



OAKVILLE

REPORT

LIVABLE OAKVILLE (OFFICIAL PLAN REVIEW) COUNCIL SUBCOMMITTEE

MEETING DATE: JANUARY 16, 2017

FROM: Planning Services Department

DATE: January 9, 2017

SUBJECT: Kerr Village Growth Area Review - Draft Policy Changes

LOCATION: Kerr Village

WARD: 2

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RECOMMENDATION

That the report titled “Kerr Village Growth Area Review - Draft Policy Changes” be received.

KEY FACTS

The following are key points for consideration with respect to this report:

- On June 13, 2016, the Livable Oakville Council Subcommittee received a staff report titled “Kerr Village Growth Area Review Update.” The report summarized the work completed to date including public feedback received and next steps. The Subcommittee provided staff with further comments for consideration.
- Since June 13, 2016, the Subcommittee received the “Assessment of Redevelopment Viability within the Town’s Main Street Growth Areas” report. This report provides additional input considered in the preparation of draft policy changes for Kerr Village for review and consultation.
- This report presents draft policy changes for the Kerr Village Growth Area (**Appendix A**). Public open houses are to be scheduled in the coming months to discuss the draft policy changes and solicit public input. Staff welcome comments from the Subcommittee.

BACKGROUND

The Livable Oakville Plan (Town of Oakville Official Plan) provides a policy framework to guide growth and change for the lands south of Dundas Street and north of Highway 407 to the year 2031. The Plan identifies Kerr Village as one of six

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growth areas planned to accommodate new growth and development through intensification. Kerr Village is envisioned to be revitalized as a vibrant business district and cultural area.

Since the adoption and approval of the Livable Oakville Plan, the Provincial Policy Statement (2014), the Growth Plan for the Greater Golden Horseshoe (Amendment 2), and the Region of Halton Official Plan (ROPA 38), have been updated.

In May 2015, the town initiated its Five Year Official Plan Review in accordance with the requirements of the *Planning Act*. As part of the five year review, the policies that guide growth and change in Kerr Village were identified to be studied to ensure the established goals and objectives for Kerr Village are realized. Draft policy directions for Kerr Village were developed and two public open houses were held in the fall and winter of 2015.

In February 2016, a town-wide Urban Structure Review was initiated in response to increasing growth pressure throughout the town and to determine how to accommodate required growth to the year 2041. It will assess and provide direction for how to manage growth and change across the entire town.

In May 2016, the Province released the “Proposed Growth Plan for the Greater Golden Horseshoe, 2016” stemming from the ongoing Provincial Coordinated Planning Review. Significant changes have been proposed and staff continue to assess the town’s urban structure and how the policies that guide growth and change in Kerr Village will fit into this larger framework.

On June 13, 2016, the Subcommittee received a staff report titled “Kerr Village Growth Area Review Update.” The report summarized the work completed to date, including public feedback received, and provided next steps. At the meeting, the Subcommittee provided staff with further comments for consideration discussed in this report.

On October 3, 2016, the Subcommittee received the “Assessment of Redevelopment Viability within the Town’s Main Street Growth Areas” report prepared by N. Barry Lyon Consultants Ltd. The report provides critical background work to inform future policies for Kerr Village.

On November 1, 2016, the Subcommittee received the “Urban Structure Review – Discussion Paper, DRAFT” report prepared by Macaulay Shiomi Howson Ltd.

STUDY INPUTS

A detailed assessment of factors influencing development, including public input received, was completed and presented in the “Kerr Village Growth Area Review Update” report received by the Subcommittee June 13, 2016. The sections below provides an overview of additional information received at and following the June 13, 2016 Subcommittee Meeting.

Livable Oakville Council Subcommittee Meeting - June 13, 2016

The “Kerr Village Growth Area Review Update” report concluded that “staff will consider input received from the Livable Oakville Council Subcommittee on the draft directions in future phases of the Kerr Village Growth Area Review.”

Concerns remain regarding six storey building height permissions along the main street.

