



Planning and Building Department

TO: Development and Infrastructure Committee

SUBJECT: Official Plan Review Commercial Strategy Study
Phase I Background Reports (urbanMetrics/The Planning Partnership):
- *Commercial Market Supply and Demand Analysis Background Report*
- *Commercial Policy & Design Review Background Report*
- *Interim Commercial Strategy Discussion Paper: Downtown Burlington*

Report Number: PB-13-13

File Number: 505-08-01

Report Date: March 4, 2013

Wards Affected: 1 2 3 4 5 6 All

Date to Committee: March 25, 2013

Date to Council: April 8, 2013

Recommendation: RECEIVE the Phase 1 deliverables of the Official Plan Review Commercial Strategy Study by urbanMetrics and The Planning Partnership inclusive of the:

- *Commercial Market Supply and Demand Analysis Background Report (February 2013);*
- *Commercial Policy & Design Review Background Report (March 2013); and*
- *Interim Discussion Paper on the Downtown (February 2013); and,*

REFER findings and strategic considerations of the Phase 1 reports for consideration in the Official Plan Review and Core Commitment Update.

Purpose:

- Address goal or action in strategic plan
- Establish new or revised policy or service standard
- Respond to legislation
- Respond to staff direction
- Address other area of responsibility

The purpose of the staff report PB-13-13 is to present the Phase 1 deliverables of the Official Plan Review Commercial Strategy Study enabling the study findings to be considered as part of the Official Plan Review project and the Downtown Vision Update Project (Core Commitment Update).

Reference to Strategic Plan:

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- | | |
|------------------------------------------------------------|------------------------------------------------|
| <input checked="" type="checkbox"/> Vibrant Neighbourhoods | <input checked="" type="checkbox"/> Prosperity |
| <input type="checkbox"/> Excellence in Government | <input type="checkbox"/> N/A |

Findings from the Official Plan Review Commercial Strategy Study will address Strategic Plan directions regarding:

Vibrant Neighbourhoods

- Ensure that neighbourhoods and commercial areas, including the downtown, are safe and accessible places to live and gather for activities by creating a strategy to redevelop aging retail areas into mixed-use “people places” (1 (b)); and

Prosperity

- Nurture an innovative business community and work with partners to create employment and lifestyle opportunities for people of all ages, by encouraging a vibrant and healthy mixed-use downtown and completing the review and update of the Core Commitment initiative (1 (f)).
- Increase the number of people both living and working in Burlington by engaging the community in discussions on how the city can create more mixed residential/commercial places within existing neighbourhoods (2 (a)).

1.0 Background:

Pertinent Council Resolutions

April 10, 2012:

Council directed staff to consult with stakeholders in the context of the Downtown Vision Engagement Project (Core Commitment Update) on the objectives of a Official Plan Review Commercial Strategy Study and to prepare terms of reference for Council consideration.

June 11, 2012:

Council endorsed the Terms of Reference for the Official Plan Review Commercial Strategy Study, as contained in report PB-35-12; authorized the Director of Planning and Building to engage consultants through a Request for Proposal process to carry out the Study in accordance with the above noted Terms of Reference; and provided the Manager of Purchasing delegated authority to award the contract and issue a PO to the highest scoring Proponent, subject to budget limitations noted within PB-35-12.

2.0 Discussion:

2.1 Focus of the Study

In Fall, 2012, urbanMetrics and The Planning Partnership were retained to undertake the Official Plan Review Commercial Strategy Study (OPR Commercial Study). The scope of the study was established to address both the Official Plan Review and the Downtown Vision Update Project (Core Commitment Update). The terms of reference for the study were developed with the input of Planning and Building Department staff, Burlington Economic Development Corporation staff and Downtown Task Group members.

The primary focus of the study related to the Official Plan Review is in the context of the provincial policy objective of planning for a "Complete Community". As such, the study consists of a land budgeting analysis, in addition to obtaining guidance on integrating commercial land use planning with neighbourhood planning and urban design to assist the transformation of commercial areas as the City approaches build-out.

