



388 Phillip Street, Waterloo, ON

Planning Rationale Report

Official Plan Amendment and Zoning By-Law Amendment Applications

October 2025



1 | Introduction

1.1 Summary of Proposed Re-Use

This Planning Rationale Report (“Report”) has been prepared by The Planning Partnership (“TPP”) on behalf of 388 Phillip Inc. (the “Owner”) in support of Official Plan Amendment (“OPA”) and Zoning By-Law Amendment (“ZBA”) applications at 388 Phillip Street (“Subject Site”) in Waterloo, Ontario. The proposed OPA and ZBA applications are required in order to permit the immediate and interim re-use of 7,657 square metres (64%) of the existing one-storey building on the Subject Site (“Existing Building”) for a grocery store (7,656 m² – 64%). The remainder of the Existing Building is proposed to be re-used as a data centre (2,810 m² – 24%) and office/co-working space (1,394 m² – 12%), both of which are already permitted under the existing Zoning By-law (overall referred to as the “Proposed Re-Use”).

The Proposed Re-Use will support a number of important Provincial and local planning objectives, including the creation of new employment opportunities, the provision of an important community-servicing grocery store use, which will support recent and active development projects within the Research and Technology Major Transit Station Area (“MTSA”), and the establishment of a complete community, with opportunities for people to live, work and shop in an emerging 15-minute neighbourhood. It also will not preclude the future redevelopment of the majority of the Subject Site, which will remain vacant, or the Existing Building itself in the medium to longer term.

1.2 Subject Site & History Overview

The Subject Site is 9.74 hectares in area and was previously developed to include the Existing Building, a 1-storey building measuring approximately 11,860 square metres in floor area, which has been vacant for the past 8 years but has historically been used for office and industrial purposes. In its current condition, the Subject Site contains the vacant former industrial/office building, located on the western half of the Site and oriented towards Phillip Street, several surface parking lots, and a large undeveloped area on the eastern half of the Site.



Figure 1 - 388 Phillip Street, Site Context Map

The Existing Building was originally built in 1956 and housed an engineering and manufacturing facility for Raytheon Canada, a large defence contractor that is now a subsidiary of the US-based RTX Corporation. Prior to its closure in 2017, the facility was the centre of the Raytheon Canada 'Waterloo Plant' and used for research and development and manufacturing activities, including the development and production of solid-state air traffic control radar and High Frequency Surface Wave Radar, which is used to detect ships over the horizon. This Waterloo-developed technology is now widely utilized by Western navies and in civilian marine applications.

In September 2017, the Subject Site was purchased by the Owner after the facility was closed by Raytheon Canada. The Owner subsequently undertook extensive interior renovations to modernize the Existing Building, in an attempt to attract new industrial and/or office tenants. Since that time, the vacant industrial and office space has been actively marketed for lease through commercial brokerage Colliers; however, no industrial or office tenants have leased any available space, likely as a result of challenging market conditions, the unique size and orientation of the Existing Building, competition from other business parks and office space elsewhere in the City, and Official Plan and Zoning restrictions that limit the types and scales of ancillary permitted uses. As such, the Existing Building has been entirely vacant for the last eight years.

Recently, in April of 2024, a Minor Variance application was submitted to permit an expanded portion of the Existing Building to be used for a permitted ancillary use under the Zoning By-law ("Commercial Recreation"), with the remainder of the Existing Building to be set aside for permitted primary employment uses. This reflected an expanded effort by the Owner to lease the Existing Building for other commercial uses beyond the primary permitted employment uses. The Minor Variance was approved by the City's Committee of Adjustment on June 18, 2024; however, efforts to finalize the lease with the Commercial Recreation tenant unfortunately fell through, and no other tenants have shown any interest in the area set aside for employment uses.



Figure 2 - 388 Phillip, Minor Variance Application, Proposal Graphic

The Owner subsequently expanded their efforts to lease the Existing Building by exploring other possible commercial uses that could be a good fit in the evolving area context. Through these efforts, a grocery tenant expressed interest in leasing a large portion of the Building, and a lease agreement was subsequently executed for a grocery store with supporting ancillary uses (e.g. prepared food area) to lease 7,656 square metres within the Existing Building.

In addition to the grocery store, the Owner will construct and operate a data centre within 2,810 square metres. The remaining 1,394 square metres will be used as an office/co-working space, possibly by the Owner or some other prospective tenant.

The Proposed Re-Use represents a desirable strategy to optimize the Existing Building, and that will co-locate a mix of employment and commercial uses into a growing area of the City, while optimally utilizing the functional attributes of the Existing Building, including the convenient loading areas, strategically positioned accesses and abundant existing vehicular parking. This medium-term strategy will support ongoing intensification activity in the area and the area's evolution into a complete community. This re-use strategy is expected to create approximately 282 jobs in the Existing Building (based on jobs per square foot assumptions used in the City's Development Charges Background Study), while also leaving the majority of the Subject Site vacant/unused as an excellent opportunity for future intensification, and supporting the establishment of a 15-minute neighbourhood.

As mentioned above and presented in Figure 3 below, it is notable to mention that the Existing Building, although constructed nearly 25 years ago, remains a highly functional space that can successfully accommodate the Proposed Re-use, and presents a relatively urban built form expression, with existing parking located predominantly to the side and rear. The Subject Site is also centrally located within the Research & Technology MTSA, and so represents an excellent location for the community-serving grocery store use.



Figure 3 - 388 Phillip Street, Site Plan

As the City continues to accommodate new development, with significant intensification planned for this area of the City and within the Research & Technology MTSA in particular, demand will continue to increase to provide accessible and diverse daily goods and services. To support this ongoing increase in consumer demand, the proposed grocery store will be vital for mitigating the risk of creating food deserts, connecting residents to fresh and diverse food options, offering choice and convenience, meanwhile creating numerous jobs. Additionally, the Data Centre and Office/ Co-Working Space will contribute to job creation and technological advancement in the City and Region. The Proposed Re-use will also not preclude or prejudice the ability to fully redevelop the Subject Site for higher-density uses in the future, especially including the vacant/unused areas to the east and north.

The Proposed Re-Use will occupy approximately 3 hectares of the Subject Site, inclusive of the Existing Building, three existing parking lots to the north, west and south, which collectively provide 200 vehicular parking spaces, and 3 loading areas, which collectively provide 6 indoor and outdoor loading spaces. As illustrated in Figure 4 below, the remaining 7 hectares of the Subject Site will remain vacant and unused (including other surface parking lots that are no longer required), and present an excellent opportunity for additional intensification and redevelopment in the short-term.

The Proposed Re-Use is intended as an immediate and interim strategy to optimize the use of the Existing Building and other on-site facilities. However, the Existing Building also represents an additional redevelopment opportunity in the medium to longer term. This future redevelopment of the rest of the Subject Site, and/or of the Existing Building itself, will be subject to a comprehensive master planning exercise, including collaboration with the City and other commenting agencies to consider opportunities for multi-modal transportation connections to and through the Site, landscaped open space, and private and/or public open space areas.



Figure 4 - 388 Phillip Street, Site Plan - Proposed Re-Use Area and Future Redevelopment Area

This Planning Rationale Report will comprehensively evaluate the Proposed Re-Use in the context of the existing and emerging planning policy framework, as well as the existing and planned context of the Subject Site and the surrounding area.

2 | Site Description

2.1 Subject Site Overview

The Subject Site contains several elements in its existing condition: the vacant Existing Building; several surface parking lots, including a large now unused parking lot that is oriented north to previously serve the adjacent industrial property located at 440 Phillip Street; building access driveways and maneuvering areas; and a large undeveloped area on the eastern portion of the Site.

The Research & Technology Station on the ION LRT system is located approximately 400 metres to the northwest, with the surrounding area, including the Subject Site, accordingly delineated within a Major Transit Station Area ("MTSA"), where new development and intensification are planned.

Under the current City of Waterloo Official Plan (updated February 24, 2024), the Subject Site is designated Employment (Official Plan Schedule 'A' Land Use Plan), and Business Employment (OP Schedule 'A2' Employment Areas). Notably, while large parts of the Research & Technology MTSA were removed from the designated Regional Employment Area through Regional Official Plan Amendment No.6 ("ROPA 6"), the Subject Site and other lands located between Phillip Street and Albert Street were not.

However, with other recent changes to the Planning Act and Provincial Planning Statement, as reviewed in Section 6 of this Report, the City's proposed update to its Official Plan specifically acknowledges that these lands within the Business Employment designation are no longer considered traditional Employment Areas, and as such, Employment Land Conversion requirements no longer apply. While these areas are still intended to accommodate a significant employment function, the area is also now planned to accommodate a broader range of service and other supportive commercial uses, and to serve more of a mixed-use function. This is especially important in this context, given the Site's location within an MTSA, and with surrounding lands planned to accommodate high-density mixed-use development, which will significantly increase the demand for service commercial uses in the area.

The City of Waterloo Zoning By-law 2018-050 zones the Subject Site Business Employment Two (E2-40 Zone – Major Nodes). This Zone permits a range of industrial and commercial uses as Primary, Complementary and Ancillary Uses, implementing the planned employment function of the Official Plan, but not yet reflecting other updates to the Official Plan adopted through OPA 58, which provide additional flexibility for permitted uses and the inclusion of ancillary uses. The Existing Development reflected the historic Employment designation and implementing regulations of the Zoning By-law, and is compliant and/or in a legal non-complying condition with the applicable built form and other development regulations under the City's Zoning By-law 2018-50.

2.2 Surrounding Context

The Subject Site is located on the east side of Phillip Street, just north of Columbia Street West. Phillip Street is classified as a "Secondary Road (Major Collector)", while Columbia Street West is classified as a "Primary Road (City Arterial)" (OP Schedule 'E' Road Classification System). Phillip Street is improved with a recently built multi-use trail on the east side of the street adjacent to the Subject Site. This multi-use trail reflects Phillip Street's Official Plan designation as a "City-Wide Cycling and Multi-Use Route" (OP Schedule 'F' Active Transportation System).

The Subject Site is located just 400 metres from the Research and Technology LRT Station (a 5- to 8-minute walk), and within the associated MTSA. Grand River Transit operates the No. 9 'Lakeshore' bus route along Columbia Street West, the closest bus stops for which are located at the intersection of Columbia Street West and Phillip Street, approximately 200 metres from the Subject Site (a 3-minute walk). Additionally, the University of Waterloo LRT Station is approximately 600 metres from the Subject Site (a 12-minute walk), and serves as a major regional transit hub with connections to several bus routes (Nos. 9, 13, 19, 30, 31, 201, 301).

The Subject Site is situated within an eclectic mix of different neighbourhoods, districts and institutions that establish a unique and heavily varied existing and planned context. It is located within the westernmost part of the Sugarbush Neighbourhood, which includes older industrial areas, single detached dwellings on tree-lined streets and cul-de-sacs, a large stock of older low-, mid-, and high-rise apartment buildings, a major arterial street, and a major collector road. The Sugarbush Neighbourhood also abuts the rapidly growing Northdale Neighbourhood to the south of the Subject Site across Columbia Street West and is located near the University of Waterloo.

The Subject Site is also located in proximity to the David Johnson Research & Technology Park and the University of Waterloo's main campus, representing an ideal location for ongoing and future intensification and growth.

A diverse mix of uses surrounds the Subject Site, including institutional, light industrial, residential and commercial uses, with a particular influx of medium and high-density residential development occurring in the Northdale Neighbourhood immediately to the southeast, which is also starting to permeate into the Research & Technology MTSA. Examples of recently constructed, approved or proposed high-density development projects in proximity to the Subject Site are outlined in Section 3 of this Report. Collectively, these projects alone propose to bring 7,942 new residential units within walking distance of the Subject Site.

