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**For Information**

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**REPORT TITLE:**     **Lakeview Village Development Update, City of Mississauga, Ward 1**

**FROM:**               Kealy Dedman, Commissioner of Public Works

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**OBJECTIVE**

To provide an update on the Lakeview Village development application, key matters of Regional interest and next steps to facilitate development approvals.

**REPORT HIGHLIGHTS**

- The Lakeview Community Partners Limited (the Partners) are proposing a mixed-use redevelopment of lands at 1082 Lakeshore Road East which will accommodate approximately 20,000 people and 9,000 jobs.
  - Areas of key Regional interest include, implementation of a low carbon District Energy and automated vacuum waste collection systems, delivery of affordable housing units, extension of Lakefront Promenade into lands currently owned by the Region of Peel, land use compatibility review with GE Booth Wastewater treatment plant and review of new road and utility standards within the public rights-of-ways.
  - In order to facilitate the implementation of a low carbon district energy system and vacuum waste system, more collaboration with the City, the Partners and external third party reviews are required to determine the role and responsibility of the Region and City in each system.
  - The Partners have recently submitted an Affordable Housing statement proposing a range of affordable housing options within the community, with approximately 340-460 units, or 5.7 percent of total units.
  - To complete the road network through this community, the Partners have proposed that lands be purchased from the Region to extend the existing Lakefront Promenade local road south through lands currently owned by the Region as part of the draft plan of subdivision.
  - Regional staff are engaged in the ongoing review of the land use compatibility with GE Booth Wastewater Treatment Plant and impacts to Regional infrastructure with road and utility standards proposed by the Partners.
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**DISCUSSION**

**1. Background**

The Lakeview Village development is a 177-acre site located at 1082 Lakeshore Road East, east of Cawthra Road, south of Lakeshore Racoad East. The property is owned by the Lakeview Community Partners Limited (the Partners) comprised of Argo Development Corporation, TACC Construction Limited, Branthaven Homes, Greenpark Group and CCI Development Group of Companies.

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The Partners have submitted applications for a Local Official Plan amendment, Zoning By-law amendment, and Draft Plan of Subdivision. The proposed development is planned to accommodate approximately 20,000 people within 8,050 new residential units in a mix of housing forms (including townhouses, mid and high-rise apartment buildings), and 9,000 jobs, supported by retail, parkland, commercial, innovation corridor (mix of employment and commercial) and campus (school) uses. See Appendix I for a concept plan.

Through the review of the applications and engagement with the Partners, several Regional interests have been identified. An update on the following items is provided in this report:

- District Energy
- Vacuum Waste
- Affordable Housing
- Lakefront Promenade extension
- Land use compatibility with GE Booth Wastewater Treatment Plant (GE Booth) including odour, noise and emissions reviews
- Public rights-of-ways (ROW): new road widths and utility standards

### **a) District Energy**

The City of Mississauga's (City) approved Official Plan policies for the Lakeview Major node, identify that a primary goal is to build a low carbon district energy (DE) system. The implementation of a low carbon energy source for the development is a significant opportunity to align to the City and the Region's Climate Change Plans. The location of the Lakeview Village development presents a unique opportunity to use treated wastewater effluent from GE Booth as a low carbon energy source to heat and cool the community. Through the review of the development applications the City and Region have explored ways in which we can support and facilitate the implementation of a DE system within the community.

The proposed DE system would supply wastewater effluent to heat exchangers and pumps in a separate facility and then through a piping network to each building, in lieu of conventional boilers and chillers within each building. Once the entire DE system is connected to the effluent piping infrastructure from GE Booth and the development is close to full build-out, this system has the potential to avoid new community greenhouse gas (GHG) emissions by up to ~10,000 tonnes per year, or the equivalent of taking 2,100 cars off the road, compared to the use of natural gas boilers.

The DE system was originally proposed as a private utility owned model with Corix as the Partners' chosen utility provider. However, in mid-2020, the Partners proposed a municipally owned model based on the need to obtain capital funding from Federal and Provincial grants and some contribution from the Partners and Builders in the community to cover the estimated \$36 million gap in capital funding. In September 2020, Region and City staff established a Working Group to focus on the DE system jointly. Both the Region and City engaged consultants in the first phase of work to assess the governance models and regulatory issues facing such a system in Ontario. As district energy systems are largely unregulated in the Province, significant effort in this regard was warranted. A second phase of work, including a detailed review of the Partners' proposal, was set to begin in April 2021. Before this work began, the Partners reassessed the proposed governance model and returned to a private, investor-owned utility model as the preferred approach. This change was explained by the uncertainty

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regarding: (1) government grants, (2) timing of City and Region decision making processes and (3) project delivery timing.

