THE VERTICAL SUBURBS OF SHEPPARD:
CAN MIXED-USE COMMUNITIES THRIVE ALONG THE SHEPPARD
SUBWAY CORRIDOR?

by

Andrew Fayn
B.A., Simon Fraser University, 2008

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ABSTRACT

Properly planned mixed-use developments are recognized as an excellent way to achieve smart growth objectives such as intensification, along with creating attractive and vibrant communities by providing various uses within one development. It is important to understand that although their underlying concepts entail high levels of urban livability, many barriers exist that make it difficult to develop mixed-use development. This paper uses the case study of the Sheppard subway corridor in Toronto, Ontario to understand why large scale mixed-use developments have not yet emerged in an area that seems appropriate for this development type. The paper uses a multi-method approach including a literature review and interviews to understand the barriers that exist within the designated study area. What emerges is that there is no one silver bullet to achieving large scale mixed-use developments. The paper concludes with a series of recommendations that may assist in producing a healthier environment for mixed-use developments to succeed.

Keywords: Mixed-Use Development, Smart Growth, Intensification, Suburban Infill, Density, Municipal Policy.
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Take Care.
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INTRODUCTION

Over the past ten years, the Sheppard Avenue East subway corridor has seen a transformation of its urban form from single family residential homes interspersed with a mixture of light industrial and suburban style retail to more dense residential condominium towers. This transformation is attributed to two major reasons. The first is the opening of the Sheppard subway in 2002, which begins at the Yonge / Sheppard station to the west and terminates at Don Mills Station to the east. The second is the enactment of several major policies such as Places to Grow and the Greenbelt Plan which has altered the development patterns in the Greater Toronto and Hamilton Area. The City of Toronto has changed its Official Plan to conform to the policies of the Growth Plan that centre on the promotion of compact development patterns based on smart growth plans, all while connected through greater transportation choice. Rather than have development continually sprawling out, land is now more constrained in the Greater Toronto Area (GTA) than ever, and developers are utilizing infill locations within inner suburbs such as Sheppard Avenue East for major projects. The GTA is defined as the single-tier City of Toronto and the four regional municipalities surrounding it, Durham, Halton, Peel and York.

The City has mandated high density mixed-use developments to occur along the Sheppard Subway through its Sheppard East Secondary Plan; however current results are varied. Despite the fact that several of the projects constructed over the past ten years have been mixed-use developments, the study area has seen a lack of large scale mixed-use developments that contain office, retail, entertainment and other uses. The study area is defined as Bayview Avenue to the west, Leslie Street to the east, Highway 401 to the south and Elkhorn Drive / Arrowstock Road to the north. As of today, the study area is primarily multi-family residential which has led to a lack of a vibrant urban landscape that fosters a strong
pedestrian experience. This paper will investigate the possible causes behind the current built form and mix of uses within the study area.

The paper begins with an explanation of the research method undertaken, before moving on to a literature review that covers such themes that are directly related to the research topic at hand including suburban evolution, transit-oriented development and mixed-use development practices. This theoretical groundwork leads to the case study of the Sheppard subway corridor itself, by first setting the stage through the examination of the areas context, history and changing demographics. The paper then moves on to policy directions from both Provincial and local levels, before touching upon the recent, under construction and proposed developments of the area to understand the what has been built in the area and what is proposed in the pipeline. Interviews with key informants that have firsthand knowledge of the study area provide insight on various themes, bringing forth the relationships between policy, politics and finance that create challenges to realizing a proper urban landscape within the Sheppard subway corridor. This paper concludes with a discussion and a series of recommendations that if applied, could potentially alter the primarily single use development patterns that exists in the study area today.
RESEARCH QUESTION

Why have large scale mixed-use communities not yet emerged along the Sheppard Subway corridor given the increased density patterns?
RESEARCH METHOD

In order to answer the research question of why have large scale mixed-use communities not yet emerged along the Sheppard Subway corridor, given the increased density patterns; a multi-method approach to the research was necessary. Four methods were employed, a literature review, field work and data collection, interviews and best practices. A literature review was first conducted to understand various themes that relate to the research question. These areas include the progression of the suburbs, smart growth principles, mixed-use development and transit oriented development. While the majority of the literature review is derived from scholarly articles and books, research within the realm of professional practice is also touched upon.

Field work consisted of several study area visits to gain an understanding of the past and current development practices. A catalogue of development was created using notes and photographs of the field work including type and amount of retail, office and service space, retail and office vacancies, as well as residential developments and projects currently under construction. This was measured by number of establishments in regards to retail and office space and number of units for residential. In addition to the field work, residential data regarding all recent developments within the study area was obtained through RealNet. A quantitative analysis of the demographics and socioeconomics Census data of the area was also completed in conjunction with the field work.

This research also required semi-structured interviews to be conducted regarding the study area and the development patterns that have taken place over the past decade. Interviews were conducted with a former planner for the City of Toronto, an analyst with a local commercial brokerage firm, and a development consultant that specializes in mixed-use development. The advantage to performing interviews with key informants was that the qualitative data came from
knowledgeable individuals who provided data and insights that could not be obtained through any other method. These interviews were nondirective, in-depth interviews which are known as a field research interview. Unlike a survey interview that has a clear beginning and end, and standard questions are asked to all respondents in the same sequence, a field interview does not have a clear beginning or end and is more like a normal conversation but with interview type questions (Neuman, 2011). Interviews were only conducted once approval was gained from the Ryerson Research Ethics Board (REB). The REB’s application process is in place to ensure that the necessary steps have been taken to protect research subjects and certify that research is conducted in an ethical manner. In this MRP, every effort has been made to protect the privacy of those individuals who participated and were interviewed, thus only general job titles have been used. A sample of the research questions used during the interviews has been attached as an appendix.

The final method used for this paper was best practices. While this method has been employed in a smaller in scale compared to the other three methods, it has been valuable to understand how other cities have implemented complete mixed-use communities along rapid transit lines, and what were the lessons learned.
LITERATURE REVIEW

An in-depth literature review is required to better understand the topics at hand when it comes to themes such as suburban evolution, smart growth principles, transit-oriented development and mixed-use development.

Progression of the Suburbs

There is a large quantity of literature that focuses on how the suburbs have developed since the 1950's and 60's when many central city residents moved to the suburbs (Baldassare, 1992; Szold & Carbonell, 2002). Through classic urban theory, these scholarly articles have stressed the detrimental social and psychological effects that individuals experienced living in large, dense and heterogeneous central cities, thus the flight to the suburbs. Baldassare (1992) discusses how many of these central city residents bought homes in large housing tracts and commuted back to jobs in the downtown core; however the extremely rapid growth of the suburbs has diminished many aspects of the quality of community life. The jobs eventually began to follow residents out to the suburbs, and as Szold & Carbonell (2002) explain, private developers responded through large-scale construction of commercial real estate such as malls and suburban office parks, the basis for edge nodes.

By the 1970’s, the suburbs of metropolitan areas surpassed central cities urban cores in population size in many American and Canadian cities, and there was a continued need for housing expansion (Alexander & Tomalty, 2001; Baldassare, 1992; Geller, 2003). Federal and provincial governments continued to help subsidize sprawl by building highways and not charging developers for the full costs of developing the massive infrastructure projects needed to service new subdivisions (Alexander & Tomalty, 2001). By the late 1980’s and early 1990’s, there began a shift by urban planners and policy makers on how they viewed the typical North American suburb. The sprawling nature of the suburbs had led to an understanding that they
were producing environmental impacts, such as high levels of energy use and destruction of farm land. Pamela Blais discusses that the most severe environmental impact of sprawl is that the land use patterns generate higher levels of car ownership per household. Higher levels of car ownership equate to more auto travel and longer trips, along with a smaller share of trips by transit, walking and cycling (Blais, 2010). Blais uses an example for the Toronto area, showing that the number of autos owned and vehicle kilometres travelled increases systematically with distance from the city centre, while transit model shares fall as densities decline (Blais, 2010).

Geller (2003) notes that there are four main dimensions that have been created by low density urban sprawl; a population that is widely dispersed, rigidly separated homes, retail and office, a network of roads marked by huge blocks and poor access, and a lack of well-defined activity centres. She also notes that other features of sprawl such as uniform housing choices and less walkable communities are by-products of these four dimensions. There has also been thorough examinations into how suburban physical designs have fostered social isolation (Alexander & Tomalty, 2001; Baldassare, 1992; Boyko & Cooper, 2011; Hayden, 1984; Popenoe; 1985; St. Antoine, 2007), a problem that has arisen due to a culture centred around the automobile and the sprawling nature of development that feature patterns of single family homes, separated from work and shops. While it is used on a daily basis within the realm of planning, there have been contesting definitions of the use of the word sprawl.

While almost every major North American city has had to combat sprawl, Toronto included, the Toronto metropolitan region does have a history of high-density development in many urban zones to complement its vibrant inner core. There have been numerous efforts to plan high density residential in a way that would be conducive to walking, and suburban planners in Toronto, even going back to the 1950’s, have looked to concentrate this high density growth adjacent to retail concentrations in order to encourage a reliance on walking (Filion, et. al.,
2006). While many of these older high density residential areas do not have mixed-use buildings that combine residential with commercial and community uses, they are within close walking distance to daily needs and services and create a pedestrian oriented environment (Filion, et. al., 2006).

**Smart Growth Principles**

There are various descriptions of what Smart Growth is, so it is more beneficial to understand its overarching objectives rather than a strict definition. SmartGrowth BC views smart growth as a collection of land use and development principles that aim to enhance our quality of life, preserve the natural environment, and save money over time. Smart growth enhances and completes communities by placing priority on infill, redevelopment, and densification strategies (SmartGrowth BC, n.d.). The smart growth toolkit published by the Urban Land Institute (ULI) shares a similar viewpoint to what comprises smart growth at its core; “smart growth is about ensuring that neighbourhoods, towns, and regions accommodate growth in ways that are economically sound, environmentally responsible, and supportive of community livability - growth that enhances the quality of life” (O’Neill, 2000).

To achieve the objective of smart growth, strategies should encourage development in areas with existing or planned infrastructure such as roads and schools that are used efficiently (O’Neill, 2000; SmartGrowth BC, n.d.). Often, there is considerable infrastructure capacity of all types within a city’s existing urban area (Blais, 2010). In the Toronto area for example, Blais has acknowledged that sewer and water capacity, schools, transit and road capacity were found to exist in substantial quantities throughout the already urbanized area. Directing new development in a strategic manner to specific locations with existing infrastructure capacities has the ability to enhance the built environment for older parts of the city by increasing the mix of uses or housing types, introducing jobs to residential areas or shops and services within
walking distance. It can also improve the quality of public spaces, streetscapes and play an important role in increasing transit service levels by providing new riders needed to warrant them (Blais, 2010). This can include the adaptive reuse of greyfield sites to create infill development and redevelopment so that developments do not take up new greenfield land. There are barriers that can make this development technique prohibitive though, including costly local permitting processes, poor infrastructure, and community opposition (O’Neill, 2000). However there are also many benefits to infill development and redevelopment, aside from making use of existing public infrastructure such as enhancing the tax base and enlivening an older neighbourhood (O’Neill, 2000).

Smart growth areas should encourage mixed-use, pedestrian and transit oriented development, create incentives to enhance investment and lower regulatory barriers to development. In addition they should have a mixture of homes, retail, businesses and recreational opportunities that will allow residents the choice to live, work, shop and play in close proximity, all while having viable transit opportunities (O’Neill, 2000; SmartGrowth BC, n.d.).

