

Report to Planning and Environment Committee

To: Chair and Members
Planning and Environment Committee

From: George Kotsifas, P.Eng.
Deputy City Manager, Planning and Economic Development

Subject: McCOR Management Inc.
755-785 Wonderland Road South (Westmount Mall)

Date: Public Participation Meeting
September 20, 2021

Recommendation

That, on the recommendation of the Director, Planning and Development, the following actions be taken with respect to the application of McCOR Management Inc, relating to the property located at 755-785 Wonderland Road South (Westmount Mall):

- (a) the request to amend Zoning By-law No. Z.-1 to change the existing Regional Shopping Area Special Provision (RSA2(2)) zoning of the subject property to add business service establishment as an additional permitted use, **BE REFUSED** for the following reasons:
- i) The requested zoning is not in conformity with the policies of the 1989 Official Plan and the London Plan with regard to the maximum permitted amount of office space allowed in suburban locations and its potential impacts on the Downtown office market.
 - ii) The requested zoning increases large floorplate, employment-based office space outside of the Downtown above the maximums which is contrary to the City's planning framework and does not represent good planning.
 - iii) The requested zoning is not consistent with the 2020 Provincial Policy Statement.

Executive Summary

Summary of Request

The applicant has requested a zoning by-law amendment to add business service establishment as an additional permitted use to allow for a future call centre.

Purpose and the Effect of Recommended Action

The purpose and effect of the recommended action is to refuse the zoning by-law amendment request.

Rationale of Recommended Action

1. The recommendation is consistent with the Provincial Policy Statement, 2020 with regard to Section 1,7.1, which includes "*Long-term economic prosperity should be supported by: ... d) maintaining and, where possible, enhancing the vitality and viability of downtowns and main streets;*".
2. The requested use does not conform to the in-force policies of The London Plan including, but not limited to, the Downtown and Shopping Area Place Type policies.
3. The requested use does not conform to the in-force policies of the 1989 Official Plan, including but not limited to, the Downtown, Office and Community Commercial Node designation policies.
4. Increasing large floorplate, employment-based office space outside of the Downtown above the maximums is contrary to the City's planning framework and does not represent good planning.

Linkage to the Corporate Strategic Plan

The application involves the consideration of two Strategic Areas of Focus in Council's Strategic Plan (2019-2023);

1. Building a Sustainable City; and,
2. Growing Our Economy.

Analysis

1.0 Background Information

1.1 Property Description

The property is located on the west side of Wonderland Road South between Village Green Avenue and Viscount Road in southwest London. There is an existing 2 storey, indoor mall with retail, offices and some vacant space. The mall was built in the 1980's and added to and modified multiple times since then. In addition, there is a freestanding theatre complex and four separate commercial pads along Wonderland Road on the subject property.

Traffic volumes on Wonderland are between 34-35,500 vehicles per day and Viscount Road between 6,500-8,500 vehicles per day.

1.2 Current Planning Information (see more detail in Appendix D)

- The London Plan Place Type – Shopping Area
- 1989 Official Plan – Community Commercial Node
- Existing Zoning – Regional Shopping Area Special Provision (RSA2(2)) Zone which adds commercial and private schools to the general list of permitted uses.

1.3 Site Characteristics

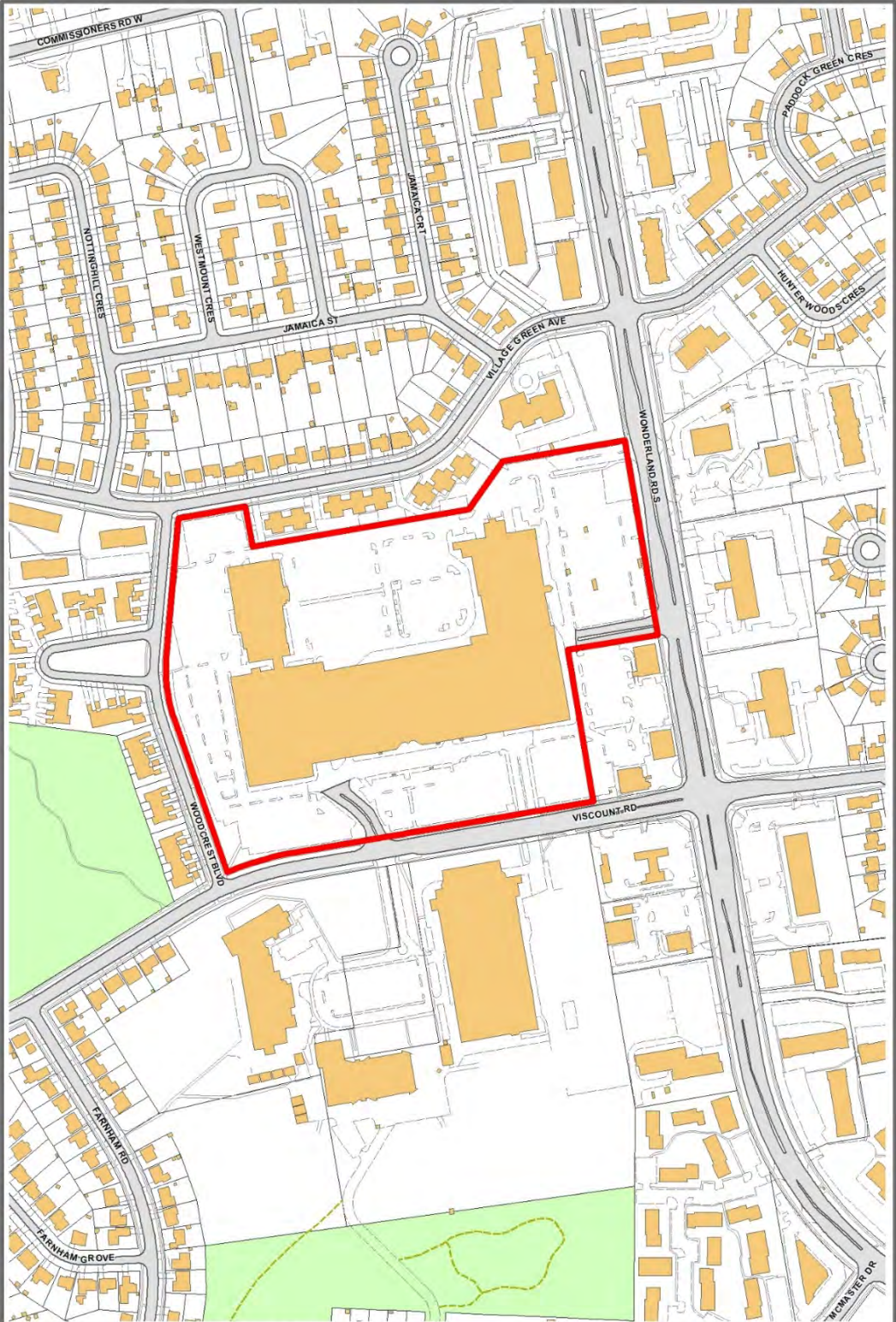
- Frontage – 176.4m
- Depth – 620m
- Area – 11.34 ha
- Shape – Rectangular

1.4 Surrounding Land Uses

- North – Church, residential uses
- East – number of high-density residential apartment buildings
- South – high school, public school
- West – single family residential neighbourhood

1.5 Existing Situation

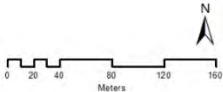
The indoor mall, excluding the movie theatres and commercial pads, is approximately 49,373 m² (531,464 sq.ft) GFA (Gross Floor Area) and 41,847m² (450,448 sq.ft) GLFA (Gross Leasable Floor Area) in size. This indoor shopping mall has experienced a number of vacancies over time as the retail market has changed and former retail tenants have relocated to other commercial areas nearby. The existing ground floor of the mall is occupied by some retail uses and the City of London Social Services satellite office. The second floor is entirely comprised of offices (medical/dental, professional, service etc.) but there are still a number of vacancies on both floors. Approximately 37% of the mall is currently vacant.



LOCATION MAP

Address: 755-785 Wonderland Rd S
File Number: Z-9356
Planner: Chuck Parker
Date: 2021/07/20

Corporation of the City of London
Prepared By: Planning and Development



Scale 1:4000

Legend

-  Subject Site
-  Buildings
-  Driveways/Parking Lots
-  Assessment Parcels

Second Floor Photos



Based on information provided by the applicant/agent (see existing Floor Plans in Appendix C) and permitted use interpretations provided by the Zoning Division, the table below summarizes the existing gross leasable floor area (GLFA) in the mall.

Existing Westmount Mall Floorspace Summary (GLFA in m²)

Floor	Retail	Offices	Medical /Dental Offices	Public Uses	Financial Institutions	Other Uses	Vacant	TOTAL
First	10,000	0	62	1,529	0	2,906	7,398	21,895
Second	0	4,325	4,732	1,486	704	735	7,968	19,952
TOTAL	10,000	4,325	4,794	3,015	704	3,641	15,366 (36.7%)	41,847

Note – The Regional Shopping Area (RSA) Zone regulates on the basis of gross leasable floor area (GLFA) whereas the Community Shopping Area (CSA) and Neighbourhood Shopping Area (NSA) in Zoning by-law Z-1 regulate on the basis of gross floor area (GFA) because of the amount of extra non-leasable space normally included in regional shopping malls.

2.0 Discussion of Issues and Considerations

2.1 The Requested Zoning By-law Amendment

The applicant’s agent had requested a zoning by-law amendment to add a business service establishment as an additional permitted use to the existing zone to allow a proposed call centre. The agent had early discussions with the City’s Zoning Division who had indicated that typically, in suburban locations, a call centre is defined as a business service establishment. That initial call centre inquirer has now decided not to proceed; however, the owner still wants to proceed with the zoning by-law amendment to add that use for future marketing purposes.

2.2 The Issue

The issue is that there is an existing indoor shopping mall which has experienced significant vacancies over the years and there are policies in the Provincial Policy Statement, 1989 Official Plan and London Plan which support the re-use and

rehabilitation of existing uses and buildings instead of building new. Encouraging the tenanting of this structure, connected to existing infrastructure, is desirable from an economic and sustainability standpoint for the City and the owner.

However, both the 1989 Official Plan and London Plan; in addition to other supporting documents such as the Downtown Plan, Downtown CIP and Core Area Action Plan; has included policies since the early 1990s which have placed limits on the amount of office space permitted in suburban locations. These policies are intended to protect the Downtown office market, which is a key component of the City's Downtown and important to the larger downtown regeneration goals. These limits on office floor area are intended to direct large floorplate, employment-based office uses to the Downtown instead of suburban locations.

