
To: Mayor Linton and Members of Council

Report: PLN2022-27

Prepared By: Mariana Iglesias, Senior Planner

Date: 24 May 2022

RE: Highway Commercial Zoning Amendment - Township-wide

Recommendation:

THAT the Council of the Township of Centre Wellington directs planning staff to hold a public meeting concerning a Township-initiated zoning by-law amendment for C2 - Highway Commercial zones.

Summary:

Report:

The Township, with assistance from the Healthy Growth Committee, is working toward increasing the supply of attainable housing in accordance with the goals of the Strategic Plan, and the Province's and County's directives on housing. The policies aim to increase supply of all housing types primarily through intensification and redevelopment within urban centres at densities which efficiently use available servicing and are appropriate to site conditions and existing patterns of development. The Strategic Plan aims to ensure that new developments include a mix of uses in addition to residential, and a mix of residential housing types and densities. The Provincial Policy Statement (2020) states that planning authorities are encouraged to permit and facilitate a range of housing options, including new development as well as residential intensification, to respond to current and future needs.

Background

In October 2021, Council directed staff to review changes needed to the "C2 – Highway Commercial" zoning to promote mixed use development that would assist in increasing the supply of attainable housing. This was done as a result of a recommendation made by the Healthy Growth Committee after examining potential solutions to increase housing supply. Council endorsed the committee's recommendation through the resolution below:

THAT Council directs staff, in consultation with the Healthy Growth Committee, to review and make recommendations regarding updating the current "C2- Highway Commercial" zoning regulations to reduce barriers and to focus on increasing the supply of attainable housing in the Township;

AND THAT Council directs staff, in consultation with the Healthy Growth Committee, to report back on the merits of implementing a Community Planning Permit System (CPPS) to streamline the planning approval process with a focus on increasing the supply of attainable housing in the Township.

Since that time, the committee's Policy and Zoning Sub-committee has worked on reviewing the C2 - Highway Commercial zoning regulations with a goal to making it easier to add residential units to such properties while ensuring that compatibility issues can be adequately addressed, including impacts on abutting low density residential zones. C2 zones are located within the two Urban Centres of Fergus and Elora-Salem primarily along major arterial roads/highway corridors (i.e. Wellington Road 7, Wellington Road 18, St. David St. N./ Highway 6) as shown in the maps in Attachment 1 to this report. The proposed zoning amendment will not impact the Central Business District downtown areas.

The Healthy Growth Committee feels there is an opportunity to quickly increase the supply of attainable housing in Highway Commercial zones, as compared to other regulatory changes being reviewed, as it can be done relatively quickly by staff without hiring external consultants. Highway Commercial zones are already anticipated to have a mix of uses and currently allow residential units above ground level commercial so compatibility of uses is not a primary concern.

Why Target Highway Commercial Areas?

- Increases the supply of housing on a larger scale with fewer impacts on stable residential areas
- Addresses the land needs for larger mixed use developments
- Access to major arterial roads and along future transportation/transit corridors
- Provides a wide range of retail and service commercial uses to satisfy a majority of the day-to-day needs of residents (i.e. supermarkets, health services, restaurants, etc.)
- Provides opportunities for parking to be shared among uses at different times of day
- Typically servicing capacity is available to support intensification of sites
- Encourages more “Main Street” feel along major corridors when residential uses are introduced
- Helps create a safer, more pedestrian and cyclist friendly urban environment and street
- Underutilized sites with vast expanses of empty space and parking areas can be redeveloped
- Ease of short term implementation
- Details can be addressed through site plan process and design guidelines

The main changes to the by-law are outlined in Table 1 in Attachment 2 to this report. To further clarify and summarize the proposed changes, the current Highway Commercial designation in the Official Plan and corresponding zoning regulations allow residential

uses above ground level commercial uses in these zones. However, the proposed changes will increase the maximum height allowance from 11 metres (3 storeys) to 18 metres (up to 5 storeys). Further, the changes will provide more flexibility to allow residential uses on the ground floor of buildings away from the street whereas the current regulations do not anticipate residential uses on the ground floor. These changes still maintain the intent of the Official Plan policies because the front facing units closest to the street will be required to maintain commercial uses. But, the amendments will allow an increase in the number of potential residential units on a property, thereby increasing the supply of units.

