



PALERMO VILLAGE

Commercial Demand Assessment

Oakville, Ontario

Prepared for Palermo Village Corporation

November 13, 2023



This document is available in alternative formats upon request by contacting:

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November 13, 2023

Mr. Kevin Singh
Vice President – Development
Palermo Village Corporation
4900 Palladium Way, Suite 105
Burlington, ON L7M 0W7

Dear Mr. Singh:

RE: Palermo Village – Commercial Demand Assessment (Oakville, Ontario)

urbanMetrics inc. is pleased to submit this commercial study with regards to your development of the Palermo Village mixed-use community in North Oakville. The purpose of this study is to:

- Identify the market need and feasibility of commercial uses on the subject lands.
- Evaluate which commercial uses are appropriate for the planned community.
- Provide expert opinion on the location of commercial space within the community and recommend suitable planning and built form approaches.

Overall, the goal is to ensure that plans for the community meet the commercial needs of residents, enable strong businesses, and support a healthy and walkable complete community.

Based on our analysis, between 210,000 and 255,000 square feet of retail and service commercial uses are appropriate for the community. The inclusion of significant office space is contingent on securing tenants prior to development.

If you have any questions with regards to this study, please do not hesitate to contact me.

Yours truly,

A handwritten signature in black ink that reads "Rowan Faludi".

Rowan Faludi, MCIP, RPP, CMC, PLE
Partner, urbanMetrics inc.

Contents

Executive Summary	3
Key Findings	4
1.0 Introduction	6
1.1 Purpose and Scope.....	7
1.2 Approach	7
1.3 Proposed Development	8
1.4 Assumptions	9
2.0 Site Context	11
2.1 Site & Access	12
2.2 Policy Context	13
2.3 Market Context	15
2.4 Commercial Categories Considered.....	20
2.5 Existing Commercial Space	23
2.6 Transportation Network	26
3.0 Case Studies of Mixed-Use Urban Space.....	30
4.0 Commercial Space Development Strategy	44
4.1 Commercial Planning Principles.....	45
4.2 Warranted Commercial Space	46
4.3 Location Considerations	48
5.0 Conclusion.....	58

Figures

Figure 1: Subject Site Location & Concept 8

Figure 2: Proposed Development Concept Statistics 9

Figure 3: Proposed Palermo Village Land Use OPA 34 12

Figure 4: Palermo Village Primary Regional Node 13

Figure 5: OPA 37 Lands 14

Figure 6: E-Commerce Penetration 16

Figure 7: Retail and Service Categories Analysed 20

Figure 8: Oakville & Burlington Office Market Rolling Average Vacancy Rate 23

Figure 9: Existing Commercial Space in Vicinity of Subject Site 24

Figure 10: Existing Commercial Space in Vicinity of Subject Lands 25

Figure 11: Oakville Road Network & Hierarchy 28

Figure 12: Oakville Cycling Network 29

Figure 13: Warranted Commercial Space by Category 46

Figure 14: Per Capita Warranted Commercial Space Scenarios 47

Figure 15: Potential Commercial Locations - Palermo North 49

Figure 16: Mixed Use Social & Seniors Housing Example 50

Figure 17: Mixed Use Community Project Example 52

Figure 18: Example Mixed-Use Public Square 53

Figure 19: Transit-Oriented Retail Example 54

Figure 20: High Visibility Retail Facade Example 55

Executive Summary

Key Findings

- Palermo Village Corporation (PVC) is proposing a mixed-use community in Palermo Village located on approximately 48 hectares of land northwest of Dundas Street W and Bronte Road.
- These lands were originally designated for employment land purposes in the North Oakville West Secondary Plan. Recent planning efforts for the area, however, have focused on pursuing alternative development patterns. The lands were redesignated from employment lands and incorporated into a Primary Regional Node as per the 2022 Halton Region Official Plan.
- The proposal includes 28 single detached lots, 945 townhome lots, blocks for 3,850 high density units, and an additional 2,067 residential units in Mixed-Use blocks. There is potential for a further 3,567 units to be developed in blocks within the planned area that are not owned by PVC.
- The potential population of the PVC-proposed development is estimated at approximately 12,750 persons at full built out, with an additional 6,075 expected to reside on the non-PVC owned land, for a total of over 18,000 new community residents.
- The proposed community will require between 210,000 and 255,000 square feet of commercial space to support the needs of residents in a walkable and complete community and minimize the number of vehicle trips taken by residents. This represents the total space warranted in the entire community including both PVC lands and lands under other ownership.
- To deliver a walkable, complete community, a variety of commercial uses must be accommodated within the proposed development to meet the needs of residents, with a particular focus on providing for daily and weekly needs in the form of grocery retail, specialty food, personal care and health services, and other service and retail providers.
- The design guidelines for the area and the prioritization of activated streetscapes, walkability, and mixed-use development raise several challenges and opportunities, including accommodating parking for residents and visitors without compromising the Town and PVC's development vision.
- Major Office uses on the subject lands are likely to require the pre-commitment of an anchor tenant to be financially feasible. Employment generation on the subject

lands is likely to take the form of retail and service commercial as well as personal care and health care services.

- The ability of the proposed development to realize an activated, pedestrian-friendly, main-street commercial district will be impacted by the quality of pedestrian and active transportation infrastructure delivered by the municipality as well as the frequency and quality of service to the Palermo Transit Terminal, which is proposed by PVC.
- The commercial environment of the Palermo Village expansion would be enhanced by grocery store or supermarket space. This could take a variety of forms. For example, the space could be contiguous as a single supermarket of approximately 30,000 square feet integrated into the podium of a mixed-use development, as prescribed by the Town of Oakville's OPA 34 (under appeal), or could be distributed, with one or more smaller urban style grocers co-existing alongside smaller specialty food stores and convenience markets. To provide adequate parking for a large food retail use, it could be co-located alongside other uses that require underground parking, such as community, office, or commercial recreation uses.
- To attain the pedestrian-friendly retail environment envisioned by the Town and PVC, commercial uses should generally be oriented internally to the site, as the width and speed of vehicular traffic on Bronte Road is not conducive to a pedestrian-friendly district.
- The planning framework for Palermo Village should retain the flexibility to permit mixed-use buildings in strategic areas. For example, in the event of future development to the west of the subject lands, additional retail space could be considered to serve this part of the community.

1.0 Introduction

1.1 Purpose and Scope

This report aims to provide expert opinion on the suitability of various commercial uses within the proposed development, where these uses should be located, and how best to integrate them alongside residential uses into mixed-use development blocks. There are several key goals and questions to be answered:

- Establish the amount of commercial space required within Palermo Village
- Identify the types of commercial categories appropriate for the development.
- Recommend approaches to the location, format, and built form of commercial uses.
- Identify required parking needs and how they could be accommodated.
- Estimate employment generation from commercial uses on the subject lands.

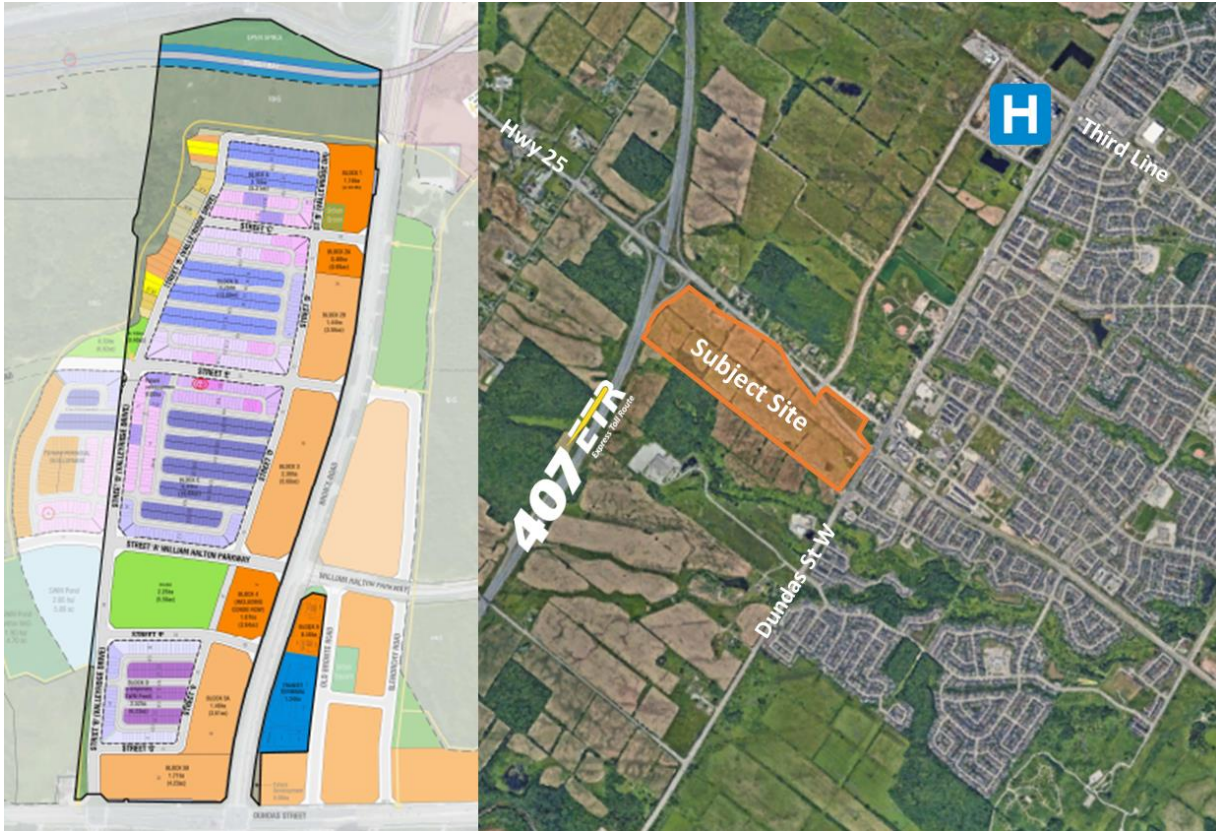
1.2 Approach

The preparation of this report follows a 7-step process to understand the site, the market for different commercial uses in Oakville and the immediate area, and identify potential approaches to mixed-use development that align with the vision of the Town and Palermo Village Corporation

1. Review the concept plan concerning opportunities and constraints concerning office and retail development.
2. Delineate a Market Area for Retail Uses on the Subject Lands
3. Estimate the Future Population of Palermo Village North and the Market Area
4. Undertake Retail and Office Demand Analysis
5. Provide Recommendations in Terms of Location and Formats for Warranted Commercial Space
6. Prepare a Preliminary Memo for PVC's Internal Purposes
7. Prepare a Final Report for Submission to the Town

1.3 Proposed Development

Figure 1: Subject Site Location & Concept



SOURCE: urbanMetrics inc., with imagery from Google Earth, NOAA. For illustration purposes only.

The proposed development occupies approximately 48 hectares and includes 28 single detached lots, 945 townhome lots, and 5,917 high-density lots for a total of 6890 units. Draft block planning includes six mixed-use blocks, including approximately 80,000 square feet of retail space, 95,000 square feet of office space, 36,000 square feet of community space, and 185,000 square feet of space for a potential age-in-place facility. In addition to this usable space the block planning provides for 6 acres of public green space integrated within the development. Based on the persons per unit ratios in the Oakville Development Charges Background Study the proposed unit counts could accommodate more than 18,800 residents at full build out.

Figure 2: Proposed Development Concept Statistics

Proponent	Land Use	Units	PPU ¹	Population
PVC	Single Detached Units	28	3.684	103
	Townhomes	945	2.727	2,577
	High Density	3,850	1.703	6,557
	Mixed Use High Density	2,067	1.703	3,520
Non-PVC	High Density ²	3,567	1.703	6,075
		10,457		18,831

¹ PPU's from Town of Oakville DCBS

² Conceptual Unit Estimate Based on OPA Height Maximum

SOURCE: Palermo Village Corporation

1.4 Assumptions

There are several underlying and basic assumptions upon which the validity of the findings presented in this report depend. Based on our experience in the retail planning process, we recognize and appreciate the problems associated with making broad and generalized assumptions about future conditions. Undoubtedly, deviations from historic and current trends will take place in the future, however, basic assumptions are required regarding the possible extent of such deviations.

