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CONSULTING

In Collaboration With:

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Tate Economic Research Inc.

SGL Planning & Design Inc.

 **OAKVILLE**
TOWN OF OAKVILLE

Employment and Commercial Review

Executive Summary



Executive Summary

INTRODUCTION

The Town of Oakville is in the process of updating its Official Plan. The purpose of this report is to document the analysis, findings and recommendations of the Employment and Commercial Review undertaken as part of the Official Plan review process. The Employment and Commercial Review was intended to proactively plan for and accommodate employment and commercial growth to the year 2041.

This executive summary highlights the macro economic and market trends impacting the Town of Oakville, as well as the key findings from the commercial supply and market demand analysis and the employment supply and market demand analysis to the year 2041. It then summarizes the commercial and employment land recommendations and policy directions for the Town.

MACRO ECONOMIC AND MARKET TRENDS

The Ontario economy has experienced significant volatility over the past decade, including a period of strong economic growth followed by an economic recession and subsequent gradual recovery. This recovery has been more pronounced within the GTHA relative to the remaining Province of Ontario as a whole. This has largely been a result of the ability of the GTHA's economy to adapt to an economy which is increasingly driven by the service sector. Looking forward, the export-based employment sectors within the GTHA are forecast to steadily increase, especially those tied to "knowledge-based" sectors.

As a result of the Town's strong attractiveness to knowledge-based sectors, the distribution of employment on employment land in Oakville has been, and will continue to be highly concentrated in the office sector. Locational qualities that support office sector growth, such as proximity to transit, amenities and services, play a significant role in the attraction and retention of office investment. Employment growth within the Town's employment areas will ultimately be driven by demand from a broad range of goods producing, knowledge-based and employment supportive sectors. In turn, this drives local population growth within the Town and the need for population-related employment (i.e. retail commercial, personal services and institutional uses).

Notwithstanding the economic growth potential for the Town, regional competition within the GTHA for the talent necessary to support innovation, investment and entrepreneurship are fierce. As the GTHA and broader Ontario economy becomes

more premised on knowledge-based activities, Oakville will need to continue to position itself as a hub for innovation to capitalize on the human capital that currently exists while encouraging ongoing entrepreneurship, innovation, business development and investment retention.

COMMERCIAL MARKET DEMAND

Oakville residents are well served in terms of retail selection. The only major retail store type not represented in Oakville is a warehouse membership club (such as Costco). Some areas of Oakville are better served with commercial space than others. In particular, Northwest Oakville is “under-stored” relative to the Town overall. Oakville also includes three vibrant downtowns that are locally oriented, but also cater to wider based clientele.

The commercial demand analysis has identified the opportunity for approximately 1.4 million square feet (~130,000 square metres) of new commercial/retail space in Oakville by 2021. Development of this amount of space is anticipated to require between 26 and 51 hectares (63 and 127 acres) of land, depending on its built form and density. Long term demand for new commercial/retail space is forecast to increase to approximately 2.9 million square feet (~271,000 square metres) by 2031 and approximately 3.5 million square feet (~327,000 square metres) by 2041¹ requiring additional supply of commercial lands. In total, the demand, including existing and forecast demand, is forecasted to be approximately 12.4 million square feet (~1.2 million square metres) of commercial space by 2041, as a result of market and expenditure growth. Increased pressure on the supply of commercial/retail land expected in the future will result in more intensified developments to meet demand for new retail space over the long term.

Of the 3.5 million square feet (~327,000 square metres) identified to be needed by 2041, the following summarizes a number of key elements of the demand including the retail types and demand for anchor tenants.

- There is market demand for approximately 357,000 square feet (~33,000 square metres) of Food Oriented Retail uses by 2041. This space includes both supermarkets and other specialty food stores.
- Non-Food Oriented Retail uses represent the largest portion of forecast demand. There is market demand for approximately 1.5 million square feet (~139,000 square metres) of NFOR uses by 2041. A 140,000 square foot (~13,000 square metre) warehouse membership club is included in this total.

¹ 2041 forecasts are based on Watson’s population projections which were prepared to inform this study but have not been confirmed with the Region of Halton.