**Mixed-Use Development Composition and Advantages**

Although the term has become more popular in a North American context over the past decade, mixed-use developments are nothing new within the realm of planning and development. There are examples dating back hundreds of years, and were advocated for greatly by Jane Jacobs during the 20th century (Rabianski, et. al., 2009). Unfortunately, several trends beginning the mid-20th century undermined the mixing of uses in urban areas such as the rise of the automobile as the dominant mode of transportation, horizontal development patterns including detached single family homes and the implementation of land use regulations and zoning laws that created a separation of uses (Schwanke, et al., 2003).
Mixed-use can take on many different urban forms such as transit oriented development (TOD), suburban town centre precincts, mega projects and master planned communities (Anders, 2004; Freestone, 2008). The makeup of mixed-use varies from definition to definition within literature; however the basic principles are all very similar. The Urban Land Institute (ULI) characterizes mixed-use by three or more significant revenue producing uses that are significantly and functionally integrated and developed in conformance with a coherent plan. These uses can include residential, retail, entertainment, office, hotel, civic, cultural or recreation (ULI, 2003). Harris lowers expectations somewhat, describing that any development that has more than one type of use is technically mixed-use (Harris, 2005). He does recognize the pitfalls of only two uses, where many developers say they are doing mixed-use, but tend to construct a residential or office project with something else bolted on (Harris, 2005). In most mixed-use projects, the primary uses are usually income producing such as retail, office, residential, and/or hotel facilities. An important factor though when considering other uses is that they be significant enough that they draw their own clientele to the project (Schwanke, et al., 2003).

Other definitions are similar in overall nature and concept, describing the uses that are typically found within mixed-use; a real estate project with planned integration of some combination of retail, office, residential, hotel recreation or other functions that is pedestrian oriented. Mixed-use projects should maximize space usage, have amenities and architectural expression and mitigate traffic and sprawl (Niemira, 2007; Rabianski et. al., 2009). In general, it is important to encourage local planning authorities through the use of development plans (or local area / secondary plans) to adopt a clear and specific definition of mixed-use development to the particular local context (Scottish Government, 2009).
Projects that are able to create a mixture of land uses can achieve smart growth objectives simultaneously according to O’Neill (2000). He states that incorporating a variety of housing types that include large and small units and integrating retail facilities that meet the daily needs of the residents can attract homeowners of various income levels and reduce their dependence on the automobile, thus providing housing and transportation choices (O’Neill, 2000). It is recognized that residential density on its own is not enough. To fully achieve the benefits of smart growth intensification, housing and workplaces must be added in sufficient quantities in the right locations and in a form that is conducive to transit use, walking and cycling. It must be recognized that not all intensification effectively contributes to compact urban form. Intensification will be most effective when it plays a role in concentrated mixed-use development, including such uses as homes, jobs, schools, shops, and other amenities (Neptis Foundation, 2006).

The literature not only defines what composes a mixed-use development, but how they work from a functionality standpoint and the social goals they aspire towards. An integral part to a mixed-use development is that different uses occupy various parts of the project so people come and go on varying time schedules and create an urban vitality. They should provide multi-dimensional experiences, not only places to live and work, but also proper public places that include fine dining, the arts, leisure facilities, schools and other civic and cultural uses (Harris, 2005; Rabianski, et. al. 2009). Anders (2004) describes that in order for a project to be a true mixed-use development and give value, each use must be connected to the others and operate as a coherent whole.

The physical and functional integration of a mixed-use project is just as important as the characteristics and uses of the development. Pedestrian circulation and orientation are critical elements in planning, without them the project will not achieve synergy and a true sense of
place. This can be through vertical mixing within a single building, positioning of different uses around central public spaces such as a plaza, atrium or galleria, and interconnections through pedestrian-friendly pathways (Schwanke, et al., 2003).

This idea of physical and functional integration is what separates mixed-use development from multiuse development, as they both have very distinct urban forms. The biggest difference between mixed-use developments and multiuse developments is the integration of various revenue producing uses. Multiuse developments typically have low integration and are more spread out, resulting in less regular interaction between uses and more automobile use for movement (Schwanke, et al., 2003).

Public review bodies often view mixed-use developments more favorably than single use or multiuse developments, so higher densities may be achievable with mixed-use, which in turn lowers the cost of land per square metre of development space (Schwanke, et al., 2003).

**Barriers to Mixed-Use Development**

While mixed-use continues to be advocated for by urban planners, there are issues that have arisen that must be taken into consideration. Several writers have noted that there is a disconnect between what is envisioned from a planning and policy perspective, and what occurs in reality. Governments are encouraging mixed-use schemes to regenerate and re-envision neighborhoods, but there are tendencies among developers and councils to take a generic and somewhat over-simplistic view of what mixed-use actually means and comprised of (Anders, 2004). Anders goes on to explain that there are extremes where developments incorporate about 90% residential with a small element of other uses and then label it mixed-use. Often developed by home builders, they usually do not have a strong understanding of the logistics behind mixed-use development and can be pushed towards mixed-use by policy. This is a big
problem that Anders brings up, as many developments can end up with token retail or services, but not at a sufficient scale to create longevity of use (Anders, 2004).

From this perspective, developers recognize the spreading of investment risk across different land use components (Freestone, 2008), however there is a disconnect between planning ideals and what works in market reality (Grant & Perrott, 2011). Planners employ visions of walkable and social communities, but developers point to consumer behavior to explain why mixed-use does not work all the time (Grant & Perrott, 2011); that sites and spaces zoned for mixed-use will remain undeveloped or vacant while the market cannot perceive a sustainable financial return (Freestone, 2008). In this sense, developers are hesitant to provide retail uses in new developments that have not yet been built-out, as customer demand may be lacking and thus creates an oversupply of retail space that will not only remain vacant, but may inadvertently undermine the viability of existing commercial spaces (Beyard, 2009; Grant & Perrot, 2011). While the area under development may have high population forecasts at build-out, creating retail space when the resident population is relatively small can be risky for the developer as well as the business leasing the space. This can also be applied to the integration of office space into mixed-use projects. If the market does not provide end user tenants for a certain neighbourhood, developers will be hesitant to construct office space in fear that it will remain unleased. The concept of mix-use can appear in local plans, however plans cannot influence practice in an unreceptive market (Grant, 2002).

Schwanke discusses the issues that arise during the financial modeling stages of a project that make mixed-use developments more difficult to bring to reality. Because they must appeal to multiple markets, they are usually in prime spots and the land is often very expensive. Due to the complex nature of the project from integrating multiple uses, the initial planning costs can be much higher than single-use projects. Structural and construction costs for mixed-use buildings
tend to be higher than for single-use projects. Operating costs may also be higher, although advancements in the integration of mixed-use developments have reduced this risk. (Schwanke, et al., 2003).

As discussed earlier, physical and functional integration is key for mixed-use. A study of established mixed-use nodes within Toronto by the Neptis Foundation found that due to problems with internal design and lack of connections to their surroundings, the nodes failed to exhibit inner synergies. These synergies include high levels of patronage by office workers of retail and food establishments with the node. Overcoming these issues requires urban design guidelines that promote a finer grain of mixed-uses that is typically seen (Neptis Foundation, 2006).

Location is another major issue, at least within suburban Toronto. In Toronto, most mixed-use nodes that are made up of commercial, office and multi-family housing are developing in suburban locations located at highway interchanges, similar to the edge city phenomenon (Grant, 2002). Land at these locations is usually more affordable than along intensification corridors, thus allowing mixed-use to be more financially feasible. This does allow mixed-use projects that incorporate office uses to compete with typical suburban office parks. It is easier to concentrate residential and retail land uses than it is to attract office uses to urban centres, because they cannot compete with business parks on cost, especially when it comes to more affordable and plentiful parking. Studies have shown that the cost of parking construction and lack of automobile access was a major deterrent to businesses locating in designated centres (Neptis Foundation, 2003). While in theory office and retail jobs are compatible together, it is not guaranteed that private enterprise will be attracted to all intensification areas. Research has shown that policies promoting the creation of employment concentrations in mixed-use centres have met with limited success in Greater Toronto elsewhere. For instance, in the last fifteen
years leading up to the new millennia, the vast majority of office space was constructed in low-cost, highway oriented, non-transit serviced locations (Neptis Foundation, 2003).

More recent research from the Canadian Urban Institute (CUI), demonstrates that many offices have largely moved out to suburban areas, sometimes elsewhere in the City of Toronto, but mostly in the “905” region (Canadian Urban Institute, 2011). In 1983, 63% of the GTA’s office space was located in Toronto’s financial district or directly along subway lines. By 2010, it has changed drastically as the majority of office space (54%) is located beyond the reach of higher-order transit, mainly due to development sites being abundantly available and less constraints in terms of construction challenges (Canadian Urban Institute, 2011). Locations along higher-order transit such as subway lines may offer quality transit service and access to amenities, but suffer from a complex approvals process that can make it difficult for buildings to be planned and constructed in a timely manner (Canadian Urban Institute, 2013). If a developer is simply looking for ‘quick win’ sites for office space rather than creating a mixed-use development that contains office and other uses, more suburban locations in the 905 will be more appealing. Even rapid transit and an excellent walkable community do not always advance office development and can be ignored for decades by the market. CUI gives the example of the Bloor & Yonge node in Toronto, one of the highest served transit nodes in Canada. Although there is nine million square feet of office space in the area, there has not been a new commercial building constructed in twenty-three years, even with annually low vacancy rates. There is no one reason why this has occurred, but a combination of market demand, land economics and a location simply losing its relevance to become unsustainable from an employment perspective (Canadian Urban Institute, 2013).

Statistics Canada Census data and City of Toronto building statistics counteract this argument, claiming that downtown Toronto has had a major revival for employment over the past several
years and there is a great demand for office space in the core (James, 2013). Many employers want to be back downtown and businesses are willing to pay the premium due to the excellent public transit linkages, amenities and large influx of young urban professionals. According to the data, for the first time in twenty years, growth in the downtown commercial real estate sector is outstripping growth in the rest of the GTA (James, 2013). Francis Fong of TD Economics states that choice has triggered the current outcomes. Businesses saw their aging workforce and realized their replacements were living in downtown Toronto, so they started moving their offices closer to the future workforce. This trend has led to retailers and other service industry businesses following the young professionals and their disposable incomes and jobs to create a critical mass for a downtown renaissance (James, 2013). The movement of office and retail back into the Toronto core, along with continued highway commercial development in the 905 likely means that the inner ring suburbs, which do not offer the financial incentives of affordable land, or the dense urban nature of downtown Toronto, may continue to struggle.

A final barrier to mixed-use development is the policy within plans themselves and the negotiations between the developers and the city. “Local planning authorities tend to ‘encourage’ mixed-use in local plans rather than ‘require’ it and therefore could be in a weaker position in terms of negotiating for mixed-use when planning applications are submitted. A local planning authority that requires mixed-use may find that it is holding back development if it has not robustly assessed the market and this makes it harder to insist on mixed-use in negotiating with a reluctant developer” (Scottish Government, 2009, p. 2). Mixed-use developments are also perceived by developers to be more complex and slower to deliver than single use developments because of the complexity of negotiating during the planning the technical approvals stage (Scottish Government, 2009). Although many planning departments who advocate for mixed-use attempt to speed up the process to get shovels in the ground, single
use projects do not feature the complexities and provide a better understanding of what the final
development outcomes will be for the community.

Even though barriers have been removed within zoning, planning, design and engineering,
people want security, predictability, and tranquility in their environments; they fear mix (Grant,
2002). Ultimately, community resistance to certain uses being co-located such as residential
and restaurants, pubs or other venues that lead to noise or smells can lead to difficulties and
delays, and possibly changing the nature of the project itself (Scottish Government, 2009).

**Transit-Oriented Developments**

While increasing residential density is a strong policy initiative throughout the GTHA due to the
Growth Plan for the Greater Golden Horseshoe, the focus towards mixed-use and transit-
oriented developments (TOD) has never been so important. Much like other concepts,
definitions vary, however recent literature has tried to simplify these ideas. Renne explains
TOD as “the area within a 10-min walk, or half-mile radius, around a major transit station... a
station-area precinct that is compact, mixed-use, and facilitates transit connectivity through
urban design” (Renne, 2009, p. 1). He lists characteristics of TOD’s such as grid street
patterns, pedestrian-focused design, high densities, office and retail land uses, vertically and
horizontally mixed land uses, among others (Renne, 2009). Curtis (2012) has a very similar
definition but adds that the office and retail commercial element of the TOD should be high
intensity in use. The California Department of Transportation (2011) also provides an excellent
definition of what constitutes a TOD. It defines TOD as “moderate to higher density
development, located within an easy walk of a major transit stop, generally with a mix of
residential, employment, and shopping opportunities designed for pedestrians without excluding
the auto”. Additionally, Cervero focuses on the transit stations itself, “the centrepiece of the
transit village is the transit station... the civic and public spaces that surround it. The
surrounding public space serves the important function of being a community gathering spot, a site for special events, a place for celebrations” (Cervero, Ferrell & Murphy, 2002, p. 5).

