

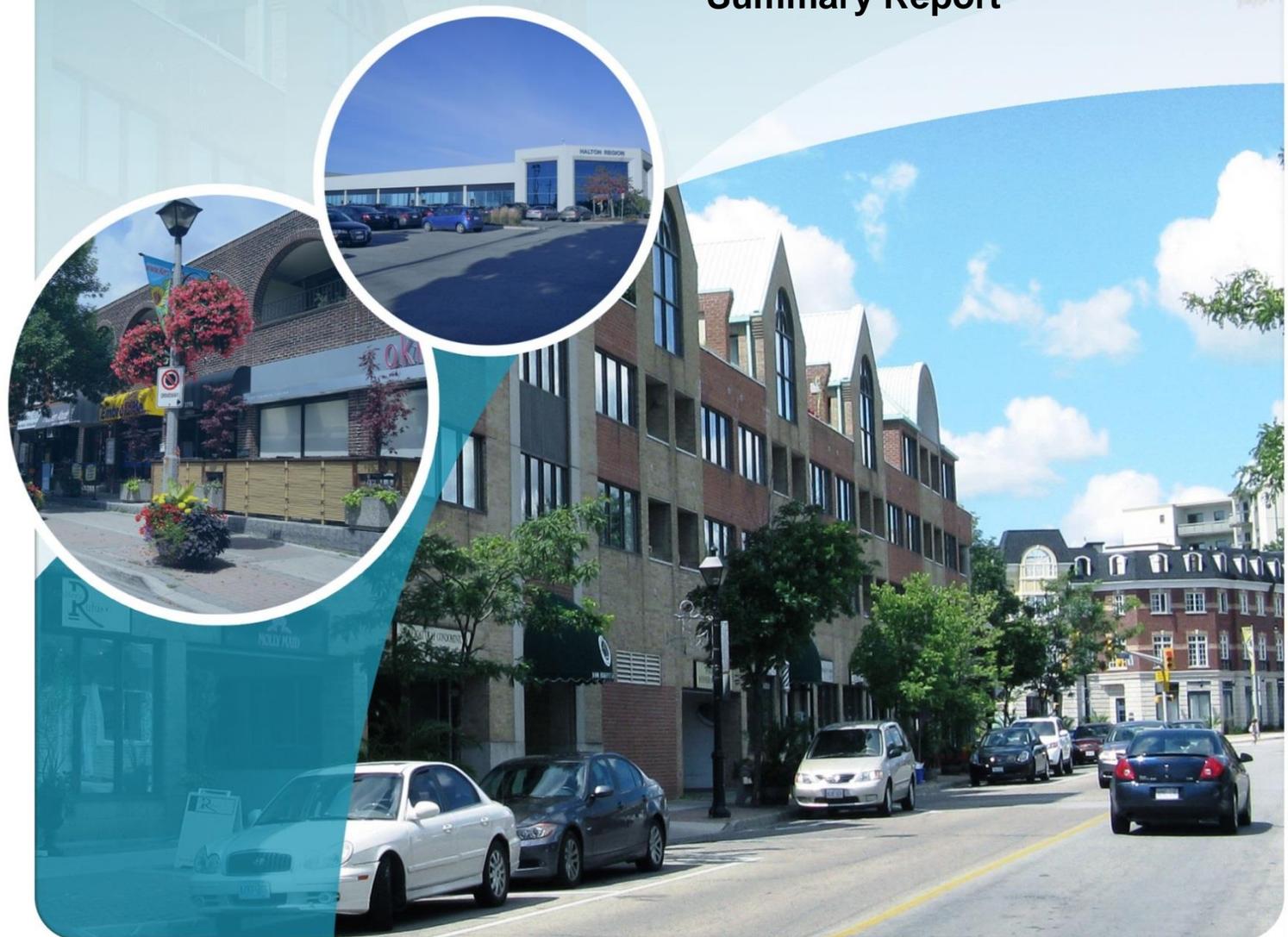
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**TOWN OF OAKVILLE**

**Employment and  
Commercial  
Review**

**Summary Report**



# Summary Report

## 1.0 INTRODUCTION

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

This Summary Report highlights the macro economic and market trends impacting the Town of Oakville, as well as the key findings from the commercial supply and market demand analysis and the employment supply and market demand analysis to the year 2041. It then summarizes the commercial and employment land recommendations and policy directions for the Town. For further information, **Appendix A** includes the detailed commercial analysis and recommendations and **Appendix B** provides the detailed employment analysis and recommendations.

## 2.0 MACRO ECONOMIC AND MARKET TRENDS

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

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

Notwithstanding the economic growth potential for the Town, regional competition within the GTHA for the talent necessary to support innovation, investment and entrepreneurship are fierce. As the GTHA and broader Ontario economy becomes more premised on knowledge-based activities, Oakville will need to continue to position itself as a hub for innovation to capitalize on the human capital that currently exists while encouraging ongoing entrepreneurship, innovation, business development and investment retention.

