Challenges, Opportunities, and Factors of Success in Greyfield Redevelopment:

An Examination of the Bay Ridges Plaza in Pickering, Ontario

by

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Executive Summary

‘Greyfields’ have become a common presence in the suburban landscape of North American cities. These economically declining or failed commercial sites are most recognized by large parking lots, low pedestrian and consumer traffic, abandoned commercial units, poor building and infrastructure conditions, and lacking integration with the surrounding community. Often planned as long lasting features of the landscape, these ailing commercial sites become a physical barrier for pedestrian activity and a visible blemish on the community. These greyfield sites are located in almost every city in North America and present an interesting and challenging opportunity for infill redevelopment.

This report presents a case study of the Bay Ridges Plaza, a greyfield redevelopment project in Pickering, Ontario. The project will redevelop the 10.6-hectare site of an ailing shopping centre, the Bay Ridges Plaza, to create a mixed-use infill redevelopment within an established community. The redevelopment of the Bay Ridges Plaza, now known as San Francisco by the Bay, is selected as a case study for this report in order to investigate the factors of success and challenges experienced during the redevelopment of this greyfield project.

With the use of the Bay Ridges Plaza case study, it is the intention of the researcher to help inform both developers and policy makers of the relevant issues surrounding greyfield redevelopment in Ontario.

The findings of this report confirm the redevelopment potential of greyfields as indicated by various academic and case study research reports. While not all the challenges, opportunities, and success factors are applicable to every greyfield project, completing a detailed list of these factors with the use of a case study analysis will equip developers and municipalities with the knowledge of what to expect when redeveloping old commercial sites. These factors include, but are not limited to:

Location:
The success of the Bay Ridges Plaza redevelopment was connected to the prime location of the site within the City of Pickering. The project is within easy walking distance to the GO Transit Station, ideally situated just south of Highway 401 for commuters within the GTA,
minutes from the downtown of Pickering including City Hall and the Pickering Town Centre, and is located within an already established community with existing servicing and public transportation.

**A Positive Planning Framework:**
Aside from the Official Plan and zoning bylaw amendments that were required to increase the allowable density of the site, the Bay Ridges Plaza Redevelopment follows the general intent and policy aims of both the Growing Durham regional Official Plan and the City of Pickering’s Official Plan. The redevelopment of the Bay Ridges Plaza also appears to be a direct implementation of provincial policy in that it is a compact, vibrant, mixed-use, and transit oriented infill redevelopment.

**Communication with the Public:**
There was a large amount of public opposition towards this project from the very beginning. Despite the large amount of public opposition and resulting OMB hearing, the public consultation process can be seen as a contributing factor to the success of the development due to the fact that this process resulted in the project becoming a mixed-use and master planned community.

**Creative Problem Solving:**
The main point of opposition towards the redevelopment of the Bay Ridges Plaza was the loss of the Price Chopper grocery store. In dealing with this, the City of Pickering placed a Hold on the Square Boy Plaza land, the site of Tower C, which will be removed once a new food retail use is established within the commercial units below Tower A and B. This was a creative step taken by the City of Pickering to ensure the mixed-use portion of the development best serves not only San Francisco by the Bay inclusively, but the surrounding Bay Ridges Neighbourhood as a whole.

**Good Design:**
The San Francisco by the Bay redevelopment has committed a strong focus on good design, a factor that has had a large contribution to the overall success of the project. Prospective buyers and community members have enjoyed the attractive building materials, site layout,
mix of uses, and almost three acres of community greenspace that includes both a landscaped park and a children’s playground.

**Mix of Land Uses:**
San Francisco by the Bay is a mixed-use development that will incorporate both high and medium density residential with commercial and office uses.

**Range of Housing Types and Prices:**
San Francisco by the Bay incorporates both condominium units and townhomes in the development model. The two housing types, combined with the varying model options and prices, provide an attractive development for a multitude of potential markets. The project has been particularly successful in attracting families and young professionals.

**Targeted Marketing:**
The developer has been successful in marketing the development as San Francisco by the Bay, due to its close proximity to the Pickering waterfront and Frenchman’s Bay. The two housing types, townhome and apartment, has also been successful in marketing to both young families and the urban professional.

**Expect a Lengthy Pre-development Period:**
The complexity of Greyfield redevelopment can often lead to unexpected delays during the public consultation and planning process. The Bay Ridges Plaza redevelopment was no exception to this challenge as the pre-development period took nearly three times as long as a standard development application.

**Profitability:**
Perhaps the most contributing factor of the redevelopment was the profitability potential of the site. Had the redevelopment scheme and resulting pro forma not resulted in a notable profit for the developer, the project may have never come to fruition.

**Physical Attributes of the Site:**
Greyfields can often be located on sites that are awkward to work with due to irregular site shape, slopes, heritage regulations, or can be too large or too small to fit a particular
development model. The site of the Bay Ridges Plaza offers none of these challenges; it is a relatively medium sized and flat site that contained no contamination.

**Master Planning:**
The completion of a master plan was a crucial element in designing a complete community and implementing the full vision of the site. The guidelines provided by the master plan for San Francisco by the Bay will ensure development does not deviate from the approved design and will be instrumental in securing the success of the project in the future.
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Chapter 1: Introduction

1.1 Background Information

Greyfields have become a common presence in the suburban landscape of North American cities. These economically declining or failed commercial sites are most recognized by large parking lots, low pedestrian and consumer traffic, abandoned commercial units, poor building and infrastructure conditions, and lacking integration with the surrounding community. They often remain as large empty parking lots due to the occupying retail slowly abandoning the site, resulting in a physical barrier for pedestrian activity and a visible eyesore for the community (See Figure 1 and 2 below for an example of Trafalgar Village Mall in Oakville, a definitive example of a greyfield site in Ontario). Greyfields are often centrally located within a city and provide an excellent opportunity for infill redevelopment. Successful redevelopment models can range from new commercial uses and reinvestment on the site, to residential or mixed-use projects.

The population within the Greater Golden Horseshoe (GGH) is projected to increase from 7.8 million to 11.5 million by 2031 (Growth Plan for the GGH, 2006). This high level of population growth within southern Ontario will result in high susceptibility to urban sprawl. The provincial government has attempted to control this anticipated sprawl with the Places to Grow Act (2005), and the subsequent Growth Plan for the Greater Golden Horseshoe (2006), which allows the Province of Ontario to control where the majority of the expected growth will occur. The Province will also require 40% of all residential development occurring annually to be located within the built up area of a municipality by 2015 (Growth Plan for the GGH, 2006). The potential for greyfields as an intensification option will be significant under these provincial policies, which aim to promote urban development and infill intensification, reducing greenfield development and urban sprawl.

Despite the opportunities presented by greyfield redevelopment, numerous challenges exist in redeveloping these sites. This report aims to outline the major challenges and opportunities associated with greyfield development in Ontario. A list of key success factors in greyfield redevelopment will also be provided in Chapter 6 of this report. These factors of success will provide developers, municipalities, and policy makers a list of variables that most contribute to a successful greyfield redevelopment within the Province of Ontario.
1.2 Case Study – Bay Ridges Plaza

The redevelopment of the Bay Ridges Plaza, now known as San Francisco by the Bay, is selected as a case study for this report in order to investigate the factors of success and challenges experienced during the redevelopment of this greyfield project. The San Francisco by the Bay project (Figure 5) will redevelop the 10.6-hectare site of an ailing shopping centre, the Bay Ridges Plaza (Figure 4), to create a mixed-use infill redevelopment within an established community.

1.3 Report Structure

The research in this report is divided into 6 chapters. Chapter 2 will outline the methodology used to carry out the research and analysis of the Bay Ridges Plaza redevelopment. Chapter 3 is a detailed literature review of the relevant research on greyfield redevelopment. Chapter 4 presents the case study, the Bay Ridges Plaza, including the history of the site, the context of the neighbourhood, policy framework, and marketing strategy of the development. Chapter 5 will present an analysis of the semi-formal interviews conducted with relevant stakeholders involved in the project. Finally, Chapter 6 will summarize the major challenges and factors of success from the Bay Ridges Plaza.

1.4 Purpose of the Research

Failing commercial sites, whether large enclosed shopping malls or smaller strip plazas, can be found within almost every city in Canada. Often planned as long lasting features of the landscape, these ailing commercial sites become a physical barrier for pedestrian activity and a visible blemish on the community. These greyfield sites remain as underutilized shopping centres, dominated by large parking lots, and absent of any pedestrian activity.