The secondary focus of the Study was in the context of the Strategic Plan objectives related to achieving a vibrant and prosperous downtown. A fundamental goal of the Downtown Task Group was to ensure that any revised recommendations to Core Commitment are achievable and as such, the study includes areas of analysis to ensure that proposed recommendations are based on a solid foundation of quantitative and qualitative data.

2.2 The Municipal Role in Planning of Commercial Lands

Planning within the context of the provincial objective of a "Complete Community", the City must ensure that there is adequate commercial land to meet the needs of the community while allowing for some flexibility in the market place to react to changing retail dynamics. This requires an appropriate approach to planning policy to allow healthy competition in the market place to react to retail trends, while maintaining the planned function of existing and planned commercial space within a commercial hierarchy system. The subject OPR Commercial Strategy Study assists in this planning exercise.

2.3 Key Findings of the Phase 1 Deliverables

The following section provides discussion regarding the main components and study highlights from the three deliverables from Phase I of the OPR Commercial Strategy Study, specifically of:

1. *Commercial Market Supply and Demand Analysis;*
2. *Commercial Policy & Design Review Background Report; and*
3. *Interim Commercial Strategy Discussion Paper: Downtown Burlington.*

All reports are available under separate cover and on the City's OPR website. Please note that the highlights identified in the report have been selected from a broad set of consultant findings, and strategic considerations and recommendations. The reports should be referred to in order to obtain the full discussion and rationale of the study methodology, findings and conclusions.

2.3.1 Commercial Market Supply and Demand Analysis

The Phase 1 Commercial Market Supply and Demand Analysis background report is intended to provide the required commercial market analysis to guide the formation of future commercial land use policy recommendations.

The report quantifies the future retail and service commercial space requirements in the City of Burlington to 2031 and provides recommendations as to how future space can be accommodated within the urban system in this planning horizon.

Components of the Market Analysis Report

Below is an outline of the components contained within the Commercial Market Supply and Demand Analysis Report.

- Burlington's Commercial Market Characteristics
- Existing Commercial Structure
- Future Commercial Development in Burlington
- City of Burlington and Downtown Trade Areas
- Burlington Residents' Shopping Patterns, Preferences and Perceptions
- Future Commercial Space Warranted in Burlington

Highlights of the Market Analysis Report

Below are key findings contained within the Commercial Market Supply and Demand Analysis Report.

Burlington's Commercial Market Characteristics

- The City's current supply of commercial space is appropriate for the size of its population.
- Projected growth of the City will increase the demand for new retail and service commercial facilities.
- Income levels in Burlington are above the Province of Ontario average indicating significant spending power among residents.

Burlington's Existing Commercial Structure

- Currently, there is approximately 10.6 million square feet of commercial space in Burlington (45% is Non-Food Store Retail (NFSR) facilities space; 39% is service space; 9% is food and beverage space; 5% is vacant).
- City's vacancy rate is indicative of a balanced and healthy market. Although there are several nodes with relatively high vacancy rates, they tend to be due to space transitions and unique circumstances rather than indicative of structural issues with the City's commercial supply.
- The amount of retail and service commercial space per capita is above the average of comparable municipalities which is due in part to income characteristics of Burlington residents and the geographical location of Burlington in the context of the Greater Golden Horseshoe. The vacancy rates indicate that commercial space does not exceed demand; Burlington is generally not over stored.

City of Burlington and Downtown Trade Areas

- Primary and secondary trade areas are identified City-wide, and for the downtown.

Burlington Resident's Shopping Patterns, Preferences and Perceptions

- Expenditure capture rates at various retail facilities are identified.
- Majority of residents are satisfied with retail and service facilities however many feel that there is an excess of Fast Food Restaurants and Big Box retailers in the City and that it would be beneficial to have more and better pedestrian retail areas, transit accessible retail areas, and convenience/neighbourhood scale retailers.
- There is a strong demand in the downtown for additional food-store retail offerings, including a specialty food store, second supermarket/grocery store, and a farmer's market.