There has been a distinction between TOD and transit-adjacent development (TAD) over the last several years. While TOD facilitates transit connectivity, TAD is physically near transit, however it fails to capitalize on its proximity and lacks any functional connectivity to transit, whether it is due to land-use composition, means of station access or site design (Renne, 2009). Much like the literature based around intensification, smart growth and mixed-use development, the Neptis Foundation (2006) has come to the conclusion through studies that increasing population density on particular sites can have little impact on transit use if the sites lack a critical mass of trip origins and trip destinations which is created through many types of use. This signifies that TOD and mixed-use are synergistic, and TOD cannot be implemented without recognizing mixed-use.

Implementing TOD can be rather difficult in practice due to plans and policies that regulate land use patterns and development. Curtis (2012) has looked into this subject extensively, stating that the implementation of TOD does not only rely on the proper execution of land use plans, but also on the capabilities of those charged with implementing TOD policy. When creating policies for TOD, the composition can become problematic with a ‘one size fits all’ approach to strategy for the development of TOD, even though every transit station is different in nature, thus creating an implementation failure (Curtis, 2012). There are also many economic and political factors that stand in the way of successfully implementing TOD. These impediments arise from such issues as the real estate market cycle that can delay station-area development, which will in turn inhibit the ability for the transit line to attract ridership, archaic zoning restrictions, institutional barriers, and a fixation on automobile-oriented design (Cervero et. al., 2002).
There are potential solutions to the problems raised. To create successful TOD, policy must be prescriptive and not just define residential types and densities, but also particular types of employment uses and their intensities as well (Curtis, 2012). To overcome many of the TOD barriers, upper levels of government must support local government to assist in capacity building and overcome developer’s perception of risk through partnerships with the private sector (Curtis, 2012). Cervero further notes that many of these impediments can be overcome through the formation of public-private partnerships. These carefully crafted collaborations can be between many individuals, organizations and institutions that have vested interests in the outcomes, including developers, lenders, transit agencies, local and regional planning organizations as well as public interest groups (Cervero et. al., 2002).

Summary and Findings of Literature Review

Overall, mixed-use has the ability to promote public transit usage, capture urban aspirations, create community building and cultural vitality and promote better urban design (Freestone, 2008), however planners have experienced significant challenges in providing and retaining the desired mix of uses and achieving the balanced complete communities they envision (Grant & Perrot, 2011).

Taking all the literature into account, this concept of the compact and complete community through development intensification includes a strong mix of land uses, well connected urban layouts (including walkability), and easily accessible public transit networks (Dempsey, Brown & Bramley, 2012; Filion, et. al., 2006). While it may sound simple in theory, literature and research has shown that it is much more difficult to apply in practice when there are competing ideologies from urban planners, policy makers and developers along with market forces.
CASE STUDY CONTEXT

The case study area for the research is a stretch of Sheppard Avenue East, between Bayview Avenue and Leslie Street, in the Bayview Village neighbourhood, Ward 52 of City of Toronto. It is also inside the boundaries of the Sheppard East Subway Corridor Secondary Plan. The distance of the study area along Sheppard Avenue, between Bayview Avenue and Leslie Street is approximately 2.0 kilometres in length, however many of the recent developments have occurred several hundred metres south off the main street. Highway 401 to the south creates a physical barrier to the study area. There has not been any significant new development over the past decade 150 metres north of Sheppard Avenue, creating the northern boundary of the study area.

Figure 1 – Context Map of Case Study Area within the City of Toronto

Source: Google Earth
Prior to commencing field work and data collection, the study area was delineated. The reasoning for not including the entire Sheppard Avenue Secondary Plan area that also involves land holdings eastwards to Don Mills Road is twofold. First, the final study area chosen lies solely within the Bayview Village neighbourhood that is recognized by the City of Toronto. The Don Mills section of the Sheppard Avenue Secondary Plan is disconnected from Bayview Village due to large swaths of natural areas and single family residential subdivisions. For consistency purposes of neighbourhood characteristics, policy documents and demographics, a smaller study area that focuses around the three subway stations has proven to be beneficial. Second, due to time constraints of the Masters Research Paper, a smaller study area is also valuable.

The three subway stations within the study area that run on the Sheppard subway line began operation in 2002. Moving from west to east they are Bayview Station, Bessarion Station and Leslie Station. They are located in between the two anchor stations, Sheppard-Yonge Station to the west, and Don Mills Station to the east. The Oriole GO station lies south of the study area, across Highway 401. There is a small pedestrian pathway that connects the GO Station to Esther Shiner Blvd by going underneath the highway.

Figure 2 – Map of Case Study Area

Source: Google Maps
There is a small yet stable single family residential neighbourhood to the south of Sheppard Avenue that has approximately one-hundred homes. With large scale residential developments occurring on either side of this neighbourhood, it may be only a matter of time before it is redeveloped into a higher density urban form. The neighbourhood to the north of Sheppard Avenue is more significant, with large tracts of single-family homes that were primarily constructed between the late 1950’s and early 1960’s (Hopkins, 2006). There are several three and four-storey walk-up apartments, three larger nineteen-storey apartment buildings and several small townhouse complexes within a block north of Sheppard Avenue. These buildings were built mostly in the 1960’s and 1970’s. Once one moves approximately 250 metres north of Sheppard, single family homes on large lots dominate the built landscape as far as the eye can see.

Bayview Village Shopping Centre at Bayview Avenue and Sheppard Avenue has been a fixture for the neighbourhood since 1963, anchored by a Loblaws and Shoppers Drug Mart. With a total floor area of 41,200 square metres of leasable space, it plays a significant role in the shopping needs of nearby residents (Bayview Village, 2012). Other large retail draws are stand-alone Canadian Tire and IKEA stores closer towards Leslie Station.

There is also a small cluster of office buildings in the northeast section of the study area. 1100 and 1110 Sheppard Avenue are four storey office and medical buildings while 1200, 1210 and 1220 Sheppard Avenue are four, five and eight storey office buildings. The developments within the locational context will be mentioned and studied in further depth within the analysis section.
HISTORY OF STUDY AREA

Described as one of Canada’s most picturesque luxurious subdivisions, Bayview Village was planned in 1954 on what had been farmland by real estate developer Alexander Farlinger and town planning consultant Eugenio Faludi (Hopkins, 2006). At the time, it was known as Toronto’s largest self-contained residential community, and the area was completely developed by the early 1960’s (Hopkins, 2006). Single-family homes at the time were usually constructed on five houses per acre, but Bayview Village featured less than three houses per acre on sixty-foot lots with a depth of ninety to a hundred feet (Hopkins, 2006). These large lots also allowed larger homes to be built with substantial setbacks, swimming pools and other amenities. Advertisements from the late 1950’s promoted Bayview Village as the most desirable residential development in Ontario and focused on the fact that it was thirty minutes from Downtown Toronto, close enough to the bustle of the city, but far enough to enjoy the peacefulness of the suburbs (Hopkins, 2006).

Another major development in the 1950’s in the Bayview Village area occurred directly along Sheppard Avenue. Brothers John and Alfred Billes, then owners of Canadian Tire Corporation purchased forty-one acres of land on the south side of Sheppard Avenue between what is now Bessarion Station and Leslie Station (Hopkins, 2006). The brothers constructed a 225,000 square foot warehouse in 1957 and added a retail store on the property in the mid 1960’s (Hopkins, 2006). The warehouse was shutdown in the early 2000’s, and the retail store as was re-built as the land around began to redevelop and intensify due to the emergence of the Sheppard subway. The land that was home to the warehouse is now being redeveloped by Concord Adex into a large scale condominium and mixed-use development titled Concord Park Place.
Bayview Village Shopping Centre, the prominent retail hub for Bayview Village was constructed in 1963 as previously discussed for the large influx of new residents in the area; however it was first designed as an open-air strip plaza that had four blocks of stores. A major re-development of the outdoor mall in 1977 turned it into a more typical suburban enclosed mall (National Post, 2007).

These developments, along with the emergence of IKEA adjacent to the Canadian Tire site in 1987, were the driving forces of built form for the study area between 1950 and the turn of the century. They were created by developers and approved by city officials with a suburban mindset as Bayview Village was the suburbs for Toronto for many decades. The study area was also viewed as a suburban location due to the fact that it was located in the former municipality of North York until the 1998 amalgamation of North York, Toronto and four other municipalities to create the new City of Toronto. As development moved further out into municipalities such as Vaughan, Markham and the like, Bayview Village became an inner ring suburb. With the announcement and construction of the Sheppard subway line, completed in 2002, along with policy tools such as the Sheppard East Secondary Plan and the Toronto Official Plan, the study corridor has transformed significantly over the past decade.

There is a distinct connection between the theoretical perspective of the progression of the suburbs from the literature review and how the Bayview Village neighbourhood has transformed over the past several decades as the inner ring suburb has begun to feature infill and densification patterns. The study area has a strong association with the literature of how the suburbs have evolved over time, including the more recent support and discussion for smart growth principles.
DEMOGRAPHICS

Viewing the age makeup of Bayview Village through Census 2011 data displays that the case study area’s population has become older over the past decade. The majority of new residential development has occurred along or just off of Sheppard Avenue since the surrounding areas are primarily stable single family residential homes. Thus, we can see the changing demographics of the neighbourhood as well as the general age composition of residents moving into these condominiums in the last ten or so years.

Table 1 – Bayview Village Population Change 2001 to 2011

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>%</th>
<th>2006</th>
<th>%</th>
<th>2011</th>
<th>%</th>
<th>% Change 2001-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children 0-14</td>
<td>1,895</td>
<td>15.3%</td>
<td>1,920</td>
<td>12.5%</td>
<td>2,040</td>
<td>11.6%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Youth 15-24</td>
<td>1,780</td>
<td>14.4%</td>
<td>2,195</td>
<td>14.3%</td>
<td>2,130</td>
<td>12.0%</td>
<td>19.7%</td>
</tr>
<tr>
<td>Working Age 25-64</td>
<td>6,690</td>
<td>54.0%</td>
<td>8,885</td>
<td>57.8%</td>
<td>10,480</td>
<td>59.4%</td>
<td>56.7%</td>
</tr>
<tr>
<td>Seniors 65+</td>
<td>2,025</td>
<td>16.3%</td>
<td>2,375</td>
<td>15.4%</td>
<td>2,995</td>
<td>17.0%</td>
<td>47.9%</td>
</tr>
<tr>
<td>Totals</td>
<td>12,390</td>
<td>100.0%</td>
<td>15,375</td>
<td>100.0%</td>
<td>17,645</td>
<td>100.0%</td>
<td>42.4%</td>
</tr>
</tbody>
</table>


The number of children aged 0-14 have fallen from a total percentage of 15.3% in 2001 to 11.6% in 2011, and youth aged 15-24 has also fallen from 14.4% of the total mix to 12.0% during the same time span. While seniors aged 65+ has risen slightly, the growth has been largely in the working age population of 25 to 64 year olds. This age bracket has seen a rise from 54.0% of the total mix to 59.4% between 2001 and 2011. Furthermore, the overall growth for this age bracket over the last decade has been an astounding 56.7%, rising from 6,690 residents in 2001 to 10,480 in 2011.
In comparison to Bayview Village, the City of Toronto overall has had different demographic shifts and seen its population rise much more slowly according to Statistics Canada data. Although the total number of children aged 0 to 14 has decreased between 2001 and 2011 in the City of Toronto, the number of children as a total percentage of population has fallen at a slower pace than that of Bayview Village.