The relevant academic and case study research suggests that there is great potential for greyfield redevelopment. These sites are often centrally located in a city and provide a prime opportunity to not only revitalize an old shopping plaza, but also an entire community.

This report aims to identify the potential challenges and factors of success in greyfield redevelopment in the Greater Toronto Area. It is the intention of the researcher to help inform
both developers and policy makers of the relevant issues surrounding greyfield redevelopment in Ontario.

Figure 1: Trafalgar Village Mall in Oakville, Ontario. Constructed in the 1960’s, the mall began to fall into a state of disrepair when a Wal-Mart was constructed nearby. The mall is a prime example of a greyfield site in an Ontario City. The mall was successfully redeveloped in 2002.

Photo Source: David McKay (2007)

Figure 2: A view of the parking lot at Trafalgar Village Mall before redevelopment. The site was considered a prime example of a greyfield due to the large and empty parking lot, absence of pedestrian activity, high vacancy rate of the commercial units, and the poor condition of the infrastructure and buildings.

Photo Source: David McKay (2007)
Figure 3: Context Map
Photo Source: Google Maps

Figure 4: Bay Ridges Plaza before construction.
Photo Source: Jack Currie

Figure 5: Bay Ridges Plaza after construction
‘San Francisco by the Bay’.
Photo Source: Chestnut Hill Homes
Chapter 2: Methodology

The purpose of this chapter is to outline the methods used in this report to analyze the redevelopment of the Bay Ridges Plaza. This report makes use of qualitative research methods to address two research questions:

1. What challenges and opportunities exist in the redevelopment of greyfields in the Greater Toronto Area?
2. What are the factors of success that ultimately led to the redevelopment of the Bay Ridges Plaza?

Multiple research methods have been explored, including a literature review, a case study analysis, personal interviews, a document review, and multiple site visits. According to Yin (2009), multiple sources of evidence and data collection strengthens the validity of the research methodology. The qualitative methods described below can also be adapted to future research seeking to analyze the challenges and factors of success associated with greyfield redevelopment in the province of Ontario.

This chapter will describe the mixed methods approach taken by this report in detail.

2.1 Literature Review:

A literature review was conducted to provide an overview of the academic and policy literature on greyfield redevelopment. A particular focus was placed on challenges, opportunities, and factors of success related to greyfield redevelopment, the definition of what constitutes a greyfield, as well as an examination of why once successful malls decline.

The majority of available literature on greyfield redevelopment was largely American-based, providing a thorough account of the factors that contribute to either the success or failure of various greyfield redevelopment projects. Comparing the relevant literature to a report by Tomalty and Jozsa (2004), entitled ‘Housing Intensification Through Redevelopment of Greyfields and Other Commercial Sites in Small and Medium Size Ontario Cities’, will provide an account of greyfield redevelopment for medium sized cities in the province of Ontario.
2.2 Relevant Case Studies / Reports:
This report will apply the methods used by Tomalty and Jozsa in their 2004 report. A previous Master’s report by Sarah Smith (2010) entitled ‘Greyfield Redevelopment in the GTA: Lessons Learned from Don Mills’ also used the methodology of Tomalty and Jozsa to analyze the redevelopment of the Don Mills Centre, a former greyfield site. The Bay Ridges Plaza case study will be used to test the findings of these two reports, which tested small- and mid-sized Ontario cities (2004), and the City of Toronto’s Don Mills Centre (2010).

2.3 Case Study: The Bay Ridges Plaza Redevelopment
The Bay Ridges Plaza was selected as a case study for this report because it follows the selection criteria outlined by Tomalty and Jozsa (2004) in the following ways:
- It is located in the City of Pickering, a small to medium sized city in Ontario.
- It is a mixed-use redevelopment of a greyfield site for residential intensification.

The site’s location within the Greater Toronto Area allows for a comparison with the Shops at Don Mills outlined in the master’s report by Sarah Smith (2010).

2.4 Interviews with Relevant Stakeholders:
This report adapts the interview questionnaire developed by Tomalty and Jozsa (2004) for municipal officials (Appendix 1), and developers and architects (Appendix 2). The interview questions were adapted from Tomalty and Jozsa to ensure that comparable information was acquired for the analysis of the case study. The two sets of interview questions are available in the appendix of this report.

Semi-structured interviews were conducted in place of the mail-in questionnaire conducted by Tomalty and Jozsa (2004). This ensured that all information required to complete the analysis was obtained. Interview subjects were chosen based on their level of involvement in the project, their familiarity with the planning process, and their willingness to inform the research. The primary reason for conducting the three interviews was to fill in gaps of knowledge that remained after site observation and data collection.
2.5 Document Review:
As a supplement to the literature review of academic and policy research on greyfield redevelopment, a review of all relevant planning documents and newspaper articles was completed. The following documents were reviewed:

• **Provincial policies**: Provincial Policy Statement, Provincial Growth Plans (Places to Grow, Growth Plan for the Greater Golden Horseshoe), and the Greenbelt Plan.

• **Regional and municipal policies**: Region of Durham Official Plan (Growing Durham), City of Pickering's Official Plan and Zoning Bylaw, municipal minutes and documents from public meetings concerning the Bay Ridges Plaza Redevelopment, Bay Ridges Plaza Design Guidelines, as well as planning reports and recommendations prepared by the planning department.

• **Documents completed by the private sector**: Planning Justification Report completed by the developer and consulting firm. This report included: planning justification, density and FAR calculations, traffic studies, urban design report / guidelines, and a noise feasibility study.

2.6 Site Visit:
Multiple site visits were conducted to gather first hand information of the site and the surrounding community. The site visit helped to increase the internal validity of the analysis, as first hand observation of the site could be compared with the various planning reports completed on the Bay Ridges Plaza by both the public and private sector. Pictures of the site visit are used throughout this report to help visualize the analysis of the site plan and opinions expressed in the interviews.

2.7 Analysis
The analysis of the Bay Ridges Plaza redevelopment is based on the interviews conducted with relevant stakeholders. The questionnaire that was used, which was adapted from Tomalty and Jozsa’s 2004 study, effectively retrieved information concerning the major challenges associated with the project, along with the factors that ultimately led to the
successful redevelopment of the commercial site. The information gathered during the interview process shed light on the challenges and success factors associated with the planning process, site selection, profitability, public consultation, and the relationship between the municipality and the developer.

The interview responses, combined with the information gathered in the literature review, will allow for a comprehensive list of the challenges and factors of success associated with the Bay Ridges Plaza Redevelopment. This list, combined with the variables identified by Tomalty and Jozsa (2004) and Sarah Smith (2010), will provide a useful catalog for developers, policy makers, and municipalities concerned with greyfield redevelopment.

2.8 Limitations:
The Bay Ridges Plaza redevelopment is still under construction, with only the first phase of 121 townhomes currently completed. It is a new project with no mixed-use component currently built as Tower A is still under construction. Research is therefore limited to the design of the project and the planning process through which the project was approved. The impact that the completed project will have on the surrounding community and the success of the mixed-use units will not be known until Tower A, B, and C are fully constructed.

Due to time constraints, interviews were conducted with only three individuals involved in the project and therefore do not represent all opinions of the redevelopment. Possible bias held against the planning process by the private sector may also impact the results of the analysis.

Members of the public were not interviewed in this exploration of the challenges, opportunities, and factors of success in greyfield redevelopment. This may have resulted in a less complete analysis of the public consultation process as the Pickering East Shore Community Association (PESCA) were highly vocal during the entire planning process. The majority of data collected concerning the public consultation process was obtained either through the interview process with relevant stakeholders or newspaper articles covering the project.
Future research regarding greyfield redevelopment in Ontario could explore specific policy and planning recommendations based on the conclusions found in this report, Tomalty and Jozsa (2004), and Sarah Smith (2010).
Chapter 3: Literature Review

This literature review is designed to provide a detailed overview of the significant findings on the characteristics of greyfields, as well as outline the major opportunities, challenges, and factors of success associated with the redevelopment of these sites.

The literature on greyfield redevelopment has been relatively sparse and written from mainly an American perspective. The Congress for the New Urbanism (CNU) has been at the forefront of researching and reporting on greyfield redevelopment in the United States and has issued three major reports on the subject. These include:

- **Greyfield Regional Mall Study** (2001) was conducted to provide the CNU with an academically sound research report on real estate and demographic characteristics of greyfield sites in the United States. The study attempts to first measure the number of existing greyfields within the United States as of 1999; it then illustrates the benefits that may occur through the redevelopment of these sites.