Other changes to the zoning by-law address issues of compatibility and design, particularly as they relate to potential increases in height by minimizing impacts on the streetscape and/or adjacent low rise and low density residential areas. Step backs will be required in the building facades facing a street or adjacent to low density residential zones for any floors above the third storey. This should help mitigate potential impacts on adjacent properties as a result of height, shadows and massing. Examples of developments with stepbacks and mixed use buildings are provided in Attachment 3. Buffer areas and landscaping are proposed to be increased to improve natural features on these sites. Lastly, certain commercial uses that are currently permitted in C2 zones but might be considered incompatible with residential units on the same site or within the same building have been prohibited. Other site and building design details will be addressed through site plan approval process and the application of urban design guidelines. Parking will be reviewed on a case-by-case basis and staff support for shared parking among various uses will be considered, where feasible. Parking was not reviewed in the scope of this review as it would further delay the zoning amendment process given the nature of existing parking regulations.

The draft proposed zoning amendment is provided in Attachment 4 to this report. It should be noted that these regulations would only apply to developments in C2 zones where a mix of uses is proposed that includes residential uses. The draft by-law is attached for information and is anticipated to be presented at a future public meeting for review and input once finalized. In addition, examples of mid-rise mixed-use developments is provided in Attachment 5 to this report to help visualize what such developments might look like in Highway Commercial zones.

Consultation

The proposed amendment was presented to and endorsed by the Healthy Growth Committee at its regular meeting on May 4, 2022 through the following recommendation:

That the Healthy Growth Advisory Committee endorses the draft by-law and recommends that Council direct staff to hold a Statutory Public Meeting regarding the proposed by-law amendment.

Conclusion

Staff is asking Council to direct planning staff to hold the statutory public meeting, as required under the Planning Act, as soon as possible to present the proposed draft

amendment and solicit feedback. Staff will review all feedback received and subsequently present a final report and by-law to Council for enactment.

Corporate Strategic Plan:

Healthy Growth

- Ensure the housing mix provides adequate attainable housing
- Manage the pace and scale of new development and retain our "Small town feel"

Consultation:

