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APPEAL BY LBOVIC ENTERPRISES INC. AND REVLIS LTD. TO OFFICIAL PLAN AMENDMENT D09-09-03, TOWN OF AURORA

The Planning and Economic Development Committee recommends the following:

- 1. The deputation by Lloyd Cherniak, on behalf of Lebovic Enterprises Inc., be received;**
- 2. Staff continue to dialogue with the Town of Aurora, the residents and the applicant up to the date of the Ontario Municipal Board hearing to try to resolve the issues; and**
- 3. The recommendations contained in the following report, March 4, 2005, from the Commissioner of Planning and Development Services be adopted:**

1. RECOMMENDATIONS

It is recommended that:

1. The Ontario Municipal Board be advised that York Region objects to the approval of the application by Lebovic Enterprises Inc. and Revlis Ltd. to redesignate approximately 5 ha (12 acres) of employment land to residential uses for the reasons cited in Section 4 of this report.
2. Regional staff be authorized to appear at the Ontario Municipal Board (OMB) in support of the Regional position.
3. Regional staff co-ordinate evidence for the OMB hearing with area municipal staff.

2. PURPOSE

The purpose of this report is to:

- Identify the Regional interests impacted by the proposed application to amend the Official Plan of the Town of Aurora by Lebovic Enterprises and Revlis Ltd. to redesignate approximately 5.07 ha (12.5 acres) of land from “Industrial” to “Residential” permitting a seven storey, 82 unit residential apartment building, 191 townhouses and a community park. The applicant has indicated all of the 273 units will be affordable dwelling units.
- Provide a recommendation regarding the disposition of the proposed application to the Ontario Municipal Board.

3. BACKGROUND

In June 2003 Weston Consulting Group, on behalf of Lebovic Enterprises and Revlis Ltd. submitted an application to amend the Official Plan of the Town of Aurora to redesignate 5.07 ha (12.5 acres) of land from “Industrial” to “Residential” and a related zoning by-law amendment to re-zone the property from “General Industrial (M2)” and “General Industrial Exception (M2-3)” to “Row Dwelling Residential (R6), “First Density Apartment Residential (RA1)”, and “Major Open Space (O)”. The applications have been appealed to the Ontario Municipal Board by the applicant for lack of decision by the area municipality within the timeframe prescribed by the Planning Act.

3.1 Site Characteristics

The property is located on the east side of Industrial Parkway North, between Wellington Street and St. John’s Sideroad (*see Attachment No. 1*). The site is vacant and backs onto the Holland River. The property slopes downwards from southwest to northeast and contains scattered trees and small bushes.

Elevations on the site vary from approximately 250 m (820 ft) to 264 m (866 ft.) above Canadian Geodetic Datum. Slopes on the site are similar to the slopes on the properties located to the south and on the west side of Industrial Parkway North.

3.1.1 Surrounding Land Uses

Existing land uses located near the property include:

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|-----------|---|
| To south: | industrial operation – commercial printing company, owner has recently submitted a site plan application to permit an 8,030 m ² (86,437 ft. ²) expansion |
| To west: | Industrial Parkway North, industrial operations including food sales and production, multi tenant industrial building, auto parts manufacturing, wood products supply |
| To north: | vacant lands designated for “Public Open Space” uses |
| To east: | “Public Open Space”, Holland River, residential neighbourhood |

In addition to the uses noted above, the following uses are located on Industrial Parkway North in the vicinity of the site:

- Montessori Pre-school located at the southwest corner of Industrial Parkway North and St. John’s Sideroad.
- A recreation complex consisting of a swimming pool, ice rink, baseball diamonds (community centre) located on the east side of Industrial Parkway North, south of the site.

3.2 Official Plan and Zoning Designations

3.2.1 Regional Official Plan

The site is designated “Urban Area” by the Regional Official Plan, which permits a range of urban uses including residential, employment, institutional, and open space uses. The Holland River valleylands which form part of the Regional Greenlands System are located to the east of the site.

3.2.2 Aurora Official Plan

The site is designated for “Industrial” uses by the Aurora Official Plan, which permits a range of industrial uses, including but not limited to, manufacturing, assembly, fabrication, processing and warehousing, and limited institutional and recreational uses subject to criteria.

Industrial Parkway North is identified as a major collector road in the Town’s Official Plan.

3.2.3 Zoning By-law

The site is zoned “General Industrial (M2)” and “General Industrial Exception (M2 – 3)” which permit, among other things, warehouses, contractors yards, food processing establishments, light metal products plants, lumber yards, machine and welding shops, plumbing shops, printing establishments, saw and planing mills, sheet metal shops, self storage facilities, motor vehicle body shops and heavy repair shops.