These attributes, as well as the presence of only one other, small-scale specialty grocery store in the immediate area (within a 1-kilometre radius), make this location ideal for the addition of a specialty grocery store, which can easily and conveniently serve a wide range of surrounding residents. Figure 5 below demonstrates a visual representation of the surrounding grocery stores that currently exist within one (1) to two (2) kilometres of the Subject Site, with a combination of large-scale grocery chains (No Frills, Farm Boy, etc.) and smaller-scale convenience stores and other independent food markets (Farah Foods, Waterloo Central Supermarket, etc.).

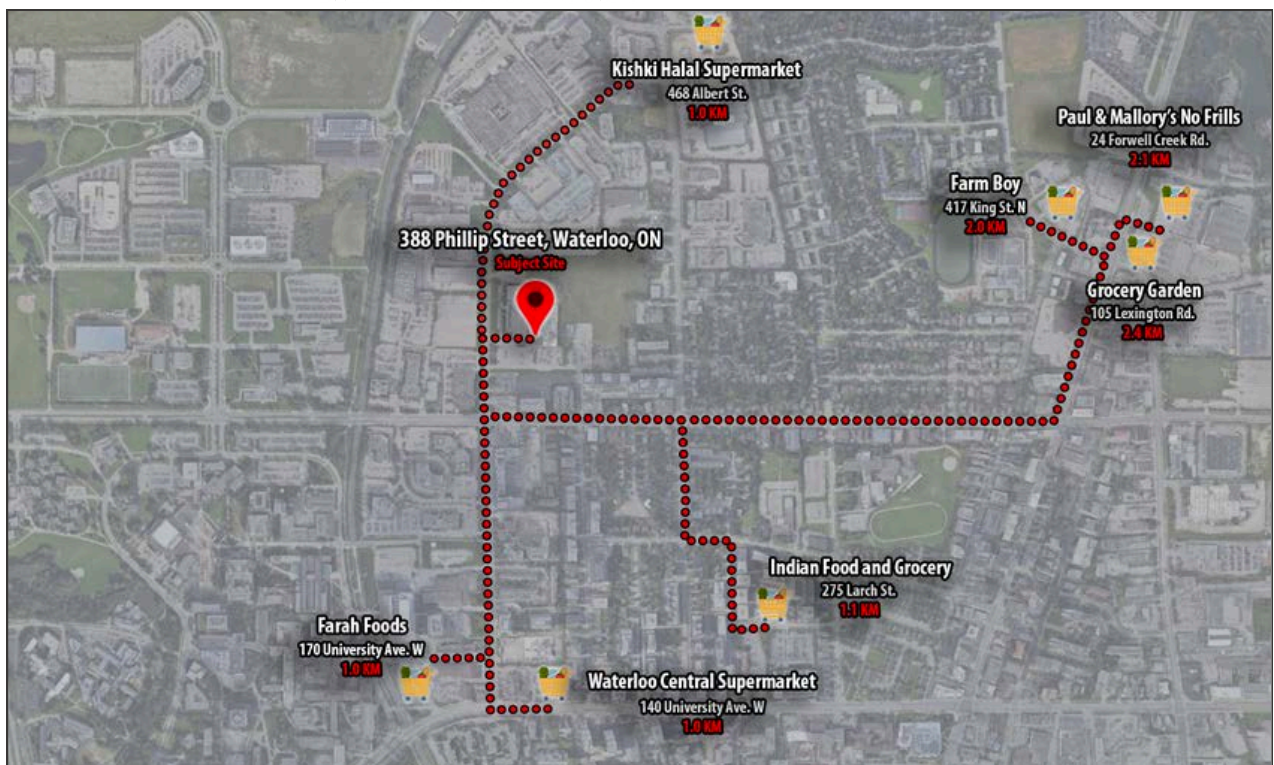


Figure 5 - 388 Phillip Street, Proximity to Surrounding Food Stores

As displayed in Figure 5 above, there are currently limited grocery store locations within a 1-kilometre radius of the Subject Site, limiting access to essential services for surrounding residents, neighbourhoods and community hubs surrounding the University of Waterloo campus. A primary objective for the planning and design of MTSAs, as reviewed in Section 6 of this Report, is to facilitate their evolution into complete communities that provide the full range of services and amenities that are needed to support the day-to-day lives of residents, as well as abundant opportunities to live, work and play. As such, there is an excellent opportunity to accommodate important commercial services and amenities as well as employment opportunities within the Existing Building, to fill these service gaps in an extremely efficient manner, while supporting the ongoing residential growth in the area and providing customers with a range of grocery store options, everyday products and other essentials.

These types of commercial services and amenities can also support existing and new businesses and other employment generators in the area. As demonstrated by Figure 6 below, there are several prominent technology-based businesses throughout the City and with a node near the Subject Site and University of Waterloo campus, including industry-leading organizations such as Google, OpenText, ESentire, Shopify, Faire, Velocity and many more. The presence of these has, and will continue to, instill and support the significant technology presence within the Region, while encouraging additional growth and a prominent technological presence. It also supports a vibrant employment base near the Subject Site, which likewise creates the need for supporting commercial services and amenities.

Similarly, there are several existing Data Centre locations within the Waterloo Region, particularly many within a 10 km radius of the Subject Site. Some examples include: CDV Waterloo Columbia Data Vault (550 metres from 388 Phillips), DataCity 14C (700 metres from 388 Phillips), N Plus Networks (5.3 kilometres from 388 Phillips), Rack & Data Centre (8.9 kilometres from 388 Phillips), and several others. These uses aid one another in forming a significant presence of technology-based businesses and data-processing institutions, carrying the robust legacy of the Waterloo Region, particularly within and around the Research & Technology MTSA. There is also an ever-increasing demand for new data storage services, as businesses and individuals become increasingly reliant on cloud storage and computing on a day-to-day basis. Such services are particularly functional and useful in areas with a strong technological employment base, such as the City of Waterloo.



Figure 6 - Waterloo Region, Technological Hubs

With the emerging focus on mixed-use intensification within MTSAs, the Subject Site and surrounding area will be a focus for growth and intensification over the long term. This is already taking place with recent development and active development proposals in proximity to the Subject Site. However, the Subject Site and other areas to the north and east were specifically left in the Regional Employment Area designation through ROPA 6, and are proposed to be maintained in the Business Employment designation through OPA 58. Though OPA 58 clarifies that traditional employment land conversion restrictions will not apply to the Business Employment designation moving forward, and also implements a more flexible policy framework to better support ancillary commercial uses, it also seeks to maintain an important employment function within the designation and does not permit residential uses. This establishes a notably different planning framework than the “Station Area Mixed-Use” designation that will apply to the other nearby lands to the west of Phillip Street and east of Albert Street.

As such, while other areas around and near the Subject Site will be immediately planned and permitted to include higher density residential uses once OPA 58 is approved, use of the Subject Site and other areas to the north are presently restricted to industrial and commercial uses, at least on a short-term basis, even though there is limited demand for traditional industrial and office uses, unless and until these lands redesignated to a different land use designation. Over time, the long-term and large-scale redevelopment of the Subject Site is expected to evolve as necessary to fit the emerging context while supporting community needs and future growth. In the present and short-term, the Proposed Re-Use is both suitable and strategically sound within the currently evolving land use planning framework and area context.

3 | Contextual Analysis

3.1 Evolution of the Surrounding Area

Since the 1950s and 60s, the Existing Building on the Subject Site has contemporaneously been a part of an evolving business office park. The business park development that occurred over the years demonstrated a relatively urban built form and site layout within the context of business office park development. Though surface parking was prominent, many of the employment buildings were designed near the abutting City streets, with most surface parking largely located to the sides and rear.

Prior uses have mainly included a variety of business office uses, providing office accommodation for technology and manufacturing firms throughout history. These have included major offices for large technology firms such as Research in Motion (now Blackberry) and Raytheon, which have since moved elsewhere. Currently, the business park is occupied by a range of office and light employment uses, but with virtually every large site/building actively marketing at least some vacant space for lease.

The abundance of vacant space for lease is representative of current trends in the Waterloo office market. The Q2 2025 Waterloo Office Market Report issued by Colliers notes that:

Over the past four quarters, the Waterloo Region office market has experienced a historic level of negative absorption. This trend has been primarily driven by a significant influx of large vacant spaces entering the market, which has pushed the overall vacancy rate from 13% to over 18%. This marks a substantial shift in market dynamics, with more than 600,000 square feet of negative absorption recorded – levels not seen since the height of the Covid-19 pandemic. The vacancy rate is especially high in the “suburban” segment (i.e. outside of Uptown) of the City of Waterloo, which is noted as having vacancy rates of 19.3%, 33.1% and 7.4% for class A, B and C office space, respectively.

These current trends are also evident in the Owner’s inability to find office tenants for the Existing Building. As a result, the building has been significantly underutilized in its present form, remaining vacant for several years despite a significant renovation investment to update the interior area to make it more attractive to potential tenants.

In addition to these negative trends in the broader market, the business park area located to the east of the rail corridor, including the Subject Site, is also in direct competition with the David Johnson Research & Technology Park located directly to the west. The Research & Technology Park has a number of inherent advantages that likely make it more attractive to many prospective office tenants, including its direct connection (both physically and functionally) to the University of Waterloo, the more recent construction of existing office buildings, and vacant land available to accommodate large businesses that may wish to design/construct their own dedicated office buildings.



Figure 7 - Davis Johnston Research & Technology Park



Figure 8 - David Johnston Research & Technology Park

As a result of these trends, there has not been any new employment development in the business park area east of the rail corridor for at least the last 20 years, though many existing buildings have undergone extensive renovation to attempt to increase their appeal to potential tenants. By contrast, 7 new office buildings have been constructed in the David Johnson Research & Technology Park over the last 20 years, illustrating the unique appeal of this newer office park that is directly affiliated with the University of Waterloo.

3.2 Adjacent Uses

The current built context west and north of the Subject Site along Phillip Street is generally comprised of older low-rise industrial buildings with modest setbacks from the street, amidst surface parking lots. However, the context to the east and south is more representative of the planned anticipated evolution of the area.

North: Abutting the Subject Site to the north is 440 Albert Street, a one-storey industrial building that was also originally part of the Raytheon Canada Waterloo Plant. A number of other smaller, low-rise industrial/office buildings are also located to the north, to the south of the Phillip Street and Albert Street intersection. At the northeast corner of the Albert and Hazel Street intersection is a traditional commercial retail plaza that provides important commercial amenities and services for the area, including restaurants, retail stores and a small, specialty grocery store.

Additionally, to the Northeast of the Subject Site on Albert Street is an Official Plan Amendment application and Zoning By-law Amendment application (446 Albert Street) that proposes a mixed-use development comprised of 13 residential buildings ranging in height from 11 to 26 storeys and containing 2,821 residential units.

West: West of the Subject Site is the Ford R&D Centre, several large surface parking lots, and the Waterloo Eye Institute, operated by the University of Waterloo. Additionally, to the west is a recent development application at 170 Columbia Street West. Further west is the Davis Johnston Research & Technology Park.



Figure 9 - 388 Phillip Street View [Northern]

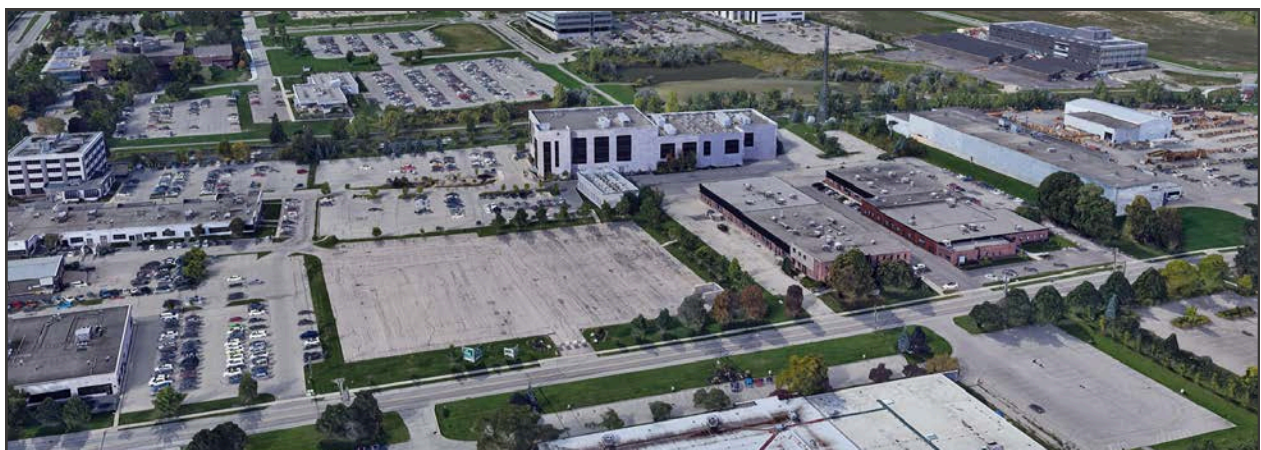


Figure 10 - 388 Phillip Street View [Western]

East: Abutting the east property line of the Subject Site is an older 9-storey apartment building (383 Albert Street) and several low-rise industrial buildings with surface parking along Albert Street (391, 403, and 413 Albert Street). Further east is the residential area in the Sugarbush neighbourhood, which includes low- and mid-rise apartment buildings along Hazel Street, as well as single-detached dwellings located further afield.

