



Report to: Development Services Committee

Meeting Date: May 25, 2021

SUBJECT:	Recommendations Regarding Referred Markham Employment Conversion Requests – 2041 Regional Municipal Comprehensive Review
PREPARED BY:	Policy & Research Group, Development Services Commission
REVIEWED BY:	Marg Wouters, R.P.P., M.C.I.P., Senior Manager, Policy & Research (x. 2909)

RECOMMENDATION:

- 1) That the report entitled “Recommendations Regarding Referred Markham Employment Conversion Requests – 2041 Regional Municipal Comprehensive Review ” dated May 25, 2021 be received;
- 2) That Markham Council support the request by 1628740 Ontario Inc and 1628741 Ontario Inc (Tucciarone) (M3) to convert the 1.0 hectare lands at 2718 and 2730 Elgin Mills Road from employment area to non-employment area uses, and that the lands not be mapped as employment area in the Regional Official Plan;
- 3) That Markham Council not support the request by Markham Woodmills Developments (Smart Centres) (M8) to convert 1.9 hectares of their lands at the northeast corner of Highway 404 and Elgin Mills Road from employment area to non-employment area uses and that the lands be mapped as employment area in the Regional Official Plan;
- 4) That Markham Council not support the request by the Wemat Group (M11) to convert 17.1 hectares at the southwest corner of Highway 404 and Highway 7 from employment area to non-employment area uses as part of the current municipal comprehensive review, and that the lands be mapped as employment area in the Regional Official Plan;
- 5) That Markham Council request the Region to continue to defer a decision on the request by Cornell Rouge Development Corporation, Varlese Brothers et al to convert 17.9 hectares north of Highway 7 and west of Reesor Rd (M4), and the request by Norfinch Group (M7) to convert 0.75 hectares at the southwest corner of Highway 7 and Reesor Road from employment area to non-employment area uses until, at latest, the release of the draft Regional Official Plan;
- 6) That Markham Council request Regional Council to initiate the next municipal comprehensive review no later than five years following adoption of the new Regional Official Plan;

-
- 7) That this staff report be forwarded to York Region as the City of Markham's recommendations on the employment conversion requests referred back to Markham by Regional Council on October 22, 2020;
 - 8) And that staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

This report provides staff recommendations on five employment conversion requests that Regional Council has referred back to Markham Council for further recommendation.

The five referred conversion requests include:

- M3 1628740 Ontario Inc and 1628741 Ontario Inc (Cathedral)
- M8 Markham Woodmills Developments (Cathedral)
- M11 The Wemat Group (Commerce Valley)
- M4 Cornell Rouge Development Corporation, Varlese Brothers et al (Cornell)
- M7 Norfinch Group (Cornell)

The M3 and M8 requests in the northeast quadrant of Highway 404 and Elgin Mills Rd, (known as Tucciarone and Smart Centres respectively), were referred pending further discussions with the Ministry of Transportation (MTO) and York Region regarding the possibility of direct access from Elgin Mills Rd to either or both properties. MTO has confirmed that direct access will not be permitted. Staff recommend support of the M3 (Tucciarone) conversion request as these lands will only have access from local residential streets. Staff recommend that Council not support the M8 (Smart Centres) request as access to this property is still available via a collector road from Woodbine Ave.

With respect to the M11 Wemat Group request for conversion of lands in the southwest quadrant of Highway 404 and Highway 7, staff recommend that Council not support the request. Rather, staff recommend that an area study be undertaken to review the appropriate uses in this and neighbouring employment areas as input into the next municipal comprehensive review (MCR). Staff also recommend that Regional Council be requested to initiate the next MCR within 5 years of adoption of the new Regional Official Plan.

With respect to the M4 and M7 referred requests in the Cornell employment area, as there is currently uncertainty regarding the nature and timing of Parks Canada facilities within the adjacent Rouge National Urban Park Gateway area, around which the conversions were being considered, staff recommend that Council request the Region to continue to defer a decision on the request by Cornell Rouge Development Corporation, Varlese Brothers et al to convert 17.9 hectares north of Highway 7 and west of Reesor Rd (M4), and the request by Norfinch Group (M7) to convert 0.75 hectares at the southwest corner of Highway 7 and Reesor Road until, at latest, the release of the draft Regional Official Plan.

Staff recommends that this report be forwarded to York Region as the City of Markham's recommendations on employment conversion requests that were referred back to the City by Regional Council for a decision. Staff will continue to plan for and advance the studies identified in the report.