These basic assumptions are:

- During the forecast period discussed in this report, a reasonable degree of economic stability will prevail in the Province of Ontario; and specifically, in the Oakville market.
- Further to above, due to the recent and ongoing conditions relating to COVID-19, it is difficult to accurately determine the potential longer-term impacts of the pandemic at this time. This includes possible impacts on future economic conditions, investment patterns, shopping habits, and various other factors that may directly influence the future retail/service commercial market conditions and service levels in Oakville. Given the inevitable longer-term build-out of the proposed development on the site, our analysis assumes that the local commercial environment will more or less return to pre-pandemic conditions.
- The official statistical sources utilized in this report (based largely on Statistics Canada, Province of Ontario, and Town of Oakville data, which have been footnoted where utilized) are considered sufficiently accurate for the purposes of this analysis.

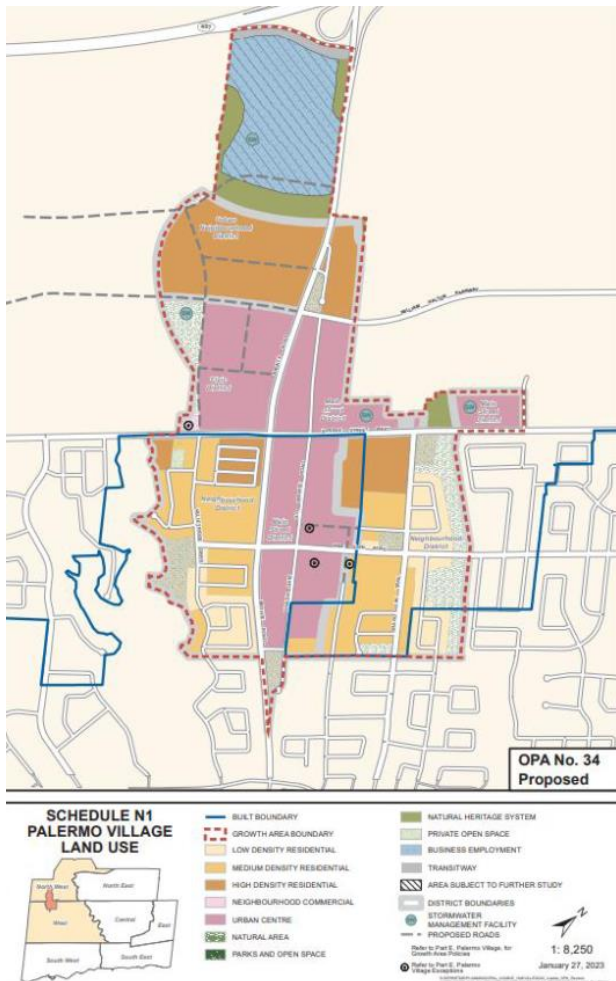
- The year 2022 has been assumed as the base year in our analysis, as it represents the most recent full annual period for which accurate retail expenditure data is currently available. The assumed market entry of the proposed retail and service commercial uses on the subject site have been phased according to anticipated development timelines (i.e., accommodating reasonable lead time for municipal approvals, construction, occupancy, etc.).
- References to the Canadian dollar in this report, dealing with present and future periods, reflect its 2023 value. We recognize that fluctuation in the absolute value and purchasing power of the dollar will likely occur during the period covered by this report. We assume, however, that the relationship between per capita income and expenditure levels, and the value of the dollar will remain stable during the period analyzed. Since this report deals with future space additions, inflation has been eliminated since it has no influence on the physical space used in retail facilities. However, real growth (excluding inflation) in expenditures has been acknowledged in the analysis.

If, for any reason, major changes occur that could influence the basic assumptions stated above—including ongoing monitoring of any future changes resulting from the COVID-19 pandemic, the recommendations contained in this report should be reviewed considering such changed conditions and revised if necessary.

2.0 Site Context

2.1 Site & Access

Figure 3: Proposed Palermo Village Land Use OPA 34



SOURCE: Town of Oakville OPA 34

The subject lands are in the northwestern part of the Town of Oakville, near the municipal boundary with the Town of Milton to the north and the City of Burlington to the west. The subject lands are currently used for agricultural purposes. They abut existing low and medium-density residential, commercial, and institutional uses to the south, agricultural, low-density residential and institutional uses to the east, agricultural uses to the west, and Highway 407 and the proposed 407 Transitway to the north. Immediately to the west of the site is Fourteen Mile Creek and its associated floodplain, while related Natural Heritage Systems features run across the site from west to east.

The site is easily accessible by car, with connections to Dundas Street West and Bronte Road, which connects to Highway 407 immediately to the north of the site. Currently, bus service provided by Oakville Transit is available along Dundas Street West.

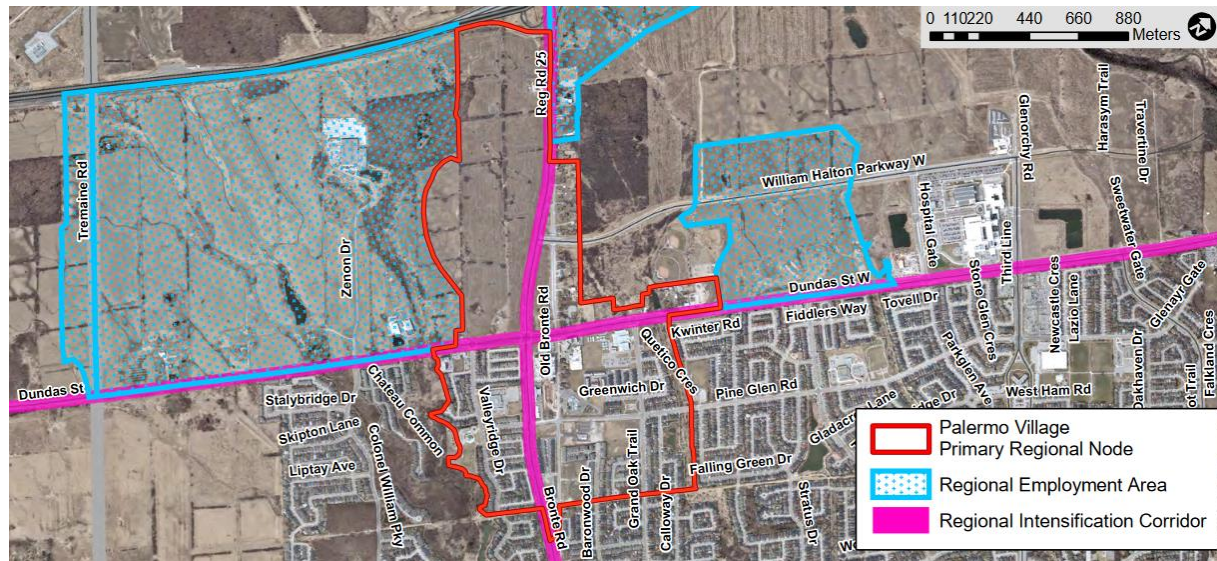
To the east, along the William Halton Parkway, is Oakville Trafalgar Memorial Hospital, the anchor of a Regional Employment Area focused on medical office uses that will continue to develop into the future.

2.2 Policy Context

These lands were originally designated for employment land purposes in the North Oakville West Secondary Plan. Recent planning efforts for the area, however, have focused on pursuing alternative development patterns. The lands were redesignated from employment lands and incorporated into a Primary Regional Node as per the 2022 Halton Region Official Plan.

Oakville OPA 34 (currently under appeal) extends Palermo Village north of Dundas Street along Bronte Road, bringing some of the lands within the Livable Oakville Plan, including the subject lands and 12 hectares of land owned by other parties. The Town’s planning concept for Palermo Village seeks to facilitate the development of a transit-supportive medium to high-density complete community. This community would include parks alongside community/institutional uses and commercial uses to serve the future population. This intent is also supported by the Regional Official Plan, which includes the totality of the subject lands within the Palermo Village Primary Regional Node, and highlights Dundas St W and Bronte Road as Regional Intensification Corridors, as shown in Figure 4.

Figure 4: Palermo Village Primary Regional Node

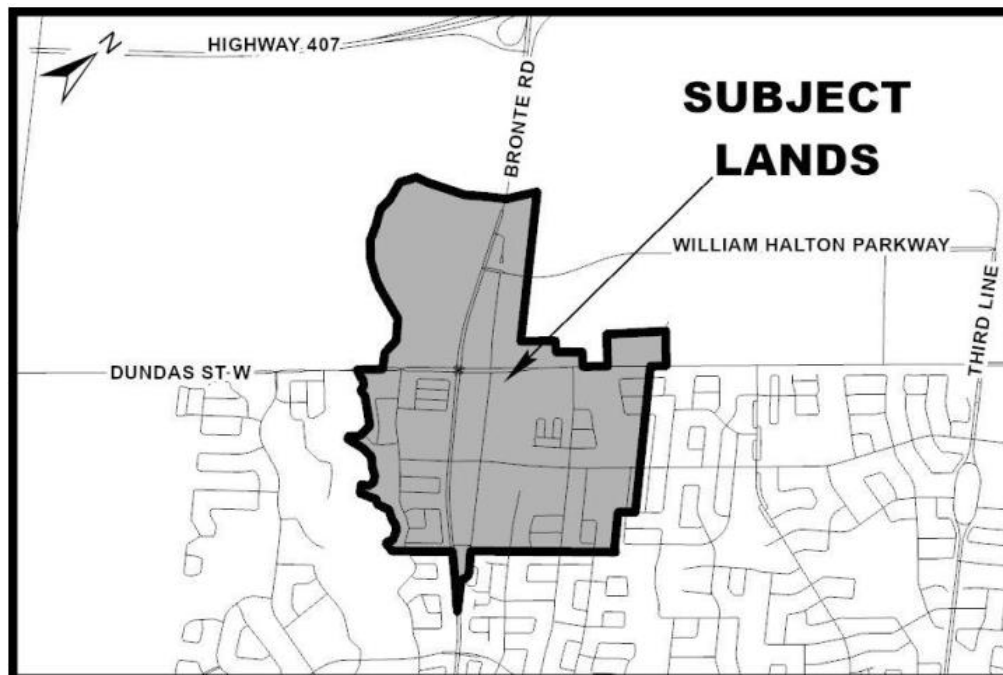


SOURCE: Halton Regional Plan Map 6m

North Oakville Design Guidelines

Livable Oakville Plan Amendment 37 (currently under appeal) establishes area-specific parking and cultural heritage policies for the expanded Palermo Village Growth Area proposed by OPA 34, prior to its modification by Council. This area omits the northern portion of the subject lands that PVC proposed be included in the Palermo Village Area and are reflected in the ROPA shown above.

Figure 5: OPA 37 Lands



SOURCE: Appendix A to Town of Oakville By-law 2021-096

The parking and cultural heritage policies within By-law 2021-096 impact the type, nature, and form of development within the lands identified in Figure 5. The following key policies are likely to have the most significant impacts on the proposed development on the subject lands:

- *“Within the Urban Centre and High-Density Residential designations, structured parking should be provided. Limited surface parking for commercial and visitor parking may be considered when appropriately sited and screened to minimize the view of the surface parking from the street”*

- *“The maximum portion of a lot that may be used for surface parking should be approximately 30 percent” (except for 50% of a community-use lot and 75% of primarily parking lots such as public parking facilities).*
- *“Aboveground parking structures should be integrated with development. The maximum portion of a lot that may be used for a freestanding aboveground parking structure should be 50 percent...Aboveground parking structures that abut a public street shall contain active uses at grade facing the street”.*

These policies serve to incentivize non-parking land uses, prioritizing the activation of sites within Palermo Village for residential, commercial, or community uses, and seek to concentrate parking in either structured facilities with activated streetscapes or in surface parking sites that make efficient use of the whole site and separate parking from the street itself. Given the potential future population of the subject lands and the commercial uses required to serve the population, these policies virtually necessitate the provision of underground parking facilities and/or innovative approaches to structured parking.

2.3 Market Context

The ongoing economic recovery from the COVID-19 pandemic complicates the outlook on commercial real estate in Ontario. The rise of work-from-home (“WFH”) and flexible work locations means that the role of major office uses in local and regional economies appears unlikely to return to exactly its role before the pandemic. With elevated vacancy rates and high borrowing costs, the exact role major office uses will play in the future is still relatively uncertain.

Despite being similarly impacted by the lockdowns associated with COVID-19, retail and service commercial space has made a stronger recovery than major office uses. The following summarizes some of the ongoing trends in retail and service commercial real estate that are likely to impact the commercial space required to meet the needs of future residents of the proposed community.

Shifting Retail Channels

- The changing role of online shopping: shifts in the shopping and fulfillment sectors exposed broader customer bases to the potential of online shopping and delivery. On-line purchases have increased across retail categories, with impacts on physical space needs through increased requirements for storage and warehouse space, decreases in customer sales space, and shifting employment locations from sales floors to fulfillment centres and delivery vehicles.

