

GO INVESTMENT CORRIDOR ECONOMIC VISION

*Please note that this vision is currently in progress and this is a condensed, draft format.

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INTRODUCTION & CONTEXT

With more millennials entering the workforce and increased immigration in the Greater Toronto and Hamilton Area (GTHA), the industrial, office and retail markets requirements are continuously changing. Workers seek culturally rich areas that offer a range of amenities and activities for people of all ages to provide them with work-life balance. Employers also seek to locate in or have access to such areas to retain a talented and diverse workforce. Burlington needs to distinguish itself as a desirable place for workers and employers to live, work and invest in the City. Although Burlington was given the title of Best Community in Canada and the Best City to Raise a Family by Maclean's magazine in 2019, Burlington faces significant competition from other municipalities in the GTHA when it comes to economic growth. There are a number of challenges for employers in Burlington, including lack of developable land, limited access to transit, and high land and development costs, particularly along the QEW corridor.

One of the greatest challenges in Burlington is the limited supply of greenfield land for development. In order to sustain economic growth while protecting our natural heritage, Burlington must intensify development in designated areas. One of the ways in which the City plans to accommodate development in the future is through developing compact, mixed-use urban areas around the GO transit stations along the QEW highway.

Much of Burlington's vacant and developed employment land is located along north and south of the QEW highway, and is referred to as the GO Investment Corridor in this document. The three GO transit stations, namely Aldershot GO, Burlington GO and Appleby GO are designated Major Transit Station Areas (MTSAs) and these GO stations and their surrounding areas will be referred to as MTSA Special Planning Areas (formerly referred to as the Mobility Hubs).

Currently, the Region of Halton is undergoing the Municipal Comprehensive Review (MCR) to determine the boundaries of MTSAs in the Region, including areas around the three GO Stations. The Growth Plan (2019) requires that upper-tier municipalities delineate and identify minimum density targets for MTSAs. The City of Burlington will then develop Area Secondary Plans (ASPs) for the MTSA Special Planning Areas.



Burlington will take advantage of Metrolinx's planned Regional Express Rail, featuring two-way, all-day service every 15 minutes along the Lakeshore West line to develop the MTSA Special Planning Areas into mixed-use areas that are environmentally friendly, infrastructure-efficient, transit-oriented and walkable.

Through this process, Burlington Economic Development will set specific employment targets for employment lands that have been converted to allow mixed land uses. The predetermined targets will aim to achieve higher employment density or better employment outcomes than the existing state of converted mixed-use sites. Burlington Economic Development will also develop a business brand and marketing strategy attractive to 21st century businesses, and identify and implement tools to address key constraints in economic development.