- There is market demand for approximately 1.4 million square feet (~130,000 square metres) of Other Retail and Service uses by 2041.
- The remaining 5% of new warranted space in 2031, totalling 243,000 square feet (~23,000 square metres), has been forecast as part of a vacancy contingency allowing for flexibility in the market.
- There is demand for 12 additional major anchor tenants by 2041 and described in **Table A** below.

TABLE A: ESTIMATED TOTAL DEMAND FOR MAJOR ANCHOR TENANTS

Major Anchor Tenants	Number of Locations Existing	Number of Locations Warranted		
	2014	2021	2031	2041
<i>Department Store</i>	4	1	1	2
<i>Home Improvement Centre</i>	5	1	1	2
<i>Canadian Tire</i>	3	0	1	1
<i>Major Warehouse Membership Club (e.g. Costco)</i>	0	1	1	1
<i>Major Drug Store</i>	10	1	2	3
<i>Supermarket</i>	18	1	2	3

COMMERCIAL LAND SUPPLY

The Town's official plans includes a number of designations that permit commercial uses, these have been included in **Figure A**. In total, the Town has approximately 251,000 square metres (2.7 million square feet) of vacant commercial designated lands (excluding existing built commercial space of 14,000 square metres at Dundas Street and Neyagawa Boulevard). **Table B** summarizes the total amount of potential commercial space available from vacant commercial designated lands in North Oakville and south of Dundas Street combined.

However, some of the vacant commercial lands south of Dundas Street have characteristics that may limit or reduce the attractiveness of these sites for commercial development. A retail analysis on the desirability of the Town's vacant commercial designated lands located south of Dundas Street was undertaken from an urban planning and retail perspective. The retail assessment determined that of the 26 vacant sites located south of Dundas Street, two (#7 and 15) should be removed from the vacant inventory as they are part of an existing developed or being developed site. Of the remaining vacant sites, three (#6, 8a/8b, and 25) are poorly located leading to

