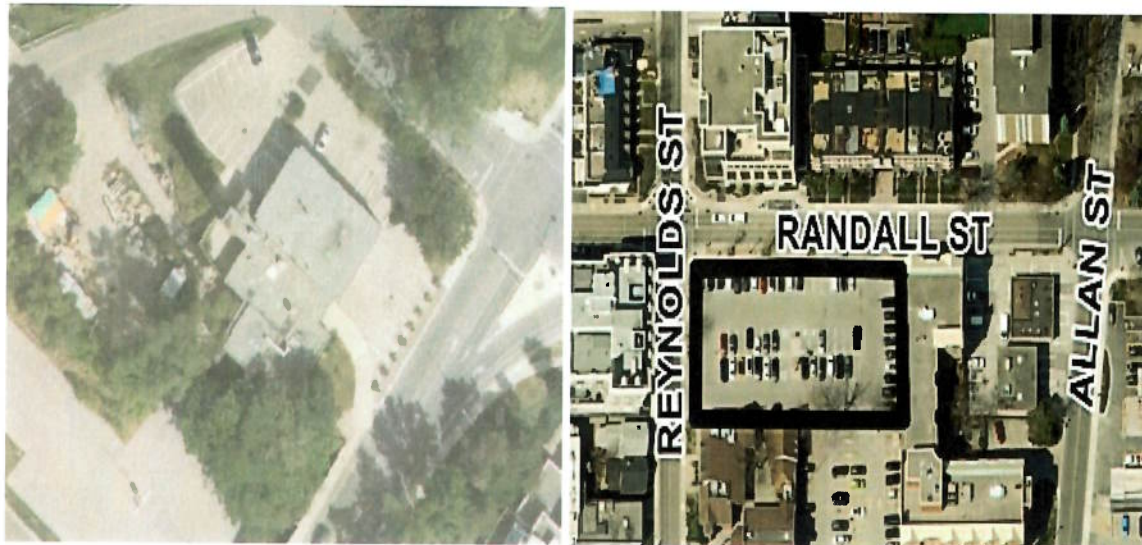


OakvilleMDC

Municipal Development Corporation





Municipal Development Corporation

On behalf of the Oakville Municipal Development Corporation (OakvilleMDC) and its Board of Directors, we are pleased to share with you the Annual Report for 2024 which outlines the OakvilleMDC's activities over this past year.

The Corporation has focused its attention on advancing the former Public Works site to the subdivision stage. A comprehensive update to the 2018 Master Plan was approved by the Board in December 2024 and a series of technical and engineering reports to support a Subdivision Application to the Town in 2025 have now been finalized. As stated in its mandate, the OakvilleMDC continues to work to optimize the community benefit and financial value of strategic properties that are no longer needed by the Town of Oakville.

An updated Master Plan for the site has now been completed which provides for a more efficient use of the various development blocks, repositions some buildings to minimize impacts and provides additional open space and parkland. The Urban Design Brief has continued to be updated and improved over the course of the past year, being finalized in December 2024. The final Master Plan confirms and validates the directions established by the Town in the 2018 Master Plan of connectivity, sustainability and desirability of place and it is this document that will be submitted in support of the various planning approvals required for the site. A new Reference Plan for the site was completed in 2022 as was a new topographical survey, all prerequisites to the technical work undertaken in support of a Subdivision Application.

A number of Consultants were retained in the Summer and Fall of 2024 to undertake updates to the various technical reviews and studies required by the Town to permit the Master Plan to move forward to the Subdivision stage. With the completion of these studies, the OakvilleMDC has now finalized all of the technical work necessary to bring the former Public Works site to an appropriate state of readiness to permit the making of a Subdivision Application to the Town, with a view to taking the property to market in 2025.

A new Business Plan (2025-2027) has now been completed and confirms that the assumptions around the near-term priority projects and the individual Work Plans to implement them remain valid and within budget. The new Business Plan confirms that the strategic assumptions and directions remain sound and that the financial viability/profitability of the priority projects continues to be high, notwithstanding the current economic environment. A new project – Parking Lot 8 has been included as a near-term priority in accordance with Town Council's request.

We would like to reaffirm our commitment to promoting and achieving the best value and community benefit for the Shareholder and look forward to your continued support in our endeavour to deliver those projects that further this goal.