PURPOSE:

This report provides an overview of Regional Council decisions in October 2020 on a number of employment conversion requests in Markham as part of their ongoing municipal comprehensive review (MCR), and also provides Markham staff recommendations on the five conversion requests that Regional Council referred back to Markham Council for further recommendation.

BACKGROUND:

The Provincial Growth Plan 2019 requires the Region to designate employment areas in the Regional Official Plan (ROP) and to protect these lands for appropriate employment uses over the long term. Previously, employment land use designations were only included in local municipal official plans. Regional Council is the approval authority for employment area conversion requests which can only be considered as part of an MCR.

Markham Council provided recommendations regarding a number of employment conversion requests to the Region in February 2020 and through subsequent Council resolutions in October 2020. Regional Council considered all of the conversion requests in York Region on October 22, 2020.

The Regional Council decision on each of the employment conversion requests in Markham is provided in Table 1 to this report, along with Markham Council's previous recommendation. The location of each employment area conversion request is provided in Figure 1.

Regional Council approved five of the conversion requests in Markham allowing for the conversion of 12 hectares of employment land to non-employment uses. All five of the approved conversion requests were supported by Markham Council.

Regional Council referred five requests back to Markham Council for a decision by April 2021. The five referred requests are listed below according to the Region's alphanumeric reference and are addressed in this report:

- M3 1628740 Ontario Inc and 1628741 Ontario Inc (Cathedral)
- M8 Markham Woodmills Developments (Cathedral)
- M4 Cornell Rouge Development Corporation, Varlese Brothers et al (Cornell)
- M7 Norfinch Group (Cornell)
- M11 The Wemat Group (Commerce Valley)

Regional Council denied three requests for conversion in Markham. Two of the three denied requests were consistent with Markham Council decisions as identified in Table 1. The third denied request, Wu's Landmark/First Elgin Developments Ltd (M10), is also addressed in this report.

OPTIONS/ DISCUSSION:

Since October 2020, Markham staff have been following up on the direction of Markham Council and Regional Council on the five referred requests. The status of each of these requests is provided below along with proposed staff recommendations. The September 23, 2019 and February 11, 2020 Markham staff reports providing the details of each of the conversion requests is provided through this [link](#).

M3 1628740 Ontario Inc and 1628741 Ontario Inc (Tucciarone) and M8 Markham Woodmills Developments Ltd (Smart Centres) – Cathedral Employment Area

On February 25, 2020, following consideration through a Sub-Committee of Development Services Committee, Markham Council adopted the staff recommendation to support the conversion of the 1.0 ha Tucciarone lands at 2710 and 2718 Elgin Mills Rd to residential uses, subject to confirmation by York Region that no access to adjacent employment lands along Highway 404 owned by Markham Woodmills (Smart Centres), was possible from Elgin Mills Rd through the Tucciarone lands. Staff was also directed to work with the landowner to identify a broader range of non-residential uses for the subject lands.

At the same meeting, Markham Council adopted staff's recommendation to not support the conversion of 1.9 ha of the adjacent Smart Centres lands for residential uses, and directed staff to identify a broader range of non-residential uses for these lands as well. Both the Tucciarone and Smart Centres lands are shown on Figure 1 and in more detail on Figure 2.

On October 14, 2020, prior to York Region Council's consideration of all of the employment conversion requests throughout the Region, Markham Council passed a resolution asking Regional Council to defer consideration of both employment conversion requests to allow the City more time to work with the landowner to identify a broader range of non-residential uses for the sites and to address access issues in a coordinated manner. The Regional staff recommendation to Regional Council was not to support either conversion request. At Markham's request, Regional Council agreed to refer the requests back to Markham for a decision by April 2021.

As MTO have confirmed they will not support direct access from Elgin Mills Rd, Markham staff recommends support of the Tucciarone conversion request

The Tucciarone lands, which front on Elgin Mills Rd, currently have access to Elgin Mills Rd through a temporary driveway. Through the approval of the residential subdivision to the Holborn subdivision immediately to the north, which was approved for conversion from employment to residential use in 2013, consideration was given to providing access to these lands through the new subdivision roads. The intent was that access to the lands in future would be from Woodbine Ave through Lord Melbourne St and the internal local streets within the Holborn subdivision. Access to the Smart Centres lands is also currently from Woodbine Ave through Lord Melbourne St (see Figure 2).