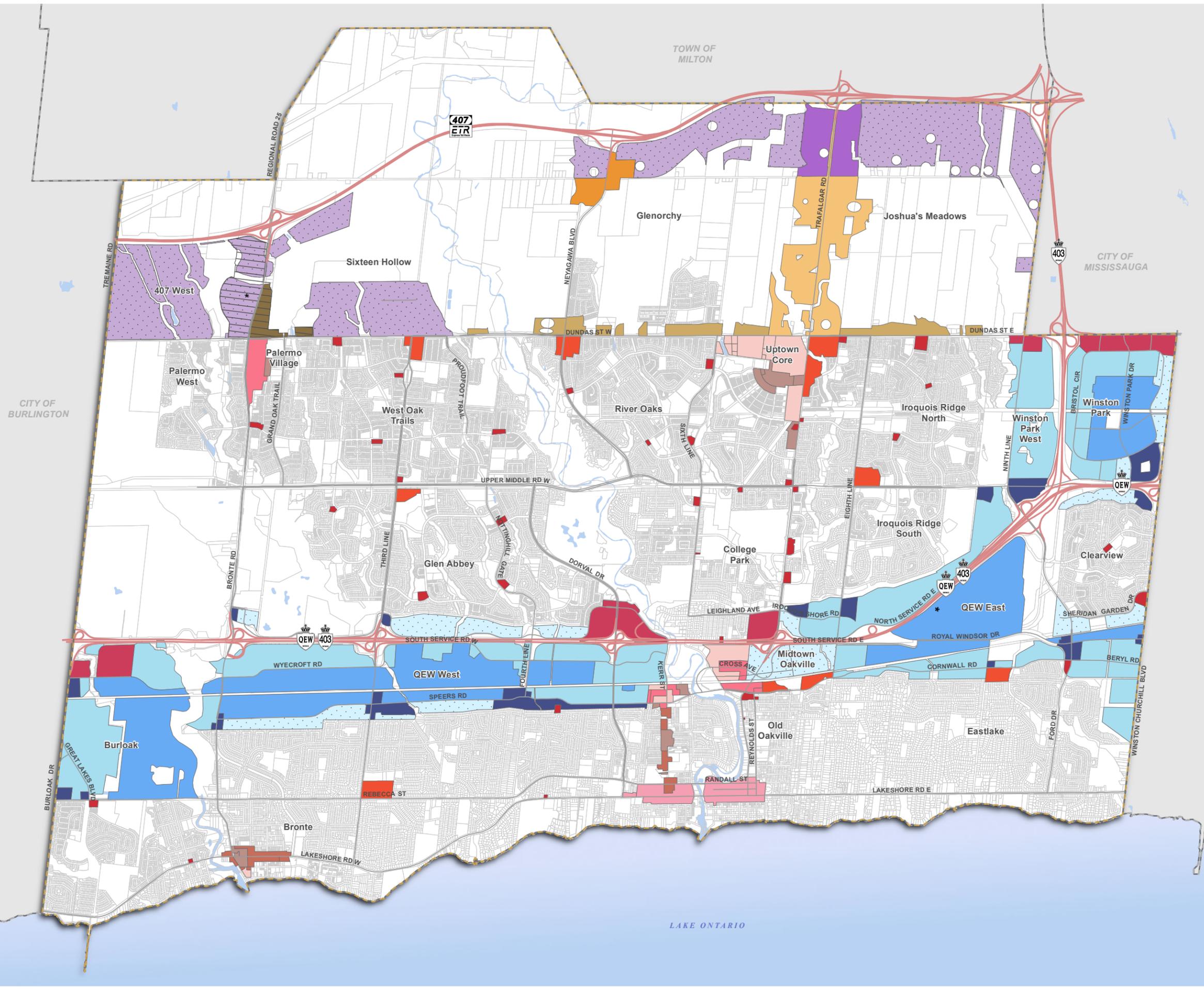


OAKVILLE

TOWN OF OAKVILLE

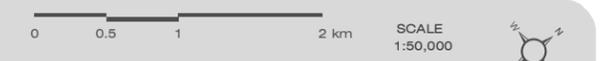
TOWN-WIDE EMPLOYMENT AND COMMERCIAL REVIEW

Figure E-1: Town of Oakville Designated Commercial and Employment Lands



- 400 SERIES HIGHWAY
 - ARTERIAL ROAD
 - SUBJECT TO APPEAL OF NORTH OAKVILLE WEST SECONDARY PLAN (NOWSP)
 - PROPERTY PARCELS
 - TOWN OF OAKVILLE
 - OTHER MUNICIPALITIES
- LIVABLE OAKVILLE OFFICIAL PLAN**
- OFFICE EMPLOYMENT
 - BUSINESS EMPLOYMENT
 - INDUSTRIAL
 - BUSINESS COMMERCIAL
 - CENTRAL BUSINESS DISTRICT
 - COMMUNITY COMMERCIAL
 - CORE COMMERCIAL
 - MAIN STREET 1
 - MAIN STREET 2
 - NEIGHBOURHOOD COMMERCIAL
 - URBAN CENTRE
 - URBAN CORE
- NORTH OAKVILLE SECONDARY PLAN**
- EMPLOYMENT AREA
 - TRAFALGAR ROAD URBAN CORE AREA ONE
 - DUNDAS STREET URBAN CORE AREA
 - NEYAGAWA BLVD. URBAN CORE AREA
 - PALERMO VILLAGE NORTH URBAN CORE AREA
 - TRAFALGAR ROAD URBAN CORE AREA

* SUBJECT AREA IS CURRENTLY SUBJECT TO AN APPEAL, THEREFORE THE NORTH OAKVILLE WEST SECONDARY PLAN DOES NOT APPLY



MAP DRAWING INFORMATION:
DATA PROVIDED BY TOWN OF OAKVILLE (2014) AND MNR (2013)

MAP CREATED BY: PFM
MAP CHECKED BY: JG
MAP PROJECTION: NAD 1983 UTM Zone 17N

FILE LOCATION:
G:\GIS\141098 Oakville Empl & Commercial Review\GIS Data\Map\Map2-8 - Employment Commercial Review.mxd



PROJECT: 14-1098
STATUS: FINAL
DATE: 3/4/2016

difficult accessibility and poor visibility. The balance of the vacant commercial lands have fair to excellent retail assessment.