Sincerely,

A handwritten signature in black ink, appearing to be 'Rob Burton', written in a cursive style.

**Director Rob Burton
Chair**

REPORT TO THE SHAREHOLDER

This Annual Report and Business Plan update provides information related to the Oakville Municipal Development Corporation's activities in 2024. This report is also intended to support the requirements of the Business Corporations Act, Ontario for holding of the 2025 Annual General Meeting of the Shareholder of the Oakville Municipal Development Corporation (OakvilleMDC) including receipt of the Audited Financial Statements for 2024.

Mandate

On January 1, 2018, the Oakville Municipal Development Corporation (OakvilleMDC) was incorporated to provide development services to the Town of Oakville to unlock the value of its under-utilized real estate holdings, with a view to enhancing the economic competitiveness of Oakville and furthering the Town's policy objectives.

The goal of Town Council in creating the development corporation is to achieve the following objectives:

- obtain "optimal value" in terms of both financial and non-financial community investment, i.e. achieve good financial and community value/community benefit simultaneously;
- enter into long-term commercial relationships in the nature of joint ventures, partnerships and equity transactions which will serve to ensure that the Town maintains a continuing interest in the development of strategic surplus properties and ensures that these properties will generate a sustainable, long-term source of income to the Town;
- build on community objectives by supporting community values and local heritage;
- clearly separate responsibilities between the Town as the approval authority and the OakvilleMDC as the developer of the project;

The corporation achieves its goals by:

- planning, subdividing and developing or redeveloping sites owned or held by the corporation (or on behalf of the Town) for residential, industrial, commercial, institutional, public, recreational or other uses;
- undertaking or conducting studies, research and design work;

- conducting public marketing and advertising of properties for disposition and/or sale; and
- other complementary activities not inconsistent with the above noted objectives.

The OakvilleMDC has established a governance framework which ensures that appropriate policies, procedures and controls are in place to allow for the proper conduct of its business and appropriate oversight of the corporation's activities. The Town of Oakville has identified what services will be provided to the OakvilleMDC on a chargeback basis and what services will be secured by the OakvilleMDC independently, the objective of which is to ensure an appropriate separation of functions to avoid conflict with the Town's role as the approving authority.

Role of the OakvilleMDC

The core business of the OakvilleMDC is unlocking the value of the Town of Oakville's surplus real estate assets through managed and sustainable development. The focus of OakvilleMDC's activities is to determine the financial and community development potential of these assets and to optimize that development potential. The OakvilleMDC and the Town work to identify opportunities within the Town's real estate portfolio for development and added value. To this end, the OakvilleMDC has identified assets that have been prioritized for development through the development of a Business Plan, which establishes its priority projects and provides workflow scenarios, budgets and timing for these projects.

The OakvilleMDC plays the role of "Master Developer" for the benefit of the Town, undertaking planning and development activities that allow the town's surplus land holdings to be developed over time, as the market dictates. The Master Developer approach ensures that lands are developed in accordance with Town Council's vision by allowing greater control over the use and design of each development and the achievement of defined community objectives. This serves to optimize financial returns and deliver long-term social, environmental and community benefits to the citizens of Oakville.

The OakvilleMDC will direct the timing and sequence of development and will determine the staging and coordination of infrastructure delivery for lands that have been identified by the Town for development or redevelopment. The OakvilleMDC will also be responsible for managing the Planning Act applications to the Town to permit development to occur and for securing the necessary planning and other municipal/agency approvals, negotiations with developers and ongoing oversight of the on-the-ground delivery of the development. Through the creation and management of

innovative, community focused development projects, the OakvilleMDC will seek to strengthen partnerships with private sector developers and the community's stakeholders, neighbours and other levels of government.

The OakvilleMDC typically advertises properties for disposition through the OakvilleMDC's website of active development opportunities, signs on properties and on a variety of development industry websites and platforms to ensure the widest pool of potential development partners can be reached. Successful developers may be selected through a number of methods as determined by the Board in each instance: by a Request for Proposal or Expression of Interest, by direct negotiation, by listing with a real estate firm or broker, by sole source or by agreement of purchase and sale. The preferred form of transaction for most projects will typically be by joint venture, partnership or equity transaction, although outright sales will be contemplated in special circumstances, (as was the case with the former Brantwood school property and the parcel located at the corner of Trafalgar Road and Glenashton Drive). In order to be eligible for selection, all proponents must agree at the outset of the disposition process to meet and to continue to be bound by all conditions established by the Town and the OakvilleMDC related to planning controls, design standards and financial requirements.