Healthy Growth Committee

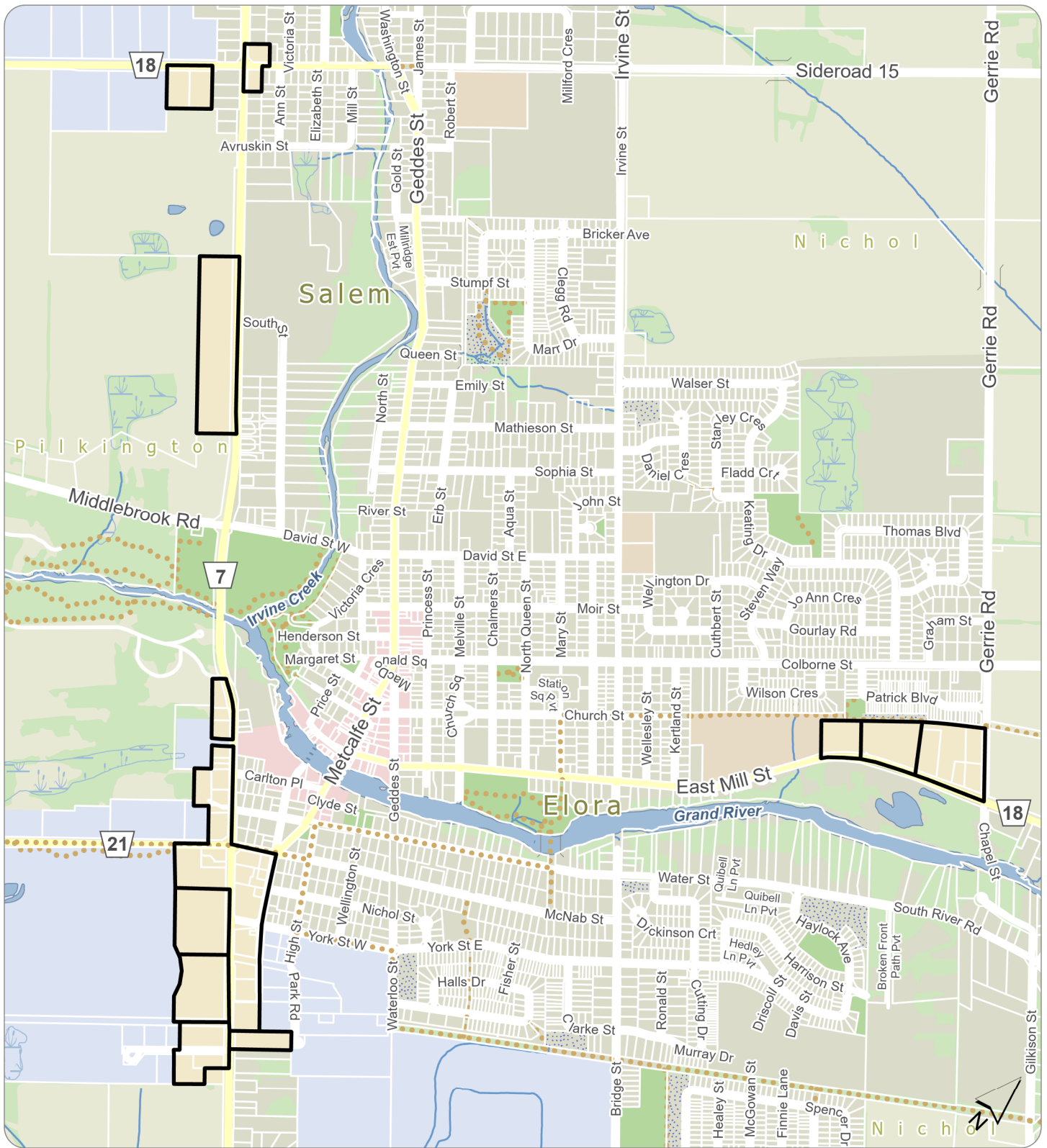
Attachments:

- [Att 1 - C2 Zone Areas](#)
- [Att 2 - C2 Zoning Table](#)
- [Att 3 - Examples](#)
- [Att 4 - Highway Commercial Draft Bylaw](#)
- [Att 5 - Mid-rise Examples](#)

Approved By:

Brett Salmon, Managing Director of Planning and Development

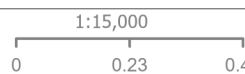
Dan Wilson, Chief Administrative Officer

