Burlington Employment Lands Study Phase 2

STAKEHOLDER WORKSHOP
March 19, 2013
WHAT ARE EMPLOYMENT LANDS?

Employment lands are those lands designated in an official plan for employment uses, such as:

- manufacturing
- warehousing
- offices
- associated retail and ancillary facilities
STUDY PURPOSE

• Employment Land Study Phase 1 completed in 2011
• Phase 2 work focuses on vacant “employment” lands
• The purpose of the Phase 2 work was to:
  • Assess market conditions related to employment growth
  • Assess land supply compared to market needs
  • Assess servicing constraints
  • Assess the potential for brownfield redevelopment
  • Identify issues & opportunities for employment lands
  • Recommended new policies to promote the successful
development of the City’s employment lands
  • Identify investment priorities
SOME OF THE “BIG” TRENDS

1. Evolution of North-American manufacturing and the emergence of service-sector and distribution
2. Importance of knowledge-based industries
3. The role of institutions in economic development
• Part of the western GTA’s mature employment lands market
• Relative to population base, Burlington has been successful
• Uptake of vacant lands continues to be steady
MARKET CONDITIONS & CONTEXT

City of Burlington
Industry Cluster Size and Growth Matrix

- Production Technology
- Processed Foods
- Distribution Services
- Metal Manufacturing
- Chemical Products
- Financial Services
- Bio/Pharmaceuticals
- Automotive
- Aerospace
- Information Technology
- Publishing and Printing
- Transportation and Logistics
- Power Generation and Transmission
- Business Services
**MARKET CONDITIONS & CONTEXT**

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**City of Burlington and Surrounding Market Municipalities**

**Average Net Market Rents Office Space (per sq. ft.)**

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Average Rent (per sq. ft.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burlington</td>
<td>$14.56</td>
</tr>
<tr>
<td>Oakville</td>
<td>$14.47</td>
</tr>
<tr>
<td>Hamilton</td>
<td>$11.50</td>
</tr>
<tr>
<td>Milton</td>
<td>$10.00</td>
</tr>
</tbody>
</table>

*Source: Adapted from DTZ Barnicke 2010 market data by Watson & Associates Economists Ltd*
MARKET CONDITIONS & CONTEXT

City of Burlington and Surrounding Market Municipalities
Commercial Tax Rates

Notes: (1) with transit, (2) urban area
MARKET CONDITIONS & CONTEXT

Halton Region and Surrounding Market Municipalities
Office Commercial Development Charge Rates

- Oakville (North of Dundas HUSP) $23.26
- Halton Hills (HUSP) $22.70
- Milton $19.95
- Oakville (South of Dundas) Non-HUSP $19.53
- Oakville (North of Dundas) Non-HUSP $19.49
- Halton Hills (Non-HUSP) $18.94
- Burlington (Urban) $16.29
- Hamilton $15.37

Office Commercial DC Charge
MARKET CONDITION HIGHLIGHTS

• Mature areas with critical mass of firms in production technology, financial services, information technology and distribution services
• Emerging clusters in logistics and business services
• Burlington is competitive relative to its neighbours in a number of areas (tax rates, DCs, land prices, etc.)
• Western-GTA competition will be two-fold:
  – For space extensive users - new greenfield parks in Hamilton, Milton & H.H
  – Where creativity matters - emerging office clusters in downtowns and mixed use areas in Oakville, Hamilton and further afield in York Region and K-W
MARKET CONDITION HIGHLIGHTS

• Notwithstanding the forces of global competition and local market factors, the **physical attributes** of Burlington’s employment lands will be a key determinant of successfully attracting new employment users.
SUPPLY HIGHLIGHTS

- Total Area of all designated employment lands is approximately 1400 net ha.
- Vacant lands: 308 net ha (about 22% of all lands).
- About half of all the vacant land is serviced (52 parcels, 166 ha.)
- But most of the larger properties are un-serviced.
SUPPLY & DEMAND

• **Summary**
  – 2006-2031 employment forecast is 106,000 total jobs
  – 2011-2031 potential land requirement is 149 ha.
  – The official forecast figures could under-estimate Burlington’s growth potential.... the 5 year average absorption suggests a potential uptake which is larger
HIGHLIGHTS: 403 WEST CORRIDOR

**403 West Corridor Employment Lands**

**Area Profile**
Includes lands north and south of the 403, west of the 407. Area includes vacant employment parcel ranging in size, including one large parcel (28 ha) west of King.