TABLE B: TOTAL TOWN-WIDE VACANT COMMERCIAL DESIGNATED SPACE AVAILABLE

Area	Space (sq.m.)
<i>Trafalgar Urban Core Area</i>	93,000 retail and service
<i>Dundas Urban Core Area</i>	32,000 retail 21,000 service -14,000* built
<i>Neyagawa Urban Core Area</i>	31,000 retail 21,000 service
<i>Palermo Village North Urban Core Area</i>	7,000 retail
<i>Potential on Vacant Land in South Oakville</i>	60,000 retail
Total	251,000

COMMERCIAL SUPPLY AND DEMAND

The commercial demand analysis has outlined a commercial demand that is above the existing and planned commercial land supply. The long-term commercial demand for the Town of Oakville (2041) is projected to be approximately 325,000 square metres (3.5 million square feet), however the existing and planned commercial land supply is approximately 251,000 square metres (2.7 million square feet). Assuming a coverage factor of 30%, there is a shortfall of approximately 25 hectares of commercial lands. The following key issues and opportunities have been identified for the Town related to their commercial supply and demand:

Issues

- The vacant commercial supply is unbalanced.
- Assumption of 100% build out of vacant commercial lands may not be realistic.
- The current policy framework permits commercial but does not guarantee commercial will be built.
- The current policy permits limited retail and service commercial uses in employment designated areas.

Opportunities

- Estimated demand will support significant commercial investment.

- There are opportunities to increase standards to promote attractive and pedestrian friendly commercial areas.
- There are opportunities for intensification and redevelopment.
- There are opportunities for strengthening the policies on mixed use development.
- Shopping habits are changing and there is an opportunity to consider new built forms.

EMPLOYMENT MARKET DEMAND

Over the past decade, the economic base in the GTHA and the Town of Oakville, as measured in employment, has steadily shifted towards the service-sector and “knowledge-based” economy. The trend towards more knowledge intensive and creative forms of economic activity is evident across many sectors within both the broader GTA and local economy. Knowledge is now recognized as the driver of productivity and economic growth, leading to a new focus on the role of information, technology, and learning in economic performance. In an increasingly knowledge-based environment, the ability to cultivate, retain and attract talented workers, high-value jobs and innovative businesses is vital for the future economic prosperity of the GTHA and the Town of Oakville. As a result of the Town’s strong attractiveness to knowledge-based sectors, the distribution of employment on employment land in Oakville has, and will continue to be, highly concentrated in the office sector.

Notwithstanding the significant structural changes in the provincial, regional and local economies, the goods-producing sector still remains a vital component of economic growth. While the global recession of 2008/09 has had a significant impact on recent job losses in manufacturing and related industrial activities, this sector is now showing signs of stabilization at the Provincial level. For the GTA and the Town of Oakville, employment within the manufacturing sector has gradually rebounded since reaching a low point in 2010. Over the next two decades, it is anticipated that the manufacturing sector will continue to experience a moderate employment increase in the Oakville, driven by the gradual recovery of the US economy and declining Canada/US dollar exchange rate.

Employment growth within the Town’s employment districts will continue to be driven by demand from a broad range of goods-producing, knowledge-based and employment supportive sectors. Employment lands in North Oakville will provide additional opportunities for larger-scale industrial uses as well as development within the Town’s growing office sector.

Across the Greater Golden Horseshoe there is a growing interest/demand for office space within mixed-use environments that offer proximity/access to labour, amenities and high-order transit. Typically, the financial viability of standalone urban office

development within intensification nodes/corridors is generally less favourable than if part of a mixed-use development (i.e. combined with a retail/residential component). Priority mixed-use commercial areas for office development include should largely be concentrated within Midtown Oakville.