Future Commercial Development in Burlington

- The analysis of existing supply included development projects that have recently received, or are close to approval; other proposed developments at other various stages of the approval process (including the proposed IKEA development); and

commercial nodes with expansion potential (e.g. sites are generally zoned for commercial uses but not yet subject to planning or building permit applications). If all these developments proceed as planned, they would add a total of 1.05 million square feet to the existing supply of commercial space in Burlington.

Report Summary and Conclusions

- Based on the market analysis, there will be a need for approximately 1.55 million square feet of new commercial space in the City by 2031. At the same time, there is currently approximately 1.05 million square feet of commercial space either committed or proposed in the City of Burlington, resulting in a residual shortfall of 500,000 square feet of commercial space. However, this shortfall can be accommodated within the existing inventory of commercial land.
- The results of the market analysis clearly indicate that the available supply of commercially designated lands will be sufficient to meet future demand to 2031. As such, there will be no need to designate additional commercial lands to support growth to 2031. The only exceptions to this would be to meet local servicing needs in existing undersupplied portions of the City, such as west Aldershot, or to provide for local serving retail to support future residential development in intensification areas.
- Conversion of employment lands to commercial is not required to support future growth in Burlington and should be avoided.

2.3.2 Commercial Policy & Design Review Background Report

The Phase 1 Commercial Policy and Design Review Background Report is intended to develop a set of policy options that will enable the City to improve the incorporation of commercial land use planning with neighbourhood planning and urban design. Specifically, the key inquiries of this Policy & Design Report are:

- How adequate is the existing commercial policy framework to address current and projected demand in the context of expected trends, in the city and the downtown?
- How should the current commercial planning policy and design framework be modified to address the current and future needs of the City?

The secondary purpose of the Report is to identify new commercial land use strategies for the Downtown.

Components of the Policy & Design Review Report

Below is an outline of the components contained within the Commercial Policy and Design Review Report:

- Historical Patterns of Commercial Development & New Directions in Community Planning
- Provincial and local Policy Framework
- Past and Present Issues in Commercial Land Use Planning
- Comparative Overview of Local Commercial Policies
- The Downtown Policy Framework

Highlights of Policy & Design Review Report

The following are findings and strategic considerations from the Commercial Policy & Design Review Background Report.

City-Wide Strategies

Modify Commercial Hierarchy/urban structure

- Burlington's current retail structure is based on a traditional commercial hierarchy of planned function (e.g. segregated regional commercial to neighbourhood commercial areas). There should be strategic consideration of phasing out segregated commercial areas towards a modified commercial hierarchy and land use policy framework enabling areas to serve multiple functions by:
 - Fusing the commercial hierarchy with urban structure;
 - Dispersing commercial land uses in proximity to where people live and work;
 - Integrating non-commercial uses more fully within existing retail area.

Disperse Commercial Uses in Residential Areas

- Permit some small-scale, pedestrian-oriented convenience commercial uses in Residential Areas, subject to size restrictions, locational criteria, and any other conditions deemed necessary.

Restrict the scale of retail development in mixed use areas

- Establish gross floor area limits and/or overall percentage caps for all commercial/mixed use designations.

Restrict auto-oriented land uses in mixed use areas

- Identify a list of such uses and prohibiting or discourage auto-oriented land uses throughout the commercial/mixed use designations.

Develop incentives for mixed use development

- Develop a set of incentives that can be used to encourage mixed use development, attract office uses and promote food-related retail, particularly within the Downtown which may include:
 - Promoting mixed uses within a development site through the use of reduced parking requirements, increased commercial floor space limits, and/or increased density; and
 - Encouraging the development of food stores by exempting these uses from GFA limits and offering density increases to mixed use development that incorporates a food store.

Right-sizing the parking supply

- Reduce parking standards in exchange for Travel Demand Management measures throughout the commercial/mixed use areas, and establish more comprehensive standards and guidelines for bicycle parking for all land uses in commercial/mixed use areas.

