

April 1, 2020

Memorandum to: Matthew Creador, MCIP, RPP
Treasure Hill

From: Peter Norman, Vice President & Chief Economist
Tim Rodgers, Consultant
Altus Group Economic Consulting

Subject: **Keswick Secondary Plan Commercial/Employment Land Analysis – Peer Review**
Interim Reporting Memo

Our File: P-6347

Altus Group was engaged by Treasure Hill to conduct a Peer Review of the Keswick Secondary Plan Commercial & Employment Land Analysis (“uM Study”) prepared by urbanMetrics Inc. (“uM”) for the Town of Georgina, Ontario. This study is intended to be submitted as expert evidence for an upcoming community meeting for the Keswick Secondary Plan (“KSP”) Review relating to the new draft site plan and land use permissions for a property owned by Treasure Hill in Keswick, Ontario. The property is municipally known as the East Part of Lots 14 and 15, Concession 3 (N.G.), Town of Georgina (“site”), and includes land use designations for some 7.22 gross acres of land designated as ‘Commercial/Employment’. At your request, Altus Group (“Altus”) has reviewed the uM Study in regard to the research methodology, assumptions, market evidence and the conclusions provided by urbanMetrics Inc.

For this review, Altus Group has not completed any new or additional research, inventory estimates, or a more in-depth review of the Town’s planning policy pertaining to the Keswick Secondary Plan or Keswick Business Park beyond the information contained in the uM Study. Altus is pleased to provide the following general comments and observations in regard to our initial findings and review of the uM Study. This is an interim reporting memo on our engagement on this matter.

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Initial Findings

The following summarizes our high-level comments on the initial findings of the peer review of the uM Study:

1. The approach proposed for the uM study is generally considered to be an appropriate methodology to address market need relating to overall future forecast commercial and employment space needs.
2. The background review including general context of commercial lands and uses lacks a review of wider planning context vision, goals and principles for Town of Georgina Official Plan and Keswick Secondary Plan, other than describing the various commercial related land use designations. As a result, the analysis of commercial and employment lands the uM Study provides is for a very broad scale of the market and lacks a discussion of geographic specificities of the KSP, for example in terms of areas of population density, and direction or typology of future residential, commercial and employment land growth.

In particular, certain designated 'Commercial/Employment' lands located further north along Woodbine Avenue and within our client's site, are considered as on the 'urban fringe', in the sense that surrounding lands to the north and east have no plans to be developed in the near future and are not within a defined urban boundary. Therefore, these lands are anticipated to be less suited and have lower demand for future commercial and employment uses in comparison to lands located further south along Woodbine Avenue between Glenwoods Avenue and Ravenshoe Road, as the development of Keswick Business Park (KBP) on the eastern side of Woodbine Avenue will build up a critical mass of complementary and ancillary commercial and employment uses surrounding it.

3. The space reconciliation analysis and concluding remarks present a contradictory/confusing statement of findings as they relate specifically to commercial space uses, and seem to omit a final calculation when reconciling commercial and employment land needs. The study finds that there exists an excess 187 acres of commercial land supply yet cautions against re-designating these 'Commercial/Employment' lands for other uses, as there exists a potential estimated shortfall of 85 to 165 acres of employment lands to be accommodated outside of KBP over the forecast period to 2041. However, the uM Study does not consider that the

potential shortfall of employment lands could be sufficiently met by this estimated 187 acres of excess commercial land supply. Even after accommodating all of the 85 to 165 acres of estimated shortfall employment land, a residual 22 to 102 acres of residual excess commercial land supply is estimated to remain. At a 25% site coverage ratio, this surplus of designated 'Commercial/Employment' lands over the full forecast period is large enough to accommodate up to 1.1 million square feet of potential space, which will not be needed for commercial or employment uses up to 2041 according to the estimated forecast commercial and employment land needs in the uM Study.

Moreover, the rationale that the 'Commercial/Employment' designated lands may be needed as reserve lands to accommodate some commercial and quasi-industrial uses not permitted in the KBP is not based on sound methodology and approach. If these uses are envisioned to be needed during the planning period, then they should be accounted for in the commercial and employment land needs analysis for the forecast period. If these uses are envisioned to be needed beyond the planning period, then it is unnecessary to reserve lands for them as the goal of the planning process does not include reserving lands for potential uses beyond the planning period.

4. A broader symptom of this is the combined 'Commercial/Employment' land use designation currently adopted in the KSP in its current definition is misleading and no longer suitable to forecast future land needs with the introduction of employment specific 'business park' land uses as proposed with the Keswick Business Park Secondary Plan. As the Community of Keswick continues to grow this commercial/employment land use designation would be more appropriate to be defined/classified and forecast as separate commercial and employment land use designations each with their own clear yet flexible permitted land uses. Potentially more than one commercial land use designation could be identified to differentiate between the traditional retail and service commercial offerings and commercial and 'quasi-industrial' uses that cannot be accommodated within the KBP.
5. A more thorough review and analysis of current and future employment and industrial land uses and land needs may ultimately find employment lands would be more suited to alternative more appropriate land sites. This will be influenced by the development of KBP and extension of Highway 404 north, as future employment lands may be better suited to

the east side of Woodbine Avenue as residential subdivisions continue to grow and be developed on the west side of Woodbine Avenue along with the required commercial developments.