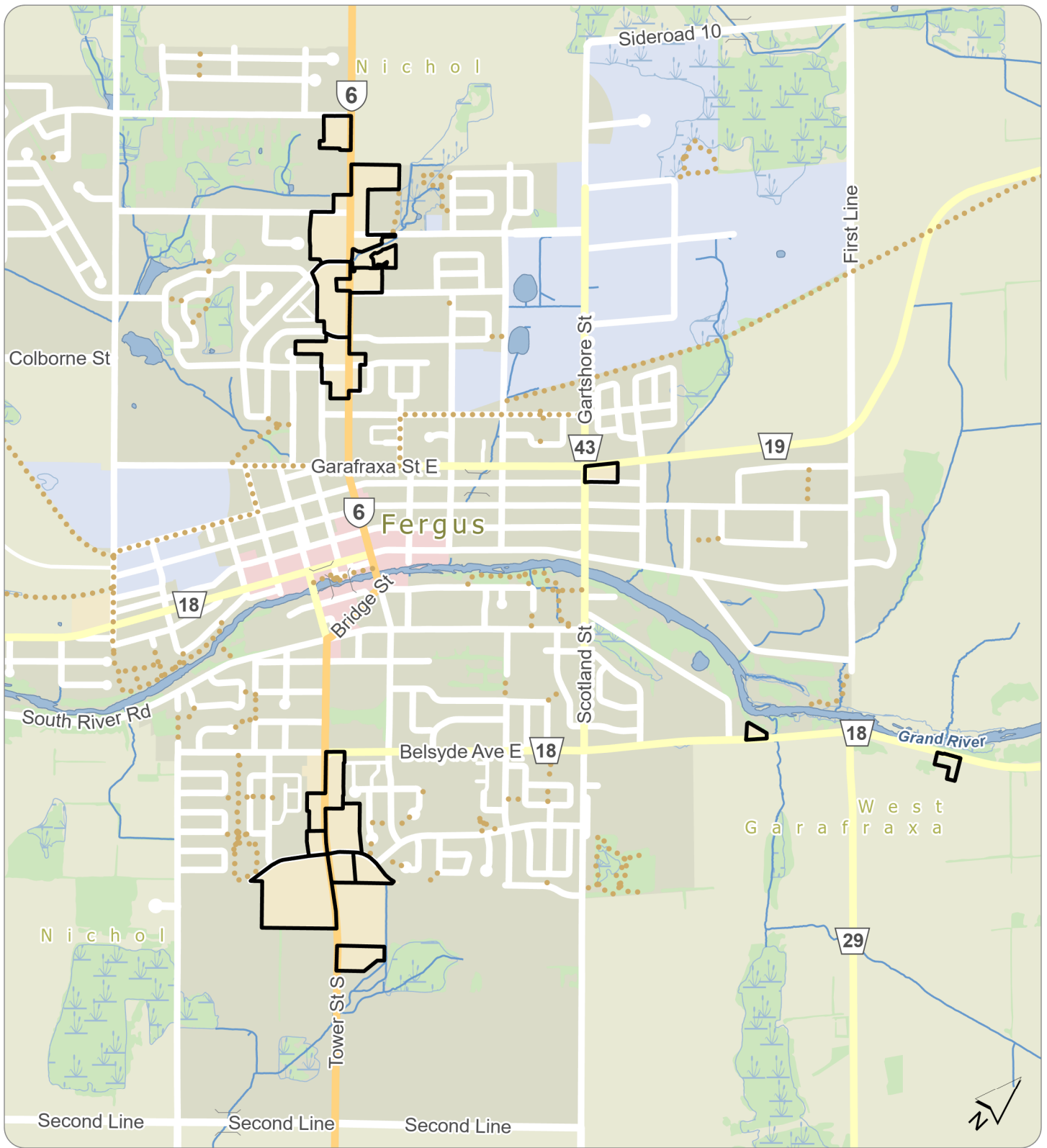


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 C2 (Highway Commercial) Zones

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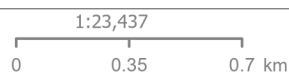