In 2011 the percentage of total population for children 0 to 14 and youth 15 to 24 in Bayview Village was lower than that of the City of Toronto. Working aged adults between 25 to 64 and seniors over the age of 65 constitute higher percentages of the population in the City of Toronto over Bayview Village.

What this displays is that Bayview Village has seen a large amount of growth over the past decade, increasing in population by 42.4%, however most new residents are either working age or seniors. There is a distinct lack of families moving into the area, much like the City of Toronto as a whole. The difference between the two is that Bayview Village has seen growth of 42.4% compared to only 5.4% in the City of Toronto from 2001 to 2011. This demonstrates the large influx of working age adults and seniors moving into the new residential developments which are almost all small condominium units that do not provide ample space for growing families and are better suited to singles, couples or empty nesters. The variation of change in demographics between 2001 and 2011 for age profiles in Bayview Village has been at a much higher
magnitude than that of the city as a whole and do not reflect the overall trends of the City of Toronto.

**SHEPPARD SUBWAY EXTENSION**

The Sheppard subway has been in operation for just over a decade, first beginning operation to the public in November 2002, however there had been plans for an east-west rapid transit line through the northern edges of Metro Toronto since the 1960’s. The very first proposal for a northerly subway line came about in the 1960’s when North York’s mayor James Service suggested that the ends of the Bloor-Danforth subway line be extended through Etobicoke and Scarborough and across the top of North York to form a large belt line (Adel & Bow, 2012). This proposal never did get past the proposals stage due to the expenses required for construction and the low densities of the areas the line would run through.

The idea for a subway line running through North York never completely died, with ideas emerging in the 1970’s and early 80’s, although they never materialized. In 1986, Metro Toronto council agreed that the top priority was that a new subway line that would run through the suburban sprawl of Sheppard Avenue, from Yonge Street to Victoria Park (Morrow, 2012). The rationale behind the councillors decision was that better transit would spread the construction of offices and apartment buildings around the city, rather than having everything concentrated in an increasingly dense downtown core (Morrow, 2012). This was coming from a mindset of ‘if we build it, they will come’, they being office and residential developers. This was also during the same time period that a large portion of new office space constructed in Metro Toronto was being built in suburban locations and into the “905”. A change in provincial political power that led the fall of the Conservative government ended up axing the Sheppard proposal. The Liberals came back with a new proposal for Sheppard in 1990; however the NDP then came into power and delayed the process once again. The NDP was able to finally grant
enough financial support to begin construction by 1994, albeit the first phase was cut back from Victoria Park to Don Mills due to lack of funding and the growth of construction costs over the years. One more delay came when the Conservatives came back to power under Mike Harris, almost cancelling the project entirely if it were not for North York’s mayor and future City of Toronto mayor Mel Lastman. Lastman lobbied heavily and after much political turmoil, the line was confirmed and construction official began (Adel & Bow, 2002).

A billion dollars later, the subway opened in late 2002 with critics already speculating whether the coined “stubway” would be beneficial to the regional transportation goals. As a line that only travels 5.5 kilometres and terminates at Sheppard and Don Mills, the line does not ease cross-town commutes and its usefulness has come into consistent questioning as it has not achieved what politicians envisioned many years ago (Adel & Bow, 2002; Morrow, 2012).

A decade on, ridership on a typical weekday is less than the King Streetcar since the only real movement it provides is to connect users along the corridor to the Yonge subway line (Morrow, 2012). The line was expected to hit 50,000 riders upon its commencement; however these numbers are only being realized ten years in. The following tables display data provided by the Toronto Transit Commission for the typical number of customer trips made on each subway and RT line in Toronto on an average weekday. The earliest data available is for 2007/2008, five years after the subway opened, but still exhibits the continued growth compared to other lines in the city.
According to the TTC data, the Sheppard line has seen the largest percentage of growth between 2008 and 2011 out of the four rapid transit lines. This is of course due to the fact that its low ridership numbers compared to the Yonge-University-Spadina line and Bloor-Danforth line mean that small increases in ridership will be exaggerated compared to the already large ridership numbers of the aforementioned lines. For example, Yonge-University-Spadina saw an increase of 62,600 annual riders from 2008 to 2012, compared to 4,550 for Sheppard. Nevertheless, it is valuable to see that the line has seen ridership growth, albeit still on a small scale, that is representative of the many new residents living in residential towers constructed along the line since it began operation.

Overall, the Sheppard subway was a controversial line for many decades during its planning process. It was constructed through a political battle between mayors and councillors of various municipalities. Due to the championing of Mayor Mel Lastman, who felt a subway was needed to continue the urban growth of North York, it can be viewed as a piece of transit infrastructure that was created in an attempt to develop real estate (Morrow, 2012). Further, it was the only

<table>
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<tr>
<td>Yonge-University-Spadina</td>
<td>672,390</td>
<td>734,990</td>
</tr>
<tr>
<td>Bloor-Danforth</td>
<td>484,000</td>
<td>519,180</td>
</tr>
<tr>
<td>Scarborough RT</td>
<td>43,770</td>
<td>40,010</td>
</tr>
<tr>
<td>Sheppard</td>
<td>45,860</td>
<td>50,410</td>
</tr>
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Source: Toronto Transit Commission, n.d.
subway line that the provincial government was willing to help finance, so whether it was the
correct planning decision can be questioned, and continues to be questioned by critics.
POLICY PLANS AFFECTING the STUDY AREA

Growth Plan for the Greater Golden Horseshoe

The Growth Plan for the Greater Golden Horseshoe (2006), or simply the Growth Plan, is a framework for implementing the Government of Ontario’s vision for building stronger, prosperous communities by better managing growth in the region until 2031 (Ministry of Infrastructure Ontario, 2012). The Plan guides decisions on a wide range of issues such as transportation, infrastructure planning, land-use planning, urban form, housing, natural heritage and resource protection, in the interest of promoting economic prosperity (Ministry of Infrastructure Ontario, 2012). Together with the Greenbelt Plan (2005), the Growth Plan has enabled the region of the Greater Golden Horseshoe (GGH) to create intensification strategies that through policy, promote compact development patterns based on smart growth techniques, all while connected through greater transportation choice. The new Growth Plan proposes not just to plan the region, but to change it: to re-direct development from the urban edge into existing urban areas, to encourage new suburbs to be built as “complete” live/work communities and not just bedroom communities (White, 2007).

There are many policies in the Growth Plan that apply to the study area as it is along an intensification corridor that has high-order rapid-transit. The most integral policies include:

- Section 2.2.2 states that population and employment growth will be accommodated by:
  - Directing a significant portion of new growth to the built-up areas of the community through intensification;
  - Focusing intensification in intensification areas;
  - Building compact, transit-supportive communities in designated greenfield areas;
  - Reducing dependence on the automobile through the development of mixed-use, transit-supportive, pedestrian friendly urban environments;
• Planning and investing for a balance of jobs and housing in communities across the GGH to reduce the need for long distance commuting and to increase the modal share for transit, walking and cycling;

• Encouraging cities and towns to develop as complete communities with a diverse mix of land uses, a range and mix of employment and housing types, high quality public open space and easy access to local stores and services

• Section 3.2.3 states:
  • Using transit infrastructure to shape growth, and planning for high residential and employment densities that ensure the efficiency and viability of existing and planned transit service levels.

Since this paper is examining why large scale mixed-use communities have not yet fully emerged along the Sheppard corridor, it is important understand how Places to Grow defines complete communities since a mix of uses is integral to the complete communities ideology. The definition for complete communities according to Places to Grow is:

“Complete communities meet people’s needs for daily living throughout an entire lifetime by providing convenient access to an appropriate mix of jobs, local services, a full range of housing, and community infrastructure including affordable housing, schools, recreation and open space for their residents. Convenient access to public transportation and options for safe, non-motorized travel is also provided” (Ministry of Infrastructure Ontario, 2012).

**Toronto Official Plan**

The Toronto Official Plan is a document that uses broad policies to direct growth within the City of Toronto. It is not a conventional Official Plan, instead it organizes itself into comprehensive and cohesive sections that integrate amongst each other. In this regard, many of the policies
are overarching for the City as a whole. It is a visioning document that provides a road map for the future and the basis for how to build the city towards its goals (City of Toronto, 2010). Rather than filter through all the policies of the Official Plan, it is better to view the Official Plan land use designations within the study area and their policies.

Figure 3 – Toronto Official Plan Land Use Designations
TORONTO OFFICIAL PLAN LAND USE DESIGNATIONS

![Map of Toronto Official Plan Land Use Designations](image)

The area is primarily designated as Mixed-use Areas, especially around Bayview and Leslie subway stations. There are also pockets of neighbourhood and apartment neighbourhood designations, which are in place due to their current urban forms such as single family residential and walk-up rental apartments. The Mixed-use Area designation is of most interest for this paper and the definition in the Toronto Official Plan is “Mixed-use Areas are made up of a broad range of commercial, residential and institutional uses, in single use or mixed-use buildings, as well as parks and open spaces and utilities” (City of Toronto, 2010). This description is quite general, so a Development Criteria in Mixed-use Areas is an accompaniment to the definition, providing detailed policy direction. The most relevant policies state that in Mixed-use Areas development will:
• Create a balance of high quality commercial, residential, institutional and open space uses that reduces automobile dependency and meets the needs of the local community;

• Provides new jobs and homes for Toronto’s growing population on underutilized lands in the Downtown, the Central Waterfront, Centres, Avenues and other lands designated Mixed-use Areas, creating and sustaining well-paid, stable, safe and fulfilling employment opportunities for all Torontonians;

• Provide an attractive, comfortable and safe pedestrian environment;

• Have access to schools, parks, community centres, libraries and childcare;

• Take advantage of nearby transit services;

• Provide good site access and circulation and an adequate supply of parking for residents and visitors (City of Toronto, 2010).

Additionally, large scale, stand-alone retail stores and/or power centres are not permitted in Mixed-Use Areas within the Central Waterfront and Downtown, and are permitted only through a zoning by-law amendment in other Mixed-Use Areas (City of Toronto, 2010). For this policy, the Sheppard corridor falls under the ‘other’ designation and would require a zoning by-law amendment. It continues saying that where permitted, new large scale, stand-alone retail stores and/or power centres will ensure that the function and amenity of the area for businesses and residents and the economic health of nearby shopping districts are not adversely affected (City of Toronto, 2010). This denotes through policy that it is still possible to construct standalone big box stores in the study area, exactly like the Canadian Tire along Provost Drive, even though most of the area is designated as mixed-use.
**Avenues Study**

Sheppard Avenue is designated as an ‘Avenue’ according to Official Plan Map 2 – Urban Structure. Avenues are defined as “important corridors along major streets where reurbanization is anticipated and encouraged to create new housing and job opportunities while improving the pedestrian environment, the look of the street, shopping opportunities and transit service for community residents (City of Toronto, 2010). Since the study area is within the Sheppard East Secondary Plan though; the study area along the Sheppard Avenue subway corridor is not subject to the recommendations of the Avenues Study.

**Sheppard East Subway Corridor Secondary Plan**

The goal of the Sheppard East Subway Corridor Secondary Plan is to promote and encourage appropriate high quality development in the Sheppard East Subway Corridor in support of, and to take advantage of the large public investment in rapid transit (City of Toronto, 2010, December). Section 3 describes the general Land Use policies that are applied to the entire secondary plan area.

- An overall mix of land uses in the Sheppard East Subway Corridor is designated to ensure that there are both employment areas and residential communities at varying densities.
- Generally, commercial uses are encouraged to locate at subway station nodes and development should be more residential in nature adjacent to designated stable residential areas.