3.3 Ontario Municipal Board Pre-hearings

On June 15, 2004 an Ontario Municipal Board (OMB) pre-hearing was held at which time owners or representatives of four industrial operations located on Industrial Parkway North indicated their opposition to the proposed redesignation. The industrial operations included Torcan Chemical Ltd., Unipak, AIIM Printing Inc., and Uvex Toko Canada Ltd., some of which operate 24 hours a day, seven days a week.

A further OMB pre-hearing took place on March 1, 2005 at which time the appellant indicated that additional studies and/or revisions to the application may be forthcoming as a result of issues raised by the Town. The appellant indicated that he may also appeal the Town’s Employment Area Retention Strategy (OPA 55) once the Region issues its Notice of Decision.

On March 1, 2005 the Board finalized the issues list and set a further pre-hearing date for June 28, 2005.

3.4 Aurora’s Employment Area Retention Strategy

In December 2003 Aurora Council authorized its staff to engage Hemson Consulting Ltd. to develop a strategy to retain employment land. The study was completed in May 2004, and its recommendations adopted in principle by the Town on May 25, 2004. The Town has incorporated the recommendations into a local Official Plan amendment (OPA 55).

Regional staff anticipate reporting to Committee and Council on this amendment in May or June of 2005.

4. ANALYSIS

The proposed redesignation of the 12 acre site from “Industrial” to “Residential” uses is inconsistent with the Provincial Policy Statement (1996, as amended), recent Provincial direction on land use in the Greater Toronto Area, the economic development goals and growth management provisions of the Regional Official Plan, and contrary to the conclusions of the Town of Aurora’s Employment Area Retention Strategy.

4.1 Provincial Policy Statement

The Provincial Policy Statement that came into effect on May 22, 1996 contains the following principle:

“Ontario’s long term economic prosperity, environmental health and social well-being depend on:

1. managing change and promoting efficient, cost effective development and land use patterns which stimulate economic growth and protect the environment and public health.”

Policy 1.1.3 of the Provincial Policy Statement states:

“1.1.3 Long term economic prosperity will be supported by:

- b) providing a supply of land to meet long term requirements, in accordance with policy 1.1.2;”

Policy 1.1.2 indicates that there should be sufficient land supply to accommodate between 20 to 30 years of employment and residential growth.

To ensure that there is sufficient employment land within the Town of Aurora to accommodate its future needs, the subject site should be retained for employment purposes. The Town does not have sufficient designated employment land to meet its 2026 employment land needs. Section 4.2.1 of this report – Employment Forecasts and Land Needs provides a numerical analysis that illustrates the shortage of employment lands within the Town of Aurora.

4.1.1 Recent Provincial Direction - Draft Growth Plan for the Greater Golden Horseshoe

The draft Growth Plan released by the Province in February 2005 makes it unclear whether the Town could expand its urban boundary to provide additional employment lands. The Plan, which provides a strategy for managing growth in the Region over the next 30 years, directs growth away from greenfields and to

Urban Growth Centres (UGC), brownfield sites, greyfields, intensification corridors, and other areas with excess infrastructure capacity. Urban Growth Centres include the four Regional Centres in York Region and do not include the remaining “greenfield lands” (Area 2C) in the Town of Aurora.

The Province’s Growth Plan may result in the Town of Aurora having to maintain its existing urban area boundary which places a premium on existing designated and serviced employment land in order for the Town to meet its employment forecasts identified in the Regional Official Plan.

Need and justification to expand Aurora’s Urban Area into the 2C lands will require an assessment of the expansion within the context of the policies of the Province’s Growth Plan that includes a requirement for the preparation of a Sub-Area Growth Strategy. The draft Growth Plan acknowledges that expansions to urban boundaries may need to occur to accommodate the Province’s 2031 population and employment projections and future expansions must promote balanced employment and residential growth and the achievement of intensification targets.

Aurora planning staff recently indicated that a timeline to determine if and when the Aurora 2C lands may be approved for development cannot be determined at this time as staff require clarification from the Province with respect to policies in the draft Growth Plan dealing with requirements for a Sub-Area Growth Strategy.

In respect to retention of employment land, the draft Growth Plan specifically states:

“Demand for industrial space including knowledge based industries traditionally found in employment areas is expected to be an important element of economic growth in southern Ontario. We need to ensure an adequate supply of land is available across the GGH to accommodate industrial uses in large areas separated from residential and other sensitive land uses.”

“One of the challenges facing municipalities throughout the GGH is ensuring that employment areas are retained for industrial uses. The conversion of employment areas to other uses, or the introduction of uses into employment areas not compatible with industrial facilities, can result in a shortage of employment lands.”