- **Greyfields into Goldfields** (2002) examined the major factors that contribute to shopping mall decline and brings forth a series of successful case studies of greyfield redevelopments across the United States.

- **Malls into Mainstreets, An In-depth Guide to Transforming Dead Malls into Communities** (2005) is a more complete study. Building off of the previous two reports, the study is influential in identifying not just the potential that greyfield sites possess for redevelopment, but the specific challenges and opportunities that are present during the planning and redevelopment stages.

The first major research project on greyfield redevelopment in a Canadian context was completed by Ray Tomalty and Alexandra Jozsa for the Canadian Mortgage and Housing Corporation (CMHC) in 2004. The report, entitled *Residential Intensification through Redevelopment of Greyfields and Other Commercial Sites in Small and Medium Size Ontario Cities* (2004), identified emerging opportunities and challenges for planners, developers, and other stakeholders with the redevelopment of commercial greyfield sites for housing. While the main focus of this study (2004) was the redevelopment of greyfields for housing, some of the case studies identified did incorporate a mix of uses in the redevelopment model. The report concluded that the growing number of failing commercial centres can present
promising opportunities for intensifying and revitalizing cities (Tomalty and Jozsa, 2004). The two researchers identify a number of factors of success, which will be tested in the analysis of this report, that are responsible for the successful redevelopment of greyfield sites. The report argues that identifying an accurate list of success factors will be vital in the redevelopment of greyfield sites in small and medium sized Ontario cities:

“[g]iven then increasing emphasis being placed on the efficient use of municipal infrastructure and the desire of many smaller centres to preserve or restore historic downtowns and create vibrant, walkable neighbourhoods, we can expect interest to grow in the residential redevelopment potential of greyfield and other commercial sites” (Tomalty and Jozsa, 2004).

A recent master’s report by Sarah Smith (2010) examined the greyfield redevelopment of the Don Mills Centre in Toronto, Ontario. Smith used the research methods employed by Tomalty and Jozsa and, in addition to the ten success factors outlined by their report, identified two additional factors of success in greyfield redevelopment. While not all of the challenges, opportunities, and success factors are applicable to every greyfield project, completing an exhaustive list of these factors with the use of a case study analysis will equip developers and municipalities with the knowledge of what to expect when redeveloping old commercial sites.

These studies will form the base of this report. The results of the Bay Ridges Plaza Redevelopment will be compared analytically with the results found by Tomalty and Jozsa, Sarah Smith, and the CNU. Further research conducted on greyfields, coupled with Master’s and PHD reports, will now be examined to explore and identify the definition of a greyfield, as well as opportunities, challenges and factors of success in the redevelopment of these sites. The major findings of Tomalty and Jozsa, as well as Sarah Smith (2010), will be outlined at the end of this Chapter and later compared with the results of the Bay Ridges Plaza in the conclusions of this report.
3.1 Defining Greyfields

Coined by the New Urbanists in a 2001 report by PricewaterhouseCoopers (PWC), the term “greyfield” is defined as a dying regional mall that has become both economically and architecturally obsolete (PWC 2001; Wintle 2010). This initial report, along with other research, has identified greyfields as being an average of 32 years old, in locations of declining economic conditions, missing top-tier anchor tenants, and having a minimum of 35 stores and 350,000 square feet of retail space (PWC 2001; CNU 2002; Bucher 2002).

Despite this initial definition that a greyfield is only an underperforming or declining regional mall, some analysts have extended the term to also include smaller shopping centres (Kures 2003, Tomalty and Josza 2004). Kures (2003) argues that small shopping centres and commercial establishments that have degraded to greyfield status are typically old and have a poor tenant mix or high vacancy rate. These smaller greyfield sites can negatively impact cities to the same degree as larger greyfields.

This broader definition is necessary in Ontario, where smaller community malls are at the greatest risk of declining and reaching greyfield status (McKay 2005). Recognizing this fact, a number of municipal Official Plans are adopting this broad greyfield definition. This is also reflected in the provincial Growth Plan for the Greater Golden Horseshoe (2006), which defines a greyfield as “previously developed properties that are not contaminated. They are usually, but not exclusively, former commercial properties that may be underutilized, derelict, or vacant” (GGHS Section 7, 2006).

Regardless of definition, Greyfields undeniably have a large negative impact on the cities they occupy and are identifiable through a number of defining features (PWC 2001; Wintle 2010; McKay 2007; Dissette 2008; Tomalty 2004):

- Poor economic performance, minimal to no contamination, and location within an existing urbanized area.
- Low levels of pedestrian and vehicular traffic, high vacancy rates, and poor building conditions.
- Poor quality of design with large buildings located at the rear of the site and a large underutilized parking lot.
A number of negative community issues including: Visual blight, lost tax base and job opportunities, as well as a waste of valuable land in an already serviced and urbanized area.

3.2 Why Do Once Successful Malls Decline?

Retail has been transitioning in Canada for several decades, which has had a serious effect on existing malls and the built environment. David McKay has outlined that changes in retail format (big box, warehouse retailers, power centres) have evolved in response to retail chains reducing their overhead costs to provide greater value to the customer (McKay 2007). These category killer retail chains and power centre developments have become the norm of suburban landscapes in Canada; and as McKay (2007) outlines, Vaughan Mills Mall has been the first enclosed shopping centre built in Canada since 1989.

These large-scale retailers are able to control the entire supply chain of their operations and reduce costs. This has had a much-documented effect on enclosed malls and smaller shopping centres alike (Parlette and Debrah 2011). Big box retailers have also often gravitated towards the periphery of a city, which makes it difficult for other commercial uses to compete. These small commercial sites often deteriorate over time due to this changing retail environment, eventually becoming greyfields (Tomalty 2004).

As these shopping centres deteriorate, they often lose their anchor tenant, such as a grocery store or Wal-Mart. This is a result of the poor conditions of the building and infrastructure or the poor economic viability of the site. Gatzlaff et al. (1993) examined the importance of an anchor tenant to the success of a shopping centre and concluded that the loss of an anchor can have a dramatic negative impact on the smaller tenants occupying the site (McKay 2007). Finding a new anchor tenant for these sites is very difficult and can lead to the ultimate failure of a mall. For example, the Trafalgar Village Mall in Oakville and the Morningside Mall in Scarborough both became greyfields after the relocation of a Wal-Mart (Tomalty and Jozsa 2004; McKay 2011).
While changing retail realities and loss of an anchor tenant are the most commonly identified variables for a mall's decline, other potential variables may include (CNU 2001; Kures 2003; CNU 2002; Tomalty 2004; McKay 2007 and 2011):

- Suburban development and sprawl reducing commercial activity in older areas of a city and moving it to the urban periphery.
- Competition from a newly constructed centre within 3-5 miles.
- Poor facility management and lack of revenues to support necessary maintenance. The Urban Land Institute, for example, recommends that a mall should reinvest every 5 to 10 years in order to remain competitive.
- Vacancies in smaller store spaces and replacement of retail space with non-retail uses.
- A reduction in customer activity.

3.3 Greyfield Redevelopment Opportunities

David Bucher (2002) argues that greyfields are America’s greatest opportunity to develop transit oriented, infill neighbourhoods. Tomalty and Jozsa (2004) similarly state that “unlike brownfield sites, these defunct commercial areas [greyfields] are not saddled with environmental problems, and unlike greenfield sites, they can offer new residents easy foot, bike, and transit access to nearby jobs, recreational, and shopping opportunities”. It is often argued, therefore, that while greyfields are no longer ideal spots for retail use, they are often well situated for neighbourhood scale development (CNU 2002).

The major opportunities that greyfields present for both developers and municipalities can be broken down as follows (CNU 2001; CNU 2002; Tomalty and Jozsa 2007; McKay 2007):

- **Opportunities for developers include** availability of land in a central location, established transit or auto access, the opportunity to reuse existing buildings and infrastructure, and the appeal of pursuing a challenging infill project to add to the developers' profile and visibility in the community.

- **Opportunities for municipalities include** the opportunity to revitalize deteriorating areas, intensify the urban fabric around focal points, provide public and private green space, expand the diversity of housing types or create affordable housing, create construction jobs, use existing infrastructure, and increase property and sales taxes.
3.4 Challenges for Greyfield Redevelopment

While the opportunities presented by greyfield redevelopment are appealing, the challenges can have a debilitating impact on the development of these sites. Tomalty and Jozsa (2004) and The CNU (2002) have identified a number of general barriers to greyfield redevelopment:

- Securing developer interest in the site can be difficult. Developers are often not aware of the opportunities that greyfields present in the context of Ontario, and those that do are not willing to absorb the extra costs associated with redeveloping an older area of the city. These added costs can include anything from policing to protect the construction site, providing air space for crane construction, high insurance costs, and protecting surrounding buildings during development.