Fergus Overview

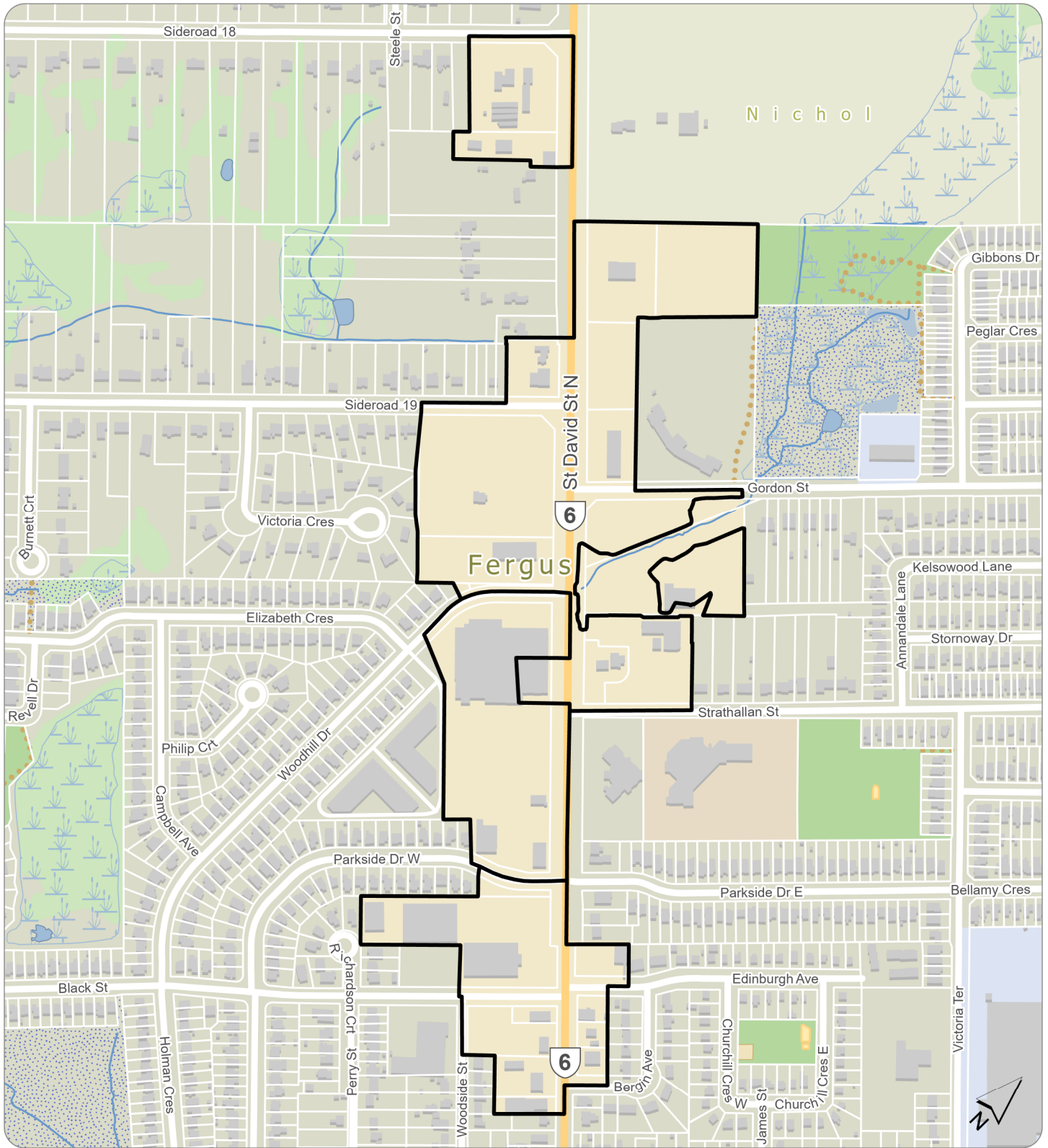
 C2 (Highway Commercial) Zones

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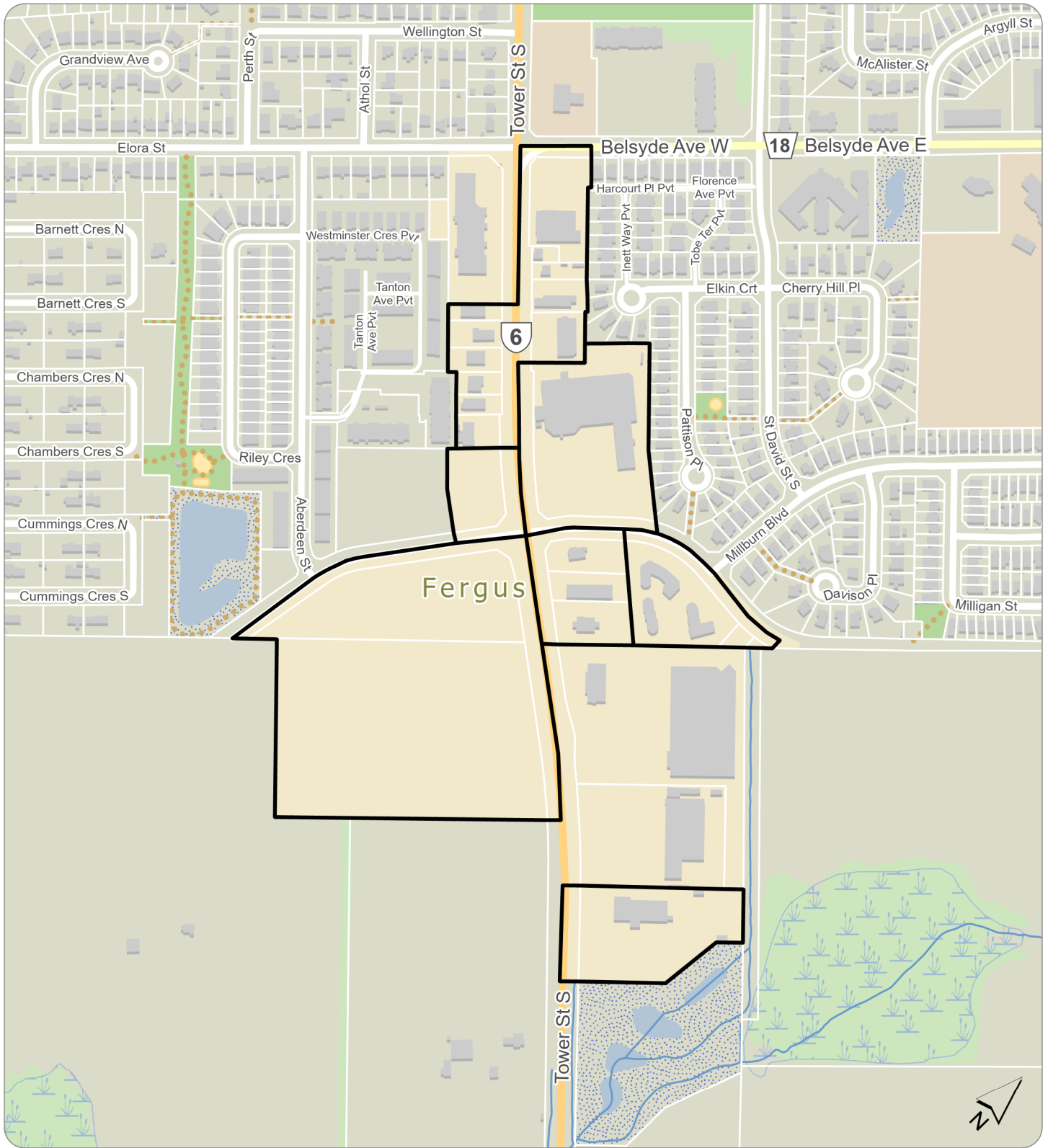