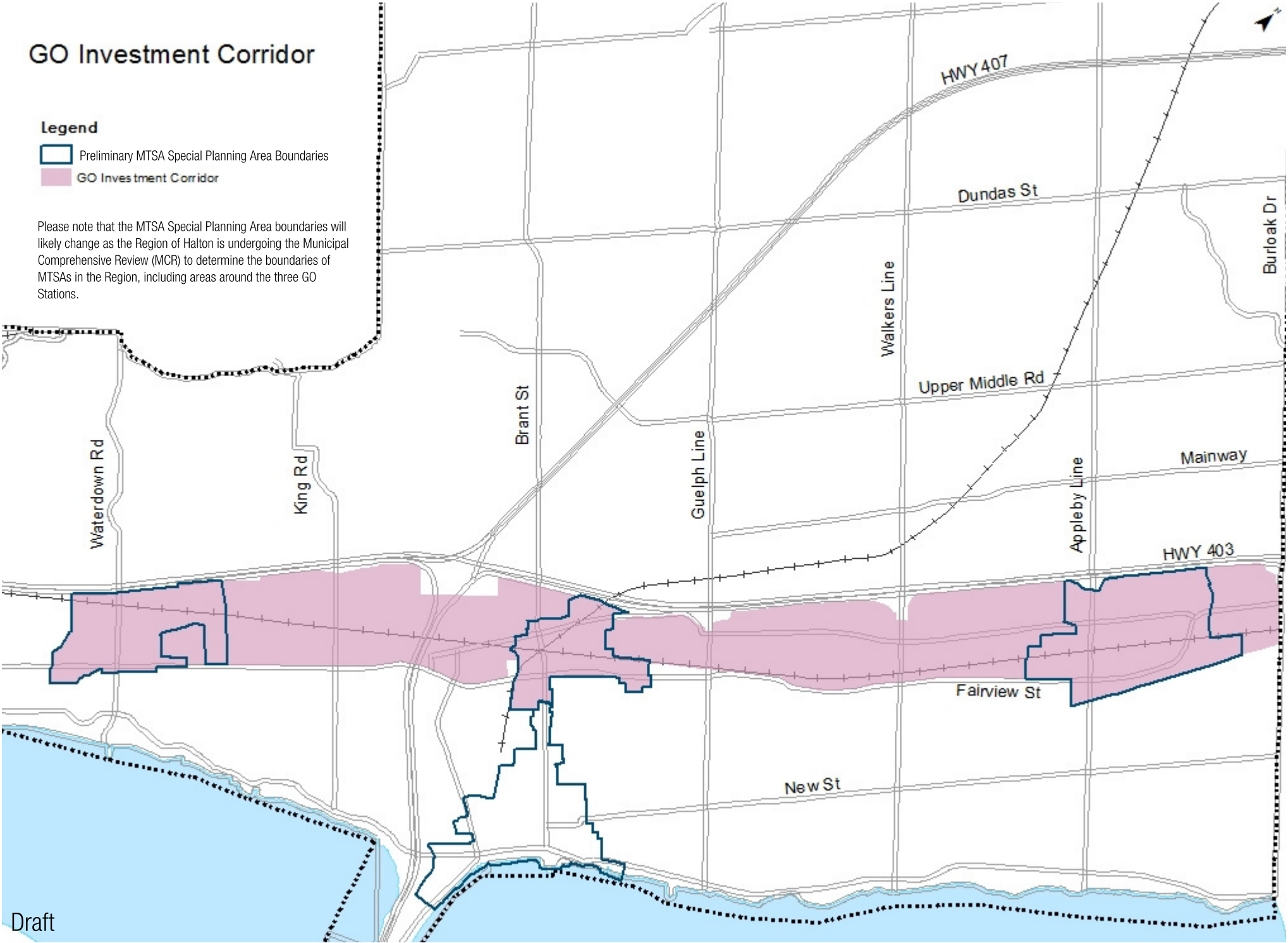
The preliminary technical work conducted by the City in 2017 illustrated that there is a potential to add over 60,000 jobs in Burlington through the development of mixed-use, transit-oriented neighbourhoods surrounding the GO stations. Burlington Economic Development plans to take advantage of this opportunity to derive positive economic outcomes for businesses and talent in the City and attract the types of jobs and amenities that are desirable for these areas. With the redevelopment of Burlington, there comes an opportunity to competitively position the City within the GTHA as a top location for business and talent.