The study area for this research lies within three “Key Development Areas” by the Secondary Plan (City of Toronto, 2010, December). These are Area A (Bayview Node), Area B (Bessarion Node) and Area C (Leslie Node). These areas are primarily designated Mixed-use Areas and are focused within walking distance of the three subway stations, Bayview, Bessarion and
Leslie. Development of the lands designated as Mixed-use Areas are to be developed in accordance with the Mixed-use policies of the City of Toronto Official Plan, already noted, and the following principles:

- Mixed-use Areas may be permitted to be developed primarily for residential uses, however, mixed-use developments with non-residential uses such as retail or small offices at grade with multiple residential or offices located above grade are encouraged along the Sheppard Avenue frontage;

- In predominantly residential areas within Mixed-use Areas designations, non-residential retail and office uses will be located on properties with frontage or flankage on Sheppard Avenue, Bayview Avenue or Leslie Street. Access to such non-residential uses will be primarily via the arterial road and such development will not depend upon obtaining vehicular access through local roads serving multiple residential development;

- Within the interior of Mixed-use Areas, a mix and variety of residential buildings, uses complementary and accessory to a multiple residential use and public and private open space areas will be encouraged;

- On lands designated Mixed-use Areas which abut properties designated Neighbourhoods, only residential uses which can be designated to be compatible with the low density character of the stable low density residential properties they impact will be permitted; and

- It is intended that as densities are distributed within a comprehensive development area, the highest densities will generally be located closest to the subway nodes, and along the frontages of arterial roads and abutting Highway 401. Densities will be lowered toward stable residential areas where no change in land use policy is introduced by this Secondary Plan (City of Toronto, 2010, December).
There are also Development Nodes within the Secondary Plan that set out more specific policies for specific nodes in the study area; however they reiterate many of policies described above on a micro scale. One policy that does stand out and will be examined further in the discussion section is in regards to the Mixed-use Area west of Provost Drive, Section 4.2.3 (e) states that “An opportunity for a large scale, stand alone retail store may be implemented through the Official Plan policies for Mixed-use Areas, if the tests of transportation demands and market impact can be satisfied (City of Toronto, 2010, December, p. 6). This builds upon the big box retail policy addressed in the Toronto Official Plan, even though large scale, stand alone retail does not match the principles of mixed-use development or TOD that were discussed within the literature review.

The Secondary Plan addresses urban design principles; however the pedestrian accommodations are based more on the connections between the buildings and the subway stations rather than facilitating a proper pedestrian experience at ground level. Underground pedestrian connections to the subway stations from the developments are brought up several times, however no developments have yet to take advantage of these policy directions. The at-grade pedestrian environment is briefly referenced, primarily focusing on Sheppard Avenue in particular, which is noted that it should act as a pedestrian oriented main street. The urban design section also focuses heavily on the massing and location of the buildings so that they will minimize the impact and create compatible transitions towards existing low density neighbourhoods. Finally, the Secondary Plan makes mention of public art, and that it should be “particularly in prominent locations... encouraged in the design of transit buildings and public facilities, and should be visible from the public street” (City of Toronto, 2010, December, p. 14). With a lack of focus on the public realm, this demonstrates possible reasons why streetscape is not yet attractive from a pedestrian standpoint.
**Zoning**

There are three primary zoning designations within the study area. The stable single family home neighbourhoods are zoned either RD (Residential Detached Zone) or RM (Residential Multiple Dwelling Zone). The first higher density developments that occurred in the study area such as Daniel’s New York Towers and the first phase of the Shane Baghai condos are zoned RA (Residential Apartment Zone). Retail uses are allowed with conditions in this zone; however office or employment uses are not. The conditions for retail uses in the RA designation are as follows:

- A retail store may be located on a lot with 100 or more dwelling units in one or more apartment buildings, and is subject to the following:
  
  a. there may be only one retail store in an apartment building;
  
  b. it must be located inside the apartment building;
  
  c. it may not be above the first storey of the apartment building;
  
  d. access to the retail store must be from within the apartment building, unless it is on a lot that has a front lot line or a side lot line abutting a major street shown on the Policy Areas Overlay Map;
  
  e. there may be no outside display of goods;
  
  f. the interior floor area of the retail store may not exceed 30.0 square metres for the first 100 dwelling units, which may be increased by 10.0 square metres for each additional 50 dwelling units in excess of 100, to a maximum of 110.0 square metres; and
  
  g. the calculation of total interior floor area may be reduced by the area used for the same building areas as provided for in the calculation of gross floor area for an apartment building (City of Toronto, 2012).
This zoning designation does not address mixed-use and the conditions that it places on retail create roadblocks for developers to construct a built environment that the secondary plan aspires for. This has led to developers to go through the re-zoning process to construct at-grade retail in their first developments.

More recent developments such as Concord Park Place and the latest phases of the Daniels New York Towers and Shane Baghai condos are under the zoning designation ‘Former General Zoning By-law 7625 (North York)’. By-law 7625 was enacted in 1952 and still applies to many of the lands in the former municipality of North York even though amalgamation occurred fifteen years ago. The by-law does not mention mixed-use, employs a maximum 1.5 FSI, and carries an outdated planning structure that is not conducive to the type of high density mixed-use development that should be occurring along the Sheppard subway corridor (Tuckey, 2013). The reasoning behind keeping these lands under Zoning By-law 7625 according to Bild President and CEO Bryan Tuckey is that it requires developers to go through re-zoning applications for their developments. This allows the City of Toronto to manage the type of development that will occur as well as secure public benefits through Section 37 of the Planning Act of Ontario (Tuckey, 2013).
RECENT AND UNDER CONSTRUCTION DEVELOPMENTS

As displayed in the figure and map below, there have been seventeen condominium developments constructed since 2002 when the Sheppard Subway opened. There are also five more developments expected to finish before the end of 2014, creating a total of twenty-two condominium projects. This will create a total of 5,307 multi-family residential units built in the study area over a twelve year period, or an average of 442 per year. For a neighbourhood that was previously known for its single family homes on large lots, this has been a sweeping change. Almost all development has been constructed by three major developers, Concord Adex, Daniel’s Corporation and Shane Baghai Developments. Only 6.7% of the residential units have been built by other developers so far in the study area. These three above mentioned developers are very influential in the Toronto area and are used to building developments on a large scale, especially Concord Adex and Daniel’s.

Table 5 – Recent and Under Construction Developments

<table>
<thead>
<tr>
<th>Map</th>
<th>Project Name</th>
<th>Developer</th>
<th>Intersection</th>
<th>Occupancy Date</th>
<th># Storeys</th>
<th>Retail/Services</th>
<th>Office</th>
<th># Res Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jade Condominiums</td>
<td>Phantom Developments</td>
<td>Sheppard/Bayview</td>
<td>Apr-13</td>
<td>7</td>
<td></td>
<td></td>
<td>172</td>
</tr>
<tr>
<td>2</td>
<td>Leslie Boutique Residences</td>
<td>Great Lands Corporation</td>
<td>Sheppard/Leaside</td>
<td>May-13</td>
<td>11</td>
<td></td>
<td>X</td>
<td>182</td>
</tr>
<tr>
<td>3</td>
<td>ARC</td>
<td>Daniels Corporation</td>
<td>Sheppard/Bayview</td>
<td>Sep-09</td>
<td>15</td>
<td></td>
<td>X</td>
<td>447</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>DANIELS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rockefeller on Bayview</td>
<td>Daniels Corporation</td>
<td>Sheppard/Bayview</td>
<td>Feb-06</td>
<td>20</td>
<td></td>
<td></td>
<td>231</td>
</tr>
<tr>
<td></td>
<td>NY Towers Waldorf West</td>
<td>Daniels Corporation</td>
<td>Sheppard/Bayview</td>
<td>Apr-03</td>
<td>20</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>NY Towers- Chrysler West Tower</td>
<td>Daniels Corporation</td>
<td>Sheppard/Bayview</td>
<td>Jan-03</td>
<td>28</td>
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<td></td>
<td>336</td>
</tr>
<tr>
<td></td>
<td>NY Towers- Chrysler East Tower</td>
<td>Daniels Corporation</td>
<td>Sheppard/Bayview</td>
<td>Dec-02</td>
<td>28</td>
<td></td>
<td></td>
<td>336</td>
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<tr>
<td></td>
<td>NY Towers Waldorf East</td>
<td>Daniels Corporation</td>
<td>Sheppard/Bayview</td>
<td>Mar-03</td>
<td>20</td>
<td></td>
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<td></td>
<td>Bayview</td>
<td>Daniels Corporation</td>
<td>Sheppard/Bayview</td>
<td>Aug-09</td>
<td>9</td>
<td></td>
<td></td>
<td>101</td>
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<tr>
<td></td>
<td>Merci</td>
<td>Daniels Corporation</td>
<td>Sheppard/Bayview</td>
<td>Jun-09</td>
<td>7</td>
<td></td>
<td>X</td>
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<tr>
<td></td>
<td>Empire on Bayview</td>
<td>Daniels Corporation</td>
<td>Sheppard/Bayview</td>
<td>Apr-05</td>
<td>28</td>
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<td>403</td>
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<td></td>
<td>NY Place Boutique Condominiums</td>
<td>Daniels Corporation</td>
<td>17 Kenton Gardens</td>
<td>Feb-13</td>
<td>8</td>
<td></td>
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<td>5</td>
<td>CONCORD ADEX - Park Place</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Discovery I - Building A</td>
<td>Concord Adex</td>
<td>33 Singer Court</td>
<td>Dec-11</td>
<td>27</td>
<td></td>
<td></td>
<td>323</td>
</tr>
<tr>
<td></td>
<td>Discovery I - Building B</td>
<td>Concord Adex</td>
<td>29 Singer Court</td>
<td>Dec-11</td>
<td>27</td>
<td></td>
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<td>316</td>
</tr>
<tr>
<td></td>
<td>Discovery II - Building D</td>
<td>Concord Adex</td>
<td>15 Singer Court</td>
<td>Feb-12</td>
<td>12</td>
<td></td>
<td>X</td>
<td>143</td>
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<tr>
<td></td>
<td>Discovery II - Building E</td>
<td>Concord Adex</td>
<td>19 Singer Court</td>
<td>Feb-12</td>
<td>12</td>
<td></td>
<td>X</td>
<td>338</td>
</tr>
<tr>
<td></td>
<td>Tango</td>
<td>Concord Adex</td>
<td>Sheddard/Leaside</td>
<td>Dec-13</td>
<td>28</td>
<td></td>
<td>X</td>
<td>428</td>
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<tr>
<td></td>
<td>Tango2</td>
<td>Concord Adex</td>
<td>Sheppard/Leaside</td>
<td>Feb-14</td>
<td>20</td>
<td></td>
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<td>257</td>
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<tr>
<td>6</td>
<td>SHANE BAGHAI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>St. Gabriel Terraces</td>
<td>Shane Baghai Developments</td>
<td>Sheppard/Bayview</td>
<td>Jun-09</td>
<td>7</td>
<td></td>
<td>X</td>
<td>169</td>
</tr>
<tr>
<td></td>
<td>St. Gabriel Village</td>
<td>Shane Baghai Developments</td>
<td>Sheppard/Bayview</td>
<td>Jun-08</td>
<td>19</td>
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<td>100</td>
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<tr>
<td></td>
<td>St. Gabriel Village II</td>
<td>Shane Baghai Developments</td>
<td>Sheppard/Bayview</td>
<td>Sep-08</td>
<td>19</td>
<td></td>
<td></td>
<td>152</td>
</tr>
<tr>
<td></td>
<td>St. Gabriel Manor</td>
<td>Shane Baghai Developments</td>
<td>676 Sheppard Avenue E</td>
<td>Aug-11</td>
<td>8</td>
<td></td>
<td>X</td>
<td>96</td>
</tr>
</tbody>
</table>

Source: RealNet Canada Inc. via N. Barry Lyon Consultants Limited (2012)
Out of the twenty-two developments, ten have retail at grade and none have any space dedicated to office. Furthermore, there currently is no retail space in any of the developments larger than 7,000 square feet in size. This means that all retail and service uses at grade are fairly small scale, with none acting as an anchor such as a grocery store would. Below is a list of retail and services in general categories that are occupying space within the mixed-use condominium developments as of January 2013. This assists in understanding the types of uses that typically are located within retail at grade.