South: Several commercial, industrial and institutional establishments are present within the southern proximity to the Subject Site, as well as newer existing and proposed residential and mixed-use developments, including:

- Immediately south and abutting the Subject Site is a four-story 4,750-square-metre office building (140 Columbia Street West) with a surface parking lot located behind the building. (Add Image)
- Also abutting the Subject Site to the southeast is an eight-building mixed-use development (130 Columbia Street West) containing five towers 14-storeys in height and three mid-rise buildings, along with commercial uses along an interior pedestrian promenade.
- Just south of Columbia Street West is a four-tower residential development (330 Phillip Street & 145 Columbia Street West) that was recently built with two towers 25-storeys in height, and two other towers 23 and 20-storeys in height.
- Immediately to the east of this recent development is a rezoning proposal for three 25-storey residential towers containing 591 bedrooms (143 Columbia Street West).
- Numerous active planning applications are also generally located along Columbia Street, Albert Street and other streets in the Northdale Neighbourhood, for mid-rise and high-rise residential buildings.



Figure 11 - 388 Phillip Street View [Eastern]

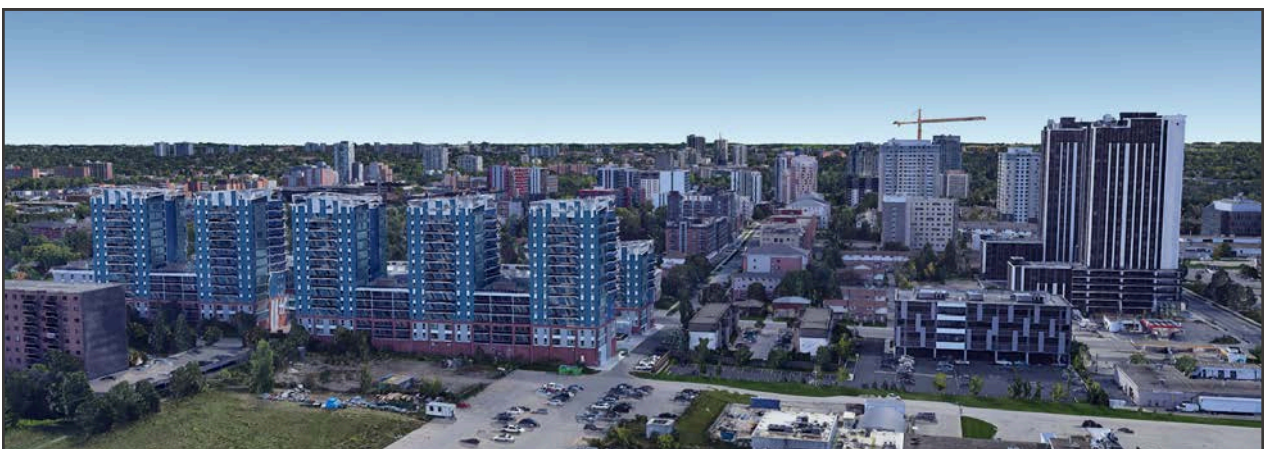


Figure 12 - 388 Phillip Street View [Southern]

3.3 Active and Recent Developments

As noted above, there are numerous active and approved development applications in proximity to the Subject Site, which reflect and implement the evolution of uses and development within the business park and surrounding area. Examples of some of these active and recent development projects include:

Approved, Constructed and Under Construction

130 Columbia Street West

An eight-building mixed-use development (130 Columbia Street West - "The Hub") containing five towers 14-storeys in height and three mid-rise buildings, for a total of 608 residential units, along with commercial uses along an interior pedestrian promenade.

145 Columbia Street West

Recently constructed residential development including 20-storey and 23-storey residential towers, with a total of 535 residential units.

330 Phillip Street

Recently constructed mixed-use development including two 25-storey residential towers, with a total of 624 residential units.

314-316 Batavia Place & 295-297 Albert Street

A Zoning By-Law Amendment application was recently filed by MHBC Planning at 314-316 Batavia Place and 295-297 Albert Street to permit the development of a 6-storey apartment building with 100 units (110 bedrooms), through the utilization of density bonusing.

333 Albert Street

A 6-storey mixed-use development project that is currently under construction, containing 85 residential dwelling units.

Active Applications

310, 330 & 332 Albert Street & 291, 293 & 295 Hemlock Street – File #Z-24-12 and OPA 58

Zoning By-Law Amendment and Official Plan Amendment applications were recently filed by KLM Planning at 310, 330 & 332 Albert Street and 291, 293 and 295 Hemlock Street. The applicant is proposing a new 6-storey mixed-use building with 140 residential units.

143 Columbia Street West – File #Z-23-04

As noted above, an active Zoning By-Law Amendment application proposes three 25-storey residential towers with ground-floor commercial space. The proposed development will comprise 591 bedrooms (591 dwelling units) and 118 square metres of commercial area.

446 Albert Street

446 Albert Street in Waterloo is a nearby development proposal that includes up to 13 apartment towers, with the tallest building reaching 26-storeys, offering a total of 2,821 units and 3,505 bedrooms. The development additionally includes 1,360 vehicle parking spots, 1,740 bicycle parking spots, 6,940 square meters of commercial space, and a 1-acre public park on the 11-acre site of the former Clemmer Steelworks plant.

170 Columbia Street West

A five-tower development proposal, ranging in height from 37 to 41 storeys and including a total of 2,438 residential units.

The recent and active development applications noted above include a total of 7,942 residential units in medium and high-density formats.

These projects are representative of the area's evolution through intensification and redevelopment, as well as the advancement of the City in its entirety. While many are mixed-use in nature, they are all predominantly residential, with commercial uses generally restricted to smaller ground-floor units. These will support important, smaller uses that will serve specified community needs, but are generally not supportive of other uses that require larger footprints, such as grocery stores.

In this context, it is our opinion that the Existing Building on the Subject Site presents a unique opportunity to provide a mix of employment and commercial uses that is both supportive and suitable within the existing and evolving urban context in that it will benefit the growing community by providing new employment opportunities and important commercial services, and enable the continued development of additional residential uses to support the City's planned growth.



Figure 13 - The Hub Development at 130 Columbia Street West

4 | Proposal

4.1 Proposal Summary

The Existing Building is proposed to be maintained and reused for three (3) main uses as an immediate and interim building re-use strategy:

1) Data Centre: About 24% (2,810 m²) of the Existing Building will house a data centre powered by an electrical supply previously allocated by Enova, with potential future integration into a broader district energy network. The Data Centre is a permitted primary use under Zoning By-law 2018-050, requiring only a building permit to permit interior retrofits. No exterior changes are required or proposed.

2) Office/Co-Working Space: Roughly 12% (1,394 m²) of the Building will become Office or Co-Working space, also a permitted primary use under Zoning By-law 2018-050. This, too, will only require a building permit to permit interior retrofits, with no exterior changes required or proposed.

3) Food Store: The remaining 64% (7,656 m²) of floor area is proposed for a grocery store ("Food Store" under the Zoning By-law) and associated ancillary commercial uses to serve the growing mixed-use and residential population near the Research & Technology MTSA. A Food Store is currently not a permitted use under Zoning By-law 2018-050, and there are policy restrictions within the Official Plan that limit the maximum size of a Food Store and other ancillary commercial uses. As such, an Official Plan Amendment ("OPA") and Zoning By-law Amendment ("ZBA") are required in order to permit this use at the proposed scale.

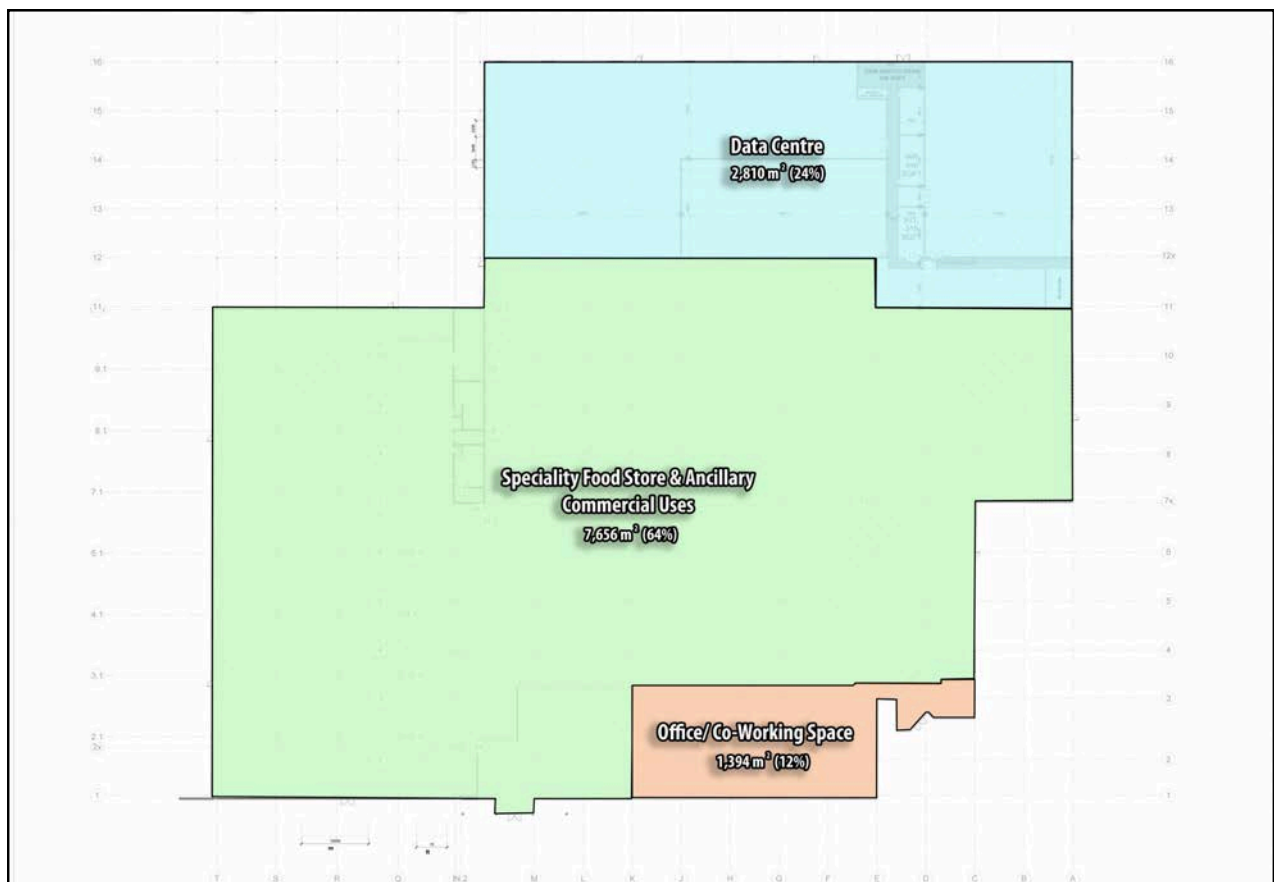


Figure 14 - 388 Phillip Street, Proposed Floor Plan

4.2 Proposed Re-Use of Existing Building

Data Centre

Recently, the Owner secured commitments from Enova for two electrical allocations of 150 MW and 10 MW, respectively, to power two new data centres, a large one at 385 & 405 Phillip Street, just to the west of the Subject Site, and a smaller one in the Existing Building on the Subject Site.

