

August 22, 2018

Via Email and regular mail

Our File No. 152426

City of Vaughan
Planning Development Department
Vaughan City Hall
2141 Major Mackenzie Drive
Vaughan, ON L6A 1T1

Attention: Mark Antoine, Planner

Dear Sirs/Mesdames:

**Re: Application by Parentela Holdings Ltd.
8440 Regional Road 27
File Numbers OP.18.011 and Z.18.018**

We are the solicitors for Costco Wholesale Canada Ltd. ("Costco"). Our client operates two warehouse membership clubs in the City of Vaughan as well as a recently-constructed distribution centre and commissary in Vaughan's newest employment area, the West Vaughan Employment Area ("WVEA"). As such, our client has made significant investments in the City of Vaughan and currently employs a total of 989 employees. The employment number will increase when there is a planned expansion to the distribution centre.

In late 2017, our client became aware of the proposal by Parentela Holdings Ltd ("Parentela") to develop a hotel in close proximity to Costco's distribution centre. As a result, Costco arranged for its noise expert, Valcoustics Canada ("Valcoustics"), to contact J.E. Coulter Associates ("Coulter") to discuss the parameters for the noise study Coulter was preparing in support of Parentela's applications and also to establish a mechanism to share confidential noise modelling information.

We attach a memo dated June 28, 2018 in which Valcoustics provides comments on the Coulter noise study submitted by Parentela to the City in April 2018. The memo highlights the risk that approval of the proposed hotel could jeopardize the ability of Costco and other industrial operations in the WVEA to maintain and/or secure their requisite approvals from the Ministry of the Environment and Climate Change.

**PUBLIC HEARING
COMMUNICATION**

Date: Sept 17/18 ITEM NO. 6

In light of this risk for the current and future industrial operations in the WVEA, we do not believe Parentela's proposal would maintain the planned structure of the City's official plan. We attach a memorandum dated August 10, 2018 from Costco's planning consultant, WSP, which outlines the relevant planning policies and concludes that a hotel in this location would not represent good planning.

We trust City staff will give careful consideration to Costco's very serious concerns about the long term risks to its current operations and future expansion plans if the proposed hotel is approved. We would be pleased to meet to discuss this further if staff have any questions.

Yours truly,

Goodmans LLP



Roslyn Houser

RH/lr

encl.

cc: Clement Messere
Margaret McCulla
Mark Levkoe
Darryl Bird

MEMORANDUM

TO: Margaret McCulla
mmcculla@costco.com E-MAIL

FROM: Anthony Amarra/Mark Levkoe

DATE: June 28, 2018

RE: Costco Vaughan Distribution Centre
**Comments on J.E. Coulter Noise Impact Feasibility Study
Le Jardin/Tribute 12-Storey Hotel**

FILE: 114-155-700

As requested, we have reviewed the “Noise Impact Feasibility Study – Le Jardin/Tribute 12-Storey Hotel, 8440 Highway 27 Vaughan, Ontario” (herein referred to as the Noise Report) prepared by J.E. Coulter Associates Limited dated April 17, 2018.

The Noise Report concludes that noise emissions from Costco will be in compliance with the Ministry of the Environment and Climate Change (MOECC) noise guideline (Publication NPC-300) at the proposed hotel site. However, there are some concerns regarding certain aspects of the noise report, as well as the potential impact of introducing new noise-sensitive uses in the area. The main issues from the land use compatibility perspective are summarized below. There are also a number of technical questions/comments on the report which have not been included here but can be provided if requested. The issues listed herein are intended for the purpose of discussion with the City of Vaughan.

- MOECC Publication NPC-300 states that inoperable windows MAY be acceptable for use as receptor-based “on building” noise control measures in noise-sensitive commercial-purpose buildings, which the hotel would be considered.

Publication NPC-300 states that receptor based “on-building” noise control measures are acceptable for use as a stationary source mitigation measure under the condition that the noise-sensitive land use is classified as a Class 4 Area. In other words, sealed windows are only an acceptable form of mitigation if the hotel site is deemed Class 4.

The municipality does have some flexibility in the application of the noise guidelines. That is, the municipality can accept the sealed windows as mitigation and approve the hotel without the use of the Class 4 status. However, there is no guarantee that the MOECC will follow the same approach when assessing the compliance status of Costco (or any other existing or future industrial use in the area). If the MOECC does not accept sealed window as mitigation without the Class 4 status, and the re-zoning of the hotel lands is approved, Costco would no longer be in compliance with its current environmental approval.