Figure 6: E-Commerce Penetration

Widespread E-Commerce Acceptance	Increasing E-Commerce Acceptance	Slow E-Commerce Acceptance
Electronics	Custom Clothing	Food & Grocery
Books/Music/Toys	Eyewear	Prescription and Other Medicines
Clothing (Basics)	Prepared Foods	Large Furniture Items
Household Furnishings	Health & Personal Care Products	Major Purchases (Automobiles)
Tickets/Event Sales		

- Merging the digital and physical retail experience:

Post-lockdown, the desire of customers to return to physical shopping was evident as research indicates that almost three-quarters of Canadians visit stores on at least a monthly basis. However, these physical trips are augmented by online shopping, where customers may browse online before trying and purchasing in-store or browsing in-store before arranging home delivery. Storefronts have also adapted their roles as fulfillment centres, handling order pick-ups and returns through expanded customer service kiosks.

- Micro-logistics hubs:

The rise of e-commerce has forced the channels through which order fulfillment and returns are managed. Simultaneously, new housing units increasingly take on more high-density built forms, complicating the job of delivery and logistics companies. As a result, micro-logistics hubs have emerged in urban areas as intermediary steps in the order fulfillment process that aggregate goods for smaller urban areas, reducing the number of car trips required to deliver goods and increasing convenience by encouraging the use of alternative delivery vehicles and providing drop-off locations for returns and orders being sent to customers.

- Ground Floor Retail Vacancies:

Despite the increase in mixed-use projects which contain ground floor retail space, the market for these spaces faces several challenges. Firstly, in the aftermath of the pandemic, many developers and condo boards have found it challenging to keep

the spaces leased at reasonable rates. The high vacancy rates have led to public criticism of ground-floor retail as prioritizing national-level retailers over smaller or local businesses. It has also led to a high level of vacant space at the street level, negatively impacting the feel of the street and the commercial outlook of neighbouring businesses.

Despite these shifting trends, for most day-to-day and weekly store categories, which are integral to the establishment of walkable communities, there will likely not be a significant change in physical store requirements over current per capita space ratios. Many store types, such as supermarkets and restaurants, have already rationalised their space needs to account for delivery fulfillments. Regional shopping centres at the highest level of the hierarchy are still successful in creating a shopping experience that cannot be duplicated by online shopping. The most significant impact in terms of brick-and-mortar retailers would likely be with respect to large format single category (formerly known as “category killer” stores). These retailers have been effectively directly competing with online retail channels for the same customers, as well as selected retail categories that have been strongly embraced by the online market, such as books, music, electronics, and basic apparel.

Adapting Retail Built Form

In many municipalities across Ontario, the rapid rise of housing prices combined with provincial and local planning policies has led to a significant increase in mixed-use projects with varying degrees of success. There are examples of successful mixed-use projects, particularly in high-density urban environments. At the same time, planning policies requiring mixed-use development combined with unfavourable development economics and, in some cases, a lack of developer experience in mixed-use formats have resulted in many poorly designed projects that do little to benefit the urban landscape or the communities in which they are situated.

There are several reasons for the proliferation of mixed-use developments:

- Intensification policies at the provincial and local levels have led to more high-rise residential projects at strategic locations. In some cases, there are no feasible sites to accommodate free-standing retail projects, and consequently, mixed-use development is the only option available to accommodate retail and service uses to serve new residents.
- Residential land values had been exceptionally high, minimizing the incentive to construct lower-valued retail components.
- More recently, the rapid escalation in construction costs has meant that in many areas, the rents collected from retail and office spaces in mixed-use projects are

lower than the construction cost. With more recent declines in residential prices and higher interest rates, it is possible to envision scenarios where the inclusion of ground-floor retail may jeopardize the feasibility of residential projects.

As a response to physical well-being, social issues, and sustainability concerns, the prevailing vision in urban planning is to create vibrant pedestrian communities, with street fronts animated by retailing and food services, whereby people can work and shop within walking and cycling distance of where they live or within an easy transit commute.

- Many municipalities have required that high-rise residential projects incorporate street-related retail space. In medium-density neighbourhoods, many municipalities have adopted policies requiring live-work units and retail space integrated into townhome and low-rise apartment projects at strategic locations.
- In many cases, there is a wide gap between the intentions of planners and the experience and interest by developers to create high-quality commercial spaces within mixed-use projects. Policies requiring minimum ground floor commercial components in residential projects often result in ubiquitous undersized retail units with minimal utility to tenants other than a select group of offices and services. Often, projects sustain high ground floor vacancy rates with office/service tenants that do little to generate foot traffic or animate the street fronts.

Live-work-type units can be modestly successful in delivering very small-scale services to a local community and in providing employment opportunities to small businesses. However, they are very limited in their ability to provide for day-to-day or weekly shopping opportunities for a community.

- The units are small – often less than 600 square feet.
- Within these units, businesses must also set aside space for washrooms, sinks, storage, etc. They lack loading facilities, and commercial trash collection can be problematic. They also typically do not have sufficient utility and ventilation facilities to provide for on-site cooking. As a result, many live-work units are leased to offices and health/wellness-related services that do not require larger units or commercial-grade utility and ventilation connections.
- Often, on-site parking is not available, further limiting the desirability of these units for most retailers and service providers.

While the planning aims of these types of uses are to facilitate walkability and to animate the street front, most retailers outside of those in downtown areas rely on automobile traffic to survive. Without the ability to accommodate vehicular traffic, the ability to support walk-in customers is diminished. For example, while Downtown Oakville is considered a walkable environment, it still has 1,119 public parking spaces and a Town-

owned parking garage with some 286 additional spaces. In total, there are roughly four spaces for every commercial business in the downtown. This level of parking is typically not available to live-work units.

While there are good examples of mixed-use developments with strong retail tenants, these tend to occur in high-density areas often served by mass transit. This provides for high rents to offset the cost of retail construction, as well as low parking requirements for both retail and residential uses, further reducing construction costs. Commercial units at the base of high-rise buildings have several issues distinct from those of live-work units.

- The developer needs to pre-lease any significant retail spaces before they can design the building to accommodate loading facilities, ventilation, parking requirements, drive-through areas, ATMs, truck movements, trash collection and emergency vehicle access for commercial tenants.
- This will undoubtedly extend the approval, construction, and sales periods, adding to the project's cost.
- Building good quality retail space at the base of high-rise residential buildings is far more expensive than free-standing commercial units or shopping centre space. This is due to the need to modify the structural supports to allow for the retail space to be configured according to tenant needs, as well as the potential need to accommodate retail parking underground. In addition, other design changes may be required.
- Often, planning regulations for mixed-use developments do not allow for design elements that are core to a retailer's concept, such as parking within a certain radius of the doors, drive-through access, signage, etc.

In addition, depending on the ownership of the commercial space, condominium by-laws may also restrict changes to the retail unit after it has been constructed.

In the absence of tenant interest in a mixed-use project before the project the resulting spaces can be ill-suited for vibrant commercial uses, are slow to lease or sell, and are occupied predominantly by office and health and personal practitioners, rather than retail outlets. In addition, because the developer is often not interested in long-term holding, the retail units are sold as condominium units, further eroding their value as part of a cohesive retail centre.

2.4 Commercial Categories Considered

Our analysis has considered the full range of retail goods and services typically analyzed when undertaking a commercial policy study for a municipality. These types of retailers and services can be broken down into four broad categories, as shown in Figure 7.

Figure 7: Retail and Service Categories Analysed

Store Category	Example Retail/Service Facilities
Food & Convenience Retail (FCR)	Supermarket and grocery stores, convenience stores, pharmacies, and personal care
Convenience Services	Personal care services, health care, finance (e.g., banks, credit unions), food services
Non-Food Store Retail (NFSR)	General merchandise, clothing and accessories, furniture, home improvement, specialty and miscellaneous stores
Other Services	Professional services, social services, insurance and real estate, entertainment and recreation

The first two of these categories (i.e., Food & Convenience Retail and Convenience Services) are the backbone to the commercial uses required to create a complete community. These represent uses such as supermarkets, other food stores, pharmacies, personal services, banks, food service establishments and medical offices. It is critical that most of these uses be distributed and situated in proximity to future neighbourhoods to minimize travel time and to encourage active transportation trips.

Many non-food retail stores rely on locations with characteristics that are not always found in neighbourhood scale shopping facilities, but nonetheless are part of the broader commercial structure. For example:

- General merchandise stores, including large format outlets such as Walmart, Costco, and Canadian Tire, among others, which require very specific floor plates and sites of at least 4 to 5 hectares. As they are typically part of a larger shopping centre or agglomeration, the typical site size could be more than 10 hectares.
- Fashion tenants typically need to be located within a cluster of fashion and related stores to facilitate comparison shopping. As a result, most large fashion retailers are found in enclosed shopping centres with smaller boutique stores clustering in retail streets or areas, such as Downtown Oakville, or Queen Street West in Toronto.

- Specialty home improvement outlets, such as floor coverings, plumbing, pool/spa, electrical/lighting, kitchen cabinetry, etc. require large showroom and storage/assembly areas and often locate in lower cost industrial areas. Similarly, automotive parts and repair facilities are often not appropriate for traditional commercial areas and require locations in industrial areas or arterial commercial strips.
- Some specialized retailers require exposure to large volumes of traffic or the need to be part of large retail agglomerations.

In our opinion, the evolution of north Oakville, in terms of already existing development, neighbourhoods under construction and approved plans of subdivision, is no longer capable of accommodating many of these larger and more specialized uses, unless potentially they occur on as-of-yet unplanned employment land sites. This, however, will involve broader policy trade-offs.

For this reason, the commercial strategy for Palermo Village should focus on how best to accommodate the portions of the commercial structure serving weekly and daily shopping at the neighbourhood scale.

Market demand for commercial facilities on the subject lands will be derived from three primary sources:

- Population growth in Palermo Village both on and off the subject lands.
- Unserved demand from current and future residents elsewhere in Palermo and neighbouring communities.
- Inflow from local employees who live outside the local area.

In our opinion, the characteristics of the planned community north of Dundas Street W position it as fulfilling day-to-day or weekly commercial needs. Higher order commercial facilities would continue to be met elsewhere in the community, in areas such as the Uptown Core, Oakville Place, the downtown, and other regional commercial facilities in neighbouring municipalities.

However, the planned community must ensure it provides adequate commercial facilities to meet the daily and weekly needs of residents and mitigate the number of local vehicle trips necessary. One of the most important aspects of this is providing facilities to meet the food and convenience commercial needs of residents to ensure that planning supports a complete community.

For this reason, our evaluation of the commercial potential of the proposed development focuses on the types of retailers and service providers that contribute to a complete,

walkable community, and not on the larger format retailers that are commonly found in regional commercial centres.

Office Uses

The market for office space across the GTA has undergone a massive shift owing to changes in corporate locational strategies and the opportunities for more flexible work arrangements stimulated by the pandemic. Major office space tenants in most sectors – both private and public – have been consolidating their office spaces, as a large segment of their work force is able to work from home, either on a part-time or full-time basis.

Minimal new office space is being completed, with most new projects having been started before the pandemic. Data from real estate brokers are still showing negative absorption numbers (i.e., more space is being vacated than being occupied) across many markets, including the GTA west.

While longer term stabilization in the GTA office market is expected as some employers are mandating staff back to the office, the overall need for new office space will be much lower than prior to the pandemic.