- Greyfields often have an irregular shape that a developer must work with to fit their intended development. This can pose serious constraints or reluctance from developers who have the opportunity to select a more appealing greenfield site.

- Complex ownership structures of greyfield sites can also be a large constraint as it can become hard to acquire the land. Fragmented ownership conventions, covenants, and restrictions can further complicate the land acquisition process.

- Servicing of the site is often insufficient or in need of upgrades if the project is to be redeveloped from a commercial use to either residential or mixed-use.

- A complex and potentially expensive planning process is involved when converting from an inner city commercial use to a mixed-use or residential redevelopment. Official Plan amendments, rezoning, urban design guidelines, traffic studies, and extensive environmental studies need to be secured.

It is noted by Tomalty and Jozsa (2004) that greyfields are difficult to redevelop in small cities due to the fact that they do not experience the high population growth of larger cities. They argue that demand for new uses on greyfield land and competition for buyers and renters limit the mixed-use potential of a site; the closure of a shopping centre will have a large impact on the stability of a neighbourhood; transit routes are not as widespread in smaller cities; and finally that smaller cities are often low density residential areas which may pose a large outcry from the surrounding community (Tomalty and Jozsa 2004).
The provincial planning framework can also have a large impact on the success of a greyfield redevelopment. Tomalty and Jozsa (2004) identify the Ontario Planning Act as a barrier to greyfield redevelopment as the provisions within the Act make greenfield development a cheaper and easier option than the redevelopment of existing urban areas. They also identify that Official Plan policies and urban design guidelines could better promote the redevelopment of greyfield sites by steering development to these ailing commercial sites. Due to the complex rezoning and Official Plan amendments that are often required for greyfield sites, financial incentives such as the reduction or waiving of planning and development fees by the municipality could be used to counteract the added costs and complexities associated with greyfield redevelopment (Tomalty and Jozsa 2004, Smith 2010).

Finally, Parlette and Debrah (2011) argue that many malls, regardless of their economic vitality, have become community space that is at risk of being lost. They provide the example of Morningside Mall in Toronto and outline how despite public activism to save the private-public space, the public still had no impact on the fate of this greyfield redevelopment (2011). Greyfields can therefore spur a significant amount of public opposition, which can delay the planning process and pre-development period.

### 3.5 Factors of Success

#### 3.5.1 – Findings by Tomalty and Jozsa

In their examination of ten greyfield case studies in Ontario, Tomalty and Jozsa (2004) have identified a number of factors that are essential elements in the success of greyfield redevelopment. While they note that a greyfield redevelopment does not require all of these elements to be successful, the following factors were identified by the research as contributing most significantly to the success of the greyfields that were studied:

**Location** – Greyfields, by definition, are located in already urbanized areas and usually at an intersection of two major roads, surrounded by a wide range of other uses and services such as commercial areas and community centres, and are already connected with public transportation (Tomalty and Jozsa 2007).
Positive planning framework – Official Plan and Secondary Plan policies are identified as important tools that can be used by municipalities to encourage greyfield redevelopment over greenfield development. Design guidelines are also targeted as having the potential to integrate the project into the existing neighbourhood and ensure that the project is redeveloped according to the vision for the site as outline by the planning approvals process (Tomalty and Jozsa 2004).

Financial incentives – Due to the extra costs and complexities associated with greyfield redevelopment, it is demonstrated that municipalities can ‘level the playing field’ with greenfield sites by providing incentives such as grants, and reducing or waiving planning and development fees (Tomalty and Jozsa 2004).

Partnerships – Tomalty and Jozsa (2004) outline how public-private partnerships can help facilitate greyfield redevelopment projects

Communication – Successful greyfield projects often rely heavily on early and thorough communication with the surrounding community and often exceed the public consultation requirements of the Ontario Planning Act (Tomalty and Jozsa 2004). Heavy community involvement can allow the developer to address and sometimes overcome negative NIMBYism from the community that often occurs with a change in form, use, and density in an already built up area.

Creative problem solving – In an attempt to prevent community opposition, a majority of the greyfields in Tomalty and Jozsa’s (2004) study made efforts to creatively integrate the new project into the existing neighbourhood through the use of urban design, building materials, and sophisticated engineering.

Good design – Good design has been identified as a crucial factor in successful greyfield redevelopment. Appropriately massed buildings with attractive building materials that are compatible with the surrounding neighbourhood can help not only from a marketing point of view, but can also facilitate community acceptance of the project (Tomalty and Jozsa 2004). The incorporation of onsite amenities such as green space, civic space (public squares), and
recreational and community facilities is also a noted attribute of successful greyfield redevelopment (Tomalty and Jozsa 2004).

**Mix of land uses** – Tomalty and Jozsa (2004) argue that mixed-use greyfield projects are advantageous in the fact that they retain some commercial use on site. They outline that this not only retains some commercial use that residents of the surrounding community have used in the past, but also reduces automobile dependence and creates livelier streets.

**Range of housing types and prices** – Projects that include a wide range of housing types (size, price, tenure) can take advantage in attracting buyers and renters from several markets and be more stable during changing market conditions (Tomalty and Jozsa 2004).

**Targeted marketing** – In the case of higher density greyfield redevelopments, developers were successful in marketing towards groups that may not be attracted to a single detached dwelling such as seniors, empty nesters, and young professionals (Tomalty and Jozsa 2004). Marketing proximity to larger urban centres such as Toronto as well as nearby amenities may also contribute to a project’s success (Tomalty and Jozsa 2004).

### 3.5.2 – Findings by Sarah Smith

In a Master’s report completed by Sarah Smith (2010), a study was completed on greyfield redevelopment using the methodology outlined by Tomalty and Jozsa in their 2004 report. The Shops at Don Mills was used as a case study and, while the project possessed many of the factors of success outlined by Tomalty and Jozsa, two additional observations included:

**Expect a lengthy pre-development period** – Securing municipal approvals, including traffic and engineering studies, can be extremely challenging and can often cause delays. Developers should be advised to not cut off cash flow from the current use during the planning approvals process, and to be organized and prepared to hit the ground with a comprehensive plan to anticipate and possibly avoid these delays (Smith 2010).
Patient money is best – Due to long pre-development periods, a project running over budget, and issues leasing the property once it is built, finding investors that can appreciate a project’s value over time and able to withstand a lack of initial return is essential (Smith, 2010).
Chapter 4: Case Study – The Bay Ridges Plaza

4.1 Summary:
The San Francisco by the Bay project will redevelop the 10.6-hectare site of an ailing shopping centre, the Bay Ridges Plaza, to create a mixed-use infill redevelopment project within an established community. All existing buildings on the site, including a Price Chopper grocery store and a one-storey strip mall, were demolished to facilitate the construction of residential townhomes. A small plaza immediately east of the site was acquired by the landowners and will be demolished during phase 4 of the project. Phase 1 included the construction of 110 townhomes at the south end of the site (completed); Phase 2 and 3 will consist of two towers of 387 dwelling units that will be constructed on a single podium of shared amenity space, along with approximately 2,100 square meters of commercial space (currently under construction); Phase 4 will involve the demolition of the small commercial plaza immediately to the east of the site and the construction of a third and final tower consisting of 237 units (approved but not yet under construction). The entire project will be 734 total units at a density of 205.3 Units Per Hectare.

4.2 Area Context:
Located immediately east of Toronto within Durham Region, Pickering has a population of 88,721. Pickering has experienced considerable growth in the past 15 years with a growth rate of over 12% from 1996 to 2011 (Statistics Canada, 2012). This growth has slowed considerably in recent times, however, due to provincial growth policies restricting development in the north of the City, which has resulted in only 1% growth from 2006-2011.

