



FORMAL SUBMISSION TO THE CITY OF OTTAWA

## In Support of Amending Permitted Use Provisions for Large-Scale Medical Facilities

*Proposed Orthopedic Surgical Centre — 2080 Walkley Road, Ottawa, ON*

**Applicant:** Academic Orthopedic Surgical Associates of Ottawa Inc. (AOAO)

**Zoning Context:** Previously zoned Light Industrial (IL); reclassified to Mixed Industrial (IM) under the New Zoning By-Law

**Provincial Status:** ICHSC Licence issued to AOAO by the Ministry of Health (December 1, 2025); 2080 Walkley Road proposed as the facility site, pending Ministry confirmation

**Date of Submission:** March 2026

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### Executive Summary

This submission respectfully requests that the City of Ottawa amend the permitted use provisions of the new Zoning By-Law as they apply to the Mixed Industrial (IM) zone, to expressly permit large-scale medical facilities, including ambulatory surgical centres. The immediate impetus for this request is a proposed 26,000-square-foot orthopedic surgical centre at 2080 Walkley Road, to be operated by Academic Orthopedic Surgical Associates of Ottawa Inc. (AOAO)—**a facility whose operator, AOAO, has been granted a provincial licence by the Ontario Ministry of Health under the Integrated Community Health Services Centres Act, 2023 (ICHSCA), with 2080 Walkley Road proposed as the facility location pending Ministry confirmation.**

On December 1, 2025, the Director of Integrated Community Health Services Centres issued a formal decision letter confirming the Ministry's intention to issue an ICHSC licence to AOAO for the provision of orthopedic services at a facility in Ottawa. The licence authorizes the facility to perform up to approximately 800 primary hip replacement procedures and up to approximately 1,200 primary knee replacement procedures in its first year of operation alone—a total of up to 2,000 joint replacement surgeries annually that Ottawa's patients urgently need. AOAO has confirmed to the Ministry that the facility will be operational in December 2026, with service volumes for subsequent years to be confirmed.

Despite this provincial mandate, the facility cannot proceed because the property at 2080 Walkley Road was reclassified from Light Industrial (IL) to Mixed Industrial (IM) under the new Zoning By-Law, and the IM zone restricts large-scale medical use. This creates a situation in which a facility that has been licensed by the Province of Ontario to help address a critical healthcare gap in Ottawa may be unable to proceed at this





location under the current zoning provisions. We believe this is an outcome the by-law did not intend, and one that can be resolved through collaboration between the applicant and the City.

The arguments presented herein are organized around four pillars: the provincial mandate and public health urgency, planning policy consistency, economic impact, and precedent from comparable Ontario municipalities.

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## 1. This Facility Has a Provincial Mandate and Addresses an Urgent Healthcare Crisis

### 1.1 The Provincial Licence: A Direct Mandate from the Ministry of Health

On December 1, 2025, the Director of Integrated Community Health Services Centres, acting pursuant to section 5 of the Integrated Community Health Services Centres Act, 2023, issued a decision letter confirming the Ministry of Health's intention to grant an ICHSC licence to Academic Orthopedic Surgical Associates of Ottawa Inc. (AOAO) for the provision of orthopedic surgical services in Ottawa. This licence was issued following a competitive Call for Applications (CfA) process initiated on July 2, 2025, specifically targeting orthopedic services across Ontario.

The Director's decision confirms that:

- AOAO's application met the criteria specified in the Call for Applications;
- The Director is satisfied that the facility will be operated competently, responsibly, and with honesty and integrity;
- The facility is authorized to perform up to approximately 800 primary unilateral hip joint replacement procedures and up to approximately 1,200 primary unilateral knee joint replacement procedures in its first year of operation (Funding Year 2026/2027);
- The facility is required to establish formal partnerships with at least one local hospital and develop rehabilitation plans for all patients;
- The facility must meet Accreditation Canada's pre-licensing inspection requirements and comply with ongoing quality assurance standards.

*This is not a speculative proposal or a preliminary expression of interest. The Province of Ontario has evaluated AOAO's application through a rigorous competitive process, determined that Ottawa needs this facility, and directed that it proceed. We respectfully submit that the current zoning restriction was not intended to prevent the*





establishment of provincially mandated healthcare facilities, and we are confident this can be addressed through the appropriate planning process.