Combined with the larger data centre proposed for the 385 & 405 Phillip Street site, this new use will provide crucial data storage and processing services to support businesses and institutions in the City and Region, directly supporting the City's well-regarded high-tech reputation. In addition to providing new high-tech employment opportunities directly associated with the Data Centre, the Data Centre will also directly support hundreds or possibly even thousands of different businesses and institutions, providing incalculable economic benefits. The Existing Building is well-suited to accommodate this highly specialized use, given its large footprint, tall ceilings, and ability to be conveniently serviced by the required electrical supply. The proximity to the University of Waterloo and other high-tech businesses in the area also supports an abundant talent pool that can fill new employment opportunities associated with designing, implementing and maintaining the data centre.

As noted above, a Data Centre is already a permitted primary use on the Subject Site under Zoning By-law 2018-050. In addition, no external building design or site layout changes are proposed in order to accommodate the Data Centre. As such, the Owner is currently preparing a building permit application in order to implement interior retrofits to accommodate the Data Centre. Timing is extremely important for this component of the Proposed Re-Use; the Data Centre must be operational in early 2026 in order to meet conditions established by Enova. The Data Centre will be located in the east end of the Existing Building, providing convenient access to the existing electrical infrastructure and overhead vehicular access doors. The Data Centre will occupy 2,810 square feet of the Existing Building, equating to approximately 24% of the total building floor area.

Subject to further review with the Region and City and separate planning applications as required, the Data Centres are planned to be fully integrated into a highly efficient district energy network, which will utilize an expanded geothermal system to deliver liquid-cooling to the data centre, which in turn will deliver hot water to residential uses and other commercial and institutional uses in the area. Preliminary details of the proposed district energy system are currently being reviewed with the City and Region, and the proposed Data Centre will be designed to also support other, more traditional cooling operations, in case the District Energy system does not come to fruition or is unable to deliver a sufficient supply.

As noted above, the current proposal and applications for the Subject Site are focused specifically on the re-use of the Existing Building, and do not include the potential future integration of the Subject Site into the broader District Energy system. If and when the Site is eventually integrated into the system, there will be no geothermal supply or return wells proposed for the Subject Site. Instead, it will utilize excess geothermal capacity from The Hub development immediately to the southeast, using the colder groundwater to cool the data centre mechanical components, and supplying hot water to the proposed mixed-use development at 446 Albert Street to the northeast, where the return wells will also be located.

Office/Co-Working Space

In addition to the Data Centre, approximately 1,394 square metres (12%) of the Existing Building are proposed to be used as an Office/Co-Working Space, located in the southwest corner of the building and occupying approximately 40% of the Building's Phillip Street frontage. The Office/Co-Working Space will be accessed by existing double doors in the southwest corner of the Building and will be located in proximity to existing parking areas, which are not proposed to be altered.

The Office/Co-Working Space may be used entirely or partially as leased office space, and/or entirely or partially as Co-Working Space. Exact details will be determined at a later stage.

As with the Data Centre, Office is a permitted primary use under Zoning By-law 2018-050. Business Incubator is also a permitted primary use. In our view, a Co-Working Space would fall under the definition of either an “Office” or “Business Incubator”, and thus would also be permitted under the existing E2-40 zoning. Accounting for the Data Centre and Office/Co-Working Space, approximately 36% of the Existing Building is proposed to be occupied by permitted primary uses.

Food Store

The remainder of the Existing Building, amounting to approximately 7,656 square metres and 64% of the total floor area, is proposed to be used as a Food Store, likely to be supported by some other ancillary/accessory uses and functions (e.g. small prepared food area).

Previously, the Food Store tenant was interested in occupying space within the existing building at 156 Columbia Street West, to the west of the Subject Site. Through formal pre-consultation, City staff confirmed their general support for this use, noting the benefits of introducing a local food store option into a growing intensification area. However, the existing building at 156 Columbia Street West only contains 4,266 square metres of total floor space and so was determined to be too small to meet the tenant’s needs. As such, discussions shifted to the Existing Building on the Subject Site, which contains a much larger vacant space, even with the pending introduction of the Data Centre in part of the Building.

As noted in the pre-consultation request letter that was submitted for 156 Columbia Street West, Food Stores are a highly specialized use and are very unique from a tenant perspective. Generally speaking, the larger grocery chains are very deliberate in choosing where to locate stores, ensuring that there is a sufficient population base to support the use, and seeking to minimize direct competition from other stores where possible by ensuring sufficient and often very large separation between stores. Other smaller-scale and/or specialty Food Stores are left to fill in the blanks, and to provide specialized services that are often offered in a more urban context, providing more local options that can also cater to specific user demands and preferences (e.g. halal, healthy, etc.).

The Research & Technology MTSA and other surrounding areas are anticipated to continue evolving and growing, with new mixed-use development projects seeking to leverage the excellent transit connectivity and the emerging planning framework that strongly supports mixed-use intensification. This will lead to increased demand for commercial services, including Food Stores. Despite this new and planned residential and mixed-use development, there is only one, small-scale specialty Food Store located within 1 kilometre of the Subject Site, with the nearest larger, more traditional grocers located two kilometres to the east (see Figure 5).

As evidenced by the lack of immediately proximate large Food Store options, as well as the specific tenant’s interest in leasing a large space within the Existing Building, there is clearly demand for a new Food Store in the area, to serve the existing and growing residential population. By making use of the Existing Building, the proposed Food Store will optimize the existing and available floor area and bring a convenient and active use to a growing area of the City. This represents an efficient and effective re-use of the Existing Building, understanding that in the longer term, the Subject Site may also undergo a more fulsome redevelopment. In the immediate term, the Existing Building can serve as a functional and beneficial location for the proposed Food Store, and allow the tenant to establish a foothold in the area, and to potentially transition to a more urban format store in the future as the surrounding area is redeveloped and intensified.

The Food Store is proposed to occupy the central and northwest areas of the Existing Building, using the existing primary building entrance facing Phillip Street and with convenient proximity to existing parking areas to the south and north, and the main drop-off area.

The Food Store can also make use of the existing overhead vehicular access door in the north end of the building that provides one very large loading space, and the additional overhead vehicular access door and two existing loading docks in the south end of the Subject Site. As noted, the Food Store is proposed to occupy approximately 7,656 square metres of the Existing Building, equating to 64% of the total building floor area. A Food Store is not currently permitted on the Subject Site under the E2-40 zoning, but is permitted as an ancillary use within the Business Employment designation under OPA 58.

Collectively, this mix of uses will make efficient use of the Existing Building, as well as existing parking lots to the north, west and south that provide a total of 200 parking spaces, as well as three existing loading areas to the north and south of the building that provide a total of 6 indoor and outdoor loading spaces.

To reiterate, no exterior changes are proposed to the Existing Building or other outdoor areas on the Subject Site. The proposed new uses will be accommodated through interior changes to the Existing Building, and will make use of existing parking and loading facilities, and building entrances. If any minor Site changes are determined to be required in the future, a Site Plan Amendment application will be required.

5 | Requested Approvals

5.1 Policy Considerations

The Proposed Re-Use of the Existing Building must be evaluated within the context of the City's Official Plan, applicable zoning regulations, and broader planning objectives for the Research & Technology MTSA. While elements of the proposal, such as the Data Centre and Office/Co-Working Space, are permitted as-of-right under Zoning By-law 2018-050, the inclusion of a Food Store requires minor Amendments to the City's Official Plan and Zoning By-law, as summarized below.

Planning Framework & Intensification Goals

- The Subject Site is located within the Research & Technology MTSA, where the City's planning framework encourages mixed-use intensification, improved transit connectivity, and local commercial services to support population growth.
- Any new development within the MTSA must be evaluated in the context of transit-supportive development and the evolution of the MTSA into a complete community.

City Engagement

- City staff have indicated general support for the Food Store concept through pre-consultation, recognizing its role in providing a local food option in an intensifying area.

OPA 58

- A Data Centre is a primary permitted use within the Business Employment Designation under Official Plan Amendment 58 (OPA 58), provided it "does not conflict with the planning and growth objectives of this Plan or the City".
- Offices have been adjusted from a permitted primary use to a permitted complementary use.
- A Food Store is permitted as an ancillary use. However, OPA 58 is currently being reviewed by the Province and is awaiting approval. Though the Food Store is permitted as an ancillary use under OPA 58, the policies for ancillary uses limit the scale of such uses by requiring that they be "subordinate and incidental" to a primary use.

Current Official Plan

- Offices and Data Centres are the primary permitted uses within the Business Employment designation under the current, in-force Official Plan.

- A Food Store is not permitted as a primary or ancillary use. However, as noted above, a Food Store will be permitted as an ancillary use once OPA 58 is approved by the Province (subject to any modifications).

Zoning By-law 2018-050

- Data Centre and Office/Co-Working are permitted as-of-right within the E2-40 zone under Zoning By-law 2018-050.
- The Existing Building likewise either complies with all applicable zoning regulations or is considered to be under a Legal Non-Complying condition.
- A Food Store is not currently a permitted use in the E2-40 Zone.

5.2 Proposed Official Plan Amendment and Zoning By-law Amendment Applications

As noted above, both the proposed Data Centre and proposed Office/Co-Working Space are permitted as primary uses in the existing Zoning By-law. In addition, no exterior building changes are proposed in order to accommodate these uses. As such, the Owner is currently preparing a Building Permit application in order to implement the required interior building renovations.

As also noted above, although the proposed Food Store is not currently permitted in the E2-40 Zone or the Business Employment designation within the current, in-force Official Plan, it is permitted as an ancillary use within the Business Employment designation under OPA 58. OPA 58 also includes relaxed policy direction for ancillary uses, but still requires that they be “subordinate and incidental” to a primary use. We expect that the City will also update the Zoning By-law in the future to implement the OPA 58 policy changes at the regulatory level, such as permitting a Food Store as an ancillary use in the E2-40 Zone, with relaxed regulatory restrictions, but it is unclear if or when this exercise will take place.

As such, Official Plan Amendment (“OPA”) and Zoning By-law Amendment (“ZBA”) applications are proposed in order to implement the following policy and regulatory adjustments:

- **Official Plan Amendment:** Add an area-specific policy for the Subject Site that adds “Food Store” as a permitted ancillary use (not required if OPA 58 is approved), and permits a Food Store and other associated ancillary commercial uses to occupy up to 8,000 square metres of the building floor area.
- **Zoning By-law Amendment:** Add a site-specific regulation that adds “Food Store” as a permitted ancillary use, and permits a Food Store and other associated ancillary commercial uses to occupy up to 8,000 square metres of the building floor area.

6 | Planning Framework & Policy Analysis

6.1 Planning Act

The Planning Act is the Provincial planning legislation that sets the foundation for land use planning in Ontario. It outlines the planning system and process, sets overarching goals, objectives, and policies to address Provincial interests to be achieved and carried forward within and further implemented by lower-tier plans (i.e. Official Plans), as well as recognizing the decision-making authorities for planning matters.