4.3 Neighbourhood Context:
The project is located in the heart of Pickering, directly across from the GO Transit Station and less than 1km South of the Pickering Town Centre and the downtown portion of the City (Figure 6). The site is within the Bay Ridges neighbourhood of Pickering and is surrounded by the nearby Frenchman’s Bay, Highway 401, and Lake Ontario. The surrounding neighbourhood is a mix of 1970’s era detached, semi-detached, and apartment dwellings. Land uses adjacent to the site include high-rise and mid-rise residential to the south, open space and the Douglas Ravine to the east, medium to low density residential to the west, and Highway 401 and the rail tracks to the north.
4.4 Site History:
The Bay Ridges Plaza was constructed in the 1960’s and consisted of two strip plazas connected by an overhead canopy. The Plaza housed a total of 27 commercial units and, until 2005, the mid-sized grocery store *Price Chopper*. The plaza slowly began to lose business over time due to changing neighbourhood dynamics, a static tenant mix, and the opening of the Pickering Town Centre a short distance to the north (Ikram and Fagyas, 2009). The announced closing of the Price Chopper due to the low economic performance of the Plaza left the site as an underperforming and semi-vacant greyfield (see Figure 7, 8, and 9).
Figure 4: A photograph of the vista of Bayly Street looking East across Douglas Ravine. The photograph is representative of low density development of an earlier era that can be summarized as Suburban in nature, at a very low density, which cannot be described as Transit Supportive.

Figure 5 above illustrates auto oriented development of Bayridges Plaza, with significant parking spaces along Bayly Street, reflective of a different era of planning and development.

Figure 6 of the Square Boy Plaza above, again illustrates that the shopping centre with automobile parking along the front of the building is a “very suburban built form” providing a less than desirable street edge along Bayly Street, and is contextualized by the high rise development to the south of the site.

Figure 7: View from the entrance of the Price Chopper looking northwest. Photo Credit: CFAF

Figure 8: View from the entrance of the Price Chopper illustrating the large parking lot and auto-oriented design. Photo Credit: CFAF

Figure 9: Aerial image of the old Bay Ridges Plaza as it existed in 2004. Photo Credit: City of
Figure 10: Historical View of Bay Ridges Plaza and Frenchman’s Bay
Photo Source: Noor Javed

Figure 11: View of Frenchman’s Bay and the Bay Ridges Plaza
Photo Source: City of Pickering
4.5 Project Chronology:
The *Price Chopper* within the Bay Ridges Plaza had given notice to the previous owners of the site of their intention to vacate upon the completion of their lease in 2005. While the site could very well have been defined as a greyfield even with the presence of *Price Chopper*, due to the low economic performance of the plaza as well as low pedestrian and automobile traffic, the site entered a state of disrepair with the absence of the anchor tenant.

In 2006, the development team approached the City of Pickering with a proposal to redevelop the Bay Ridges Plaza with medium density townhomes over the entire site. This initial proposal was reworked as the City of Pickering was interested in producing a higher density and transit-oriented development due to the site being located so close to the GO Transit Station and downtown. This ongoing dialogue led to a public charrette in which development guidelines and a concept plan were created. The new plan saw the incorporation of two high-rise, mixed-use towers into the development (Figure 12). Later in the year, council approved the development.

In 2007, public opposition was extremely negative towards the proposed redevelopment. The most vocal group against the project was the Pickering East Shore Community Association (PESCA) who argued that the density and massing of the buildings did not fit the current neighbourhood and affected the existing community in a negative way.

Figure 12: Approved Design Concept Photo Source: MBPD.

The redevelopment was taken to the OMB in early 2007 but was ultimately dismissed by the board on the grounds that the project represented the type of development encouraged by Provincial Growth Policies. In late 2007 the townhomes were completely sold within a period of two weeks.
The City of Pickering and the development team were in talks throughout the process about including the small plaza immediately east of the Bay Ridges Plaza, known as the Square Boy Plaza, within their redevelopment concept. This was due to the relatively isolated nature of this small commercial building, especially now that the Bay Ridges Plaza had been removed. In 2009, The City of Pickering approved a third tower where the Square Boy Plaza currently stands as Phase 4 of the redevelopment (Figure 13).

As of 2012, the townhome portion of the site is complete with individuals occupying the dwelling units. Tower A is currently under construction and is set to be completed by the end of the year. Tower B will be constructed over the following year, and upon completion, commercial units will occupy the podium portion of the two towers. With the completion of Phase 2 and 3, Tower C will be completed upon the removal of the hold ‘H’ placed on the Square Boy Plaza lands, which will be removed by the City upon the replacement of ‘food
type retail’ to the plaza in the podium of Tower A and B. This hold symbol was a matter of contention between the developer and municipality and will be discussed further in Chapter 5.

4.6 Physical Description:
The Bay Ridges Plaza was completely demolished to facilitate the development (Figure 18); the Square Boy Plaza will also be demolished during the construction of Tower C. The mall will be replaced with 710 dwelling units spread over 110 townhomes and three high-rise mixed use towers with 2100 sq. meters of commercial space.

The townhomes are all constructed with a yellow brick exterior and equipped with impressive front landscaping and a short front driveway. They are three stories high and contain an attractive façade and narrow roadways to reduce traffic speeds (Figure 15).

The apartment buildings will range in height with Tower A standing at 16 stories (under construction), Tower B at 18 stories (proposed), and Tower C at 25 stories (proposed). Towers A and B will be connected by a three-story podium, which will be occupied by commercial space. An active street edge will be created through the mixed-use design of the towers that will face onto Bayly Street (Figure 16). The podium style high-rise structures will help maintain a pedestrian scale within the development and encourage an active and exciting living environment.

2.61 acres have been set aside for the community’s landscaped park, green space, and a playground located on the Eastern edge of the site (Figure 17).

The internal roadway has been transformed within the plaza with the construction of a local road through the center of the development to create a strong connection between the townhomes and Martins Drive. The local roads are in a grid layout pattern surrounding the townhomes which will connect with a small surface parking lot connected to Tower A and B.

The City of Pickering has also reduced their normal parking standards for the site due to the transit-oriented nature of the development. This reduction in surface parking has reduced the cost of developing the site and allowed for higher densities.
Figure 14: 3D Model of Phase 1 (townhomes), Phase 2 (Tower A), and Phase 3 (Tower B). Photo Credit: Chestnut Hill Homes.

Figure 15: Completed Townhomes. Photo Credit: Nick Michael

Figure 16: Storefronts on ground floor of Tower A (still under Construction). Facing onto Bayly Street. Photo Credit: Nick Michael

Figure 17: Community Park constructed at the northeast end of the site. Photo Credit: Nick Michael
4.7 Marketing:
The project’s marketing does an excellent job of targeting a variety of markets. The
townhomes are appealing to families, while the apartments are highly marketable to young
professionals and empty nesters who may not be interested in a single family dwelling. The
close proximity to Toronto, local public transportation, GO Transit, and the downtown of
Pickering are all attractive features that the developer has used in successfully marketing the
project. See Figure 19 for a marketing excerpt for the project.

4.8 Financial Aspects:
Development charges to be paid to the municipality are estimated at roughly $6.5 million with
approximately $2 million in extra fees to upgrade the servicing of the site and the addition of a
new traffic light and turning lane on Martins Drive and Bayly Street.

All units will have a condominium ownership structure with prices ranging from $220,900 to
$319,900, which will offer the residents of Pickering affordable home ownership opportunities.
Housing prices within the City of Pickering are of the highest in the GTA with an average
single detached housing price of $445,414 in 2006; $100,000 above the regional average
(Raymaker, 2009).
4.9 Policy Framework:

The project is largely in line with the provincial growth plan, The Places to Grow Act (2005) in the following ways:

- Proposing high-density development that will support and take advantage of current local and regional public transportation systems already in place.
- Promotes transit-supportive densities and a healthy mix of land uses.
- All natural systems are protected and enhanced within the development including access to the waterfront and Douglas Ravine.
- The project will be a compact, vibrant, and complete community due to a variety of built form, land uses, and high densities.
- By 2015, 40% of all new residential development occurring annually must be within the built up area.
The development is also compliant with regional and municipal Official Plan policies:

- The Durham Regional Official Plan, Growing Durham (2011), identifies a greyfield as “a previously developed property that is not contaminated. They are usually, but not exclusively, former commercial properties that may be underutilized, derelict, or vacant”. The Region of Durham has targeted greyfields as sites that are prime for redevelopment and may constitute a regeneration area.

- The site is not situated within Pickering’s identified ‘growth centre’, but it is directly adjacent to it, due to close proximity to the Go Station.

In summary, the redevelopment of the Bay Ridges Plaza was considered to represent a direct implementation of provincial policy by the City of Pickering and Ontario Municipal Board. The project is a compact, vibrant, mixed-use, transit-oriented, infill redevelopment. The targeting of a greyfield located close to the downtown of Pickering and the Go Station is also in line with the general policies outlined by both the Region of Durham and City of Pickering.
Chapter 5: Analysis

This chapter will outline and evaluate the Bay Ridges Plaza Redevelopment from a variety of perspectives with the use of in-depth interviews from various stakeholders involved in the project. A copy of the interview questionnaire is available in the appendix of this report and an outline of the interview structure is explained in the Chapter 2.