The draft policy direction to consider additional height along Kerr Street, from four storeys to six, is being considered to be provided through bonusing. Bonusing does not create “as-of-right” permissions. To obtain additional height through bonusing, the proponent of a development application must apply for a Zoning By-law Amendment, demonstrating that the additional height would not create adverse impact. In addition, the proponent would be required to enter into a Section 37 Agreement with the town, to the satisfaction of Council, which would provide a community benefit(s) to the town in exchange for the additional two storeys. Town Council has the authority and discretion to approve Zoning By-law Amendments and undertake Section 37 Agreements. Bonusing should only be considered along the main street areas, not including gateways, to a maximum of two storeys to ensure the objectives of a low rise main street area are maintained.

Staff continue to suggest bonusing policies be considered along Kerr Street in order to create more opportunities for viable development to take place and ultimately achieve the policy objectives for Kerr Village; creating a vibrant main street and business district. The rationale for carrying forward this draft policy direction is discussed throughout this report.

Concern was raised regarding increased traffic, specifically as a result of new development and the proposed extension of St. Augustine Drive.

Staff confirmed that functional servicing aspects for Kerr Village, including traffic considerations, would be reviewed as a result of any proposed policy changes.

Furthermore, staff from Transportation Strategy would be involved in the development of proposed policy changes.

Assessment of Redevelopment Viability Report - October 3, 2016

The “Kerr Village Growth Area Review Update” report, received by the Subcommittee June 13, 2016, concluded that a number of key areas required further technical review and analysis as part of policy development, including an assessment of redevelopment viability. This stemmed from feedback from the development and real estate communities who indicated that the redevelopment of existing properties to a maximum of four storeys, as permitted under the current Main Street 1 and Central Business District designations in Kerr Village, is not financially feasible. The implication of this being that it could be a contributing factor as to why there has been only modest development in Kerr Village south of Speers Road in recent years. In response, the town retained a consulting team to conduct a viability assessment for the Kerr Village, Bronte Village and Downtown Oakville Growth Areas (main street growth areas).

On October 3, 2016, the Subcommittee received the report titled “Assessment of Redevelopment Viability within the Town of Oakville’s Main Street Growth Areas” completed by N. Barry Lyon Consultants Ltd. The report provides an analysis of the financial aspects contributing to project viability within the main street growth areas. It looks at the conditions that may be created when moving from a four storey to six storey height limit.

The study indicates that where market demand is strong, increasing building heights to six storeys typically:

- allows for greater efficiency and flexibility in a developer’s pro forma;
- improves land values which encourages redevelopment;
- encourages consolidation of small lots; and,
- encourages the provision of a wider choice of housing types and affordability.

The study states:

“Our analysis indicates that an increase from four to six storeys for new mixed-use development will have a positive impact in terms of encouraging reinvestment in these growth areas. This impacts the Town’s ability to achieve broader policy objectives as articulated in the Provincial Policy Statement and Growth Plan for the Greater Golden Horseshoe. These include policies to promote cost effective development patterns and densities that support the efficient use of land and resources; and, to establish

development standards for residential intensification which minimize the cost of housing and facilitate compact development forms” (Page iii)

The study notes that Kerr Village has weaker market conditions at the time of study in comparison to Bronte Village and Downtown Oakville. The consultant’s financial prototype testing illustrates that the increase in height does not currently produce a positive impact on the financial results of development in Kerr Village. This is largely because the move to six storey building forms would increase construction costs and the market is not currently robust enough to offset this hard cost increase while also supporting typical developer profit requirements and market value for land.

However, the consultants identified Kerr Village as having excellent market attributes, and over time they expect demand and pricing to increase where development at six storeys would be financially attractive. The consulting team notes that allowing six storey development in Kerr Village will be beneficial in the near future, as the market continues to evolve over time.

Urban Structure Review, Draft Discussion Paper - November 1, 2016

The “Kerr Village Growth Area Review Update” report, received by the Subcommittee June 13, 2016, concluded that “staff should commence the policy formulation phase of the Kerr Village Growth Area Review following sufficient direction stemming from the Urban Structure Review, if any.”

