

**LIVABLE OAKVILLE (OFFICIAL PLAN REVIEW)
COUNCIL SUB-COMMITTEE**

MINUTES

MONDAY, OCTOBER 3, 2016

**BRONTE AND PALERMO ROOMS
OAKVILLE MUNICIPAL BUILDING
1225 TRAFALGAR ROAD, OAKVILLE**

A meeting of the Livable Oakville (Official Plan Review) Council Sub-committee was held on Monday, October 3, 2016, in the Bronte and Palermo Rooms of the Oakville Municipal Building, commencing at 1:00 p.m.

Present: Mayor Rob Burton, Chair
Councillor Tom Adams
Councillor Allan Elgar
Councillor Dave Gittings
Councillor Jeff Knoll
Councillor Sean O'Meara

Staff: J. Clohecy, Commissioner of Community Development
D. Carr, Town Solicitor
M. Simeoni, Director of Planning Services
D. Childs, Manager of Policy Planning
K. Biggar, Senior Planner
L. Gill Woods, Acting Senior Planner
B. Sunderland, Planner
C. Dodds, Planner
D. Wedderburn, Planner
J. Warren, Council and Committee Coordinator

Regrets: Councillor Cathy Duddeck

The items in these minutes are not necessarily in the order discussed.

1. **Call to Order**

Mayor Burton called the meeting to order at 1:00 p.m.

2. **Regrets**

As noted above.

3. **Confirmation of Minutes of Previous Meeting(s)**

Meeting of September 6, 2016

Moved by Councillor Knoll

That the minutes of the Livable Oakville (Official Plan Review) Council Sub-committee meeting of September 6, 2016, be approved.

CARRIED

4. **Business Arising from the Minutes**

There was no business arising from the minutes.

5. **Discussion Item(s)**

a. **Assessment of Redevelopment Viability within the Town of Oakville's Main Street Growth Areas**

Kirk Biggar, Senior Planner, Planning Services introduced consultants from N. Barry Lyon, the firm that conducted the Redevelopment Viability study in support of the ongoing Main Street Growth Areas review. The Main Street Growth Areas review includes Downtown Oakville, Kerr Village and Bronte Village.

Consultant Matthew Bennett presented the report entitled "Assessment of redevelopment Viability within the Town of Oakville's Main Street Growth Areas". The objective of the study completed is to test the viability of both four storey and six storey developments in the context of existing and emerging Official Plan policies.

The following was presented as factors driving higher density residential development:

- Population growth
- Ageing society
- Declining affordability
- Changing lifestyles
- Demand for maintenance free living
- Preference to live closer to work
- Demand for walkable communities

Mr. Bennett reported that the three main street areas offer many amenities, are walkable and contain a large amount of retail and programming. Mr. Bennett continued to identify that redevelopment to date has been small boutique style options with limited height and density. There has been a focus on the luxury market, especially in Downtown Oakville.

Mr. Bennett reviewed the following market characteristics for each of the three neighbourhoods:

Downtown Oakville

- Established & prestigious
- Destination retail, cafes, restaurants
- Proximity to QEW & GO
- Parks & waterfront
- Library & performing arts centre
- Luxury condo market

Kerr Village

- Older main street, with some recent reinvestment
- Modest single-family homes, pricing varies
- Singles, younger couples and families
- Proximity to QEW & GO
- Lacks exclusivity of the downtown
- Fragmented lot/ ownership patterns

Bronte Village

- Mix of local shops, and larger chains
- Established residential community
- Proximity to QEW & GO
- Parks & waterfront
- Deep lots on Lakeshore, several vacant parcels
- Somewhat incohesive, car-oriented

Mr. Bennett explained to the committee that in Kerr Village there are very few individual sites large enough for redevelopment and that multiple lots may have to be purchased. This would make it harder for developers, to assemble a larger plot of land as it would increase costs and require purchases from multiple owners.

Mr. Bennett made the following points regarding the test locations:

- The test location in Downtown Oakville had an area of 960 square metres, accommodating for 20 units in four storeys and 26 units in six storeys.
- The test location in Kerr Village had an area of 1,440 square metres, accommodating for 39 units in four storeys and 53 units in six storeys.
- The test location in Bronte Village had an area of 2,700 square metres, accommodating for 59 units in four storeys and 84 units in six storeys.
- The methodology for the tests follows the pro forma model.
- The pro forma model has five components, including, what can be built, who is the market, what will it cost to build, what is the return and what is the budget for land.
- The components *what is the return* and *what is the budget for land* are used to measure viability.

Mr. Bennett presented the results of the study and the following points were made:

- Where there is a strong market demand increasing building heights to six storeys allows for more flexibility in a developers pro forma.
- Increasing the building height spreads out fixed costs that would be the same regardless of how many storeys the building is, such as landscaping and an architect or consultant.
- Land values will be higher and there is an option to earn greater profit with six storeys.
- Currently Kerr Village has a weaker market context and development for a six storey unit is unlikely to offset the increase in cost.
- The viability of the market in Kerr Village is likely to improve in the near future.
- In Downtown Oakville increased density will improve profit and land value and will create greater flexibility in the ability to purchase land for redevelopment. It would also stimulate a new housing supply for entry level and mid-market buyers.
- Bronte Village has a market that is likely to offset the increase costs of construction for a 6 storey development. There is a significant positive impact on redevelopment viability and reinvestment would be encouraged under a 6 storey scenario.