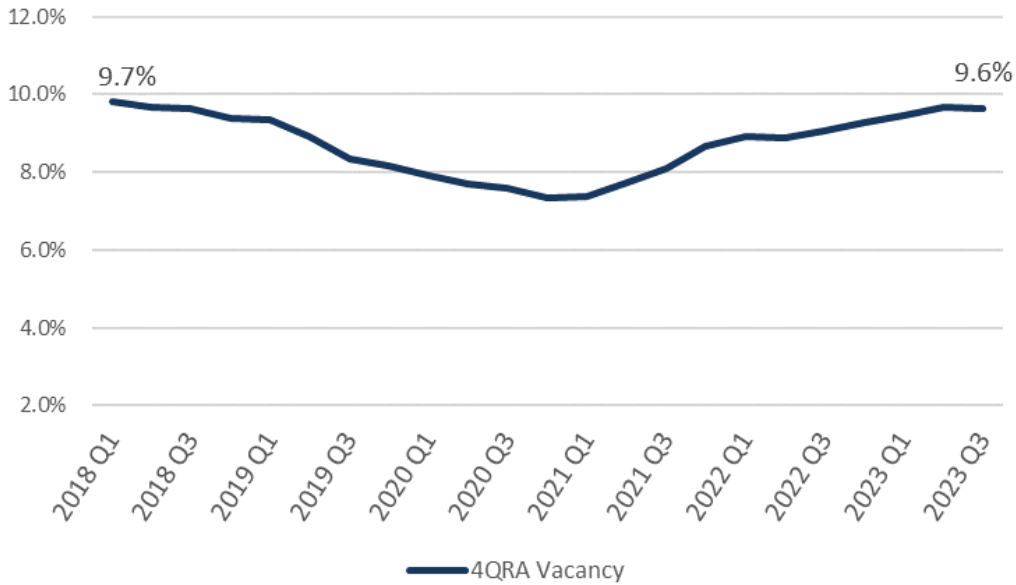
As part of the advancement of mixed-use development and the pressure to convert lands designated for employment uses to accommodate residential uses, many municipalities have policies that mandate the inclusion of a set amount of employment-generating space within a mixed-use development. However, many of these developments are not conducive to major-office tenants, which can impact the feasibility of a mixed-use project. When developments are built including office space with no tenants prior to construction the space is often leased to any interested parties. This frequently takes the form of medical offices that are providing a personal care or healthcare service rather than acting as dense employment-generating locations.

Historically, major office development is fuelled by proximity to urban amenities including mass transit infrastructure or nearby related businesses, such as surrounding a university, government offices, or hospital. This has seen office development cluster in the denser areas of GTHA communities where it is frequently accessible via multiple modes of transportation, including regional and commuter rail service.

These 20th century approaches of large-scale multi-tenant office development have been under pressure from changing land use and commuting patterns, and these forces have accelerated over recent years as the office market restructures post COVID-19. As shown in Figure 8, office vacancy in the Oakville and Burlington office submarket tracked by CoStar is approximately 9.6%, with future projections of increasing vacancy and availability as the sector continues its restructuring. We would note that vacancy and availability statistics likely mask the true nature of the office market, which is characterised by vast

numbers of vacant cubicles and under-utilized space within premises still under leases signed before the pandemic. A more telling feature of Colliers third quarter GTA office market statistics is that there was not a single market in the GTA that added new office supply in the quarter.

Figure 8: Oakville & Burlington Office Market Rolling Average Vacancy Rate



SOURCE: urbanMetrics inc., with data from CoStar Realty Ltd.

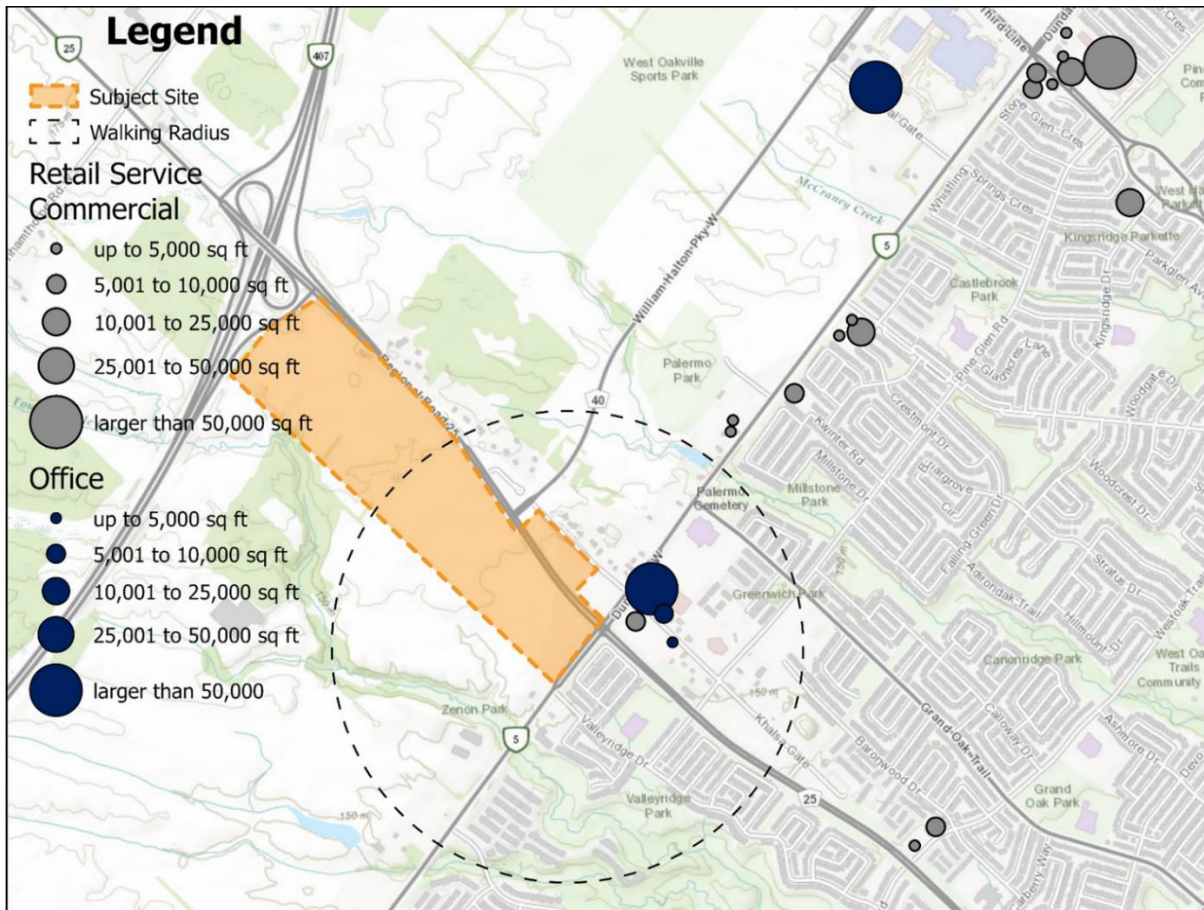
2.5 Existing Commercial Space

The quantity of commercial space required in the proposed development is also related to the existing and planned commercial space in proximity to the subject lands. Currently there are very limited existing retail/service commercial options in the local area. The existing inventory of retail/service commercial space in the vicinity is predominantly characterised by personal and medical related services, convenience stores, as well as some small restaurants and drinking places. Most of the commercial facilities are located intermittently along Dundas Street between Bronte Road and Oakville Trafalgar Memorial Hospital. There is no existing supermarket or large-format retailer located in the vicinity of the subject site.

Figure 9 illustrates the office and retail/service commercial space in the area surrounding the subject site. As shown, very little of the commercial space is within a walking radius of even the southern edge of the subject site. For these purposes a walking radius is

generously defined as 1 kilometre, which means that walking from the centre to the edge would take between 7 and 12 minutes, and walking across the diameter edge to edge would take between 14 and 25 minutes. This is slightly in excess of the 500 metre, or 750 metre radii typically used to plan for 15-minute communities.

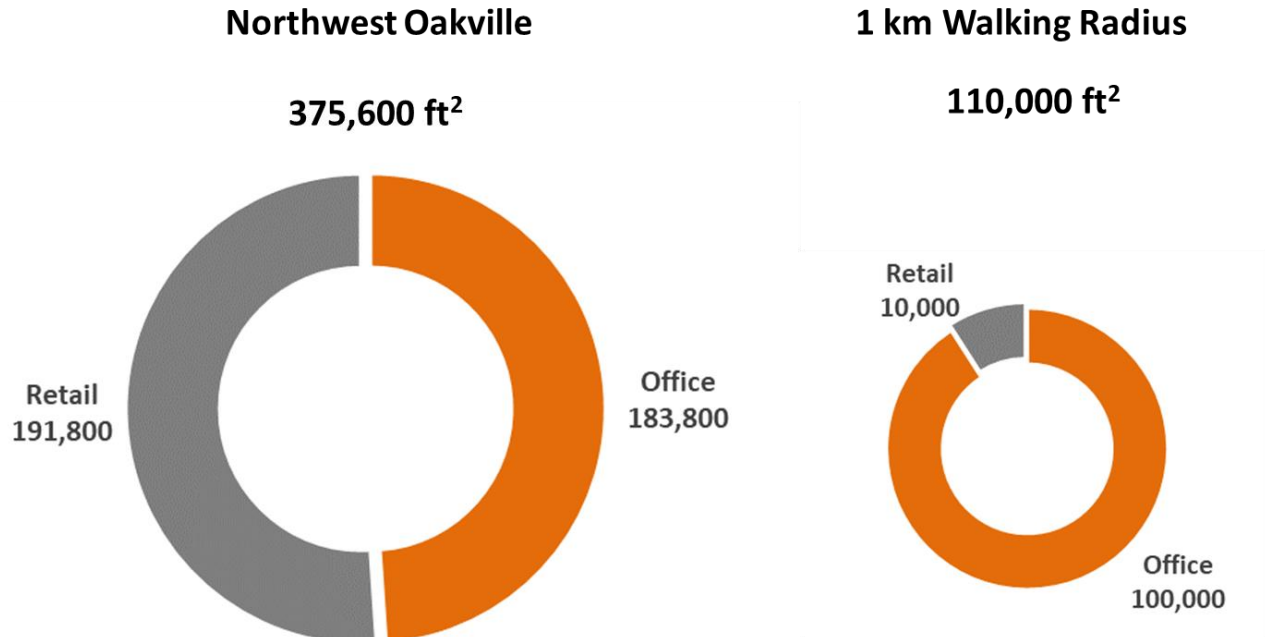
Figure 9: Existing Commercial Space in Vicinity of Subject Site



SOURCE: urbanMetrics inc., with data provided by CoStar Realty Ltd.

As shown, there are several small concentrations of commercial space in proximity to the subject site. However, much of the nearby commercial space is located outside of a reasonable walking distance and is not supportive of a transit and pedestrian focused main street commercial area. As shown in Figure 10 there are approximately 375,600 square feet of office and retail/service commercial space, with only 110,00 square feet of this total located within the one-kilometre walking radius of the subject site. Most of this space is older, low density retail space alongside personal care and medical office uses.

Figure 10: Existing Commercial Space in Vicinity of Subject Lands



SOURCE: urbanMetrics., with data from CoStar Realty Ltd.

The total commercial space includes the approximately 30,000 square foot FreshCo supermarket located approximately 2.5 kilometres to the east on Third Line, across from the hospital. This store is likely too far away from the subject site to provide for the commercial needs of residents without necessitating car trips. However, this location may become more convenient for future residents as transit service is expanded in north Oakville. Large food stores, such as supermarkets, are one of the most important commercial uses from the perspective of creating sustainable and complete community, and space of this nature should be included in the proposed development.

The neighbourhoods near the intersection of Bronte Road and Dundas Street are likely underserved from a retail market perspective. Even though the current population would be large enough to support a full-scale supermarket, there are currently no food stores, other than convenience stores, within a walking distance. The other retail uses in the area comprise predominantly small-scale services and convenience uses, that collectively are not sufficient to serve either the current or future population of Palermo Village.

Planned Commercial Space

In addition, there are five proposed new mixed-use projects in the Trade Area that would add some 42,000 square feet of commercial space:

- 3005-3015 Dundas St W – This mixed-use condominium apartment project is currently in the planning stages. Occupying a central lot north of Dundas St W between Bronte Road and Old Bronte Road, this development proposes 690 residential units with more than 6,100 square feet of ground floor commercial space. Based on the development concept this ground floor space is likely to support the convenience retail and services desired by residents in the ground floor of mixed-use towers.
- The Branch (2450 Old Bronte Road) – This mixed-use condominium apartment project is currently under-construction and will contain some 10,990 square feet of commercial space on the ground floor. It is situated in the southeast corner of the Bronte Road/Dundas Street intersection. Based on the project’s site plan and visual renderings, the proposed retail space will consist of small units appropriate for services, boutique retail, and potentially restaurants.
- The Bronte (2430 Old Bronte Road) – This mixed-use condominium apartment project is in the pre-construction stage and will contain a modest amount of ground-floor commercial space, some 2,500 square feet. This project is situated in the southeast corner of the Bronte Road/Dundas Street intersection.
- 2418 Khalsa Gate & 2467/2477 Old Bronte Road – Both of these mixed-use condominium projects are in early planning stages and are not yet actively-marketing. They both contain commercial space on the ground-floor, amounting to some 7,330 and 7,110 square feet respectively.
- 2507 Dundas Street West – A proposed non-residential 163,000 square foot building consisting of self-storage, retail, and office uses. The commercial component amounts to some 8,000 square feet. The project is currently in early planning stages.