GO Investment Corridor

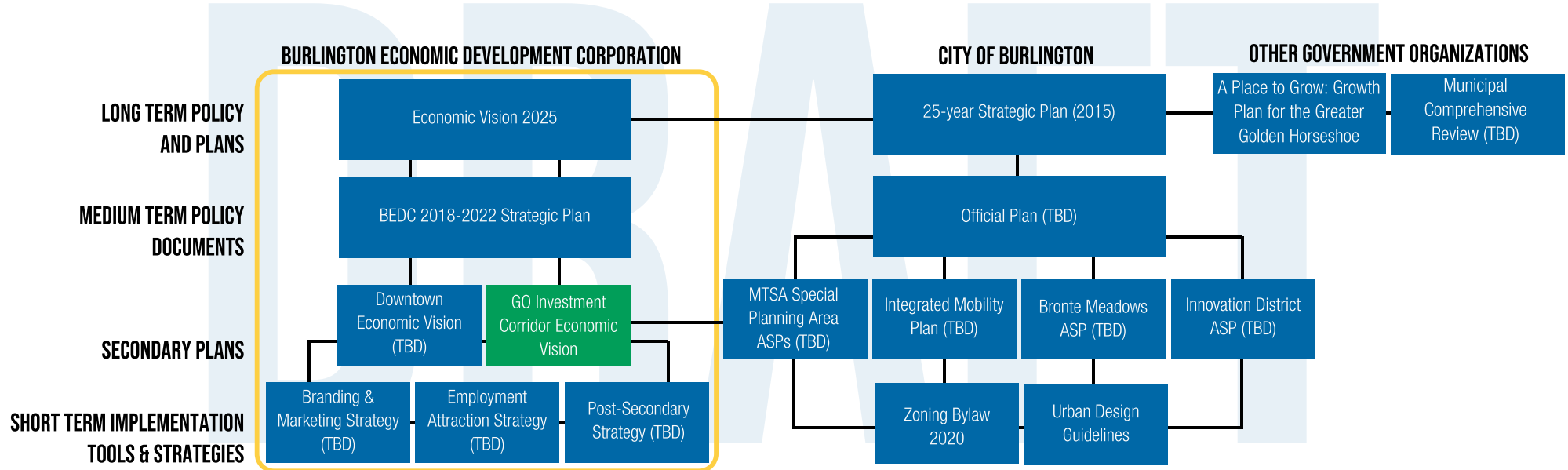
Legend

-  Preliminary MTSA Special Planning Area Boundaries
-  GO Investment Corridor

Please note that the MTSA Special Planning Area boundaries will likely change as the Region of Halton is undergoing the Municipal Comprehensive Review (MCR) to determine the boundaries of MTSA's in the Region, including areas around the three GO Stations.



POLICY FRAMEWORK



PROCESS & TIMELINE

1. PRELIMINARY RESEARCH & ANALYSIS

The preliminary research consisted of reviewing the technical work and background research conducted by the City of Burlington for the ASP work. Burlington Economic Development also retained consultants to conduct research on industrial, office and retail market trends, employment density and targets, and the types of employment uses that would be compatible within the hubs. Burlington Economic Development will analyze economic development best practices in other mixed-use environments and incorporate them in the implementation plan for this vision.

2. STAKEHOLDER CONSULTATION & ENGAGEMENT

To date, stakeholder consultation has been conducted in two phases. In the first phase, market stakeholders, including developers, land owners, existing businesses in the mobility hubs, and realtors were interviewed. In the second phase, stakeholders from key partner organizations, including but not limited to city and regional partners, transportation agencies, real estate and housing associations, and infrastructure providers were interviewed. The phasing of the consultation allowed Burlington Economic Development to note key differences and similarities in the vision for the mobility hubs between the market and partner stakeholders. Burlington Economic Development will work in conjunction with the City of Burlington to conduct broader public and stakeholder engagement.

3. PLANNING & VISIONING

Burlington Economic Development formed a subcommittee to help guide the economic vision and implementation plan alongside consultation with key stakeholders that have been involved so far. The subcommittee included Burlington Economic Development's board members, real estate, urban planning, human resources, and technology experts.

4. DEVELOP DRAFT GO INVESTMENT CORRIDOR VISION

Based on feedback from the stakeholders and subcommittee and findings from foundational studies, Burlington Economic Development developed a draft vision and guiding principles.

5. RECOMMENDATIONS & STRATEGIES

Burlington Economic Development will develop strategies and tactics to assist in the implementation of this vision.

6. IMPLEMENTATION

The development of the implementation plan will commence following the reexamination of the Official Plan, and the completion of the Interim Control Bylaw Study and the GO Mobility Hubs Area Secondary Plans.

| VISION

DEVELOP FUTURE-FOCUSED BUSINESS ENVIRONMENTS THAT STRENGTHEN EXISTING BUSINESSES, AND ATTRACT NEW HIGH-GROWTH BUSINESSES AND KNOWLEDGE-BASED TALENT.

| OBJECTIVES

1. Retain and integrate existing compatible businesses into the development of the MTSA Special Planning Areas.
2. Create an open business environment and foster growth opportunities that attract new businesses.
3. Develop an environment that attracts knowledge-based talent to work and live in Burlington.

SUMMARY OF FOUNDATIONAL STUDIES

The foundational studies that review the industrial, office and retail markets in Burlington and the broader GTA were conducted by Deloitte LLP and are summarized below.

TRENDS IN THE INDUSTRIAL MARKET

Five key trends were highlighted in the studies as influencing the industrial sector's future state while reshaping the land economics and uses based on the following requirements:

1. Flexible building typologies and footprints.

As the manufacturing sector becomes more consumer-centric, good quality, well-located, modern industrial assets will be one of the most desirable asset classes in Canada. Aligned to enhancing the consumer experience through multiple touchpoints, businesses are designing industrial buildings that allow for flexibility of alternative uses, such as service centres and showroom properties used in the auto-industry. This could also translate to businesses requiring smaller warehouses close to urban centres to handle pick-up and returning requests.

2. Digital infrastructure and R&D space.

IoT capabilities and integrated machine learning technologies will enable the development of products with cutting edge technologies. Smart products will lead to highly digitalized transit hubs with automatized machinery, requiring industrial sites that meet industries' locational requirements while incorporating flex and R&D uses into the Zoning Bylaw and Official Plan. Increasing demand for IoT applications and technological innovation will drive demand for R&D space, such as business parks, to develop new solutions and test various applications in the real world.