Table 6 – Developments with Commercial Uses

<table>
<thead>
<tr>
<th>Map #</th>
<th>Project</th>
<th>Commercial Uses by Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Leslie Boutique Residences</td>
<td>Space For Lease / Under Construction</td>
</tr>
<tr>
<td>3</td>
<td>ARC</td>
<td>Bank, Bakery, Dental, Real Estate Office</td>
</tr>
<tr>
<td>4</td>
<td>Merci</td>
<td>Anti-Aging Clinic, Bank, Dance Studio, Dentist, Dry Cleaning, Hair Salon, Nail Salon</td>
</tr>
<tr>
<td>4</td>
<td>NY Place Boutique Condominiums</td>
<td>Space For Lease</td>
</tr>
<tr>
<td>5</td>
<td>Discovery II - Building D</td>
<td>Coffee Shop, Dentist, Space For Lease</td>
</tr>
<tr>
<td>5</td>
<td>Discovery II - Building E</td>
<td>Bank, Space For Lease</td>
</tr>
<tr>
<td>5</td>
<td>Tango</td>
<td>Space For Lease / Under Construction</td>
</tr>
<tr>
<td>5</td>
<td>Tango II</td>
<td>Space For Lease / Under Construction</td>
</tr>
<tr>
<td>6</td>
<td>St. Gabriel Terraces</td>
<td>Hair Salon &amp; Spa, Optical, Pharmacy, Walk-In Clinic</td>
</tr>
<tr>
<td>6</td>
<td>St. Gabriel Manor</td>
<td>Grill &amp; Cafe, Space for Lease</td>
</tr>
</tbody>
</table>
Out of all the mixed-use developments, only one has a coffee shop (Discovery II, Building D) and one other has food and beverage (St. Gabriel Manor). The grill and cafe at St. Gabriel Manor is owned and run by the developer, Shane Baghai, so there are actually no independent food & beverage establishments. The majority of uses are banks, medical, beauty salons, and drycleaners. There is a considerable amount of space still for lease, primarily in the Concord Park Place development as it continues to build out. At full build-out, Concord Park Place will have approximately 60,000 square feet of retail to complement its 5,000 residential units housing almost 9,000 residents (Starr, 2012). With 23,280 square feet of retail already built, and 13,468 square feet currently under construction at Tango and Tango 2, that leaves approximately 24,000 square feet of retail remaining to be constructed. There has been no indication by Concord Adex that this remaining space will be used for a larger anchor such as a grocery store, or contain units that are not similar in nature to those already constructed that range in size from 300 square feet to 6,800 square feet (Concord Park Place, 2013).

Figure 5 – Retail at-grade at ARC Condos
Figure 6 – Retail at-grade at Merci Condos
RECENTLY INITIATED AND PROPOSED DEVELOPMENTS

In terms of mixed-use projects that are currently breaking ground or are still in the proposals process, aside from Concord Park Place, the study area has several on the go. NY2 Condominiums at the corner of Rean Drive and Sheppard Avenue is another Daniel's development and will have 6,168 square feet of retail space at grade once completed (City of Toronto, 2011).

A major mixed-use project proposed for the study area is at 1200, 1210 and 1220 Sheppard Avenue East which is across the street from the Leslie Subway Station. The original proposal in 2012 was six residential buildings ranging in height from 27 to 43 storeys with retail at grade as well as a one and two-storey building which would total approximately 30,000 square feet of retail (see Figure 7). On the site are currently three office buildings, with one acting as the corporate office for the developer of the project, Amexon Development Inc. The five-storey office building would be demolished to make way for residential towers, while the other two offices, four and eight-storey's in height would be retained. All together there would be 2,098 residential units and 315,000 square feet of non-residential space, although only 30,000 square feet would be newly constructed non-residential space. The Floor Space Index (FSI) for the entire project is 5.5 times lot coverage (City of Toronto, 2012).

As there is currently a short supply of employment opportunities within the study area, demolishing a five-storey office building across the street from a subway station would likely be a contentious issue for City Council. However, it was not the loss of employment space that created controversy and ultimately lead to the rejection of the Amexon proposal in May, 2012. North York councillors turned down the proposal due to the fact that “the proposed density of the subject development is greatly in excess of the current official plan limit and is an over-intensification of the site. The site layout and built forms results in development that does not
create a cohesive community, lacks sufficient open space, creates a poor pedestrian environment, privatises the ravine edge and shadows the stable residential neighbourhood to the west as well as on-site open space" (Queen, 2012). Influential Willowdale Councillor David Shiner went as far to call the proposal “insulting” (Queen, 2012). Although the proposal that was tabled in 2012 is now inactive, the City and council continue to wait for Amexon to create a new proposal that is smaller in scale.

Figure 7 – 1200, 1210 & 1220 Sheppard Avenue East Site Plan

Source: City of Toronto, 2012
INTERVIEW RESULTS

Personal interviews were conducted with former municipal planning staff of the City of Toronto, land development consultants and research analysts for commercial brokerages to uncover the reasons why mixed-use developments on a larger scale have not fully emerged in the study area. Those who were interviewed will be addressed as key informants. These issues are discussed below, broken up by themes.

Financial Perspective

One informant discussed how retail is highly prized by developers because it brings in consistent cash flow, not from just the tenants themselves, but the resale value as well. Retail for developers can become very lucrative deals, as well as boost price points for residential if the right components are put in place such as a cafe, a bank and other daily services. The problem that arises is that retail can lose its allure if profits are significantly higher for residential than retail. It makes more sense from a development perspective to construct more residential and less retail in a mixed-use development when this becomes the case. This way, the project can still be marketed as a mixed-use development, but retail will only constitute a small percentage of the gross building area. To see if this is occurring in the study area, Concord Park Place is used as an example. According to data from RealNet, the current average price per square foot for at-grade residential space at Concord Park Place is $400. At-grade residential (townhomes) were used rather than condos since condos would are not typically constructed at the ground level of a podium. To compare this to retail space, the following spreadsheet formula was used to determine the sale price per square foot for retail in the same development. The formula uses retail commercial brokerage data, including the Canada Cap Rate Report produced by Colliers International. The full build-out of retail space of Concord Park Place was used for formulaic purposes. Rental income per square foot is an average of comparable projects within the study area.
According to current data, average at-grade residential space at Concord Park Place is valued at almost the exact rate compared to retail, $400 per square foot compared to $398 per square foot. This means that the overall value of retail should not be a major deterrent when creating mixed-use and there must be other factors in play.

Table 7 – Retail Sales Price Per Square Foot Assumption

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Buildable Area (SF)</td>
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</tr>
<tr>
<td>Building Efficiency</td>
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<td></td>
</tr>
<tr>
<td>GLA (SF)</td>
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</tr>
<tr>
<td>Rent PSF</td>
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<td>$1,785,000</td>
</tr>
<tr>
<td>Expenses PSF</td>
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<td>$510,000</td>
</tr>
<tr>
<td>Common Area Maintenance (CAM)</td>
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</tr>
<tr>
<td>Real Estate Taxes</td>
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</tr>
<tr>
<td>General &amp; Administrative</td>
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</tr>
<tr>
<td>Management Fee</td>
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</tr>
<tr>
<td>Total Potential Income</td>
<td>$45.00</td>
<td>$2,295,000</td>
</tr>
<tr>
<td>Vacancy/Loss Reserve Rate (Upon Stabilization)</td>
<td>7.5%</td>
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</tr>
<tr>
<td>Net Operating Income (NOI)</td>
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<td>$1,612,875</td>
</tr>
<tr>
<td>Cap Rate</td>
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<td></td>
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<tr>
<td>Total Project Value</td>
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<td>$23,894,444</td>
</tr>
<tr>
<td>Sales Price PSF</td>
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<td>$398</td>
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</tbody>
</table>

Figure 8 – Retail Space at-grade at Concord Park Place
Architecture and Expertise

Several key informants noted how difficult mixed-use developments are to create from an architectural perspective. High levels of expertise are required to develop large scale mixed-use developments with multiple components. A development consultant described how the internal column system is different for retail and office space than it is for residential, so it becomes much more complex for architects and structural engineers to design. Even the building systems themselves such as HVAC, electrical and plumbing must be designed to accommodate a variety of loads and uses. Higher capital requirements emerge from these issues and can reduce the profit margins of the development. Further, if different architecture firms are hired for each use, each firm will focus on their own particular problems which can be challenging for the developer themselves, as project management becomes complicated. Many developers in the study area are used to constructing primarily multi-family residential projects and do not have the proficiency to adapt to integrating retail, office, entertainment, food and beverage among other uses. To develop a successful mixed-use project, the developer requires to be an expert, equally adept in creating all the uses within the project and obsessed with the smaller details (Cooper, 2012).

Potential Conflicts Between Uses

The conflict between various land use types was also a major issue that all key informants brought to attention. All recent developments in the study are primarily residential in nature. Uses such as live entertainment will create sound problems and can impact office and residential uses while restaurants and pubs can create smells and noises that may bother residents and can also lead to rodent infestations in the future. If restaurants or pubs stay open late, this may drive potential residents from investing in the project. Developers must also think
how impending retailers and restaurants will unload merchandise without disturbing residents, especially earlier in the mornings.

An analyst with a commercial brokerage firm discussed that from an employment perspective though, employees desire restaurants and cafes nearby so they don’t have to drive to get lunch or to grab a coffee. Large scale office need the services and amenities for tenants and their employees. While smaller firms may not see mixed-use as the ultimate factor and will forego ground floor retail and restaurants if they can save $3 or $4 a square foot on their leases, larger companies typically want to keep their employees happy so they may pay a bit more to get the better location with more amenities. Right now, North York City Centre offers this over the Sheppard subway corridor study area.

Due to potential conflicts between uses, the majority of mixed-use developments in Toronto and around North America have rented to the same type of tenants within their street front retail. The analyst noted that because there are not a lot of employees currently in the study area, businesses during the daytime do not have the foot traffic to stay viable. Coffee shops make sense because residents living in the condominiums who leave for work in the morning will grab a coffee on their way out and may sit in the coffee shop in the evenings for a change of scenery and to use the free Wi-Fi. Services such as dry cleaning and banks also make sense for retail at-grade because they are the types of services that residents will use before or after work and are convenient. The same can be said for medical uses such as doctors, dentists and optometrists. Destination retail such as clothing, sporting goods or jewelry stores are a much tougher sell as they are not seen as an everyday convenience and are not a use that everyone in the residential community will use. These types of uses can still be found in the study area but are more likely to locate within Bayview Mall. As long as Bayview Mall continues to operate,
it will maintain its draw as the premiere retail hub for the study area and only the above mentioned convenience uses will make sense for retail at grade in mixed-use developments.

Office has the least amount of potential conflict with other uses, while retail and services rely on foot traffic from residential or office in close proximity. The conflicts really are exacerbated when residential is mixed with uses such as retail, food and beverage along with entertainment. Key informants did note that there are more and more successful projects in North America that have overcome this barrier and shown that the residential component will sell, even with conflicting uses. Empress Walk in North York was brought up by one key informant as a successful project that has managed to integrate residential with retail, office and entertainment. This project is profiled as a case study later in this paper.

**Desirability and Timing**

Several informants also brought up the issue with consumer desirability, especially from an employer perspective as well as timing. Office tenants simply want to be at North York City Centre according to a research analyst for a commercial brokerage. Not only is there currently a low vacancy rate at North York City Centre, but landlords also command higher net rents and tenants are willing to pay it because it is on the Yonge Subway Line. We can ask why the Sheppard corridor has not yet been successful because it too is on a subway line, however it comes down to convenience. Having to switch trains from the Yonge Line to the Sheppard Line may only be an extra five minutes but it still makes it less convenient than being located in North York City Centre. Once there is a light-rail transit (LRT) connection from Don Mills Subway Station to Scarborough City Centre and the Sheppard Line has its loop completed, this will less likely be an issue. Currently though, the Sheppard subway corridor is just not desirable as neighbouring North York City Centre.
In regards to timing, several key informants observed how North York City Centre had very little density twenty years ago compared to its dense urban form today. The area has grown very rapidly over the past two decades, especially since the turn of the millennia. Due to the strong growth, this stretch of Yonge Street is soon going to run out of appropriate parcels of land as development has already stretched passed the subway terminus station of Finch. Unless they expand the Yonge Subway line northbound, which will not happen for the time being due to other projects in the GTA having priority, developers will not go much further north on Yonge Street due to convenience sake. This may allow Sheppard Avenue East to have an opportunity to grow, especially from an employment perspective. Time is a major factor and the Sheppard Subway corridor has only been under development for one decade. It may be that as the area matures, the corridor will see better opportunities for mixed-use development, especially in the employment sector.

