31.9%	100.0%	51.7%	100.0%	30.6%	100.0%	23.2%	100.0%
Total Occupied Space	83.2%		95.1%		91.4%		92.1%		97.8%		49.0%		97.0%		95.8%		88.3%	
Vacant Space	16.8%		4.9%		8.6%		7.9%		2.2%		51.0%		3.0%		4.2%		11.7%	
Total Measured Space	100.0%		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%	

Inventory conducted by The Dalvey Group under the direction of Ward Land Economics Inc., March 2018
Other food store space includes convenience stores in gas stations. Vacant space includes retail and commercial services space.
Prepared by Ward Land Economics Inc.