On November 1, 2016, the Subcommittee received a draft discussion paper for the ongoing Urban Structure Review. It includes options for key structural components to be included in the town-wide urban structure. All options build on the urban structure established in the Livable Oakville Plan and the North Oakville Secondary Plans. The draft report generally notes that the three Main Street Growth Areas (i.e., Bronte Village, Kerr Village and Downtown Oakville) are historic main street areas that have a different role to play than the other growth areas, and consideration should be given to this as part of the overall urban structure for the town. All development within the main street growth areas must be carefully and sensitively integrated with the surrounding area to address their unique nature, density, height and transition.

The Urban Structure Review is still a work in progress. However, the draft direction for the three main street growth areas is in line with the underlying vision and development objectives previously identified through the Livable Oakville Plan and the Growth Area Review process. Further direction may still arise from the Urban Structure Review as it proceeds to being finalized and would be incorporated into policies for the growth areas as appropriate. In the

interim, there is nothing in the draft report which would indicate that the town should not proceed to the next stage of this review.

Ongoing Provincial and Regional Policy Reviews

At the time of writing this report, the Province continues to carry out a review of several Provincial Plans, including the Growth Plan. The review to date has proposed policy changes that would continue to support, and look to increase, intensification opportunities at appropriate locations throughout the Greater Golden Horseshoe's built-up area.

Growth implications of the emerging Provincial policies are being considered as part of the town-wide Urban Structure Review and the town's ongoing Official Plan Review. However, it is unknown at this time how much new growth will be required to be accommodated in Kerr Village and elsewhere within the town

Although this process is in an early stage, a clearer picture has begun to emerge for Kerr Village. It is expected that the general scale of change anticipated will remain, as per current policies, at a scale which is less intense than other growth areas and in consideration of its unique character as a "main street".

Revisions to proposed Provincial policies will continue to be addressed as the policy development phase for the Kerr Village Growth Area Review carries forward.

The Region of Halton Official Plan is also undergoing comprehensive review and will be updated to conform to Provincial policies. The town continues to coordinate its Official Plan Review with the Region of Halton and will assess any emerging policy directions from the Region as the policy development phase of the Kerr Village Growth Area Review moves towards a statutory Official Plan Amendment process.

Other Town Initiatives

Kerr Street Grade Separation – Speers Road to QEW

The Kerr Street Grade Separation project is ongoing. The Town completed an Environmental Assessment which recommended a grade separation (underpass) for Kerr Street at the existing road/rail crossing. The overall project limits extend from Speers Road to north of the QEW bridge and consists of widening Kerr Street between Speers Road to the QEW from two lanes to four travel lanes, including additional turning lanes at the intersection of Kerr Street and Speers Road, and streetscape features. The engineering design work is underway and

discussions between the town and Metrolinx are ongoing regarding the timing of project commencement and a funding partnership.

POLICY DIRECTIONS

This section provides a rationale and evaluation of how the draft policy directions, as received by the Subcommittee on June 13, 2016, have progressed into draft policy changes, as seen in **Appendix A**. The draft policy changes are based on:

- Comments received from the public, Subcommittee, and town staff;
- Findings from the report titled “Assessment of Redevelopment Viability in the Town’s Main Street Growth Areas”;
- Emerging directions through the Urban Structure Review;
- Ongoing assessment of Provincial and Regional policies.

At this time, the draft policy changes provided in **Appendix A** are not considered recommendations. Rather, they are draft changes to be further refined with input from the public, Council, town staff and agencies. The draft policy changes may also be further informed by ongoing town initiatives and reviews (conducted as the study process continues).

Evaluation of Draft Policy Directions

In considering how to advance the draft directions into draft policy changes, staff created categories:

Category	Description
Carry Forward	Direction should be implemented.
Modify Policy Direction	Direction should be modified and implemented.
Do Not Carry Forward	A new approach should be considered.
Future Conformity	Further conformity considerations required.

Each direction was analyzed based on input received to date, and then placed into a category. For convenience purposes, the table below identifies how staff categorized each draft policy direction to be carried forward into the draft policy development phase.

