

March 20, 2024

Hon. Paul Calandra
Minister of Municipal Affairs and Housing
777 Bay Street, 17th Floor
Toronto, Ontario
M7A 2J3

Dear Minister Calandra:

Re: Amending the Official Plan Adjustments Act, 2023 — Waterloo Region Official Plan Amendment #6

Introduction

On behalf of Prica Global Enterprises Inc (“Prica”), the owners of properties municipally known as 388 Phillip Street and 413 Albert Street (“Subject Lands”) in the City of Waterloo, we are requesting that the Ministry of Municipal Affairs and Housing (“MMAH”) continue to support removing the Subject Lands from the Regional Employment Area designation as originally approved through modifications to Official Plan Amendment No. 6 (“ROPA 6”) on April 11, 2023. Schedule 3 of Bill 162 (Get it Done Act, 2024) proposes to amend the Official Plan Adjustments Act, 2023 which annulled previous approvals granted by the MMAH, to reinstate some modifications to single-tier and upper-tier Official Plans requested by local municipalities.

On November 2, 2023, the MMAH submitted a letter addressed to the mayors of lower-tier municipalities requesting input on modifications they would like to see made to their respectively applicable upper-tier Official Plans, based on previous modifications approved by the MMAH. This included the removal of the Subject Lands from the Regional Employment Area designation through modifications to ROPA 6 that were approved by the Province on April 11, 2023.

In response to this specific MMAH request, on November 6, 2023, Waterloo City Council passed a resolution reaffirming the City’s commitment to smart growth, intensification and to build 16,000 housing units by 2031, and to approve Official Plan Amendment (“OPA”) No. 6 without modification to the version adopted by the Region of Waterloo on August 18, 2022.

It is very important to note that this resolution specifically considered modifications made to expand Settlement Area boundaries, and reaffirmed the Mayor’s commitment to not use Strong Mayor powers in her decision making authority or to meddle in Regional affairs. In addition, a review of the Council Meeting recording held on November 6, 2023 and minutes show there was no Staff Report before Council, and no discussion by Council members on the merits of any employment area conversion requests. The discussion held by members of



Council focused only on the question of settlement area boundary expansion. No mention was made by the mover of the motion, or any other member of Council respecting the Minister's modifications that resulted in employment area conversions. The Council resolution, as understood by Council members during their deliberations was clearly only directed towards the rejection of settlement area boundary expansion and did not address any employment area conversions.

Specific excerpts from this Council resolution include the following (emphasis added):

*AND WHEREAS the Ministry of Municipal Affairs and Housing approved the ROP on April 11, 2023 **with significant amendments to the urban growth areas and the Countryside Line growth boundary that are unnecessary to achieve growth targets, that were not requested nor recommended by local and regional planning staff, that encroach on important water re-charge areas and that promote expensive urban sprawl;**...*

*AND WHEREAS Mayor McCabe and other mayors have stated that they **will not use the Strong Mayor powers**, and Mayor McCabe has stated that she believes utilizing Strong Mayor powers will undermine the work of Council and staff, reduce the input of residents and community partners, and is a disservice to local democracy and effective community representation;...*

NOW THEREFORE IT BE RESOLVED that Waterloo City Council directs Mayor McCabe to submit the following feedback to the Ministry by December 7, 2023:

- (1) **Waterloo City Council reaffirms its commitment to smart growth, intensification, and to maintaining the Countryside Line;***
- (2) **Waterloo City Council reaffirms its pledge to build 16,000 housing units by 2031;***
- (3) **Questions relating to the Regional Official Plan should be addressed to the Region;***
- (4) **Matters related to official plans and other major decisions impacting the City of Waterloo are to be made by all of Council with public input as appropriate; and,***
- (5) **The City of Waterloo asks that the Minister bring into effect the ROP amendment as approved by Regional Council on August 18, 2022 without any changes or modifications.***

As highlighted above, the resolution directly commits the Mayor to not utilize Strong Mayor powers in any decision making. It also specifically directs any questions related to the ROPA to the Region and not to the City. As a result of these two positions, it seems clear that City Council's default position was not to support any modifications to ROPA 6, notwithstanding the merits of any such modifications.

The resolution also clearly reaffirms Council's "commitment to smart growth, intensification and to maintaining the Countryside Line." In this regard, it must be noted that the Subject Lands are located within the City's existing Urban Area boundary and within a Major Transit



Station Area, as illustrated in the attached map (“MTSA”). In addition, the requested modification actually supports Council’s commitment to smart growth by facilitating mixed-use intensification within a MTSA, which will accommodate additional residential growth within the City’s Urban Area, support the City and Region in achieving their minimum density target for the Research & Technology MTSA, and actually reduce the need for any Urban Area expansion in order to accommodate urgently needed housing, including opportunities for student housing and more affordable and attainable housing types.