### 3.0 COMMERCIAL MARKET DEMAND

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

The commercial demand analysis has identified the opportunity for approximately 1.4 million square feet (~130,000 square metres) of new commercial/retail space in Oakville by 2021. The development of this amount of space is anticipated to require between 26 and 51 hectares (63 and 127 acres) of land, depending on its built form and density. Long-term demand for new commercial/retail space is forecast to increase to approximately 2.9 million square feet (~271,000 square metres) by 2031 and approximately 3.5 million square feet (~327,000 square metres) by 2041<sup>1</sup> requiring additional supply of commercial lands. The increased pressure on the supply of commercial/retail land that is expected in the future will result in more intensified developments to meet demand for new retail space over the long term.

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<sup>1</sup> 2041 forecasts are based on Watson’s population projections, which were prepared to inform this study but have not been confirmed with Halton Region.

#### **4.0 COMMERCIAL SUPPLY**

The commercial demand analysis has outlined a commercial demand that is above the existing and planned commercial land supply. The long-term commercial demand for the Town of Oakville (2041) is projected to be approximately 325,000 square metres (3.5 million square feet), however the existing and planned commercial land supply is only about 251,000 square metres (2.7 million square feet). Assuming a coverage factor of 30%, there is a shortfall of approximately 25 hectares of commercial land.

## 5.0 EMPLOYMENT MARKET DEMAND

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

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

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

Across the Greater Golden Horseshoe there is a growing interest/demand for office space within mixed-use environments that offer proximity/access to labour, amenities and higher-order transit. Typically, the financial viability of standalone urban office development within intensification nodes/corridors is generally less favourable than if part of a mixed-use development (i.e., combined with a retail/residential component). Priority mixed-use commercial areas for office development should largely be concentrated within Midtown Oakville.

## 6.0 EMPLOYMENT SUPPLY AND DEMAND

There are 2,150 gross hectares (5,312 gross acres) of designated employment land in Oakville. Of this total supply, there are approximately 727 net hectares (1,796 net acres) of vacant designated land. After factoring out a land vacancy adjustment (10% of the vacant supply to recognize that some parcels will likely never be developed<sup>3</sup>) there are approximately 654 net hectares of vacant employment land. The Town's estimated 2041 employment land demand is projected to be 408 net hectares (1,008 net acres). Accordingly, there is a sufficient supply of employment land to meet the Town's long term demand beyond 2041. The following key issues and opportunities have been identified for the Town related to their employment supply and demand:

### Issues

- Distribution of vacant supply is unbalanced.
- Most of the vacant lands are unserviced.
- There is limited supply with transit access.
- Stable employment uses need to be preserved.

### Opportunities

- The supply in North Oakville provides many larger parcels.
- The supply in North Oakville provides good highway access and visibility.
- There are opportunities for intensification and redevelopment.
- There are opportunities to improve existing employment areas.
- The emergence of Innovation Districts as a new form of employment development for Ontario provides an opportunity for clustered knowledge-based employment growth.

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<sup>3</sup> A vacancy factor is often used to recognize that some parcels are likely to never be developed for employment purposes, due to their size, shape, or other site characteristics such as limited access.

## 7.0 RECOMMENDATIONS AND POLICY DIRECTIONS

The Town of Oakville is well suited for significant economic growth and prosperity. The existing policy framework for the Town's Main Street areas provide for a strong mix of uses, a range of retail and services to support the community needs, and employment to allow live and work opportunities. Within the existing urban areas a focus on retaining commercial and employment lands to serve long term needs, promoting intensification and continuing to improve the built environment will position Oakville well for years to come. In North Oakville, a very different approach is needed. The North Oakville Secondary Plan areas provide 3,160 hectares of new urban land, including 326 hectares of commercial/mixed use lands and 765 hectares of employment lands. This represents a significant opportunity for development, prosperity and community growth.

The following outlines policy directions and recommendations for commercial and employment land planning in the Town of Oakville, recognizing these two very different paradigms.

### **Commercial:**

- 1. Strengthen design policies for mixed use and commercial development:**  
The North Oakville East and West Secondary Plans contain excellent urban design policies for the Urban Core Areas. It is recommended that similar urban design requirements be addressed by section 6 of the Livable Oakville Plan and the Livable by Design Manual – Urban Design Direction for Oakville.
- 2. Encourage provision of commercial in Northwest Zone:** The Northwest Zone is under-represented in retail commercial space particularly with respect to supermarkets. Palermo Village north of Dundas Street is the only opportunity for significant additional retail to serve this area. It is recommended that the policies for Palermo Village be reviewed to encourage the accommodation of a supermarket and other retail uses to serve northwest Oakville.
- 3. Promote intensification and redevelopment of existing built up commercial areas:** The Town should provide design policies to ensure that buildings are planned and located on sites such that future phases of intensification are not inhibited. The Town should review the parking standards in the zoning by-law to confirm opportunities for reduced parking standards or promotion of structured parking to support intensification.
- 4. Implement policy definition to ensure commercial uses are developed in North Oakville:** Providing a rather flexible policy regime is important for achieving mixed use. However, concerns have been raised that the flexible nature of the land use designations that allow for mixed use development in the

North Oakville Secondary Plans may not result in the provision of needed retail space. The Trafalgar Urban Core policies should be clarified to require the blocks immediately abutting Trafalgar Road in Urban Core Area 2 and 4 to provide for commercial development. The Dundas Urban Core policies should be clarified to require commercial development be provided as part of the development reserve blocks at the intersections with north-south collector roads either in single use or mixed use forms.