The City Zoning By-law makes a distinction between various types of offices in the zoning by-law (see below) to provide more flexibility in where they are allowed or the types or regulations that apply. For example some office uses, such as medical/dental offices, have higher parking standards and require larger lots. In past years, there have been instances where landowners/applicants have requested zoning for certain types of office uses in the Zoning By-law that were not subject to the office space cap in the Zoning By-law, with the result being that office floor area was able to be built that exceeded the cap of the Official Plan.

2.3 The Difference between the term "Office" in Policy vs. "Office" in the Zoning By-law

The term "office" in the 1989 Official Plan and the London Plan refers to all types of "offices" whereas the Zoning By-law differentiates different types of office by permitted location, degree of activity on the site, parking requirement etc. For example, in policy, policies 877 and 878 of the London Plan use the term "offices" which encompasses all types of offices. The London Plan's glossary of terms defines general office uses as "a broad category of offices, including professional, service, medical and other sub-categories of office use." In contrast, Zoning By-law Z-1 identifies various types of office uses as indicated below;

"OFFICE" means a building, or part thereof, containing one or more offices including professional or service offices and all other forms of offices except medical/dental offices.

"OFFICE, MEDICAL/DENTAL" means an office or offices in which the practice of the professions of medicine, psychiatry, dentistry or optometry is carried on or in which the treatment by osteopathy or chiropractic is carried out but does not include a CLINIC, METHADONE."

"OFFICE, BUSINESS" means a building or part thereof in which the administrative functions of agencies, foundations, brokers, labour or fraternal organizations are carried out and includes a service office, but does not include medical/dental offices, professional offices, support offices, financial or general offices, unless specified as permitted within this definition.

"OFFICE, CHARITABLE ORGANIZATION" means a building or part thereof in which the administrative functions of a registered charitable organization are carried out as the primary function, including but not limited to such uses as design, printing, assembly and distribution of information materials related to the use, customer service and data processing related to the use, warehousing/storage of supplies related to the use, and training and conference facilities and public education programs related to the use. (Z.-1-081810).

"OFFICE, PROFESSIONAL" means a building or part thereof in which a legal or other personal professional service is performed or consultation given, includes the offices of a lawyer, a planner, an architect, a surveyor, an engineer or a chartered accountant, but does not include a personal service establishment, a medical/dental office, a clinic, an

animal hospital, a body-rub parlour or any adult entertainment parlour as defined in the Municipal Act, as amended.(Z.-1-93173 and Z.-1-94236).

"OFFICE, SERVICE" means a building, or part thereof, in which one or more persons is employed in the management, direction or conducting of a travel agency, an insurance agency, or a real estate agency.

It is important to note that offices in policy includes medical-dental offices whereas the zoning by-law separates the two largely because of the latter's higher parking requirements. In the zoning by-law "office" includes business, professional, service and charitable organization offices.

This distinction can create issues with zoning interpretations. Zoning Division staff provide interpretations on the phone, by mail and at the counter based on the information provided by the applicant/agent based on a literal reading of the zoning by-law language. No assessment of Official Plan policies is included as part of the zoning interpretation process. Official Plan policies are usually reviewed by staff before an application is submitted to determine whether an Official Plan amendment is required. In this instance, based on the 1989 Official Plan and London Plan policies an Official Plan Amendment should have been required to permit the both the existing and requested amount of office space.

2.4 Defining a Call Centre as an Office

Part of the issue related to this application is that a call centre has been interpreted to fall within the Zoning definition for a "Business Service Establishment." in the past. That definition includes:

"BUSINESS SERVICE ESTABLISHMENT" means an establishment primarily engaged in providing services to business establishments on a fee or contract basis, including advertising and mailing, building maintenance, employment services, protective services, and small equipment rental, leasing and repair

However, the broad use categories that are contemplated in the London Plan for the shopping area place type include "retail, service, office, entertainment, recreational, educational, institutional, and residential" (policy 877_1). When considering the operation of a call centre it functions as an employment use where workers arrive for their shifts but there is little or no physical interaction with the public or clients. In this way it is not similar to typical commercial or service uses that cater to local clientele, but it is similar to a typical office and should therefore be considered as a type of office use. Furthermore, a call centre offers similar support for downtown business as other office types so should be subject to the same policy requirements. Finally, there are no special requirements to operate a call centre that cannot be met in a downtown environment so in policy a call centre should be treated the same as any other type of office use.

2.5 The Office Space Cap in Suburban Locations

The intent of the original 1989 Official Plan office space cap and implementing Zoning By-law Z-1 regulations office cap was to allow office **buildings** up to 5,000m², it didn't matter whether they contained offices, medical dental offices or secondary uses. The goal was to limit large floorplate, employment-based office uses in suburban locations to protect the Downtown office market. Those maximums were arrived at through the preparation of a comprehensive office study prepared by the City in 1994-95. The suburban office template used as a maximum was the existing office building at Richmond Street and North Centre Road which is 5,000m² in size.

The London Plan policies have lowered that maximum to 2,000m² for Shopping Area Place Types. This maximum was arrived at through an Office Policy Study prepared by Hemson Consulting Ltd in April 2016 as part of the London Plan process (more specific discussion included in Section 3.3.1)

As a result of these policies the City of London currently has about 75% of our office space Downtown, only Regina is higher at 88%. That City of London figure is down slightly from a high of over 90% 10 years ago. Over the years, discussions and inquiries from other Canadian municipalities (eg. Halifax, Hamilton, Calgary, Kitchener) have also indicated a desire to review their existing policies to establish suburban office space maximums.

2.6 Other Previous Similar Applications

Since 1993, when Zoning By-law Z-1 came into force, there have been two applications requesting increases in office floorspace in shopping malls, one in an existing mall and one in a proposed development.

In 2011 an application for Pond Mills Square at 1200 Commissioners Road West (OZ-7894/Pond Mills Square Realty Inc.) requested a total of 6,600m² of office space (42% of total GFA) in place of the normal 15% of GFA permitted in a Community Commercial Node. Council amended the Zoning By-law to allow a maximum of 5,000m² of office space.

In 2014 applications were submitted for the corner of Oxford Street West and Westdel Bourne (1080 Westdel Bourne) (OZ-8410/Sifton Properties Ltd.), and in 2016 OPA No. 632 was passed which permitted up to 9,500m² of office space in a new shopping centre, in mixed use buildings and/or freestanding office buildings on the property. In 2015 Sifton Properties received approval for a 3 storey, 6,488m² office building with ground floor secondary uses. It included 3,770m² of office uses.

2.7 Downtown Office Vacancy Rates

The 2019 State of the Downtown Report indicated that at the end of 2019 the overall office vacancy rate was 18.4%, 13.6% in Class A office space and 16.3% and 48.6% in Class B and C office space (older buildings), respectively, in Downtown. A “healthy” vacancy rate is 5-8%. (Office Policy Study, Hemson, April 2016, pg.21) As a comparison, the overall City Office vacancy rate is 16.9% which indicates the suburban office vacancy rate was lower. The 2021 State of the Downtown Report won't be available until early 2022 and will also outline the impact of COVID-19 on the Downtown office market.

2.8 The Impact of Suburban Office Space on Downtown

The City's total office inventory can be viewed as a very “large pie” which grows very slowly in response to economic conditions. The movement of offices from the Downtown to the suburbs isn't new growth, it simply changes the distribution. Examples include Sifton Properties moved their head offices from Queens Avenue to their River Bend development and the Federal passport offices moving from York Street to Cherryhill Village Mall. Movements such as these, in addition to new suburban office development, have resulted in a 5% decrease in the Downtown share of the office market over the last 5 years, from 80% (2014) to 75% (2019) (2019 City of London State of the Downtown Report)

2.9 The Importance of Downtown

The London Plan emphasizes inward and upward growth to create a compact, mixed - use city. It highlights the Downtown as the focus for residential intensification, commerce, employment, and economic growth. The importance of downtowns to a city's economy is increasingly being recognized in Canada and throughout North America. In 2013, the Canadian Urban Institute (CUI), in partnership with the International Downtown Association, released The Value of Investing in Canadian Downtowns – the first large-scale attempt to measure, benchmark, and assess the impact of municipal and private investment across 17 Canadian downtowns. London was one of those City's included.

The City of London State of the Downtown reports build on this study and allow us to assess the collective impact of strategic policies, programs, and investments by the municipality, the private-sector, and the non-profit sector. It is important to continue to invest in the downtowns of our cities for many reasons, and key strengths and value can be summarized in five main areas:

Downtowns are leading economic drivers for cities. Although downtowns are usually small in area compared to the remainder of the city, they are typically the locations of the most employment opportunities (and often most diverse employment opportunities), head offices, concentrations of office space. Downtowns contribute a greater percentage of tax revenue per area than other parts of a city. In 2019, London's downtown, comprising 0.2% of the city's land area, contributed 5.5% of the total municipal taxes. In addition, almost 40,000 people were employed in jobs in the downtown, 19% of all jobs in the city. In addition, a number of other Downtown businesses (eg. Retail, personal service) rely on the office market, residential and entertainment uses to support their business.

Downtowns are inclusive. Downtowns are concentrations of civic and institutional buildings, and provide accessible public space, transportation, opportunities, and services for everyone. Downtowns are the "centreplace" or "gathering area" for a community.

Downtowns are vibrant. The concentration of both public and private destinations, activities and spaces are a draw for people who live, work, and visit a city. Downtowns are cultural and entertainment hubs and supporting this aspect of downtown has both economic and cultural benefits. Supporting London's downtown destinations, venues and independent businesses has been, and will need to continue to be, a key focus moving into the future.

Downtowns have cultural significance. Downtowns represent the essence of a city and are still the first place we take visitors – they are areas that distinguish a city from somewhere else. They are a visual representation of the health and well-being of a community, and a reflection of local culture. Most built heritage and prominent public spaces in a city are often in and surrounding downtown, creating a unique sense of place and vibrant public realm, both of which attract people and investment.

Downtowns can be models of sustainability and resiliency. Downtowns are compact, interconnected, dense, diverse, and predominantly mixed use in form. They are surrounded by established neighbourhoods, connected to transportation hubs and tend to provide infrastructure prioritizing pedestrians and cyclists. As they are already serviced by infrastructure and have received investment over the past decades, they are economically and geographically efficient places for growth and redevelopment. They can be models for sustainable development and innovation, providing opportunities for new modes of transportation, and the (re)use of existing infrastructure and buildings. Downtowns are unique, complex, interconnected systems in which many people, businesses, and organizations play key roles in its growth and change over time. Supporting a healthy and vibrant downtown is a long-term and ongoing process, requiring unique approaches, continued commitment, partnerships, resources, innovation and passion.

The Downtown office market is the key component of all of these key strengths and values.