Again, the commercial space is divided between multiple buildings and is not configured in a way that would lend itself to anything other than small scale convenience retail and services and could not accommodate the full range of retail uses and services required to meet the needs of the existing or future neighbourhoods on Palermo Village.

2.6 Transportation Network

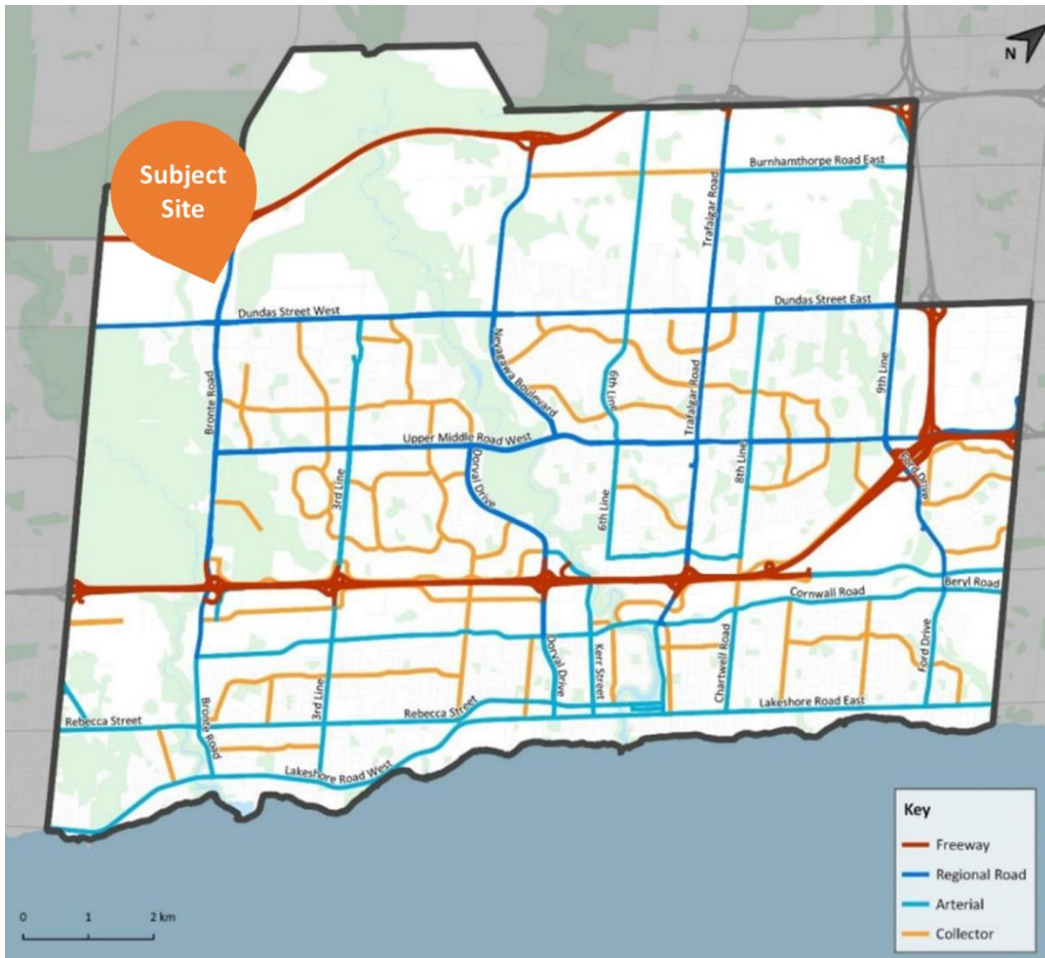
Transit oriented development is an important part of the Provincial Growth Plan and the Provincial Policy Statement. Municipalities are encouraged to plan for increased density around major transit hubs and corridors. Correspondingly, Oakville Transit services are

projected to grow significantly over the next 10 to 15 years to respond to growth and to meet provincial policies for enhanced transit accessibility. Recent changes to Oakville's transit system features a grid network with higher frequency services at established major focal points. Palermo Village has been identified as a major focal point for local feeder services and a Bus Rapid Transit route along Dundas and or Bronte Road. In addition to Oakville Transit, Palermo Village will be the location for a 407 Transitway station and associated parking.

The concentration of transit facilities in Palermo Village provides an opportunity to attract additional commercial uses to the area. The extent of this impact will ultimately depend on the location of the Palermo Transit Terminal, passenger volume, and the timing of the construction of transit facilities. While the commercial facilities in the proposed development are primarily planned to support a walkable transit-oriented community the potential success of the commercial facilities will be impacted by the ability of Oakville's transit network to ensure residents have a convenient and pleasant walking or cycling journey to the commercial facilities, and by the degree of connectivity to adjacent neighbourhoods and the rest of Oakville via public transport, active transportation, and the road network.

As shown in Figure 11 below, Dundas Street West and Bronte Road are Regional Roads serving as important connectors between neighbourhoods and municipalities in Halton Region, as well as to Highway 407, which serves as a critical freeway for the transportation of goods and long and medium distance commuting.

Figure 11: Oakville Road Network & Hierarchy



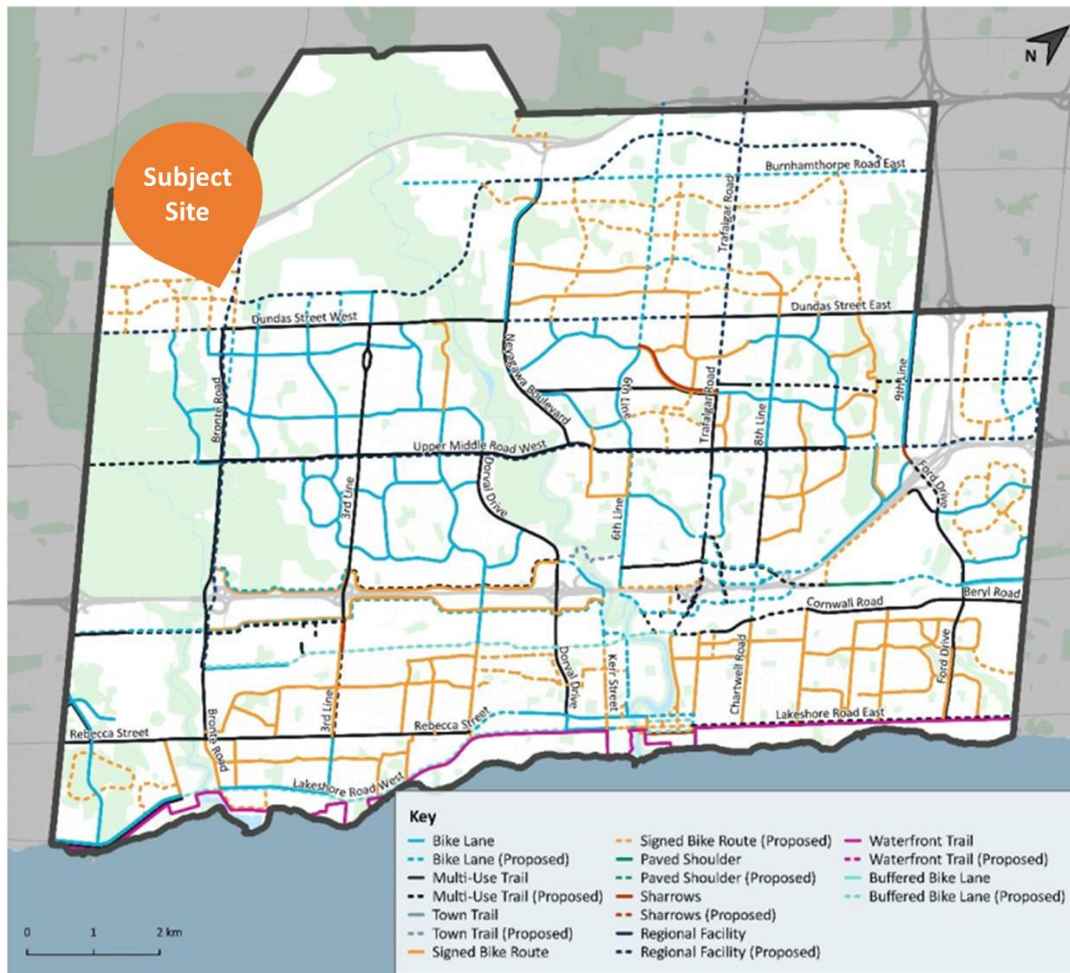
SOURCE: Town of Oakville Urban Mobility & Transportation Strategy 2021

Despite planning for walkability, the road network will continue to play an important role in the movement of people and goods throughout the community and the region. While the provision of Bus Rapid Transit along Dundas Street West and the addition of express service via the 407 TransitWay will reduce auto dependency in the area, without convenient and high-volume service linking Palermo Village to the rest of the region significant rates of car ownership and use are likely to continue.

Bronte Road is planned to be widened from 4 to 6 lanes in 2025 as part of the expansion of transit service, creating a dedicated transit lane. While this will positively impact the speed and reliability of transit services, it will also impact the streetscape and pedestrian environment. There is a well-established relationship between the ratio of building height and road width that impacts the comfort of a street for pedestrians, and a 6-lane road can present several challenges for street level businesses seeking to attract pedestrians.

The pedestrian focus of the proposed development is reliant not only on the built form that develops within the subject lands, but also on the urban design of the surrounding areas and the infrastructure that supports walkability and active transportation between the proposed community, the existing neighbourhoods, and future development. As shown in Figure 12, the subject site forms an integral part of plans for an expanded cycling network that involves investments by both Halton Region and the Town of Oakville. However, the current plans for the Town of Oakville provide for a Signed Bike Route that represents a lower priority than a dedicated Bike Lane, Buffered Bike Lane, or Multi-Use Trail. The provision of dedicated cycling infrastructure including protected bike lanes and enhanced intersections including signed bike signaling would support more active transportation linkages within the community and surrounding neighbourhoods, enhancing walkability in the pedestrian focused commercial areas of the proposed development.

Figure 12: Oakville Cycling Network



SOURCE: Town of Oakville Urban Mobility & Transportation Strategy 2021

3.0 Case Studies of Mixed-Use Urban Space

Section 2.3 highlighted relevant shifts in approaches to new commercial developments focusing on the incorporating commercial space within mixed-use projects. The following section further explores different strategies for delivering attractive and functional commercial space as part of a primarily residential development. It also touches on strategies for the inclusion of the associated infrastructure necessary to support these commercial facilities including receiving and service spaces, and varieties of structured parking.

Recent increases in new mixed-use construction have resulted in many different approaches to integrating commercial or community space into high-density residential development. As mentioned, many of these attempts have struggled to meet the needs of both commercial tenants, residents, and other customers. This negatively impacts not only the financial viability of the development but also the community at large. This section identifies a variety of approaches to large-format retail podium integration and highlights different aspects of each that contributed to their success. Overall, all the examples share several key principles or characteristics:

1. Meeting the commercial needs of residents
2. Considering the structural needs of commercial tenants
3. Sharing building infrastructure and non-revenue generating areas across multiple users
4. Design that communicates the presence of commercial uses

These examples highlight approaches to integrating structured and/or underground parking into projects. This building level infrastructure is required in locations in high-density urban areas that also support high foot traffic and lower rates of car ownership. The types of products available at large format retailers and the quantity of goods that may be purchased by customers can either necessitate car trips or would be made significantly more convenient by car trips.