**Key Strengths**
- Visibility on 403
- Access to rail (south of 403)
- Proximity to Aldershot GO/VIA Station

**Market Opportunities**
- Potential western gateway employment area
- Potential mobility hub development opportunity
- High profile sites with potential for prestige office and industrial uses
- Access to large western GTA and Hamilton labour pool

**Servicing Context**
- Most sites north of 403 have municipal services and the large site south of 403 is serviceable
- Some of the key infrastructure projects planned for this area over the short term include:
  - Falcon Creek Erosion Control and Stormwater Management project (2016-2020)
  - Various watermain extensions/twinings (2012-2016)
  - Waterdown Road Pump Station expansion (2012-2016)
  - Wastewater PP upgrade of Grandview Avenue (2012-2016)
  - There may be other projects planned for the Water Pressure District B2 which could impact the serviceability of the area

**Potential Issues & Challenges**
- Immediate access from 403 to existing vacant sites is limited
- There are natural heritage constraints and topography challenges on both sides of the 403
- No secondary planning in place to guide development of lands south of 403
- Area is covered by two pressure districts (B1A/B2) and Regional forecasts assumed a marginal level of employment growth over the next 20 years for the lands in B1A (approximately 590 jobs)
- Area is not well served by existing transit routes

**403 West Corridor Inventory Statistics**

- No. of vacant parcels: 15 (20% of City-wide supply)
- Amount of vacant land: 51 ha (16% of City-wide supply)
- Largest parcel: 28 ha
- Smallest parcel: 0.3 ha
- Average parcel size: 3.4 ha
HIGHLIGHTS: 407 CORRIDOR

407 Corridor Employment Lands

Area Profile
Area is located along the south side of Highway 407 between Dundas Street and Appleby Line interchanges with frontage on Palladium Way. The lands on the south side of Palladium Way consist of a new residential neighbourhood. Most of the employment land is vacant.

Key Strengths
• Visibility off Highway 407
• Access off two interchanges (Dundas & Appleby)
• Most of the vacant lands are serviced

Market Opportunities
• Transportation, logistics, warehousing and distribution services
• Food/beverage processing and some potential for prestige office
• Relative proximity to GTA west labour pool

Servicing Context
• Some of the key infrastructure projects planned for this area over the short term include:
  • Water Pump Station 30ML/d at Appleby Reservoir (2012-2016)
  • Water Pump Station 6.6 ML/d expansion at Brant PS (2012-2016)

Potential Issues & Challenges
• Close proximity of emerging residential neighbourhood will limit the range and intensity of future employment uses
• Potential local pressure for institutional and commercial uses may erode the potential to develop a critical mass of employment uses
• Area is not well served with transit
HIGHLIGHTS: QEWCENTRAL CORRIDOR

**QEWCentral Corridor Employment Lands**

**Area Profile**
This strategic district straddles the QEWC and extends from Guelph Line to Burlawa Dr and from Mainway to the GO transit Line. The area is mostly built-out and features a collection of scattered small and medium-sized parcels.

**Locational Advantages**
- A number of the properties have good access to QEWC (4 major interchanges)
- A few parcels have excellent visibility along the QEWC
- A small number have access to rail and higher order transit (near Appleby GO station)
- This area is well served by local transit

**Market Opportunities**
- The remaining vacant lands are remnant parcels within a well-established employment district
- Area is capable of accommodating a wide variety of industrial and prestige office uses
- Lands near GO Station have potential for higher density employment activities
- Central location positions these lands well for accessing western GTA labour pool

**Servicing Context**
- Almost all of the lands within the Corridor are serviced
- This area is subject to a number of servicing improvements and upgrades, including:
  - Various watermain twinning/ replacements
  - Wastewater PS – 41 L/s upgrade of Junction St WWPS (2012-2016)
  - New 120 ML/d Burlawa Pump Station, with 50 ML/d in Phase 1 (2012-2016)
  - Brant St. Water Reservoir storage expansion (2017-2021)
  - Mount Forest Water Reservoir storage expansion (2017-2021)
  - There may be other projects planned for the Water Pressure District B2 could impact the serviceability of the area

**Potential Issues & Challenges**
- Build-out of the lands within the QEWC will be on a "piece-meal" basis, as most of the sites are scattered across the broader area
- Remaining inventory tends to be smaller sites
- High profile location of the lands may lead to increased pressure for conversion
- Long term focus will be redevelopment and intensification, which requires a strategy
**HIGHLIGHTS: BRONTE MEADOWS**

### Area Profile
This district extends from Burloak Drive to Creek Way and is bordered between Upper Middle Road and Mainway. It represents the largest concentration of vacant employment lands in the City (52% of the supply).