Section 2 Provincial Interest

Section 2 of the Planning Act outlines Provincial interests for which Municipal Councils shall have regard when making decisions pertaining to planning-related matters, including, among others:

(f) the adequate provision and efficient use of communication, transportation, sewage and water services and waste management systems;

- (h) the orderly development of safe and healthy communities;*
- (h.1) the accessibility for persons with disabilities to all facilities, services and matters to which this Act applies;*
- (i) the adequate provision and distribution of educational, health, social and cultural recreational facilities;*
- (k) the adequate provision of employment opportunities;*
- (l) the protection of the financial and economic well-being of the Province and its municipalities;*
- (p) the appropriate location of growth and development;*
- (q) the promotion of development that is designed to be sustainable, to support public transit and to be oriented to pedestrians;*
- (r) the promotion of built form that,*
 - (i) is well-designed,*
 - (ii) encourages a sense of place, and*
 - (iii) provides for public spaces that are of high quality, safe, accessible, attractive and vibrant;*

The Proposed Re-use will support a number of these and other matters of Provincial interest. To detail a few, the inclusion of such an important community-supporting commercial use will encourage and support the orderly development of the surrounding area, encouraging a safe and healthy community by providing convenient access to diverse everyday goods. The positioning and location of the Existing Building maintain a reasonably well-situated and well-designed built form, considering the building's age, and provide a convenient location to support a high-quality, safe, accessible and attractive community-serving use. In our opinion, a Food Store is inherently beneficial for the community, encouraging vitality and an easily accessible supply of fresh, diverse food choices without financial burdens or barriers to accessibility.

Additionally, the Subject Site and surrounding area are an ideal and appropriate location for growth and development, given the MTSA designation and proximity to public transit services, as well as employment opportunities and other services and amenities. The Proposed Re-Use will support the ongoing intensification and redevelopment of the area, and also allow the Subject Site itself to be further redevelopment and intensified in the longer term.

In our opinion, the Proposed Re-use has regard for the various matters of Provincial interest and otherwise complies with the Planning Act.

6.2 Provincial Planning Statement

The Provincial Planning Statement, 2024 ("PPS"), is the primary Provincial planning policy document and is considered a policy statement under Section 3 of the Planning Act. It came into force on October 20, 2024, and all municipal decisions, comments, submissions, or advice affecting planning matters are required to be consistent with the PPS, 2024.

The PPS, 2024, carries forward the concept of Strategic Growth Areas from the former Provincial Policy Statement and encourages municipalities to identify these areas in Official Plans as the focus for growth and development. Planning authorities must delineate the boundaries of MTSA's on higher-order transit corridors within 500- to 800-metre radii of transit stations. The Subject Site is located within the Research and Technology MTSA and subject to minimum density targets for residents and/or jobs established by the former Region of Waterloo Official Plan.

The PPS encourages transit-supportive development within MTSA's, establishing a minimum density target of 160 residents and jobs per hectare for light rail transit, and promoting compact development and intensification that is best suited to achieve the minimum density targets, including through the redevelopment of surface parking lots.

The Proposed Re-use represents an effective, immediate and interim development approach, making use of an Existing Building that is still highly functional and was designed with a relatively urban built form to provide for new employment opportunities and an important community-serving use to support other redevelopment and intensification in the area. The proposed Food Store will help support the ongoing evolution of a complete community in the Research & Technology MTSA, helping to serve the day-to-day needs of existing and new residents, including the over 7,942 new residential units that have recently been constructed, approved and proposed in the area, as well as provide new employment opportunities to support a truly mixed-use community.

Section 2.8 Employment of the PPS, 2024, directs planning authorities to promote economic development and competitiveness through a range of approaches, including:

- Providing for an appropriate mix and range of employment, institutional, and broader mixed uses to meet long-term needs;
- 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;
- 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;
- Encouraging intensification of employment uses and compatible, compact, mixed-use development to support the achievement of complete communities; and,
- Addressing land use compatibility adjacent to employment areas by providing an appropriate transition to sensitive land uses.

The PPS, 2024 establishes a revised definition for Employment Areas that now focuses this land use category primarily on manufacturing, research and development related to manufacturing, warehousing, goods movement, and ancillary uses, such as office and retail, that are directly related to the primary use. Under this new definition, office and other commercial uses, including office and retail, are no longer the intended use of lands within Employment Areas.

Under the Region of Waterloo Official Plan Amendment 6 ("ROPA 6"), the Subject Site and other lands to the north were retained within the former Regional Employment Areas designation, whereas other lands in the MTSA were removed. More recently, OPA 58, which was adopted by the City in 2024, clarifies that the Business Employment designation that was maintained for the Subject Site and other lands to the north, is no longer considered an "Employment Area" as defined by the PPS and Planning Act, but is still a land use designation that is planned to maintain a prominent employment function.

The Proposed Re-Use supports this City objective, as well as Provincial policy objectives related to employment, as it will incorporate a mix of employment and commercial uses that will collectively provide a range of different employment opportunities that will supplement other employment opportunities that are available in the area, including in the David Johnson Research & Technology MTSA.

Overall, it is our opinion that the Proposed Re-use is consistent with the policy direction of the Provincial Planning Statement, 2024 and strongly supports its vision to support a diverse and growing population and workforce within settlement areas, with a strong focus on intensification, especially within Strategic Growth Areas like MTSAs.

6.3 Region of Waterloo Official Plan

The Region of Waterloo Official Plan ("ROP") was amended by Regional Official Plan Amendment 6 ("ROPA 6"), which implements updates to the former Growth Plan for the Greater Golden Horseshoe. It established the land use policy framework for lower-tier municipalities within the Region, providing for a comprehensive approach to achieving broader objectives, such as mitigating the impacts of climate change, making efficient use of infrastructure investment, promoting economic development, promoting intensification within Strategic Growth Areas, and building equitable communities for current and future generations to thrive. The Subject Site is located within the Region's "Urban Area" and the "Delineated Built-Up Area" under Maps 1 and 2, respectively. The Subject Site was also identified as part of the Regional "Employment Area" on Map 3, and within the delineated boundaries of the Research & Technology MTSA.

As of January 1, 2025, under the provisions of Bill 23, More Homes Built Faster Act, 2022, the Region of Waterloo no longer has planning responsibility. As such, the Regional Official Plan is now considered to be a local official plan of the City of Waterloo, which is to apply in parallel to the City of Waterloo Official Plan (see Section 6.4 of this Report). ROPA 6 takes a more deliberate approach to intensification than in the previous ROP. Most significantly, it increases the City's minimum intensification target from the previous 45% to the current 83%. This supports a Region-wide minimum intensification target of 61%. Table 5 provides the Regional Population and Employment Forecasts. This represents a significant increase to the City's intensification target, and requires the City to place an even greater emphasis on accommodating new growth through intensification.

Chapter 2 of the ROP provides growth management direction to accommodate forecast growth by building 15-minute neighbourhoods. 15-minute neighbourhoods are defined as:

“Compact, well-connected places where people can meet their daily needs for goods, services, and employment within a 15-minute trip from home by walking, cycling, and rolling, and where other needs can be met by using direct, frequent, and convenient transit.”

This objective is anticipated to be achieved primarily through promoting an intensification-first approach to development and community-building, to make better use of existing infrastructure and public service facilities, thereby protecting the Region’s valuable, agricultural and natural heritage systems as it continues to grow. This is especially relevant within the Region’s MTSA, with ROPA 6 requiring that they be planned and designed to be transit-supportive, provide for a diverse mix of uses, and prohibit land uses and built forms that would inhibit the ability to achieve the minimum density target of 160 residents and jobs per hectare within the Research & Technology MTSA.

A key component of the 15-minute neighbourhood vision is the provision of services and amenities that allow people to “meet their daily needs for goods, services, and employment within a 15-minute trip from home...”. As noted in earlier portions of the Report, the Research & Technology MTSA and other surrounding areas have seen an influx of residential development projects and proposals that often have an ancillary commercial component, but are typically primarily residential in nature. In addition, Official Plan policies and zoning regulations for the designated and zoned mixed-use areas often include restrictions on the sizes of ancillary commercial uses, in an effort to support a more fine-grained urban environment. However, a side effect is the general preclusion of commercial units that are large enough to support typical grocery store size thresholds.

In contrast to some of the lower-density employment uses that are permitted as-of-right on the Subject Site under the existing E2-40 zone, the proposed Food Store is anticipated to support a higher density of employment opportunities and, critically, to support the daily needs of the thousands of new residents who will call the area home. This will directly support the 15-minute neighbourhood planning objective, providing a new grocery store in a central location within the MTSA, easily accessible by active transportation and public transit. This will also make the area more attractive to potential residents, which is an important consideration given the current market and financial constraints that have had a severe limiting effect on new residential development.

Given that the Proposed Re-Use of the Existing Building is intended as an immediate and interim measure, its primary purpose is to support recent and active development initiatives in the short term, including the proposed redevelopment of the nearby 446 Albert property by the Owner, while allowing the Subject Site to also be comprehensively planned for future large-scale redevelopment. At present, the Existing Building is vacant and does not contribute to the minimum MTSA density target of 160 people and jobs per hectare or Regional Employment Area target of 35 jobs per hectare, currently accommodating 0 people and jobs per hectare. In contrast, the Proposed Re-Use is anticipated to generate approximately 282 new employment opportunities (based on jobs per floor area assumptions from the City’s Development Charge Background Study), resulting in a significant net increase in density on the Subject Site. With the Proposed Re-Use and supporting on-site areas occupying approximately 3 hectares of Site area, the Proposed Re-Use would achieve an interim density of about 93 jobs per hectare. This represents a meaningful and measurable immediate step towards the minimum MTSA density target in the short term (and significantly exceeding the Employment Area density target), with the intention of exceeding the MTSA density target in future stages of large-scale, transit-supportive redevelopment on the Subject Site.

Section 2.H provides the policies for Employment Areas, which are intended to accommodate a broad range of employment uses. Permitted uses in Employment Areas are intended to include manufacturing, warehouses, offices, research and development and associated retail and ancillary facilities, among others. Area municipalities are directed to implement more detailed planning policy direction for Employment Areas, including establishing size thresholds for “major retail” uses. Additional criteria are also provided for the permission of “service commercial” and ancillary retail uses in Employment Areas. A primary intent of the Employment Areas designation within the ROP was to delineate areas that are considered “Employment Areas” in accordance with the Provincial planning framework, and to which employment land conversion restrictions are applied. Other areas that may be planned primarily for non-residential uses at the local level, but which did not fall within the Employment Areas classification, were excluded from the Region’s Employment Area delineation, and instead just identified within the Region’s overall Urban Area.

It is important to note that ROPA 6 was approved prior to more recent changes to the Planning Act and Provincial enactment of the new PPS, both of which clarify the intent and classification of protected Employment Areas. Specifically, Employment Areas have been re-focused to predominantly industrial-type uses, including “manufacturing, research and development in connection with manufacturing, warehousing, and goods movement”. Office is no longer a primary permitted use within Employment Areas, and can instead only be permitted as an “associated” use. In response to this re-classification, the City of Waterloo is in the process of clarifying its Employment policy framework. As reviewed below, one of the changes to be implemented through OPA 58 is a clarification that the “Business Employment” designation that applies to the Subject Site is no longer considered a protected Employment Area, though it is still a designation that is primarily intended to support employment activities.

Given this significant change in Employment Area planning, this Report considers that the ROP Employment Area policies are now out of date and obsolete, and thus primarily considers the updated planning framework outlined in the new PPS, and in the adopted version of OPA 58, which is currently undergoing Provincial review, in order to evaluate the appropriateness and broader permissibility of the Proposed Re-Use.

As noted above, the Employment Area framework outlined within the ROP is now out of date and obsolete, being no longer consistent with the updated Provincial planning framework. By contrast, the PPS and adopted version of OPA 58 provide and implement this updated framework, and thus provide up-to-date policy direction for development within areas that are no longer considered “Employment Areas”, but which may still be intended to support a primarily employment function. Notwithstanding this, the Proposed Re-use conforms with other policies of the ROP that apply to the Subject Site, including those that promote 15-minute neighbourhoods, and mixed-use, transit-supportive development within the Region’s MTSAs.

6.4 City of Waterloo Official Plan, 2012 (February 2024)

Under the City of Waterloo Official Plan (updated February 2024), the Subject Site is designated “Employment” (OP ‘A’ Land Use Plan), “Business Employment” (OP Schedule ‘A2’ Employment Areas), and “Medium-High Density Employment, 40 metres” (OP ‘B1’ Height and Density). The Site is also located within the Research and Technology MTSa, which is subject to a minimum density target of 160 residents and jobs combined per hectare (OP policy 3.8 (1)).