**Politics and the Suburban Mindset**

The final issues are politics and the suburban mindset that were discussed by a former planner at the City of Toronto. The former planner mentioned how politics is the overarching umbrella to the current urban form on the Sheppard Subway Corridor including the construction of the subway and how developments have emerged since the opening of the subway. Former North York and Toronto Mayor Mel Lastman was a champion for the Sheppard Subway and was able to get it built even though there were more pressing transit investments needs for the GTA. Even though the subway had been built and there was an understanding from planning staff that Sheppard Avenue East required density and a mix of uses to make the subway viable, councillors who represented wards in the corridor and in the vicinity continued to enforce the suburban mindset of their constituents have. Since the surrounding communities around the Sheppard subway are primarily single family residential homes, councillors must fight for what their constituents want, or fear that they will not be re-elected. This NIMBY (not in my backyard)
attitude has stalled developments and reduced the overall density of projects, especially those fronting onto Sheppard Avenue.

The planner also discussed that the suburban mindset has maintained the auto-centric manner along Sheppard Avenue as well. It is not viewed as a pedestrian friendly street due to its current wide width and how fast the cars and trucks travel along the street. They stated that the first step to having a pedestrian-friendly environment along Sheppard Avenue that would support proper mixed-use projects that people would want to walk to would be to turn Sheppard into a boulevard. This boulevard would have traffic calming measures to slow traffic down, landscaped medians, widened sidewalks and other design elements that would make a more welcoming environment for pedestrians. In its current state, Sheppard Avenue is a deterrent for pedestrians.

Lastly, politicians have been able to steer development in a way that has the least impact on the surrounding neighbourhoods. The highest densities have been pushed back to Highway 401 rather than along Sheppard Avenue, which has negated the possibility of high density mixed-use developments at the subway stations and has maintained the car-centric ideal that the area experienced prior to the subway. This can be demonstrated with the recent defeat of the high density development proposed at 1200-1220 Sheppard Avenue East that featured strong neighbourhood opposition. Politicians and residents claimed the densities were extremely high for the area, even though there is a subway station directly across the street. With the majority of people driving, Sheppard Avenue has not yet developed into a pedestrian friendly walkable street.
BEST PRACTICES

Three case studies are analyzed to understand best practices in the realm of transit oriented mixed-use developments. The first case study, Empress Walk, is located in North York, while the other two are located along the recently constructed Canada Line in Vancouver, British Columbia. These best practices display the potential opportunities that can occur along the Sheppard corridor.

Empress Walk

This mixed-use development in North York City Centre was completed in 2001 and is located on the east side of Yonge Street, across the street from Mel Lastman Square and the North York Civic Centre. The project is comprised of two, thirty-two storey condominium towers, constructed over a four level podium. The podium has a ten screen movie theatre, three levels of shopping and services and a 58,000 square foot Loblaws grocery store in the basement, all over five levels of below-grade parking (Jablonsky, Ast and Partners, n.d.). Constructed by Menkes, the mixed-use project was championed by former North York mayor Mel Lastman in his bid to establish a downtown core that would rival downtown Toronto. According to Sam Wertman, former director of retail leasing for Menkes, the area was untapped, underdeveloped and lacked a retail centre. Many retailers wanted to be in the area but the area did not have sufficient space (Thorne, 2000). Empress Walk was able to provide this space and act as a mixed-use anchor for the North York City Centre.

As mentioned previously, creating a mixed-use development with three or more uses can prove complicated for engineering and construction. When Loblaws leased a large space in the below-grade retail area they did not want columns interfering with their store layout. To accommodate Loblaws, the design and construction team had to co-ordinate the design to meet the stores needs and still create a structural base for the condominium towers that were to be
built above (Threndyle, 2002). In order to accommodate the cinemas and still properly support the residential towers was more difficult and required a complex transfer system. Large transfer walls and beams at and above the theatres were put in place to take the structural load from the towers and transfer it around the theatres and to the structure below. (Threndyle, 2002).

Although Empress Walk has three types of uses, residential, entertainment and retail, its original vision was to have two office buildings, a hotel and one condo (James, 2007). While not explicitly stated, it is more than likely that the vision changed due to market demand and that residential units offered an easier sell and greater profit margins than office space. Prior to approval, Menkes had to make several concessions to the City so residential was able to be constructed as the zoning did not permit an residential within the subject area. The City was able to use Section 37 of the Planning Act to re-build community infrastructure such as a local school and community centre in return for re-zoning the property site to allow for high density residential.

Empress Walk has been successful over the past decade since it was constructed. Now owned by Rio-Can, the theatres are under operation by Empire Theatres, and Loblaws serves the ever expanding dense residential population along the Yonge Street corridor. Other retail spaces include Staples Business Depot, LCBO, Future Shop and Dollarama along with food and beverage such as Wendy’s and Second Cup.

The success of the project is owed to its inclusion of anchors that draws people in, the supermarket as a neighbourhood service, maximizing its frontage along Yonge Street as well as its vertical layout (Urban Metrics, 2009). Furthermore, the developer, Menkes, has a history of constructing mixed-use, retail, office and residential projects so they have greater expertise to integrate multiple land uses than other developers.
The Rise

The Rise is a mixed-use project developed by Grosvenor in Vancouver, British Columbia in 2008 (Grosvenor, n.d.). The project coincided with the development of the Canada Line, Vancouver’s newest SkyTrain line that connects downtown Vancouver to Vancouver International Airport. It is located only one block from the Broadway-City Hall Station and takes advantage of its close proximity to high-order transit. The mixed-use project is comprised of over 180,000 square feet of retail space and 92 live/work townhouse rental units (Grosvenor, n.d.) While this is already quite unique on its own, this project was constructed on a small 2.3 acre site. It has been built to accommodate large format retail stores in an urban setting, The Home Depot, Winners and Save-On Foods as well as smaller locally independent stores that wrap around the ground floor. Understanding that a retailer such as The Home Depot requires vehicle parking due to the goods it sells and transit would not be the only sufficient transportation mode, the developer was still able to construct 700 below-grade parking spaces. Bike parking is also considerable with significant allocations for both the retail and residential...
components. This allows a for a complete multi-modal aspect for The Rise, employing transit, bicycle, cars along with pedestrians in a walkable neighbourhood.

The 92 townhouses units are located on the top level of the development and are oriented around a 20,000 square foot green roof and community garden. A project of this size if laid out horizontally rather than vertically would require approximately 19 acres of land to accommodate the retail space along with surface parking (Reurbanist, 2012). The addition of the townhouse units would stretch the amount of land needed to approximately 25 acres if using the standard of twenty townhouse units per acre. The project has been extremely successful in its four years since opening, as all residential units are rented out and the retail component has no vacancy. It displays the innovative use of architecture and urban design in a small lot along a busy transit corridor, as well as displaying that big box stores can be integrated properly into a dense urban environment.

Much like Menkes, Grosvenor has a strong track record in various land use sectors including retail, residential, industrial, office and hotel. For example, just prior the development of The Rise, Grosvenor developed Liverpool ONE, a 42 acre mixed-use regeneration of Liverpool City Centre in Liverpool, England. The project garnered the developer sixty awards (Grosvenor, 2009). Understanding multiple asset classes along with developing and managing properties throughout the world has allowed Grosvenor to be more inventive and use past precedent to create mixed-use projects that operate well from an architectural, functionality and financial standpoint.
Marine Gateway

Marine Gateway is another mixed-use development in Vancouver and is also located along the Canada Line. Although the project is currently under construction, expected completion is 2015, it is an excellent example of how to integrate a mixed-use development with multiple modes of transit. The project is strategically positioned at Marine Drive Station and will have a direct connection to the Canada Line station as well as the South Vancouver Bus Loop. Constructed by PCI, the project will combine 820,000 square feet in residential condominiums, rental housing, an office building, retail, entertainment and public space (PCI Group, 2013).

Features of the development are to include a 46,500 square foot T&T Supermarket as the grocery anchor, an 11-screen Cineplex movie theatre as well as restaurants, cafes, banks and services along a High Street for a total 228,000 square feet of retail space. The office component will be a 252,000 square foot, fifteen storey Class A office tower (Triovest, 2013). It is expected that once all retail and office space is leased out, Marine Gateway will host 2,000 jobs to go along with the 415 residential condominiums and 46 rental apartments (Mitham, 2012; Triovest, 2013). The retail component is already completely leased out, the
condominiums sold out in four hours through pre-sales and the office tower is gradually being leased as the project moves forward, displaying the demand for transit oriented mixed-use developments. Marine Gateway is also expected to meet LEED Gold equivalency through sustainable strategies such as water conserving fixtures, rainwater collection, car shares and green roofs.

Although there are light industrial uses to the east and south of the project, there are stable single family residential neighbourhoods to the north and west. Prior to the approval of the development, there was resident opposition, as there typically is with projects that bring such height and density to an area. Former Vancouver Director of Planning Brent Toderian stated that there has been an expectation that the Canada Line would bring change in urban form, and discussion has been around what kind of change that will be (O'Connor, 2011). There was much discourse between the City, residents and the developer when the original proposal of Marine Gateway was submitted to what was approved and is currently being constructed. Rather than just killing the proposal outright, after the discussions, density was slightly decreased, the project changed from LEED Silver to LEED Gold, a high street and plaza designs were improved and public benefits included rental housing, a bike mobility centre and more than $6 million in contributions towards a greenway connection (O'Connor, 2011).

The project exhibits that it is possible to integrate more than three uses (residential, office, retail and entertainment) within one project in a compact vertical format, integrate it with multiple modes of transit, make it sustainable, offer residential rental units, all while staying economically viable. While there was initial community and political apprehension, the project is now in favor by the majority and will add positive change to the Marpole neighbourhood (O’Connor, 2011). Similar to the other two developers, PCI has a history of constructing mixed-use, and the Vancouver based company prides themselves on this fact. Their website states that mixed-use
development is their specialty, and their expertise allows them to approach complex development situations with solutions that maximize the project for each of the uses along with the users (PCI Group, 2013).
SUMMARY OF FINDINGS

1. Twenty-two buildings have been constructed since 2002 in the study area; ten have retail at-grade and none have dedicated office space or other uses.

2. All retail space at-grade in mixed-use projects is fairly small in scale. The majority of this retail is banks, medical, beauty salons and services.

3. There are currently no proposed developments that will create large scale mixed-use development in the study area.

4. The value of at-grade residential and retail is similar in recently constructed mixed-use projects. Projects are marketed as mixed-use but they only contain small amounts of at-grade retail to satisfy policy initiatives and market the condominiums.

5. High levels of expertise are needed to create large scale mixed-use developments, from a planning and project management perspective to the construction phase.

6. There are potential conflicts of uses such as restaurants, pubs and entertainment with residential. Office has the least amount of conflict however no office has yet to be constructed.

7. There are currently more desirable areas for office tenants to locate than in the study area, even though it has subway access. The Sheppard subway corridor is simply not as competitive.

8. Timing is a factor as the Sheppard subway corridor is only a decade old and requires time to mature. Timing will always be different from area to area, however North York City Centre took several decades to finally emerge as an environment conducive to large scale mixed-use development.