5. **Develop a monitoring program:** Shopping habits are changing and these changes will continue to affect the built form of commercial areas. The Town should develop a monitoring program that includes the monitoring of commercial development and changing trends, including retail and demographics. This monitoring program should include an annual update of the inventory of both the existing retail commercial space and the unbuilt/designated commercial land supply in the Town. In addition, the program should monitor retail trends and demographics, including influences such as the implications of e-commerce on the demand for commercial supply space in Oakville.

#### **Employment:**

1. **Maintain a strong Town-wide supply of employment lands:** There is a need to protect the Town's vacant and occupied employment land supply for the long term. The Town should preserve strategically important land for future employment purposes well beyond the next 20 years.
2. **Resist large scale conversion of employment lands:** North Oakville employment land development has not begun, and significant conversion of land would be premature. The Town should resist large scale conversions and retain strategic employment lands beyond the next 20 years.
3. **Consider minor site specific conversions that are appropriate:** Under some circumstances, a conversion may be justified for planning and economic reasons, but such decisions must be made using a systematic approach and methodology. Following confirmation of the Town's Urban Structure, detailed analysis and recommendations associated with each of the employment land conversion requests should be completed.
4. **Enhance the policy framework for Midtown to promote mixed use development:** Midtown Oakville is designated as an Urban Growth Centre in Places to Grow, and a mobility hub within the Metrolinx regional transportation plan. To encourage development the Town should explore policy alternatives that

provide the flexibility to consider non-employment uses where deemed appropriate, while maintaining the minimum target for people and jobs.

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

10. **Allow for a broader range of amenities within employment areas:** With the growth in knowledge-based sectors, changing demographics and related employee needs, employment areas with amenities are more desirable to businesses and investors. Many of Oakville's existing employment areas would benefit from the introduction of additional amenities. The permitted uses within the Business Commercial land use designation should specifically mention personal and professional services. Permission for limited convenience retail without the requirement of being "in conjunction with" the permitted uses should be considered for the Office Employment land use designation.
11. **Designate additional Business Commercial lands:** The Town should designate additional Business Commercial sites, within the existing Industrial and Business Employment designations, at gateway locations (i.e., in southwest Oakville (QEW West), east and west of Third Line, and north of CN rail line; and, in Winston Park West, on Ninth Line south of Dundas Street). The Town should also introduce Business Commercial designations within North Oakville along major arterial roads including along the new Burnhamthorpe Road, Dundas Street between Tremaine Road and the new north-south minor arterial roads, Neyagawa Boulevard north of Burnhamthorpe Road south of Highway 407 and Bronte Road, south of Highway 407.
12. **Update policies on land use compatibility:** A new policy should be added to address potential noise, odour and air quality impacts of employment uses on adjacent lands in order to mitigate potential land use conflicts.
13. **Update employment design guidelines:** Policies to support higher quality urban design will assist in addressing land use compatibility issues, while improving the marketability and public realm within the employment areas. The Livable By Design Urban Design Manual should be enhanced to specifically address the range of different employment typologies including stand-alone office, industrial facilities, warehousing and mixed facilities.
14. **Encourage employment land intensification and more efficient use of employment lands:** A policy framework and designation for regeneration areas should promote intensification and revitalization of strategic areas and could include minimum and maximum parking standards and the implementation of a Transportation Demand Management Strategy.

- 15. Work with Halton Region to track the alignment of growth to best planning estimates:** As the Region is currently undertaking its Official Plan comprehensive review process, it will be important to work closely together to align targets and associated requirements for infrastructure and phasing.
- 16. Develop a monitoring program:** The Town should establish a monitoring program that tracks planning approvals and building permits on an annual basis and compares them to the growth projections and available vacant employment land supply.
- 17. Work with Halton Region and other levels of government to identify proactive approaches to providing infrastructure:** The Town should work with the Region and other levels of government to proactively plan for municipal servicing to meet demand and explore creative methods for front end financing for infrastructure (such as Development Charges).
- 18. Address inconsistencies between the Region's Employment Area overlay designation and the Town's employment areas:** The Town should continue to work with Halton Region to address the inconsistencies between the Region's Employment Area overlay designation and the Town's employment land use designations.