

## **Neighbourhood Commercial Designation**

Planning for retail and commercial uses is challenging. These uses, and where they choose to locate, are affected by a wide range of drivers including competition and changes in customer preferences, including the prevalence of online shopping among many others. Planning policy approaches to guiding retail and commercial uses must be highly flexible and must be developed to support the public interest. In planning for complete communities the City must ensure that there is adequate commercial land to meet the needs of the community while allowing for some flexibility to react to changing retail dynamics. This requires an appropriate approach to planning policy to allow healthy competition in the market place to react to retail trends, while maintaining the planned function of existing and planned commercial space.

### ***Redevelopment of Aging Plazas***

Both the current Strategic Plan and the previous Strategic Plan saw the role for the redevelopment of older commercial plazas. In the existing Strategic Plan the following direction is provided in the context of the Strategic Direction 1: A City that Grows, Intensification:

1.2.c. Aging commercial plazas are being redeveloped and transformed into mixed-use neighbourhood areas where a mix of residential, commercial, cultural or institutional uses are provided. Buildings are connected to the street with doors and windows, have high quality design and provide pedestrian and cycling connections.

The Neighbourhood Centre policy within the adopted Official Plan has been developed to support this sub-component of the City that Grows strategic direction to signal support for the redevelopment and intensification of aging commercial plazas with consideration to urban design, a greater mix and range of uses and to find means of integrating these plazas more fully and compatibly, into their surrounding neighbourhoods.

### ***Challenges***

The 8 areas of the City that have been assigned the land use designation of Neighbourhood Centre in the adopted Official Plan are varied in nature. The areas are typically organized around an intersection and are composed of a number of parcels and have a wide range of retail and commercial uses. The configuration of all of these areas are unique including a variety of small and large parcels, a variety of built form configurations, a small number of owners or a large number of owners, and all are set against very different existing contexts. The timeframe over which a redevelopment could be considered for each plaza varies widely, since the decision to redevelop a site is a complex one, based on a wide range of factors. This variety of conditions can

mean that site redevelopment could be challenging and could happen within different timeframes.

Given the unique nature of the designated Neighbourhood Centres in the adopted Official Plan it is not possible to establish a one-size fits all approach to guiding development on these sites.

### ***Neighbourhood Centres designation in the adopted Official Plan***

The redevelopment of Neighbourhood Centres provides an opportunity to transform existing community plazas into vibrant people places that serve as a focal point for surrounding neighbourhoods and future residents, offering a range of retail and service commercial uses, community facilities, residential uses above grade and open spaces in an appealing walkable mixed use node.

Upon Council consideration staff received the following direction related to the Commercial Policy Directions presented in 2015:

*Direct the Director of Planning and Building to provide a more detailed review of the eight locations being proposed as Neighbourhood Centres in Policy Direction A of the proposed Official Plan Review: Commercial Lands Policy Directions contained in Planning and Building Department report PB-05-15 to include minimum and maximum criteria for each site and to report back to the Development and Infrastructure Committee in the fall with the accompanying policy report (SD-7-15)*

After receiving the Staff Direction from Council, staff reviewed the proposed policy directions related to Neighbourhood Centres which supported the development of the policies in the April, 2017 Draft Official Plan and the development of the April, 2018 adopted Official Plan.

Acknowledging the unique and distinct nature of the areas designated Neighbourhood Centre in the Official Plan, staff wrestled with determining the best means to address these areas. Was the best tool a flexible, but directive policy framework based on the role for privately-initiated development applications; or was the best tool to pursue an extensive, city-wide, area-specific planning exercise for these areas? Given the commitments made to the area-specific planning project with respect to the City's Mobility Hub areas, a city-led area-specific planning program that would consider Neighbourhood Centres was out of scope, then and now. Staff determined that the best approach was to build a policy framework to provide clear direction for the development of zoning regulations for these areas and to provide clear direction for the use of various *Planning Act* tools. In acknowledgment of the opportunity to support the redevelopment of Neighbourhood Centre, the adopted Official Plan policy signaled an openness to change and redevelopment.

The policy ultimately established a tiered approach related to height to considering development through *Planning Act* processes:

- For proposed buildings from 1 to 6 storeys, a privately initiated development application will include a site plan application subject to the Site Plan requirements, any policies or guidelines, such as the city's mid-rise urban design guidelines.
- For buildings from 6 to 11 storeys the policies signal an openness to consider development through a zoning by law amendment process based on technical information and public engagement and input. The zoning by law amendment will be assessed against all relevant development criteria in addition to a number of special criteria embedded in policy. These criteria include requiring a significant reduction of parking at grade and the submission of an urban design brief that demonstrates how the proposal's design achieves a high quality of design and helps to mitigate the adverse impacts of the increase in height on public sidewalks, public open spaces and adjacent uses.
- The policies also identify that there may be an opportunity to consider building heights in excess of 11 storeys, however, in order to consider this, a more detailed process in the form of an official plan amendment is required. This structure acknowledges that in order to consider taller buildings staff would need a justification in order to ensure that any proposal is consistent with the broader objectives of the Official Plan and that it would be supported by the appropriate technical studies, and subject to public engagement. Any official plan amendment must be considered against the development criteria and the official plan amendment criteria. In particular, the official plan amendment criteria give special treatment to secondary growth framework areas. The adopted Official Plan notes that any proposed residential development in the secondary growth framework area shall provide city building objectives consistent with the Strategic Plan, requiring sustainable design measures and a choice of other city building objectives. These objectives include, but are not limited to requiring that the development proposal includes such things as affordable, rental housing or units including three or more bedrooms.

These changes acknowledge that the means of determining appropriate development on large, complex sites found within the Neighbourhood Centre designation is through *Planning Act* processes like site plan, zoning by-law amendments or official plan amendments that are informed by stronger policy guidance about the broader objectives of the Official Plan. This approach safeguards the public interest while also supporting and incentivizing the redevelopment and revitalization of the older plazas.