Fergus North

 C2 (Highway Commercial) Zones

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Fergus South

 C2 (Highway Commercial) Zones

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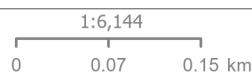


Table 1: Proposed C2 Regulations for Mixed Use Developments

Regulation	Current	Proposed	Comments/Additional Regulations
a) Minimum Lot Area	1,000m ²	700m ²	Aligns with other multi-unit zones and increases opportunity on smaller properties
b) Minimum Lot Frontage	30m	20m	Reflects smallest C2 properties
c) Minimum Front Yard	3m	No change	New: 2m step back for each storey above 3 rd (to reflect typical development within an acceptable angular plane to minimize impacts of massing and shadowing) New: 3m landscape strip New: Residential uses not permitted within 9m of street and shall not occupy more than 50% of total ground floor area of a building within 30m of street line. New: Buildings set back at least 30m from the street line can be fully occupied with residential units
d) Minimum Rear Yard	7.5m	No change	New: 2 m step back for each storey above 3 rd where abutting residential
e) Minimum Side Yard	3m	No change	New: 2 m step back for each storey above 3 rd where abutting residential
f) Maximum Lot Coverage	40%	Remove	Coverage will be regulated by setbacks and other requirements
g) Minimum Landscaped Area	20%	No change	Private or common amenity area not required for mixed use buildings
h) Maximum Building Height	3 storeys but not more than 11 m	18 m but not more than 5 storeys	New: Minimum building height 7.5 m and 2 storeys
i) Buffer Strip	Along side lot line which abuts residential or institutional lands (1.5 m)	2.5 m buffer strip where abuts land zoned residential or institutional	Allows trees and plantings greater space to survive (1.5 m insufficient)
j) Outdoor Storage	Section 4.29	No change	
k) Outdoor Display Areas	Section 4.28	No change	
Permitted Uses	As per Table 10A	Excludes specific uses (see by-law)	To reduce nuisances resulting from incompatibility with residential uses in the same building or on same site
Parking	As per Section 5	No change	Relief to be considered on site specific basis, if needed

Examples of Building Step Backs on Upper Storeys



Source: Town of Erin Urban Design Guidelines, April 2021 (The Planning Partnership)