3.0 Policy and Zoning Review

3.1 Provincial Policy Statement, 2020

The Provincial Policy Statement (PPS) 2020, provides policy direction on matters of provincial interest related to land use planning and development. All decisions affecting land use planning matters shall be "*consistent with*" the policies of the PPS. The PPS encourages healthy, livable and safe communities which are sustained by

accommodating an appropriate range and mix of residential, employment and institutional uses to meet long-term needs (1.1).

Section 1.7.1 (Long-term economic prosperity) is perhaps the most important policy related to this application because it provides the direction for all other relevant policies related to protection and enhancement of the Downtown. It states;

d) maintaining and, where possible, enhancing the vitality and viability of downtowns and mainstreets;

Other related policies include;

Section 1.1.1 *a) promotes efficient development and land use patterns which sustain financial well-being of the Province and municipalities over the long term.* The health of the Downtown office market is a key contributor to the “health” of the City of London.

Section 1.1.1*b) Accommodating an appropriate affordable and market-based range and mix of [...] employment (including industrial and commercial) [...] to meet long-term needs* addresses the importance of commercial employment to the City and Province.

Section 1.1.3.1 *Settlement areas shall be the focus of growth and development* addresses the need for internal development (reuse, rehabilitation) instead of expanding and building new. The re-use of Westmount Mall for non-offices uses is a preference to new development.

Section 1.1.3.2 *Land use patterns within a settlement area shall be based on densities and a mix of land uses which:*

- a) Efficiently use land and resources;*
- e) Support active transportation;*
- f) Are transit-supportive, where transit is planned, exists or may be developed.*

Similar to the previous policy, the City encourages the re-use of existing buildings but not for large scale, employment office-based uses. The existing shopping mall has and will continue to be transit supportive. The London Transit Commission maintains a satellite bus stop on site to provide easy access to the mall.

Section 1.3.1 *Planning authorities shall promote economic development and competitiveness by:*

- a) Providing for an appropriate mix and range of employment, institutional, and broader mixed 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) Facilitating the conditions for economic investment by identifying strategic sites for investment, monitoring the availability and suitability of employment sites, including market-ready sites, and seeking to address potential barriers to investment.*
- d) Encouraging compact, mixed-use development that incorporates compatible employment uses to support liveable and resilient communities, with consideration of housing policy 1.4.*

These policies address the importance of the location of employment uses and the vitality they create. There are opportunities for suburban office employment but at a lower density and scale than the Downtown. With regard to office space, the Downtown is intended to be the primary employment area for office uses. The definition of “Employment Areas” in the PPS (Section 6.0) recognizes offices as an employment use.

Employment area: means those areas designated in an official plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities.

1.3.2.1 *Planning authorities shall plan for, protect and preserve employment areas for current and future uses and ensure that the necessary infrastructure is provided to support current and projected needs* addresses the need to protect the Downtown office employment area.

1.3.2.2 *At the time of the official plan review or update, planning authorities should assess employment areas identified in local official plans to ensure that this designation is appropriate to the planned function of the employment area.* In the 1989 Official Plan, and recently in the London Plan, Council made a conscious decision to identify the Downtown as a major office employment area while still allowing smaller scale office employment uses in suburban locations.

In summary, the PPS recognizes the importance of protecting Downtowns and supporting the importance of office uses as vital employment areas and the vitality they create. It also provides support for a distribution of employment uses, at various scales, across the City at locations which are transit supportive.

3.2 City of London Strategic Plan, 2019 – 2023.

The 2019 – 2023 Strategic Plan for the City of London (“Strategic Plan”) identifies City Council’s Vision, Mission, Values and Strategic Areas of Focus for 2019 – 2023. Below are the relevant results and strategies;

Building a Sustainable City

Direct Growth and intensification to strategic locations/Revitalize London’s Downtown and urban areas.

Growing Our Economy

Increase public and private investment in strategic locations/Revitalize London’s Downtown and Urban Areas

Increase access to supports for entrepreneurs and small businesses and community economic development/Revitalize London’s Downtown and urban areas

All of these are relevant to the subject application. Any increase of office space permitted outside of the Downtown core is contrary to, and contradicts, the City’s Strategic Plan. The last two expected results support the continued investment in Downtown.

3.3 The London Plan

The London Plan is the new Official Plan for the City of London (Council adopted June 23, 2016, approved by the Ministry on December 28, 2016 with modifications, and the majority of which is in force and effect). The following policies are relevant to this application;

DOWNTOWN/OUR VISION FOR THE DOWNTOWN PLACE TYPE

795_ *Our Downtown will be the hub of our economy’s business community, containing the city’s largest office buildings and a complex blend of professional and business service functions....* This policy establishes the Downtown as the primary location for the largest office buildings.

HOW WILL WE REALIZE OUR VISION?

799_ *We will realize our vision for Downtown by implementing the following in all the planning we do and the public works we undertake, we will:*

14. Direct large-scale office developments, greater than 5,000m², to the Downtown to prevent the deterioration of the important Downtown office market while still allowing for a reasonable supply of office uses outside of the Downtown.

15. Locate major government buildings, hotels, convention centres, and large entertainment and cultural facilities in the Downtown.

These policies direct major large-scale and government office buildings to the Downtown.

SHOPPING AREA/ROLE WITHIN THE CITY STRUCTURE

873_ *The Downtown, Transit Village, Rapid Transit Corridor, Urban Corridor, Main Street and Neighbourhoods Place Types all support varying amounts of retail, office, and service uses. Outside of these Place Types, the Shopping Area is the primary Place Type that will allow for commercial uses.*

This policy establishes the hierarchy of Place Types for office uses.

874_ *Shopping Areas are to service their immediate neighbourhoods, and provide a walkable focal point that creates a neighbourhood identity. In some cases, these centres may be very large and serve a much broader population, and may not be directly tied to an individual neighbourhood or community.*

This shopping area serves the surrounding area by including uses which serve that community.

HOW WILL WE REALIZE OUR VISION?

876_ 4. *Encourage the repurposing, reformatting, infill and intensification of existing centres to take advantage of existing services, use land more efficiently, and reduce the need for outward expansion.*

Westmount Mall may be repurposed with non-office type uses as a means to re-use existing buildings instead of building new. There are also opportunities to infill the site with a range of uses that do not include increasing the office uses.

PERMITTED USES

877_ *The following uses may be permitted within the Shopping Area Place Type:*

1. A broad range of retail, service, office, entertainment, recreational, educational, institutional, and residential uses may be permitted within the Shopping Area Place Type.

This policy identifies that the term “office” is inclusive of all types of office.

INTENSITY

878_ *The following intensity policies apply within the Shopping Area Place Type:*

6. Total aggregate office uses will not exceed 2,000m² within a Shopping Area Place Type.

This policy establishes the upper limit for office uses in a Community Shopping Area.

Currently, Westmount Mall has approximately 9,119m² (GFA) of office space, exceeding the maximum fourfold. The zoning by-law amendment request would add additional office-type uses.

1113_13 *ensuring that the Downtown office market is not undermined by permitting office buildings outside of the core area.*

The proposed zoning by-law amendment has numerous negative impacts on the office space situated in the Downtown area and fails to comply with the policies set out in The London Plan. Any increase in office space at the subject property should not be permitted until such time as it can be clearly demonstrated that the proposed increase will not adversely impact on the viability of the Downtown office market.

3.3.1 The Hemson Office Policy Study (April 2016)

A study was initiated by the City to review and confirm the approach that was applied for the London Plan office policies. A consultant was hired and part of their review included an assessment of the 1989 Official Plan office space cap of 5,000m² (office designations) and 2,000m² (commercial and industrial areas) and the 10% cap on office space in shopping malls. They also assessed the proposed draft policies in the Second Draft of the London Plan. Some of the findings of the report included;

- *The office market remains a key component of the Downtown, contributing to city image, improving the viability of transit investments, and creating economic spinoff to the surrounding neighbourhood through increasing expenditure by office employees over the years.*
- *London's office market experienced slow growth since the early 1990s, yet managed to maintain a very high proportion of its total office supply (79%) in the Downtown area. This ratio is significantly higher than most other comparable cities.*
- *London's office market remains competitive with other Canadian cities of a similar size based on average asking lease rates (\$12.41 per square foot), with a city-wide vacancy rate (14.5%) slightly higher than the national average (11.8%).*
- *Current market conditions in London favour suburban office development, with Class B and Class C office space in the suburbs collecting higher average lease rates, and featuring lower vacancy rates than comparable space located Downtown. There is currently over half a million square feet of Class B and Class C office space available in the Downtown, though this space is struggling to attract tenants.*
- *The development of new office space in the Downtown is comparably more complex and costly than developing in a suburban location. Given the comparatively low rates for Downtown space at this time, it is not cost effective for developers to construct new office stock in the area unless average rents improve or a user specifically requiring new Downtown space emerges.*
- *Changes in employment across London in recent years have shown a growth in industries which typically rely on office space. Continued growth in these industries suggest an increased demand for office space in line with existing forecasts for office space in the city.*
- *Despite some challenges such as traffic and higher parking costs compared to suburban alternatives, Downtown remains an attractive location for office uses given its central location, relatively affordable rental rates, high concentration of amenities, and accessibility. Emerging opportunities including planned rapid transit improvements and increased live-work balance made possible by residential growth in the area will further increase the appeal of the Downtown.*
- *London's scale-based office management policies are some of the most prescriptive methods for managing office development amongst cities of similar*

size and economic character. Only the City of Regina has more restrictive policies, using a similar scale-based model with even lower thresholds (Regina classifies large scale office starting at 4,000 m² GFA). In the same regard, both Regina and London have been the most successful examples of retaining office development in their downtown areas (88% and 79%, respectively).

- *London's existing scale-based policies have been largely successful at achieving the policy goals of their official plan, directing large-scale office growth to the Downtown, while supporting appropriate growth in the suburban market. The changes proposed in The London Plan will continue this trend, while allowing a degree of increased flexibility for medium-scale office development in transit-oriented nodes and corridors.*

Other important findings of the report include;

- Recognized the important role the office market plays in maintaining a healthy and vibrant Downtown; and,
- Based on the amount of office space in Downtown, the size of office space for each employee and amount of average spending /year of each employee, the Downtown receives \$150M/year in spending from office employees;

Some of the report recommendations included;

- *While London's policies appear to offer a reasonable balance of flexibility and supply management, some challenges remain. The City may wish to consider lowering the threshold of its scale-based model to reduce the risk of major Downtown office users relocating to suburban locations. A reduction in the definition of large-scale office starting at 4,000m² instead of 5,000m² could be implemented with minimal disruption to small- and medium- scale offices based on historic development patterns. Alternatively, the City could implement a market share target policy to prohibit the rezoning or development of new office space which would result in the Downtown's share of the office supply dropping below a target rate.*
- *Raising the current thresholds of the scale based is not recommended as it would make it much easier for major firms to relocate away from the Downtown, undermining the goals of the Official Plan. However, the City should be prepared to consider exceptional cases through official plan amendments should a new major office employer, who is unable to locate in the Downtown, seek to enter the London market.*
- *In order to encourage the competitiveness of the Downtown, London may also consider supporting initiatives designed to address current challenges. These include revising parking standards to lower costs for downtown developers, partnering with developers to provide off-site structured parking nearby, or encouraging new major office development through financial incentives such as a Tax Increment Equivalency Grant.*

The recommendations of the report were considered in the development of the final London Plan policies which were Council approved June 23, 2016 and approved by the Province on December 28, 2016. The office cap and related policies are in force in the London Plan.