### Key Strengths
- Area is part of a well-established prestige employment area (located to the south)
- Area includes some large tracts of vacant land which could be sub-divided into smaller lots or accommodate several large-scale industrial developments
- Relatively good access to 400 series highway network, as the area is situated between QEW and 407

### Market Opportunities
- Potential to accommodate a wide variety of industrial uses (compared to other areas), including production technology, information technology, manufacturing, plastics, automotive, bio/pharmaceuticals, etc.
- Potential to accommodate a mix of small, medium and large sized offices

### Servicing Context
- Some parcels within the area are serviced, but a number of the large parcels require service extensions and comprehensive servicing plans
- Some of the major infrastructure projects which could impact the serviceability of the area are as follows:
  - Various water main extensions (2012-2016)
  - New 120 ML/d Burloak Pump Station, with 50 ML/d in Phase 1 (2012-2016)
  - There may be other projects planned for the Water Pressure District B2 which could impact the serviceability of the area

### Potential Issues & Challenges
- A number of the large properties in the north-east quadrant are un-serviced and would require a full range of municipal services/infrastructure, including internal roads and transit services
- There is no secondary plan in place to guide development. Comprehensive land use and infrastructure planning would help to better position these lands in the market.
- Area is within pressure zone B2 and Regional forecasts assumed a limited level of employment growth over the next 20 years for all lands in within the B2 pressure zone (approximately 2200 jobs) district. Additional regional infrastructure upgrades might be required in the event that development happens faster than expected.
• How should the City approach conversion?
  – Given the finite supply of lands, all lands are considered to have some strategic importance
  – However, conversion to a non-employment use could be appropriate where the conversion achieves some other important city-building objective
  – Suggested criteria (refer to hand-out)
    • Need (as defined by the city)
    • Cross jurisdictional issues
    • Physical enhancements/public benefits
    • Other metrics (density, assessment growth, head office jobs, reduces/addresses land use conflicts, servicing)
OTHER HIGHLIGHTS

• What are the opportunities for intensification?
  – QEW Corridor
  – Downtown and mixed use areas near higher-order transit
  – Brownfields

• Are there opportunities to optimize permitted uses within employment areas (e.g. institutional lands)?
  – Blanket permissions could undermine the viability of some lands
KEY RECOMMENDATIONS

1) Strengthen policy framework to fully utilize the employment generation and economic potential of the vacant lands

2) Build a strategy to promote downtown office development
KEY RECOMMENDATIONS

1) Develop phasing strategy for the City's unserviced lands

2) Consider preparing Community Improvement Plans for some employment areas

3) Consider developing secondary plans for larger greenfield areas

4) [Map showing serviceable parcels in Burlington, with some areas highlighted]
KEY RECOMMENDATIONS

6) Investigate opportunities for limiting the amount or type of institutional uses on serviced employment lands

7) Prepare comprehensive strategy for employment land intensification (could be merged with Community Improvement Plan program)
KEY RECOMMENDATIONS

8) Continue to dialog with local utilities

9) Leverage existing assets and work closely with BEDC to build a proactive approach to economic development

10) Work closely with the Region to track alignment of growth with Best Planning Estimates
GROUP DISCUSSION QUESTIONS

1. What can the City do to enhance the marketability of vacant lands? What new tools or municipal project should be explored (e.g. more physical improvements / upgrades, financial incentives)?

2. What else should the City be doing to ensure that Burlington’s employment lands stay competitive?
3. Institutional uses are currently permitted in all designations within the City of Burlington. What should the municipality do to limit impacts on the viability of future employment uses that may result from sensitive institutional uses?

4. Are the proposed conversion policies appropriate? What enhancements or modifications would you recommend?
NEXT STEPS

• Receive feedback
• Submit final report
• City to update policies based on feedback received from consultation exercises & report recommendations