Markham Planning and Engineering staff engaged York Region and the Ministry of Transportation (MTO) to discuss options for providing access to both the Tucciarone and

Smart Centre lands from Elgin Mills Rd (see Appendix 'A'). Options included direct access to the lands from the Highway 404 northbound off-ramp through a grade-separated extension of the off-ramp across Elgin Mills Rd, and three options for access directly from Elgin Mills Rd closer to Woodbine Ave (i.e., right-in only, right in-right out with median, and mid-block signalized intersection). MTO indicated that the cost and construction of the grade-separated extension of the off-ramp would be the responsibility of the City or the developer, and that Smart Centres had indicated that the cost of this ramp access would be prohibitive given the total area of developable land it would serve.

In a February 2021 letter from the Deputy Minister, MTO confirmed that for safety reasons they could not support any of the options for direct access from Elgin Mills Rd and recommended considering access through the local roads to the north, or through the woodlot to the north of the property. Markham staff do not support access to employment lands from local residential streets. Road access via the north side of the woodlot is no longer viable as the recently endorsed site plan for a development proposal between the woodlot and Mobis Drive to the north does not include a public road.

Given MTO confirmation that direct access from Elgin Mills Rd is not an option, and given the limited developable area of the Tucciarone lands, including the presence of a heritage building, City staff question the viability of developing the Tucciarone lands on their own for any type of non-residential use if access to these lands is only available from the local residential streets to the north. Any service employment type of use on the site would likely require visible and full moves access to be viable. In the absence of direct access from Elgin Mills Rd, Markham staff support the conversion request for the Tucciarone lands.

As access to the Smart Centres lands does not rely on direct access to Elgin Mills Rd or local streets, Markham staff recommend denial of this conversion request

With respect to the Smart Centres lands, Council's approval of the Holborn conversion request in 2013 resulted in the primary access to the employment lands to the west (Smart Centres) being confined to Woodbine Ave via Lord Melbourne St which was designed to collector road standards. Any new access from Elgin Mills Rd would have been a secondary access. Given the location of the lands immediately adjacent to Highway 404, and given that access to the lands is still available from Woodbine Ave, staff continue to support employment uses on the site.

As directed, staff met with Smart Centres to review current permissions on the lands and to explore any additional non-residential uses that could be supported. The current zoning of the lands already allows for a broad range of uses (such as hotel, medical office, commercial school), and some of the additional uses discussed (commercial self storage), while perhaps requiring an official plan amendment, would not constitute employment conversion. Additional non-residential uses can continue to be reviewed as part of the policy development stages of the new Regional Official Plan.

Although the Smart Centres conversion request represents only 1.9 ha of the total 3.1 ha Smart Centres property, Markham staff are concerned that allowing non-employment uses on even this small portion will have a detrimental effect on the viability of the

remaining employment lands (both the remainder of the Smart Centres property and the 1.5 ha property to the north). Based on the above considerations, Markham staff continue to recommend denial of the Markham Woodmills (Smart Centres) conversion request.

Recommendation 1: That Markham Council support the request by 1628740 Ontario Inc., and 1628741 Ontario Inc (Tucciarone) (M3) to convert the lands at 2718 and 2730 Elgin Mills Road East from employment area to non-employment area uses, and that the lands not be mapped as employment area in the Regional Official Plan.

Recommendation 2: That Markham Council not support the request by Markham Woodmills Developments Inc (Smart Centres) (M8) to convert 1.9 ha of their lands at the northeast corner of Elgin Mills Road and Highway 404 from employment area to non-employment area uses, and that the lands be mapped as employment area in the Regional Official Plan.

M11 The Wemat Group - Commerce Valley Employment Area

In February 25, 2020, following consideration through a Sub-Committee of Development Services Committee, Markham Council adopted a resolution to postpone consideration of the Wemat Group request for conversion of 17 ha of employment lands located at the southwest corner of Highway 7 and Highway 404 to allow for the submission of an appropriate revised development concept plan prior to ultimate consideration of the conversion request by York Region Council. The original conversion request was to add residential and mixed use permissions on the lands in addition to permitted office, hotel and convention centre uses. A revised development concept was not submitted.

On October 14, 2020, prior to York Region Council's consideration of all of the employment conversion requests throughout the Region, Markham Council passed a resolution asking Regional Council to defer consideration of the Wemat Group conversion request to allow the City of Markham to undertake a joint study with the City of Richmond Hill, in consultation with landowners and York Region, to confirm the appropriate mix of uses on these and surrounding lands, taking into account the potential conversion of employment lands on the north side of Highway 7 in Richmond Hill. The resolution further requested the Region to initiate an MCR process within three years of adoption of a new Regional Official Plan in order to revisit the Wemat Group request and other conversion requests that are deferred during the current MCR.