## 1.2 The Wait Time Emergency

The provincial decision to licence this facility was not made in a vacuum—it was made in response to a surgical access crisis. Ontario’s orthopedic surgical wait times have reached levels that the provincial government itself has acknowledged as unsustainable. In Ottawa and eastern Ontario specifically, patients requiring hip and knee replacements routinely wait well beyond the clinically recommended benchmarks established by the Ontario Wait Time Strategy.

The downstream consequences of prolonged orthopedic wait times are extensively documented:

- Increased reliance on opioid-based pain management, contributing to addiction and associated social harms
- Escalating mental health impacts, including clinical depression, anxiety, and social isolation
- Loss of employment income and economic productivity as patients become unable to work
- Greater burden on hospitals and emergency departments as untreated conditions deteriorate
- Poorer surgical outcomes, as delayed intervention allows conditions to progress to stages where recovery is longer, more costly, and less complete

The 2,000 joint replacement procedures this facility would perform annually represent 2,000 patients who would otherwise remain on ever-growing wait lists, enduring preventable suffering while their conditions worsen.

## 1.3 The Province Is Counting on Ottawa to Deliver

The ICHSC licensing framework under the ICHSCA represents a cornerstone of Ontario’s strategy to expand surgical capacity through community-based facilities. The Province has invested significant resources in developing this framework, issuing the Call for Applications, evaluating submissions, and selecting licensees. AAO was selected specifically to serve Ottawa’s population.

A zoning framework that does not yet contemplate provincially licensed healthcare facilities may inadvertently delay their establishment. In this case, the impact extends beyond the applicant—it could delay the Province’s healthcare strategy for Ottawa and eastern Ontario, delays urgently needed surgical capacity, and may create a





misalignment between the City's regulatory framework and its shared commitment to supporting the health and well-being of its residents. We are confident this was not the City's intent and that a resolution is achievable.

## 1.4 Time Is of the Essence

**The provincial licence carries time-sensitive obligations.** AOAO is required to confirm its readiness to commence orthopedic services, complete the ICHSC Registration Package, obtain Accreditation Canada pre-licensing inspection approval, execute a transfer payment agreement with the Ministry, and connect to provincial reporting systems including the Ontario Wait Time Information System (WTIS)—all within defined timelines. AOAO has confirmed to the Ministry that the facility will be operational in December 2026.

Every month of delay caused by the zoning restriction is a month in which the provincial licence conditions cannot be met, accreditation timelines slip, the transfer payment agreement cannot be executed, and—most critically—Ottawa patients who need hip and knee replacements continue to wait. A timely resolution of the zoning matter would help ensure the provincial licence conditions can be met and that Ottawa does not risk losing access to this important facility.

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## 2. Aligning the Zoning Framework with Sound Planning Policy and the City's Official Plan

### 2.1 The IM Zone Already Accommodates Comparable and More Impactful Uses

The fundamental planning objection to the current restriction is straightforward: the Mixed Industrial (IM) zone already permits a range of uses whose land-use impacts are comparable to—or significantly greater than—those of a medical surgical centre. The IM zone typically accommodates light manufacturing, warehousing and distribution, office uses, service commercial activities, vehicle service establishments, and various other commercial and institutional functions. Indeed, under the former Light Industrial (IL) designation that previously applied to this site, large-scale medical use was not restricted in the same manner. The reclassification to IM appears to have introduced an unintended barrier where none previously existed.

An orthopedic surgical centre, by contrast, is among the most benign uses imaginable in such a zone:





Impact Category	Typical IM Zone Permitted Uses	Proposed Surgical Centre
<b>Traffic Generation</b>	Heavy truck traffic for warehousing/distribution; high employee counts for manufacturing and office	Moderate passenger vehicle traffic during business hours; scheduled appointments distribute arrivals evenly
<b>Noise / Vibration</b>	Industrial processes, loading docks, vehicle repair operations	None — fully interior clinical environment
<b>Odour / Emissions</b>	Potential from manufacturing, food processing, vehicle service	None — medical-grade HVAC ventilation and filtration
<b>Hours of Operation</b>	24/7 operations common for warehousing and logistics	Standard business hours; no overnight inpatient stays
<b>Built-Form Impact</b>	New construction, expansions, outdoor storage, loading areas	Interior refit only — no change to building envelope, footprint, setbacks, or lot coverage
<b>Hazardous Materials</b>	Industrial chemicals, fuels, solvents in many permitted uses	Minimal — regulated medical supplies managed under provincial standards

We respectfully suggest that a medical surgical facility of this nature is consistent with the range of uses already contemplated in the IM zone, and that its land-use impacts are comparable to or less than many uses currently permitted.