EMPLOYMENT LAND SUPPLY

Figure E-1 presents the designated employment lands within the Town of Oakville. The Town has a total of 1,616 parcels comprising of 2,150 hectares of land designated employment. The supply analysis identified 168 parcels comprising of 727 hectares as vacant. Of the total 727 hectares of vacant employment lands, the majority are located in North Oakville (73% or 533 hectares). These vacant parcels are some of the larger parcels available in Oakville's Employment Land inventory, and as such are essential to employment growth for the Town going forward. Clusters of vacant employment parcels also exist within the Winston Park West area, and on the west side of the Burloak area. Scattered vacant employment parcels exist throughout the QEW West, Midtown Oakville and QEW East areas; however, except for the former GM site, these parcels tend to be of a smaller size.

An assessment of the Town's employment districts was undertaken. Based on the evaluation of Oakville's employment areas and the employment sector/ land use requirements of the target industries, the following conclusions can be made:

- Oakville's existing employment areas are approaching build out, limiting greenfield development potential;
- Oakville West Employment District offers a size of critical mass, caters to a broad range of prestige and general employment uses and has excellent access/exposure to 400 series highways;
- Winston Park is a high-caliber park with a prestige "campus-style" character with on-site and off-site amenities. Though vacant industrial land supply is limited, given their attractive attributes, opportunities for infill development and redevelopment exist, particularly for office and "knowledge-based" uses and multi-unit industrial;
- The QEW East Employment District is somewhat fragmented. Opportunities to accommodate further large-scale development is limited, with the exception of one remaining large vacant site located on the north side of the QEW Highway;
- Midtown Oakville Employment District, with its amenities and proximity to the QEW and 403 Highways, offers high market potential for office development;

- North Oakville East Employment District, given its relatively large size and proximity to Highway 407 and Highway 403, is well positioned to accommodate a broad range of industrial and office uses; and
- North Oakville West Employment District includes two distinctive areas - the area surrounding the new hospital site and the lands surrounding Highway 407. The employment lands surrounding Highway 407 are fragmented and more limited towards large-scale industrial development. The employment lands which surround the new hospital offer synergies with sectors geared towards health science as well as research and development. The Town is currently reviewing a proposal for the land to the east of the new Oakville Hospital to function as an innovation park.

As this Employment and Commercial Review is being conducted for the Town of Oakville within its Municipal Comprehensive Review, there is an opportunity to review the land use designations within the Town's Official Plan. Seventeen (17) site specific requests were submitted to the Town as part of this Employment and Commercial Review process to explore possible changes to land use designations or changes to the Regional land use overlay.

The three sites were recommended for conversion (Request #4 a and b: Great Lakes Marketplace, Request #6: RioCan and Request #12: Star Oak) with a total of 16 net hectares and if they are converted, they would be removed from the employment lands inventory. The remaining 10 site specific requests have not been recommended for conversion.

Two site specific requests were received for employment use redesignation, both proposing redesignation from Business Employment to Business Commercial. One of these requests (Request # 8: Hans Holdings located at 580 Burloak Drive) has been recommended for redesignation from Business Employment to Business Commercial. The other request (Request # 9: Westerkirk Capital located at 560 Winston Churchill Boulevard) is not recommended for redesignation from Business Employment to Business Commercial.

In addition, a number of inconsistencies between the Town and the Region's employment land overlay have been identified and should be addressed within the Region's comprehensive review process currently underway.

EMPLOYMENT SUPPLY AND DEMAND

There is 2,150 gross hectares (5,312 gross acres) of designated employment land in Oakville. Of this total supply, there is approximately 727 net hectares (1,796 net acres)

of vacant designated land. After factoring out a land vacancy adjustment (10% of the vacant supply to recognize that some parcels will likely never be developed) and the land being recommended for conversion (16 hectares) there is approximately 638 net hectares of vacant employment land. The Town's estimated 2041 employment land demand is projected to be 408 net hectares (1,008 net acres). Accordingly, there is a sufficient supply of employment land to meet the Town's long term demand beyond 2041. The following key issues and opportunities have been identified for the Town related to their commercial supply and demand:

Issues

- Distribution of vacant supply is unbalanced.
- Most of the vacant lands are unserved.
- There is limited supply with transit access.
- Employment lands stability needs to be preserved.