The Regional staff recommendation to Regional Council in October 2020 was to not support the Wemat Group conversion request. Regional Council agreed to refer the request back to Markham for a decision by April 2021. Regional Council did not address the portion of the Markham Council resolution that requested the Region to initiate the next MCR within three years of adoption of the Regional Official Plan.

The October 14, 2020 Markham Council resolution did not assume the area-wide study would be completed by April 2021. Rather, the request to Regional Council to initiate

the next MCR within three years of adoption of the new Regional Official Plan would have allowed at least three years for the study to be undertaken.

The appropriate land uses for the Wemat Group lands need to be considered within a broader area context. Specifically, the impact of introducing non-employment uses (particularly residential) on the 17.1 ha Wemat Group lands on the viability of adjacent employment lands and other employment areas along Highway 7 needs to be more fully understood. Decisions made regarding land uses on the Wemat Group lands will likely result in an expectation for similar uses not only within the remaining Commerce Valley Business Park both east and west of Leslie Street, but also potentially within the Allstate Parkway and Cochrane Business Park lands along Highway 7 east of Highway 404 (see Figure 3).

Most of the employment area lands along Highway 7 within these business parks are within proposed major transit station areas (MTSAs) that are currently planned to accommodate office and other employment uses, supported by the Highway 7 BRT rapid transit. Staff remain concerned that if residential uses are permitted within employment MTSAs on the west side of Hwy 404, there will be pressure to allow residential uses within the employment area MTSAs on the east side as well, which would likely destabilize both of these areas for employment uses.

The larger area study should be initiated by the City and should consider Richmond Hill's plans for lands on the north side of Highway 7. The study should address the feasibility of attracting office development along the Highway 7 BRT line (as the current employment designation currently requires), the types of uses other than office that should be permitted in these areas, and the impact on adjacent employment lands further from Highway 7. The study would also have to examine mechanisms (e.g., linkage agreements) to ensure office and other desired employment uses could and would be delivered if residential development is also permitted. Staff are proposing to initiate such a study in 2022 as part of more detailed planning for the MTSAs in this area, subject to capital budget approval.

Given that more work will be needed to better understand the appropriate land uses in the area to inform a Council decision, Markham staff is recommending that Council not support the Wemat Group conversion request as part of this municipal comprehensive review. Instead, staff is recommending that Regional Council be requested to initiate an MCR within five years of adoption of a new Regional Official Plan to allow reconsideration of the Wemat Group request following completion of the area study described above.

Recommendation 3: That Markham Council not support the request by the Wemat Group (M11) to convert 17.1 ha of employment lands at the southwest corner of Highway 7 and Highway 404 as part of the current municipal comprehensive review and that the lands be mapped as employment area in the Regional Official Plan.

Recommendation 4: That the Region be requested to initiate a municipal comprehensive review process within five years of adoption of the new Regional Official Plan to allow

for timely reconsideration by Markham Council of the referred employment requests that require completion of the local area or secondary plan studies as identified in this report.

M4 Cornell Rouge Development Corporation, Varlese Brothers et al and M7 Norfinch Group – Cornell Employment Area

The Markham Council February 25, 2020 resolution following consideration by Sub-Committee of the Cornell Rouge Development Corporation, Varlese Brothers et al (M4) and Norfinch Group (M7) conversion requests was to postpone the decision for further evaluation through secondary plan studies. The original conversion request was to provide for the development of a mixed-use community with employment, commercial and medium and high density residential uses.

On October 14, 2020, prior to York Region Council's consideration of all of the employment conversion requests throughout the Region, Markham Council passed a resolution asking Regional Council to defer consideration of these two employment conversion requests until April 2021 to allow the City of Markham to continue to work with the landowners to confirm appropriate uses for the lands through a land use/built form study for the Cornell Rouge National Urban Park Gateway.

The Regional staff recommendation to Regional Council on October 22, 2020 was to not support either of these conversion requests. Regional Council agreed to refer the request back to Markham for a decision by April 2021.

The Cornell Rouge Development Corporation, Varlese Brothers et al request applies to 17.9 ha north of Highway 7 between Donald Cousens Parkway and Reesor Road. The Norfinch Group request applies to 0.75 ha at the southwest corner of Highway 7 and Reesor Road. Together, these lands comprise approximately half of the remaining employment lands in Cornell, which are in close proximity to the Highway 407/Donald Cousens Parkway interchange and identified as strategic employment lands in the Regional Official Plan (see Figure 4). The lands are also adjacent to the Rouge National Urban Park (RNUP), and a vision for the area to create a pedestrian-focused Gateway connecting Cornell Centre and the RNUP was endorsed by Council in February, 2020. At that time, Council endorsed a staff resolution that the appropriate land uses in the Gateway be determined through a land use/built form exercise with the landowners to determine the appropriate land uses, built form and streetscape design to achieve the Gateway vision.