The Bay Ridges Plaza Redevelopment was a complex project that had a variety of vested interests and stakeholders. The City of Pickering was charged to balance and manage the needs of the developer and the surrounding community; and also revitalize a tired area of the City with the approval of a mixed-use infill development. A challenging task for any municipality, the City has successfully built a development that not only flows directly from provincial legislation, but will also revitalize a declining strip mall located minutes outside of the downtown.

The following chapter will examine the Bay Ridges Plaza Redevelopment throughout its phasing from initial conception to final acceptance, outline the significant challenges for the development, and evaluate the factors that ultimately led to the success of the project.

5.1 Initial Conception

The property was purchased by S & R Development Inc. in May of 2005 when the developer and City officials began discussions to identify a concept plan for the underutilized Bay Ridges Plaza. There were multiple meetings between the two parties, which allowed the design of the site to evolve over time. Beginning as a proposal for 210 units of medium density townhomes over the entire site, the proposal evolved to include 734 dwelling units (624 apartment units and 110 townhouses) and a mixed-use development. The strong pre-consultation process between the City and the developer was successful in defining a common vision for the site, which allowed the project to obtain municipal approval.

The City of Pickering noted that while some interest in the site was apparent, almost all of the interested developers were not willing to significantly increase the density of the site. The City’s desired objectives for the site were not met until S & R Development Inc. agreed to incorporate three high-density towers into their proposed site plan. As identified in the site
plan (Figure 13), Phase 1 included the construction of 110 townhouse units. Phase 2 and 3 is currently under construction and will consist of two high-rise towers connected by a single three-storey podium with commercial use on the ground floor. Phase 4 will include the third and final tower, which is approved but not yet under construction.

5.2 Public Consultation and NIMBYISM

5.2.1 Public Opposition

From the beginning, a tremendous amount of community opposition to the project was apparent. Citizens in the area expressed concerns regarding the loss of the Price Chopper within the plaza. There were few existing grocery store and retail options available south of the 401, and the community viewed the loss of the Bay Ridges Plaza as being unacceptable. A degree of misunderstanding within the community was also present concerning the Price Chopper leaving the Plaza. It was assumed by the Bay Ridges community that the developers were forcing the grocery store to leave, which resulted in the community strongly opposing the development. The most vocal group against the project was the Pickering East Shore Community Association (PESCA) who argued that the density and massing of the buildings did not fit the current neighbourhood and affected the existing community in a negative way. PESCA represents the neighbourhood of Bay Ridges and was the most vocally opposed group of the Bay Ridges Plaza Redevelopment at public meetings and in the media.

The first public meeting held for the project resulted in one of the largest turnouts the City had ever seen at a development meeting (see Figure 20). The number of citizens that attended to voice their disapproval of the development exceeded the capacity of the venue. Attendees held signs of protest, wrote disapproving letters to council, and were highly vocal during the meeting; this was a rare occurrence for public consultation events in Pickering.
Due to the opposition during these initial meetings, the developer considered removing the three towers from the design and including only medium density townhouses over the entire site. The City of Pickering, however, was committed to the higher density towers originally proposed by the developer due to the close proximity to the GO Station, downtown, and its goals of incorporating transit-oriented design principles. These initial meetings with the public brought about the inclusion of commercial space on the first floor of tower A and B, which will replace some of the commercial uses that will be lost through the redevelopment of the plaza. The mix of uses that were incorporated into the design reflect the community’s desire to retain the commercial services that were available in the Bay Ridges Plaza. Incorporating commercial space in the project was therefore successful in satisfying one of the major issues brought forward during the public consultation process.

The early and extensive public consultation process associated with this development, which included a public charrette, helped to inform the design guidelines that were completed for the development proposal and also gauged the level of public opposition to the project.
5.2.2 OMB Hearing

Despite the lengthy public consultation process, the developer and planners were unable to manage all complaints brought forward by the public and community organizations. As a result, the project was taken to the Ontario Municipal Board (OMB) in 2007 by PESCA, who challenged the proposed densities and height of the towers. The public also expressed a great deal of concern about additional traffic flows as well as the loss of the major grocery store; an amenity that would be absent with the plaza removed. Despite these public concerns, the objections were rejected by the OMB. It was concluded that the project was a prime example of provincial policy implementation (Places to Grow Act, Growth Plan for the Greater Golden Horseshoe), as well as conforming to the Growing Durham Regional Plan and City of Pickering’s Official Plan.

The lengthy public consultation, public opposition, and eventual challenge at the OMB by PESCA were viewed as major challenges to the project. These events caused lengthy and unexpected delays in the planning approval process and development timelines. The City of Pickering’s planning department was also delayed in granting a professional recommendation for the project. Despite the developer incorporating commercial space into Tower A and B to replace some of the commercial services being lost through the redevelopment of the plaza, the Bay Ridges Community was still not satisfied with the massing, design, and density of the development. This NIMBY attitude is common for any infill development project, and acts as a significant barrier to greyfield redevelopment.

5.3 Planning Process

5.3.1 Planning Approval Process

The planning approval process took significantly longer than a traditional greenfield planning process due to the challenges of public opposition and the eventual OMB hearing. The entire process took almost three years to secure planning approval. This was largely due to the strong public opposition, but can also be attributed to the involvement of multiple agencies. Traffic and highway studies were require by the Ministry of Transportation Ontario, as well as multiple concessions and environmental reports for the Toronto and Region Conservation
Authority. These additional reports and extended planning approval timelines are often expected with infill redevelopment projects.

Positive aspects of the planning process: The City adopted the developer's vision for a TOD influenced development, which allowed a reduction in parking requirements within the site. This not only helped create a more transit-oriented development, but also reduced the cost to the developer in creating unnecessary parking spaces. An extension was also given on development charges until the base of the first tower was constructed. This helped with cash flow generation and reducing construction delays. This is not a typical allowance by the City of Pickering and showed the City’s commitment and support to the project.

Negative aspects of the planning process: No initiative was taken by the municipality to create any type of partnership with the developer or to provide any financial incentives for the project. The City would not reduce the development charges of the project or reduce the parkland dedication fees, despite the added costs and delays this greyfield redevelopment experienced. The planning process required a longer timeframe than a traditional planning process, which significantly increased the risk in redeveloping the site. The City also put a holding ‘H’ symbol on the fourth phase of the development, Tower C, until a food commercial use is replaced in the ground floor commercial unit of Tower A and B. This holding of the Phase 4 land is expected to delay the construction of Tower C as well as the overall completion of the community as a small scale food retail chain, such as Rabba, will have to be sought out by the developer before construction on Tower C can be completed.

Regardless of the increased risk and timeline of the development approval process, the City of Pickering was successful in meeting their own objectives with the site. While the developer did experience a challenging development and planning process, the City of Pickering was successful in charging a developer to redevelop a tired shopping centre and revitalize an area of the City with a high density and mixed-use project.

5.3.2 Disconnect Between Provincial and Municipal Policies

While the project was inevitably accepted by the OMB due to its strong implementation of both provincial and municipal policy, it was generally argued that there was a large disconnect
between the greater aims of provincial policy and the restrictive planning process of Ontario municipalities. It was argued by the planning consultant that the recent provincial growth policies have resulted in a very restrictive development framework in the GTA. Because of this fact, municipalities should have policies in place to better facilitate infill intensification projects such as greyfields and brownfields.

No municipal incentives or programs were made available to the developer in realizing the project and no private-public partnership was established. S & R Development Inc. was forced to make significant financial contributions to upgrading the sewer system in the area to handle the increased capacity of the new mixed-use development. It was argued that municipalities should upgrade servicing capacities within the urban area to facilitate infill intensification, which would help implement provincial policy. Municipalities could better direct where development occurs within the City by upgrading infrastructure in areas where infill intensification would be most effective, rather than depending on developers to cover servicing costs.

While the project was in line with the Places to Grow Act (2005), as well as Regional and Municipal Official Plans, little was done by the municipality to facilitate the development. The challenges associated with greyfield development are significant and can be prohibitive if there is not a large profit to be made. More needs to be done by the municipality to help facilitate an infill project that is implementing provincial growth policies. There are multiple and complex challenges to greyfield redevelopment that do not exist for greenfield redevelopment and this needs to be reflected in the planning process. The hiring of an infill project manager, someone who specializes in greyfield and brownfield projects, was identified as a factor that could better the planning process of these projects.