With this shift in the preferred governance model, Region and City staff also shifted focus to establishing common desired outcomes for a low carbon DE system in the Lakeview Village community and identifying additional governance and technical work to be completed in order to support and enable a proposed DE system.

In June 2021, the Region and City received notice from the Partners together with a Letter of Interest from Enwave Energy Corporation (Enwave) stating that they have established a new partnership to deliver a low carbon DE system to Lakeview Village. The letter provided by Enwave outlines their commitment to work with the Partners, City, Region and all other stakeholders to find a solution that works for everyone and outlines a commitment to review all materials, documents and reports prepared to date and conduct a detailed assessment and feasibility analysis with an aim to enter into a definitive agreement with the Partners by September 2021.

While the letter raises some uncertainty regarding the governance and implementation of a DE system, the issues outlined below would continue to apply and will inform the Region's approach to further discussion with the Partners and Enwave.

Given the proposal to use effluent as a low carbon energy source, the Region is currently evaluating best in class approaches to fees related to raw sewage and treated effluent. The current study will provide recommendations on terms and cost(s), where applicable. A significant challenge remains with respect to whether there is a need to provide equitable and fair access to raw sewage and/or treated effluent. Staff is also evaluating whether there is a need to incentivize the DE system through a low-cost standard. In theory, the Region could incentivize a low carbon solution by providing the necessary capital and operational needs and seek recovery of this through charges outlined in a thermal services agreement.

To provide effluent from GE Booth to a DE system, staff recommend that the Region construct, own, operate, and maintain any infrastructure located on GE Booth lands. This is consistent with current practices and best practices research whereby responsible government agencies own and operate all infrastructure within its facilities. In addition, this work should be constructed in a single planned connection and not phased due to current and long-term capital planning and implementation needs which directly support growth for all the Region. Furthermore, the Region could seek provincial and/or federal funding for such infrastructure.

While the current preferred governance model is private, it is important to keep in mind that the City and Region still have a role to play in facilitating a low carbon DE system in this community (i.e.: connection of DE system to GE Booth, the use of effluent water and location of DE facility within the Sustainability Centre on City lands). It is critical that the Region proactively identify its preferred involvement, to have inform the rate structure, GHG sharing, GHG mitigation optimization, and other components. Further, project governance established for the Lakeview Community should not set a precedent for potential DE opportunities that the Region may want to pursue outside of Lakeview.

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Under a private model, there are a number of agreements that will be required to address governance, operating and logistics, including but not limited to:

- Memorandum of Understanding (City, Region, the Partners, Enwave)
- Master Project Agreement (Enwave, the Partners)
- Municipal Access Agreement for use of the local right-of-way (City, Enwave)
- Ground Lease Agreement to use City lands for the DE plant (City, Enwave)
- Thermal Energy Supply Agreement for use of the Region's effluent (Region, Enwave)

The Working Group will continue to discuss these issues and intend to continue discussions regarding the contents of a Memorandum of Understanding with all parties.

### b) Vacuum Waste Collection

In accordance with the City of Mississauga's Official Plan policies for the Lakeview Node, the Partners propose the use of an automated vacuum waste collection system (VWCS) within the community that will collect garbage, recyclables, and organic waste from all residential, commercial/employment, and institutional buildings and public realm spaces. The system cannot accommodate large or bulky items – these items will continue to be collected at each building location.

Benefits*	Challenges	Proposed Funding Model
Cleaner streets	Costly capital (vs. conventional)	Capital Costs estimate: \$36 million
Less truck traffic through the community	Need for a new Utility/level of service	• Federal/Provincial: 70%
Potential for increased diversion rates	Capital investment needs	• Region/City: 30% (paid for by Developer/Builder)
Avoided GHG emissions when compared to traditional truck collection**	Regulatory/By-laws to secure connection to the system	
		Operating Costs estimate: \$1.4 million

\*Benefits are those identified in the Business Case provided by the Lakeview Community Partners.

\*\* GHG avoidance benefits have been presented in the Partners Business Case, but Region requires verification of the calculation accuracy.