Some of the other recommendations of the report regarding parking standards, Downtown parking garages and financial incentives are being considered through other City of London Downtown revitalization efforts.

3.3.2 The Importance of Re-using Existing Facilities and Infrastructure

Policy 876_4. *Encourage the repurposing, reformatting, infill and intensification of existing centres to take advantage of existing services, use land more efficiently, and*

reduce the need for outward expansion.

This policy identifies a preference for re-using existing buildings and facilities instead of building new; however, other policies of the London Plan regarding protection of the Downtown office market are more important in regard to this application.

3.4 1989 Official Plan

The relevant Sections include;

4.1. DOWNTOWN DESIGNATION

The Downtown is the primary multi-functional activity centre serving the City of London and the surrounding area, comprising much of southwestern Ontario. It contains regionally significant office, retail, service, government recreational, entertainment and cultural facilities and is distinguished from other areas in the City by its concentration of employment and its intensive, multi-functional land use pattern. It is intended that the Downtown will continue to be the major office employment centre and commercial district in the City, ... Limitations on the scale of development will be less restrictive in the Downtown and policies will allow for flexibility in the application of these limitations.

This policy establishes the Downtown at the top of the commercial hierarchy and recognizes the downtown as the centre of office employment in the City.

4.1.1. PLANNING OBJECTIVES

- i) *Promote the continued development of the Downtown as the primary business, administrative, institutional, entertainment and cultural centre for the City of London and as a regional centre for Southwestern Ontario.*
- ii) *Concentrate the development of major office buildings, and government buildings, having City-wide or regional significance, within the Downtown.*

As above, this directs major office and government buildings to the Downtown.

4.3 COMMERCIAL NODES

The development of lands designated as Commercial Node is primarily intended to meet a variety of retail and service needs ranging from frequent, convenience-oriented and neighbourhood-based shopping activities to the provision of specialized goods and services that draw customers from a broad trade area. While these areas are conveniently located to satisfy many of the shopping needs of the areas they serve, they are not intended to accommodate the wide range of functions or the intensive scale of non-retail development permitted in the Downtown, nor will they rival the Downtown's role as the primary business, administrative, institutional, entertainment and cultural area in the City.

This policy indicates that Community Commercial Nodes are not intended to include larger scale or as broad a range of uses as higher order commercial centres such as Downtown.

Enclosed Regional, New Format Regional, Community and Neighbourhood Commercial Nodes shall be developed primarily for retail and service commercial uses, and, to a lesser extent, small scale offices that are suited to a location with an integrated form of development that encourages multi-purpose shopping trips. Specific ranges of uses for the commercial nodes will be determined on the basis of their size, location and proximity to sensitive land uses. These uses will be identified in the Zoning By-law.

This policy indicates that only smaller-scale office uses are permitted in this designation.

Permitted Uses - Policy 4.3.7.3 *Permitted uses include all types of retail outlets including department stores, home improvement and furnishings stores, supermarkets, food stores and pharmacies; convenience commercial uses; personal services;*

restaurants; commercial recreation establishments; financial institutions and services; a limited range of automotive services; service-oriented office uses such as real estate, insurance and travel agencies; community facilities, such as libraries or day care centres; professional and medical/dental offices; and commercial and private schools. Within Community Commercial Nodes, office uses and places of entertainment will be permitted in limited amounts. Zoning on individual sites or areas may be for less than the full range of permitted uses.

The policy indicates only service-type offices, professional and medical-dental offices are permitted subject to scale criteria.

Westmount Mall is currently designated a Community Commercial Node. Originally in the 1989 Official Plan it was designated a Regional Commercial Node. Over time, as other commercial areas grew up in close proximity tenants left and the shopping mall began to lose its regional function. In 2006 the City undertook a 5 year Official Plan Review and hired a consultant to review the commercial component of the City and suggest any Official Plan changes after 15 years in place. One of the recommendations was that Westmount Mall should change from a Regional Commercial Node to a Community Commercial Node to recognize the loss of its regional function. Since 2006 it has been designated as a Community Commercial Node, a designation which is intended to serve the surrounding community. The Regional Shopping Area (RSA) Zone never changed, left in place to recognize the size of the existing mall.

5.OFFICE LAND USE DESIGNATIONS

The policies for the Office Land Use Designations are applicable in that they describes the framework for permitting offices in suburban locations, particularly with regard to freestanding office buildings. Other commercial designations also permit office uses but at a more limited scale. Policies within the Office Land Use designation include:

5.1.1. GENERAL OBJECTIVES FOR ALL OFFICE DESIGNATIONS

i) Provide for choice in the location and cost of office space while maintaining the Downtown as the primary office employment area in the City.

5.2.4. SCALE OF DEVELOPMENT

... The Zoning By-law will control the scale of development through building height, lot coverage, floor area, and setback regulations. For the purpose of this Plan, office development of less than 2,000 square metres (21,529 sq.ft.) gross floor area will normally be considered "small scale", and office development between 2,000 square metres (21,529 sq.ft.) and 5,000 square metres (53,921 sq.ft.) gross floor area will normally be considered "medium scale".

This policy defines small, medium and large-scale offices.

3.5 London Downtown Plan- "Our Move Forward

The relevant Sections include;

Downtown London plays an important role in the life of Londoners. It is the cultural heart and the original neighbourhood of our city. The downtown is, and has historically been, a critical employment centre and economic engine. ..

A successful downtown is key for retaining and attracting business investment in London. A strong downtown tells the world that London is vibrant, interesting, exciting and enriching. It signals to investors that London is a captivating choice when attracting and retaining a high-quality labour force. It exudes the kind of success that breeds investment confidence

The Downtown as a Place to Do Business -The downtown has continually maintained

its status as the office employment centre of London, with over 80 percent of the city-wide office space and 303 jobs per hectare. Much of this success can be linked to strong City policies supporting the downtown in this role since the early 1990's.

6.0 Create the buzz

6.1 Maintain and enhance the downtown as the major focus for employment and economic activity within the city and the region.

6.2 Maintain the downtown as the primary and preferred location for office buildings exceeding 5,000 square metres.

6.3 Encourage federal, provincial and municipal governments to maintain and expand their downtown office facilities

These statements, directions and policies reinforce policies contained in the 1989 Official Plan (in force at the time the Downtown Plan was adopted) and is consistent with most office policies contained in the London Plan.

3.6 Downtown London Community Improvement Plan (the “Downtown CIP”).

The Downtown CIP provides the context for a coordinated municipal effort to improve the physical, economic and social climates of the Downtown. The goals of the Downtown CIP are to stimulate private investment and property maintenance and renewal in the Downtown. One of the stated goals of the Downtown CIP is “*to promote the continued development of the Downtown as the primary business, office, cultural and administrative centre for the City, and as a regional centre for Southwestern Ontario.*”

One of the Downtown CIP initiatives is to limit the amount of office space outside of the Downtown Area.

The requested zoning by-law amendment does not support the Downtown CIP, as it inappropriately increases the office space outside of the Downtown Area and will exacerbate vacancy rates in the Downtown Core.

3.7 Core Area Action Plan

The Core Area includes Downtown, Richmond Row and Old East Village and encompasses most of the London Downtown and Old East Village Business Improvement Areas (“BIA”). The Core Area Action Plan has been developed by the City to address the complex challenges relating to the London’s core; developing several initiatives focused on improvement homeless prevention, enhancing safety and security, ensuring there is space for the economy to grow, and creating a positive space to attract visitors. The Core Area Action Plan specifically identifies the persistence of high vacancies in many office buildings as a concern.

The requested zoning by-law amendment fails to meet the objectives of the City’s Core Area Action Plan and will exacerbate the persistence of high vacancies in the Downtown Area.

3.8 Zoning By-law Z-1

The Regional Shopping Area (RSA) Zone specifies that in the RSA Zone, the maximum total gross leasable floor area (the “GLFA”) for office uses is 10% of the total GLFA of a shopping centre. Based on the size of 41,847m², 4,184m² of office/medical offices would be permitted by the zoning by-law.

Based on floor plans provided by the applicant/agent showing leased and unleased space the building has approximately 9,100m² GLFA of office /medical office space, over double the amount permitted.

It has been interpreted by the City’s Zoning Division that some of the uses are

separately defined and are not considered “offices” and would not be included under the office space cap. These include financial institutions (Hollis Wealth Management) and public uses (MPAC, City of London Social Services satellite offices). According to zoning, the requested call centre would be a “business service establishment” and would also not be part of the office cap. The definitions of these other uses include;

"FINANCIAL INSTITUTION" means an establishment which provides money management services directly to the public, including a bank, trust company, credit union, securities dealer, finance companies and stock brokers, but not including the internal offices or administrative offices which shall be considered to be offices for the purposes of this By-Law.

It is important to point out that the definition excludes internal offices or administrative offices of the business from the definition. These are considered offices which contain employees. The client and public service desk area is not included under the office cap.

"PUBLIC USE", when used in reference to a building, structure, use or lot, means a building, structure, use or lot used by a public agency to provide a service to the public. Public agencies comprise: (O.M.B. File #R 910387 - Appeal #9006-2 June 4, 1993)

a) the Government of Canada, the Government of Ontario, or a municipal corporation;

b) any ministry, department, commission, authority, board or agency established by the Government of Canada or the Government of Ontario; or

c) any public utility. (Z.-1-051390)

Both the MPAC office and the City of London Social Service satellite office have been interpreted by the Zoning Division to be “public uses”. The latter has a client service component whereby employees deal with clients at the office so there is a service component of its function. The City purposely made a decision a number of years ago to move some of the social services from their former concentration Downtown (the main office is still Downtown) to be closer to clients and provide better public service.

MPAC has a small service desk but generally includes employees who take inquiries by telephone. They were formerly located in Treasure Island Plaza south of the 401 on Wellington Road South. Official Plan policies encourage federal, provincial and municipal governments to maintain and expand their Downtown office facilities.

"BUSINESS SERVICE ESTABLISHMENT" means an establishment primarily engaged in providing services to business establishments on a fee or contract basis, including advertising and mailing, building maintenance, employment services, protective services, and small equipment rental, leasing and repair

The applicants request is for a business service establishment use to be added to the existing zoning to allow a proposed call centre. The nature of a call centre is generally characterized as an office-type environment containing employees at desks answering phone calls. Generally, there is no walk-in traffic for those customers or clients requiring service. A call-centre is generally considered an employment- based business.