5.4 Complex Ownership Structure
As expected with greyfield redevelopment, there was a complex ownership structure in place that added a further layer of complexity to the planning process. The Bay Ridges Plaza, as identified in Chapter 4, was not an economically prosperous commercial plaza. As the Price Chopper prepared to move out at the end of their lease, many of the other small retail stores within the plaza were still years away from the completion of their current lease. To make
matters worse, the few establishments nearing the end of their leases had a 10 or 15-year option to renew.

Negotiating with these tenants was a challenging process. All existing tenants were given the option of locating in the commercial use that would be supplied upon completion of phase 3; most were not interested in this option as the towers would be several years away from completion. Negotiations were eventually completed with all tenants except for one, a veterinary hospital, whose lease was not expired and refused to vacate the plaza. While an agreement was eventually established, the delays and time spent negotiating with the current tenants of the plaza was a challenge and did delay the planning approval process. The surrounding community, who voiced their displeasure identified in Section 5.2, saw the negotiations as malicious evictions by the developer and fueled further public opposition against the development.

5.5 Project Partners
Finding the appropriate partners was a key factor in the project’s success. Commercial Focus Reality, the planning consultant and brokerage firm, worked very closely with the developer in identifying the financial opportunity of the site and in helping to create the vision and handle all planning matters for the redevelopment.

S & R Development Group worked with the Rose Corporation in Toronto to secure financing for the project. The Rose Corporation was not worried about the existing tenants and understood that potential delays could occur during the development of this Greyfield. The developer’s vision for the site, as well as a solid financial pro-forma, eased any concerns the Rose Corporation had in financing the project. The development company later became renamed SR & R Development Group to reflect this partnership on the project.

The builder, Chestnut Hill Homes, was then recruited to build the townhouses and the three towers on the site. The City of Pickering was reassured of the legitimacy of the planning application once the financing for the project was secured, and a respected and well-known builder was added to the project.
5.6 Current State

Phase 1 of the project, 110 townhomes, was completed in 2007 and completely sold out in just over two weekends. Tower A of phase 2 was almost complete at the time of writing, with the construction of Tower B expected to begin in the near future. Upon completion of Tower B, the commercial space on the ground floor of the podium buildings will be leased, completing phase 3. At that time, the holding symbol will be removed from the Phase 4 land, barring the return of a food retail establishment, and Tower C will be constructed.

Despite the public opposition and challenges with the planning process, the project was highly successful financially and exceeded the economic expectations of the development group. It was acknowledged that while this is a great project from a planning, municipal, and TOD perspective, the developer would caution against involvement in a greyfield redevelopment project. The lengthy predevelopment period, existing tenants, and public outcry were noted as the main factors affecting the potential financial success of the development; which also could have negatively affected the affordability of the units.

It was recognized that due to the above mentioned constraints, a developer would only consider a greyfield infill redevelopment if the profit to be made was significant and the risk was low. The challenges and associated financial risks of greyfield redevelopment are high and need to be accounted for in the early pro-forma stage of planning for the site. The challenges associated with greyfield redevelopment can extend the pre-development period over several years and therefore can make these projects a very risky venture.

Despite these challenges, the Bay Ridges Plaza was seen to be a worthy redevelopment option due to a number of identified factors of success:

- The site was in a prime location near the downtown of Pickering, Ontario.
- The site was flat and large: a prime template for a mixed-use development.
- The final site plan was a dense, mixed-use development and a clear implementation of provincial, regional, and municipal legislation.
- There was little to no contamination on the site.
Strong profitability of the proposed redevelopment outweighed the risks and extended timelines of the redevelopment. Had the project not shown such potential for profits, the redevelopment would likely not have occurred.
Chapter 6: Conclusions

Chapter 3 outlined a number of success factors in greyfield redevelopment from Tomalty and Jozsa (2004), Sarah Smith (2010), as well as a multitude of other academic sources. The following is a list of key factors that contributed in a significant way to the successful redevelopment of the Bay Ridges Plaza into a mixed-use and transit oriented development. Many of the challenges identified in Chapter 3.4 are demonstrated in the Bay Ridges Plaza and are also analyzed in this chapter.

6.1 The Redevelopment of the Bay Ridges Plaza

6.1.1 Factors of Success

Location:
The success of the Bay Ridges Plaza redevelopment was undoubtedly connected to the prime location of the site within the City of Pickering. The project is within easy walking distance to the GO Transit Station, ideally situated just south of Highway 401 for commuters within the GTA, is minutes from the downtown of Pickering including City Hall and the Pickering Town Centre, and is located within an already established community with existing servicing and public transportation. These spatial factors, combined with the sites close proximity to nearby natural features Frenchman’s Bay and Douglas Park, ultimately contributed to the success of the greyfield redevelopment.

A Positive Planning Framework:
Aside from the Official Plan and zoning bylaw amendments that were required to increase the allowable density of the site, the Bay Ridges Plaza Redevelopment follows the general intent and policy aims of both the Growing Durham regional Official Plan and the City of Pickering’s Official Plan. The redevelopment of the Bay Ridges Plaza also appears to be a direct implementation of provincial policy in that it is a compact, vibrant, mixed-use, transit oriented infill redevelopment. The targeting of a greyfield, and an area close to the downtown of Pickering and the Go Station, is also in line with the general policies outlined by both the Region of Durham and City of Pickering.
Communication with the Public:
There was a large amount of public opposition towards this project from the very beginning. Despite early and extensive communication with the surrounding community, which included numerous public meetings and a design charrette, the public absorbed a large amount of misinformation about the development. Despite the large amount of public opposition and resulting OMB hearing, the public consultation process can be seen as a contributing factor to the success of the development due to the fact that this process resulted in the project becoming a mixed-use and master planned community.

Creative Problem Solving:
The main point of opposition towards the redevelopment of the Bay Ridges Plaza was the loss of the Price Chopper grocery store. In dealing with this, the City of Pickering placed a Hold on the Square Boy Plaza land (Phase 4), the site of Tower C, which will be removed once a new food retail use is established within the commercial units below Tower A and B. This was a creative step taken by the City of Pickering to ensure the mixed-use portion of the development best serves not only San Francisco by the Bay inclusively, but the surrounding Bay Ridges Neighbourhood as a whole.

Good Design:
The San Francisco by the Bay redevelopment has committed a strong focus on good design, a factor that has had a large contribution to the overall success of the project. Prospective buyers and community members have enjoyed the attractive building materials, site layout, mix of uses, and almost three acres of community greenspace that includes both a landscaped park and a children’s playground.

The commercial space that will occupy the main floor of tower A and B will do much more than modestly provide 2100 sq. meters of commercial and office use. These uses will occupy the three-storey podium of the two high-rise towers and face directly onto Bayly Street, creating a pedestrian scaled main street for the community, achieved by buffering the height of the residential towers from the sidewalk (Figure 21).
Mix of Land Uses:
San Francisco by the Bay is a mixed-use development that will incorporate both high and medium density residential with commercial and office uses. The commercial and office uses will be located in the podium of Tower A and B and is designed to be a live/work development that will also be fully accessible to the entire Bay Ridges neighbourhood.

Range of Housing Types and Prices:
San Francisco by the Bay incorporates both condominium units and townhomes in the development model. The townhome units are relatively stagnant in size and price, while the condominium units have 13 different models to select from including one bedroom, one bedroom + den, two bedroom, two bedroom + den, and range in price from $209,500 - $291,000.
The entire development ranges from $209,500 - $319,900. The two housing types, combined with the varying model options and prices, provide an attractive development for a multitude of potential markets. The project has been particularly successful in attracting families and young professionals.

**Targeted Marketing:**
The developer has been successful in marketing the development as San Francisco by the Bay, due to its close proximity to the Pickering waterfront and Frenchman’s Bay. The two housing types, townhome and apartment, has also been successful in marketing to both young families and the urban professional.

The townhomes offer an excellent location for young families due to the affordable price of the units, the location within the City of Pickering, and the large amount of greenspace located within the site. The apartment units provide an exciting opportunity for young professionals commuting in the GTA, due to the close proximity of the GO Transit Station as well as Highway 401. The condominiums have also proven to be a viable option for seniors and empty nesters, attracted by the project’s close proximity to the downtown and the appeal of commercial uses being located on the ground floor.

**Expect a Lengthy Pre-development Period:**
The complexity of Greyfield redevelopment can often lead to unexpected delays during the public consultation and planning process. The Bay Ridges Plaza redevelopment was no exception to this challenge as the pre-development period took nearly three times as long as a standard development application. The developer accounted for this challenge associated with infill projects, and greyfields in particular, which allowed the development to have the financing and development scheme to survive this period of turmoil.