Under the current version of the City’s Official Plan, there are three different employment land use designations:

- 1) Flexible Industrial – which applies to traditional industrial-based employment areas
- 2) Business Employment – which applies to business parks that primarily contain office uses
- 3) Academic – which applies to the post-secondary institutions and the David Johnson Research & Technology Park

As with the ROP, the current version of the City’s Official Plan implements a now-outdated Employment Area framework that applies Employment Land Conversion protection to all three of these different Employment Areas, even though the Business, Employment and Academic designations would no longer be considered Employment Areas under the updated Provincial policy framework. This is being rectified through OPA 58 (see Section 6.5 below), but remains temporarily in force until OPA 58 receives Provincial approval, which is expected imminently. As such, the outdated policy framework of the current Official Plan has been reviewed primarily in the context of determining the specific requirements of the Proposed OPA, and to consider other policies that speak to MTSAs and transportation, among others, while the updated policy framework of OPA 58 has been reviewed as a more recent expression of proposed City land use policy direction that is intended to implement the updated Provincial policy framework.

Under the Business Employment designation within the current Official Plan, primary permitted uses include both offices and data centres, but a Food Store is not permitted as a primary use, complementary use or ancillary use. A range of ancillary service commercial uses are permitted, such as restaurants, but these are subject to restrictive policy requirements. In our opinion, the proposed Food Store reflects the general intent but does not strictly conform to these policy requirements, as follows:

(a) Ancillary uses shall be within a mixed-use building containing primary permitted use(s) identified in policy 10.3.2.2(3), and the building floor area associated with the ancillary uses shall be substantively subordinate and incidental to a primary use(s) in the building.;

The Food Store will be located in a building that has two primary permitted uses (data centre and office), but is proposed to occupy the slight majority of the overall building floor area (64%).

(b) Ancillary uses shall be oriented toward street frontages and designed to enhance the pedestrian environment;

The proposed Food Store will occupy the majority of the Existing Building’s street frontage, and will support an enhanced pedestrian environment with the existing building entrances located in relatively close proximity to the sidewalk along Phillip Street.

(c) No unit shall be larger than 1,858 square metres. Deviations to this unit size cap that are in keeping with the intent of the Official Plan may be enacted through zoning without an Official Plan Amendment.

In our view, the proposed grocery store is generally in keeping with the intent of the Official Plan, which is clearly to appropriately limit the size of ancillary commercial uses in order to ensure that employment uses remain a primary function, but the size cap provided in the policy is insufficient to support a viable Food Store and considering the large size of the Existing Building.

(d) Ancillary uses will not conflict or interfere with the satisfactory operation and development of the lands for employment purposes.

The proposed Food Store will occupy space within the Existing Building that has remained vacant for the past 8 years. The remainder of the Existing Building will be used for employment purposes, and no other changes are proposed to the Site at this time, except for interior building retrofits.

Given the above, an OPA is required and proposed in order to permit a Food Store as a permitted ancillary commercial use, and to allow the Food Store and other associated ancillary commercial uses to occupy a maximum building floor area of 8,000 square metres (rounded up from 7,656 square metres). If OPA 58 is approved in advance of the proposed OPA, then the first part of the proposed OPA will no longer be required, given that OPA 58 proposes to add Food Store as a permitted ancillary commercial use within the updated Business Employment designation.

Notwithstanding the need for an OPA to address the ancillary commercial use policy requirements noted above, the Proposed Re-Use generally conforms with the remainder of the policy direction for the Business Employment designation as it does not include any identified prohibited uses, will occupy an Existing Building that presents a relatively urban and transit-supportive built form, given the modest Phillip Street setback and location of parking areas predominately to the sides of the building, includes both office space and space for a data centre that can directly support other prestigious office uses in the area and broader City/Region, and will introduce new, active uses to the Existing Building that will lead to enhanced pedestrian activity, and a more vibrant and active streetscape.

In addition to providing land use policies for the Employment designations, the Official Plan also provides policy direction for different Strategic Growth Areas, such as Minor Corridors and MTSAs, as well as general and area-specific urban design policies. The Subject Site and adjacent areas to the north and south are identified within a “Minor Corridor on Schedule B of the Official Plan. Minor Corridors are described as connecting “a series of Major Nodes, Minor Nodes and/or the Primary Node”, and are generally planned for residential uses, though some limited areas have a non-residential planned function. Commercial uses may be permitted, as set out in the applicable land use designation(s).

Section 3.6.5 provides policy direction for intensification within nodes and corridors. In this case, it should be noted that the Proposed Re-Use does represent practical intensification, as it will introduce new uses into an Existing Building that is currently vacant, and create 282 new employment opportunities where none currently exist. Physically however, no new development is required or proposed in order to accommodate the Proposed Re-Use. The new uses will be accommodated within the Existing Building, with no changes proposed at this time to the Building or surrounding Site area. Furthermore, the Existing Building and associated parking and loading functions are confined to a roughly 3 hectare area of the Subject Site - with the remaining 7 hectares being either completely vacant or comprised of unused and unneeded parking lots. The Proposed Re-Use will not preclude or prejudice the future redevelopment of these areas. Instead, it will actually support future redevelopment by bringing active uses to the Subject Site, including a Food Store use that will be incredibly appealing and convenient to both residents and employees in the area.

Any future, new development on the Subject Site will need to address the policy criteria for Minor Corridors, but re-use of the Existing Building for new uses represents a practical and efficient strategy to introduce new employment opportunities and commercial services on the Subject Site while not inhibiting its longer-term redevelopment potential.

This same consideration also applies to the policies outlined in Section 3.6.6, which apply to parking within nodes and corridors. Generally speaking, these policies seek to minimize surface parking in favour of more intensive forms, requiring that newly created surface parking be screened from the street and adjacent lands. In this case, the Proposed Re-Use will make use of existing parking areas that are primarily located to the sides (north and south) of the Existing Building (see Figure 15). No new parking areas are required or proposed. This represents a practical and efficient re-use of existing parking infrastructure, with the rest of the Site (measuring approximately 7 hectares in area) remaining available for additional short-term redevelopment, including existing surface parking areas on the northern and southern ends of the Subject Site.

Section 3.8 addresses the City’s MTSAs, re-iterating the 160 residents and jobs per hectare minimum density target that applies across the entire MTSA boundary. As noted above, the Existing Building has been vacant for some time and so does not contribute to the minimum MTSA density target. In contrast, the Proposed Re-Use is anticipated to generate approximately 282 new employment opportunities (based on jobs per floor area assumptions from the City’s Development Charge Background Study), resulting in a significant net increase in density on the Subject Site. Occupying a total site area of approximately 3 hectares, the Proposed Re-Use would achieve an effective interim density of about 93 people and jobs per hectare. This represents a meaningful and measurable immediate step towards the minimum density target in the short term, with the intention of exceeding the density target in future stages of large-scale, transit-supportive redevelopment on the Subject Site.



Figure 15 - Potential Future Redevelopment Areas on Subject Site

MTSAs will be planned to accommodate a mix of transit-supportive uses, that can function as both the origins and destinations for transit users, and to create attractive places for working, learning, living and recreation, while also encouraging job growth and commercial viability. The Proposed Re-Use will strongly support this planned function by co-locating employment uses with a vital commercial service (and employment generator in its own right) - uses that can function as origins and destinations for transit users, as well as a convenient pass-by destination in the case of the Food Store.

Speaking further to land uses, the Official Plan generally encourages transit-supportive uses within MTSAs, which could include medium and high density residential, commercial and/or employment uses. Non-transit supportive, lower-density uses, and uses that are oriented towards vehicular travel, are discouraged. The unique context of the Proposed Re-Use must be acknowledged when considering this policy direction. The Existing Building already exists on the Subject Site, and has been vacant for the past 8 years. As such, it presents a unique opportunity to introduce new active uses that will generate immediate employment opportunities and provide convenient commercial services, thereby supporting other higher density development in the area and representing the most efficient possible form of intensification. This re-use of the Existing Building is intended as an immediate and interim strategy, and will not prejudice the redevelopment potential of the remaining 7 hectares of the Subject Site; instead it will support it by introducing active and supportive commercial and employment uses. The Existing Building will also likely be redeveloped at some point in the future, with the Proposed Re-Use representing an immediate and interim intensification opportunity. Recognizing this unique context, it is our opinion that the Proposed Re-Use will support the planned function of the Research & Technology MTSa on an immediate and interim basis, with any subsequent redevelopment required to directly address the policy direction for new development in the MTSa.

Section 3.8.2 and 3.8.3 speak to Public Realm & Placemaking, and Mobility within the MTSAs. In this regard, we note that Schedule J3 does not identify any future public spaces on the Subject Site, though it does identify a Conceptual Active Transportation Connection running along the northern Site boundary, consistent with Schedule F (see below). In order to support the City's design vision for the MTSAs, the City may require detailed master plans and/or design studies as part of development proposals. As reviewed in more detail below, the Proposed Re-Use does not propose any exterior changes to the Existing Building or Subject Site, and will only occupy an approximately 3 hectare area.

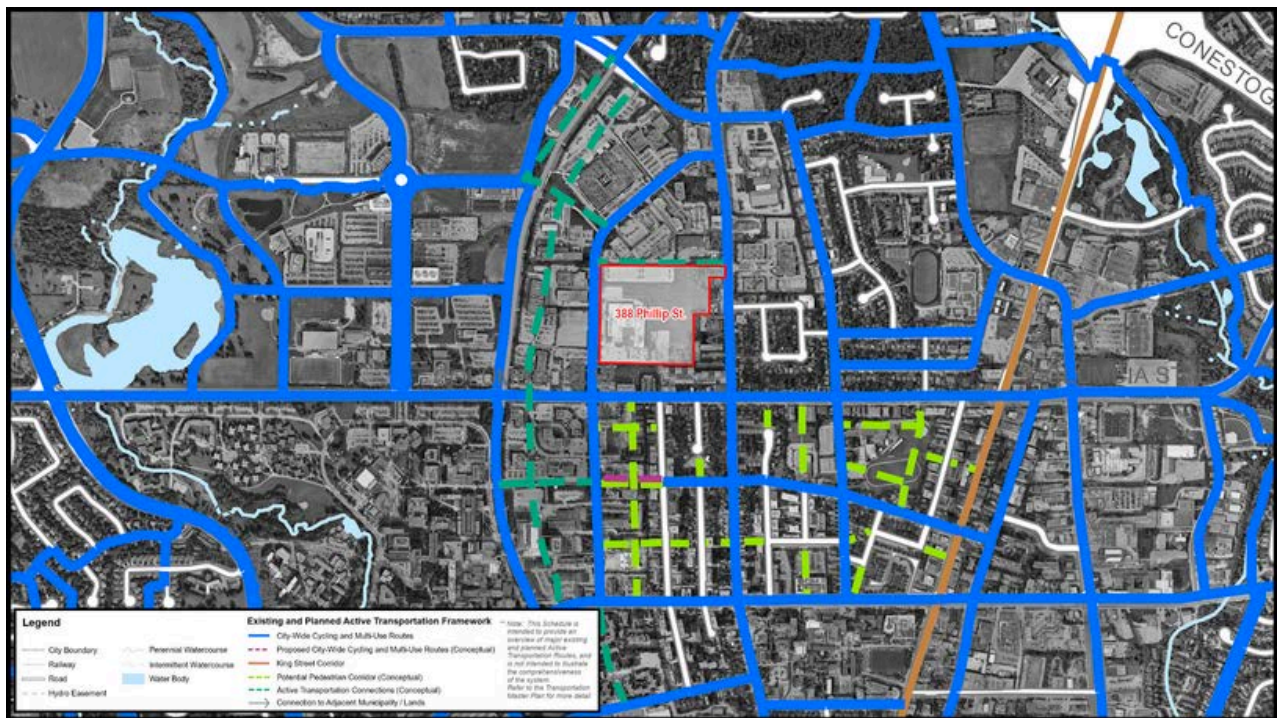


Figure 16 - City OP, Schedule F - Aerial Overlay

The remaining 7 hectares will remain vacant/unused, and are expected to be subject to a detailed master planning exercise in support of a comprehensive redevelopment plan in the vision. A future long-term plan for the Existing Building and surrounding area will also be established in the future through a similar or perhaps the same master planning process, given that the Proposed Re-Use only represents an immediate and interim development plan. This comprehensive master planning process will include a multi-modal transportation assessment and plan, as noted below, and also address a range of other site layout considerations including building location, massing and height, mix and distribution of uses, multi-modal transportation access and connectivity, landscape open space, tree retention, outdoor amenity and private and/or public open spaces. It is through this future process that the public realm, placemaking and mobility design policies for MTSAs, as well as the more general urban design policies of the Official Plan, will be comprehensively addressed.