The definition of business service establishment implies a smaller-scale use which serves business and involves some form of walk-in interaction. It includes “advertising and mailing” as functions but does not include solicitation and/or telephone customer service as functions. While a call centre has been interpreted to fall within the business service establishment use, that is largely due to it being a unique form of office that may not fall neatly into any existing office definition.

In addition, other uses that fall within the Business Service Establishment definition would not be consistent with the Community Commercial Node designation or the Shopping Area Place Type. For example, it is not appropriate to include “small equipment rental, leasing and repair” in an indoor shopping mall environment. The only

zone which has “business service establishment” as a permitted use is the Light Industrial (LI) Zone which is generally applied in low-impact industrial areas, not in commercial areas.

Downtown currently has a number of call centres within its boundaries. “Business service establishments” are not a permitted use in the Downtown (DA) Zone, so those uses would be permitted by the Zoning By-law as offices.

4.0 Options for Re-use of the Existing Shopping Mall

As indicated above in the Analysis, the Provincial Policy Statement and the London Plan both contain policies which encourage the re-use of existing buildings and areas within the Urban Growth boundary or Primary Transit Area instead of building new. Planning staff support the re-use of this existing building. There is a range of other uses that would be permitted but due the policies that support the downtown office market, office uses should not be expanded on this site.

One recent trend in London have been proposals for introduced high density residential apartment buildings into former shopping centre locations. Masonville Mall, London Mall (southeast corner of Oxford Street West and Wonderland Road) and the Hylands Centre (northwest corner of Fanshawe and Richmond) have all submitted proposals for high density residential apartments in former parking lots and/or vacant commercial space. The introduction of these residents within walking distance of the commercial it is hoped will create a demand for new retail and personal service uses in the remainder of the commercial centre. This trend has been occurring in Toronto over the last few years and south of the border in the U.S.

Another option is a possible reformatting of the mall. Both Oakridge Mall and Argyle Mall have been reformatted to a more street friendly, transit oriented form of development. Although, Westmount mall is a 2 storey indoor mall, unlike the others, it could be an option for future use.

The proposal will result in an expansion of the already large office presence in Westmount Mall is not recommended giving the analysis above.

Conclusion

The London Plan and 1989 Official Plan both included policies to limit the amount of suburban office space to protect the important Downtown office market. Suburban offices are permitted that have a service function but at a smaller scale than those located in the Downtown. The policies in the latter have been in place since the early 1990’s and have been responsible for the protection of 75% Downtown share of the City of London office market.

The applicant’s request for the addition of a business service establishment to allow a call centre is inappropriate given the amount of office space already in the mall and does not comply with the PPS (2020), the London Plan, 1989 Official Plan, Council’s Strategic Plan, the Downtown London Plan and other Downtown documents such as the Community Improvement Plan and the Core Area Action Plan.

The City also has policies which encourage the reuse of existing buildings instead of building new and encourages the applicant to focus on non-office uses to occupy vacant space in Westmount Mall.

Prepared by: W.J. Charles Parker, M.A.
Senior Planner, Long Range Planning and Research

Reviewed by: Justin Adema MCIP, RPP
Manager, Long Range Planning and Research

Recommended by: Gregg Barrett, AICP
Director, Planning and Development, Planning and
Economic Development

Submitted by: George Kotsifas, P.Eng.
Deputy City Manager, Planning and Economic
Development

Y:\Shared\Planning APPLICATIONS\Applications\2021\9356Z- 755-785 Wonderland Road South (Westmount Mall) (CP)\PEC
REPORT - October 12 2021 9-7-2021.docx

Appendix A – Public Engagement

Public liaison: On May 27, 2021 an individual public notice was sent to 116 property owners notifying them of this application. Londoner notice was provided on May 27, 2021 in the Londoner. The application was also posted on the City website www.london.ca

Two replies were received, one, a question by telephone and the other a letter from Siskinds representing Farhi Holdings Corporation dated June 29, 2021 (attached).

The telephone caller only wanted to know if new development was being proposed.

Nature of Liaison:

Zoning amendment to 1) add business service establishment as a permitted use to permit call centres, customer service field offices or other businesses which operate on a fee or contract basis such as advertising, mailing, building maintenance, employment services and protective services or 2) increase the maximum cap for office space in the zone. Possible change to Zoning By-law Z.-1 **FROM** a Regional Shopping Area Special Provision (RSA2(2)) Zone **TO** another Regional Shopping Area Special Provision (RSA2(_)) Zone to add business service establishment as an additional permitted use or increase the maximum cap for office space in the zone.

Responses to Public Liaison Letter and Publication in “The Londoner”

Telephone	Written
E & T. Slivinski	Paula Lombardi Siskinds Rep. Farhi Holdings Corp. 680 Waterloo Street London

Agency/Departmental Comments

June 4, 2021 Development Services – Engineering

No comments

London Hydro – May 18, 2021 -London Hydro has no objection to this proposal or possible official plan and/or zoning amendment. Any new or relocation of the existing service will be at the expense of the owner.

680 Waterloo Street, London, ON N6A 3V8



EMAIL paula.lombardi@siskinds.com

FILE NO. 858158

Delivered By Email: cparker@london.ca

June 29, 2021

Chuck Parker
City of London
Planning and Economic Development
City Hall
300 Dufferin Avenue
London, ON N6B 1Z2

Attention: Chuck Parker

Re: **Proposed Zoning By-law Amendment**
755 – 785 Wonderland Road South, Westmount Mall
City of London File: Z-9356

We act on behalf of Farhi Holdings Corporation (the “Client” or “FHC”) and have been retained to review and comment on the proposed zoning by-law amendment as it relates to the 755 – 785 Wonderland Road South (“Westmount Mall”) to: (i) add business service establishment as a permit use to permit call centres, customer service field offices or other businesses that operate on a fee or contract basis such as advertising, mailing, building maintenance, employment services, or (ii) increase the maximum cap for office space in the zone (the “Proposed Zoning By-law Amendment”).

Our Client owns numerous properties situated throughout the downtown core in the City of London (the “City” or “London”) for which it has made numerous attempts to redevelop and attract tenants to the core area. It has been, and continues to be, the goal of our Client to bring more people and businesses into the core to ensure a vibrant downtown area for the City. Our Client is concerned that increasing office space outside of the Downtown Core Area as set out in the Proposed Zoning By-law Amendment is contrary to the City’s planning framework and does not represent good planning.

Proposed Zoning By-law Amendment

The purpose of the Proposed Zoning By-law Amendment is to add “Business Services Establishment” as a permitted use within the Westmount Shopping Centre (the “Subject

DIRECT
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HEAD OFFICE
TELEPHONE (519) 672-2121
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4764484

Property) by way of the creation of a new site-specific “Regional Shopping Area Special Provision (RSA2(_))” Zone. Based on the information provided it appears that a special provision may also be requested to increase to the maximum office space permission (the “cap”) for the Subject Property under the City’s RSA Zone structure.

Our Client, based on its initial review of the Proposed Zoning By-law Amendment, has identified the following key concerns:

1. **Shopping Centre Place Type (The London Plan).** Policy 878_6 of The London Plan prescribes that total aggregate office uses will not exceed 2,000 m² within a Shopping Area place type.

The materials submitted in conjunction with the Proposed Zoning By-law Amendment do not appear to provide an accounting of the existing office space within the shopping centre. This information is required in order to demonstrate that the Proposed Zoning By-law Amendment conforms with the office space cap prescribed by this policy as set out in The London Plan.

2. **The London Plan** provides numerous Downtown specific objectives including but not limited to the promotion and continued development of the Downtown as the primary business, office, cultural and administrative centre for the City of London. Policy 795 of The London Plan specifically states that Downtown will be hub of the City’s business community, containing the City’s largest office buildings and providing a complex blend of professional and business functions that collectively create dynamic synergies. Policy 796 confirms the intent of the City that Downtown will be the most highly connected location in the City, being the hub for rapid transit, rail, high speed rail, and the multi-use pathway along the Thames River in addition to offering the City’s premier pedestrian space. Policy 799_14 specifically directs large-scale office developments to the Downtown to prevent the deterioration of the important Downtown office market. Policy 1113_13 ensuring that the Downtown office market is not undermined by permitting office buildings outside of the core area.

The Proposed Zoning By-law Amendment has numerous negative impacts on the office space situated in the Downtown area and fails to comply with the policies set out in The London Plan. Any increase in office space at the Subject Property should not be permitted until such time as it can be clearly demonstrated that the proposed increase will not adversely impact on the viability of the Downtown office market.

- 3. **RSA Zone (City of London Zoning By-law).** Table 29.3 of the City’s Comprehensive Zoning By-law specifies that in the RSA Zone, the maximum total gross leasable floor area (the “GLFA”) for office uses is 10% of the total GLFA of a shopping centre. The submission materials do not appear to provide a GLFA calculation for either the existing mall or its office components and therefore the maximum GLFA cannot be effectively calculated. It is unclear if the existing mall arrangement complies with this regulation or what the magnitude of the cap exemption being requested as part of the Proposed Zoning By-law Amendment. A scheduled detailing the GLFA of all existing uses and identifying the specific office uses within the shopping centre needs to be provided to allow for a fulsome review of the Proposed Zoning By-law Amendment.

The impacts of the Proposed Zoning By-law Amendment cannot be considered and appropriately reviewed until an opportunity to review the schedule detailing of the GLFA of existing uses can be completed to confirm; (i) the percentage of office space currently provided at the Subject Site; and (ii) the total GFLA cap increase required as part of the Proposed Zoning By-law Amendment.

It is premature to allow for an increase in office space uses outside of the Downtown Area until such time as it can be demonstrated that the proposal will not detrimentally impact the office space market in the Downtown Area.

- 4. **City of London Zoning By-law.** It is notable that the City’s Zoning By-law implements the policies of the Official Plan and most of the Downtown Area is zoned either DA (Downtown Area) 1 or 2, permitting a wide range of retail, office, cultural, institutional, entertainment and residential uses. By contrast, the RSA Zone structure is intended to primarily regulate enclosed regional shopping centres and places prescribed limits on the total amount of office space permitted on individual sites.

The Proposed Zoning By-law Amendment inappropriately proposes to expand office uses outside of the Downtown Area.

- 5. **City of London Strategic Plan, 2019 – 2023.** The 2019 – 2023 Strategic Plan for the City of London (“Strategic Plan”) identifies City Council’s Vision, Mission, Values and Strategic Areas of Focus for 2019 – 2023. One of the strategies identified is to direct growth and intensification to strategic locations including the revitalization of London’s Downtown Area.