- In addition (and similar) to the above, the wording in NPC-300 does not definitively exclude a hotel use with inoperable windows from being considered a point of reception. While this form

of mitigation may be acceptable to the municipality, it may not be acceptable to the MOECC. If the development were to be approved and the MOECC did not accept this form of mitigation, Costco (or any other existing or future industry in the area) would not be in compliance with the noise guidelines at the hotel. As above, this would affect Costco's ability to obtain MOECC approvals.

- The approval of the proposed hotel will introduce a new noise sensitive use in the vicinity of the West Vaughan Employment Area (WVEA). The WVEA is intended as a prestige industrial area. Noise emissions will be part of the new industrial facilities, most likely from truck activity and other rooftop equipment which may be installed. The concern regarding noise impact from Costco at the proposed hotel also extends to the potential noise impact from other future industrial developments in the WVEA, especially at the lands south of Costco which are closer to the hotel site. The introduction of the hotel as a new noise sensitive use increases the likelihood of future noise complaints and will make it more difficult for Costco and future industrial facilities to obtain the necessary approvals from the MOECC.

Should you have any questions or wish to discuss our comments in greater detail, please contact us.

AAML

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cc Roslyn Houser (rhouser@goodmans.ca)
Joanna Rosengarten (jrosengarten@mccarthy.ca)



MEMO

TO: Roslyn Houser
FROM: Darryl Bird
SUBJECT: Proposed OPA No. OPA.18.011 and ZBLA No. Z.18.018
DATE: August 10, 2018

The Costco Vaughan Distribution Centre and Commissary (“Costco DC”) began operation in November 2016, and is located at 100 and 111 Line Drive in the City of Vaughan. The site is bounded by Langstaff Road to the South, Highway 27 to the east, and the Highway 427 Corridor to the west. This rectilinear facility is comprised of three main functions. The eastern portion includes a commissary, where par-baked goods are manufactured for distribution to Costco’s warehouse membership clubs across Canada. The central portion includes the warehouse shipping and receiving facility where goods are received for distribution to Costco’s warehouse membership clubs throughout the Ontario. The western portion includes the E-commerce facility, where goods only available for purchase on-line, are received then distributed to the warehouse membership clubs. This facility has been planned in two phases to account for current and anticipated future operations. The first phase, which has been built to date, has a gross floor area of 53,229 square metres. The second phase contemplates a future 27,751 square metre expansion to the E-commerce portion of the building to allow for projected on-line sales growth. Both phases of this facility were zoned and site plan approved by the City of Vaughan.

A recent application has been submitted to the City of Vaughan, for an Official Plan (OPA.18.011) and Zoning By-law Amendment (Z.18.018), to permit hotel, restaurant and office uses on the Chateau Le Jardin Conference and Event Venue lands. The site is located at 8440 Highway 27 in close proximity to the Costco DC. WSP has reviewed the applicable policies within the York Region Official Plan (“YROP”) 2010, Vaughan Official Plan (“VOP”) 2010, and the West Vaughan Employment Area Secondary Plan (“WVEASP”) 2014, to assess the appropriateness of permitting a hotel on the Chateau Le Jardin site.

York Region Council’s direction for “Planning for Employment Lands” is outlined in Section 4.3 of the YROP. This section outlines Council’s commitment to “maintaining and enhancing the long term viability of employment lands,” acknowledges their “significant role in the Region’s economy,” and recognizes that the “ongoing viability of these lands is contingent upon long term protection.” This commitment is further established through policies including:

4.3.3 – To recognize that employment lands are strategic and vital to the Regional economy and are major drivers of economic activity in the Region.

4.3.4 – To require local municipalities to designate and protect employment lands in local municipal official plans.

The YROP also establishes another tier of Employment Lands - Strategic Employment Lands. There are seven Strategic Employment Lands sites in all of York Region, three in the City of Vaughan. Policies related to Strategic Employment Lands include:

4.3.6 – *To protect strategic employment lands, including lands identified in Figure 2. These lands are identified based on their proximity to existing or planned 400-series highways and shall be designated for employment lands uses in local municipal official plans.*

4.3.7 - *To require local municipalities to give priority to the strategic employment lands identified in Figure 2 when considering additional land designations.*

The City of Vaughan, identifies the Costco DC site as “Employment Areas” on Schedule 1 (Urban Structure) of the VOP. Section 5.1.1 of the VOP recognizes that Employment Areas need to be “protected to promote the long-term health of the industrial manufacturing and warehousing sectors.” Section 5.1.2 further outlines that employment areas should be flexible to accommodate growth and change, offer protection from more sensitive lands uses, and that the West Vaughan Employment Area lands play a critical role in the development of Vaughan’s economic base.