Updating urban design guidelines for higher density development and parking lots

- Develop Official Plan policies that encourage transitions in scale and intensity between high, medium and low density areas. These considerations will become increasingly important as the City intensifies over time.
- Develop stronger policies for parking lot design in support of creating safe and walkable commercial mixed use areas.

Downtown Strategic Considerations

Develop revised planning approach to actualize multiple functions of the Downtown

- Provide additional policy and land use planning strategies that more fully actualize the multiple objectives for Downtown, which include that it function as: a complete community for residents; an urban core with diverse employment, civic, cultural and entertainment base; as well as, a specialty commercial destination.

Revise Downtown Boundary

- Develop a downtown boundary that considers both a community planning perspective (an area that functions as a system and/or has common built form characteristics and transportation infrastructure), and commercial planning perspective (e.g. hubs of contiguous retail).

Establish minimum density targets

- Develop minimum density targets for different areas of the Downtown to facilitate density distributions that reflect the existing and planned built form and block configurations, in line with Urban Growth Centre and mobility hub designations.

Adopt mixed use targets

- Establish mixed targets for different precincts (e.g. % requirements), and establishing a jobs-to-residents target ratio.

Provide incentives for office development and food retail

- Identify a Primary Office/Institutional Core Area, and providing incentives for new office development such as reduced parkland dedication requirements.
- Consider a linkage requirement, whereby approval for residential development is tied to the inclusion of non-residential uses, particularly office uses, development within the development site.

Create new retail structure based on priority streets rather than precincts

- Permit retail and service-related uses more broadly throughout all areas of the Downtown.
- De-link retail permissions/requirements from the precinct designations and re-introduce uses through new "retail priority streets" designations, focusing the retail commercial along specific streets.

Develop enhanced urban design guidelines for commercial uses

- Provide additional design guidance for the following categories; area specific retail guidelines (e.g. to address traditional main street character of Brant St.; retail format type guidelines (e.g. to address medium to large format retail formats); optimal retail design guidelines (e.g. optimal design of retail space enhancing visibility, flexibility and prominence).

2.3.3 Interim Commercial Strategy Discussion Paper: Downtown Burlington

The *Interim Commercial Strategy Discussion Paper: Downtown Burlington (Downtown Discussion Paper)* (February 2013, urbanMetrics/The Planning Partnership) provides a summary of preliminary findings as they relate to the current state of Downtown Burlington; the various functions it serves; how well it is currently meeting the needs of the City; and how well current land use planning policies are supporting its vibrancy. The Downtown Public Workshop Visioning meeting served as a key consultation event as part of this report and the input received from the community served to shape the findings and strategic considerations of the report.

Components of the Downtown Discussion Paper

Below is an outline of the components contained within the Downtown Discussion Paper:

- Current state of the downtown (e.g. space inventory, future development sites)
- Functions of the downtown
- How well is downtown serving the city? (e.g. on-street visitor intercept survey; downtown public workshop visioning)
- Future challenges and trends
- Summary and conclusions
- Preliminary policy recommendations

**Highlights of
Downtown
Discussion Paper**

As the Discussion Paper is a component of Phase I of the Commercial Study, there is overlap in the review and findings with the above described Policy and Design Review and the main recommendations are restated below (also refer to Section 2.3.2 of the subject report):

- Modification to the Downtown Boundary and Structure
- Establishing Minimum Density Targets
- Establishing Specific Mixed-Use Density Targets
- Establishing a new retail structure
- Providing incentives for intensification and non-residential development.