Without adequate justification, any increase of office space permitted outside of the Downtown core is contrary to, and contradicts, the City's Strategic Plan.

- 6. **Downtown London Community Improvement Plan (the "Downtown CIP").** The Downtown CIP provides the context for a coordinated municipal effort to improve the physical, economic and social climates of the Downtown. The goals of the Downtown CIP are to stimulate private investment and property maintenance and renewal in the Downtown. One of the stated goals of the Downtown CIP is *"to promote the continued development of the Downtown as the primary business, office, cultural and administrative centre for the City, and as a regional centre for Southwestern Ontario."* One of the Downtown CIP initiatives is to limit the amount of office space outside of the Downtown Area.

The Proposed Zoning By-law Amendment does not support the Downtown CIP, as it inappropriately increases the office space outside of the Downtown Area and will exacerbate vacancy rates in the Downtown Core.

- 7. **Core Area Action Plan, October 28, 2019.** The Core Area includes Downtown, Richmond Row and Old East Village and encompasses most of the London Downtown and Old East Village Business Improvement Areas ("BIA"). The Core Area Action Plan has been developed by the City to address the complex challenges relating to the London's core; developing several initiatives focused on improvement homeless prevention, enhancing safety and security, ensuring there is space for the economy to grow, and creating a positive space to attract visitors. The Core Area Action Plan specifically identifies the persistence of high vacancies in many office buildings as a concern.

The Proposed Zoning By-law Amendment fails to meet the objectives of the City's Core Area Action Plan and will exacerbate the persistence of high vacancies in the Downtown Area.

We also note that the City has failed to act on the Downtown parking study from 2015 and the City's Parking Strategy for the Downtown Area from 2017. Until such time as the City's Downtown parking strategy is appropriately addressed, the creation of office space located outside of the Downtown core that includes convenient availability of parking results in a

disadvantage to the Downtown Core Area and further challenges efforts to revitalize the City's Downtown Core Area as discussed above.

In light of these considerations, in our opinion, the noted deficiencies need to be addressed to ensure this application aligns with the policy direction and permissions of the applicable planning framework. As currently drafted the Proposed Zoning By-law Amendment fails to adhere to the requirements of the City's planning framework and City's intention to protect the Downtown Core Area and does not represent good planning. This represents our Client's initial review of the Proposed Zoning By-law Amendment and as a result we reserve our Client's right to raise any additional issue that may arise upon further review and consideration.

By copy of this letter we request notification of any public meetings, town hall meetings, council meetings special or otherwise, statutory or otherwise, as they relate to the Proposed Zoning By-law Amendment.

Should you have any questions or concerns, please do not hesitate to contact us.

Yours very truly,

Yours very truly,

Siskinds LLP



e-signature

Per:

Paula Lombardi
Partner

c: Client

Appendix B – Policy Context

The following policy and regulatory documents were considered in their entirety as part of the evaluation of this requested land use change. The most relevant policies, by-laws, and legislation are identified as follows: (***Added bold italics for important reference***)

1) Provincial Policy Statement, 2020 (In Effect May 1, 2020)

The Provincial Policy Statement (PPS), issued under the authority of Section 3 of the Planning Act “*provides policy direction on matters of provincial interest related to land use planning*” in order to ensure efficient development and the protection of resources. All planning applications, including Zoning By-law Amendment applications, are required to be consistent with these policies. The following policies are relevant to the proposed application:

Section 1.1.1 a) promoting efficient development and land use patterns which sustain ***financial well-being*** of the Province and ***municipalities over the long term***;

Section 1.1.1b) Accommodating an appropriate affordable and market-based range and mix of [...] ***employment*** (including industrial and ***commercial***) [...] to meet long-term needs

Section 1.1.3.1 Settlement areas shall be the focus of growth and development.

Section 1.1.3.2 Land use patterns within a settlement area shall be based on densities and a mix of land uses which:

- a) Efficiently use land and resources;
- e) Support active transportation;
- f) Are transit-supportive, where transit is planned, exists or may be developed.

Section 1.3.1 Planning authorities shall promote economic development and competitiveness by:

- a) Providing for an ***appropriate mix and range of employment***, institutional, and broader mixed 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) Facilitating the conditions for economic investment by ***identifying strategic sites*** for investment, monitoring the availability and suitability of employment sites, including market-ready sites, and seeking to address potential barriers to investment.
- d) Encouraging ***compact, mixed-use development that incorporates compatible employment uses*** to support liveable and resilient communities, with consideration of housing policy 1.4.

1.3.2 Employment Areas

1.3.2.1 Planning authorities shall plan for, ***protect and preserve employment areas*** for current and future uses and ensure that the necessary infrastructure is provided to support current and projected needs.

1.3.2.2 At the time of the official plan review or update, planning authorities should assess employment areas identified in ***local official plans to ensure that this designation is appropriate to the planned function of the employment area***.

Section 1.7.1 Long-term economic prosperity should be supported by:

- d) ***maintaining and, where possible, enhancing the vitality and viability of downtowns and mainstreets***;

6.0 Definitions

Employment area: means those areas designated in an official plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, **offices**, and associated retail and ancillary facilities.

2) City of London Strategic Plan, 2019 – 2023.

The 2019 – 2023 Strategic Plan for the City of London (“Strategic Plan”) identifies City Council’s Vision, Mission, Values and Strategic Areas of Focus for 2019 – 2023. The following are relevant to this application;

Building a Sustainable City

Direct Growth and intensification to strategic locations/Revitalize London’s Downtown and urban areas.

Growing Our Economy

Increase public and private investment in strategic locations/Revitalize London’s Downtown and Urban Areas

Increase access to supports for entrepreneurs and small businesses and community economic development/Revitalize London’s Downtown and urban areas

3) 1989 City of London Official Plan (Council adopted June 19, 1989)

4.1. DOWNTOWN DESIGNATION

The Downtown is the primary multi-functional activity centre serving the City of London and the surrounding area, comprising much of southwestern Ontario. **It contains regionally significant office**, retail, service, **government** recreational, entertainment and cultural facilities and is distinguished from other areas in the City by its concentration of employment and its intensive, multi-functional land use pattern. It is intended that the **Downtown will continue to be the major office employment centre** and commercial district in the City,..... **Limitations on the scale of development will be less restrictive in the Downtown** and policies will allow for flexibility in the application of these limitations.

4.1.1. PLANNING OBJECTIVES

- iii) **Promote the continued development of the Downtown as the primary business, administrative**, institutional, entertainment and cultural centre for the City of London and as a regional centre for Southwestern Ontario. (Clause i) amended by OPA No. 95 - OMB Order No. 1596 - approved 98/06/25)
- iv) **Concentrate the development of major office buildings**, hotels, convention facilities, entertainment and cultural uses, major indoor sports facilities and **government buildings**, having City-wide or regional significance, **within the Downtown**. (Clause ii) deleted and replaced by OPA No. 95 - OMB Order No. 1596 - approved 98/06/25)

4.3 COMMERCIAL NODES

The development of lands designated as Commercial Node is primarily intended to meet a variety of retail and service needs ranging from frequent, convenience-oriented and neighbourhood-based shopping activities to the provision of specialized goods and services that draw customers from a broad trade area. While these areas are

conveniently located to satisfy many of the shopping needs of the areas they serve, **they are not intended to accommodate the wide range of functions or the intensive scale of non-retail development permitted in the Downtown, nor will they rival the Downtown's role as the primary business, administrative, institutional, entertainment and cultural area in the City.** (Section 4. Amended by OPA 95- OMB Order No. 1596 – approved 98/06/25)

Enclosed Regional, New Format Regional, Community and Neighbourhood Commercial Nodes shall be developed primarily for retail and service commercial uses, **and, to a lesser extent, small scale offices that are suited to a location with an integrated form of development that encourages multi-purpose shopping trips.** Specific ranges of uses for the commercial nodes will be determined on the basis of their size, location and proximity to sensitive land uses. These uses will be identified in the Zoning By-law.

Function - Policy 4.3.7.1 Community Commercial Nodes **are intended to provide a wide range of goods and services which are needed on a regular basis.** Community Commercial Nodes are smaller in size than Enclosed and New Format Regional Commercial Nodes and there is less emphasis on comparison shopping needs and more emphasis on community specialized services. A supermarket or food store should form an integral part of the node. Their trade areas are subsidiary to the trade areas of Enclosed and New Format Regional Commercial Nodes and primarily consist of the surrounding community which includes a number of neighbourhoods within convenient driving or walking distance.

Permitted Uses - Policy 4.3.7.3 Permitted uses include all types of retail outlets including department stores, home improvement and furnishings stores, supermarkets, food stores and pharmacies; convenience commercial uses; personal services; restaurants; commercial recreation establishments; financial institutions and services; a limited range of automotive services; **service-oriented office uses such as real estate, insurance and travel agencies;** community facilities, such as libraries or day care centres; **professional and medical/dental offices;** and commercial and private schools. **Within Community Commercial Nodes, office uses and places of entertainment will be permitted in limited amounts.** Zoning on individual sites or areas may be for less than the full range of permitted uses.

5.OFFICE LAND USE DESIGNATIONS

INTRODUCTION

The Office land use designations provide for the development of purpose-designed office buildings, office conversions, and mixed office/residential buildings at appropriate locations. **The intent of these designations is to allow for choice in the location and cost of office space while maintaining the Downtown as the primary office employment area in the City and as the preferred location for major office developments. Limited forms of office development are also allowed in other Commercial designations** and under the Industrial and Residential land use policies; however, **these provisions are not intended to accommodate the type and scale of general office development that may be appropriate at selected locations outside of the Downtown. In creating separate Office designations and allowing some suburban office development, it is recognized that such development may have an impact on the demand for office space in the Downtown. For this reason, the policies limit the scale and form of office development in the Office designations. Where an Official Plan and/or Zoning By-law amendment is required, consideration will be given to the impact of the office development on the projected office space demand for both the Downtown and the City.**

5.1.1. GENERAL OBJECTIVES FOR ALL OFFICE DESIGNATIONS

i) **Provide for choice in the location and cost of office space while maintaining the Downtown as the primary office employment area in the City.**

5.2.4. Scale of Development

... The Zoning By-law will control the scale of development through building height, lot coverage, floor area, and setback regulations. For the purpose of this Plan, **office development of less than 2,000 square metres (21,529 sq.ft.) gross floor area will normally be considered “small scale”, and office development between 2,000 square metres (21,529 sq.ft.) and 5,000 square metres (53,921 sq.ft.) gross floor area will normally be considered “medium scale”.** (OPA #506)

4) The London Plan (Council adopted June 23, 2016, Ministry approved December 28, 2016)

DOWNTOWN

OUR VISION FOR THE DOWNTOWN PLACE TYPE

795_ Our Downtown will be the **hub of our economy’s business community, containing the city’s largest office buildings** and a complex blend of professional and business service functions that collectively create dynamic synergies. Our vibrant Downtown restaurants, entertainment venues, hotels, and convention centre facilities, combined with the highest-order communications infrastructure, will be attractive to those who work Downtown and those **businesses that seek out the best and the brightest employees.**

HOW WILL WE REALIZE OUR VISION?