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	<i>Direction</i>	<i>Carry Forward</i>	<i>Modify Direction</i>	<i>Do Not Carry Forward</i>	<i>Future Conformity</i>
1	Extend the growth area boundary in the Upper Kerr Village District			✓	
2	Extend the growth area boundary in the Lower Kerr Village District	✓			
3	Eliminate the Central Business District (CBD) designation	✓			
4	Re-designate the northwest corner to Urban Core with bonusing	✓			
5	Re-designate Oakville Seniors Centre	✓			
6	Permit bonusing along Kerr Street	✓			
7	Strengthen and enhance existing urban design policies		✓		
8	Remove growth target expressed as a number			✓	✓
9	Undertake general housekeeping of policies	✓			

A rationale for each direction is provided below the table.

1. Extend the growth area boundary in the Upper Kerr Village District

Staff Evaluation: Do Not Carry Forward

Public response to Direction 1 was favourable. However, there were a number of considerations that led staff to categorize it as “do not carry forward”. The Speers Road Corridor Study is expected to be initiated in 2017, and will include an analysis of the lands along Speers Road from Bronte Road to Kerr Street. Staff are of the opinion that this study should be completed prior to recommending any boundary changes in the Upper Kerr Village District.

In addition, extending the boundary would capture 201 Speers Road, which is listed on the Heritage Register. It is identified as having potential cultural heritage value for the industrial building designed by Marcel Breuer, a world-renowned architect, student and teacher of the Bauhaus. The listed status may constrain comprehensive redevelopment east of the proposed road extension, as contemplated by the initial draft direction.

2. Extend growth area boundary in the Lower Kerr Village District

Staff Evaluation: Carry Forward

Public response to Direction 2 was positive, which contemplates expanding the growth area boundary in the Lower Kerr Village District as follows:

- eastward to include the area bounded by Forsyth Drive to the west, Rebecca Street to the north, Sixteen Mile Creek to the east, and Lakeshore Road to the south; and,
- westward to include the area bounded by Dorval Drive to the west, Rebecca Street to the north, Maurice Drive to the east, and Lakeshore Road to the south.

Capturing these areas was generally seen to be consistent with the current land use permissions and a natural extension for the growth area boundary.

The land to the east of the Lower Kerr Village District toward Sixteen Mile Creek is currently designated high density residential and contains existing apartment buildings. Including it in within the Kerr Village Growth Area boundary would reinforce the existing link between Downtown Oakville and the Lower Kerr Village District.

Recent development west of the Lower Kerr Village District is consistent with the existing policy direction for Kerr Village by accommodating intensification with a mix of residential and commercial uses. The area is currently designated for high and medium density residential uses and some mixed uses on the north side of Lakeshore Road West to Dorval Drive. As such, it is considered a logical extension to the Lower Kerr Village District.

3. Eliminate the Central Business District (CBD) designation

Staff Evaluation: Carry Forward

The Central Business District (CBD) designation is very similar to the mixed use Main Street designations. In an effort to promote consistency and remove policy duplication, staff are of the opinion that the Main Street 1, Main Street 2, Low Density Residential, Medium Density Residential, and High Density Residential land use designations can be applied to the existing CBD area to achieve the same objectives and reflect the existing built context.

The majority of the public response favoured this direction; but there was some concerns about increased heights. The draft policy changes maintain the CBD height permissions of two to four storeys for most of the area to be

redesigned. The only location within the existing CBD area where more than four storeys is contemplated is on the north side of lakeshore Road at Kerr Street. This side of the intersection is an identified gateway, and staff are of the opinion that an additional two storeys would be appropriate in this location.

All of the existing site-specific exception policies have been maintained in the draft policy changes. Some new exception policies have also been introduced to recognize existing uses.

4. Redesignate the northwest corner to Urban Core with bonusing

Staff Evaluation: Carry Forward

Direction 4 had strong support in the public response. Comments received throughout the Kerr Village Growth Area Review process to date have indicated a desire for change in the northwest quadrant of Kerr Street and Speers Road in the form of mixed uses and higher densities.

The current designation of the quadrant is a combination of Urban Core (8-12 storeys) and Urban Centre (6-8 storeys) with a bonusing overlay. The draft policy changes seek to consolidate the designation to Urban Core (8-12 storeys) with a bonusing overlay for the entirety of the quadrant. Staff are of the opinion that consolidating the quadrant into one designation provides an improved opportunity for comprehensive redevelopment and simplifies the land use direction for the entire block.