Considering the need for car parking and the restrictions on surface parking applicable on the subject lands, integrating structured parking into the proposed development is a necessary expense that creates several challenges for the development of commercial space. The following examples highlight non-traditional approaches to above ground parking. Some key principles that are shared by all the examples include:

1. Location and Access
2. Mitigate Streetscape Impact
3. Shared Parking for multiple types of users
4. Consideration of other modes of transportation

Westlake Village – Etobicoke, ON



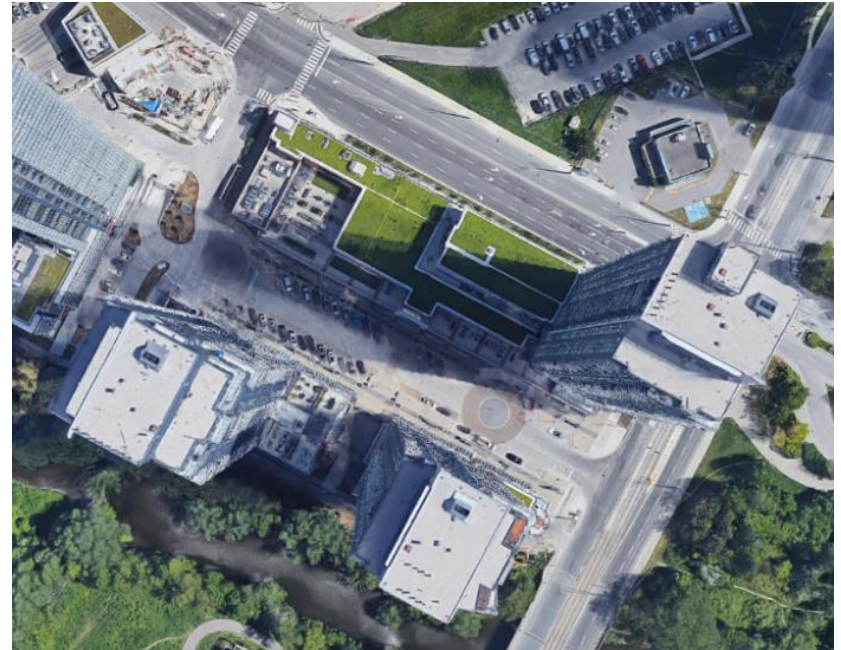
SOURCE: urbanMetrics inc., based on Google Earth imagery

- Built in 2015.
- 1,300 residential units.
- 60,000 square foot commercial “urban village” in an internal courtyard.
- Anchored by Metro supermarket and Shoppers Drug Mart, with internal and external access.
- Additional retail and service outlets.

Westlake Village in Etobicoke is a mixed-use project that integrates commercial spaces, including a grocery store, into a high-density residential development. Located on Etobicoke waterfront at the corner of Lake Shore Boulevard and Park Lawn Road, the 1.0 million square foot project was built in 2015 and benefits from excellent visibility and access from a prominent intersection. The residential component consists of three high-rise residential buildings containing some 1,300 units.

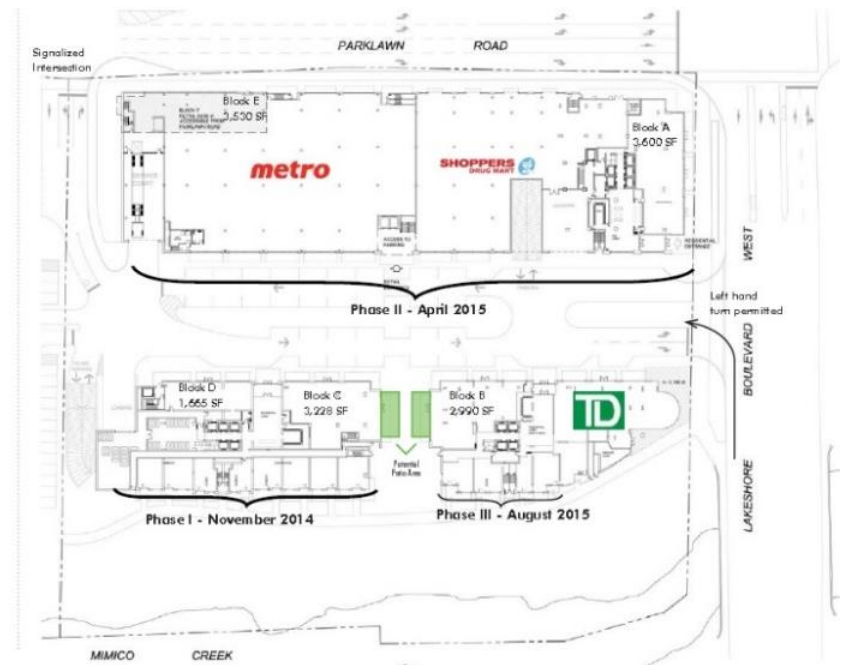
Westlake Village contains an “Urban Village” with 60,000 square feet of retail/service commercial space, and is anchored by a Metro supermarket and Shoppers Drug Mart. Both anchors have direct access and street entrances from both the major roadway on the edge of the site and the “urban village” street at the centre of the site. The project’s other commercial tenants are a mix of retail and service outlets including quick and full-service restaurants, a dentist, banks, a small-format fitness service, and a dry cleaner. These are the types of commercial outlets that could be expected to locate in the proposed development.

Westlake Village offers ample parking to support its retail space, including 28 surface parking spots and 303 covered, underground spots. As shown in the images below, the surface parking spaces are located internally within the “Urban Village”. This approach screens the parking from the main streetscape, which satisfies an element of the North Oakville Design Guidelines. Regardless of favouring walkability, the inclusion of some surface parking spots is important for consumers as they provide opportunities to make quick “stop and go” purchases. They also contribute to the feeling of urbanity within Westlake Village. Further, the project’s 303 underground parking spots are accessed from a parking garage entrance off the main arterial roadways.



Key Lessons

- Orienting smaller commercial outlets internal to the site at a pedestrian scale.
- Providing access to anchor tenants from the high-traffic roadway and the internal courtyard.
- Strong mix of essential retailers and convenient services.



King High Line – Toronto, ON



SOURCE: First Capital

King High Line is a mixed-use development on the edge of Liberty Village in Toronto. The project was completed in 2019 and includes a total of 160,000 square feet of commercial space and an additional 10,000 square feet for office uses.

There are over 500 luxury rental residential units located directly above the non-residential podium in addition to condominium residential buildings located throughout the development. The project is situated in a prime location with excellent frontages, street exposure, multiple entrances, underground parking, and public transit access. Most of the commercial space within King High Line has been oriented towards King Street in order to create a pedestrian-friendly main street environment. It does not contain an internal “village” of retail uses that would be more oriented to on-site residents.

- Completed in 2019.
- 160,000 square feet of commercial space.
- 10,000 square feet of co-working office space.
- 500 high-end residential units including both condominium and purpose-built rental.
- Anchored by 42,000 ft² Longo’s supermarket, Canadian Tire, and Shoppers Drug Mart.



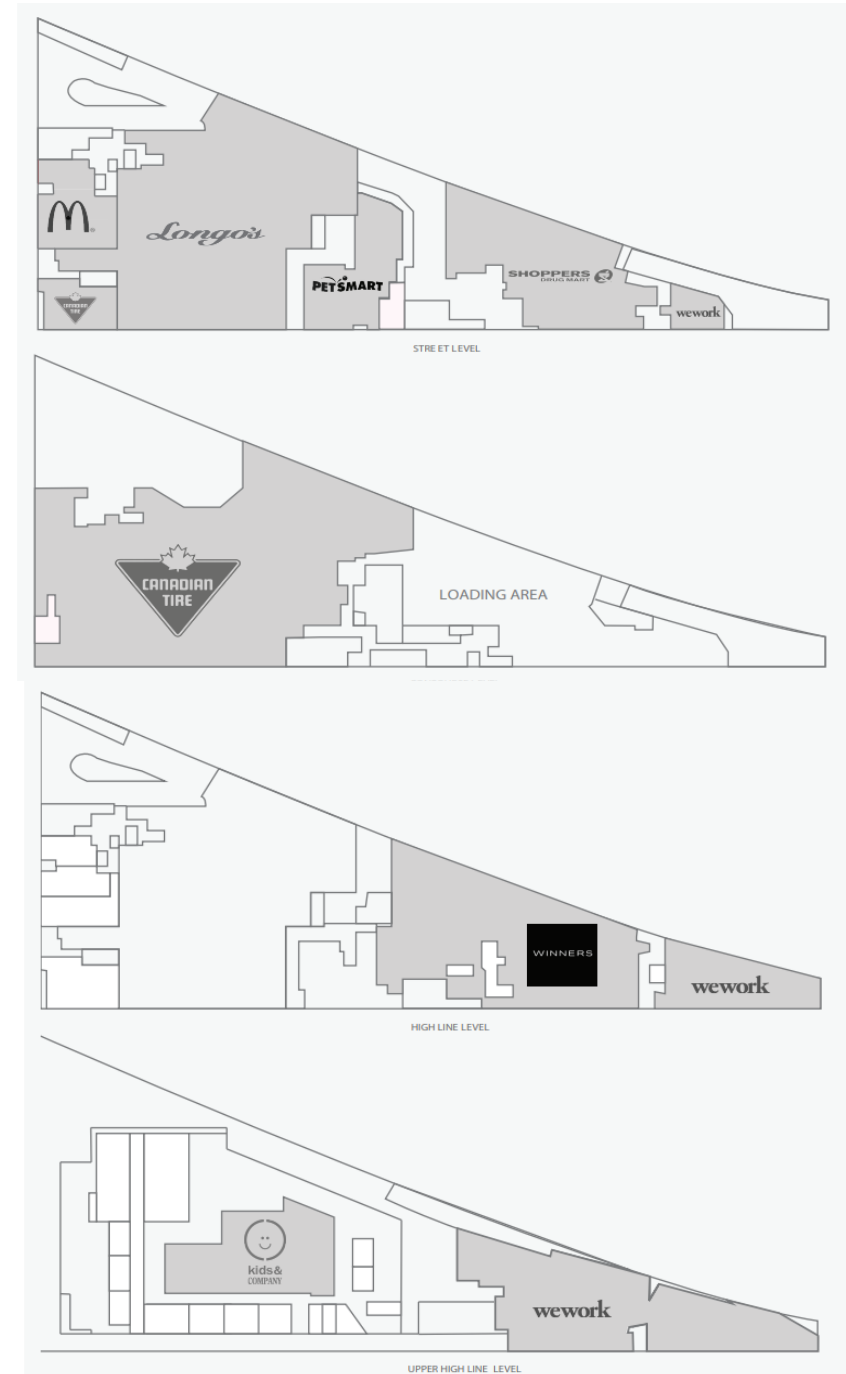
SOURCE: Google Earth

The most prominent entrance to the complex is on the west end, at King Street and Joe Shuster Way. The entrances to Longo's supermarket and the Canadian Tire, which has a similar footprint below grade, are at street level. Escalators and elevators provide access to the lower levels where Canadian Tire is located. All the stores are connected to elevators and underground parking, with some 700 underground parking spots split between commercial and residential parking.

The 160,000 square feet of retail space is anchored by Longo's, Shoppers Drug Mart, Winners, and Canadian Tire. It also contains some significant office users including WeWork, McDonalds, and PetSmart. As the site is irregularly shaped, the commercial and office space is spread over multiple floors. The site plans below illustrate the layout and tenants of the podium.

Key Lessons

- Ensure the structural design considers the needs of anchor tenants.
- Creative stacking and pedestrian flow through escalators to maximize leasable area and secure multiple large format retailers.
- Strong mix of essential retailers, large stores lacking a presence in the area, and convenient services.



University District - Calgary, AB



- 65,000 square feet of commercial space integrated into the podium with 288 residential units above.
- Anchored by 38,000 Save-On-Foods grocery store.
- Residential amenity space located on top of commercial services and parking.
- Part of University District Master Plan for 200-acre site.
- Residential amenity space located on top of commercial services 488 underground and surface parking spots.

The University District is a developing community in Calgary adjacent to the existing University of Calgary campus. The master-planned community includes a variety of uses that capitalize on their proximity to a leading post-secondary institution but also incorporate medium and high-density residential uses alongside pedestrian-focused streetscapes and an inviting commercial environment to support new residents, but also students in nearby on-campus residents and popular student neighbourhoods. The total masterplan will accommodate approximately 17,000 residents and FTE workers upon completion of the nearly 200-acre site. The full land use plan includes 250,000 square feet of retail space alongside the 6,000 to 6,500 residential units and 1,000,000 square feet of office space.

SOURCE: CoStar Realty Ltd.

One of the anchors of the mixed-use portion of the development is a mid-rise residential building that incorporates 65,000 square feet of commercial space into the podium, including a full size 38,000 square foot Save-On-Foods grocery store, with 288 residential units located above. The outdoor amenity space for the residential component is located on top of the store in an elevated courtyard internal to the site. Resident and customer parking, as well as receiving and service access, is via a lane behind the building. Minimal surface level parking is provided for visitors and customers, with 488 spots available underground. Ownership of the visitor portion of parking is retained by the University District Trust, which was set up by the University of Calgary to develop the area.

One key feature of the University District as a whole is the reliance on mass timber construction for low and mid rise buildings, with the stated objective of reducing building costs and timelines. This logical approach was also applied to the phasing of development, as some of the lower density residential blocks were developed first, following by the mixed use commercial blocks, with the office commercial components to follow once infrastructure and amenities are in place.