9. There is still a strong suburban mindset with many local politicians and local residents in the study area. Political ideologies have gotten in the way of fully realizing the potential of the Sheppard subway corridor.
10. Best practices have shown that it is possible to create well planned, large scale mixed-use developments that are also profitable and meet the needs of the local community, along transit lines. The Sheppard subway corridor should look to these examples to understand how mixed-use could occur.
DISCUSSION & RECOMMENDATIONS

This research paper has looked to address why large scale mixed-use developments have not yet emerged along the Sheppard subway corridor, given the increased density patterns. Using a multi-method research approach has shown that there is no one explanation for this occurrence, but many causes that have created the environment we see today. The study area has not yet been able to fully realize its potential from a development perspective due to variety of factors including economic, architectural, demand based, use based, political and ideological, with master developers such as Concord Adex and Daniels Corporation currently possessing a near monopoly on new development in the study area, and local politicians and residents refusing to see further high density projects approved, it is fair to say that no large scale mixed-use projects will be emerging in the study area in the near future. There are additional holdings in the area, but local resident groups have kept shovels from breaking ground on any significant developments. Concord Adex and Daniels Corporation favour primarily residential development based on their previous development history. These development types are what the developers are comfortable with and they have a business model in place that they are able to follow. Residential will not only bring the highest profits to the private sector due to Toronto’s condo boom, but it will also bring about the least amount of conflict to the local area, where local residents continually oppose higher density projects that will bring increased traffic and noise.

The types of development patterns that have been constructed so far in the Sheppard subway corridor are not conducive to a pedestrian friendly environment, nor are they beneficial to increasing ridership along the Sheppard subway line in either direction. There are opportunities to create office space, restaurants, grocery stores, cultural and entertainment venues among other uses in the study area if proper planning and thought is put forth into the designs and layouts of the developments. Furthermore, there has been a shift towards smaller scale retail
and office in North America. According to analysts at CBRE, office space requirements are generally down from approximately 250 square feet per employee to 200 square feet per employee. The retail sector has seen many name brand retailers developing more urban concepts that fit into smaller dense spaces such as Staples, Target, The Home Depot and Wal-Mart among others.

Recent precedent can be seen in developments along Yonge Street in North York and the Cambie Street corridor along the Canada Line in Vancouver. These developments contain office, retail, grocery stores and restaurants, all integrated with residential. If developers such as Grosvenor, PCI and Menkes are able to construct these types of mixed-use developments elsewhere in Toronto and Vancouver outside of their downtown cores, they should be implemented in an area that is designated as mixed-use through policy, as well as located along a subway line. Uses such as grocery stores and neighbourhood pubs are destinations and will initiate foot traffic throughout the neighbourhood.

This all comes back to the suburban mindset as the former City of Toronto planner has stated. Even though there is a subway and many of those in political positions coveted the subway, they do not understand what uses have to come with the subway such as density and a mixed-use urban pattern. Many residents also wanted the subway, however they additionally want to keep their suburban land use patterns such as big box stores and single family homes which is very inconsistent in their ideologies. As Blais stated, new infill development can improve the quality of public spaces, streetscapes and play an important role in increasing transit service levels by providing new riders needed to warrant them (Blais, 2010). The principles of many individuals have hampered the improvement of Sheppard Avenue as a quality streetscape and subway ridership numbers are still below the targets that were anticipated for the line. As was found by Grant (2002), even though barriers for mixed-use development can be removed within
the realms of zoning, planning and engineering, people want security, predictability, and tranquility in their environments; they fear mix.

The types of uses being constructed along the Sheppard Subway corridor are not temporary uses and they are not first generation development. This is now second and third generation development and it needs to be more sustainable over the long term. The policies in the Growth Plan for the Greater Golden Horseshoe, the Official Plan and the Secondary Plan may be desirable for creating a pedestrian friendly dense mixed-use environment; however implementation has been mixed so far.

If the City of Toronto continues to allow developers to construct primarily residential condominium projects that do not foster activity throughout the day and negate a vibrant neighbourhood, the Sheppard corridor will be known for its vertical suburbs. These vertical suburbs will be similar to the suburbs of the 20\textsuperscript{th} century, where residents are forced to drive to do their shopping, go to work and perform other daily activities due to the separation of land uses, isolation of residential neighbourhoods and un-walkable streetscapes. Residents will go back to their cookie-cutter homes that were constructed by a master developer and carry no architectural merit as all the other homes in the neighbourhood look the same. The only difference is that they will reach to the sky, rather than sprawl out into the hinterlands of the GTA.

The following recommendations are provided as potential proposals to assist the study area in realizing its potential as a vibrant corridor that bases itself around a mix of uses that will lead to a memorable environment for residents and visitors alike.
The City of Toronto can waive development charges (DC’s) on all non-residential space in the study area to bring the price of development down for mixed-use projects and produce employment and activity into an area that is currently lacking these attributes. Waiving DC’s on all non-residential would include not only retail and office, but services such as daycares. Commercial space such as retail and office is taxed much higher on property taxes than residential in the City of Toronto, so it would benefit the City in the long run from a financial perspective. This would incentivize developers to include multiple uses in their developments at a larger scale. Another financial incentive could be the use of TIEG’s (Tax Increment Equivancy Grants). They are an attractive method for municipalities because they are the only way to currently subsidize development, employing Section 28 of the Provincial Planning Act. Under this grant program, municipalities can designate an area as a community improvement project area, and then implement a community-improvement plan (CIP) with grants and/or loans that can be calculated on a tax increment basis (Slack, 2008). In short, the City of Toronto can offer developers a grant or loan that is based on the higher property tax that is generated from development (Slack, 2008).

There currently is no phasing strategy for the study area or the Sheppard Corridor. The City of Toronto should create a phasing strategy as part of the secondary plan for the study area. This phasing strategy will make use of the results from the market supply and demand analyses and determine when it would be beneficial to construct residential, retail, office and other land uses. Developers could then follow this road map and understand when the City would like certain uses such as residential and office to be built.

The City of Toronto should mandate that a certain amount of office and retail space must be built within a development once that development reaches a certain threshold for multi-family
residential units. The threshold would be based on a developed formula that would take into account certain variables such as location along Sheppard Avenue or a collector street.

The physical disconnect between the Sheppard subway stations and recent developments is very noticeable. Dialogue between the Toronto Transit Commission, the City of Toronto and developers must occur in the planning stages of development to ensure that the developments are better integrated with the subway stations. This will create better pedestrian activity between the new developments and the subway stations. With greater pedestrian activity, greater amounts of retail are more likely to thrive.

The highest residential densities should not occur along Highway 401, as these buildings would be most likely to foster large scale mixed-use, however being removed from the subway line and major roads negates this opportunity. Comparing planning precedence that the City of Toronto has implemented in other parts of the city, the highest densities are closest to the main street and public transit nodes, and lower density buildings are located in the neighbourhoods along smaller streets. For example, within the Yonge and Eglinton neighbourhood, the secondary plan states that heights, densities and scale of development will decrease as distance increases from the intersection of Yonge Street and Eglinton Avenue (City of Toronto, 2010). The policies between these secondary plans should not be contradictory from a planning perspective.

Stand-alone big box retail with surface parking such as the existing Canadian Tire cannot be allowed to occur in the future, west of Provost Drive, as is currently allowable in the current Secondary Plan. Big box retail can still be built in the study area if warranted, however it should be constructed in the same fashion as The Rise in Vancouver, BC that was discussed in the
Best Practices section of this paper. This means that any future big box retail should be integrated with other uses such as residential or office space within a mixed-use development.

To counteract the research from literature that argues that restaurants, pubs and entertainment are a difficult sell at the podiums of condominium developments, developers should implement office space within the podiums of towers. The office space should be above the conflicting use which would be located at street level. This way, it will act as a buffer between the conflicting use and the residential component.

To initiate foot traffic and entice developers to construct large scale mixed-use development that fronts Sheppard Avenue, the City should transition the avenue into a boulevard through physical design features. As mentioned by former City of Toronto planning staff in interviews, Sheppard Avenue requires traffic to be slowed down, sidewalks to be widened, landscaping to be integrated and medians to be constructed to create a more pedestrian friendly environment. Negotiations through Section 37 of the Planning Act to obtain Community Benefits, or the use of a Community Improvement Plan would require developers to contribute towards funding this recommendation.

The City of Toronto should update the zoning permissions in the study area. Although it is understood that the City keeps fifty year old zoning by-laws in place to steer development and obtain Section 37 benefits, zoning should be in place that matches the type of development the City currently desires to have. Zoning By-law 7625 of the former municipality should be eliminated and new City of Toronto by-laws should take its place along the Sheppard subway corridor. Rather than placing large roadblocks and stalling the development process for developers, the City should have zoning in place that informs and advises developers to the type of development that should be occurring.
There unfortunately is not a silver bullet for the current situation along the Sheppard subway corridor, and there is no one recommendation that will alter the situation. The use of multiple recommendations is required to overcome the barriers that are inhibiting the development of large scale mixed-use projects.

With all these recommendations, the largest obstacle for the study area may be to overcome the ideological suburban mindset of the local residents. As long as residents continue to voice their displeasure with increases in density and uses other than residential or small scale services, the above mentioned recommendations may not make a significant impact in changing not only the mixed-use landscape along Sheppard Avenue, but across the City of Toronto. Further research is required to understand how to gather local public support for urban change in stable neighbourhoods. Once we are able to get around this issue, implementation of these recommendations can move forward as large scale mixed-use developments continue to become more common and accepted outside of the downtown core.
APPENDIX

SCHEDULE OF QUESTIONS FOR PLANNERS AND DEVELOPMENT CONSULTANTS

SCHEDULE OF QUESTIONS FOR COMMERCIAL BROKERAGE ANALYSTS
Interview Questions for Planners and Development Consultants

- Do you feel that the current development along the Sheppard Subway Corridor encompasses the ideas of Smart Growth?
- How do you feel about the developments that have occurred over the past decade along the Sheppard Subway Corridor such as the NY Towers and Concord Park Place?
- Do you feel that the Toronto Official Plan and Sheppard East Secondary Plan support the type of development that is currently occurring along the Sheppard Subway Corridor?
- How difficult is it for developers and urban planners to follow smart growth principles?
- What are the challenges to getting developers on board to make the type of community urban planners want to create?
- What are the challenges of implementing municipal land use policies such as the Secondary Plan when developing the land in real life?
- Are there fiscal policy tools that should be in place that would help make it easier for complete communities to emerge along the Sheppard Subway Corridor?
- What do you feel needs to be accomplished to generate more mixed-use development along the Sheppard Subway Corridor?
- Do you think that as the Sheppard Subway Corridor grows, we will see more mixed-use development with greater attention paid to the retail and office sectors?

Definitions

a) Smart Growth – “is a collection of land use and development principles that aim to enhance our quality of life, preserve the natural environment, and save money over time.” – SmartGrowthBC, 2012.
b) Mixed-Use Development – “A mixed-use development is a real estate project with planned integration of some combination of retail, office, residential, hotel, recreation or other functions. It is pedestrian-oriented and contains elements of a live-work-play environment. It maximizes space usage, has amenities and architectural expression and tends to mitigate traffic and sprawl.” – ICSC, 2006.

c) Sheppard Subway Corridor – The corridor along Sheppard Avenue East between Yonge Street to the west and Don Mills Road to the east.
Interview Questions for Commercial Brokerage Analysts

- How is the commercial leasing environment, both retail and office performing currently along the Sheppard subway corridor?
- Has the commercial leasing environment for retail and office improved over previous years?
- Are there specific retail tenants that prefer to locate within the Sheppard subway corridor?
- Are there specific office tenants that prefer to locate within the Sheppard subway corridor?
- Have you found that there are tenants (either retail or office) that are looking to locate within the corridor but the appropriate space is not available for them? If so, what type of space are they usually looking for?
- Do mixed-use developments such as Concord Park Place offer an appealing and attractive environment for tenants to locate within them? Why or why not?
- How quickly have the spaces at developments such as Concord Park Place or the Shane Baghai development been leased out? Are they more difficult than single use office or retail space?
- Are there price premiums for mixed-use developments, and if there is, are there tenants willing to pay the premiums?
- Has the subway has been beneficial to attracting clients?
- Do you feel that new retail built along the Sheppard subway corridor can be difficult to lease due to Bayview Village Mall taking up most of the retail demand?
- Would prospective office tenants that prefer mixed-use developments rather locate at North York City Centre than the Sheppard corridor?
• Do you think that as the Sheppard Subway Corridor grows, we will see more mixed-use development with greater attention paid to the retail and office sectors due to increased demand?

• What is the biggest barrier to tenants locating in mixed-use buildings the Sheppard subway corridor?

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