Though the City's urban design policies and guidelines will be addressed through the future master planning exercise and redevelopment proposal, rather than this immediate and interim building Re-Use proposal, the Existing Building and site layout do address a number of the City's urban design policies and guidelines and will support an appropriate and successful site condition in the short-term. For example, the existing parking areas that will support the Proposed Re-Use are primarily located to the sides of the Existing Building, with only limited parking out front that will serve a useful and convenient short-term parking function. The Subject Site also has a generous landscape strip along Phillip Street, providing functional separation between the multi-use path and on-site parking area, and other landscape buffers around the perimeter of the Site.

As noted above, no exterior changes are currently proposed to the Existing Building or surrounding Site area. However, if any changes are deemed to be necessary or beneficial to support the Proposed Re-Use in the future, such changes would require approval of a Site Plan Amendment application, through which the City can provide comments and implement other City requirements, as applicable.

Schedule F identifies a Conceptual Active Transportation Connection running along the northern boundary of the Subject Site, connecting Phillip Street to Albert Street (see Figure 16 above). As previously noted, the Proposed Re-Use will simply make use of the Existing Building and existing parking areas and loading facilities immediately adjacent to it. As such, the Proposed Re-Use will be confined to only about 3 hectares of the Subject Site, with the remaining 7 hectares remaining vacant/unused, and providing an opportunities for additional redevelopment in the short-term (see Figure 15 above). The 7 hectare vacant/unused area includes the northern portion of the Subject Site that includes or abuts the Conceptual Active Transportation Connection.

As such, we do not believe it is beneficial or appropriate to implement the Conceptual Active Transportation Connection at this time. In fact, doing so would likely prejudice and negatively impact the redevelopment potential of the remainder of the Subject Site, which should instead be subject to a robust master planning process that includes active collaboration with the City and will determine the optimal location(s) for active and/or multi-modal transportation connections through the Subject Site.

It's possible that one such optimal location may be in the area identified on Schedule F, but it's also possible that a more optimal location(s) could be further to the south, entirely on the Subject Site, and could involve a more substantial multi-modal transportation connection(s). Waiting until the remainder of the Subject Site is redeveloped in the future will preserve a blank slate to determine the optimal transportation system for the Subject Site.

Notwithstanding this, we note that there is an existing walkway along the northern boundary of the Subject Site, that runs from Albert Street to Phillip Street. Though not owned by the City, this walkway exists and is open for use. As such, it likely already informally functions as the planned active transportation connection between the two streets, and can continue to function in this manner until a more comprehensive redevelopment plan is advanced and formal multi-modal transportation connections are secured.

An Official Plan Amendment is required and proposed to permit a Food Store to occupy a slight majority of the Existing Building, but this will create new employment opportunities that will support the intended function of the Business Employment designation, and represents a pragmatic and efficient strategy for practical intensification in an immediate and interim manner.

6.5 City of Waterloo Official Plan Update - OPA 58

In December 2020, the City of Waterloo initiated a comprehensive review and update to its Official Plan. The current Official Plan was originally adopted in 2012, with ongoing updates through to February 2024 to reflect the adoption of site-specific policies and more general updates.

The current Official Plan Review is intended to reflect current community objectives, respond to a worsening housing availability and affordability crisis, incorporate best practices in urban planning, and to achieve consistency with current provincial legislation and Provincial and Regional policies and plans. On December 2, 2024, the final recommended draft of the Official Plan Update Phase 1A was adopted by Council with minor amendments. The implementing Official Plan Amendment (OPA 58) is currently being reviewed by the Ministry of Municipal Affairs and Housing, which is now the approval authority following Bill 23, More Homes Built Faster Act, 2022, having removed planning authority from the Regional Municipality of Waterloo, effective January 1, 2025.

OPA 58 included comprehensive updates to the following chapters of the Official Plan:

- Minor updates to Chapter 1 - Introduction
- Minor updates to Chapter 2 - Vision, Principles and Basis
- Updates to Chapter 3 - City Form
- Updates to Chapter 10 - Land Use Policies
- Updates to Chapter 12 - Implementation

Under OPA 58, the Subject Site continues to be designated Employment, Business Employment, and Minor Corridor. Under the new Built Form Schedule B1, the Subject Site is designated Medium High Rise, 12 Storeys, a slight re-classification from its previous designation of Medium and Medium-High Density Employment, 40 metres.

OPA 58 includes policies intended to support public transit investments by focusing intensification within designated MTSAs. This includes significant revisions to Chapter 3 – City Form, to conform with Provincial and Regional legislation and policy. The City of Waterloo will now be planned to accommodate a population of 185,000 residents (excluding non-permanent residents, such as post-secondary students who reside temporarily in the region) and employment of 114,900 jobs by the year 2051. Furthermore, an additional 67,600 non-permanent residents are forecast to take up temporary residence in the Region by 2051, the majority of which will be located in the City of Waterloo in close proximity to the city's three post-secondary institutions. By contrast, the current in-force Official Plan is predicated upon accommodating a population of just 138,000 and 88,000 jobs by 2029.

As noted above, OPA 58 implements a number of policy revisions to the Employment designations, and the Business Employment designation in particular, including:

- Specifying that only the “Flexible Industrial” employment designation is considered an “Employment Area”, consistent with the updated Provincial policy framework;
- Clarifying that the Business Employment designation is not considered part of the City’s “Employment Areas”, but that they “should contribute to a wider range of employment opportunities that are compatible with Flexible Industrial employment areas and other adjacent land uses”;
- Explaining that the Business Employment designation will generally function as a transition between true industrial Employment Areas and other land uses, and/or may be “strategically located throughout the city to foster complete communities at the neighbourhood or large site scale”;
- Encouraging intensification within the Employment designations and strongly encouraging the co-location of different uses by a variety of users;
- Updating the “planned function” of the Business Employment designation to include achieving “a diverse range of employment uses, and help to facilitate complete communities”;
- Refining the permitted uses in the Business Employment designation, including changing “offices” from a primary permitted use to a complementary permitted use, maintaining data centres as a primary permitted use but only if they do not conflict with the planning and growth objectives of the Official Plan, and adding “food store” as a permitted ancillary use, among other changes; and,
- Adding additional flexibility into the policy requirements for ancillary commercial uses, by completely removing the 1,858 square metres size cap from the existing Official Plan.

The Proposed Re-use strongly responds to this updated policy framework by providing for a mix of employment and commercial uses that will create new employment opportunities where none currently exist, while also providing a critically important community-servicing commercial use that will help facilitate the development of a complete community. The proposed mix of uses will also ensure compatibility with and provide an appropriate and desirable transition to adjacent and nearby employment, commercial and residential uses, and so represents an ideal mix of highly compatible employment and supportive commercial uses. While additional flexibility has been added to the policy requirements for ancillary commercial uses, as noted above, the policy requirements continue to require that ancillary uses shall be “subordinate and incidental” to a primary use. The proposed Food Store will occupy the slight majority of the Existing Building, but a large area will be maintained for the data centre and office uses, and the proposed Food Store is supportive of these and other employment and residential uses in the area. As such, if OPA 58 is approved prior to the proposed OPA, then the OPA will be revised to remove the addition of “food store” to the list of permitted ancillary commercial uses (given that it will be added by OPA 58), but the other site-specific policy that will permit the food store and related ancillary commercial uses to occupy up to 8,000 square metres (rounded up from 7,656) of building floor area will remain.

As it relates to the adjusted permission for a data centre only where it does not conflict with the planning and growth objectives of the Official Plan, we note that the data centre is only one of three uses that are proposed to co-locate within the Existing Building, and the data centre will directly support other businesses in the area and City/Region as a whole, thereby supporting and promoting economic development on a larger scale. The data centre on its own is also expected to support 31 new jobs where none currently exist on the Subject Site. This is further supplemented by 67 new jobs expected with the office/co-working space, and 184 new jobs expected with the grocery store. This results in an overall net increase of 282 new jobs on the Site, which will thus contribute to the minimum density target for the MTSA as well as the City’s employment growth forecast (job estimates based on employee per square foot assumptions from the City’s Development Charges Background Study). In addition, it is expected that a comprehensive redevelopment plan will also be advanced for the rest of the Subject Site in the short-term (and likely for the Existing Building in the medium to longer-term), which will provide for higher density intensification and more directly support achieving the density target and growth forecast. In addition to the changes noted above, OPA 58 also includes a new policy (10.3.3.2(9)) that outlines new policy requirements for Amendments to lands in the Business Employment designation. It appears that this policy is primarily intended to apply to applications seeking to remove lands from the Business Employment designation, which is not required or proposed in this case. Notwithstanding this, the Proposed Re-Use conforms with this policy, as it will support a net increase of 282 jobs on the Subject Site, thereby supporting the City in achieving its employment targets as well as the planned employment function of the area. The enclosed Functional Servicing Report and Transportation Impact Study have also confirmed that there is sufficient infrastructure available to service the Proposed Re-use.

Though the Business Employment designation is no longer considered a true “Employment Area”, it is important to acknowledge that it is still planned to support employment activity, and to function as a transition between more traditional industrial uses in the Flexible Industrial designation, and other land use designations that may permit sensitive residential uses. In this case, we note that there are no lands designated within the Flexible Industrial designation in proximity to the Subject Site. Instead, the lands to the north are also within the Business Employment designation, while the lands to the west are within the Station Area Mixed-Use designation, which permits residential uses. Lands to the east, beyond Albert Street, are within the Business Employment designation, and various residential designations beyond.

Considering this planned land use framework, it is important to consider whether the Proposed Re-Use will maintain compatibility with the lands to the north and east, that are planned to support lighter employment uses within the Business Employment designation, and the lands to the west and further east (and south), that are planned to support high density mixed-use development, including sensitive residential uses.

The Proposed Re-Use is very well-suited to address this unique land use framework. The proposed Food Store provides a vital commercial service function, not just for residents who need to shop for groceries weekly or even more frequently, but also for employees who will be provided with additional lunch options and proximate locations for grocery shopping on the way to and from work.

It is acknowledged that Food Stores typically have different travel patterns than employment uses, the latter being focused on the AM and PM peak hours, whereas Food Stores typically have reduced trip generation in the AM peak hour and slightly increased trip generation in the PM peak hour. However, potential traffic impacts of the Proposed Re-Use have been assessed by the Transportation Impact Brief, which concludes that the Proposed Re-Use is not expected to have a significant impact on traffic operations of the surrounding road network. In addition, there is ample, existing on-site parking and loading facilities to serve the Proposed Re-Use. There are 3 existing loading areas that collectively provide 6 interior and exterior loading spaces, and three existing parking areas that will remain and serve the Proposed Re-Use, that collectively provide 200 parking spaces.

At present, the Existing Building and the associated parking and loading facilities are completely unused, despite significant renovation investment from the Owner. As a result, the Subject Site does not at all currently contribute to the planned function of the MTSA, or the Site itself with its Business Employment designation. This is an especially pressing concern, considering that the Subject Site is centrally located within the eastern portion of the MTSA, and so represents an excellent location for a community-serving commercial use, like a Food Store.