Staff have been in discussions with the landowners since February 2020 but have been unsuccessful to date in advancing the development of a mutually agreeable land use concept. There is also uncertainty about timing of any planned Parks Canada facilities. As further work is still required to determine the appropriate uses in this area, and given the uncertainty of Parks Canada's plans for the Gateway, staff recommend that Council request that the Region continue to defer a decision on the conversion requests until, at latest, the draft Regional Official Plan is released, which is anticipated at the end of this year. Staff would bring forward an updated recommendation regarding the conversion requests as part of the staff report to Council providing comments on the draft Regional

Official Plan. Staff will continue to work with Parks Canada to better understand the nature and timing of facilities in the Gateway area, and continue to work on determining appropriate land uses for the Gateway area.

Recommendation 5: That Markham Council request the Region to continue to defer a decision on the request by Cornell Rouge Development Corporation, Varlese Brothers et al to convert 17.9 hectares north of Highway 7 and west of Reesor Rd (M4), and the request by Norfinch Group (M7) to convert 0.75 hectares at the southwest corner of Highway 7 and Reesor Road from employment area to non-employment area uses until, at latest, the release of the draft Regional Official Plan.

Regional Council Decisions for Requests not Referred to Markham Council

M10 Wu's Landmark/First Elgin Developments Ltd – Future Urban Area

Although this request for conversion was not among the requests that Regional Council referred back to Markham in October 2020, the Regional Council decision not to support this conversion request does not reflect the Markham Council recommendation to postpone a decision pending completion of the secondary plan. The Markham Council recommendation in February 2020 reflected a previous Council decision in 2013 for the Romandale Farms Ltd official plan amendment application on the lands.

The 29 ha lands are located on the north side of Elgin Mills Rd, west of Warden Ave in the Future Urban Area Employment Block. The secondary plan studies for the Employment Block are expected to be initiated in 2022 subject to capital budget approval. Through these studies, land uses other than employment uses on the lands were intended to be considered as directed by Council in 2013. Assuming budget approval in 2022, these studies would be concluded in time for the next Regional MCR which would be initiated within five years of adoption of the new Regional Official Plan if Regional Council accepts Markham's request for this commitment.

M5 Meadow Park Investments

On October 22, 2020, Regional Council passed a resolution to approve the employment conversion request from Meadow Park Investments Inc. for the 0.4 ha property at 77 Anderson Avenue (see Figure 1). This property is within the Mount Joy Business Park. The Region is not proposing to map any of the lands within the Mount Joy Business Park as employment area in the Regional Official Plan and is deferring the appropriate designation to the City.

Consistent with Markham Council's resolution in February 2020 to evaluate the request through the secondary plan study, the range of uses in the Mount Joy Business Park is being evaluated through the Markham Road-Mount Joy Secondary Plan Study. In considering the Interim Report for the secondary plan study on April 21, 2021, Development Services Committee endorsed in principle not maintaining any of the lands within the Mount Joy Business Park as protected employment area, but rather allowing a broader range of employment uses, including some residential uses, consistent with the emerging vision for the Markham Road-Mount Joy secondary plan.

NEXT STEPS:

Staff recommends that this report be forwarded to York Region as the City of Markham's recommendations on employment conversion requests that were referred back to the City by Regional Council for a decision. Staff will continue to plan for and advance the studies identified in this report.

FINANCIAL CONSIDERATIONS:

Not applicable.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The recommendations in this report support Goal 3 – Safe, Sustainable and Complete Community in Building Markham's Future Together, 2020-2023.

BUSINESS UNITS CONSULTED AND AFFECTED:

Planning and Urban Design, and Transportation were consulted on this report.

RECOMMENDED BY:

Biju Karumanchery, R.P.P., M.C.I.P.
Director, Planning and Urban Design

Biju Karumanchery, R.P.P., M.C.I.P.
Acting Commissioner of Development
Services

ATTACHMENTS:

Table 1: Regional and Markham Council Decisions on Markham Employment Area Conversion Requests

Figure 1: Employment Area Conversion Requests in Markham

Figure 2: Markham Woodmills and Tucciarone Conversion Requests - Area Context

Figure 3: Wemat Group Conversion Request - Area Context

Figure 4: Cornell Rouge Development Corporation, Varlese Brothers et al and Norfinch Group Requests – Area Context

Appendix 'A': Correspondence from Ministry of Transportation (MTO) Regarding Access from Elgin Mills Road