A new exception policy is proposed through the draft policy changes which would require that development in this quadrant be based on a comprehensive development plan which demonstrates the potential full build-out of the site.

The existing exception policies that speak to phasing, recognition of existing building heights and the implementing zoning have been maintained in the draft policy changes.

5. Redesignate Oakville Seniors Centre

Staff Evaluation: Carry Forward

Public response to Direction 5 was favourable. Comments indicated that four to six storeys would be an acceptable building height, and that there is a need for more seniors housing in Kerr Village.

The Oakville Seniors Centre will be relocated to Oakville Arena as part of the Trafalgar Park Revitalization Project. The current site is surrounded by High Density Residential (7 storey building) and Institutional uses. Staff are of the opinion that designating this property from Main Street 1 (2-4 storeys) to Main Street 2 (4-6 storeys) would be appropriate given the surrounding context. It is also intended to encourage the redevelopment of the site in a mixed use form that supports the main street function of Kerr Street while also providing additional residential opportunities.

Although staff are considering to redesignate the property, the draft policy changes would not preclude another use, such as a community facility or another commercial use, from using the existing Oakville Senior Centre building should a tenant be found to occupy this building.

6. Permit bonusing along Kerr Street

Staff Evaluation: Carry Forward

Public response to Direction 6, to allow increased building heights from four storeys to six storeys through bonusing, was generally positive with support for the use of bonusing funds to benefit the community. However, there was some concern raised about the potential impact of increased height on adjacent residential areas.

The bonusing overlay shown over the Main Street 1 designation (2-4 storeys) along Kerr Street would allow the potential for up to two additional storeys (up to 6 storeys) through bonusing. As indicated in a previous section of this report, bonusing does not create “as-of-right” development permissions. To obtain additional height through bonusing, the proponent of a development application must apply for a Zoning By-law Amendment, demonstrating that the additional height would not create adverse impact. In addition, the proponent would be required to enter into a Section 37 Agreement with the town, to the satisfaction of Council, which would provide a community benefit(s) to the town in exchange for the additional height. Town Council has the authority and discretion to approve Zoning By-law Amendments and undertake Section 37 Agreements.

The existing bonusing policies for Kerr Village, which list the public benefits that may be considered in exchange for additional height, are maintained in the draft policies.

To address the adjacent low density residential neighbourhoods, the existing urban design policy that requires buildings to be “stepped back” above the fourth storey has also been maintained in the draft policies.

The Assessment of Redevelopment Viability Report received by the Subcommittee on October 3, 2016, indicates that four storey developments may produce viable financial results but development at this scale would require a focus on the luxury market to offset the development costs. This segment of the market is narrower and demand is less robust. The consultants’ analysis also showed that an increase in height of two additional storeys may not have a positive impact on redevelopment costs given the current market context in Kerr Village, but viability is expected to improve in the near term. As such, staff are of the opinion that adding a bonusing overlay on the Main Street 1 designation along Kerr Street, to allow the potential for six storeys, would support reinvestment in Kerr Village as the market evolves.

7. *Strengthen and enhance existing urban design policies*

Staff Evaluation: Modify Direction

Public response to Direction 7 was very favourable. The draft policy changes include an Urban Design Schedule and associated policies that enhance and clarify the intent of the development concept for Kerr Village. Draft policies are included relating to the public realm, streetscapes, gateways, urban squares, and built form. The policies further the existing urban design-related policies specific to Kerr Village.

It is staff’s opinion that strengthening and enhancing the existing urban design policies will help to further achieve the goal of a vibrant business district and cultural area, and ensure compatible built form and transition. The introduction of an urban design schedule will also provide an opportunity to graphically and spatially represent the design related policies for greater understanding.

8. *Remove growth target expressed as a number*

Staff Evaluation: Do Not Carry Forward, Future Conformity

Public response to Direction 8 was mixed between “yes”, “neutral” and “don’t know”. Those who supported this direction indicated that it made sense to enhance flexibility, while those who were “neutral” expressed that a

quantifiable number allowed residents to understand how the provincial growth policy might affect Kerr Village.