3. Well-connected transportation infrastructure.

A digitized supply chain requires a stronger reliance on IoT and sensor powered technologies as well as infrastructure to serve the growing demand within the supply chain. The digital supply chain will require fulfillment centres in close proximity to large urban centres, necessitating a stronger reliance on public infrastructure such as highway networks to serve warehouses and distribution centres' mandates. A major cost driver in e-commerce is transportation, which accounts for approximately 50% of the total cost. As a result, well-connected and established highway networks are crucial infrastructure to support the growth of fulfillment centres.

4. Fewer and more specialized jobs.

Smart factories will leverage smart plug-and-produce approaches to increase manufacturing agility, also known as Industry 4.0. Modular construction and smart building will change the talent skill sets and knowledge requirements, shifting the talent pools that will be tapped. As factories continue to progress to Industry 4.0, employment opportunities will accelerate towards high technology and specialized skill-sets. Likely this means that there will be a demand for newer skills, but fewer workers –land use will be further optimized and intensified. This will likely mean that although demand for technical talent will increase, there may be fewer and more specialized jobs, resulting in an opportunity for the City to free up industrial employment land for alternative uses.

5. Flexible policy and zoning regulations.

Evolving business models require meeting prerequisites in order to accommodate changes. The industrial sector continues to progress at an accelerated rate in order to accommodate the fast-paced implementation of technologies. Enterprises are continually challenged to adjust their business models and maintain flexibility within their business models. This will mean businesses require greater support through policy measures and flexible and multi-purpose end-use options.

TRENDS IN THE OFFICE MARKET

Four of the following key recommendations emerge from the studies for Burlington's office market:

1. Burlington faces significant competition from Oakville.

Burlington possesses a highly educated and skilled workforce, which provides a tangible competitive advantage when trying to attract and retain employers. However, Burlington is located in the Greater Toronto Area West, the most competitive suburban office market in the Greater Toronto and Hamilton area. Oakville is preferred by the international and institutional occupiers and that is unlikely to change in the short or medium-term. Burlington itself is currently a preferred location for local occupiers and lends itself to development as a regional hub for smaller users who desire office space that is different from traditional institutional uses.

2. Market will favor traditional greenfield development.

The QEW Corridor and the 403 West Corridor represent traditional greenfield development locations. Historically, the majority of new major office buildings outside of the City of Toronto have been accommodated in business park environments featuring superior 400 series highway access

or GO train access in some instances. The most successful suburban office nodes, such as those in Mississauga, prospered due to their proximity to major arterial highways, high visibility and branding for large office users, proximity to employee populations and large areas of surface parking to satisfy tenant requirements for high parking ratios. If the market is left to act freely, the QEW and 403 West corridors are likely to see lower density, greenfield development due to lower construction costs, however this is at odds with the Province's growth plan which promotes intensification. The market must be provided with financial incentives, such as a community improvement plan (CIP) to locate in mixed-use environments and attract office users in the hubs.

3. Workplace transformation will affect potential growth.

Open concept and collaborative environments are steadily becoming the norm for new office developments. The demand for office use is changing increasingly as companies choose to offer teleworking and agile work environments, resulting in less space per worker and reduced demand. Furthermore, there has been a shift internally towards flexible, configurable space that offers plenty of natural daylight. Burlington must encourage and embrace the workplace transformation and its built-form in order to attract developers and tenants.

4. Burlington needs to leverage its role as a regional hub in the marketplace.

Burlington is a regional hub that is a preferred location for local users, while Oakville is a target for larger international and institutional entities. This dynamic is unlikely to change in the short or medium-term as Oakville will always be closer to Downtown Toronto, Pearson International Airport and other established infrastructure. The City must take a leadership role throughout the development process, and consider using financial incentives to attract development or facilitating expedited planning approvals. Ultimately, Burlington must embrace its role as a regional hub and implement creative measures to attract and retain tenants who are more likely to invest and stay in Burlington.

The studies highlight five prevailing trends that are disrupting the office industry and will impact future office developments:

1. War for Talent.

Surrounding uses of an office building and the supporting retail mix have become one of the key considerations when organizations choose a location as they aim to accommodate preferences.

2. Agile Workspaces & Footprint Optimization.

With reduced requirements of office space and an increasing demand for amenities, the GO Investment Corridor development needs to be cautious to ensure an appropriate amount of new supply.