Opportunities

- The supply in North Oakville provides many larger parcels.
- The supply in North Oakville provides good highway access and visibility.
- There are opportunities for intensification and redevelopment.
- There are opportunities to improve existing employment areas.
- The emergence of Innovation Districts provides an opportunity for improved employment growth in clusters.

RECOMMENDATIONS AND POLICY DIRECTIONS

The Town of Oakville is well suited for significant economic growth and prosperity. The downtowns and mainstreets (Downtown Oakville, Kerr Village and Bronte Village) and existing urban areas are thriving, providing a strong mix of uses, a range of retail and services to support the community needs, and employment to allow live and work opportunities. Within the existing urban areas a focus on retaining commercial and employment lands to serve long term needs, promoting intensification and continuing to improve the built environment will position Oakville well for years to come. In North Oakville, a very different approach is needed. The following outlines policy directions and recommendations for commercial and employment land planning in the Town of Oakville recognizing these two very different paradigms.

Commercial:

1. **Strengthen design policies for mixed use and commercial development:**
The North Oakville East and West Secondary Plans contain excellent urban design policies for the Urban Core Areas. It is recommended that similar urban

design requirements be addressed by section 6 of the Livable Oakville Plan and the Livable by Design Manual – Urban Design Direction for Oakville.

2. **Encourage provision of commercial in Northwest Zone:** The Northwest Zone is under-represented in retail commercial space particularly with respect to supermarkets. Palermo Village north of Dundas Street is the only opportunity for significant additional retail to serve this area. It is recommended that the policies for Palermo Village should be reviewed to encourage the accommodation of a supermarket and other retail uses to serve northwest Oakville.
3. **Promote intensification and redevelopment of existing built up commercial areas:** The Town should provide design policies to ensure that buildings are planned and located on sites such that future phases of intensification are not inhibited. The Town should review the parking standards in the zoning by-law to confirm opportunities for reduced parking standard or promotion of structured parking to support intensification.
4. **Implement policy definition to ensure commercial uses are developed in North Oakville:** Providing a rather flexible policy regime is important for achieving mixed use. However, there have been some concerns raised that the flexible nature of mixed use areas may result in retail space not being provided. The policies of the North Oakville East Secondary Plan should be clarified to require the blocks immediately abutting Trafalgar Road in Urban Core Area 2 and 4 to provide for commercial development. The policies of the Secondary Plan for the Dundas Urban Core should be clarified to require commercial development be provided as part of the development reserve blocks at the intersections with north-south collector roads either in single use or mixed use forms.
5. **Develop a monitoring program:** Shopping habits are changing and these changes will continue to affect the built form of commercial areas. The Town should develop a monitoring program that includes the monitoring of commercial development and changing trends, including retail and demographics.

Employment

1. **Maintain a strong Town-wide supply of employment lands:** There is a need to protect the Town's vacant and occupied employment land supply for the long term. The Town should preserve strategically important land for future employment purposes well beyond the next 20 years.
2. **Resist large scale conversion of employment lands:** North Oakville employment land development has not begun, and significant conversion of land would be premature. The Town should resist large scale conversions and retain strategic employment lands beyond the next 20 years.
3. **Minor site specific conversions that are appropriate:** Under some circumstances, a conversion may be justified for planning and economic reasons,

but such decisions must be made using a systematic approach and methodology. Based on the analysis, the conversion of three sites is recommended, totalling 16 net hectares of land.