OakvilleMDC 2024 Activities

Former Public Works Site

In order to ensure that the assumptions and preferred development scenario envisioned through the 2018 Master Plan remain current and responsive to policy changes that have occurred since the adoption of the Master Plan, the firm of Bousfields Inc. was retained to undertake a planning and design analysis. The objective of this review is to identify the highest and best use of the site both in its entirety and for each development block, in order to provide direction on a phasing and disposition strategy. An updated Urban Design Brief was approved by the OakvilleMDC Board of Directors which responds to new policy directions by accommodating growth in the Town of Oakville to 2051, through increased density of the built-form at the former Public Works site and the provision of additional apartment/condominium unit supply in this strategic growth area. The updated 2024 Master Plan/Urban Design Brief confirms and validates the direction set by the 2018 Master Plan. The Master Plan aligns with the Town's vision for the site and continues to uphold the Town's design principles of connectivity, sustainability and desirability of place.

This updated Master Plan provides for a realignment of the various development blocks to maximize connectivity and allow for additional greenspace, reducing the number of buildings on site from 9 to 8. It repositions and reduces the footprint of some buildings to allow for a greater separation distance between buildings on each block, widens boulevards, public sidewalks and rights of way and provides additional open space and parkland. The new survey for the site also now shows the east-west Georgian Drive and Gatwick Drive connections.

To enhance the retail main street character, an urban promenade – which is an expanded public/private pedestrian zone – along the north edge of Georgian Drive has been provided and will offer additional programming space for patio/café seating, additional street furniture, landscaping and public art. Increased housing opportunities have been provided, including a range of unit sizes and in particular providing housing for families and affordable housing (a minimum of 100 units). Additionally, a new tree canopy plan has been prepared which increases the tree canopy coverage for each development block to be greater than the 20% tree coverage requirement of the Town's Bylaw for each development block.

Two additional studies were commenced in 2023 – an archaeological study and a Phase II ESA, both of which were finalized in March 2024. The Ministry of Citizenship and Multiculturalism has approved the Stage 2 Archaeological Report and has entered it on the Ontario Public Register of Archaeological Reports. The Ministry has confirmed that no further archaeological investigation or fieldwork is required. Additionally, an update to the Phase I ESA (Environmental Site Assessment) originally completed by the Town in 2018 a new Phase II ESA was undertaken. All field work was completed throughout January and February 2024 and the final Phase II ESA report was completed on March 18, 2024. The previously identified contamination of the site (which is primarily confined to the southwest portion of the property) was confirmed. Being a former Public Works site, the contamination consists of salt caused by the historic presence of a salt dome on the property, metal, asphalt and VOCs (i.e. volatile organic compounds) including gasoline, diesel fuel and hydraulic fluids and a remediation program or risk assessment will be required to bring the site into compliance with the applicable standards prior to filing a Record of Site Condition. This will be done during the construction phase, since the soil will need to be disturbed in any event to install the necessary infrastructure to support the development. With the updates to the existing studies and the receipt of the Stage 2 Archaeological Study and the Phase II ESA, all technical engineering reports are now completed.

With the approval of the final Master Plan by the Board in December 2024 and the completion of the technical studies, a Public Information Meeting (PIM) hosted by the OakvilleMDC and the planning consultant (Bousfields) was held on February 26th, 2025. A total of 483 postcard invitations were mailed to households within a 240m radius of

the site, which includes registered property owners, municipal/regional contacts, and resident organizations, in accordance with the Town's requirements. A total of 19 individuals attended the meeting and comments were focused primarily on the need for affordable housing, the provision of a sufficient number of family units, traffic and the retail component along Georgian Drive.

The property was formally transferred to the OakvilleMDC on March 20, 2025 so that the various Applications (Subdivision, Zoning Amendment and Official Plan Amendment) could be made in the name of the corporation, rather than by the Town in order to avoid any perception of conflict by the Town in its role as the approval authority. These Applications have now been submitted to the Town and it is anticipated that approval will occur in the late summer, with a view to commencing the marketing the site in the 4th quarter of 2025.

