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To: City Council

From: Chief Planner and Executive Director, City Planning Division

Subject: Supplementary Report on Zoning Mechanisms to implement mixed use development in the West Queen West Triangle
Toronto and East York District Application 05 199764 SPS 00 TM
City-initiated
Ward 18 - Davenport

Purpose:

This report provides further detail about implementation mechanisms to ensure that non-residential space forms a substantial component of the redevelopment of the West Queen West Triangle.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

Recommendations:

It is recommended that Council:

- (1) implement zoning in the West Queen West Triangle generally as outlined in this report, including:
 - (a) limiting residential uses in the first floor of buildings;
 - (b) specifying performance standards for minimum amounts of non-residential uses per site;
 - (c) identifying locations where a certain percentage of at-grade uses must be non-residential;
 - (d) considering artist live/work units to be non-residential units; and

- (2) request the Chief Planner to consult with appropriate City staff on financial incentives to achieve the objectives for this area.

Background:

This report should be read in conjunction with the Request for Direction Report – Official Plan and Zoning Review in the West Queen West Triangle Area from the Director, Community Planning, Toronto and East York District, dated May 30, 2006.

One of the recommendations of the May 30, 2006 report is to maintain the non-residential uses and support the creative industries in the West Queen West Triangle (WQWT or Triangle). Toronto and East York Community Council directed City Planning to provide a further report outlining mechanisms to implement a “no-net-loss” policy for non-residential space in the Triangle.

The Triangle is part of the Garrison Common North Part II Plan Area which includes a wide variety of uses, including a mixture of residential and industrial uses in close proximity to each other. In general, industrial activities have been declining in the Garrison Common North area for several decades. However, in the West Queen West Triangle Area and environs, light industrial activities, particularly workshops, studios, galleries and offices related to creative industries, are replacing most of the heavy industrial uses. A significant cluster of arts-related enterprises has formed in the West Queen West Triangle.

Several applications for residential development in the West Queen West Triangle have been received and evaluated by City Planning and are the subject of Ontario Municipal Board hearings scheduled for fall 2006. City Planning has undertaken a broad community consultation effort, including a local working group, to consider many aspects of the individual applications as well as the impact of these planning applications for the West Queen West Triangle and the surrounding area. Maintaining a substantial non-residential component in the area, rather than developing the Triangle as a residential enclave, is an important aspect of the recommended plan for the area.

Comments:

Non-residential uses in the West Queen West Triangle

There is approximately 40,000 square metres of existing non-residential space in the Triangle.

City Planning would consider the following types of uses to be non-residential space:

- industrial uses;
- commercial uses;
- institutional uses;
- affordable artist live/work studios; and

- portions of indoor residential amenity space which are subject to formal shared use agreements between residents, the community and/or arts-related not-for-profit organizations.

There is some debate about how live/work studios contribute to the vitality of the creative industries in the West Queen West Triangle. There are currently approximately 80 live/work studios located at 48 Abell Street within the West Queen West Triangle. The residential component of these studios is not permitted by the current industrial zoning. This space has been counted as part of the 40,000 square metres of existing non-residential space in the Triangle. Although rental information has not been provided to the City, verbal statements made by both the owner and tenants indicate that these units are renting at relatively affordable rents. Affordable work space is key to the creative cluster within the West Queen West Triangle. The Garrison Common North Part II Plan of the former City of Toronto Official Plan states that live/work units shall be considered residential uses, not non-residential uses. Many of the developers in the West Queen West Triangle would like live/work units to be considered non-residential units.

Live/work spaces are defined in the Zoning By-law as "residential uses where employment use is also permitted." A live/work studio can allow for live, work or both. The City's experience has been that a significant number of these live/work units are used solely as residential units with no employment function. Enforcement of the "work" element of these units would be a very complicated and time consuming task for the City. Therefore live/work units should be considered residential units.

An artist live/work studio, on the other hand, means:

"a suite consisting of a combination of a studio area used for the production of art and a living area containing not more than one habitable room; which the owner of the lot agrees with The Corporation pursuant to Section 5 of the City of Toronto Act, 1975 (No. 2), as amended from time to time, to provide for the purpose of a social housing program; (4250-3)."

Artist live/work studios are, by definition, affordable units that must include work space. Artist live/work studios are permitted in the IC zoning.

In the West Queen West Triangle, Planning recommends that:

- any artist live/work studio consistent with the intent of the Zoning By-law would be defined as non-residential gross floor area;
- any other live/work units would be defined as residential gross floor area.

There has been some discussion about dedicating a portion of the indoor amenity space required in any new condominium for use by arts-related not-for-profit organizations.