Further, there has been considerable discussion regarding the short supply of available student housing to accommodate the City’s burgeoning student population. As an example, a City-commissioned Report in late 2023 found an existing student housing shortfall in the City of about 5,000 beds, which has drastically reduced the affordability of student housing. We note the Subject Lands are located within short walking distance of the University of Waterloo and within an MTSA, one stop way from the University on the ION LRT line. In addition, Prica has demonstrated an impressive track record building and managing a portfolio of student-focused accommodations throughout the City. As such, the envisioned redevelopment of the Subject Lands presents an incredible opportunity to support new and well-located student housing.

Unfortunately, it appears that this requested modification has been lumped together with other modifications to ROPA 6 that had the effect of expanding the Urban Area, contrary to the growth principles expressly endorsed by City Council. The result of maintaining the Subject Lands within the Regional Employment Area designation has the exact opposite effect of what City Council is endorsing, as it effectively prevents the comprehensive long-term planning of the Subject Lands, restricts their ability to accommodate mixed-use higher density intensification, and prohibits new housing, which directly increases the demand for new housing elsewhere, including outside of the existing Urban Area boundary.

Prica would like to continue to work collaboratively with the City, Region and Province to advance a shared vision for the Subject Lands that would provide more than 3,000 housing units and viable new employment opportunities within the Research & Technology MTSA through the redesignation of the Subject Lands from the Regional Employment Area to the more general and appropriate ‘Urban Area/Township Urban Area’ designation. Accordingly, we request that:

The MMAH continue to support removing the Subject Lands from the Regional Employment Area designation, facilitating their comprehensive long-term planning and supporting high density housing development, in proximity to the University of Waterloo.



Further, we maintain that:

- > The initial request for employment conversion that was denied by the Region satisfied all applicable criteria for employment conversion set out in Section 2.2.5.9 of the Growth Plan and additional criteria provided by the Region;
- > The requested employment conversion supports attaining or exceeding the Growth Plan's minimum density target of 160 persons and jobs combined per hectare for MTSA's, promoting transit-supportive densities and development (Growth Plan, s.2.2.4.6 and s.2.2.4.9);
- > Maintaining the Subject Lands within the Regional Employment Area does not conform with the Provincial Growth Plan as it may negate the ability to achieve this minimum density target by prohibiting residential development and instead requiring more traditional and lower density employment uses;
- > The requested employment conversion will provide opportunities for new housing in general, including student, affordable and attainable housing supporting the Province's Housing Action Plan and City's Affordable Housing Strategy while creating a complete community where people can live, work, shop and play; and
- > The requested employment conversion will provide viable employment-generating uses that will likely far exceed the actual and required minimum density of employment for traditional employment land uses.

Subject Lands & Area Context

The Subject Lands are located within the Research and Technology MTSA and together encompass a total area of approximately 10 hectares. 388 Phillip Street is presently occupied by a vacant single-storey industrial building and large surface parking lot, and 413 Albert Street is occupied by a two-storey automotive sales and repair shop. The Subject Lands are part of a former business park which housed a number of large technology companies, many of which have since vacated, leaving behind partially and fully vacant employment buildings characterized by large, low-rise buildings and expansive surface parking lots.

The Subject Lands are centrally located within the Research and Technology MTSA within 500 to 800 metres from the associated ION LRT Station, in proximity to the University of Waterloo, and provide a suitable and desirable location for accommodating higher density mixed-use redevelopment. The Subject Lands provide an opportunity for adding substantial, more contemporary employment generating land uses, complemented by higher density residential land uses, supplemented by open space, parks, and community facilities.

As noted above, OPA No. 6 as adopted by Regional Council on August 18, 2022, applied the 'Employment Area' designation over the Subject Lands, precluding residential development in order to protect these lands for employment generating uses over the long-term including:



manufacturing, warehousing, offices, research and development uses, and associated ancillary uses. Further, new development in ‘Employment Areas’ is required to achieve a minimum density target of just 35 jobs per hectare.

We requested that the Subject Lands be removed from the ‘Employment Area’ designation, and be redesignated to a more appropriate ‘Urban Area/Township Urban Area’ designation to facilitate their redevelopment and implementation of Prica’s greater development vision. Redesignation would permit a greater variety of non-employment uses and densities, while not precluding employment-generating uses, and facilitate long-term comprehensive planning within the Research and Technology MTSA towards achieving more transit-supportive densities and uses in recognition of ongoing investment in higher order transit throughout the Region.

Planning Assessment Summary

Based on our assessment of applicable employment conversion criteria from the Province and Region (as reviewed in detail in the appended report), and Growth Plan policies for MTSA (i.e., Strategic Growth Areas), removing the Subject Lands from the ‘Employment Area’ designation and placing them within the ‘Urban Area/Township Urban Area’ designation constitutes good planning, supports population and employment growth, optimizes existing and future investment in transit infrastructure, and supports the overall vitality of the City, Region and Province.