In addition to the areas of recommendations noted above, the Downtown Discussion Paper also provides a series of findings presented below:

- Downtown Burlington compares favourability to other successfully functioning downtowns in the GTA evidenced by characteristics including:
 - The scale of the commercial core;
 - Low vacancy rates in prime areas;
 - Recent residential development activity and interest;
 - Public sector investment in the downtown and waterfront;
 - the continued focus on civic events; and
 - Level of confidence that Burlington residents have in the core as expressed at the Downtown Workshop.
- Downtown Burlington is multi-functional core including:
 - Shopping
 - Working and Learning
 - Living
 - Playing
 - Civic Presence
 - Community Activities
 - Transportation
- Top rated functions as found by survey research related to social, entertainment, cultural and recreational activities, with the highest ranking response that: the downtown serve as a place for the City's festivals; cultural centre for the City; place to meet friends; take out of town visitors; enjoy recreational and leisure activities; and serve as a neighbourhood shopping destination.
- Based on survey research to identify the share of Burlington expenditures, the highest market share relates to restaurants (23.6%), followed by specialty food (13.5%), miscellaneous retail

11.3% and fashion (10.9%). These results point to the strength of the downtown as a restaurant destination and a place for specialty retail.

- Specialty food stores and supermarkets, were retail categories in which respondents felt needed attention.
- Downtown Primary Trade Area, which would represent the source of the most customers on a consistent and on going basis, has been defined as the area east of King Road, south of 403/QEW, west of Walkers Line and north of the lake.
- The Downtown Secondary Trade Area has been defined as the balance of the City of Burlington.
- Based on the consultants' experience, the top trends influencing the downtown are: mandated Urban Growth Centre; aging Ontario population; and changing social and economic structural patterns. Also, growth of large format stores are slowing and major chains are developing more urban friendly formats. Mid-sized older suburban centres, such as Appleby Mall are being revitalized and sometimes converted into mixed use projects.
- For a variety of reasons, it will be difficult for downtown to compete as a regional shopping destination, but can still function as a specialty shopping destination with some stores and merchandise not found elsewhere in Burlington.
- Survey research from the Downtown intercept survey found that respondents would like improvements to the following areas as they relate to the downtown:
 - A new "first run" movie theatre;
 - Specialty food store, new restaurants, pubs, cafes and fast food establishments;
 - "Other" types of commercial establishments added;
 - Expansion of entertainment options for younger residents and visitors, particularly those in the 19-34 age group.
- Other proposed improvements to the downtown included:
 - Better/more frequent transit options;
 - More affordable housing near the waterfront;
 - Establishing priority for pedestrians and cyclists;
 - Permanent/more frequent street closures;
 - Free parking to compete with larger shopping centres;
 - More public art installations;

- Beautification and streetscape improvements along Brant Street; and,
 - Expansion of available park space.
- Based on a polling technique used at the Downtown Vision Workshop with over 100 participants, respondents agreed that Downtown Burlington "has a lot going for it". The results confirm that Burlington has a very healthy and attractive downtown, generally meeting the needs of local residents, employees and businesses. However, in terms of overall satisfaction, several aspects of the downtown require improving including strengthening the neighbourhood shopping function and increasing the number of entertainment opportunities, retail stores and restaurant/cafes.
- At the Downtown Visioning Workshop, topics that emerged from the facilitated break-out sessions included: desire for additional specialty food stores; a second supermarket/grocery store; a farmer's market; and other neighbourhood-oriented retail such as a hardware store and pharmacies/drug stores.
- Other frequently mentioned topics from the Downtown Workshop included:
 - Redevelopment/revitalization of the Village Square site
 - Adding more entertainment venues
 - Expanding transit options
 - Increasing supply of parking
 - Improving cycling and pedestrian networks
 - Improving way-finding and signage
 - Adding affordable shopping options
 - Establishing more affordable housing options for all demographics (e.g. young families and singles)
 - Attracting more educational institutions
 - More green space and expanding other existing public spaces

3.0 Strategy/Process

Strategy and Project Alignments

The Commercial Strategy Study has been initiated to inform two key projects: the Official Plan Review and Core Commitment update. The staff recommendation to receive the Phase I Commercial Study deliverables is in effect the point of alignment between the two projects whereby data from the Study serves as an input to Core Commitment.