4.2 Regional Official Plan

Section 5 – Regional Structure and Growth Management, and Section 3 – Economic Vitality of the Regional Official Plan contain policies advocating the importance of maintaining an adequate supply of employment land. The Regional Structure and Growth Management section provides employment forecasts to be used as guides to determine area municipal employment land needs, and the Economic Vitality section provides policies to ensure there are a variety of available sites for different employment

opportunities. Provisions of the Regional Official Plan do not support the approval of the site specific conversion of the 12 acre site from employment to residential uses.

4.2.1 Employment Forecasts and Land Needs

All existing designated employment land within the Town of Aurora is required to meet the Town's long term employment land needs. Table 1 of the Regional Official Plan forecasts employment growth in the Town of Aurora to grow by 14,000 jobs from 19,000 in 2006 to 33,000 in 2026. Recent Provincial forecasts add an additional 44,000 jobs Region-wide to the 2026 total and Aurora will be expected to accommodate increased demand as a result of this revised job total. The Town currently does not have an adequate supply to provide for its 2026 employment needs and may not have an adequate supply in the future.

Since 2001 the Town has not added any new lands to its employment land inventory and it is continuing to develop its inventory making it essential that it discourages conversion of its employment land inventory to residential uses. The Region's Vacant Employment Land Inventory, endorsed by Regional Council in 2001, indicates Aurora had a vacant employment land supply of 174 net hectares (430 net acres). Regional staff estimate that in March 2004 the Town had a total supply of 163 net hectares (404 net acres) of vacant employment land. Approximately 26 net acres of employment land has been absorbed since 2001. In addition to these 26 acres, the Town has approved the site plan application for the State Farm Insurance building located near Highway 404, effectively removing an additional 32 acres from the vacant land inventory. In order to meet Provincial and Regional forecasts the Town will need to preserve its employment land inventory and discourage conversion of employment land to residential uses.

In September 2002, Hemson Consulting Ltd., acting for the Town, prepared an assessment of Aurora's employment land needs and concluded that Aurora will fall just short of accommodating the 2016 Growth Management Objective for Employment. Hemson's 2002 report states:

“The Growth Management Strategy used employment forecasts prepared by York Region which projected that Aurora would reach a total of 27,000 by 2016. Using this projection, the current supply of employment land and an average employment density of 15 employees per net acre, it is estimated that there would be a small shortfall of about 40 acres of employment land by 2016.”

The Town's ability to add to its supply of employment land is also restricted by the Oak Ridges Moraine Conservation Plan which designates land between Highway 404 and Leslie Street, north of Bloomington Road as “Natural Linkage Area” and “Countryside Area”. These designations do not permit serviced urban uses. The Town's ability to add to its supply of employment land may be further restricted by the Province's Growth Plan when it comes into full force and effect.

4.2.2 Economic Vitality

A goal of Section 3 – Economic Vitality of the Regional Official Plan is “to create a competitive and adaptable economic environment that encourages investment and a diversity of employment opportunities”. This goal is similar to that of the Town’s Employment Land Retention Strategy which advocates retaining existing designated employment sites to provide variety in location, lot size, shape and cost. To implement the goal of the Regional Official Plan the site is best suited to be developed with industrial uses as it was originally intended.

Policy 3.2.4 of the Regional Official Plan states:

“3.2.4 To recognize the importance of the manufacturing sector and promote a full range of manufacturing in the Region.”

Given the scale and type of industries located nearby, efforts should be made to ensure the on-going industrial operations are not adversely impacted by the introduction of residential uses in this area. Introduction of residential uses in this area may erode the industrial character of the area due to complaints from residents and potential approval of other similar applications.

4.2.2.1 Region’s Economic & Development Review

Demand for employment land is subject to cyclical market conditions and industrial demand and supply should be evaluated over a long term horizon, as short term fluctuations could be misleading.

The Region’s Economic & Development Review for 2003 indicates that industrial growth picked up in the latter half of 2003 after a slow period in 2001 and 2002. Industrial vacancy rates fell from 4.8 % in December 2002 to 4.5 % in December 2003 indicating that industrial demand is picking up. The recent improved market conditions for industrial development may lead to new interest in the site from prospective industrial operations. The site has been on the market since the late 1980’s.

In light of the Town’s potential limited ability to add additional employment lands to its employment land base and the shortage of employment land within the Town to meet its 2026 employment land needs the site should remain designated for employment purposes as long as the Industrial Parkway North employment area remains a viable employment area.