6. Due to the long-term forecast time period, further discussion on the overall changing nature of the commercial industry, development patterns, and shifting retail trends that are anticipated to impact the future projected commercial land and space requirements of the KSP should be addressed and emphasized. Greater focus on the role of Keswick's future urban structure and how its Urban Centres could accommodate a larger portion of future commercial space than currently estimated could be expanded. As with the evolution of land use mixes, prioritization of complete communities and active transportation, and promoting increasing densities over time in these urban centres, as consistent with provincial planning policy principles, certain per capita commercial space estimates and coverage ratio assumptions may vary resulting in alternative future commercial land use needs forecasts.
7. The forecast of required commercial land needs is based on an assumed typical commercial site coverage ratio of 25%. At an estimated warranted commercial space of approximately 578,000 square feet this translates to a commercial land need of approximately 2.3 million square feet or 53 acres. The KSP defines the Queensway Corridor and its three Urban Centres as playing an important role as the primary structuring element of Keswick, which function predominantly as retail and service commercial centres, including some institutional/community uses and medium density residential developments, as well as tourist oriented commercial uses near the waterfront. Key policy in the KSP states that it intends to "support and strengthen The Queensway Corridor as an area of higher density, mixed use development", and to "provide opportunities for larger numbers of residents to live in proximity to shops, work places and public transit services".

This suggests that future intensification of Keswick's urban centres can be anticipated, along with a greater mix of uses higher, commercial densities and an evolution of retail trends in the long term that could warrant the adoption of a higher typical site coverage ratio than 25% for certain urban centres. While it is recognized that achieving more than a 25% commercial site coverage ratio may be challenging in a smaller, less-dense community such

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- as Keswick, if achieved in Keswick's urban centres it would potentially result in reduced long-term future overall 'Commercial/Employment' land needs and should be explored further.
8. The analysis of future warranted commercial space does not consider short-medium term commercial space needs, as it lacks analysis or discussion of projected phasing of commercial or employment needs over defined periods of time, omitting key information to support the short-medium term development of the KSP. Given that growth and development will occur in the next 5, 10, 15 years before 2041, it would also be prudent to estimate and present the warranted commercial and employment space needs for select forecast periods up to and including 2041 as well.
 9. Acknowledgement is made in the uM Study that a more detailed Employment Land Analysis is required to more accurately forecast the future employment population and land/space. Altus Group agrees with this view.
 10. Other comments on formatting, data and exhibits include:
 - a. Commentary and references relating to the orientation of commercial structure in KSP were limited and difficult to follow throughout the report due to a lack of detailed exhibits and annotations.
 - b. Some inconsistencies in the data and analysis of supermarket food store uses were found in Section 6.1, Figure 6-4.
 - c. Some confusion when switching between acres and hectares, and clearer indication of net vs. gross employment land estimates in Section 8.0. Additionally, the amount of existing approved, currently planned and future employment lands in KBP should clarify whether the 220 acres of approved industrial lands are included or in addition to the approximately 395 acres of 'new' employment lands that could be accommodated in the 'southerly portion' of KBP. If included, then it should be clear 395 acres is the overall total amount of employment land that could be accommodated in both the northerly and southerly portions of KBP.

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Concluding Remarks

Based on our initial review of the uM Study, Altus Group acknowledges that a common research methodology has been used however a number of issues and shortcomings have been identified that make it difficult to appropriately quantify the overall magnitude and geographic location of future lands required for forecast warranted commercial retail and service space independently of employment land space requirements. The uM report generally errs on the side of caution in terms of recommendations whether or not to allow re-designation of existing Commercial/Employment land designations. With a tightening up of the overall reconciliation analysis and more detailed employment land needs study, the future land use needs and permissions of the existing Commercial/Employment land use designation in the KSP can be more appropriately and accurately reviewed and re-designated.

Given the identified shortcomings in this initial uM Study, **we are not satisfied with the current recommendation to not permit any 'Commercial/Employment' land re-designations within the KSP area.** This statement has significant impacts on the future viability of our client's site, lands and the greater KSP area overall, and should be thoroughly investigated further before a decision is made. Due to the longer-term forecast, there is a long enough time period to match supply with future demand, a substantial amount of residual surplus land supply after accommodating for all future employment space land needs, and future critical mass surrounding the KBP to the south, that it is of the opinion of Altus Group that there is merit in considering the re-designation of some of the "Commercial/Employment" designation on our client's site to residential, or potentially providing for the flexibility to allow for potential residential uses in the future.