Existing barriers to redevelopment were reviewed and it was addressed that developments charges and parkland rates are relatively high, making it harder for mid-market or entry level projects. Another barrier is the need for lot assemblies, especially in Kerr Village.

Mr. Bennett concluded that increasing development height to 6 storeys is a positive change that increases land value, rationalizes lot assemblies, stimulates investment and encourages a broader range of housing types and affordability.

Discussion ensued around the presentation and the following points were raised:

- The committee is not in favour of waiving development charges to bring in new developments.
- Committee members raised concerns from constituents in their wards that the high cost of housing might be attributed to foreign investment.
- It was mentioned that there aren't a lot of foreign investors in high density developments, although there are a few in North Oakville.
- Mr. Bennett explained to the committee that he cannot comment on the issue of foreign investments and housing costs as it was not part of the work that was conducted in the study.
- A member also mentioned that constituents are noticing a lot of homes with foreign investors are under occupied.
- Bronte Village has a market that is likely to offset the increase costs of construction for a six storey development. There is a significant positive impact on redevelopment viability and reinvestment is encouraged.
- A member suggested that it is possible that even with a development of six storeys to offset development costs the price to buyers may not be more affordable.
- Mr. Bennett informed the committee that with four and six storey developments the cost of underground parking is lower, because the lots are not as deep.
- A member suggested that another term for "affordability" be considered, as the concept of "affordability" is subject to individual interpretation.
- It was clarified that the regional population targets that have increased from 780,000 to 820,000 are due to increase in size of household in detached homes, not high density units.
- It was noted that luxury units in Downtown Oakville aren't currently selling and that there is demand for the market to be more competitive with a wider range of prices in high density developments downtown.
- Mr. Bennett described the average unit cost to be \$400-600 per square foot, and that a luxury unit would be priced higher at roughly \$1000 per square foot.

- A member inquired about the lack of development applications in Bronte Village as there have been none since 2008. The member suggested that developers are reporting that the permissions are too tight in Bronte Village and therefore developers are not able to make enough return on investment. With the high cost of land developers want to build high rise buildings and not four or six storey units.
- Mr. Bennett advised that there could be numerous factors as to the absence of high density development in Bronte Village and that each site is a different case.

Jane Clohecy, Commissioner of Community Development advised that the purpose of the market study was to compare and review four storey and six storey developments. The market shows that six storeys is a viable plan for Oakville, although Kerr Village is not as sustainable as the other areas.

A member expressed concern with the lack of interest in Bronte Village that hopefully six storeys should be enough. Ms. Clohecy stated that six storeys should be enough to entice developers, and that bonusing can be used for site by site differences.

Mr. Bennett advised that there are no other barriers to development in Bronte Village other than what was mentioned in the study.

The committee felt that the study contained very valuable information. Staff informed the committee that this study conforms to the newly released Halton Official Plan Review draft directions report and provides a ground up perspective for the region.

Discussion ensued around the town accepting cash in lieu of parkland from developers and it was mentioned that the province is encouraging municipalities to take land. A member suggested that many developers would prefer to give cash in lieu of land as development sites are small and they would have to reduce the building area significantly. The committee mentioned to staff that it would be valuable to have a study of analysis on the benefits of taking either land or cash from developers and compare both options. Staff responded that this request will be considered and a variety of examples will be provided.

Moved by Councillor Knoll

That the presentation entitled, 'Assessment of Redevelopment Viability within the Town of Oakville's Main Street Growth Areas', be received.

CARRIED

b. Work Plan Update Presentation

Mark Simeoni, Director of Planning Services presented the work plan update and the following points were raised:

- Oakville is currently in phase two of a six phase Official Plan review work plan.
- Halton Region recently released their Directions Report for their Official Plan Review.
- The work plan takes a ground up approach.
- The updated work plan illustrates timelines for studies from 2016 (current) to 2020.
- The region relies on input from each municipality regarding their individual growth plans, and considers many different factors when revising the growth targets.
- The Regional Official Plan is anticipated to be adopted in 2020.
- The committee discussed how private appeals and amendments to the Official Plan would be dealt with.
- Staff informed the committee that more information regarding the Provincial Coordinated Review will be presented at the Planning and Development session of Council this evening, October 3, 2016.

Moved by Councillor O'Meara

That the presentation entitled, '*Work Plan Update*', be received.

CARRIED

6. Information Item(s)

There were no information items.

7. Items to be Discussed at Next/Future Meetings

The Urban Structure Review report will be presented at the meeting of November 1, 2016. The committee would like the report circulated in advance to all members of Council.

8. Date and Time of Next Meeting

Tuesday, November 1, 2016
Oakville Municipal Building

Bronte and Palermo Rooms - 1:00 p.m.

9. Adjournment

The Mayor adjourned the meeting at 2:05 p.m.