Key Lessons

- In a new community, ensuring alignment between target residents and target anchor commercial tenants is essential.
- Provision of limited stop-and-go surface level parking.
- Elevated courtyard for residential amenities on top of the podium.
- Shared use and ownership of underground parking.



Capitol View – Nashville, TN

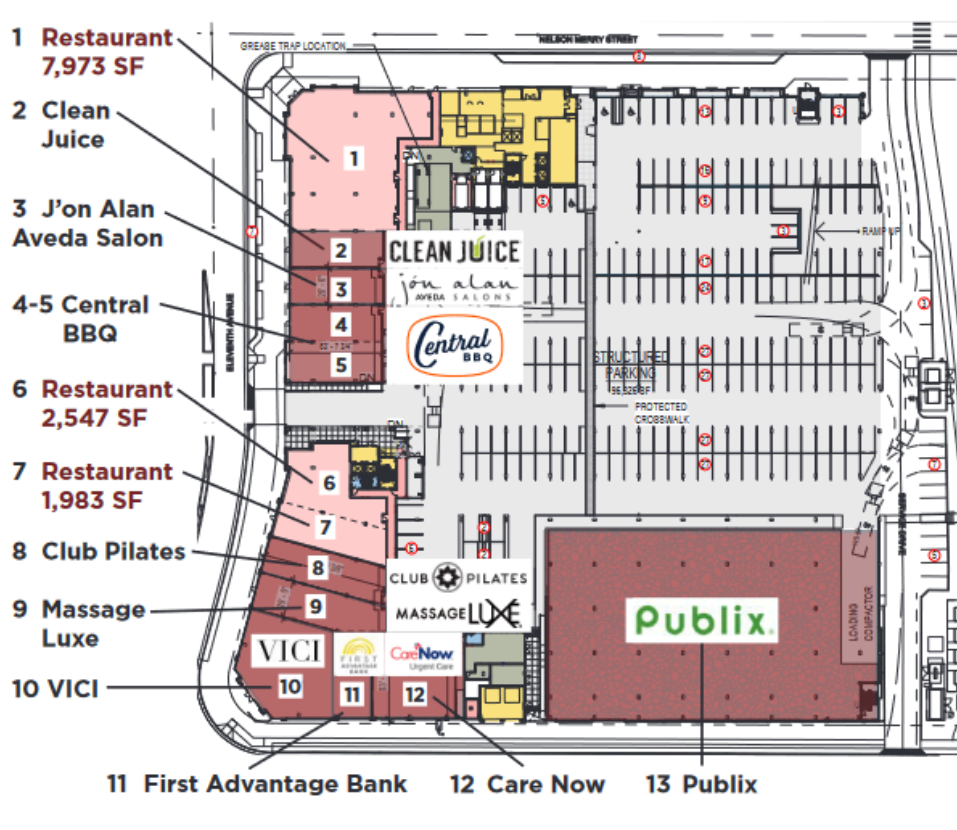


SOURCE: CoStar Realty Ltd.

- 9-storey building with mixed-use podium.
- 60,000 ft² of retail and 40,000 ft² of office space integrated into podium.
- Anchored by 47,000 square foot Publix supermarket.
- 378 residential units with internal courtyard amenities.
- 250 visitor/customer parking spaces on ground level of podium.

Capitol View is a masterplan revitalization district adjacent to the State Capitol in downtown Nashville, Tennessee. The 32-acre area was planned with a variety of uses and is centred around more than 1,000,000 square feet of Class A office space and a 5-acre activity park that connects to the broader Nashville Greenways system. In addition, the development includes more than 130,000 square feet of retail and restaurant space anchored by a 47,000 square foot Publix, 378 multifamily units in the same block, and 169 hotel rooms at the Hampton Inn & Suites.

More than 250 visitor/customer parking spaces that are on the ground level of the parking garage that is integrated into the back of the podium alongside loading/receiving and service access for the commercial units, with resident parking available underground.



Key Lessons

- Wrapping the structured parking with commercial space to provide at-grade parking and receiving.
- Side entrance to parking and receiving.
- Elevated courtyard above parking and receiving for residential amenities.
- Multiple users of underground and structured parking.

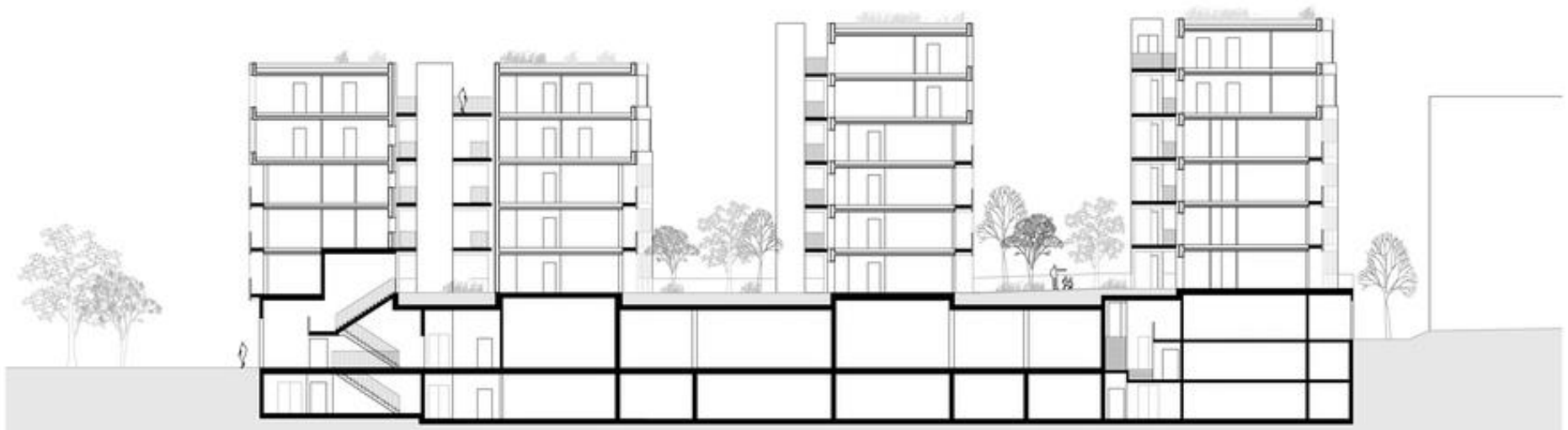
Woody M Buildings, Vienna, Austria



- Mixed use 7-storey mass timber building with 85 family-sized residential units.
- 23,000 square foot Lidl supermarket at street level.
- Previously a single-storey supermarket and 40-car surface parking lot.
- Limited visitor parking and resident parking available partially underground, benefiting from the sloping site.

Located in a dense neighbourhood in central Vienna, the Woody M buildings integrated an approximately 21,000 square foot Lidl supermarket into the podium of award winning mixed-use buildings. The 7-storey project uses cross laminated timber construction on a sloping site, which is used to aid in locating parking partially underground. It is important to note that despite being in the dense, walkable core of a European capital, and adjacent to a multi-use cycle trail, there is still parking provided.

Before this development was completed the site was underutilized as a single-storey 30,000 square foot supermarket with surface parking for 40 vehicles. Despite compromising on several thousand square feet of grocery store space the site now supports a similar sized store and 85 multi-bedroom family-sized residential units.



Key Lessons

- Integrate commercial space into the built form of the residential development while signifying the presence of separate commercial space through changes to façade and signage.
- Capitalize on the grading of the site in providing structured or underground parking.
- Elevated courtyard above parking and receiving for residential amenities.
- Multiple users of underground and structured parking.

Station Place – Etobicoke, Toronto, ON



SOURCE: First Capital, Farm Boy, CoStar Realty Ltd.

- 333 residential units across 37 storeys
- 50,000 ft² of retail and service commercial space in a 3-level podium
- 254 underground parking spaces
- Anchored by 26,000 ft² Farm Boy location.
- Other tenants include financial services and quick services restaurants.

Station Place is a 2021 mixed-use development at 5249 Dundas St West in Etobicoke that capitalizes on proximity to Kipling Station which provides TTC subway, GO Regional Rail, and TTC bus services. The 37-storey tower includes 333 residential units including 148 2-bedroom units above a 3-storey podium that provides almost 60,000 square feet of commercial space anchored by a Farm Boy grocery store.

Commercial space within the podium is spread over a ground, concourse, and second level to accommodate residential service and amenity space as well as entrances to loading and storage space as well as the entrance to the 254 space multi-level underground parking garage.



Key Lessons

- Capitalize on existing transit infrastructure.
- Secure anchor tenants before development to ensure viability.
- Careful design of service, residential amenity, and commercial space within podium.
- Provide appropriate amount of parking spaces considering needs of residents and visitors.



4.0 Commercial Space Development Strategy

4.1 Commercial Planning Principles

There are several key principles in determining the location of commercial uses within a master plan community to achieve the goal of a pedestrian oriented complete community.

Accessibility: The degree of accessibility to commercial spaces is essential to their success and to achieving the desired animated streetscape. The commercial spaces within the proposed development should be accessible first and foremost to residents of the envisioned community, but also to those traveling from adjacent residential neighbourhoods or employment areas. This means accessible to those with different levels of physical ability and various modes of transportation, including accommodating parking.

Scale: The format of the planned commercial space must integrate into the surrounding residential or community uses in terms of the height and lot size required to support the commercial use. The ratio of the street to the buildings alongside it has a significant impact on the feel of the neighbourhood and the level of comfort pedestrians have.

Diversity: Planning for the diversity within the proposed community will support the success of the community overall and a strong commercial district. Diversity in this context means a variety of types of commercial outlets: national retailers alongside local businesses, large and small formats, etc. In addition, a successful community is itself diverse, with families, young professionals, and older residents that provide both customers and employees for a variety of businesses.

Flexibility: Retaining flexibility in the planning of the commercial uses in the proposed community is likely to have a significant impact on the success of commercial facilities. There are a variety of currently unknown factors that could affect the success of a commercial district in the proposed development and ensuring that the community can adapt to changing market trends, consumer preferences, and a shifting environment in north Oakville will be critical to the success of commercial outlets in Palermo Village.

Visibility: Given the intended function of the commercial space in the proposed development as neighbourhood or community serving visibility from Dundas Street or Bronte Road is not necessarily as important as it might be in an auto-oriented retail environment. However, the principle of visibility is still important in a pedestrian priority environment as commercial space and signage must still be engaging and visible, communicating the distinction between different outlets and identifying primary entrances.

4.2 Warranted Commercial Space

To evaluate the quantity of commercial space appropriate for the proposed development we have utilized an industry standard per-capita analysis that takes typical square footage per person in a market area for relevant retail categories and extrapolates this into the total amount required by a population after accounting for typical shopping habits. The purchases made by residents elsewhere are reflected in the capture rates while the purchases of non-residents at commercial outlets in the area are reflected in inflow.

Figure 13 highlights the amount of commercial space warranted within the planned community under a high demand and low demand scenario. The low scenario represents a situation where residents seek out commercial outlets outside of their immediate

community to fulfill many of their commercial needs while the proposed development does not attract a significant amount of inflow sales.

Figure 13: Warranted Commercial Space by Category



SOURCE: urbanMetrics inc.

Under a lower demand pattern Palermo Village could meet the commercial needs of its residents with approximately 210,500 square feet of commercial space across all categories.

The high scenario represents a situation where a larger majority of residents’ commercial needs are met within the proposed development while the proposed commercial outlets

attract a larger number of external visitors. Under a higher demand pattern scenario Palermo Village could support approximately 255,000 square feet of commercial space across all categories.

Figure 14: Per Capita Warranted Commercial Space Scenarios

Commercial Needs - Retail Category		Typical Space Per Capita (Sq Ft)	Total Space Required by Residents (Sq Ft)	Target Capture	Adjusted Space Required by Residents (Sq Ft)	Inflow	Total Warranted Space (Sq Ft)
Population	18,831	A	B	C	D	E	F
	Food Store Retail	4.5	84,740	75.0%	63,555	15.0%	73,088
	Pharmacy and Personal Care Retail	1.0	18,831	75.0%	14,123	15.0%	16,242
	Other Retail	2.0	37,662	50.0%	18,831	25.0%	23,539
	Services	7.5	141,233	60.0%	84,740	15.0%	97,450
Total (Rounded)							210,500

SOURCE: urbanMetrics inc. with data from CoStar Realty Data Ltd.

NOTES: A Professional judgement from other communities

B = A x Future Population

C Professional judgement from other communities

D = A x C

Rounded to the nearest 100 square feet.