Schedule 13 – Land Use of the VOP, indicates that the Costco DC site is subject to the West Vaughan Employment Area Secondary Plan (WVEASP). The Costco DC site is designated “Prestige Industrial” on the easternmost side, and “General Industrial” to the west where the site terminates at the Highway 427 and Hydro utility corridor as depicted on Schedule 3 – Land Use of the WVEASP.

Section 1.5 of the WVEASP outlines planning goals seeking to maximize the potential of the employment activity in this area. It recognizes that *“the WVEA provides a distinct product within the context of the employment areas in Vaughan and across the GTA,”* that *“the new Highway 427 Corridor provides an additional supply of large sites with excellent highway access,”* and that within the City of Vaughan *“only the WVEA can accommodate both the prestige development and a significant supply of lands for land-intensive industrial, manufacturing and warehousing uses that require large parcels, excellent transportation facilities and relatively lower land costs.”* The WVEASP recognizes the unique characteristics of this Area as being the ideal, and only viable location, for large scale warehousing and manufacturing facilities such as the Costco DC. The WVEA is consistent with the YROP policies identifying these lands as a Strategic Employment Area.

In May 2018, Official Plan Amendment No. OP.18.011 and Zoning By-law Amendment No. Z.18.018 were submitted to the City of Vaughan, seeking permission to construct a hotel, offices and accessory restaurants on the Chateau Le Jardin Conference and Event Venue lands located at 8440 Highway 27. This site located on the south side of Langstaff Road, in close proximity to the Costco DC. The site is currently designated “Employment Area Commercial Mixed-Use,” on Schedule 13 – Land Use of the VOP.

The VOP is explicit in identifying designations where hotels are a permitted use in the City of Vaughan. Hotel uses are permitted in areas designated Low-Rise Mixed-Use (small scale hotels); Mid-Rise Mixed-Use; High-Rise Mixed-Use; and the Theme Park and Entertainment designations. Hotels are also permitted in Employment Commercial Mixed Use and Community Commercial Mixed Use designations, but only when those designations are identified as “Intensification Corridors” as depicted on Schedule 1 – Urban Structure of the VOP.



As noted previously, the Chateau Le Jardin site is located within the “Employment Commercial Mixed Use” designation in the VOP, but is not located within an Intensification Area as depicted on Schedule 1 – Urban Structure. Therefore, hotel uses are not a permitted use at the Chateau Le Jardin site. The VOP contains a detailed hierarchy outlining the location of Intensification Areas, which are the primary location of the City’s 45% intensification target. These areas, as depicted on Figure 6 – Intensification Areas of the VOP, include the Vaughan Metropolitan Centre, Regional Intensification Corridors (e.g., Highway 7), Primary Centres (e.g., Weston Rd. & Highway 7), Primary Intensification Corridors (e.g., Jane Street), and Local Centres (e.g., Historic Woodbridge Village). In describing the establishment of Intensification Areas, section 2.2.5 identifies that:

“existing Community Areas will not see significant physical change as the vast majority of residential development within the building boundary will take place within Intensification Areas. Similarly, Employment Areas will be maintained for their planned function of industrial, manufacturing, warehousing and some office uses.”

Intensification Areas, and the permitted uses within them such as hotels, have been thoughtfully located away from areas where they would impact stable employment areas, and in this case, where a hotel could impact the existing and future function of the Costco DC.

Based on the regional and municipal policy framework applying to Employment Areas and the nature of the proposed OPA and ZBLA, it is our opinion that a hotel use on the Chateau Le Jardin lands is contrary to those policy frameworks which seek to protect strategic employment areas. A hotel in the location proposed could significantly impact the existing and future planned operation of the Costco DC and other West Vaughan Employment Area lands, an Area which is acknowledged as being uniquely located and planned to accommodate significant warehousing and manufacturing facilities like the Costco DC. We therefore believe the applications do not represent good planning.

Sincerely,

A handwritten signature in black ink that reads "Darryl Bird". The signature is written in a cursive, flowing style with a prominent loop at the end of the last name.

Darryl Bird, M.Pl., MCIP, RPP
Manager – Planning, Thornhill

cc. Margaret McCulla, AVP and Corporate Council, Costco Wholesale Corporation
Tom Rotella, Vice President, Land Development Ontario, WSP