Fire Hall Site, 125 Randall Street

Recognizing this property's very strong locational attributes (i.e. its location at the edge of Downtown Oakville, its proximity to retail amenities, the waterfront, cultural and recreational facilities, etc.), it is imperative that the value of the site to the Town be maximized and that any redevelopment takes full advantage of its location and favourable characteristics. The OakvilleMDC engaged N. Barry Lyons Consultants in November 2023 to undertake a study on the joint behalf of the OakvilleMDC and the Town and to provide their opinion of land value(s) for 125 Randall Street by considering various opportunities and options for developing the site as a mixed-use development. This Development Feasibility & Land Value Analysis Study which was completed in February 2024 has provided the Town with the information it requires to determine the highest and best use of the former Randall Street Fire Hall and its preferred development scenario for the site.

At its meeting in December 2024, Town Council determined that the redevelopment plan envisioned for the site by the OakvilleMDC and the Town will consist of the demolition of the existing building on the property and the construction of a new residential condominium tower. This site is located in the Town of Oakville's Downtown Cultural Hub area and the first two floors of any future building on the property, having a GFA of approximately 20,000 square feet will be non-residential space reserved by the Town as cultural/community space. The Town will retain ownership of these two floors for its own use or alternatively, may determine to lease out this space to a community group. Town Council will consider the development of a building which does not exceed 17 storeys in height, yielding 2 floors of community/cultural space and 15 floors of residential space.

Although a high-rise tower has always been contemplated for the property, the subsurface conditions had never been investigated to determine whether the site could support a tower redevelopment. A geotechnical study to determine bedrock depth and groundwater levels to adequately inform foundation design and assess potential impacts on the planned high-rise and underground parking levels was initiated by the OakvilleMDC in December 2024. The study investigated subsurface conditions, bedrock elevation and hydrogeological characteristics of the site. A series of boreholes have been dug to obtain bedrock core samples and a number of monitoring wells to measure groundwater/static water elevations have been drilled. The conclusions of this report indicate that the site will support the construction of a 17-storey tower, with 2 or 3 levels of underground parking and possibly more levels of underground parking, subject to the completion of a further hydrogeological study for the site.

With Town Council's approval of its preferred development option and confirmation that the site can support the contemplated high-rise tower, a Request for Proposals (RFP) for a joint venture project was issued by the OakvilleMDC on March 10, 2025. This joint venture opportunity has been posted on the OakvilleMDC's website (OakvilleMDC.ca) as well as on the Bids and Tenders site, which is the same site utilized by the Town of Oakville for its procurement calls. The RFP has a closing date of May 7, 2025 and several responses are anticipated, based on inquiries received from interested developers. Evaluation of all Proposals received will be undertaken in May and if an acceptable proposal is received, a recommendation will be taken to the OakvilleMDC Board as soon as possible thereafter.

Former Oakville- Trafalgar Hospital Site

Since 2022, the OakvilleMDC has been actively conducting informal market soundings to gauge whether the development community would be interested in redeveloping the site. Based on the market soundings conducted to date, there appears to be very limited interest in redeveloping this site in a consolidated manner.

Although there had been some developer interest in this site in 2023, no redevelopment plan has materialized. This continued reluctance relates to the high cost associated with the repurposing of the high school building and the overall profitability of any project on site. The redevelopment of heritage buildings is specific to a distinct developer group, while the same can be said for developers of Seniors' living accommodation.

In November 2024, the OakvilleMDC engaged Cushman & Wakefield to undertake a Seniors Housing Market Feasibility Study to provide an analysis of the current and prospective market depth or demand for the proposed Seniors Facility. An analysis

of the demographic profile of the primary market area for the property, a determination of the total number of seniors within the market and an analysis of existing and proposed supply was undertaken to confirm market demand. The Study concludes that there is market demand for Senior's rental apartments/freehold condominiums, if phased over a 5-year timeframe based on a site footprint for the Seniors' Facility of 1.88 acres, which would yield a sufficient number of units to make such a project financially feasible. The entire site is approximately 3.09 acres in size and as such, the remaining portion of the site which is intended to be attributed to the High School building and the Civic Square must be such that the land provided for a Seniors' Facility is of sufficient size to remain financially viable. This may add a further challenge to the marketability of the High School building.