799_ We will realize our vision for Downtown by implementing the following in all the planning we do and the public works we undertake, we will:

14. Direct large-scale office developments, greater than 5,000m², to the Downtown to prevent the deterioration of the important Downtown office market while still allowing for a reasonable supply of office uses outside of the Downtown.

15. Locate major government buildings, hotels, convention centres, and large entertainment and cultural facilities in the Downtown.

SHOPPING AREA

ROLE WITHIN THE CITY STRUCTURE

873_ The Downtown, Transit Village, Rapid Transit Corridor, Urban Corridor, Main Street and Neighbourhoods Place Types all support varying amounts of retail, office, and service uses. Outside of these Place Types, the **Shopping Area is the primary Place Type that will allow for commercial uses.**

874_ Shopping Areas are to service their immediate neighbourhoods, and provide a walkable focal point that creates a neighbourhood identity. In some cases, these centres may be very large and serve a much broader population, and may not be directly tied to an individual neighbourhood or community

HOW WILL WE REALIZE OUR VISION?

876_ 4. Encourage the **repurposing**, reformatting, infill and intensification of existing centres to take advantage of existing services, use land more efficiently, and reduce the need for outward expansion.

PERMITTED USES

877_ The following uses may be permitted within the Shopping Area Place Type:

1. A broad range of retail, service, **office**, entertainment, recreational, educational, institutional, and residential uses may be permitted within the Shopping Area Place Type.

INTENSITY

878_ The following intensity policies apply within the Shopping Area Place Type:

7. Total aggregate office uses will not exceed 2,000m2 within a Shopping Area Place Type.

5) Zoning By-law Z-1 – July 1, 1993

Section 2- Definitions

"OFFICE" means a building, or part thereof, containing one or more offices including professional or service offices and all other forms of offices except medical/dental offices

"OFFICE, MEDICAL/DENTAL" means an office or offices in which the practice of the professions of medicine, psychiatry, dentistry or optometry is carried on or in which the treatment by osteopathy or chiropractic is carried out but does not include a CLINIC, METHADONE."

"OFFICE, BUSINESS" means a building or part thereof in which the administrative functions of agencies, foundations, brokers, labour or fraternal organizations are carried out and includes a service office, but does not include medical/dental offices, professional offices, support offices, financial or general offices, unless specified as permitted within this definition.

"OFFICE, CHARITABLE ORGANIZATION" means a building or part thereof in which the administrative functions of a registered charitable organization are carried out as the primary function, including but not limited to such uses as design, printing, assembly and distribution of information materials related to the use, customer service and data processing related to the use, warehousing/storage of supplies related to the use, and training and conference facilities and public education programs related to the use. (Z.-1-081810)

"OFFICE, PROFESSIONAL" means a building or part thereof in which a legal or other personal professional service is performed or consultation given, includes the offices of a lawyer, a planner, an architect, a surveyor, an engineer or a chartered accountant, but does not include a personal service establishment, a medical/dental office, a clinic, an animal hospital, a body-rub parlour or any adult entertainment parlour as defined in the Municipal Act, as amended.(Z.-1-93173 and Z.-1-94236)

"OFFICE, SERVICE" means a building, or part thereof, in which one or more persons is employed in the management, direction or conducting of a travel agency, an insurance agency, or a real estate agency

"FINANCIAL INSTITUTION" means an establishment which provides money management services directly to the public, including a bank, trust company, credit union, securities dealer, finance companies and stock brokers, but not including the internal offices or administrative offices which shall be considered to be offices for the

purposes of this By-Law

"BUSINESS SERVICE ESTABLISHMENT" means an establishment primarily engaged in providing services to business establishments on a fee or contract basis, including advertising and mailing, building maintenance, employment services, protective services, and small equipment rental, leasing and repair

"PUBLIC USE", when used in reference to a building, structure, use or lot, means a building, structure, use or lot used by a public agency to provide a service to the public. Public agencies comprise: (O.M.B. File #R 910387 - Appeal #9006-2 June 4, 1993)

- a) the Government of Canada, the Government of Ontario, or a municipal corporation;
- b) any ministry, department, commission, authority, board or agency established by the Government of Canada or the Government of Ontario; or
- c) any public utility. (Z.-1-051390)

Section 21 - REGIONAL SHOPPING AREA (RSA) ZONE

21.1 GENERAL PURPOSE OF THE RSA ZONE

The RSA Zone primarily recognizes lands planned for use as enclosed regional shopping centres. The RSA Zone provides for and regulates a wide range of regional-scale, specialized, comparison shopping retail and personal service uses, as well as some office, commercial recreation and community facilities uses, which are suited to a location within an enclosed shopping centre building. Limits are placed on the amount of office and entertainment space. Other shopping centre and stand-alone buildings are allowed on a limited basis normally near the perimeter of the property to satisfy urban design goals to create a street edge and screen large surface parking lots. The permitted uses are the same for all RSA Zone variations, however, variations of the zone occur based on maximum permitted gross leasable floor area.

21.2 PERMITTED USES

No person shall erect or use any building or structure, or use any land or cause or permit any building or structure to be erected or used, or cause or permit any land to be used, in any RSA Zone variation or any use other than the following uses:

- 1) RSA1, RSA2, RSA3, and RSA4 Zone variations

The following are permitted uses within an enclosed shopping centre building in RSA1, RSA2, RSA3, and RSA4 Zone variations:

- a) (Amusement games establishments deleted by Z.-1-96458 - (O.M.B. File No. R 980047 - Order Issue Date June 25, 1998)
- b) Assembly halls;
- c) Automotive uses, restricted;
- d) Catalogue stores;
- e) Clinics;
- f) Commercial parking structures and/or lots;
- g) Commercial recreation establishments;
- h) Convenience service establishments;
- i) Day care centres;
- j) (Z.-1-96435)
- k) Duplicating shops
- l) Financial institutions;
- m) Institutions;
- n) Liquor, beer and wine stores;

- o) Medical/dental offices;
- p) Offices;
- q) Patient testing centre laboratories;
- r) Personal service establishments;
- s) Private clubs;
- t) Restaurants;
- u) Retail stores;
- v) Service and repair establishments;
- w) Studios;
- x) Supermarkets;
- y) Taverns;
- z) Taxi establishments;
- aa) (Deleted by Z.-1-96458 - O.M.B. File No. R 980047 - Order Issue Date June 25, 1998)
- bb) Video rental establishments;
- cc) Place of Entertainment; (Added by Z.-1-96458 - O.M.B. File No. R 980047 - Order Issue Date: June 25, 1998)
- dd) Brewing on premises establishments (Z.1-021027)

21.3 REGULATIONS

No person shall erect or use any building or structure, or use any land or cause or permit any building or structure to be erected or used, or cause or permit any land to be used, in any RSA Zone variation except in conformity with the regulations as set out below or in Table

2) GROSS LEASABLE FLOOR AREA (MAXIMUM) For the purpose of the RSA Zone variations, maximum gross leasable floor area shall not include floor area devoted to commercial recreation establishments, institutions, or day care centres. (Z.-1-96458 - O.M.B. File No. R 980047 - Order Issue Date: June 25, 1998) ...

21.4 SPECIAL PROVISIONS

The following zones apply to unique or existing situations and are not the standard RSA Zone variations. If a regulation or case is not specified, the list of permitted uses and/or the regulations of Section 21.2 and/or Section 21.3 shall apply.

RSA2(2) 785 Wonderland Road South

- a) Additional Permitted Use:
 - i) Commercial and Private Schools. (Z.-1-112018)

6) London Downtown Plan- "Our Move Forward

Downtown London plays an important role in the life of Londoners. It is the cultural heart and the original neighbourhood of our city. The **downtown is**, and has historically been, **a critical employment centre and economic engine.** ..

A successful downtown is **key for retaining and attracting business investment** in London. A strong downtown tells the world that London is vibrant, interesting, exciting and enriching. It signals to investors that London is a captivating choice when attracting and retaining a high-quality labour force. It exudes the kind of success that breeds investment confidence

The Downtown as a Place to Do Business -The downtown **has continually maintained its status as the office employment centre of London, with over 80 percent of the city-wide office space and 303 jobs per hectare.** Much of this success can be linked to **strong City policies supporting the downtown in this role since the early 1990's.**

6.0 Create the buzz

6.1 Maintain and enhance the downtown as the **major focus for employment** and economic activity within the city and the region.

6.2 Maintain the downtown as the primary and preferred location for office buildings exceeding 5,000 square metres.

6.3 Encourage **federal, provincial and municipal governments to maintain and expand their downtown office facilities**

7) Downtown London Community Improvement Plan (the “Downtown CIP”) (Council adopted-1996, amendments November 14, 2017)