A community services and facilities study of the West Queen West Triangle indicates that large community meeting rooms are in short supply in the area and that affordable meeting, exhibit and performance spaces which form the physical infrastructure of the local creative industries are under threat as the area redevelops. Each of the new buildings proposed is likely to build one such large room, for the exclusive use of residents of that building.

City Planning proposes that, should a project proponent choose to dedicate such a facility to a local arts-related not-for-profit organization to be shared with the residents of the building and/or the broader local community, it would be considered non-residential space.

There are a number of ways in which non-residential space can be built into the WQWT. Planning is recommending that each site in the Triangle replace their proportionate share of the non-residential space in the Triangle. Planning recognizes that certain sites, such as those fronting onto Queen Street and, to a lesser extent, those fronting onto the proposed Creative Mews, have more capacity for non-residential uses, particularly for street-related retail uses.

Zoning Options

There are several ways that Council can implement a "no-net-loss" policy with respect to non-residential uses in the West Queen West Triangle and also implement the spirit of the Regeneration Area designation in the New Official Plan.

Option 1:

Zone for a mixture of uses, using a maximum total density in combination with maximum densities per use category, e.g. T 3.0 C 1.0 R 2.5.

This is the most common mixed use zoning in the former City of Toronto Zoning By-law. It allows for a certain maximum total density (T), and then specifies lower maximum densities by use category for residential (R) and non-residential uses (C or I). This type of zoning allows for flexibility in determining the ratio of residential to non-residential space on a particular site. It also allows for the site to develop for a single use only. The applicant may, if he chooses, build a purely residential building up to the maximum residential density (R). The applicant would forfeit the right to the remainder of the density (T-R) unless he chose to add non-residential uses.

This option cannot guarantee that redeveloping sites in the area include non-residential uses, as it does not preclude entirely residential buildings from being built.

Option 1 does not protect against the loss of non-residential space.

Option 2:

Zone for a mixture of residential and compatible light industrial, commercial and institutional uses, with a requirement that a proportion of the lower floor areas be reserved for non-residential uses only.

This is a mechanism which has been used elsewhere in Toronto, for instance for commercial uses at grade on major streets downtown as well as in the Railway Lands. This mechanism can be used to require a significant portion of development on each site to consist of non-residential uses.

Planning recommends the Option 2 approach including the following approximate targets be implemented:

- Minimum 60% street-related retail uses at grade on Queen Street;
- Minimum 75% street-related retail uses, workshops, studios, galleries, community meeting spaces at-grade on the Creative Mews;
- Minimum 50% industrial, commercial and institutional uses (including retail, restaurants and/or gallery space) fronting onto Abell Street, Lisgar Street and Sudbury Street east of Abell; and
- Require each property to include, as a minimum, its proportionate share of the existing 40,000 square metres of non-residential gross floor area in the Triangle. The proportionate share will be based on a percentage of the approved total gross floor area per property.

The targets above are approximate only. City staff will continue to analyse these targets and may modify them to achieve the no-net-loss policy regarding non-residential space.

Other planning mechanisms

Tax increment exemption grants

The Planning Act and Brownfields Act allow the City to apply tax increment exemption grants to specific areas. The City of Toronto has done this as a pilot project in New Toronto (South Etobicoke) to provide grants equivalent to a percentage of the increase in the municipal taxes on the site relating to non-residential uses in an Employment Area for a maximum of 12 years.

A similar program could be implemented for the West Queen West Triangle. This would provide a "carrot" to the property owners to create new industrial, commercial and industrial space for employment purposes, by reducing the costs of the space. Because it applies only to new development, it does not decrease the existing tax base.

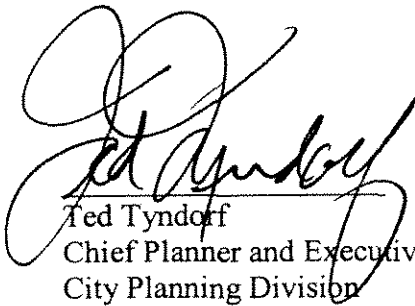
To implement tax increment exemption grants, the Community Improvement Plan Area for Garrison Common North would need to be expanded and provisions for tax increment exemption grants included in the Community Improvement Plan for this specific area. I am recommending that further work be done to investigate this and other options to achieve the objectives for this area.

Conclusions:

City Planning recommends that Council implement zoning in the West Queen West Triangle which limits the amount of residential uses on the lower floors of buildings, specifies performance standards for minimum amounts of non-residential uses per site and identifies locations where a certain percentage of uses at grade must consist of non-residential uses. City Planning also recommends that Council consider units which implement the intent of the Zoning By-law for artist live/work units to be non-residential uses.

Contact:

Elise Hug, Planner, West Section
Telephone: (416) 392-0758
Fax: (416) 392-1330
E-mail: ehug@toronto.ca



Ted Tyndorf
Chief Planner and Executive Director
City Planning Division