Region and City staff established the working group with the City of Mississauga and the Partners to focus on requirements of the system, different governance model options and financial strategies. At the end of April 2021, the Partners, together with Miller Waste Systems Inc. representatives, met with Region and City staff to further discuss a private ownership model for a VWCS. Miller Waste Systems Inc. has been exploring the

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potential of an automated VWCS within Ontario for a number of years and is excited at the possibilities this project presents. The discussions around a private model for a VWCS are new and there are many components not yet established or explored in detail.

The high-level private ownership model proposed by the Partners identifies that an automated vacuum waste collection company (i.e. Envac) will design, build, and operate the system under a concession agreement for an initial period. The Partners will install the pipe network for the system and a private waste company (i.e. Miller Waste Systems Inc.) will purchase the system from the automated vacuum waste collection company, will obtain access to roadways and private lands for operation and maintenance purposes and will haul waste from the central terminal. Additionally, under this model the Region will pay the private waste company to haul waste and organics from the community and producers would pay the private waste company to haul recyclables.

Given the information provided, a private ownership model for a VWCS is the ownership model Region and City staff and the Partners feel is best suited to meet the Partners objectives for a VWCS within the Lakeview Village community and serves to reduce the risks to the Region and City. There are a number of unknowns at this time (i.e. financial ask of the Partners/Miller to the Region or City, cost implications on end users and impact to blue box transition/full producer responsibility) that will be further explored and discussed as part of continued working group discussions.

### c) Affordable Housing

The Partners provided an Affordable Housing Statement as part of their first application submission in April 2019 and an updated document in April 2021. The update proposes a range of housing options to contribute to identified affordability targets in the Region as follows:

Type	Unit Count
On-site Market Rental Units	150
On-site Artist units	50
Affordable On-site	140-230
Affordable Off-site	50-80
Total	340-460

Overall, Regional staff are satisfied with the advancement of the housing options proposed in the current draft Affordable Housing Statement, including the provision of purpose built market rental units and onsite affordable housing units, both of which contribute to the Region's housing targets. While the purpose-built market rental units are desirable in providing rental tenure units at more affordable prices, the rental rate for market units would not meet the Regional definition of affordable housing.

The current range of housing options proposed include market rental units and affordable housing units provided both onsite and offsite, which make up between 4.2 percent to 5.7 percent of the 8,050 units within the Lakeview Village development. Comments provided by the City of Mississauga on the Affordable Housing Statement requests that the minimum percentage of affordable housing they would accept is 5.7 percent, which equates to 460 units, including 150 market rental units and accepts contributions for offsite units. Staff are supportive of the position of the City of

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Mississauga and have provided similar comments, except Regional staff would prefer all units be provided onsite in order to maintain a range of affordability options within the development or consideration be given regarding the delivery of financial contributions for off-site units to the Service Manager at the Region.

The Affordable Housing Statement mentions that on-site affordable ownership units could be managed in partnership with the Region of Peel or other non-profit agencies. Discussions on the role of the Region and other partners in the administration of affordable housing units that may result from Inclusionary Zoning are underway. Regional staff are open to discussions on partnership options for management of these affordable units and there is the potential that this development could be a pilot for how future affordable housing units could be managed. Affordable housing opportunities in this community will also aim to align with the Region's Climate Change Master Plan and provide equitable low-carbon buildings/units and avoid increased GHG emissions.

It should be noted that the landowners point to Section 37 "Bonus Zoning" provisions of the *Planning Act* as a primary implementation mechanism. This may be a useful tool in this circumstance for practical purposes, however, it should be noted that Section 37 should not be considered broadly as a mechanism for implementing affordable housing in future developments since that tool will be eliminated in late 2022 as the new Community Benefit By-law regime will replace it in the *Planning Act*.

### **d) Lakefront Promenade Extension – Sale of Land to the Partners**

The Partners are proposing to extend Lakefront Promenade from its current terminus as a public road, immediately south of Rangeview Drive, further south into their development. The western side of the proposed right-of-way include lands owned by the Region that are presently leased to the City of Mississauga for a parks depot, driveway access to the Marina and a baseball diamond. The City of Mississauga parks depot currently located at the south end of this future road extension will need to be relocated to accommodate the extension of Lakefront Promenade. The Partners and the City of Mississauga have recently identified a location on lands owned by the Partners and are working on a Memorandum of Agreement (MOA), to which the Region will be a party.

The Partners have requested that the Region authorize the inclusion of these lands within a revised draft plan of subdivision in order to support approval of their application with the inclusion of the full road extension. If this road extension and lands do not form part of the approved application, the delivery of the road would have to proceed through the Environmental Assessment process. This would add significant time to the project and full build out of the community. For the Region to authorize the inclusion of these lands within their plan, staff will need to confirm, through a surplus land circulation process, no interest in the lands from any Regional departments or external agencies and utilities.