In coordination with the Urban Structure Review and other conformity considerations, staff continue to explore options for how growth numbers should be expressed within a local land use policy context. It is the intent of staff to provide a clear understanding of the level of growth that is planned for, while ensuring it conforms to Provincial and Regional policy documents. A coordinated approach across all growth areas is still under consideration and review.

Currently staff have put forward, for further consideration and comment, a draft approach which considers a minimum planned density of residents and jobs combined per hectare. This language is reflective of the language contained within the Growth Plan for the Greater Golden Horseshoe. However, the draft policy changes do not currently set out a minimum planned density. This number will be confirmed once:

- staff has public input on the draft policy changes proposed;
- an approach to the policy language expressing growth and density numbers is more firmly established for the Official Plan as a whole;
- baseline population and employment figures are confirmed through the updated census; and,
- growth allocation requirements from Halton Region are more clearly understood.

Ultimately, a minimum planned density should be provided that enables the achievement of a revitalized, transit-supportive, main street area.

Staff note that it is the responsibility of Halton Region to allocate the growth forecasts provided in the Provincial Growth Plan for the Greater Golden Horseshoe to its local municipalities. The allocation of this growth will be confirmed through the Region of Halton's Official Plan Review anticipated to conclude in 2020. As such, a coordinated approach for their introduction into the town's Official Plan is required, resulting in a two-stage implementation process at the local level.

At this time (stage one), staff are working to establish the growth and development vision for Kerr Village and implement these changes through amendments to the local Official Plan. This will help to inform Halton Region of the ultimate development vision and direction for this area. The second stage of implementation will be the town's conformity exercise following the approval of the Region of Halton's Official Plan. The town's conformity

exercise will confirm the growth numbers that have been allocated to the town, including Kerr Village, resulting in another amendment to the town's official plan.

9. Undertake general housekeeping of policies

Staff Evaluation: Carry Forward

Public response to Direction 9 was very favourable. The draft housekeeping policy changes attempt to clarify intent, make wording more consistent, and eliminate duplication and conflicts in the Plan's text.

NEXT STEPS

In early 2017, staff will provide a public consultation opportunity to review and comment on the draft policy changes, as presented in **Appendix A**. Based on comments received, staff will prepare an Official Plan Amendment. During the preparation of an Official Plan Amendment, staff may have additional studies completed, including a transportation impact study, to validate the policies and ensure they are achievable from a functional servicing perspective.

As per the Official Plan Review Work Plan presented to the Subcommittee on October 3, 2016, a Statutory Public Meeting at Planning and Development Council is not anticipated until Q3, 2017. A decision making meeting is anticipated in Q4, 2017.

As stated earlier in this report, the Region of Halton's Official Plan Review, anticipated to conclude in 2020, will determine the allocation of growth to its local municipalities as required by the Provincial Growth Plan. As such, there will be a two-stage implementation process at the local level. At this time (stage one), staff are working to establish the growth and development vision for Kerr Village and implement these changes through amendments to the local Official Plan (anticipated for Q4 2017). This will help to inform Halton Region of the ultimate development vision and direction for this area. The second stage of implementation will be the town's conformity exercise following the approval of the Region of Halton's Official Plan anticipated in 2020. The town's conformity exercise will confirm the growth numbers that have been allocated to the town by the Region, including Kerr Village, resulting in another amendment to the town's official plan.

CONSIDERATIONS

(A) PUBLIC

Consultation has formed an integral part of the Kerr Village Growth Area Review and additional future public consultation opportunities have been identified and are anticipated to be provided for in early 2017.

(B) FINANCIAL

There are no financial implications arising from this report.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

Coordination with other departments is ongoing.

(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS

This report addresses the corporate strategic goal to:

- be accountable in everything we do
- be honest in everything we do
- be the most livable town in Canada

(E) COMMUNITY SUSTAINABILITY

The Kerr Village Growth Area Review works to enhance the social, economic and built environment of the community.

APPENDICES

Appendix A Draft Policy Changes for Kerr Village (January 2017)

Prepared by:

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