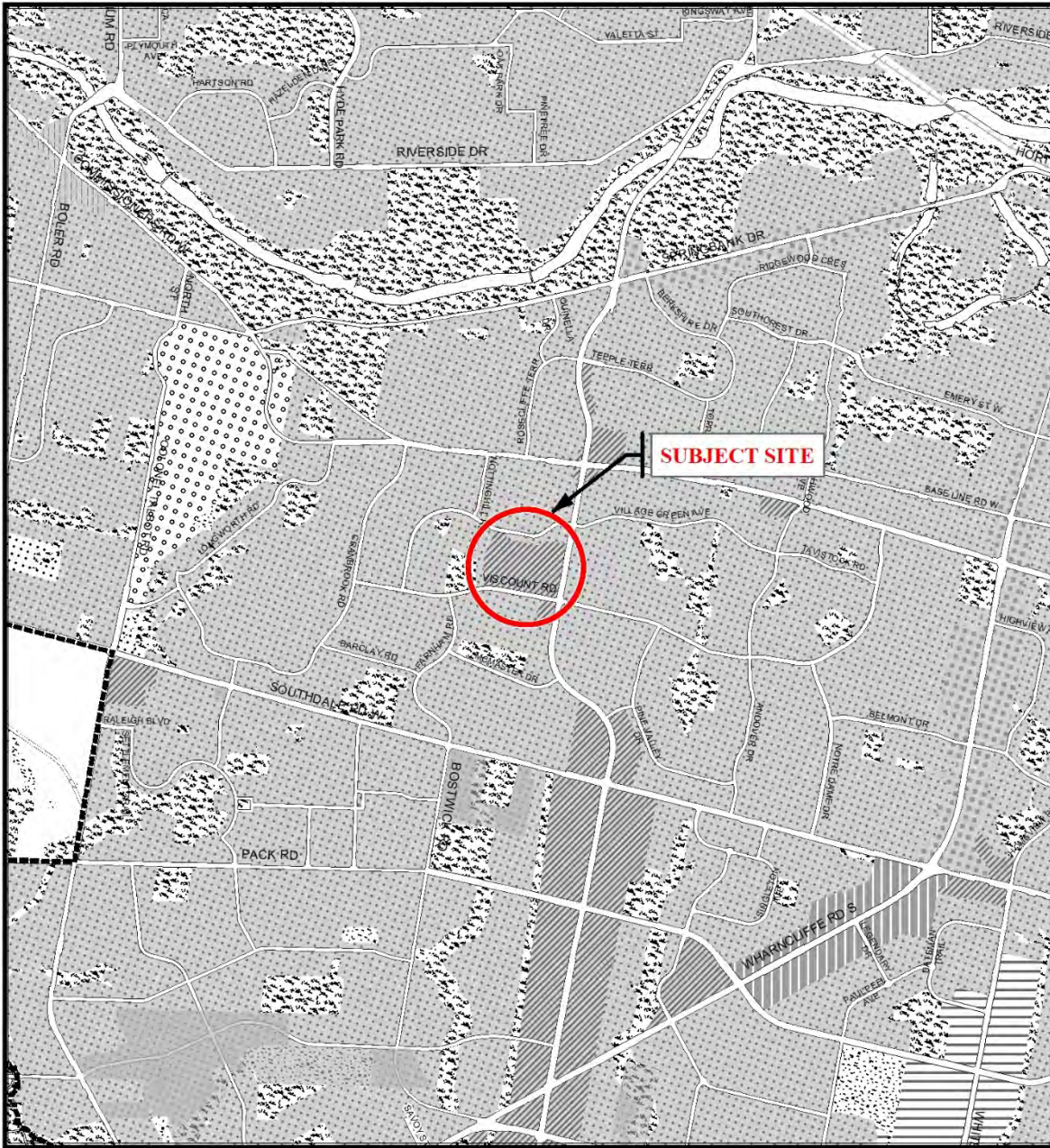
The Downtown CIP provides the context for a coordinated municipal effort to improve the physical, economic and social climates of the Downtown. The goals of the Downtown CIP are to stimulate private investment and property maintenance and renewal in the Downtown. One of the stated goals of the Downtown CIP is **“to promote the continued development of the Downtown as the primary business, office, cultural and administrative centre for the City, and as a regional centre for Southwestern Ontario.”** One of the Downtown CIP initiatives is to **limit the amount of office space outside of the Downtown Area.**

8) Core Area Action Plan, October 28, 2019.

The Core Area includes Downtown, Richmond Row and Old East Village and encompasses most of the London Downtown and Old East Village Business Improvement Areas (“BIA”). The Core Area Action Plan has been developed by the City to address the complex challenges relating to the London’s core including; specifically identifying the **persistence of high vacancies in many office buildings** as a concern.

Appendix C – Relevant Background

Additional Maps



Legend

- | | | |
|------------------------|--------------------------|---|
| Downtown | Future Community Growth | Environmental Review |
| Transit Village | Heavy Industrial | Farmland |
| Shopping Area | Light Industrial | Rural Neighbourhood |
| Rapid Transit Corridor | Future Industrial Growth | Waste Management Resource Recovery Area |
| Urban Corridor | Commercial Industrial | Urban Growth Boundary |
| Main Street | Institutional | Areas Withheld from LPAT Approval |
| Neighbourhood | Green Space | |

This is an excerpt from the Planning Division's working consolidation of Map 1 - Place Types of the London Plan, with added notations.

At the time of the printing of this map, the Rapid Transit EA is in progress. This map shows the Rapid Transit Corridors and Urban Corridors to recognize potential alignments. These Place Types will be modified to align with the results of the EA process for the final version of The London Plan.

CITY OF LONDON

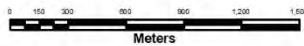
Planning & Development

**LONDON PLAN MAP 1
- PLACE TYPES -**

PREPARED BY: Planning & Development



Scale 1:30,000

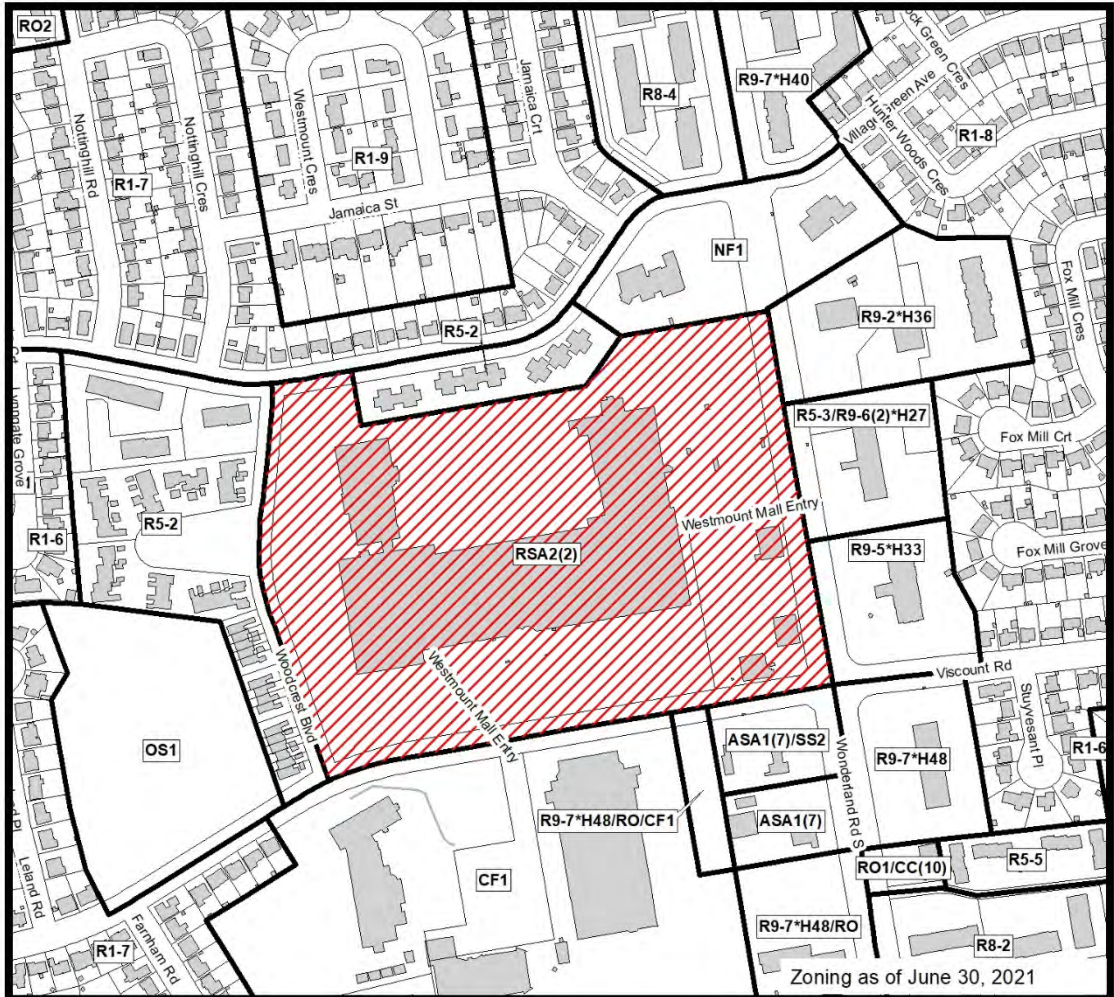


File Number: Z-9356

Planner: CP

Technician: MB

Date: 2021/07/20



COUNCIL APPROVED ZONING FOR THE SUBJECT SITE: RSA2(2)

1) **LEGEND FOR ZONING BY-LAW Z-1**

- | | |
|--|---|
| <ul style="list-style-type: none"> R1 - SINGLE DETACHED DWELLINGS R2 - SINGLE AND TWO UNIT DWELLINGS R3 - SINGLE TO FOUR UNIT DWELLINGS R4 - STREET TOWNHOUSE R5 - CLUSTER TOWNHOUSE R6 - CLUSTER HOUSING ALL FORMS R7 - SENIOR'S HOUSING R8 - MEDIUM DENSITY/LOW RISE APTS. R9 - MEDIUM TO HIGH DENSITY APTS. R10 - HIGH DENSITY APARTMENTS R11 - LODGING HOUSE
 DA - DOWNTOWN AREA RSA - REGIONAL SHOPPING AREA CSA - COMMUNITY SHOPPING AREA NSA - NEIGHBOURHOOD SHOPPING AREA BDC - BUSINESS DISTRICT COMMERCIAL AC - ARTERIAL COMMERCIAL HS - HIGHWAY SERVICE COMMERCIAL RSC - RESTRICTED SERVICE COMMERCIAL CC - CONVENIENCE COMMERCIAL SS - AUTOMOBILE SERVICE STATION ASA - ASSOCIATED SHOPPING AREA COMMERCIAL
 OR - OFFICE/RESIDENTIAL OC - OFFICE CONVERSION RO - RESTRICTED OFFICE OF - OFFICE | <ul style="list-style-type: none"> RF - REGIONAL FACILITY CF - COMMUNITY FACILITY NF - NEIGHBOURHOOD FACILITY HER - HERITAGE DC - DAY CARE
 OS - OPEN SPACE CR - COMMERCIAL RECREATION ER - ENVIRONMENTAL REVIEW
 OB - OFFICE BUSINESS PARK LI - LIGHT INDUSTRIAL GI - GENERAL INDUSTRIAL HI - HEAVY INDUSTRIAL EX - RESOURCE EXTRACTIVE UR - URBAN RESERVE
 AG - AGRICULTURAL AGC - AGRICULTURAL COMMERCIAL RRC - RURAL SETTLEMENT COMMERCIAL TGS - TEMPORARY GARDEN SUITE RT - RAIL TRANSPORTATION
 "h" - HOLDING SYMBOL "d" - DENSITY SYMBOL "H" - HEIGHT SYMBOL "B" - BONUS SYMBOL "T" - TEMPORARY USE SYMBOL |
|--|---|

CITY OF LONDON

PLANNING SERVICES / DEVELOPMENT SERVICES

**ZONING
BY-LAW NO. Z-1
SCHEDULE A**



THIS MAP IS AN UNOFFICIAL EXTRACT FROM THE ZONING BY-LAW WITH ADDED NOTATIONS

FILE NO:

Z-9356

CP

MAP PREPARED:

2021/07/20

MB

1:5,000

0 25 50 100 150 200

Meters