3. Infrastructure Improvements.

Affordable, reliable and convenient transit options are highly sought after and are the key components for any successful mixed-use development.

4. Sustainability.

End-users and landlords are increasingly looking for ways to improve sustainability to achieve their objectives, it is important for to keep this in mind during the build out process of the GO Investment Corridor.

5. The Rise of “Space as a Service”.

Where possible, the the MTSA Special Planning Areas may incorporate the rise of co-working spaces in its planning process to accommodate future demand for small-scale office space.

TRENDS IN THE RETAIL MARKET

The studies highlight the following key trends emerging in the retail market:

1. Omni Channel & Retail Accessibility.

Retailers are enhancing the consumer experience by aligning all consumption channels. Brick-and-mortar retail remains relevant as the impact of e-commerce is not equal across all retail categories and formats. The MTSA Special Planning Areas must target comparison retailers that are able to thrive in a suburban setting or have a strong existing customer base.

2. The Rise of Mixed-use Developments.

Retail amenities within these mixed-use concepts typically are convenience-based to support on-site residents and commuters, but may also include entertainment and leisure facilities to attract customers and visitors from a wider trade area.

3. Rise of Food, Beverage, & Entertainment as “New Anchors”.

As consumers are placing greater emphasis on social experiences and health as part of their lifestyle choices, food and beverage, wellness, and entertainment offerings are increasingly part of the retail mix.

4. The Polarization of Retail.

Alongside the ‘hollowing out’ of the mid-market segment has come a surge of value-oriented and premium retailers. The MTSA Special Planning Areas could be positioned with value-oriented and convenience retailers.

5. Walkability & Placemaking.

Implementing enhanced urban design features and placemaking elements that are unique to each MTSA Special Planning Area would add an element of visual completeness and attract visitation.

DRAFT GUIDING PRINCIPLES



1. DEVELOP EACH MTSA SPECIAL PLANNING AREA INTO A COMPLETE COMMUNITY THAT HAS A MIX OF RESIDENTIAL, EMPLOYMENT, AND RECREATIONAL USES.

The MTSA Special Planning Areas will be compact, mixed-use urban neighbourhoods that will enhance the quality of life by providing a range of amenities and services catered to residents and businesses within a walking distance. The MTSA's will be destinations that attract visitors and bring the community together through places and programming.



2. FOCUS ON PLANNING FOR FUTURE SERVICES AND INFRASTRUCTURE, AND ENSURE SUSTAINABLE DEVELOPMENT.

Plan for services and infrastructure, both physical and virtual, in a manner that meets future trends and needs. The MTSA Special Planning Areas will be able to accommodate the future demographic and business needs and will require long-term planning and revision. The future vision will be flexible and be able to adapt to current conditions.



3. DEVELOP A UNIQUE IDENTITY FOR EACH MTSA AND A MARKETING BRAND FOCUSING ON ATTRACTING PEOPLE AND TALENT TO THE AREA.

Each of the MTSA Special Planning Areas encompasses a unique identity, which will be enhanced to make them into desirable places for residents, employers and visitors alike. The distinctive brand of each MTSA will be representative of its current strengths and will ensure the area is an attractive destination instead of a pass-through zone for transit users.



4. IDENTIFY KEY EMPLOYMENT GROWTH AREAS IN THE HUBS AND MARKET TO THE FUTURE WORKFORCE AND INDUSTRIES.

The areas designated for employment growth within the MTSA's will attract desirable uses and accommodate the evolving requirements of employers. The employment uses will be compatible with the surrounding uses of the area and will cater to future businesses and talent. The MTSA's will provide a range of affordable housing options, transit connectivity, and amenities that will support the future workforce.



5. INTEGRATE THE MTSAS INTO THE CITY FABRIC AND PROVIDE SEAMLESS TRANSPORTATION CONNECTIVITY.

Ensure that the GO Investment Corridor Vision aligns with the vision for the broader City of Burlington. The MTSA Special Planning Areas will be individual communities that are seamlessly connected through infrastructure such as street network, transit, cycling paths, etc.



6. ENGAGE STAKEHOLDERS TO DEVELOP A COLLABORATIVE IMPLEMENTATION PLAN FOR THE GO INVESTMENT CORRIDOR VISION.

It is essential to engage stakeholders at all levels early in the process to develop a holistic implementation strategy and business plan for the development of the MTSA Special Planning Areas. The execution of this vision relies on strong collaboration to ensure the resources and tools are in place to reach the full potential of the MTSAs and ensure a smooth development process.



ECONOMIC DEVELOPMENT
Burlington