## 2.2 The Reclassification from IL to IM and Its Effect on Medical Use Permissions

Ottawa’s new Zoning By-Law represents a once-in-a-generation overhaul of the city’s entire zoning framework—a necessary but enormously complex undertaking that involves reclassifying thousands of properties across hundreds of zones. The reclassification of 2080 Walkley Road from Light Industrial (IL) to Mixed Industrial (IM)—and the resulting restriction on large-scale medical use—appears to be an unintended consequence of this comprehensive process.

Under the former IL zoning, this property could have accommodated the proposed surgical centre without the restriction now imposed by the IM designation. We understand that the comprehensive nature of the by-law review meant that not every site-specific outcome could be individually considered. We do not believe the City intended to restrict medical facilities at this location, and we view this as an opportunity to refine the by-law to better reflect the evolving needs of the community.

## 2.3 Consistency with the Official Plan

The City of Ottawa’s Official Plan establishes policies that support complete communities, equitable access to services, and the efficient use of existing





infrastructure. The proposed surgical centre advances all three objectives. It would bring a critical, provincially supported healthcare service to an accessible, well-connected location. It makes productive use of an existing building without requiring greenfield development. And it contributes to the diversification of the employment base in the Walkley Road corridor.

We believe an amendment to the by-law's treatment of medical uses would bring it into closer conformity with these Official Plan objectives and support the delivery of a facility the Province has licensed for Ottawa.

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### 3. Significant Economic Benefits to Ottawa

#### 3.1 Direct Employment and Investment

The establishment of a 26,000-square-foot orthopedic surgical centre performing up to 2,000 joint replacement procedures annually represents a substantial private-sector investment in Ottawa's economy, backed by a provincial transfer payment agreement. The interior refit will generate construction-phase employment for local trades and contractors. Once operational, the facility will create permanent, high-quality jobs:

- Orthopedic surgeons, anesthesiologists, and other specialist physicians
- Registered nurses, surgical technologists, and other regulated health professionals
- Diagnostic imaging technicians and physiotherapists
- Administrative, reception, and facility management staff

These are skilled, well-compensated careers that contribute to Ottawa's tax base, support local businesses, and strengthen the city's reputation as a centre for healthcare excellence. The provincial funding commitment provides long-term revenue certainty that few commercial tenants can match.

#### 3.2 Property Tax Revenue and Corridor Vitalization

A provincially funded medical surgical centre is among the highest-value and most stable commercial uses for an existing industrial building. The conversion increases the assessed value of the property, generating additional property tax revenue with no corresponding requirement for new municipal infrastructure. The presence of a major healthcare facility acts as an anchor for the surrounding corridor, attracting complementary businesses—pharmacies, medical supply companies, rehabilitation clinics, food services—that further strengthen the local economy.





### 3.3 Healthcare System Cost Savings

The proposed surgical centre would generate significant savings for the publicly funded healthcare system. Ambulatory surgical centres consistently demonstrate lower per-procedure costs compared to hospital-based operating rooms. By performing 2,000 joint replacements annually in this more efficient setting, the facility would free up hospital operating room capacity for higher-acuity cases, reduce emergency department overcrowding, and decrease the economic burden of prolonged disability on social assistance programs and employer-funded benefits.

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## 4. Precedent from Other Ontario Municipalities

### 4.1 The Trend Toward Accommodating Medical Uses in Employment Zones

Ottawa is not the first Ontario municipality to grapple with where medical facilities belong in a modern zoning framework. Across the province, municipalities are recognizing that traditional industrial zone categories—designed in an era when “industrial” meant heavy manufacturing—are poorly suited to a 21st-century economy in which healthcare is among the fastest-growing employment sectors. Several Ontario municipalities have adopted or are adopting zoning provisions that expressly accommodate medical and healthcare uses within employment and industrial zones:

- Municipalities across the Greater Toronto and Hamilton Area have amended employment zone provisions to permit medical offices, clinics, and ambulatory surgical centres, particularly in light industrial and mixed employment zones.
- A number of jurisdictions have created “health campus” or “medical employment” overlay provisions to facilitate healthcare clustering in areas with appropriate infrastructure.
- Ontario Land Tribunal decisions and Committee of Adjustment rulings have consistently supported variances for medical uses in employment zones on the basis that the use is compatible with surrounding activities and serves the public interest.