In addition to the Food Store, the proposed Data Centre and Office/Co-working uses are already permitted under the Zoning By-law, and represent low-impact employment uses that are already commonly found in the surrounding area. As such, these uses would not be expected to have any negative impacts on surrounding uses or areas, and in fact will likely support other businesses in the area, City and Region by providing additional cloud data storage space as well as office/co-working space that can support small businesses.

Overall, the proposed mix of employment and commercial uses represents an ideal mix and balance of uses that can achieve a number of important planning objectives, including employment generation, provision of community servicing commercial uses to support a complete community, efficient re-use of an Existing Building and existing infrastructure, and effective land use compatibility with the eclectic mix of surrounding uses in the area.

The Proposed Re-Use largely conforms with the updated policy direction provided through OPA 58, with the proposed OPA just required to implement a site-specific policy that recognizes the scale of the proposed Food Store. This use, along with the proposed data centre and office space, will collectively support the updated objectives and intent for the Business Employment designation, and represent a compatible mix of uses that will successfully transition to the range of other uses that exist in the area, and support the evolution of a complete community in the Research & Technology MTSA.

6.6 City of Waterloo Zoning By-Law

The Subject Site is zoned “Business Employment Two (E2-40 Zone – Major Nodes)” under the current City of Waterloo Zoning By-law 2018-050. The Existing Building was approved and constructed in the mid-1950s under a former Zoning By-law. As such, the Existing Building either complies with the applicable zoning regulations or is considered to be under a legal non-complying condition.

As noted in Section 5.2 of this Report, both the office/co-working space and data centre are primary permitted uses within the Zoning By-law. As such, the Owner will soon advance building permit applications to implement minor interior renovations to accommodate these uses, as permitted fully as-of-right. However, a Food Store is not currently permitted in the E2-40 zone, though it will soon be added as a permitted ancillary use under the updated Business Employment designation, and we expect that the City will update the Zoning By-law to implement this change at some point in the future.

As such, a ZBA is required in the short-term, to add the Food Store as a permitted ancillary use and to permit it to occupy a maximum floor area of 8,000 square metres. No other amendments to the Zoning By-law are required or proposed.

The Proposed ZBA will partially implement updates to the Business Employment designation through OPA 58, and fully implement the proposed OPA, permitting the proposed Food Store to occupy the slight majority of the Existing Building.

7 | Public Consultation Strategy

7.1 Standard Planning Act Requirements

Effective public consultation is a cornerstone of transparency, accountability, and community engagement within the planning process. The Applicant proposes to undertake a comprehensive, multi-step public consultation strategy consistent with Planning Act requirements for OPA and ZBA applications.

This Public Consultation Strategy was prepared in light of Section 8 of Ontario Regulation 179/16, which came into effect on July 1, 2016, and Bill 109, More Homes for Everyone Act, 2022 (“Bill 109”), which received Royal Assent on April 14, 2022. Overall, the Planning Act seeks to ensure a fair, open and accessible planning process by encouraging participation by all segments of the population, promoting awareness of planning issues and decisions and providing adequate and various opportunities to those affected by planning decisions.

Chapter 12.4 of the City’s Official Plan outlines policies regarding public involvement in the planning process, including broad objectives for public engagement. Policy 12.4.1(2) establishes that “The City will develop and update, as appropriate, Public Involvement Guidelines that will provide a framework, and in general a more consistent city-wide approach, for how the City will involve the public, while recognizing that the City has legal obligations to process specific applications within prescribed timelines and methods that are set out in legislation.”

Policy 12.4.1(3) establishes that “It is recognized that decisions of Council with respect to the adoption of Official Plans or amendments thereto or Zoning By-Laws or amendments thereto, are subject to the provisions of the Planning Act as outlined below under ‘Public Meetings and Notification’ and more specifically, Sections 12.4.2 through 12.4.4 of this Plan.”

The September 22, 2021-dated, City of Waterloo - Streamlined Planning Process Review for Public & Stakeholder Engagement Final Report (“Engagement Final Report”) addressed the changing nature of community involvement in planning that was precipitated by the COVID-19 pandemic. The Engagement Final Report established five guiding principles for public engagement:

Transparent - *There is clarity and transparency around the planning process.*

Accessible - *Engagement will use multiple channels for outreach (digital and traditional), allowing for broader and deeper engagement.*

Inclusive - *Engagement will be structured to learn from diverse perspectives so that the views of the community are represented.*

Informed - *Communications will use simplified, easier-to-understand, and less technical language so that participants are aware and informed.*

Dialogue - Engagement will include methods that encourage two-way communication, allowing for in-depth discussion.

The Public Involvement Guidelines are still under development at this time, however, the Official Plan outlines three levels of the public involvement continuum of (Inform, Consult, and Engage) (COP Policy 12.4.1(5)). Policy 12.4.1(6) guides for an expansion of the public involvement continuum to encompass additional levels of public engagement:

- (a) Inform and Educate;
- (b) Gather Information;
- (c) Discuss;
- (d) Engage; and,
- (e) Partner

In addition to Policy 12.4.1(3), Policy 12.4.2(1) speaks to the City of Waterloo's intention to utilize the Planning Act alternative notice provisions. Specifically, Policy 12.4.2(2) establishes that: "The City of Waterloo will use the provision for an alternative method as outlined in policy 12.4.2(5) below for consultation and not rely solely on the notice of public meeting as outlined in the Planning Act. This will foster communication and education of issues to people and groups early in the decision-making process."

Policy 12.4.2(3) establishes public signage notification requirements for proposed Official Plan Amendments, Zoning By-law Amendments, Plans of Subdivision, and applications to the Committee of Adjustment: "Such signage shall be posted on the subject site by the applicant, at their expense, indicating the basic details of the application. The wording, design and placement of the sign is to be approved by the City of Waterloo."

Policy 12.4.2(4) establishes that: "Details of proposed Official Plan Amendments, Zoning By-Law Amendments, Plans of Subdivision and Plans of Condominium shall be circulated for comment to all agencies and boards that are considered to have an interest in the matter within 14 days of receiving any application that is deemed a complete application. The commenting period for agencies and boards may be specified by the City, in compliance with applicable legislation, so that applications can be processed within the timelines prescribed in the Planning Act."

The aforementioned Policy 12.4.2(5) establishes the requirements for public meetings for proposed Amendments to the Official Plan or Zoning By-law:

(a) One public meeting shall be held to inform and secure the views of the public with respect to the approval of an Amendment to the Official Plan or Zoning By-Law, except as specified in policy 12.2.17(7).

(b) The City, at its sole discretion, may hold two public meetings. The first meeting shall be known as the Informal Public Meeting, and the second shall be known as the Formal Public Meeting. City staff may waive the Informal Public Meeting where there is a desire to expedite the approval process or where the holding of such a meeting would serve a limited purpose. The Formal Public Meeting may be waived as set out in policy 12.2.17(7).

(c) The purpose of the Informal Public Meeting is to introduce the proposed Amendment to Council and the public, and to obtain the preliminary comments of those affected by the proposed Amendment. The Informal Public Meeting shall be open to the public, and any person who attends the meeting shall be afforded an opportunity to make representations regarding the proposed Amendment. After the meeting, the application will be referred to municipal staff for a report. The municipal staff report shall be considered at the Formal Public Meeting. This meeting shall be open to the public, and any person who attends the meeting shall be afforded an opportunity to make representations in respect of the proposed Amendment.

(d) Depending on the nature and scope of the application, there may be a benefit to holding City- or applicant-led neighbourhood open house(s) in addition to the Formal and Informal Public Meetings, in order to provide the community additional information regarding technical studies and the scale and scope of the proposal. These open house sessions would be information sharing and informal in nature, as contemplated in policy 12.4.5, and may be required as part of a complete development application.

Given the Subject Site's location within a business park as well as the nature of the Proposed Re-Use, being simply to make full use of the existing building by permitting a grocery store, we do not believe that a neighbourhood open house should be required in this case. However, all other public consultation and notice requirements will be adhered to, including the required notice signage, other notifications for nearby residents and businesses, and the formal public meeting. We also understand that the proposed OPA and ZBA applications will be made available for public review and comment on the Engage Waterloo website.

8 | Summary of Technical Studies

8.1 Functional Servicing Report

GRIT Engineering Inc. was retained to prepare the Functional Servicing Report (“FSR”) for the Proposed Re-Use. The purpose of the FSR is to provide recommendations for sanitary, water and storm servicing strategies for the Subject Site, as well as discuss available municipal infrastructure and how the Site can be serviced. The Report discusses Sanitary Servicing, Water Distribution, Stormwater Management and Storm Servicing in detail, further providing comprehensive conclusions pertaining to each consideration.

Based on the findings of this Report, the Proposed Re-Use can be serviced by the existing and on-site infrastructure. The design and calculations in Sections 2 through 4 and the appendices of the Report demonstrate compliance with the City’s design requirements and establish that the Proposed Re-Use can be adequately serviced by existing connections to the existing municipal infrastructure.

8.2 Transportation Impact Brief

Paradigm Transportation Solutions Limited was retained to prepare a Transportation Impact Brief for the Proposed Re-Use. The purpose of this Brief is to estimate the net change in trip generation between the existing and proposed land uses. As such, the scope includes a description of the existing transportation network near the site, estimates of the site vehicular trip generation for both existing and proposed land uses, and a quantitative analysis of the net impact of the Proposed Re-Use.

The Transportation Impact Brief concludes that the Proposed Re-Use is estimated to generate a slightly increased number of vehicle trips in the weekday PM peak hour, and a lower number of vehicular trips in the weekday AM peak hour, as compared to the former land use. The anticipated net increase of trips in the PM peak hour (58 trips) would not be expected to have a significant impact on traffic operations on the surrounding road network, especially once dispersed among the site driveways and the road network near the Site (that is, Columbia Street and Albert Street, primarily). In summary, the Transportation Impact Brief further concludes by recommending that the Proposed Re-Use should be considered for approval, considering the favourable impacts.

9 | Conclusion

Since its construction nearly 70 years ago by Raytheon Canada, the Existing Building has directly contributed to the growth and development of the City of Waterloo as an internationally significant centre for high-tech research and development. Despite its closure in 2017, the Existing Building remains a potentially useful employment/commercial building in the short-term, though existing Official Plan policies and Zoning regulations have resulted in limited flexibility to accommodate viable commercial uses, such as a grocery store. As a result, the Existing Building has sat entirely vacant for some time, despite active marketing efforts and significant interior renovations.

The Proposed Re-use will leverage the Subject Site’s excellent location within an MTSA and in proximity to a range and mix of uses, including high-density residential development, to optimize the Existing Building, create new employment opportunities, and deliver an important community-serving use. The proposed mix of uses, including a grocery store, office/co-working space and data centre, will balance the updated objectives and intent of the Business Employment designation by creating new employment opportunities, providing compatibility and transition to adjacent uses, and supporting the area’s ongoing evolution into a complete community.

The purpose of this Planning Rationale Report has been to assess the merits of the Proposed Re-Use in achieving good and thoughtful planning principles, and in providing a suitable and appropriate re-use of the Existing Building, recognizing the Subject Site’s unique context within an MTSA and evolving former business park area. The professional opinions expressed in this Report are based on our knowledge and expertise with the current and evolving planning framework, experience with recent development proposals of a similar nature and in the general area, and understanding and appreciation of the Subject Site and its local context.

This Report concludes that the Proposed Re-Use is consistent with the Provincial Planning Statement and generally conforms to and supports the emerging local planning policy framework, as it effectively balances a number of planning priorities and objectives, including supporting intensification and the evolution of complete communities within MTSA’s, and creating new employment opportunities in the City’s Business Employment designation. By reusing the Existing Building, the Proposed Re-Use will optimize an existing facility that is well-suited to the proposed mix of uses in the short-term, while not limiting the future, comprehensive redevelopment potential of the Subject Site. Overall, the Proposed Re-Use represents thoughtful and good planning.