Highway Commercial Proposed Draft Zoning By-law Amendment

Current Highway Commercial Section of Zoning By-law 2009-045 (provided for reference only):

10.0 COMMERCIAL ZONES

10.1 General Commercial Provisions

10.1.1 Enclosed Operations

The operations of use in a Commercial Zone shall be conducted within an enclosed building or structure, except for the following:

- a) the parking or loading of a vehicle;
- b) an outdoor patio of a restaurant in accordance with Section 4.33;
- c) an outdoor sales and display area, where permitted;
- d) a garden centre;
- e) a farmer's market;
- f) a transient trader licensed by the Township

Table 10A Permitted Uses in Commercial Zones	C1	C2	C3	C4	SC	C5
Amusement Arcade in accordance with Section 4.4	✓	✓			✓	
Art gallery	✓	✓	✓		✓	
Artisan studio	✓	✓	✓		✓	
Assembly or banquet hall		✓				
Automobile body repair and painting		✓				
Automobile parts and accessories supplier	✓	✓			✓	
Automobile sales and service		✓				
Automobile service station in accordance with Section 4.5		✓	✓			
Automobile wash in accordance with Section 4.5		✓				
Bed and breakfast establishment, Class 1 or Class 2	✓		✓	✓		
Beer, Liquor or Wine Store	✓	✓			✓	
Building or lumber supply outlet		✓				
Business or professional office	✓	✓	✓	✓	✓	
Church	✓	✓	✓	✓		
Commercial Greenhouse or Nursery						✓
Commercial Recreation	✓	✓			✓	
Commercial School or Studio	✓	✓	✓	✓	✓	
Contractor's Yard						✓
Convenience Store	✓	✓	✓		✓	
Day care centre or day nursery	✓	✓	✓	✓	✓	
Drive Through Service Facility		✓				
Department Store		✓			✓	
Dry cleaning depot	✓	✓	✓		✓	
Dwelling unit above a ground level commercial use	✓	✓	✓		✓	
Farm implement sales and service establishment		✓				✓
Farmer's market	✓	✓			✓	✓
Financial establishment	✓	✓	✓		✓	
Funeral home	✓	✓	✓	✓		
Garden centre		✓			✓	✓

Gas bar including an accessory automobile wash	✓	✓	✓		✓	
Golf Course						
Golf Driving Range						✓
Hardware store	✓	✓			✓	
Home improvement centre		✓				
Hotel	✓	✓			✓	
Laundromat	✓	✓	✓		✓	
Library	✓	✓	✓		✓	
Medical clinic	✓	✓	✓	✓	✓	
Miniature golf course		✓				✓
Motel		✓				
Office supply	✓	✓			✓	
Parking lot	✓	✓			✓	
Personal service shop	✓	✓	✓	✓	✓	
Photofinishing establishment	✓	✓	✓		✓	
Place of entertainment	✓	✓			✓	
Postal or courier outlet	✓	✓	✓		✓	
Printing, publishing and packaging establishment	✓	✓			✓	
Private or commercial club	✓	✓		✓		
Public building	✓	✓		✓		
Rental outlet		✓				
Restaurant	✓	✓	✓		✓	
Retail store with a gross floor area less than 300 m ² (3,229 ft ²)	✓	✓ (1)	✓ (1)		✓	
Retail store with a gross floor area of 300 m ² (3,229 ft ²) or greater	✓	✓			✓	
Retail food store	✓	✓			✓	
Service or repair shop	✓	✓			✓	
Specialty food store	✓	✓	✓		✓	
Tavern	✓	✓				
Veterinarian clinic	✓	✓	✓			✓
Video rental outlet	✓	✓	✓		✓	
Any use permitted by the R1A zone subject to the applicable R1A zone provisions				✓		
Any residential use permitted by the A zone subject to the applicable A zone provisions						✓
Any use permitted by the IN zone	✓					
Any commercial use lawfully existing as of the date of passing of this by-law	✓	✓	✓	✓	✓	✓
Notes and Exceptions:						
(1) Only permitted in a building that exists on the date of passing of this by-law.						

10.2 Highway Commercial (C2) Zone

Within any C2 ZONE, no land shall be used and no building or structure shall be constructed, altered or used except in accordance with the following regulations.