E = D x Future Population

F Professional Judgement

G = E / (1 - F)

H urbanMetrics Inventory

I = G - H

Commercial Needs - Retail Category		Typical Space Per Capita (Sq Ft)	Total Space Required by Residents (Sq Ft)	Target Capture	Adjusted Space Required by Residents (Sq Ft)	Inflow	Total Warranted Space (Sq Ft)
Population	18,831	A	B	C	D	E	F
	Food Store Retail	4.5	84,740	77.5%	65,673	25.0%	82,091
	Pharmacy and Personal Care Retail	1.0	18,831	85.0%	16,006	25.0%	20,008
	Other Retail	2.0	37,662	60.0%	22,597	30.0%	29,376
	Services	7.5	141,233	70.0%	98,863	25.0%	123,578
Total (Rounded)							255,000

SOURCE: urbanMetrics inc. with data from CoStar Realty Data Ltd.

NOTES: A Professional judgement from other communities

B = A x Future Population

C Professional judgement from other communities

D = A x C

Rounded to the nearest 100 square feet.

E = D x Future Population

F Professional Judgement

G = E / (1 - F)

H urbanMetrics Inventory

I = G - H

SOURCE: urbanMetrics inc.,

Employment Generation

Based on a range of between 210,000 and 255,000 square feet of commercial space, the proposed development will require approximately 638 full time equivalent (FTE) employees. This commercial employment will augment additional employment in community or institutional uses such as a long-term care facility and community centre.

We could expect the proposed 36,000 square foot community centre to support approximately 80 additional FTE employees. An approximately 185,000 square foot age in place facility could require between 182 and 272 FTE employees depending on the level of care and variety of offerings provided.

In total, the proposed development could provide employment opportunities for more than 900 FTE positions.

These calculations use the Town of Oakville's employment density estimates from the Development Charges Background Study and is therefore a general estimate. Estimated employment in a long-term care facility is based on previous experience and industry knowledge. It is important to note that employment densities vary across types of commercial uses, and within categories based on the specific nature of a given business.

It should also be noted that these estimates do not include the work from home population that will end up residing in the proposed development. As of July 2022, Statistics Canada identified almost 30% of employed Ontarians who spent most of their working hours at home. It is therefore likely that a considerable amount of economic activity within the proposed development will be driven by residents working from home.

4.3 Location Considerations

The following figure illustrates the potential commercial nodes within the proposed development referred to by their identified blocks in the Draft Plan of Subdivision dated 23-08-25. Many of these locations were identified in the conceptual block planning that has already been undertaken.

Figure 15: Potential Commercial Locations - Palermo North



A: Block 37 of Draft Plan
 Currently envisioned as a High-Density Mixed-Use block.

B: Block 38 of Draft Plan
 Currently envisioned as a High-Density Mixed-Use Block.

C: Block 39 of Draft Plan
 Currently envisioned as a High-Density Mixed-Use Block.

D: Block 48 of Draft Plan
 Currently envisioned as the Transit Terminal with Office Uses.

E: Block 33 of Draft Plan
 Currently envisioned as a High-Density Residential Block

Location A

Located at the northeastern corner of the subject lands, in the same block as the proposed age in place facility and an urban green and adjacent to the planned trail network. Commercial facilities in this location should reflect both their immediate neighbours in the community as well as their proximity to Highway 407. A balance could be attained through built forms that are integrated into the high-density community with offerings that suit both potential markets, drivers, and local residents. Drivers likely to benefit from the proximity to the highway are also likely to benefit from a small amount of on-street parking to enable quick stop and go purchases.

Examples:

- Quick service restaurants
- Personal care services
- Financial services
- Personal care retail

The built form of commercial spaces in this location should reflect its proximity to the planned 407 TransitWay stop and the urban development to the south and provide a high degree of both visibility and accessibility to drivers travelling on Bronte Road. However, simultaneously the form and function of commercial spaces must be respectful of the Age In Place facility located in the same block and support a safe and healthy environment and atmosphere.

Figure 16: Mixed Use Social & Seniors Housing Example



SOURCE: Belmont Village Senior Living – Mexico City, MX

Location B

Located in the core part of the proposed development with frontage on the south side of the extended William Halton Parkway, Bronte Road, a proposed neighbourhood street to the south, and a mid-block private right of way that serves as a pedestrian connection to the west, Location B is strongly positioned. The location is envisioned as supporting a variety of uses including a community hub or library, townhomes fronting onto a community park, and commercial space.

Commercial space on this site could support a wide variety of retail uses as well as personal care services, medical offices such as dentists, physiotherapists, etc. While the commercial uses are envisioned fronting onto Bronte Road, our opinion is that the scale of the roadway is likely to negatively impact the pedestrian environment of the commercial façade on Bronte Road.

One potential option to maximize the visibility and Bronte frontage offered by this site is to accommodate commercial uses in the podium that has visibility on both Bronte and a side street, with structured or underground parking accessible offside streets to the north and south of the block. This parking could then potentially be shared between tower residents, community space users, and shoppers. Conversely, the façade internal to the proposed community along the private right of way has the potential to support restaurants and other food services who could benefit from the potential flexible patio space overlooking the community park.

Examples:

- Personal care services
- Medical office
- Grocery/Supermarket
- Dining establishments

Figure 17: Mixed Use Community Project Example



SOURCE: MJMA Architecture & Design – Cooper Koo YMCA Toronto, ON

The built form of this site is critical to the success of any commercial outlets that locate here. Access to commercial space should be provided from multiple streets, with visibility from Bronte Road and convenient access to parking that does not negatively impact the planned park to the west of the site. A grocery store in this location should carry across the floorplate, with multiple “front” entrances to allow both residents and visitors to access the store on their way into and out of the residential areas to the west.

The commercial space must also integrate with the community uses envisioned for the block. While these approaches can complicate interior circulation and designing building facades, it allows for shared infrastructure and amenities which could help to mitigate some of the costs of underground parking.

Location C

Located in the Palermo Village core adjacent to the proposed village square and in proximity of the proposed location for the Transit Terminal, this location is one of the strongest locations for higher profile uses. Old Bronte Road is likely to develop in a manner much more conducive to an attractive pedestrian environment than Bronte Road, and the northern, eastern, and southern façades of a higher density building in Location C is one of the more attractive commercial locations in Palermo Village. It is one of the few locations that may be suitable for a flagship type retail location.

Examples:

- Flagship retail
- Entertainment & Recreation Services
- General retail
- Dining establishments

The built form of the commercial spaces in this location should prioritize the pedestrian-oriented nature of Old Bronte Road. The commercial spaces would benefit from being oriented eastward towards the Village Square, except for a larger anchor tenant capable of occupying a space wide enough to extend across the floor plate and link Bronte Road and Old Bronte Road. Smaller and more granular storefronts would support a pedestrian-oriented commercial node along Old Bronte Road.

Figure 18: Example Mixed-Use Public Square



SOURCE: Bozzuto Development Company – Chevy Chase Lake, MD, USA

Location D

Located in the same block as the proposed Transit Terminal, the conceptual plans for this location include a dedicated office component. While this is the most suitable location in the proposed development for office uses, it is our opinion that without pre-leasing space to an anchor tenant capable of occupying most of the building, major office development is unlikely to be financially feasible in this location.

A location directly across from a Transit Terminal with a high degree of pedestrian visibility is typically supportive of convenience-oriented retailers and service providers. If

office space is located here, it is likely to become home to the health services offices that currently exist in the area.

This opportunity and the potential tenants who could locate here, also represent strong co-locating possibilities for a grocery store or supermarket. A large office user who requires parking could also represent a partner in developing underground parking to meet the needs of grocery store customers, while wider floorplates are suitable for both office and large format commercial uses, such as grocery stores.

Examples:

- Dining Establishments
- Convenience Retail
- Medical Office
- Grocery/Supermarket

The built form of the commercial space in this location should first and foremost support the adjacent Transit Terminal. This can be accomplished by blurring the lines between public and private space, inviting transit riders closer to the commercial space using overhangs, canopies, and landscaping that activate the area and encourage convenience purchases while waiting for transit services.

Figure 19: Transit-Oriented Retail Example



SOURCE: First Capital Realty – Station Place, Toronto, ON

Location E

At the corner of Bronte Road and Dundas St W, this site in Block 5B/5A of the plan of subdivision has the strongest visibility characteristics of any potential commercial location. From this perspective it is a strong candidate for larger format flagship retail opportunity. However, maximizing the value of this site from a commercial perspective again requires thoughtful design of vehicle accessibility. Entrance to any parking structure to support visitors and larger shopping trips would likely have to be from the internal roadway “Street G” as the street frontages on Bronte and Dundas are in proximity to the intersection.

Examples:

- Personal care services
- Medical office
- General retail
- Dining establishments

This is an important site from a built form perspective as it serves as an important gateway to Palermo Village North as well as a transitional point between communities at a high-visibility intersection. The commercial spaces at grade would benefit from breaking up the façade into smaller, more pedestrian scale spaces that visually communicate the various storefronts and contribute to the feeling of a community, rather than a shopping mall.

Figure 20: High Visibility Retail Facade Example



SOURCE: Westbank Corp. Mirvish Village Redevelopment – Toronto, ON, Canada

Underground and Structured Parking

Incorporating underground or structured parking into a mixed-use project is extremely expensive and may be difficult to support in terms of the feasibility of the retail component. Depending on more detailed financial feasibility analysis, underground or structured parking related to retail uses should be minimized to the extent possible. This needs to be accomplished by significantly enhancing the convenience of pedestrian and cycling shopping trips, which will require attention by developers, the Region, and the Town of Oakville. Some strategies to consider, include:

- Maximize residential densities within 500 metres of key retail sites to augment the number of pedestrian shopping trips;
- Seek out opportunities for public/community parking, including on-street parking in the vicinity of commercial areas where appropriate. Community Facilities could be constructed to provide for shared parking with commercial uses. We would note that the recently constructed Town of Oakville sports complex on Neyagawa Blvd in North Oakville has a very extensive parking area, with available parking during non-peak periods of operation. A similar major community facility, such as the proposed library and community centre, could be used to enhance the overall parking availability in Palermo Village through shared parking amenities in an appropriate urban format. In general, public/community parking supports the success of a retail area, as it enables cross shopping between commercial sites, which is less likely with private parking controlled by individual commercial buildings. .
- Bronte Road should be designed with an enhanced pedestrian realm, including wide sidewalks, high-quality design features and multiple pedestrian crossings to facilitate movement between commercial and residential areas. High quality cycling infrastructure should also be considered.

5.0 Conclusion

Warranted Space

The proposed development on the PVC lands will support approximately 12,750 residents, with an additional 6,075 residents on non-PVC lands. Based on this residential population Palermo Village could meet the commercial needs of residents with between 210,500 and 255,000 square feet of commercial space. This includes space on both PVC and non-PVC lands. Including the proposed community space and age-in-place facilities, the potential employment potential of Palermo Village is more than 900 FTE positions.

Based on the current office market, and projected office market statistics moving forward, major office uses in the proposed development are unlikely to be financially viable without pre-development commitment from an end-user. Further, given the current challenges facing commercial real estate construction financing, it is advisable to retain as much flexibility as possible under the Town of Oakville’s zoning and land use framework to allow for additional mixed-use spaces in the future, or the location of these spaces in different locations around the proposed community.

The delivery of commercial space in Palermo Village should prioritize commercial uses that meet the daily and weekly needs of residents including food and convenience retail, personal care services and retail, and convenience services such as banks and urban micro-logistics hubs that enable parcel delivery and return.

Locational & Built Form Recommendations

While the planned transit infrastructure and service upgrades in the area, particularly Bus Rapid Transit service in a dedicated right of way, and express service via the 407 Transitway, will improve transit in the area and reduce car dependency, the locational characteristics of the site mean that car ownership and use will remain at reasonably high levels. This impacts the planning of commercial uses in a variety of ways.

Bronte Road is designated as a “Major Road” in the Halton Official Plan. This could conflict with pedestrian oriented commercial uses along Bronte Road. For this reason, Bronte Road should be designed with an enhanced pedestrian realm, including wide sidewalks, high-quality design features and multiple pedestrian crossings to facilitate movement between commercial and residential areas. High quality cycling infrastructure should also be considered.

In addition, the retail facilities within Palermo Village will attract customers beyond a reasonable walking distance, particularly residents south of Dundas Street. This will necessitate on-site parking, a portion of which, may need to be underground. The high costs of providing underground parking can challenge the viability of commercial development. These costs can be mitigated by sharing underground parking between residential and accompanying uses, such as commercial space or community facilities.