A Development Feasibility & Land Value Analysis Study has also been undertaken by the broker. As indicated, the buyer pool for Senior's housing developments is specialized and narrow and there are already several Seniors' oriented developments in the market or proposed to be built in Oakville, which has led to lower market values for Seniors' housing sites. Although there is a market for a Seniors' Housing development on this site, construction and operation costs will be high for a four-storey building which may result in a reduced land value than would otherwise be realized if this portion of the site were utilized for another purpose. The OakvilleMDC will continue to work with the broker to target/attract developers who focus on developing Seniors' housing.

Parking Lot 8 – Randall and Reynolds Streets

At its meeting in December 2024, Town Council has requested that the OakvilleMDC to investigate Parking Lot 8, located at the intersection of Randall and Reynolds Streets in Downtown Oakville for a redevelopment opportunity. This is considered a pilot site which will help determine the potential for securing additional parking through a redevelopment of a surface parking lot in the Downtown area. The new Business Plan (2025-2027) now includes Parking Lot 8 as a near-term priority project.

The Town's 2021 Parking Utilization Study determined that additional parking is needed within the vicinity of this parking lot and the OakvilleMDC will now work to unlock its potential value through a redevelopment of the site, with a view to substantially increasing the number of public parking spaces beyond the 58 spaces currently available. Both commercial and residential (or a combination of both) uses will be considered, with additional parking provided onsite in an underground parking structure. Parking Lot 8 is large enough to support a redevelopment of this nature and will have little to no impact on neighbouring properties.

Should an acceptable opportunity materialize, the OakvilleMDC intends to undertake any redevelopment through a joint venture arrangement in order to ensure that as a joint venture partner, the OakvilleMDC can maintain control of the development and increase the financial return to the Shareholder through a defined share of profits. Preliminary discussions with developers regarding potential uses, potential height, construction methods and constraints, number of parking spots, etc. will be undertaken to help determine the viability of this pilot project. Following these discussions, an Expression of Interest (EOI) will be issued to solicit formal indications of interest in pursuing a development plan for the site from potential developers, which is anticipated to occur in May 2025.

2025-2028 OakvilleMDC Business Plan

A new four-year Business Plan for the 2025-2028 forecast period of 2025-2028 has been prepared by the firm of N. Barry Lyons Consultants, which now identifies four near-term priority projects. Since the time of the last update, Town Council has requested that the OakvilleMDC undertake the redevelopment of two additional sites - the former Oakville-Trafalgar Hospital and High School property and Parking Lot 8, both of which are located in the Downtown area of Oakville. These have now been included in the 2025-2028 Business Plan. As the Shareholder is aware, the Brantwood School project and the Trafalgar Road Parcel 7 site dispositions were completed during the term of the last Business Plan.

Although originally intended to be completed last year, the final Business Plan was delayed to 2025 in order to align with the final Board approval of the updated Master Plan for the Public Works site, which occurred in December 2024 and to receive direction from Town Council on a preferred development option for the Randall Street property, which was also provided in December 2024. These two inputs were critical to ensuring that the new Business Plan provided an analysis of the most up to date information available.

Development costs continue to be high, which effectively reduces the number of developers who have sufficient access to funding to participate in larger-scale undertakings. Construction costs also continue to see significant increases. These factors could impact the pool of developers who would otherwise be inclined to participate in the development of the OakvilleMDC's properties.

Although the projected costs to be incurred by the OakvilleMDC over the 2025-2028 Business Plan forecast period for the remainder of the life of the 2021-2023 Business Plan have increased somewhat, the total profit and residual land value forecasted for the former Public Works site and the former Fire Hall No. 3 site remain strong – a product of both the strong market for desirable properties and the stability of property values for these type of properties that continue to occur in the land development market. These continue to be very desirable properties which still attract significant developer interest, notwithstanding the current interest rate and inflationary pressures.

AUDITED FINANCIAL STATEMENTS

The 2024 Audited Financial Statements are attached as Appendix 1 to this Annual Report. These have been prepared by Finance staff from the Town on behalf of OakvilleMDC management and approved by the Board. KPMG LLP is the external auditor and has examined these financial statements and has provided its audit opinion.

The financial statements provide the Shareholder with information in relation to the OakvilleMDC's year-end financial position and operations for the 2024 year. The financial statements include a number of different individual statements and notes. These statements and notes are relatively simple and straightforward and primarily reflect the costs of the work undertaken by staff and the funding provided by the Shareholder.