10.2.1 Permitted Uses

In accordance with Table 10A

10.2.2 Building Regulations

a)	Minimum Lot Area	1,000 m ² (10,764.3 ft ²)
b)	Minimum Lot Frontage	30 m (98.4 ft)
c)	Minimum Front Yard	3 m (9.8 ft)
d)	Minimum Rear Yard	7.5 m (24.6 ft)
e)	Minimum Side Yard	3 m (9.8 ft)
f)	Maximum Lot Coverage	40%
g)	Minimum Landscaped Area	20%
h)	Maximum Building Height	3 storeys but not more than 11 m (36 ft)
h)	Buffer Strip	A buffer strip is required along any interior side lot line and rear lot line which abuts land zoned for residential or institutional purposes.
i)	Outdoor Storage	Outdoor storage is permitted in the C2 zone but shall comply with the provisions of Section 4.29
j)	Outdoor Display Areas	The outdoor display of merchandise for sale or hire is permitted within the C2 Zone subject to the provisions of Section 4.28.

PROPOSED NEW SECTION TO BE ADDED:

10.3.3 Permitted Uses – Highway Commercial (C2) Zone for Mixed Use

Notwithstanding the uses permitted in 10.3.1 above, the following uses are not permitted on a property containing a mixed-use building with residential units, except as noted:

- Assembly or banquet hall (except in a standalone building)
- Automobile body repair and painting
- Automobile sales and service
- Automobile service station in accordance with Section 4.5
- Automobile wash in accordance with Section 4.5
- Building or lumber supply outlet
- Drive through service facility (except where any part of a drive-through facility, as defined herein, is greater than 30 m from a building containing residential units)
- Farm implement sales and service establishment
- Gas bar including an accessory automobile wash
- Place of entertainment (except in a standalone structure)
- Printing, publishing and packaging establishment

10.3.4 Building Regulations – Highway Commercial (C2) Zone for Mixed Use

Notwithstanding the above, in a C2 zone where a property contains at least one building with residential units, the following regulations shall apply:

- | | | |
|--|---|---|
| a) Minimum Lot Area | 700 m ² (7,535 ft ²) | |
| b) Minimum Lot Frontage | 20 m (65.6 ft) | |
| c) Minimum Front Yard | 3 m (9.8 ft) | For a building containing dwelling units adjacent to the street line, the building face shall be stepped back 2 m for each storey above the third storey |
| d) Minimum Landscape Buffer Abutting Street Line | 3 m (9.8 ft) | |
| e) Residential Uses on Ground Floor | Not permitted within 9 m of a street line | Shall not occupy more than 50% of total ground floor area of a building within 30 m of a street line |
| f) Minimum Rear Yard | 7.5 m (24.6 ft) | For a building containing dwelling units adjacent to an R1A, R1B or R2 zone, the building face shall be stepped back 2 m for each storey above the third storey |
| g) Minimum Side Yard | 3 m (9.8 ft) | For a building containing dwelling units adjacent to an R1A, R1B or R2 zone, the building face shall be stepped back 2 m for each storey above the third storey |

- | | | |
|----|-------------------------|---|
| h) | Minimum Landscaped Area | 20% of total lot area |
| i) | Maximum Building Height | 18 m but no greater than 5 storeys for a building containing dwelling units |
| j) | Minimum Building Height | 7.5 m and 2 storeys |
| k) | Buffer Strip | A buffer strip is required 2.5 m along any interior side lot line and rear lot line which abuts land zoned for Residential or Institutional purposes. |

Attachment 5: Examples of Mid-rise Mixed-use Developments

SkyDev Site Plan for Talisman Gate In Gravenhurst ON



Source: Skyline/Sky Dev (Talisman Gate, Gravenhurst), skydev.ca

Tennis Court Rendering View of Talisman Gate in Gravenhurst ON



Source: Skyline/Sky Dev (Talisman Gate, Gravenhurst), skydev.ca



Source: Diamond Schmitt Architects, Wonder Condos, BILD Awards (Best Mid-rise Design), Toronto, May 8, 2019



Source: KTG Architecture + Planning (SummerHill Apartment Communities, San Francisco)