As part of the "Conversations and Analysis" Phase of the OPR (Phase 2), Staff is considering the findings of the Commercial Study in the context of other OPR studies including the Employment Lands Study; Mobility Hubs; Transportation master plan; as well as with other Departments. As several directions reports accumulate later in the OPR process, a detailed review of alignments and potential disconnects will be identified and discussed to confirm directions forward. Also, this analysis will be done in conjunction with public and stakeholder engagement in order to obtain feedback, as outlined below.

**OPR Directions
Reports process**

With the completion of Phase 1 of the Study, Phase 2 will commence and will include public and stakeholder consultation and further analysis by the project team (Q2 2013). The result will be a set of policy and urban design recommendations presented by the consulting team via a Final Report.

Upon receipt of the final deliverable from the Study, staff will prepare a "Directions" report and will recommend a series of key policy directions related to commercial lands (Q3/Q4 2013).

Subject to Council approval of the Directions report, staff will commence with policy text and mapping changes, as warranted, as part of an amendment to the Official Plan. Also, subject to Council approval of the policy and design recommendation, Phase 3 of the Study will commence and the consulting team will prepare model urban design guidelines related to the proposed commercial hierarchy (Q4 2013).

4.0 Financial Matters:

Funds for the Commercial Strategy Study have been previously approved as part of staff report PB-53-12 (Comprehensive Workplan) and are being drawn from the Council Approved OPR Capital Budget (OP0009).

5.0 Communication Matters:

Completed Consultation

As part of Phase 1, consultation has included: a Downtown Visioning Workshop; Telephone Survey; On-line survey; and On-street Intercept Survey.

The Downtown Visioning Workshop was held on November 7, 2012 to connect with the community at the Burlington Art Centre. Over 100 people attended the workshop, as well as the Mayor, Ward Councillors, City staff from several departments, and the urbanMetrics/The Planning Partnership consulting team. Findings from the consultation events have informed the analysis and recommendations of the three deliverables of the Phase 1 Commercial Strategy Study.

Also, the consulting team has presented to the Downtown Task Group, on two occasions to convey information related to the series of the Phase 1 deliverables and to obtain feedback.

Future Consultation

The project team will conduct two sets of consultation sessions: public and stakeholder consultation. Included in the consultation events are: general public; Business Improvement Area members; Burlington Economic Development Corporation; Chamber of Commerce; community groups; commercial land owners; developers.

In the first round of consultation events, the findings of the reports by urbanMetrics/The Planning Partnership will be shared and the preliminary recommendations/strategic considerations will be explored. The second round of consultation events will be to re-engage with these public and stakeholder groups to present the draft final recommendations.

The public and stakeholders will have additional opportunity to be engaged in the process as part of the Policy Directions Reports prepared by staff and proposed amendments to the Official Plan process. Consultation events related to the Core Commitment update will be held independent of the Commercial Study events.

6.0 Conclusion:

Staff is recommending receipt of the three Phase 1 deliverables of the Official Plan Review. The findings within the reports provide the foundation on which to commence with further public and stakeholder consultation, and internal staff review. Feedback and analysis will inform Phases 2 and 3 of the Study, and assist in the formulation of policy directions and urban design recommendations.

Respectfully submitted,

Andrea Smith, MCIP, RPP
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Appendices:

<p><u>Available under separate cover and on OPR website:</u></p> <ul style="list-style-type: none"> • <i>Commercial Market Supply and Demand Analysis Background Report (February 2013)</i> • <i>Commercial Policy & Design Review Background Report (March 2013)</i> • <i>Interim Discussion Paper on the Downtown (February 2013)</i>

Notifications:
(after Council decision)

Name	Mailing or E-mail Address
OPR Mailing List	See File

Approvals:

*required

 *Department Head City Treasurer General Manager City Manager

	To be completed by the Clerks Department
Committee Disposition & Comments	
	01-Approved 02-Not Approved 03-Amended 04-Referred 06-Received & Filed 07-Withdrawn
Council Disposition & Comments	
	01-Approved 02-Not Approved 03-Amended 04-Referred 06-Received & Filed 07-Withdrawn