The City, as a tenant of these lands, has authorized the Region to initiate the surplus lands circulation process to expedite the resolution of this matter, confirming that negotiations regarding the relocation of the parks depot between the City and the Partners are significantly advanced.

**e) Land use Compatibility Study – Air Emissions from GE Booth Wastewater Treatment Plant**

The Partners have conducted a study on the air quality of emissions for GE Booth and assessed the impact on the proposed land uses. The Region has engaged WSP to conduct a peer review of this study.

The study provided by the Partners assumes a reduction in permitted emission for GE Booth when compared to current Environmental Compliance approvals from the Ministry of the Environment, Conservation and Parks. Regional staff have expressed significant concern with this assumption to the Partners and will continue to work with them, with the assistance of WSP, on assessing the impacts of emissions at the currently approved limit, on the development.

The true impact of emissions on the development and satisfactory mitigation measures proposed is required prior to final approvals of the Official Plan Amendment application under review. Staff anticipate that the Developer may need to contribute to advanced emissions controls to permit development of some of the high-rise buildings. This could include significant cost contribution requirements for capital, operating and long-term asset management.

**f) Public rights-of-ways**

A detailed review of the public rights-of-ways within this development and the interaction between the above and below grade streetscape and infrastructure has occurred given the proposal of new road widths and utility standards.

The Partners have proposed to use non-standard right-of-way widths for the local roads within this community. Given this request and the addition of new infrastructure for district energy and vacuum waste, within a reduced space, City and Regional staff agreed that a detailed review of the right-of-way cross-sections should occur in advance of Draft Plan of Subdivision approval to ensure the proposed road widths and development blocks are appropriately sized to accommodate all infrastructure and streetscape elements without conflict.

From a Regional perspective, focus has been on the location of water and wastewater infrastructure and its interaction with the proposed DE and VWCS infrastructure, above grade streetscape treatments, and setback to building and/or underground parking structures with respect to construction, operational and future maintenance needs. Regional staff are in discussions with partner municipalities that currently have DE infrastructure within their communities to learn from their experiences.

**Proposed Direction**

Regional staff will continue ongoing discussions with the City and the Partners on these key items towards a resolution satisfactory to all parties. Regional staff are also considering how approval of the applications can be advanced through the application of conditions of approval, where appropriate, that engage subsequent development stages to achieve unresolved issues. This approach will allow the Draft Plan of Subdivision and Official Plan amendment approval milestones to occur in advance of the full implementation of solutions.

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Regional staff plan to engage with the City, the Partners and their consultants over the next few months to establish a Memorandum of Understanding (MOU) regarding the facilitation, delivery and roles and responsibilities regarding private district energy and vacuum waste collection systems within the Lakeview community. This MOU will outline all necessary agreements to be established between all parties. Regional staff will report back to Regional Council on the outcome of these discussions in advance of execution of the MOU.

A satisfactory resolution on the following non-exhaustive list of items is required for Regional staff to support approval of the Official Plan amendment application and Draft Plan of Subdivision approval:

- Affordable Housing strategy.
- Disposal of Region lands to support the extension of Lakefront Promenade.
- Final Land Use Compatibility study and recommended mitigation measures satisfactory to the Region.
- Demonstration of satisfactory separation distances between Regional infrastructure and other underground utilities and above grade streetscaping elements within the local rights-of-way.

## **CONCLUSION**

Regional staff will continue working closely with the City of Mississauga, the Partners and their consultants on reviewing all outstanding matters, including assessing all operation, maintenance and financial implications for the Region, where applicable.

Regional staff are advised that City of Mississauga staff are aiming for approval of the development applications later this year. Considering this approval timeline, Regional staff anticipate the completion of all required work on these key areas over the following months. This will provide Regional staff with the appropriate time to bring additional information and/or recommendations back to Regional Council as appropriate.

## **APPENDICES**

Appendix I - Lakeview Village Community Concept Plan

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*For further information regarding this report, please contact John Hardcastle, Interim Director Development Services, Ext. 4418, [john.hardcastle@peelregion.ca](mailto:john.hardcastle@peelregion.ca) or Christina Marzo, Manager Development Services, Ext. 4362, [christina.marzo@peelregion.ca](mailto:christina.marzo@peelregion.ca)*

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