4. **Enhance policy framework for Midtown to promote mixed use development:** Midtown Oakville is designated as an Urban Growth Centre in Places to Grow, and a mobility hub within the Metrolinx regional transportation plan. To encourage development the Town should explore policy alternatives that provide the flexibility to consider non-employment uses where deemed appropriate while maintaining the minimum target for people and jobs.
5. **Revitalize the lands around the Bronte GO Station Area:** The lands around Bronte GO Station are largely developed and function as stable general industrial lands. Significant investment would be required before the area can be re-visioned as a mixed use, transit supportive neighbourhood. The Town should undertake a detailed Station Area Plan to identify the long term potential for this area to evolve into a transit supportive node.
6. **Comprehensively plan for an Innovation District surrounding the North Oakville Hospital:** It is recommended that the Town undertake a comprehensive review of the employment lands to the north, east and west of the hospital lands. Non-employment uses that support the function of the Health Oriented Mixed Use Node should be considered in addition to employment uses. Assessment of the town-wide transportation and transit network, as well as servicing conditions, should also be part of this review to ensure capacity for the proposed land uses.
7. **Recognize the existing function of Speers Road:** Speers Road has been identified as a Special Policy Area in the Livable Oakville Plan, to be further studied to confirm long-term land uses and opportunities for suitable intensification. The Speers Road Corridor Study should consider its function as a transitional area, identify a suitable land use to accommodate the range of commercial uses, the preferred design from the Speers Road EA, streetscaping, urban design and pedestrian realm improvements, and promotion of transit supportive development.
8. **Direct office development to priority areas:** The Town should continue to seek to attract major office development. Priority employment areas for office development in North Oakville include gateway locations in proximity to interchanges, which offer direct exposure to Highway 407 and Highway 403. Priority employment areas for office development in the Livable Oakville Plan include lands with direct exposure to the QEW corridor, the Oakville VIA rail/GO Station and Bronte GO station.
9. **Harmonize employment land use designations and policies:** The lands within North Oakville should be brought into the existing structure to provide

harmonized employment land use designations with the Livable Oakville Plan, as it reflects the City's desirable land use policy framework.

10. **Allow for a broader range of amenities within employment areas:** With the growth in the knowledge industry and changing demographic needs of employees, employment areas with amenities are more desirable to businesses and investors. Many of Oakville's existing employment areas would benefit from the introduction of additional amenities. The permitted uses within the Business Commercial land use designation should specifically mention personal and professional services. Permission for limited convenience retail without the requirement of being "in conjunction with" the permitted uses should be considered for the Office Employment land use designation.
11. **Designate additional Business Commercial lands:** The Town should introduce additional Business Commercial designations within the existing industrial and business employment designations at gateway locations including southwest Oakville (QEW West) – west of Third Line, southwest Oakville (QEW West) – east of Third Line, north of CN Rail line and Winston Park West – Ninth Line south of Dundas Street. The Town should introduce Business Commercial designations within North Oakville along major arterial roads including along the new Burnhamthorpe Road, Dundas Street between Tremaine Road and the new north-south minor arterial roads, Neyagawa Boulevard north of Burnhamthorpe Road south of Highway 407 and Bronte Road, south of Highway 407.
12. **Update policies on land use compatibility:** A new policy should be added to address potential noise, odour and air quality impacts of employment uses on adjacent lands in order to mitigate potential land use conflicts.
13. **Update employment design guidelines:** Policies to support higher quality urban design will assist in addressing land use compatibility issues, while improving the marketability and public realm within the employment areas. The Livable By Design Urban Design Manual should be enhanced to specifically address the range of different employment typologies including stand-alone office, industrial facilities, warehousing and mixed facilities.
14. **Encourage employment land intensification and more efficient use of employment lands:** A policy framework and designation for regeneration areas should promote intensification and revitalization of strategic areas and could include minimum and maximum parking standards and the implementation of a Transportation Demand Management Strategy.
15. **Work with Halton Region to track the alignment of growth to best planning estimates:** As the Region is currently undertaking its Official Plan comprehensive review process, it will be important to work closely together to align targets and associated requirements for infrastructure and phasing.

16. **Develop a monitoring program:** The Town should establish a monitor program that tracks planning approvals and building permits on an annual basis and compares it to the growth projections and available vacant employment land supply.
17. **Work with the Region of Halton and other levels of government to identify proactive approaches to providing infrastructure:** The Town should work with the Region and other levels of government to proactively plan for municipal servicing to meet demand and explore creative methods for front end financing for infrastructure (such as Development Charges).
18. **Address inconsistencies between the Region's Employment Area overlay and the Town's employment areas:** The Town should continue to work with Halton Region to address the inconsistencies between the Region's Employment Area overlay and the Town's employment land use designations.