4.3 Aurora’s Employment Area Retention Strategy

The Town’s Employment Area Retention Strategy is a municipal wide review designed to ensure that the Town’s land supply is developed with the best long term interests for the community. The main message of the strategy is that employment land is a critical land use for the Town and as such, changes to lands designated in the Official Plan for employment uses will not be considered outside a comprehensive review except in limited circumstances. The Regional Official Plan advocates comprehensive studies on a

block or municipal wide basis and the conclusions of the Town's Employment Area Retention Strategy are supported from a Regional planning perspective.

Redesignation of the subject site to residential uses is contrary to the recommendation of the Town's Employment Land Retention Strategy and would preclude the Town from utilizing the site for future community purposes, should the need arise.

4.3.1 Retaining the Employment Character of the Industrial Parkway North Area

The Industrial Parkway North employment area is functioning well as an employment area and introduction of residential uses in this area would not be compatible with its well established employment character. The area is not in transition, does not have derelict, abandoned or unsightly industrial buildings. It has been attractively designed using setbacks and landscaping measures for a variety of different types and scales of industrial and community uses. The area is primarily built-out with only a small percentage of vacant land.

The site is located within the viable Industrial Parkway North employment area, the adjacent land uses to the south and west are general industrial operations, the physical characteristics of the site are suitable for industrial development, and the planned function of the industrial area should be maintained.

4.4 Servicing

York Region assigns water and sewer servicing capacity to the area municipalities who then allocate water and sewer servicing capacity to individual developments. In October of 2004 York Region assigned available sanitary servicing capacity to the individual area municipalities identifying the additional population and residential units that could be serviced by existing infrastructure.

The October 2004 Council resolution indicated that there is sewage treatment capacity to serve an additional 4,660 persons or 1,677 residential units in the Town of Aurora and an additional 1,317 persons (474 units) conditional upon construction of the Aurora Equalization tank and the Aurora 2B sewer project. As of June 2004 the Town of Aurora had allocated all its sanitary sewage treatment capacity to draft approved plans of subdivision or site plan applications. At this time there is no additional sanitary sewer capacity that the Region can assign to the Town of Aurora so it can allocate to proposed residential development.

Additional servicing capacity to serve future residential growth in the Town of Aurora will require the construction of the following infrastructure:

- Aurora Equalization tank
- 19th Avenue interceptor
- 16th Avenue Phase 2 Trunk Sewer
- Lower Leslie Trunk Sewer

- Southeast Collector Trunk Sewer
- Duffins Creek Water Pollution Control Plant Expansion

There is adequate servicing capacity to service employment uses in York Region and specifically within the Town of Aurora. Servicing capacity for employment uses is determined using a historical ratio of residential / non residential development and servicing capacity reserved for employment uses is based on this ratio. There are no Regional servicing issues if the site is developed with industrial uses.

4.5 Relationship to Vision 2026

“Co-ordinating the location of job growth and population growth” is an action area for Goal 6 - Managed and Balance Growth of Vision 2026. Retention of the subject site for employment purposes provides opportunity for businesses to locate in an existing industrial park located in central Aurora, close to the residential workforce.

Redesignating the site to residential uses is not consistent with the above noted action area of Vision 2026.

5. FINANCIAL IMPLICATIONS

The Town and Region will benefit from the additional non residential tax assessment if the site is developed with industrial uses.

Regional staff time and resources will be required to defend the position set out in this report at the Ontario Municipal Board.

6. LOCAL MUNICIPAL IMPACT

On December 16, 2003 Aurora Council recommended that:

“staff and such outside experts as required attend at the Ontario Municipal Board Hearing regarding the subject applications in order to ensure that the applications are not approved.”

On February 8, 2005 Aurora adopted its staff report recommending its outside experts continue to defend Town Council’s position of non support of the proposed industrial conversion.

The recommendations of this report are consistent with the position of the Town of Aurora.

As a result of issues raised by the Town, the applicant may be submitting additional supporting studies and revising his application. If the Town changes its position as a

result of revised information submitted by the applicant, Regional staff should have the ability to reconsider the position set out in this report and negotiate terms of settlement without a further report to Committee and Council.

7. CONCLUSION

The proposed redesignation of the 12 acre site from industrial uses to residential uses is not supported for the following reasons:

- The application does not have regard for the Provincial Policy Statement.
- The recent Provincial direction on land use in the Greater Toronto Area requires municipalities to maintain an adequate supply of strategically located employment lands and it may prevent the Town of Aurora from adding to its employment land base.
- The application is not consistent with the economic development goals and growth management provisions of the Regional Official Plan as all designated employment land within the Town of Aurora is required to meet the Town's 2026 employment land needs.
- The application is contrary to the conclusions of the Town of Aurora's Employment Area Retention Strategy.
- The proposed use is not compatible with the surrounding land uses.

The Ontario Municipal Board should be advised that York Region objects to the approval of the proposed official plan amendment application.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is included with this report.)