### 4.2 The ICHSCA Framework Changes the Landscape

The passage of the Integrated Community Health Services Centres Act, 2023 has fundamentally changed the context in which municipalities must consider medical uses. The Province is now actively licensing community-based surgical centres across Ontario through a formal, regulated framework. Municipalities across Ontario are beginning to update their zoning frameworks to accommodate these new provincially mandated





facilities. Ottawa has an opportunity to be proactive in this regard, ensuring its by-law supports the delivery of healthcare infrastructure that the Province has committed to funding.

Ottawa is well positioned to be a leader in aligning its zoning with this new provincial reality, and we welcome the opportunity to work with the City to achieve that goal.

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## 5. 2080 Walkley Road Is Ideally Suited for This Use

Wholly apart from the policy arguments above, this particular site is exceptionally well suited for a medical surgical centre:

- **Accessibility:** Walkley Road is a major arterial with excellent vehicular access and proximity to public transit routes, including OC Transpo service, making the facility easily reachable for patients from across the city and the broader region.
- **Existing Building Stock:** The proposed use involves an interior refit of an existing 26,000-square-foot space. There is no request for new construction, no change to the building's exterior envelope, and no alteration to the site's lot coverage, setbacks, or parking configuration.
- **Infrastructure:** The site is fully serviced by municipal water, sanitary and storm sewer, and utilities adequate to support the proposed use. No upgrades to public infrastructure are anticipated.
- **Compatibility:** The surrounding area accommodates a range of commercial and light industrial uses. A medical facility is entirely compatible with this context and represents an improvement in the character and quality of activity in the area.
- **Parking and Site Circulation:** The existing parking supply and site layout are well suited for a medical use where patient visits are scheduled by appointment and traffic flow is predictable and manageable.
- **Provincial Licence Context:** The Ministry of Health evaluated AOA's application—and determined that it met the criteria for licensing. AOA has identified 2080 Walkley Road as the proposed site for this facility, subject to Ministry confirmation of the location.

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## 6. Conclusion and Request

**The reclassification of 2080 Walkley Road from Light Industrial (IL) to Mixed Industrial (IM) under the new Zoning By-Law—and the resulting restriction on large-**





**scale medical facilities in the IM zone—has produced an outcome that we believe was unintended and that may not align with the City’s Official Plan, or with provincial healthcare policy, including the ICHSC licensing framework under the ICHSCA.**

The Province of Ontario has identified the need for additional orthopedic surgical capacity in Ottawa. It has conducted a competitive Call for Applications, evaluated AOA’s submission, and issued a licence authorizing up to 2,000 joint replacement surgeries per year. It has required AOA to meet rigorous accreditation, quality assurance, and reporting standards. And it has set timelines for the facility to be operational, with AOA having confirmed a target date of December 2026.

The current zoning classification presents a challenge that we believe was not intended and that can be resolved collaboratively. We recognize that the new Zoning By-Law is the product of years of dedicated work, and we do not suggest that the framework as a whole is flawed. We respectfully suggest that the treatment of medical uses in the IM zone may represent an unintended gap—one with real consequences for the 2,000 Ottawa-area patients per year who stand to benefit from this facility.

We respectfully request that the City of Ottawa:

- 1. Amend the permitted use provisions of the Mixed Industrial (IM) zone to expressly include medical facilities, including Integrated Community Health Services Centres (ICHSCs) and ambulatory surgical centres, as a permitted use or as a use permitted subject to reasonable performance standards.**
- 2. In the interim, confirm that the proposed AOA orthopedic surgical centre at 2080 Walkley Road may proceed through the building permit process by way of interpretation, temporary use by-law, site-specific amendment, or other appropriate mechanism available under the Planning Act—on an expedited basis given the provincial licensing timelines.**
- 3. Direct planning staff to undertake a broader review of the treatment of medical and healthcare uses across all employment and industrial zones—including sites reclassified from IL to IM—to ensure that the new by-law is aligned with the Province’s ICHSC framework and does not inadvertently obstruct provincially mandated healthcare infrastructure.**

The residents of Ottawa deserve timely access to orthopedic surgical care. The Province has acted. AOA is ready to deliver. We are confident that, working together, the City and the applicant can resolve this zoning matter and allow this important facility to proceed.





*We respectfully ask the City to consider this matter with the timeliness that 2,000 patients per year—and a provincial mandate with defined timelines—warrant, and we look forward to working with City staff toward a positive resolution.*

*Respectfully submitted,*

**Academic Orthopedic Surgical Associates of Ottawa Inc. + CCS Engineering & Construction Inc.**



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