**Profitability:**
Perhaps the most contributing factor of the redevelopment was the profitability potential of the site. Had the redevelopment scheme and resulting pro forma not resulted in a notable profit for the developer, the project may have never come to fruition. The pre-development period was estimated to be nearly two years longer than a typical greenfield project, which caused lengthy and unexpected delays in the planning approval process, construction, and
development timelines. If the project had not been as profitable and if the financing that was secured had not been able to withstand these delays, the development would likely not have been completed.

**Physical Attributes of the Site:**
Greyfields can often be located on sites that are awkward to work with due to irregular site shape, slopes, heritage regulations, or can be too large or too small to fit a particular development model. The site of the Bay Ridges Plaza offers none of these challenges; it is a relatively medium sized and flat site that contained no contamination. While hard barriers did surround the site in the form of natural features and Highway 401, the overall physical attributes of the site are seen to have contributed significantly to the site being selected for redevelopment and the overall success of the project as a whole.

**Master Planning:**
The completion of a master plan was a crucial element in designing a complete community and implementing the full vision of the site. David McKay (2007) stresses the importance in greyfields that are developed in multiple phases to have a master plan that will guide development and ensure the full vision of the site is maintained throughout development. The guidelines provided by the master plan for San Francisco by the Bay will ensure development does not deviate from the approved design and will be instrumental in securing the success of the project in the future.

**6.1.2 Major Challenges**

**No Financial Incentives or Partnerships:**
No initiative was taken by the municipality to create any type of partnership with the developer or provide any financial incentives for the project. The City would not reduce the development charges of the site or reduce the parkland dedication fees despite the added costs and delays this greyfield redevelopment experienced. The planning process also took a lot longer than a traditional planning process, which significantly increased the risk in redeveloping the site. It is generally argued in this project, as well as the Shops at Don Mills (Smith, 2010), that municipal officials should take on a more active role beyond review and approvals and become more thoroughly engaged in the planning process.
Complex Ownership Structure:
The various commercial units occupying the Bay Ridges Plaza upon purchase was a challenge for the developer due to the range in commercial services being offered, differing level of economic success, and lease agreements ending at different times. This proved to be a difficult obstacle as individual tenants had to be negotiated with separately, which made it difficult to come to an agreement with each business owner within the plaza.

Public Outcry:
The largest obstacle in redeveloping the Bay Ridges Plaza came in the form of public opposition and NIMBYism. The public was very concerned about losing the neighbourhood grocery store, the proposed density of the project, and the design of the high-rise towers. The heavy opposition delayed the planning process significantly and eventually resulted in the project being taken to the OMB by the local neighbourhood community group PESCA. This challenge was an often-understated obstacle in greyfield redevelopment by the literature and was the factor that contributed most to the lengthy pre-development period experienced by the redevelopment of the Bay Ridges Plaza.

Planning Process:
It was generally acknowledged that the recent provincial growth policies have resulted in a very restrictive development framework in many Ontario municipalities. Particularly in cities such as Pickering, where provincial growth policies have had a large influence over developable land, greenfield development has been limited and infill developments are becoming a more prevalent model. Because of this, municipalities should have policies in place to better facilitate infill intensification projects such as greyfields and brownfields. There are multiple and complex challenges to greyfield redevelopments that do not exist for greenfield redevelopment; this fact should be better reflected in the planning process.
6.2 Conclusions

The findings of this report confirm the redevelopment potential of greyfields as indicated by the literature in Chapter 3 of this report. The Bay Ridges Plaza, while still under construction, can be seen as a success for the City of Pickering due to the fact that a greyfield site near the downtown will be redeveloped into a mixed-use and transit oriented community. The project is also a success for the developer from not just a profit standpoint, but also in leading the way for infill redevelopment within the City of Pickering. While no redevelopment project will be the same, the factors of success identified by the Bay Ridges Plaza redevelopment, as well as the factors identified by Tomalty and Jozsa (2004) and Sarah Smith (2010), can act as a guide for future greyfield redevelopment in Ontario.

While not all the challenges, opportunities, and success factors are applicable to every greyfield project, completing a detailed list of these factors with the use of a case study analysis will equip developers and municipalities with the knowledge of what to expect when redeveloping old commercial sites. The factors of success outlined by this report, combined with Tomalty and Jozsa, and Sarah Smith, will provide such a list for stakeholders looking to undertake a greyfield redevelopment project.

While many of the challenges regarding greyfield redevelopment as identified by the relevant literature were overcome, several major obstacles remained. The largest of these challenges included public opposition and a restrictive planning process. While it is difficult to reduce the impact of public opposition, which resulted in lengthy delays with the Bay Ridges Plaza, extensive communication with the public throughout the development process can help ease public concern. However, the restrictive and often archaic planning process found in many cities in Ontario must evolve to be better equipped in dealing with infill development projects such as the Bay Ridges Plaza.

While none of the seven case studies examined by Tomalty and Jozsa (2007), Shops at Don Mills (Smith 2010), or the Bay Ridges Plaza, will exhibit all of the factors of success identified throughout these three research reports, they can act as a guide for developers and
municipalities in redeveloping greyfields across the province of Ontario. This list includes, but is not limited to:

**Factors of Success:**

1. Location
2. Positive Planning Framework
3. Financial Incentives
4. Partnerships
5. Communication
6. Creative Problem Solving
7. Good Design
8. Mix of Land Uses
9. Range of Housing Types and Prices
10. Targeted Marketing
11. Expect a Lengthy Pre-Development Period
12. Patient Money is Best
13. Profitability
14. Physical Attributes of the Site
15. Master Planning
Appendices

Appendix A: Interview Questions for Municipal Officials

Introduction:
Thank you for agreeing to participate in this study. The information you are being asked to provide will be used to develop a case study on the Bay Ridges Plaza Redevelopment. The case study will be to inform the Master’s Report, tentatively entitled Challenges, Opportunities, and Factors of Success in Greyfield Redevelopment: An Examination of the Bay Ridges Plaza in Pickering, Ontario.

1. What can you tell me about the history of the site and how the commercial use began to fail and become a greyfield?
2. Did the project pose any challenges specific to greyfield redevelopment that would not have existed if the developer had built somewhere else?
3. How successful would you say this project has been from the Municipal point of view? Were municipal objectives (e.g. revitalizing the area, intensification, economic development, affordable housing production) achieved?
4. What were the key challenges involved with this project in terms of the planning process? Could anything have been done differently to improve the process?
5. How important would you say were the municipal programs or incentives in realizing this project? Do you think the City could have contributed in other ways?
6. Would you say that the public consultation process resulted in positive changes to the project? Could the consultation process have been more productive if it was carried out differently?
7. What would you say were the main lessons learned from this project in terms if how to or not to go about greyfield redevelopment?
8. Would you say there was anything unusual about this site or project that would make the lessons learned less applicable to other contexts?
9. Do you have any other comments about the obstacles to or success of this project?
Appendix B: Interview Questions for Developers and Planning Consultants

Introduction:
Thank you for agreeing to participate in this study. The information you are being asked to provide will be used to develop a case study on the Bay Ridges Plaza Redevelopment. The case study will be to inform the Master’s Report, tentatively entitled Challenges, Opportunities, and Factors of Success in Greyfield Redevelopment: An Examination of the Bay Ridges Plaza in Pickering, Ontario.

1. What can you tell me about the history of the site and how the commercial use began to fail and become a greyfield?
2. Why was this particular greyfield chosen for redevelopment?
3. Did the project pose any challenges specific to greyfield redevelopment that would not have existed if the developer had built somewhere else? Was there added expenses due to these constraints?
4. What were the key obstacles to this project (e.g. regulations, neighbourhood opposition, site characteristics, infrastructure)? How did you overcome these obstacles?
5. Could anything have been done differently to improve the planning and approvals process of the project?
6. How important would you say were municipal programs or incentives in realizing this project? How about any other government programs or incentives?
7. Would you say that the public consultation process resulted in positive changes to the project?
8. How profitable was the project (compared with other projects / compared with your expectations)?
9. Could anything have been done differently to improve the financial aspect of the project from your perspective?
10. Who were the partners involved with the project?
11. What would you say were the main lessons learned from this project in terms of how to or no to go about a greyfield redevelopment?
12. Would you say there was anything unusual about this site or project that would make the lessons learned less applicable to other contexts?

13. Do you have any other comments about the obstacles to or success of this project?
References


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