Further, since our request was submitted to and approved by the Ministry, the Helping Homebuyers, Protecting Tenants Act, 2023 (Bill 97) introduced sweeping legislative changes amending various statutes with respect to housing and development. Bill 97 received Royal Assent on June 8 2023, and included various amendments to the Planning Act (Schedule 6), including an amendment to the definition of ‘area of employment’ which is currently awaiting proclamation to:

“area of employment” means an area of land designated in an official plan for clusters of business and economic uses, those being uses that meet the following criteria:

1. *The uses consist of business and economic uses, other than uses referred to in paragraph 2, including any of the following:*
 - i. *Manufacturing uses.*
 - ii. *Uses related to research and development in connection with manufacturing anything.*
 - iii. *Warehousing uses, including uses related to the movement of goods.*
 - iv. *Retail uses and office uses that are associated with uses mentioned in subparagraphs i to iii.*



v. Facilities that are ancillary to the uses mentioned in subparagraphs i to iv.

vi. Any other prescribed business and economic uses.

2. *The uses are not any of the following uses:*

i. Institutional uses.

ii. Commercial uses, including retail and office uses not referred to in subparagraph 1 iv; (“zone d’emploi”)

The previous definition for ‘area of employment’ included standalone office and associated retail uses, however under the new definition office uses are not included and not permitted within an ‘area of employment’ unless associated with a manufacturing, warehousing or use related with research and development in connection with manufacturing. As such, the City’s previous vision for this employment area, of a tech-focused business park, no longer reflects the Province’s direction for employment areas and is in fact no longer permitted. Instead, Employment Areas must be used for more traditional industrial uses, which generally have a much lower density of employment and in our view are not to be permitted within MTSA based on direction from the Growth Plan. It follows that it is no longer appropriate to include the Subject Lands, or any lands within the MTSA, within the ‘Regional Employment Area’ designation as the permitted uses within Employment Areas will not support the achievement of the Region’s and City’s minimum density target for the Research and Technology MTSA.

The intent of this change appears to be to narrow the scope of what types of employment uses can be protected as Employment Areas, in order to clarify the purpose and function of protected Employment Areas for more traditional employment uses that cannot be co-located with other sensitive uses, such as residential. This will likely also create more opportunities for true mixed-use development, including more opportunities for new housing, by scoping the intent and thus the applicability of Employment Area protection. Whereas the City of Waterloo had anticipated the Subject Lands and corresponding ‘Employment Area’ to provide office space for the tech industry; under the new ‘area of employment’ definition, these uses are no longer permitted in protected Employment Areas, which are geared towards potentially more noxious manufacturing and warehousing uses, which should not be permitted within an MTSA.

Conclusion

The appended report demonstrates how the Subject Lands meet the criteria for employment conversion provided by the Growth Plan and Region, and provide an appropriate and desirable location for higher density mixed-use redevelopment in-keeping with the Growth Plan’s MTSA policies **that are capable of meeting a demonstrated need for student housing in the City**. This is further strengthened by the anticipated changes to the definition of



Employment Areas, currently awaiting proclamation, clarifying that these areas are exclusively for traditional industrial uses, and not for standalone office development.

Prica is a significant landowner within the Research and Technology MTSA and is committed to collaborating with the Province, Region and City to comprehensively plan this evolving part of the City of Waterloo. This is reflected in the recent submission of Official Plan and Zoning By-law Amendment applications for 446 Albert, which will facilitate a mixed-use development including employment generating uses that will provide a much higher density of employment than the previous industrial use or any new industrial use that is permitted within Employment Areas. Through their multiple land holdings within the Research and Technology MTSA, Prica is committed to providing higher density, truly mixed-use communities and providing opportunities for student, affordable, attainable housing and consequential employment-generating uses at transit-supportive densities.

Finally, we reiterate that the request for employment conversion, while initially approved through a modification to ROPA 6, is not part of a settlement area boundary expansion, is wholly located within the existing Urban Area Boundary, **and was not part of the discussions held by City Council on November 6, 2023**. City Council recognizes there is an urgent need for housing and has prioritized urban intensification (i.e. meeting their land needs within the existing Urban Area Boundary) which can be achieved through permitting residential development on the Subject Lands. Exclusion of the Subject Lands from the Regional Employment Area designation will directly implement the growth approach explicitly endorsed by City Council, constitutes good planning, and is supported by the in-force and evolving planning policy framework.

Respectfully Submitted

A handwritten signature in black ink that reads "Ron Palmer".

Ron Palmer, BES, MCIP, RPP
The Planning Partnership

MTSA & Regional Employment Area

- LEGEND**
- Regional Major Transit Station Area Boundary
 - Regional Employment Areas
 - Subject Lands
 - Other Lands owned by PGE:
 - A** 160 Columbia Street W. (0.37 ha)
 - B** 156 Columbia Street W. (1.26 ha)
 - C** 140 Columbia Street W. (1.31 ha)
 - D** 143 Columbia Street W. (0.80 ha)
 - E** 130 Columbia Street W. (1.29 ha)
 - F** 446 Albert Street (4.72 ha)
 - ION LRT Line
 - 500-800m Radius Around ION LRT Station

